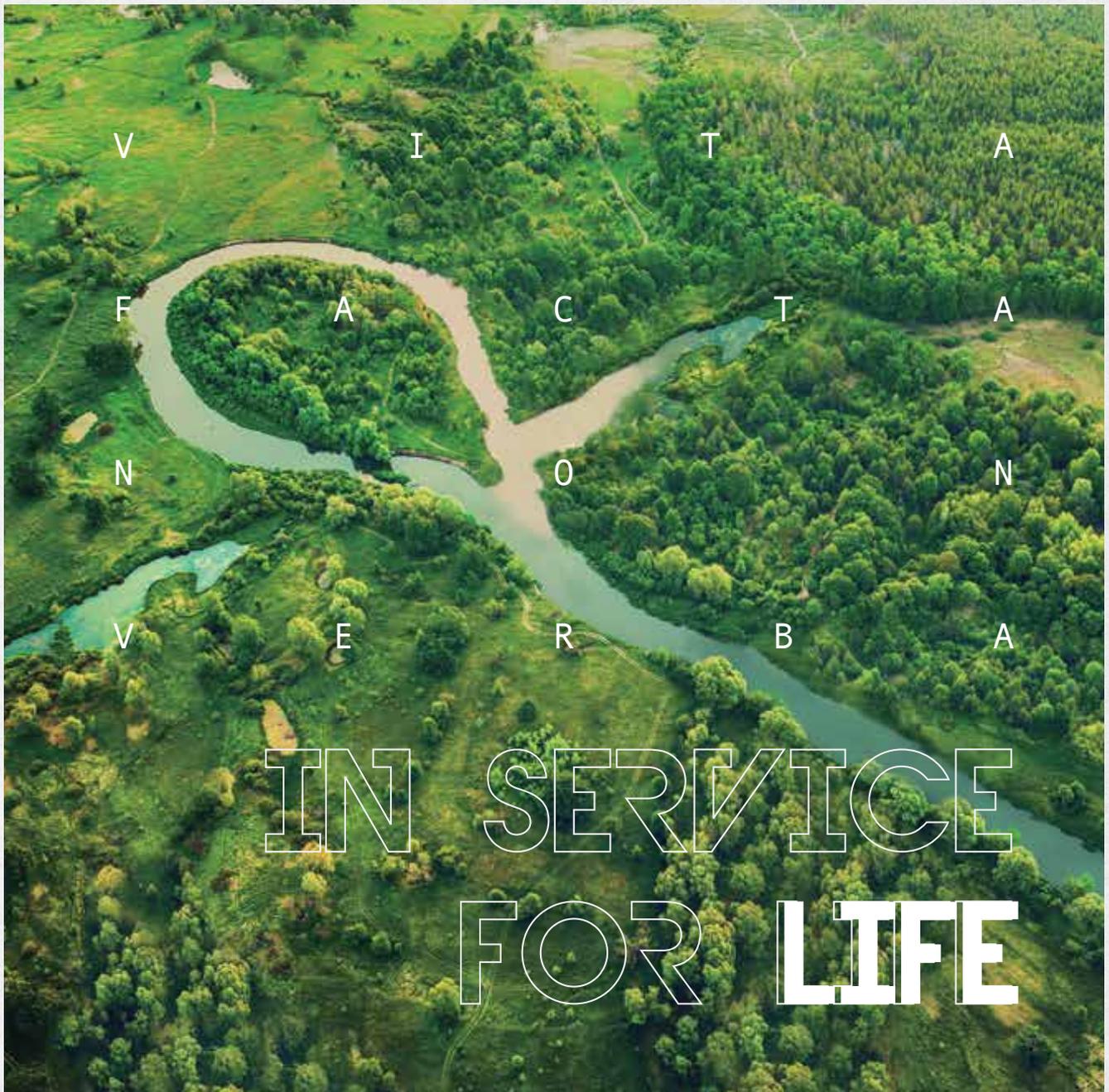


THE TAIWAN CEMENT CORPORATION 2022 ANNUAL REPORT



WEBSITE : www.taiwancement.com

(MOPS)MARKET OBSERVATION POST SYSTEM WEBSITE: mops.twse.com.tw

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01 Letter to Shareholders

The older generation of Chinese used to say in regard to the business cycle: "god, tiger, and dog". But what did they really mean? The term "god" represents that one can do anything/business they desire. "Tiger" means one has to fight tooth and nail for business but it can usually be won. "Dog" means that one will be treated as an unbeloved dog! The slogan literally meant that business always experiences cycles. This is embodied in the concept of circularity which makes no exception to any industry or business. The same is true for all things and phenomena in nature. We live in a world full of fluctuations, no matter what we do, be it a living being or plant, all have their cycles. Everyday has two shifts as day and night; seasons have four distinct identities as spring, summer, fall and winter; the shapes and brightness of the sun and the moon have regular changes; the ocean tides rise and fall. They all demonstrate that once the bottom is reached, it bounces back, Yin and Yang may seem opposed and antagonistic, but they help to strike the balance in the cosmos. In fact, every single process of Nature proves it is there for a reason and why it is indispensable. Every moment has its own beauty.

The beauty of the Earth lies in the spring rain, summer clouds, fall moon and winter hills. These beautiful vicissitudes light up the four seasons.

The Moon has its own phases. It continues to take the form of full or crescent shapes. Each has its own charm and beauty, reflected on by a vigorous and resilient Earth.

The cycle of industry furnishes us with a moment for self-examination. We can look back at what we have done in order to determine what went wrong, which hopefully offers the opportunity to seek change in favor of optimization or with a new direction for the future. We will succeed as long as we stick to our initial aspirations, live up to our commitment to social responsibility, and generate reasonable returns for shareholders'. As long as we are on the right track, the business cycles will only make us stronger. As long as we are doing what should be done and is it worth doing, the company will continue to move forward in ever-greater strides.

TCC believes that being able to serve the earth, society, and all beings are the most important company objectives. "In Service for Life" is our Theme for this Year.

Cement is the glue of our civilization as it is the most basic building material. There is no substitution for the foreseeable future. Our responsibility is to reduce CO2 emissions and save energy. Therefore, TCC will continue to prioritize R&D on our corporate agenda and strive to optimize our full range of cement and cement-related products.

By using the high temperature which is emitted in cement-making to handle waste treatment, it is also an alternative fuel for our carbon reduction. This CO2 reduction process also helps our society alleviate environmental pollution problems. TCC has thus decided that it will keep developing SRF (Solid Recovered Fuel) as an energy source.

Energy is also a prerequisite for human civilization. However, humans cause sizable pollution and greenhouse gas emissions of carbon dioxide in the process of producing and using energy. In 2022, the Earth has seen drastic climatic events, resulting in countless deaths and ecological damage.

If human civilization is to continue, we must change the way energy is secured and use it more efficiently, including the introduction of clean energy storage and new smart grids. Strategically, the new energy transition is one of the main directions for TCC. In 2021, TCC spearheaded the investment in NHOA, a listed company in Europe with cutting-edge know-how and expertise in energy storage. As its main shareholder, TCC is an engine of growth in the world's new energy transition.

In addition to the 3-pronged development strategy, TCC would like to reiterate that "In Service for Life" is our theme for this year. We believe that the continuation and the protection of life are the final goals of all undertakings.

Earth, the Blue Sapphire which glows in the universe, is full of life, yet also vast uncertainty. All plant and animal species evolve from one generation to another as if life is boundless and endless.

Life is a blessing and a benevolent gift. Human beings were intrinsically created from many other forms of living beings on earth. Notwithstanding, humans have devastated Nature, including various species which became endangered or extinct.

All life faces challenges in one way or another, and a question has continuously been asked: what is the purpose of our finite life? With this limited time, we should not waste any of it. The main purpose of life is to create more possibilities and a better outcome for future generations.

Life on Earth is the sum of all living organisms, including the animals, plants, fungi and microorganisms that inhabit our planet. It is so diverse that it is estimated to comprise at least 8.7 million species.

Sunlight provides the energy source for all life on the Earth's surface. It drives photosynthesis, enabling the production of oxygen and food upon which all living things depend. When an animal or plant dies, fungi and microbes are generated to enable everything to be recycled.

All life is precious in the sense that each life is unique and therefore irreplaceable. Every life is also valuable as it functions as an integral part of Nature, no matter how small or insignificant it seems to be. Every lifeform is again interrelated with other lives, like quantum entanglement, which does not seem to have an all-inclusive interpretation. All life on Earth is a precious gift. It deserves to be cherished and is due our respect. All life on Earth is interconnected and various species are interdependent with one another for survival in order to strike a balance in the environment. Therefore, this year, TCC has also started a "Hoping Sustainable Ecological Ark" project in the Hoping mining area to study the diverse ecology under the land to protect the balanced development of diversified life forms on the earth.

Activities humans have engaged in on Earth have resulted in drastic changes to the environment, worsening habitat and species extinction. This is not related to Natural Selection that Charles Darwin postulated, nor the Survival of the Fittest that Economist Herbert Spencer later asserted. Nor does it apply in even worst-case scenarios such as: "the law of the jungle", or selfishness and disregard

for others. Only when we say no to all these deplorable behaviors can we find an optimal way for the survival of humans. Being compassionate to all others in Nature in favor of co-existence and an altruistic way of living is the best option for humans to survive and develop.

However, since the Industrial Revolution, humans have been adding greenhouse gasses into Earth's atmosphere at a rapid pace. This massive increase in greenhouse gasses has caused the planet to grow warmer, leading to extreme weather events, rising sea levels, and other severe environmental impact. These changes have adverse effects on all people. For example, extreme weather events such as floods, droughts and heat waves can bring about food shortages, displacements and health problems. Shoreline communities could fall victim to coastal inundation and vanish due to rising sea levels. In addition, climate change can impair natural resources, such as clean water, from being adequately available, thus boosting the spread of disease. All these changes have major consequences for humanity and its ability to survive and flourish in the future.

The future world economy has to be a circular economy. A circular economy is a social model in which waste is minimized and resources are reused or recycled to create new products or services. It is by definition “a system that uses resources in the most efficient and sustainable way by systematically eliminating waste and ultimately recycling or reusing all materials.” The circular economy aims to reduce negative environmental impact from products and waste, thereby improving the economy by reducing waste collection and disposal costs. This leads to an improvement of the planet's ecology.

With the rising awareness of the environment and the circular economy, we are hopeful that Mankind can work together to restore closer harmony with Nature to ensure that future generations are better protected, thus enabling a bright future.

2022 Annual Business Report

In 2022, TCC's consolidated revenue was NT\$113.93 billion, an increase of 6.4% over the previous year. However, the company's net profit after tax decreased to NT\$5.4 billion, a 73% reduction compared to the previous year. This was due to the sharp rise in the cost of coal purchases. The annual budget achievement rate was 36%, and earnings per share was NT\$0.74.

The Russia-Ukraine War and rising inflation worsened the global situation. The shortage in the supply of raw materials and the increase in production and transportation costs have had a major impact on the global economy and on TCC's profits.

The United States in a bid to curb inflation, raised interest rates and many countries' central banks followed suit. Concerns about high interest rates and economic recession may still exist for a period of time.

On the other hand, the pandemic and its political and economic conflicts with the United States have affected mainland China, its overall economy in a downward trend. These had a severe impact on TCC's cement business in mainland China. Fortunately, the pandemic has gradually eased and the cement market in mainland China could gradually recover.

Based on the market demand and factory production plans, the 2023 consolidated budget has set a sales target of 44.1 million tons of cement and clinker and 5 million cubic meters of ready-mixed concrete.

Cross-industry circular economy, waste reduction, and carbon reduction

TCC helps make industrial waste and household waste harmless and resource-efficient, transforming them into alternative raw materials for cement manufacturing and thus reduce the consumption of natural resources such as limestone, clay, silicon, and iron slag. Industrial and household waste could also be used as alternative fuels to reduce the use of coal and reduce carbon emissions.

In this way, the company supports semiconductors, steel, building materials, and other enterprises, as well as power plants, water purification plants, and the government.

The use of alternative fuels really started in 2020, and the replacement rate in terms of heating value increased from 0.21% to 4.08%.

According to statistics, from 2019 to 2022, in TCC's two factories in Taiwan, the utilization rate of alternative raw materials per ton of cement increased from 19.07% to 22.04%.

In mainland China, in all factories, from 2019 to 2022, the utilization rate of alternative raw materials per ton of cement increased from 17.0% to 26.8%. In 2022, the replacement rate in terms of heating value increased from 1.25% to 8.25%.

UHPC developed by TCC, compared to traditional concrete, has ultra-high mechanical properties, high compressive strength, and superior durability.

The life cycle of most concrete buildings is 50-70 years, while the life cycle of UHPC buildings can reach more than 100-120 years. UHPC buildings also reduce building reconstruction and construction waste generation; in other words, they implement carbon reduction.

TCC has set up the Hoping Plant, a UHPC production base in Hualien.

The UHPC produced is not only used to build the curtain wall of TCC's DAKA Renewable Resource Utilization Center in the Hoping Plant; it is also used to design and manufacture energy storage cabinets. It has obtained an invention patent.

Compared with today's standard metal containers, UHPC energy storage cabinets have the following advantages: lower thermal conductivity, weather resistance and high compressive strength, fire resistance and flame retardancy. It has passed the CNS 12514 two-hour flame-shielding and heat-resistance test, and can withstand water pressure of 2 tons/square meter. It is completely disaster-proof and can reduce carbon by about 50% under the same volume capacity.

TCC Green Energy Corporation is friendly to the environment and to the local community

TCC Green Energy continues to uphold the spirit of "full use of clean air, wind, water, and land" to expand the layout of renewable energy. In 2022, it was connected to the grid in Yizhu Township and Budai Township, Chiayi County. The fishery and electricity symbiosis sites' capacity was 43.4 MW, and the cumulative grid-connected renewable energy reached 79.3 MW.

In addition to its original layout of solar and wind power generation, TCC Green Energy Corporation is also exploring the possibility of diversified renewable energy. In 2022, the company cooperated with CPC to drill three geothermal production wells in Yanping Township, Taitung County. On February 12, 2023, the drilling of two production wells was completed, and the third production well is expected to be completed before the end of March 2023. Geothermal well cleaning and productivity testing will begin at the end of April.

While developing renewable energy, and upholding the spirit of creating employment opportunities and assisting local creativity, TCC Green Energy and FDC International Hotels Corporation jointly planned the Vakangan Hot Spring Park and began operations on August 27, 2022. Twenty-six local Taitung enterprises were invited to set up their facilities and support the creation of a new base for sustainable tourism, and to co-prosper with the local area.

TCC Energy Storage starting from DAKA, creates new energy and new life

On March 3, 2022, at the DAKA Renewable Resource Utilization Center, TCC Energy Storage planted the first seed for a pure green electric vehicle charging pile. 2022 was also the year of the successful completion of various facilities such as those in Yawan, Tainan and Lequn and Zhishan in Taipei. Close cooperation with enterprises from different industries brought about the creation of a low-carbon and high-quality energy charging culture.

TCC has developed a diversity of applications in the energy storage business. In April 2021, it used the first large-scale AFC energy storage system in Taiwan. In April 2022, the company completed E-One Moli Energy Corp.'s 1 MW energy storage system that formed part of Taipower's energy trading platform for ancillary service and electricity reserve capacity.

In September 2022, at the Hoping Plat in Hualien, TCC provided a 30 MW backup service in the form of a composite model combining energy storage with factory load reduction systems in response to increased demand.

In March 2023, the Hoping Plat passed Taipower's performance tests on its newly built 10 MW E-dReg energy storage system and became the largest enhanced dynamic frequency modulation standby energy storage system that also joined Taipower's energy trading platform.

E-One Moli Energy develops new businesses and successfully creates electric vertical take-off and landing aircraft market

The next generation of high-end, high-power products will continue to use batteries. TCC benefited from the growth of the high-end market and deepened its niche markets such as those of imported high-end supercar models, and high-end heavy-duty and off-road electric two-wheeler vehicles. The company also increased its share of the electric vertical take-off and landing (eVTOL) aircraft market. It has successfully shaped its brand image as a leading provider of safe, high-energy, and high-power lithium batteries.

Faced with the adverse effects of climate change, upheavals in the international political and economic situation, and high inflation, TCC is still working hard to map out a blueprint for future development. We aspire to open up a difficult yet bright future for a world-class road of renewable energy and energy storage.

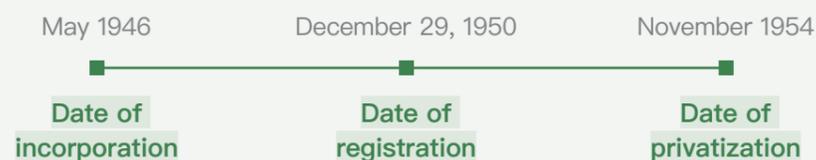
We will be highly proactive in this and respond to the cry of nature, uphold the ideal of serving life, abide by the law of sustainable existence that enterprises and life are inseparable. They coexist, prosper and benefit society, and together strive to make eternity possible.

Chairman




02 Company profile

2.1 Overview



Capital

| Authorized capital | Paid-in capital |
|--------------------|--------------------|
| NT\$85 billion | NT\$73,561,817,420 |

2.2 Company profile

(1) Introduction to TCC

- **1946** The Asano Semento Kabushiki Kaisha Asano Cement Co., Ltd. was renamed as Taiwan Cement Company's Kaohsiung plant. Taiwan Chemicals Co., Ltd. was renamed as Taiwan Cement Company's Suao plant. Taiwan Cement Co., Ltd.'s plant in Songshan was renamed as Taiwan Cement Company's Taipei plant. Taiwan Cement Company was officially established as a joint venture between the National Resources Committee of the Ministry of Economic Affairs (MOEA) and the Taiwan Provincial Government.
- **1954** Taiwan Cement Company was privatized after the government implemented the "land-to-the-tiller" program. Mr. Lin, Bo-Shou hosted a joint meeting with the Board of Directors and Supervisors and took over the role of Chairman.
- **1955** Taiwan Transport & Storage Corporation was established.
- **1961** Taiwan Cement's headquarters was constructed.
- **1962** TCC became the first public company listed on the Taiwan Stock Exchange (TWSE:1101). TCC International Holdings Limited and Hong Kong Cement Manufacturing Company Limited were established.

- **1973** The government launched the Ten Major Construction Projects, with cement as a key support industry. China Synthetic Rubber Corporation and Kuan-Ho Refractories Industry Corporation were established. Mr. Koo, Chen-Fu took over the role of Chairman.
- **1974** TCEC Corporation was established.
- **1979** Ta-Ho Maritime Corporation was established.
- **1991** TCC Information System Corporation and Taiwan Prosperity Chemical Corporation were established.
- **1992** As awareness of environmental protection increases, the mining rights of the cement plant in western Taiwan were not extended. Onyx Ta-Ho Environmental Services Co., Ltd. and E.G.C. Cement Corporation were established.
- **1996** To cooperate with the government's policy of relocating industry to eastern Taiwan, TCC constructed the TCC Hoping Industrial Port Corporation and began operations for the storage and transportation of cement.
- **1997** Ho-Ping Power Company was established.
- **1998** E-One Moli Energy Corporation was established.
- **2000** TCC started operations in China by investing in the Anhui plant. The Hoping plant began operations. TCC pioneered the first "Port + Cement plant + Power plant" three-in-one circular economy combination at the Hoping Plant. The Hoping harbor, Hoping Cement plant and Hoping power plant served as a demonstration park for zero waste and low carbon emissions through cross-sector collaboration and resource sharing.
- **2003** Mr. Leslie Koo took over the role of Chairman.
- **2004** The Fuzhou plant in Fujian began operations.
- **2005** The Liuzhou plant in Guangxi began operations. The Yingde plant in Guangdong began operations.
- **2007** TCC established the Dr. Cecilia Koo Botanic Conservation Center to support and launch a program for global tropical plant conservation. For its first M&A deal in China, TCC acquired Jing Yang Chia Hsin Cement (now named as Jurong TCC Cement Co., Ltd.).

- **2008** The Guigang plant in Guangxi began operations.
- **2010** The Chongqing plant began operations.
The Changqing plant in Liaoning began operations.
- **2011** The Anshun plant in Guizhou began operations.
The Guangan plant in Sichuan began operations.
TCC and the Industrial Technology Research Institute co-constructed Asia's largest calcium-looping CO2 capture pilot plant in Hoping.
- **2013** TCC Anshun plant in Guizhou launched a project to co-process household waste in cement kilns.
- **2015** The project of cement kilns co-processing household waste of TCC Anshun plant started operations.
- **2017** Mr. An-Ping Chang took over the role of Chairman and envisioned a blueprint to reinvent the TCC Group:
TCC is not just a cement manufacturer and seller, but also an Eco-Solution Provider. TCC engages in green engineering and focuses on the complex relationship between humans and nature.
- **2018** TCC Green Energy Corporation and Linyuan Advanced Materials Technology Co., Ltd. were established.

TCC completed the construction of its first ground-based solar power plant in Changhua Coastal Industrial Park.

TCC established Taiwan Cement (Dutch) Holdings B.V. as its global base in Amsterdam.

To expand into Europe, TCC and OYAK, the largest cement company in Turkey, established a joint venture, Dutch Oyak TCC Holding B.V.
- **2019** TCC continued its expansion in Europe and Central Asia. The joint venture with OYAK acquired the Portuguese cement company Cimpor, and constructed an eco-friendly cement plant in the Ivory Coast in West Africa.

The Hoping Port of TCC was accredited as an EcoPort by the EU.

TCC Green Energy Corporation constructed Taiwan's first renewable energy plant using wind and solar power in Changhua Coastal Industrial Park.

TCC adopted SBT (Science Based Targets) and drew up a plan to achieve carbon reduction by following the methodologies of IPCC (Intergovernmental Panel on Climate Change) and IEA (International Energy Agency). TCC was the first cement company in East Asia to set targets for carbon reduction.
- **2020** TCC Energy Storage Technology Corporation was established.

TCC's Guigang plant in Guangxi began hazardous waste treatment project as the largest single cement kiln co-processing system in China.

TCC DAKA Open Eco-Factory began operations to facilitate communications between business and society, and to reshape relations with communities.

- **2020** The Hoping Cement Plant in Hualien, authorized by the EIA to co-process household waste, agreed to assist the future processing of 150 tons of daily domestic waste in Hualien County. Cement kilns would become "urban purifiers".

The smart warehouse in TCC Hoping plant began operations in July.

TCC Chia-Chien Green Energy Corporation began a solar PV power project in Chiayi, and collaborated with Taiyen Green Energy Co., Ltd. to construct Taiwan's first fishery and electricity symbiosis power plant in Yizhu Township and Budai Township in Chiayi County.
- **2021** TCC DAKA Renewable Resources Utilization Center started construction. Not just to solve household waste problems in Hualien, TCC DAKA together with the cement kiln in Hoping plans to assist different waste disposals in the Phase II.

The AFC smart energy storage system of TCC Green Energy Corporation in Changhua Coastal Industrial Park began operations. With an installed capacity of 5 MW, it was the first large-scale energy storage project in Taiwan.

TCC finalized the acquisition of NHOA in Italy, and entered the global market for energy storage and charging piles.

Not just the only organisation with the long-range, large-scale energy storage system in Taiwan, TCC Group was the world's 4th largest company in terms of the installed capacity of energy storage systems. Additionally, TCC became the main global supplier of multi-functional charging piles for high-end electric vehicles.

The Hoping Power Plant revitalized the Hanben Sea Relay Station in the Aohua village in Yilan, with the goal of paying attention to marine debris issues, while mentoring local aboriginal youths to start businesses, conduct regional revitalization, and promote their aboriginal culture.

Complete the transaction of the sale of Taiwan Prosperity Chemical Corporation.

As a member of the "Global Cement and Concrete Association" (GCCA), TCC jointly announced with other international cement companies a goal of reducing carbon emissions by 25% within 10 years, as part of industry-wide efforts to reach net zero emissions by 2050.

Molie Quantum Energy Corporation started construction on its Kaohsiung lithium battery factory, which is expected to start operations in 2023, with a production capacity of 1.8GWh, and to produce about 24,000 long-range batteries for electric vehicles per year.

Hoping Eco-Port obtained the Green Port Certificate from Green Port Award System (GPAS), a program developed by the APEC Port Services Network (APSN).

TCC Shaoguan plant in China finished construction, with selected equipment designed to meet ULEZ emissions standards. The Shaoguan plant with a water park also marked the official completion of TCC's first eco-cycle open plant in China.

TCC Hoping Plant was awarded an Energy Saving Leadership Award 2021 by Taiwan's Ministry of Economic Affairs.

TCC was the first global cement company to obtain ISO 46001 certifications, with both the TCC Hoping and Suao Plants obtaining certifications for their water efficiency management systems.

2022 The asteroid No.526460 being was named as "Dr. Cecilia Koo Botanic Conservation Center," which is a testament to the selfless dedication towards species conservation and ecological sustainability. The Center long-term supported by TCC Group has reached new heights.

TCC was selected as a constituent stock of the Taiwan ESG Dividend Highlight Index.

TCC was recognized as a Supplier Engagement Leader with an industry-leading A rating in the CDP's Supplier Engagement Rating questionnaire.

The film "The Indigenous Resident in Taibai Mountains" was selected as one of the top 10 sustainable microfilms of the year at the 2021 Taipei Golden Eagle Micro Movie Festival.

Hoping Industrial Port was awarded the certification as an environmental education facility by the Environmental Protection Administration (the "EPA"), becoming the first certified port in Taiwan to promote the ideals of ecological port and environmental protection.

Ta-Ho Maritime Corporation delivered the new environmentally-friendly bulk carrier "M/V TAHO EUDAIMONIA."

TCC Energy Storage Technology Corporation's energy storage and charging station, the "NHOA.TCC" was opened to the public at the TCC DAKA Plaza in Hualien. This new generation charging station "24K Green" features the first 100% green EV charger in Taiwan and integrates green energy, power storage, and charging services. In addition, the "EARTH HELPER Sustainable Action" was launched, encouraging the EV owners and the public to join in a sustainable lifestyle in this new era of renewable energy.

TCC established the "Peace and Sustainability Foundation," which includes a dedicated fund for emergency relief for the residents of Hoping Village. The foundation works with the indigenous community to provide necessary aid during times of crisis.

TCC and Audi Taiwan jointly announced that Audi Taiwan has become the first car manufacturer in Taiwan to join TCC's "EARTH HELPER Sustainable Action," forming a powerful community for carbon reduction.

TCC's mining operations in Hoping received the consent of the indigenous tribe of Wu Guk and Kenebub.

NHOA officially launched a charging station at the A.ROMA Hotel in Roma, owned by the LDC Hotels & Resorts.

TCC won the first prize in both the "Traditional Industry" and "Environmentally Friendly" categories of the 18th Globe Views CSR and ESG Awards in 2022. This is the third consecutive year that the TCC has won the first prize in the Traditional Industry category, making it the only large traditional corporation listed in the annual honor roll.

Ta-Ho Maritime Corporation announced the delivery of its eighth environmentally-friendly vessel, the "M/V TAHO VIRTUE." The emissions of the new vessel exceeds the international environmental regulations set by the International Maritime Organization (IMO).

TCC and CPC Corporation jointly invested in green energy. The drilling in the Va Kang An geothermal field in Taitung was initiated in 2022.

TCC was selected by DailyView as one of the top 10 leading manufacturers driving the circular economy.

TCC passed the review of the Association of Taiwan Net Zero Emissions, and was awarded one of the first Green-Label companies of Net Zero X 2030/2050. TCC has pledged to achieve zero emissions in its offices by 2030.

TCC's subsidiary Atlante Co. has won the contracts for energy storage and charging stations at two major airports in Rome, as well as won a cooperative agreement with IP Gas Station in Italy for fast and ultra fast charging stations.

Ta-Ho Maritime Corporation received its 9th new environmentally-friendly vessel, the M/V TAHO CIRCULAR, enhancing the building of youthful fleet of totally 11 ships. The average vessel age was lowered to 6.3 years.

TCC was selected as a constituent stock of the Taiwan ESG Index.

TCC attempted its first combination of quantitative performance with qualitative methods in its Online 2021 Sustainability Report for a fair, transparent, and complete demonstration of TCC Group's sustainable goals and performance.

TCC was invited to participate in the 2022 ESG Summit, where it presented its implementation of ESG practices by focusing on the three core businesses.

TCC was selected as 2022 Taiwan Best-in-Class 100.

TCC initiated Industry-Academia Cooperation Program at the topping-out ceremony of the TCC DAKA Renewable Resources Utilization Center. It is a program to promote cooperation between industry and academia in electrical engineering, hoping to cultivate young students from local villages to become new talents in green energy or power storage areas.

TCC was evaluated and recognized by the Taiwan Index Plus Corporation as top 25% of the Taiwan Sustainability Ranking for the Environmental Friendly module.

The pure electric racing car "Spéirling" equipped with E-One Moli Energy Corp.'s ternary lithium battery broke the record at the annual international racing event in the UK. It highlighted the international leading position of E-One Moli Energy Corp..

Ho-Ping Power Company celebrated its 20th anniversary. As a crucial power supplier in the Northern and Eastern Taiwan grid, it has been providing power stably and constantly working on sustainability transitions.

E-One Moli Energy Corp. entered the next-generation airborne electric vertical takeoff and landing (eVTOL) market. The VX4 aircraft produced by the Vertical Aerospace company in UK will be equipped with E-One's batteries, maximizing its range and payload capacity.

TCC launched the NHOA.TCC charging station at the Yawan 7-11 convenience store in Tainan, marking the first commercial use of an UHPC energy storage cabinet in the world.

Taiwan Transportation & Storage Corp., a subsidiary of the Taiwan Cement Corp., took the lead in introducing pure electric large trucks from Europe to provide green logistics services and to assist other companies reduce carbon emissions.

TCC's 2020 Sustainability Report was selected as one of the top three finalists in the ESG Investing Best Sustainability Reporting: Basic Materials.

TCC was awarded the highest rating badge as the ESG Industry Top-Rated Company in the building materials sector by the renowned ESG rating agency, Sustainalytics.

NHOA.TCC launched its Taipei Lequen Station, the lowest carbon footprint charging station in Taiwan. The station offers exclusive features such as Line reservation for charging parking spaces, voice recognition for license plates, smart locks, and special rates for electric vehicles.

■ **2022** TCC joined EP100 as the first major manufacturing member in Taiwan, committing to increase its energy productivity by 50% by 2040, compared to the 2016 baseline.

TCC was invited to the Sustainable Development Goals Asia, showcasing its ESG and renewable energy initiatives with a focus on low-carbon cement, green energy, and resource recycling.

TCC was awarded the 2022 HR Asia Best Companies to Work for in Asia Award for the second time.

TCC and LDC Hotels & Resorts, the "Earth Helper" sustainability partner, jointly initiated the "My Low-carbon Travel" campaign, encouraging the public to become low-carbon travelers.

TCC Green Energy partnered with LDC Hotels & Resorts to undergo the trial operation for their new sustainable tourism base, the "Vakangan Hot Spring Park," and also launched the "Geothermal Drilling Tour," the first public open drilling site visit in Taiwan.

TCC was certified by the Ministry of Education as "Taiwan i Sports" enterprise on its first participation.

Hoping Cement Plant was awarded the Outstanding Award, Product Award, and the Special Award for Sustainable Sorting Standards in the 3rd Taiwan Circular Economy Awards.

TCC was ranked third in the 2022 Excellence in CSR, making it the first large-scale manufacturing industry to enter the top three.

TCC held its 2022 online supplier conference and presented the 2021 Taiwan Cement Supplier Sustainability Excellence & Progress Award, encouraging ESG commitment among suppliers.

Atlante Co. secured funding from the European Union to establish 215 pure green energy charging stations in Europe which will integrate with energy storage systems.

TCC was recognized as a "Pace-setter" on the Greater China Corporate Sustainability Index, top 20 among companies evaluated.

TCC successfully completed the pricing of a \$425 million GDR issuance, demonstrating recognition from overseas investment institutions for its sustainable business policies and its global new energy development strategies.

TCC DAKA was selected as the 5th among the top ten emerging tourism factories in Taiwan by DailyView.

TCC publicly signed the Business For Nature Make it Mandatory initiative with 330 companies from 52 countries, calling on governments to strengthen the requirements for corporate disclosure of their impacts and dependencies on biodiversity.

In response to the "EARTH HELPER Sustainable Action" initiated by TCC Group, the international luxury car brand Volvo joined the ranks of sustainable partner car manufacturers and partnered with NHOA.TCC charging stations to create a convenient charging environment for Volvo electric car owners throughout Taiwan.

Suao Cement Plant was selected as 2022 outstanding greenhouse gas reduction manufacturer by the Industrial Development Bureau of the MEA.

The public restroom at Hanben Sea Relay Station was awarded the 2022 Gold Award by Yilan County for Excellent Public Restrooms evaluation.

Hoping Industrial Port Corporation was invited to participate in the National Science and Technology Council's Science Popularity Island-wide Train event at Hualien station. The event centered around the theme of "The Great Barrier Reef of Hoping – Coral Blind Guessing" and provided a vivid interpretation of scientific knowledge.

TCC's Hoping Plant was awarded the Gold Award in the Enterprise category of the EPA's 2022 Resource Recycling Excellence Awards.

TCC initiated the "Zero-Carbon Quarry" project, the first of its kind in the cement industry across the Taiwan Strait. Jurong TCC Cement Co., Ltd. introduced unmanned electric mining trucks in the entire mining area.

TCC's Suao Plant was awarded the 2022 Excellent Award for Low-carbon Products by the EPA.

TCC was once again named one of the top 10 sustainable companies in the 15th Taiwan Corporate Sustainability Awards. In addition, TCC was awarded the platinum award for its sustainability report, as well as the various awards for sustainable achievements in circular economy, innovative growth, social inclusivity, and information security.

E-One Moli Energy Corp. has once again won a new eVTOL project. The Midnight aircraft produced by Archer Aviation in the United States will use the batteries produced at E-One Moli Energy Corp.'s new factory in Kaohsiung.

TCC was awarded the BSI Sustainability Resilience Award, recognizing the company's sustainable business strategy and transparency of its sustainability report.

TCC was ranked 2022 top 5 global building materials companies in the S&P Global Corporate Sustainability Assessment adopted by the Dow Jones Sustainability Indices, reaching the highest level in the company's history.

Ta-Ho Maritime Corporation signed a contract to build a new environmentally-friendly cement carrier, demonstrating its commitment to updating its fleet.

TCC Energy Storage Technology Corporation entered the green energy trading market by launching its "Green Energy Trading Platform." The platform can sell the most amount of green energy in Taiwan and help small and medium-sized enterprises to acquire green energy.

TCC was awarded the 2022 Taiwan International Brand Potential Star.

TCC's Sustainable Development Committee was selected as the Super MVP in the 15th "100 MVP Managers" by Manager Today magazine.

TCC's Taipei Plant was selected as 2022 outstanding green procurement performance enterprise by the New Taipei City.

TCC was rated A in the MSCI ESG ratings, marking the fourth consecutive year of upgrades from 2019 to 2022.

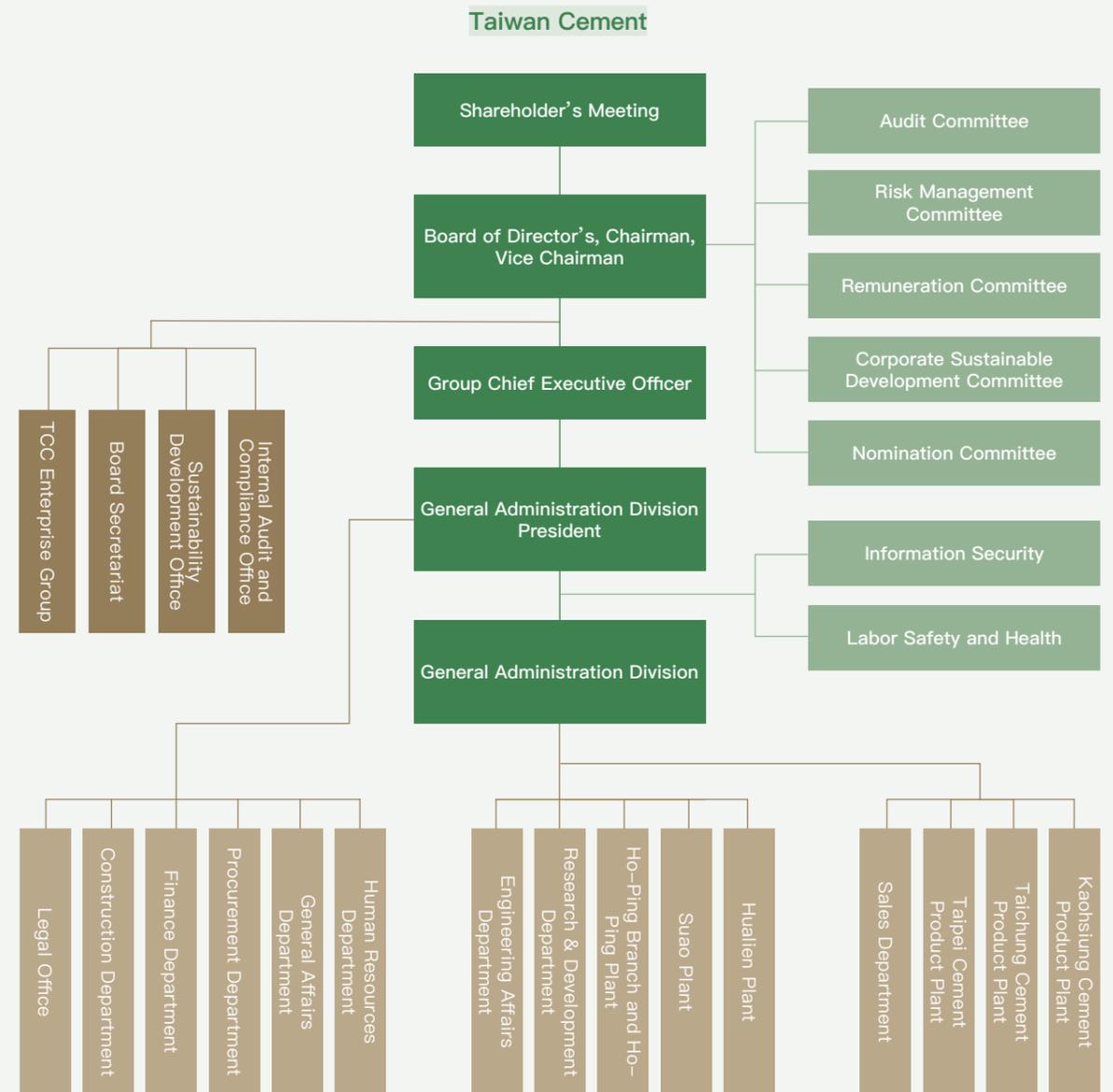
TCC was awarded an A- rating in the 2022 CDP Carbon Disclosure Questionnaire and a B-rating in the Water Disclosure Questionnaire.

TCC joined the BCSD "Natural and Biodiversity Initiative" as a founding partner, the first Taiwanese traditional industry to respond to international calls for action and advocacy for nature.

03 Corporate governance

3.1 Organization

3.1.1 Organization chart



Note1 There are 19 branch plants and 3 distribution stations under the Taipei, Taichung, and Kaohsiung Cement Product Plants.
 Note2 There is a ready mixed concrete workshop in the Hualien Plant.

2022 Taiwan Transportation & Storage Corp. launched the first electric heavy-duty truck in the Asia Pacific region. Collaborating TCC Energy Storage Technology Corporation's customized low-carbon charging solutions, it corporates customers to optimize their charging efficiency through the synergy of green energy supply, power storage, and energy management systems.

TCC released its first TCFD climate-related financial disclosure report and received the highest level of BSI Level-5+ certification.

TCC held the "Hoping Sports Festival," inviting tribal families to ride electric vehicles and experience ocean thermal energy conversion. By using this opportunity to exchange ideas with the nearby community, TCC showcased its commitment and investment in energy transition.

The 6 RMC (ready-mixed concrete) plants in Taipei, Taichung, Dadu, Chiayi, Tainan, and Kaohsiung were selected as 2022 outstanding units for green procurement by the EPA.

(2) Were there any merger and acquisition activities in the most recent fiscal year and up to the date of this annual report?

As part of its business expansion in the EV infrastructure sector in Portugal, ATLANTE S.R.L. announced on December 15th, 2022, its intention to acquire 100% equity of the charging station construction division of Kilometer Low Cost, S.A..

The acquisition will be completed in two phases. According to the agreement, ATLANTE S.R.L. first acquiring 60% equity for € 4.5 million and has the right to acquire the remaining 40% equity in 2024, with the price to be determined based on the operational performance in 2023, ranging between € 1.7 million and € 6.7 million.

After obtaining approval from the Portuguese Competition Authority and other regulatory authorities, the acquisition will proceed with the transfer of 60% equity in accordance with the contract provisions.

(3) Were there any directors or shareholders with over 10 percent of the Company's outstanding shares that transferred or exchanged a significant number of shares? Was there any change of control events or other matters that has a material impact on the rights and interests of the Company's shareholders? None.

3.1.2 Major corporate functions

| Department | Functions and Duties |
|--------------------------------------|--|
| TCC Enterprise Group | In charge of integrating and showcasing the Group's entire resources: establishing regulations and management systems for the group; sharing successful experiences and arrangement of internal training; normal functional audits; management consultancy and enquiry services for the Group and other group related business, such as the improvement of management quality and reduction of costs. In general, demonstrates group synergies, enhances overall competitiveness and profitability, and maximizes benefits for shareholders. |
| Board Secretariat | Custody of the Chairman's seal, as well as the seals of the General Administration Division and the CEO; preparation for board meetings and shareholder meetings; and the handling and coordination of clerical work, general affairs, and share-related affairs. |
| Sustainability Office | Responsible for developing, implementing, monitoring, reviewing, and revising sustainable development strategies to fulfill corporate social responsibility. Establishment of diverse communication channels with society, the public, and the media to shape a positive brand image and increase the value of the corporate brand. |
| Internal Audit and Compliance Office | Implementation of all major cycles of internal audits in accordance with an annual audit program; supervision of internal audit systems of the Company and its subsidiaries; propositions for improvements; and implementation of project investigations of anomalies, follow ups and countermeasures. |
| Engineering Affairs Department | Devises production plans; tracks, assists, and evaluates operational efficiency; renews, maintains, and improves mechanical and engineering equipment; assists with equipment procurement; devises plans and provides guidance; helps tracking engineering projects; provides supervision on environmental protection, industrial safety, total quality control, and quality assurance; evaluates, plans, implements, and tracks construction, merger, and restructuring projects in China. |
| Research and Development Department | Provides technical instructions for the manufacturing quality control of cement and concrete; conducts research and development of specialty cement, high-performance concrete, and energy-efficient technologies; develops and promotes products made from recycled materials; provides post-sale technical inquiries and customer support for cement and concrete products. |
| Sales Department | Devises plans for product sales; supervises and evaluates domestic and export sales and cement distribution stations. |
| Finance Department | Processes and reviews daily accounting, fund dispatchment, cash management, financial planning, budget control, reports of operational analysis. Executes and operates related projects, supervisions of subsidiaries, external corporate investment relations and other related matters. |
| Human Resources Department | In charge of the management and supervision of personnel selection, employment, development and retention, as well as employee benefits, labor relations and related matters. |
| Procurement Department | Procures production equipment, civil engineering, production raw materials, and auxiliary materials; manages material warehousing and dispatchment. |
| Legal Office | Drafting, revising, and reviewing legal documents; providing legal opinions, handling litigation/non-litigation cases, managing legal risks and other legal affairs. |
| General Affairs Department | Manages non-production related general administrative work, plans, implements, and supervises building repairs, land and asset maintenance, and other related matters. |
| Construction Department | Responsible for planning and development of land and construction projects for the entire group. |
| Labor Safety and Health Office | Oversees the occupational safety and health-related affairs for the entire company. |

3.1.3 Main operations of affiliated entities

- (1) Ho-Ping Branch and Ho-Ping Plant, Suao Plant, Hualien Plant: Manufacturing of cement.
- (2) Taipei, Taichung, and Kaohsiung cement product plants (including 3 distribution stations): Manufacturing and sales of ready-mixed concrete, as well as management of distribution stations.



3.2 Board members

3.2.1 Information regarding board members

Insiders' shareholdings information as of March 20, 2023

| Title | Nationality or Place of Registration | Name | Gender Age | Date Elected / Appointed | Term Expires | Date First Elected | Shares Held When Elected | | Shares Currently Held | | Shares Currently Held by Spouse & Minors | |
|----------|--------------------------------------|--|------------|--------------------------|--------------|--------------------|--------------------------|------|-----------------------|------|--|------|
| | | | | | | | Shares | % | Shares | % | Shares | % |
| Chairman | ROC | Chia Hsin R.M.C. Corporation Representative: An-Ping Chang | Male 51-70 | July 5, 2021 | 3 years | June 22, 2018 | 3,032,923 | 0.05 | 3,335,997 | 0.05 | - | - |
| | | | | | | | 2,188,553 | 0.04 | 2,408,351 | 0.03 | 4,599,808 | 0.06 |

| Shares Held by Third Parties | Education and Experience | Concurrent Positions at TCC and Other Companies | Other Officers, Directors, or Supervisors of the Company Who is a Spouse or a Relative within the Second Degree of Kinship under the Civil Code | | | Notes | |
|------------------------------|--------------------------|--|---|------|--------------|-------|--------|
| | | | Title | Name | Relationship | | |
| None | None | Chairman and President, TCC Energy Storage Technology Corporation; Chairman and President, Molie Quantum Energy Corporation; Chairman, TCC Investment Corporation; Chairman, Union Cement Traders Inc.; Chairman, TCC Chemical Corporation; Chairman, TCC Sustainable Energy Investment Corporation; Chairman, E-One Moli Energy Corp.; Chairman, TCC Recycle Energy Technology Company; Chairman, Dr. Cecilia Koo Botanic Conservation Center; Chairman, Hualien County Private Hoping Sustainability Charity Foundation; Chairman, Energy Helper TCC Corporation; Chairman, THC International S.A.; Chairman, Ho-Ping Power Company; Chairman, Ho-Ping Renewable Energy Company; Chairman, TCC New (Hangzhou) Management Company Limited; Chairman, TCC (Hangzhou) Environmental Protection Technology Co., Ltd.; Chairman, TCC (Hangzhou) New Energy Company Limited; Chairman, TCC International Holdings Limited; Chairman, TCC Hong Kong Cement (BVI) Holdings Limited; Chairman, TCC Development Limited; Chairman, TCC Hong Kong Cement Development Limited; Chairman, TCC International Limited; Chairman, TCC Hong Kong Cement (Philippines) Limited; Chairman, TCC Hong Kong Cement (International) Limited; Chairman, TCC Hong Kong Cement (Yargoan) Limited; Chairman, TCC Hong Kong Cement (QHC) Limited; Chairman, Ulexite Investments Limited; Chairman, TCC International (Liuzhou) Limited; Chairman, TCC International (Guangxi) Limited; Chairman, Upper Value Investments Limited; Chairman, Prosperity Minerals (China) Ltd.; Chairman, Wayly Holdings Limited; Chairman, Chiefolk Company Limited; Chairman, Hong Kong Cement Company Limited; Chairman, Hong Kong Cement Manufacturing Co. Ltd.; Chairman, Jingyang Industrial Limited; Chairman, TCC International (Hong Kong) Company Limited; | Chairman, TCC Liuzhou Company Limited; Chairman, Prosperity Cement Investment Limited; Chairman, Prosperity Minerals (International) Limited; Chairman, Kiton Limited; Chairman, Hensford Limited; Chairman, Sure Kit Limited; Chairman, Prime York Limited; Chairman, Mega East Ltd.; Chairman, TCC International (China) Company Limited; Chairman, Scitus Cement (China) Holdings Limited; Chairman, Hexagon Holdings Limited; Chairman, Hexagon II Holdings Limited; Chairman, Hexagon III Holdings Limited; Chairman, Hexagon IV Holdings Limited; Chairman, Hexagon V Holdings Limited; Chairman, Hexagon VIII Holdings Limited; Chairman, Hexagon IX Holdings Limited; Chairman, Hexagon XIII Holdings Limited; Chairman, Hexagon XIV Holdings Limited; Chairman, Upper Value Investment Limited; Chairman, Kong On Cement Holdings Ltd.; Chairman, Hong Kong Concrete Company Limited; Chairman, Quon Hing Concrete Co Ltd.; Vice Chairman, Ta-Ho Maritime Corporation; Director, TCC Information Systems Corporation; Director, Taiwan Transport & Storage Co., Ltd.; Director, Ta-Ho Maritime (SG) Corporation; Director, Ho-Ping Industrial Port Corporation; Director, CIMPOR GLOBAL HOLDINGS B.V.; Director, Taiwan Cement Europe Holdings B.V.; Director, NHOA S.A.; Director, E-One Holdings Ltd.; Director, E-One Moli Holdings (Canada) Ltd.; Director, E-One Moli Energy (Canada) Ltd.; Director, Taiwan Stock Exchange Corporation; Director, CTCI Corporation; Director, Chinatrust Investment Co., Ltd.; Director, Chia Hsin R.M.C. Corporation; Director, Cheng Hsin General Hospital; Convener, Corporate Sustainability Committee and Nomination Committee and more. | None | None | None | Note 1 |
| None | None | Chairman, Taiwan Prosperity Chemical Corporation; Chairman, Chia Hsin Cement Corporation; Independent Director, Synnex Technology International Corporation | None | None | None | None | |

| Title | Nationality or Place of Registration | Name | Gender Age | Date Elected / Appointed | Term Expires | Date First Elected | Shares Held When Elected | | Shares Currently Held | | Shares Currently Held by Spouse & Minors | |
|----------|--------------------------------------|--|-----------------|--------------------------|--------------|--------------------|---------------------------|---------------|---------------------------|---------------|--|---|
| | | | | | | | Shares | % | Shares | % | Shares | % |
| Director | ROC | C. F. Koo Foundation Representative: Sun-Te Chen | Male 51-70 | July 5, 2021 | 3 years | June 22, 2016 | 3,168,803 | 0.05 | 3,485,455 | 0.05 | - | - |
| | | | | | | | 230,984 | - | 230,984 | - | - | - |
| Director | ROC | C. F. Koo Foundation Representative: Jong-Peir Li | Male 51-70 | July 5, 2021 | 3 years | June 22, 2016 | 3,168,803 | 0.05 | 3,485,455 | 0.05 | - | - |
| | | | | | | | 786,542 | 0.01 | 898,137 | 0.01 | - | - |
| Director | ROC | Chia Hsin Cement Corporation Representative: Jason Kang-Lung Chang | Male 51-70 | July 5, 2021 | 3 years | June 21, 2012 | 217,859,506 | 3.56 | 239,629,776 | 3.35 | - | - |
| | | | | | | | - | - | - | - | 264,484 | - |
| Director | ROC | International CSRC Investment Holdings Co., Ltd. Representative: Kenneth C.M. Lo | Male Over 71 | July 5, 2021 | 3 years | June 18, 2002 | 103,548,831 *2,000,000 | 1.69 *1.00 | 113,896,285 *2,000,000 | 1.59 *1.00 | - | - |
| | | | | | | | - | - | - | - | - | - |

| Shares Held by Third Parties | | Education and Experience | Concurrent Positions at TCC and Other Companies | Other Officers, Directors, or Supervisors of the Company Who is a Spouse or a Relative within the Second Degree of Kinship under the Civil Code | | | Notes |
|------------------------------|------|--|---|---|------|--------------|--------|
| Shares | % | | | Title | Name | Relationship | |
| None | None | M.B.A., University of Missouri; B.A., National Chengchi University; Director, Zoyi Capital Ltd.; President of North Asia and Greater China, Fullerton Financial Holdings Pte. Ltd.; | Chairman, Taipei Fubon Commercial Bank Co., Ltd.; Director, Fubon Financial Holding Co., Ltd.; Director, Fubon Securities Co., Ltd.; | None | None | None | Note 2 |
| None | None | CEO of Corporate Banking and President, Chinatrust Financial Holding Co., Ltd.; Country Officer and Country Head of Corporate Bank in Taiwan, Citigroup | Independent Non-Executive Director, Uni-President China Holdings Ltd.; Independent Director, Lion Travel Service Co., Ltd. and more | | | | |
| None | None | Ph.D. NCCU Department of Management Information Systems; MS in Information Technology Management, Carey Business School, Johns Hopkins University; MS in Business Management, George Washington University; President, Taiwan Cement Corporation; | Chairman, TCC Information Systems Corporation; Chairman, TCC Chongqing Cement Company Limited; Chairman, TCC Anshun Cement Co., Ltd.; Director, Taiwan Transport & Storage Co., Ltd.; Director, Ta-Ho Maritime Corporation; Director, Taiwan Cement (Dutch) Holdings B.V.; Director, CIMPOR GLOBAL HOLDINGS B.V.; Director, Taiwan Cement Europe Holdings B.V.; Director, NHOA S.A. France; | None | None | None | Note 2 |
| None | None | Independent Director, TransGlobe Life Insurance Inc.; President of HSBC (Taiwan) Commercial Bank and President, Taiwan, HSBC; Representative, Global Business Finance and Capital Market Department in HSBC; Director, Capital Market Department in CTBC Bank; CFO, Citibank (Taiwan); CFO, Citibank Taiwan Limited | Director, TCC (Hangzhou) Environmental Protection Technology Co., Ltd.; Director, TCC Jiangsu Mining Industrial Company Limited; Director, TCC Huaying Cement Company Limited; Director, TCC Huaihua Cement Company Limited; Director, TCC Jingzhou Cement Company Limited; Director, TCC Huaihua Concrete Company Limited; Director, Jiangsu TCC Investment Co., Ltd.; Director, Jurong TCC Cement Co., Ltd.; Director, Hong Kong Cement Manufacturing Co. Ltd. and more | | | | |
| None | None | MS in Management Studies, Sloan School of Management, Massachusetts Institute of Technology; | Chairman, Chia Hsin Cement Corporation; Chairman, Chia Hsin International Co., Ltd.; Chairman, Yun Chia International Co., Ltd.; | None | None | None | |
| None | None | President, Chia Hsin Cement Corporation | Vice Chairman, Epoch Foundation; Director, Chia Hsin Property Management and Development Corp. and more | | | | |
| None | None | MS in Finance, Manderson School of Business, The University of Alabama; | Managing Director, O-Bank; | None | None | None | |
| None | None | Honorary Chairman, O-Bank; Chairman, O-Bank | Member of the Nomination Committee and more | | | | |

| Title | Nationality or Place of Registration | Name | Gender Age | Date Elected / Appointed | Term Expires | Date First Elected | Shares Held When Elected | | Shares Currently Held | | Shares Currently Held by Spouse & Minors | |
|----------|--------------------------------------|---|-----------------|--------------------------|--------------|--------------------|--------------------------|------|-----------------------|------|--|------|
| | | | | | | | Shares | % | Shares | % | Shares | % |
| Director | ROC | Fu Pin Investment Co., Ltd. Representative: Por-Yuan Wang | Male Over 71 | July 5, 2021 | 3 years | June 26, 2003 | 77,482,477 | 1.27 | 85,225,165 | 1.19 | - | - |
| | | | | | | | - | - | - | - | - | - |
| Director | ROC | Tai Ho Farming Co., Ltd. Representative: Kung-Yi Koo | Male 31-50 | July 5, 2021 | 3 years | June 22, 2018 | 6,043,126 | 0.10 | 6,647,005 | 0.09 | - | - |
| | | | | | | | 561,815 | 0.01 | 650,954 | 0.01 | - | - |
| Director | ROC | Fu Pin Investment Co., Ltd. Representative: Chi-Chia Hsieh | Male Over 71 | July 5, 2021 | 3 years | June 26, 2003 | 77,482,477 | 1.27 | 85,225,165 | 1.19 | - | - |
| | | | | | | | 494,397 | 0.01 | 543,801 | 0.01 | - | - |
| Director | ROC | Chia Hsin Cement Corporation Representative: Chi-Te Chen | Male 51-70 | July 5, 2021 | 3 years | June 21, 2012 | 217,859,506 | 3.56 | 239,629,776 | 3.35 | - | - |
| | | | | | | | 67,663 | 0.00 | 74,691 | 0.00 | 6,212 | 0.00 |

| Shares Held by Third Parties | | Education and Experience | Concurrent Positions at TCC and Other Companies | Other Officers, Directors, or Supervisors of the Company Who is a Spouse or a Relative within the Second Degree of Kinship under the Civil Code | | | Notes |
|------------------------------|------|---|---|---|------|--------------|-------|
| Shares | % | | | Title | Name | Relationship | |
| None | None | Ph.D., Carnegie Mellon University; Chairman, Taiwan Venture Capital Association; | Honorary Chairman, Sercomm Corporation; Chairman, Pacific Venture Partners; Director, Prosperity Dielectrics Co., Ltd.; | None | None | None | |
| None | None | Chairman, Monte Jade Science and Technology Association of Taiwan; Chairman, Sercomm Corporation | Independent Director, UPC Technology Corporation; Chairman, K.T. Li Foundation Development of Science and Technology; Vice Chairman, Fairs Winds Foundation and more | | | | |
| None | None | MBA, The Wharton School of University of Pennsylvania; Vice President, Morgan Stanley Investment Banking Department; | Chairman, International CSRC Investment Holdings Co., Ltd.; Chairman, Linyuan Advanced Materials Technology Co., Ltd.; Chairman, Circular Commitment Company; Chairman, Yun Cheng Investment Corporation; Chairman, Chung Cheng Development & Investment Co.; Chairman, Consolidated Resource Company; Chairman, Taiwan Transport & Storage Corp. Chairman, Synpac (North Carolina), Inc.; Chairman, CCC USA Corp.; Chairman, Continental Carbon Company; Director, Synpac GP Corporation; Director, CSRC (BVI) LTD.; Director, CSRC (SINGAPORE) PTE LTD.; Director, SYN PAC LTD.; | None | None | None | |
| None | None | Vice Chairman, Taiwan Cement Corporation; Chairman, Taiwan Prosperity Chemical Corporation | Director, Continental Carbon Nanotechnologies, Inc.; Director, OYAK Carbon Black Investments B.V.; Director, E-One Moli Energy Corp.; Director, TCC Recycle Energy Technology Company; Director, Ho-Ping Power Company; Director, Chiefolk Company Limited; Director, Hong Kong Cement Company Limited; Director, Kong On Cement Holdings Ltd.; Director, China Steel Chemical Corporation; Supervisor, TCC New (Hangzhou) Management Company Limited; Manager, Synpac Venture Capital L.P.; Manager, SVC Management, LLC; Manager, SVC Services, LLC and more | | | | |
| None | None | Ph.D. in Electrical Engineering, University of California Santa Clara; | Chairman, Jupiter Network Corp.; Chairman, Taicom Capital Limited; Chairman, Welltop Technology Co., Ltd.; | Director, Bright LED Electronics Corp.; Director, Henan Bright Crystal Company Limited; | None | None | None |
| None | None | Director, International CSRC Investment Holdings Co., Ltd. | Chairman, IQE Taiwan Corporation; Chairman, Microelectronics Technology Inc.; Director, Jupiter Technology (Wuxi) Co., Ltd.; Director, Sasson Capital Corporation; Director, TCM Limited; | Director, KoBrite Corp.; Director, Bright Crystal Company Limited; Director, KOPIN CORP.; Independent Director, Innolux Corporation and more | | | |
| None | None | MBA, University of California Santa Clara | Chairman, Chien Hwei Investment Co., Ltd.; Chairman, Rock Publishing International; Chairman, Golden Canyon Venture Capital Investment Co., Ltd.; Chairman, Golden Canyon II Venture Capital Investment Co., Ltd.; Chairman, China Real Estate Management Corporation; Chairman, Chien Hwei Cultural & Educational Foundation; Chairman, Chien Kuo Foundation for Arts and Culture; | Vice Chairman, Chien Kuo Construction Co., Ltd.; Director, Chia Hsin Cement Corporation; Director, Chia Hsin Property Management and Development Corp.; Director, Silver Shadow Holdings Co., Ltd.; Director, Golden Canyon Co., Ltd.; Director, Chien Kuo Asia Co., Ltd.; Director, China Real Estate Management Corporation; and more | None | None | None |

| Title | Nationality or Place of Registration | Name | Gender Age | Date Elected / Appointed | Term Expires | Date First Elected | Shares Held When Elected | | Shares Currently Held | | Shares Currently Held by Spouse & Minors | |
|----------------------|--------------------------------------|--|-----------------|--------------------------|--------------|--------------------|--------------------------|------|-----------------------|------|--|---|
| | | | | | | | Shares | % | Shares | % | Shares | % |
| Director | ROC | Heng Qiang Investment Co., Ltd. Representative: Chien Wen | Male Over 71 | July 5, 2021 | 3 years | June 26, 2003 | 102,240,983 | 1.67 | 112,457,746 | 1.57 | - | - |
| | | | | | | | - | - | - | - | - | - |
| Director | ROC | Heng Qiang Investment Co., Ltd. Representative: Chun-Ying Liu | Female 31-50 | July 5, 2021 | 3 years | June 26, 2003 | 102,240,983 | 1.67 | 112,457,746 | 1.57 | - | - |
| | | | | | | | - | - | - | - | - | - |
| Independent Director | ROC | Yu-Cheng Chiao | Male 51-70 | July 5, 2021 | 3 years | June 21, 2012 | - | - | - | - | - | - |
| Independent Director | ROC | Victor Wang | Male Over 71 | July 5, 2021 | 3 years | June 21, 2013 | - | - | - | - | - | - |

| Shares Held by Third Parties | | Education and Experience | Concurrent Positions at TCC and Other Companies | Other Officers, Directors, or Supervisors of the Company Who is a Spouse or a Relative within the Second Degree of Kinship under the Civil Code | | | Notes | |
|------------------------------|------|--|--|---|------|--------------|-------|--|
| Shares | % | | | Title | Name | Relationship | | |
| None | None | MBA, The Wharton Business School, University of Pennsylvania; | | | | | | |
| None | None | Director, International CSRC Investment Holdings Co., Ltd.; Supervisor, Winbond Electronics Corp.; CFO, Winbond Electronics Corp.; President, Cathay Securities Investment Trust | Director, Chinatrust Investment Co., Ltd.; Supervisor, Ta-Ho Maritime Corporation and more | None | None | None | | |
| None | None | EMBA, College of Management, National Taiwan University; | Partner, Tsar and Tsai Law Firm; | None | None | None | | |
| None | None | LLM, Northwestern University; LLB, National Taiwan University | Independent Director, Jarly Technology Co., Ltd.; Independent Director, MetaEdge Corporation and more | None | None | None | | |
| None | None | MS in Electronic Engineering, University of Washington; BS in Communications Engineering, National Chiao Tung University; Chairman, Chin Xin Investment Co., Ltd.; Chairman, Nuvoton Technology Corporation; Chairman & CEO, Winbond Electronics Corporation; Chairman, Walsin Lihwa Corporation; Chairman, Taiwan Electrical and Electronic Manufacturers' Association; Chairman, Vishay Capella Microsystems (Taiwan) Limited | Chairman & CEO, Winbond Electronics Corp.; Director, Nuvocon Technology Corporation Director, Walsin Lihwa Corporation; Director, Walsin Technology Corporation; Director, Jin Cheng Construction Co., Ltd.; Director, Walsin Lihwa Holdings Limited; Director, Walsin Specialty Steel Holdings Limited; Director, Walsin Specialty Steel Ltd.; Director, United Industrial Gases Co., Ltd.; Director, Song Yung Investment Co., Ltd.; Director, MITAC Holdings Corporation; Director, Baystar Holdings Ltd.; | Director, Marketplace Management Limited; Director, Newfound Asian Corporation; Director, Peaceful River Corporation; Director, Pigeon Creek Holding Co., Ltd.; Director, Winbond Electronics Corporation America; Director, Winbond Int'l Corporation; Director, Landmark Group Holdings Ltd.; Director, Nuvoton Investment Holding Ltd.; Director, Cheng Hsin General Hospital; Convener of the Remuneration Committee and member of the Audit Committee, Nomination Committee, and more | None | None | None | |
| None | None | BA in Accounting, Soochow University; EMBA, National Taiwan University; Deputy Chairman of Deloitte Taiwan | Director, Yageo Corporation; Director, YFY Investment Holding Co., Ltd.; Independent Director, Fulin Plastic Industry (Cayman) Holding Co., Ltd.; Independent Director, Taiwan Navigation Co., Ltd.; | Independent Director, DACIN Construction Co., Ltd.; Convener of the Audit Committee and member of the Remuneration Committee, Risk Management Committee, Corporate Sustainable Development Committee, and more | None | None | None | |

| Title | Nationality or Place of Registration | Name | Gender Age | Date Elected / Appointed | Term Expires | Date First Elected | Shares Held When Elected | | Shares Currently Held | | Shares Currently Held by Spouse & Minors | |
|----------------------|--------------------------------------|-----------------------|----------------|--------------------------|--------------|--------------------|--------------------------|---------------|-----------------------|---------------|--|------|
| | | | | | | | Shares | % | Shares | % | Shares | % |
| Independent Director | ROC | Lynette Ling-Tai Chou | Female 51-70 | July 5, 2021 | 3 years | June 22, 2018 | 1 *200,000 | 0.00 *0.10 | 1 *200,000 | 0.00 *0.10 | 2 | 0.00 |
| Independent Director | ROC | Mei-Hua Lin | Female Over 71 | July 5, 2021 | 3 years | July 5, 2021 | - | - | - | - | - | - |
| Independent Director | ROC | Sherry S. L. Lin | Female Over 71 | July 5, 2021 | 3 years | July 5, 2021 | - | - | - | - | - | - |

Note 1: Where the president or a person of equivalent ranking (i.e. the highest ranking officer) and the Chairperson are the same person, or spouses or relatives within the first degree of kinship, an explanation should be given to describe the rationale, reasonableness, necessity, and countermeasures taken (such as increasing the number of independent directors, of which over half of the directors should not also be an employee or hold a managerial position in the Company): There are a total of 154 companies in the TCC Group. Due to the different business operations, the Group CEO is responsible for all the related affairs of the Group, executing decisions made by the Board of Directors, and overseeing the managers of the Company and its affiliates. This position is not the same as that of the CEO of the Company. Therefore, the Board of Directors has decided to appoint a president to manage the Company.

Note 2: The C. F. Koo Foundation, a non-profit organization, changed its representative on August 12, 2022. Mr. Jong-Peir Li was replaced by Mr. Sun-Te Chen.

Note 3: * refers to the preferred shares in this table.

| Shares Held by Third Parties | | Education and Experience | Concurrent Positions at TCC and Other Companies | Other Officers, Directors, or Supervisors of the Company Who is a Spouse or a Relative within the Second Degree of Kinship under the Civil Code | | | Notes |
|------------------------------|------|---|--|---|------|--------------|-------|
| Shares | % | | | Title | Name | Relationship | |
| None | None | PhD of Accounting, University of Houston; Master of Accounting, University of Houston; BS in International Business, Department of Commerce, National Taiwan University; Chief of Student Affairs, National Cheng Chi University; Dean, Department of Accounting, National Cheng Chi University; Professor, Guanghua School of Management; Managing Supervisor, Taiwan Public Television Services; Independent Director, F-MStar Co., Ltd. | Independent Director, Chief Telecom Co., Ltd.; Emeritus and Tenured Professor of the Department of Accounting, National Cheng Chi University; Member of the Audit Committee, Remuneration Committee, Risk Management Committee, Nomination Committee and more | None | None | None | |
| None | None | PhD of Accounting, Drexel University; Dean and Professor, Department of Accounting, National Cheng Chi University | Independent Director, Shin Kong Financial Holding Co., Ltd.; Member of the Audit Committee, Remuneration Committee, and more | None | None | None | |
| None | None | LLB, National Taiwan University; Director, Cathay Financial Holding Co., Ltd.; Director, Tong Lung Metal Industry Co., Ltd.; Independent Director, Accton Technology Corporation; Senior Consultant, Lee and Li, Attorneys-at-Law | Chairman, Bar Koo Investment Corporation; Chairman, Bar Koo Consultation Corporation; Chairman, Sheng Fu Investment Co., Ltd.; Chairman, Cheng Yu Investment Corporation; Chairman, Cheng Yu Financial Consultation Corporation; Chairman, Cheng Yu Sheng Investment Corporation; Special Senior Consultant, Lee and Li, Attorneys-at-Law; Independent Director, Cathay Real Estate Development Co., Ltd.; Convener of the Risk Management Committee and member of the Audit Committee, Remuneration Committee, Nomination Committee, and more | None | None | None | |

Table 1: Major Shareholders of Institutional Shareholders of the Company

| Institutional Shareholders | Major Shareholders |
|--|--|
| Chai Hsin R.M.C. Corporation | An-Ping Chang (65.30%); Chia Hsin Cement Corporation (13.71%); Long Chuang Investments Co., Ltd. (13.45%); Huai-Ru Koo (5.51%) |
| C. F. Koo Foundation | CTBC Bank Co., Ltd. (62%) |
| Chia Hsin Cement Corporation | Chia Hsin International Co., Ltd. (16.44%); Song Zuo Investment Co., Ltd. (8.88%); Yong-Ping Chang (5.39%); Taiwan Cement Corporation (3.54%); Ta-Ho Maritime Corporation (3.32%); Kang Hao Industrial Co., Ltd. (2.33%); Chia Hsin Foundation (1.92%); Zuo Yao Investment Co., Ltd. (1.89%); Kuo-Hui Ku (1.74%); Chai Hsin R.M.C. Corporation (1.70%) |
| International CSRC Investment Holdings Co., Ltd. | Taiwan Cement Corporation (15.59%); Chinatrust Investment Co., Ltd. (6.89%); TCC Investment Co., Ltd. (2.23%); Chung Cheng Development Investment Corporation (1.50%); JP Morgan Chase Bank N.A., Taipei Branch, Custodian for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds (1.20%); JP Morgan Chase Bank N.A., Taipei Branch, custodian for Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds (1.17%); Union Cement Traders Inc. (1.16%); Citibank Taiwan, Custodian for Norges Ban (1.11%); TransGlobe Life Insurance Inc. (1.02%); Citi Bank (Taiwan) in custody for the investment account of Poluning Development National Fund Co., Ltd. (0.82%) |
| Fu Pin Investment Co., Ltd. | Hsuan-Hui Koo (49.9995%); Tian-Yi Huo (25.10%); Gung-Kai Koo (24.90%); Heng Qiang Investment Co., Ltd. (0.0005%) |
| Tai Ho Farming Co., Ltd. | Hsing Cheng Investment Co., Ltd. (100%) |
| Heng Qiang Investment Co., Ltd. | Tian-Yi Huo (49.50%); Gung-Kai Koo (24.90%); Hsuan-Hui Koo (25.5995%); Fu Pin Investment Co., Ltd. (0.0005%) |

Note: All information disclosed in the above table has been provided by the respective institutional shareholders as of March 20, 2023. TCC presents such information as is.

Table 2: Major Shareholders of Corporate Shareholders in Table 1

| Corporate Shareholders in Table 1 | Major Shareholders |
|-----------------------------------|--|
| Chia Hsin Cement Corporation | Chia Hsin International Co., Ltd. (16.44%); Song Zuo Investment Co., Ltd. (8.88%); Yong-Ping Chang (5.39%); Taiwan Cement Corporation (3.54%); Ta-Ho Maritime Corporation (3.32%); Kang Hao Industrial Co., Ltd. (2.33%); Chia Hsin Foundation (1.92%); Zuo Yao Investment Co., Ltd. (1.89%); Kuo-Hui Ku (1.74%); Chai Hsin R.M.C. Corporation (1.70%) |
| Long Chuang Investments Co., Ltd. | An-Ping Chang (96.32%); Huai-Ru Koo (1.05%) |
| CTBC Bank Co., Ltd. | CTBC Financial Holding Co., Ltd. (100%) |
| Chia Hsin International Co., Ltd. | Chia Hsin Cement Corporation (87.18%); Chia Hsin Construction and Development Corporation (10.41%); Jia Min Co., Ltd. (0.52%); Song Zuo Investment Co., Ltd. (0.42%); Ru-Ping Chang (0.25%); Yong-Ping Chang (0.22%); Zhong-Lian Zhong (0.19%); Zuo Yao Investment Co., Ltd. (0.16%); An-Ping Chang (0.12%); Jian-Guo Wang (0.11%) |
| Song Zuo Investment Co., Ltd. | Yong-Ping Chang (59.47%); Chia Hsin Construction and Development Corporation (14.52%) |
| Taiwan Cement Corporation | Chia Hsin Cement Corporation (3.56%); Chinatrust Investment Co., Ltd. (3.13%); Labor Retirement Reserve Fund (1.80%); Yuanta High Dividend Yield ETF (1.78%); Chia Hsin International Co., Ltd. (1.74%); Taishin International Bank, Custodian for Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF (1.70%); International CSRC Investment Holdings Co., Ltd.(1.69%); Heng Qiang Investment Co., Ltd.(1.67%); Taiwan Life Insurance Co., Ltd. (1.64%); BankTaiwan Life Insurance – Government Employees & School Staffs Insurance (1.46%) |
| Ta-Ho Maritime Corporation | Taiwan Cement Corporation (64.79%); Taiwan Transport & Storage Co., Ltd. (29.25%); TCC Investment Co., Ltd. (0.02%) |
| Kang Hao Industrial Co., Ltd. | Mei Ke Shen Enterprise Co., Ltd. (54.5%); Sian Ping Chang (10.5%) |
| Chia Hsin Foundation | Chia Hsin Cement Corporation (100%) |

| Corporate Shareholders in Table 1 | Major Shareholders |
|--|--|
| Zuo Yao Investment Co., Ltd. | Jian-Guo Wang (22.5%); Chia Hsin International Co., Ltd. (20.17%); Chia Hsin Cement Corporation (19.33%) |
| Chai Hsin R.M.C. Corporation | An-Ping Chang (65.30%); Chia Hsin Cement Corporation (13.71%); Long Chuang Investments Co., Ltd. (13.45%); Huai-Ru Koo (5.51%) |
| Chinatrust Investment Co., Ltd. | Heng Qiang Investment Co., Ltd. (23.38%); Fu Pin Investment Co., Ltd. (23.33%); Taiwan Cement Corporation (9.36%); International CSRC Investment Holdings Co., Ltd. (4.48%); TCC Investment Co., Ltd. (3.45%); Ho-Ping Industrial Port Corporation (3.31%); Kun Qing International Development Ltd. (2.97%); Qiao Tai Investment Co., Ltd. (2.95%); Chung Ho Textile Co., Ltd. (2.31%); Ta-Ho Maritime Corporation (2.09%) |
| TCC Investment Co., Ltd. | Taiwan Cement Corporation (100%) |
| Chung Cheng Development Investment Corporation | International CSRC Investment Holdings Co., Ltd. (100%) |
| JPMorgan Chase Bank N.A., Taipei Branch, custodian for the Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds | Not applicable |
| JPMorgan Chase Bank N.A., Taipei Branch, custodian for the Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds | Not applicable |
| Union Cement Traders Inc. | TCC Investment Co., Ltd. (100%) |
| Citibank Taiwan, Custodian for Norges Bank | Not applicable |
| TransGlobe Life Insurance Inc. | Chung Wei Yi Co., Ltd. (100%) |
| Citi Bank (Taiwan) in custody for the investment account of Poluning Development National Fund Co., Ltd. | Not applicable |
| Heng Qiang Investment Co., Ltd. | Tian-Yi Huo (49.50%); Gung-Kai Koo (24.90%); Hsuan-Hui Koo (25.5995%); Fu Pin Investment Co., Ltd. (0.0005%) |
| Hsing Cheng Investment Co., Ltd. | Cecilia Koo (16.67%); Ching-Hua Hu (16.67%); Lydia Chao (16.67%); Huai-Ru Koo (16.67%); Cheng-Huei Koo (8.33%); Kung-Yi Koo (8.33%); Hsuan-Hui Koo (16.67%) |
| Fu Pin Investment Co., Ltd. | Hsuan-Hui Koo (49.9995%); Tian-Yi Huo (25.10%); Gung-Kai Koo (24.90%); Heng Qiang Investment Co., Ltd. (0.0005%) |

Note: All information disclosed in the above table has been provided by the respective institutional shareholders as of March 20, 2023. TCC presents such information as is.

1. Directors' Professional Qualification and Independent Directors Status of Independence:

| Condition Name | Professional Qualification and Work Experience (Note 1) | Status of Independence | Number of Concurrent Positions Held at Other Public Companies |
|-----------------------|---|---|---|
| An-Ping Chang | <p>(1) The Company's Chairman & TCC Group CEO, as well as Convenor of the Company's Corporate Sustainable Development Committee and Nomination Committee.</p> <p>(2) Mr. Chang is the Chairman of the Company and NHOA S.A. (listed in France); director of CTCL Corporation and Taiwan Stock Exchange Corporation; and honorary chairman of the Chinese National Association of Industry and Commerce, Taiwan.</p> <p>(3) Mr. Chang has more than 40 years' experience in cross-industry fields, leading the completion of privatization projects, sale of Taiwan Prosperity Chemical Corporation and cross-border M&A. He also has expertise in operational management, leadership, decision-making, crisis management, industrial knowledge, corporate sustainability, M&A, green energy, international markets and more. After taking over the Chairman, he led the Group to develop diversely and internationally, and let the society clearly see the transformation of the Group into a green enterprise from energy generating, saving, to power storage to embrace a life with new energy and ecological life.</p> | | - |
| Sun-Te Chen | <p>(1) The Company's director.</p> <p>(2) Mr. Chen serves as a director of this company and is also the Chairman of Taipei Fubon Commercial Bank Co., Ltd.</p> <p>(3) With over 40 years of extensive experience in the financial and banking industry, Mr. Chen possesses professional capabilities in operational management, leadership decision-making, crisis handling, international markets, ESG, and more. The Company will continue to leverage Mr. Chen's expertise and rely on his professional skills to make major decisions with the board of directors and other directors, leading the company towards better development and achieving sustainable development goals.</p> | The directors are not spouse or kinship within the second degree. | 1 |
| Jason Kang-Lung Chang | <p>(1) The Company's director.</p> <p>(2) Mr. Chang is the director of the Company, chairman of Chia Hsin Cement Corporation.</p> <p>(3) In addition to having more than 30 years' experience in cement industry Mr. Chang has expertise in operational management, leadership, decision-making, crisis management, industrial knowledge, corporate sustainability, and international markets. The Company continues to rely on his professionalism in making major decisions on the Board of Directors to help the Company grow and achieve the target of sustainable development.</p> | | - |
| Kenneth C.M. Lo | <p>(1) The Company's directors and member of the Nomination Committee.</p> <p>(2) Mr. Lo serves as a director of The Company and also holds positions as the founder and honorary chairman of O-Bank.</p> <p>(3) Mr. Lo has more than 40 years' experience in banking and finance and expertise in operational management, leadership, decision-making, crisis management, industrial knowledge, corporate sustainability, and international markets. The Company continues to rely on his professionalism in making major decisions on the Board of Directors to help the Company grow and achieve the target of sustainable development.</p> | | - |

| Condition Name | Professional Qualification and Work Experience (Note 1) | Status of Independence | Number of Concurrent Positions Held at Other Public Companies |
|-------------------|---|---|---|
| Por-Yuan Wang | <p>(1) The Company's director.</p> <p>(2) Mr. Wang is the director of the Company, the chairman of Pacific Venture Partners and Sercomm Corporation, and director of multiple public companies.</p> <p>(3) Mr. Wang has been the Company's director for many years and understands TCC. He has more than 40 years' experience in various industries and holds the position of director/independent director in various public companies. With expertise in international M&A, operational management, leadership, decision-making, crisis management, industrial knowledge, corporate sustainability, and international markets, the Company continues to rely on his professionalism in making major decisions on the Board of Directors to help the Company grow and achieve the target of sustainable development.</p> | | 1 |
| Kung-Yi Koo | <p>(1) The Company's director and AVP.</p> <p>(2) Mr. Koo is the director and AVP of the Company, as well as the chairman and CEO of International CSRC Investment Holdings Co., Ltd.</p> <p>(3) Mr. Koo has more than 10 years' experience in banking, finance, and cement industry and has assisted in the privatization of TCC International Holdings Limited. With expertise in financing management, operational management, leadership, decision-making, crisis management, industrial knowledge, corporate sustainability, international market and more, the Company continues to rely on his professionalism in making major decisions on the Board of Directors to help the Company grow and achieve the target of sustainable development.</p> | The directors are not spouse or kinship within the second degree. | - |
| Chi-Chia Hsieh | <p>(1) The Company's director.</p> <p>(2) Mr. Hsieh is the director of the Company, director of Microelectronics Technology Inc. and independent director of Innolux Corporation.</p> <p>(3) Mr. Hsieh served as the director of the affiliate company of TCC Group (e.g., International CSRC Investment Holdings Co., Ltd.) and has more than 40 years' experience in various industries. With expertise in financing management, operational management, leadership, decision-making, crisis management, industrial knowledge, corporate sustainability, international markets and more, the Company continues to rely on his professionalism in making major decisions on the Board of Directors to help the Company grow and achieve the target of sustainable development.</p> | | 1 |
| Chi-Te Chen | <p>(1) The Company's director.</p> <p>(2) Mr. Chen is the director of the Company, Vice Chairman of Chien Kuo Construction Co., Ltd. and director of Chia Hsin Cement Corporation.</p> <p>(3) In addition to having more than 30 years' experience in cement industry Mr. Chen has expertise in operational management, leadership, decision-making, crisis management, industry specific knowledge, corporate sustainability, and international markets. The Company continues to rely on his professionalism in making major decisions on the Board of Directors to help the Company grow and achieve the target of sustainable development.</p> | | - |

| Condition Name | Professional Qualification and Work Experience (Note 1) | Status of Independence | Number of Concurrent Positions Held at Other Public Companies |
|-------------------|--|---|---|
| Chien Wen | (1) The Company's director. (2) Mr. Wen is the director of the Company, Director of Chinatrust Investment Co., Ltd. and Supervisor of Ta-Ho Maritime Corporation. (3) Mr. Wen has more than 30 years' experience in finance, technology, and cement industry. With expertise in financing management, operational management, leadership, decision-making, crisis management, industry specific knowledge, and more, the Company continues to rely on his professionalism in making major decisions on the Board of Directors to help the Company grow and achieve the target of sustainable development. | The directors are not spouse or kinship within the second degree. | - |
| Chun-Ying Liu | (1) The Company's director. (2) Ms. Liu is the director of the Company, Partner of Tsar and Tsai Law Firm, and independent director of Jarly Technology Co., Ltd. (3) Ms. Liu has over 20 years of experience as a lawyer and has assisted many listed companies with various projects. She has expertise in legal affairs, M&A, financial management, and other professional skills. Our company will continue to rely on Ms. Liu's expertise to make important decisions with the board of directors and other directors, and to drive the company towards better development and sustainable goals. | The directors are not spouse or kinship within the second degree. | 2 |
| Yu-Cheng Chiao | (1) The Company's independent director, convener of the Remuneration Committee, and member of the Audit Committee and the Nomination Committee. (2) Mr. Chiao currently serves as the chairman of Winbond Electronics Corp. and a director of several listed companies across different industries. He also previously served as the chairman of Nuvoton Technology Corporation. With over 40 years of extensive experience across various industries, Mr. Chiao has served as an independent director of the Company for three terms and possesses professional capabilities in cross-border mergers and acquisitions, operational management, leadership decision-making, crisis handling, industry knowledge, corporate sustainability, international markets, and more. During his tenure as an independent director, Mr. Chiao has provided appropriate advice and guidance on the company's operations, finance, and management analysis, leveraging his expertise to continue monitoring the company's operations. | The five independent directors listed: 1. All qualified to be an independent director. 2. Are all independent: (1) The directors do not have spouses or kinship within the second degree in the Company or a related company. (2) The director or their spouses or kinship within the second degree do not hold the Company's stocks. (3) Does not hold a position at the Company's related party. (4) Has not received compensation from the Company or its affiliates for business, legal, financial, accounting, and other services in the past two years. | - |

| Condition Name | Professional Qualification and Work Experience (Note 1) | Status of Independence | Number of Concurrent Positions Held at Other Public Companies |
|-----------------------|---|---|---|
| Victor Wang | (1) The Company's independent director, convener of the Audit Committee and member of the Remuneration Committee, Risk Management Committee and Corporate Sustainable Development Committee. (2) Mr. Wang has served three terms as an independent director of the Company, was deputy chairman of Deloitte Taiwan, is the director of Yageo Corporation, independent director of Taiwan Navigation Co., Ltd. and DACIN Construction Co., Ltd. and director/ independent director of various public companies. Mr. Wang has more than 30 years' experience in financial accounting. He has expertise in operational management, crisis management, industrial knowledge, corporate sustainability, and international markets. During the period as the independent director of the company, he provides appropriate advice and guidance on company's auditing, finance and business analysis. The Company will continue to rely on his expertise in supervising the Company's operation. | The five independent directors listed: 1. All qualified to be an independent director. 2. Are all independent: (1) The directors do not have spouses or kinship within the second degree in the Company or a related company. (2) The director or their spouses or kinship within the second degree do not hold the Company's stocks. (3) Does not hold a position at the Company's related party. (4) Has not received compensation from the Company or its affiliates for business, legal, financial, accounting, and other services in the past two years. | 3 |
| Lynette Ling-Tai Chou | (1) The Company's independent director and member of the Audit Committee, the Remuneration Committee, Risk Management Committee and Nomination Committee. (2) Ms. Chou has more than 30 years' experience in accounting and audit. She is the independent director of Chief Telecom Co., Ltd. and has expertise in accounting, audit, industrial knowledge, corporate sustainability, and international markets. During her tenure as an independent director of the company, Ms. Chou has provided appropriate advice and guidance on the company's auditing, finance, and business analysis. The company will continue to rely on her expertise to monitor the company's operations. | The five independent directors listed: 1. All qualified to be an independent director. 2. Are all independent: (1) The directors do not have spouses or kinship within the second degree in the Company or a related company. (2) The director or their spouses or kinship within the second degree do not hold the Company's stocks. (3) Does not hold a position at the Company's related party. (4) Has not received compensation from the Company or its affiliates for business, legal, financial, accounting, and other services in the past two years. | 1 |
| Mei-Hua Lin | (1) The Company's independent director, and member of the Audit Committee, and the Remuneration Committee. (2) Ms. Lin has more than 30 years' experience in accounting and audit. She is the independent director of Shin Kong Financial Holding Co., Ltd. and has expertise in accounting, audit, industrial knowledge, and corporate sustainability. During the period as the independent director of the company, she provides advice and guidance on company audit, financial and business analysis and the Company continues to rely on her professionalism in supervising the Company's operation. | The five independent directors listed: 1. All qualified to be an independent director. 2. Are all independent: (1) The directors do not have spouses or kinship within the second degree in the Company or a related company. (2) The director or their spouses or kinship within the second degree do not hold the Company's stocks. (3) Does not hold a position at the Company's related party. (4) Has not received compensation from the Company or its affiliates for business, legal, financial, accounting, and other services in the past two years. | 1 |
| Sherry S. L. Lin | (1) The Company's independent director, convener of the Risk Management Committee, and member of the Audit Committee, the Remuneration Committee, and Nomination Committee. (2) Ms. Lin serves as a senior advisor at Lee and Li, Attorneys-at-Law, currently an independent director of Cathay Real Estate Development Co., Ltd., and previously a director of multiple listed companies. With over 40 years of experience in handling legal, financial, and other projects in various industries, she possesses professional capabilities in operational management, crisis management, industry knowledge, corporate sustainability, and international markets. She provides appropriate advice and guidance on the company's auditing, finance, and M&A activities, and her expertise is instrumental in the ongoing supervision of the company's operations. | The five independent directors listed: 1. All qualified to be an independent director. 2. Are all independent: (1) The directors do not have spouses or kinship within the second degree in the Company or a related company. (2) The director or their spouses or kinship within the second degree do not hold the Company's stocks. (3) Does not hold a position at the Company's related party. (4) Has not received compensation from the Company or its affiliates for business, legal, financial, accounting, and other services in the past two years. | 1 |

Note 1: Article 30 of the Company Act does not apply to any of the Company's directors.

Note 2: The director disclosure in this table is for current directors.

2. Diversification and Independence of Board of Directors:

(1) The election of directors in the Company is based on the candidate nomination system under Article 192-1 of the Company Act, and they are appointed by the shareholders' meeting. The board of directors must meet at least once every quarter, but may be convened at any time in case of emergency. According to the Company's corporate governance guidelines, the composition of the board of directors should take into account diversity, including not only the knowledge and skills required for the positions but also different professional backgrounds and experiences in the industry.

The Company's 24th board of directors consists of 15 directors, including 5 independent directors, which already accounts for one-third of the total. Many directors also serve as chairman or director of other listed companies. The rich knowledge, personal insights, and business operational judgment of our directors, along with their outstanding leadership and decision-making abilities, are highly valued by the Company. Additionally, the Company pays attention to gender equality in the composition of the board of directors, with 4 female directors, accounting for 27% of the board. The age range of the directors is 31-50 years for 2 seats, and 51 years and above for 13 seats.

(2) The capabilities of the board of directors as follows:

1. Business judgement
2. Accounting and financial analysis
3. Operational management (includes operational management of subsidiary)
4. Crisis management
5. Industrial knowledge
6. International market vision
7. Leadership
8. Decision-making

The composition of the 24th board of directors of the Company emphasizes diversity and is composed of industry and academic elites. The members' industry experience covers energy, environmental protection, cement, mergers and acquisitions/investment, information technology, etc., and they possess professional capabilities in management, international markets, risk management, accounting and financial analysis, law, ESG, and other areas:

Rich industry knowledge and management experience: An-Ping Chang, Por-Yuan Wang, Kung-Yi Koo, Jason Kang-Lung Chang, Chi-Te Chen, Chi-Chia Hsieh, Chien Wen, and Yu-Cheng Chiao; Financial expertise: Kenneth C.M. Lo and Sun-Te Chen; Accounting expertise: Victor Wang, Lynette Ling-Tai Chou, and Mei-Hua Lin; Legal Expertise: Chun-Ying Liu and Sherry S. L. Lin, The Company continues to arrange diverse training courses for our board members to enhance their decision-making quality, fulfill their supervisory responsibilities, and strengthen the functions of the board of directors.

(3) Management objective: The Company's board of directors guides company's strategy, supervises management, the operations and arrangements of governance and is responsible for the company and shareholders. It has to be ensured that board of directors exercises its functions in accordance with legal provisions, the company's

articles of incorporation or shareholders' resolutions. Directors listen to management team's report at board meetings, and provide guidance and advice, maintaining good communication with the management team to create maximum benefits for shareholders. Our company also values gender equality in the composition of the board of directors. Four female directors currently hold seats, and our goal is to have at least 33% female directors in the future. In future director elections, we will give priority to female director candidates to achieve this goal.

(4) Meetings: The current board of directors held 10 board meetings from January 1, 2022, to February 24, 2023, with a 95% attendance rate.

(5) Independence: There are a total of 15 members on the current board of directors of the Company, of which 5 are independent directors, accounting for 33%. As of the end of 2022, all independent directors met the regulations set by the Securities and Futures Bureau, Financial Supervisory Commission regarding independent directors, and there were no situations described in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act between directors and independent directors. For disclosure on the professional qualifications and independence of the board of directors, please refer to page 31 of this annual report under section "Directors' Professional Qualification and Independent Directors Status of Independence". For information on the directors' education, gender, and work experience, please refer to page 19 of this annual report under section "3.2.1 Information regarding board members".

3. Analysis of the director's industrial and professional ability:

(1) Chairman

| Member | Date Elected / Appointed | Nationality | Gender | Age | | | Industry Experience | | | | |
|---------------|--------------------------|-------------|--------|-------|-------|---------|---------------------|---------------|--------|-----|----|
| | | | | 31-50 | 51-70 | Over 71 | Energy | Environmental | Cement | M&A | IT |
| An-Ping Chang | July 5, 2021 | ROC | Male | | ○ | | ○ | ○ | ○ | ○ | ○ |

| Member | Date Elected / Appointed | Nationality | Gender | Professional Ability | | | | | |
|---------------|--------------------------|-------------|--------|------------------------|-----------------------|-----------------|---------------------------------|-------|-----|
| | | | | Operational management | International markets | Risk Management | Accounting & financial analysis | Legal | ESG |
| An-Ping Chang | July 5, 2021 | ROC | Male | ○ | ○ | ○ | | | ○ |

(2) Directors

| Member | Date Elected / Appointed | Nationality | Gender | Age | | | Industry Experience | | | | |
|-----------------------|--------------------------|-------------|--------|-------|-------|---------|---------------------|---------------|--------|-----|----|
| | | | | 31-50 | 51-70 | Over 71 | Energy | Environmental | Cement | M&A | IT |
| Kenneth C.M. Lo | July 5, 2021 | ROC | Male | | | ○ | | | ○ | ○ | |
| Jason Kang-Lung Chang | | ROC | Male | | ○ | | | | ○ | ○ | ○ |
| Por-Yuan Wang | | ROC | Male | | | ○ | | | ○ | ○ | ○ |
| Sun-Te Chen | | ROC | Male | | ○ | | | | ○ | | |
| Kung-Yi Koo | | ROC | Male | ○ | | | ○ | ○ | ○ | ○ | |
| Chi-Te Chen | | ROC | Male | | ○ | | | | ○ | ○ | |
| Chi-Chia Hsieh | | ROC | Male | | | ○ | | ○ | ○ | ○ | ○ |
| Chien Wen | | ROC | Male | | | ○ | | | ○ | ○ | |
| Chun-Ying Liu | | ROC | Female | ○ | | | | | ○ | ○ | |

| Member | Date Elected / Appointed | Nationality | Gender | Professional Ability | | | | | |
|-----------------------|--------------------------|-------------|--------|------------------------|-----------------------|-----------------|---------------------------------|-------|-----|
| | | | | Operational management | International markets | Risk Management | Accounting & financial analysis | Legal | ESG |
| Kenneth C.M. Lo | July 5, 2021 | ROC | Male | ○ | ○ | ○ | ○ | | ○ |
| Jason Kang-Lung Chang | | ROC | Male | ○ | ○ | ○ | ○ | | ○ |
| Por-Yuan Wang | | ROC | Male | ○ | ○ | ○ | ○ | | ○ |
| Sun-Te Chen | | ROC | Male | ○ | ○ | ○ | ○ | | ○ |
| Kung-Yi Koo | | ROC | Male | ○ | ○ | ○ | ○ | | ○ |
| Chi-Te Chen | | ROC | Male | ○ | ○ | ○ | ○ | | ○ |
| Chi-Chia Hsieh | | ROC | Male | ○ | ○ | ○ | ○ | | ○ |
| Chien Wen | | ROC | Male | ○ | | | ○ | | ○ |
| Chun-Ying Liu | | ROC | Female | | ○ | ○ | ○ | | ○ |

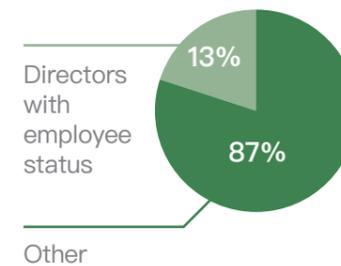
(3) independent directors

| Member | Date Elected / Appointed | Nationality | Gender | Seniority as An Independent Director of the Company | | | Age | | | Industry Experience | | | | |
|-----------------------|--------------------------|-------------|--------|---|-------------|--------------|-------|-------|---------|---------------------|---------------|--------|-----|----|
| | | | | Below 3 Years | 3 – 9 Years | Over 9 Years | 31-50 | 51-70 | Over 71 | Energy | Environmental | Cement | M&A | IT |
| Yu-Cheng Chiao | July 5, 2021 | ROC | Male | | | ○ | | ○ | | ○ | ○ | ○ | ○ | ○ |
| Victor Wang | | ROC | Male | | | ○ | | ○ | | ○ | ○ | ○ | ○ | |
| Lynette Ling-Tai Chou | | ROC | Female | | ○ | | | ○ | | | ○ | ○ | ○ | |
| Mei-Hua Lin | | ROC | Female | ○ | | | | | ○ | | ○ | | ○ | |
| Sherry S. L. Lin | | ROC | Female | ○ | | | | | ○ | | | | ○ | |

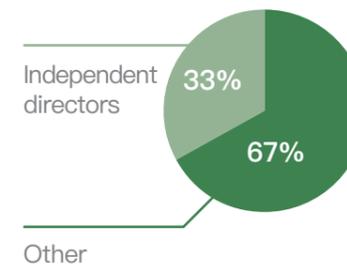
| Member | Date Elected / Appointed | Nationality | Gender | Professional Ability | | | | | |
|-----------------------|--------------------------|-------------|--------|------------------------|-----------------------|-----------------|---------------------------------|-------|-----|
| | | | | Operational management | International markets | Risk Management | Accounting & financial analysis | Legal | ESG |
| Yu-Cheng Chiao | July 5, 2021 | ROC | Male | ○ | ○ | ○ | ○ | | ○ |
| Victor Wang | | ROC | Male | ○ | ○ | ○ | ○ | | ○ |
| Lynette Ling-Tai Chou | | ROC | Female | ○ | ○ | ○ | ○ | | ○ |
| Mei-Hua Lin | | ROC | Female | ○ | ○ | | ○ | | ○ |
| Sherry S. L. Lin | | ROC | Female | ○ | ○ | ○ | ○ | ○ | ○ |

There are 15 directors (including independent directors), with the following breakdown:

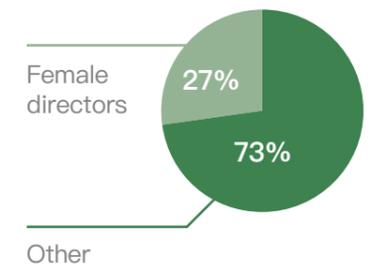
Proportion of directors with employees status



Proportion of independent directors



Proportion of female directors



3.2.2 Profiles of Group CEO, president, vice presidents, assistant vice presidents, department heads, branch heads, and subsidiary heads

The information of shares currently held was disclosed up to March 20, 2023.

| Title | Nationality | Name | Gender | Elected (Appointed) Date | Shares Currently Held | | Shares Currently Held by Spouse or Minors | | Shares Held in the Name of Other Persons | |
|-----------|-------------|---------------|--------|--------------------------|-----------------------|------|---|------|--|------|
| | | | | | Shares | % | Shares | % | Shares | % |
| Group CEO | ROC | An-Ping Chang | Male | July 17, 2019 | 2,408,351 | 0.03 | 4,599,808 | 0.06 | None | None |

| Education and Experience | Concurrent Positions in TCC and Other Companies | Spouse or Relative within the Second Degree of Kinship Who Is A Manager in TCC | | | Note | |
|--|---|---|------|--------------|------|--------|
| | | Title | Name | Relationship | | |
| MBA, Stern School of Business, New York University; Chairman, International CSRC Investment Holdings Co., Ltd.; Chairman, Chia Hsin Cement Corporation; Independent Director, Synnex Technology International Corporation | Chairman and President, TCC Energy Storage Technology Corporation; Chairman and President, Molie Quantum Energy Corporation; Chairman, TCC Investment Corporation; Chairman, Union Cement Traders Inc.; Chairman, TCC Chemical Corporation; Chairman, TCC Sustainable Energy Investment Corporation; Chairman, E-One Moli Energy Corp.; Chairman, TCC Recycle Energy Technology Company; Chairman, Dr. Cecilia Koo Botanic Conservation Center; Chairman, Hualien County Private Hoping Sustainability Charity Foundation; Chairman, Energy Helper TCC Corporation; Chairman, THC International S.A.; Chairman, Ho-Ping Power Company; Chairman, Ho-Ping Renewable Energy Company; Chairman, TCC New (Hangzhou) Management Company Limited; Chairman, TCC (Hangzhou) Environmental Protection Technology Co., Ltd.; Chairman, TCC (Hangzhou) New Energy Company Limited; Chairman, TCC International Holdings Limited; Chairman, TCC Hong Kong Cement (BVI) Holdings Limited; Chairman, TCC Development Limited; Chairman, TCC Hong Kong Cement Development Limited; Chairman, TCC International Limited; Chairman, TCC Hong Kong Cement (Philippines) Limited; Chairman, TCC Hong Kong Cement (Yargoan) Limited; Chairman, TCC Hong Kong Cement (QHC) Limited; Chairman, Ulexite Investments Limited; Chairman, TCC International (Liuzhou) Limited; Chairman, TCC International (Guangxi) Limited; Chairman, Upper Value Investments Limited; Chairman, Prosperity Minerals (China) Ltd.; Chairman, Wayly Holdings Limited; Chairman, Chiefolk Company Limited; Chairman, Hong Kong Cement Company Limited; Chairman, Hong Kong Cement Manufacturing Co. Ltd.; Chairman, Jingyang Industrial Limited; Chairman, TCC International (Hong Kong) Company Limited; Chairman, TCC Liuzhou Company Limited; | Chairman, Prosperity Cement Investment Limited; Chairman, Prosperity Minerals (International) Limited; Chairman, Kiton Limited; Chairman, Hensford Limited; Chairman, Sure Kit Limited; Chairman, Prime York Limited; Chairman, Mega East Ltd.; Chairman, TCC International (China) Company Limited; Chairman, Scitus Cement (China) Holdings Limited; Chairman, Hexagon Holdings Limited; Chairman, Hexagon II Holdings Limited; Chairman, Hexagon III Holdings Limited; Chairman, Hexagon IV Holdings Limited; Chairman, Hexagon V Holdings Limited; Chairman, Hexagon VIII Holdings Limited; Chairman, Hexagon IX Holdings Limited; Chairman, Hexagon XIII Holdings Limited; Chairman, Hexagon XIV Holdings Limited; Chairman, Upper Value Investment Limited; Chairman, Kong On Cement Holdings Ltd.; Chairman, Hong Kong Concrete Company Limited; Chairman, Quon Hing Concrete Co Ltd.; Vice Chairman, Ta-Ho Maritime Corporation; Director, TCC Information Systems Corporation; Director, Taiwan Transport & Storage Co., Ltd.; Director, Ta-Ho Maritime (SG) Corporation; Director, Ho-Ping Industrial Port Corporation; Director, CIMPOR GLOBAL HOLDINGS B.V.; Director, Taiwan Cement Europe Holdings B.V.; Director, NHOA S.A.; Director, E-One Holdings Ltd.; Director, E-One Moli Holdings (Canada) Ltd.; Director, E-One Moli Energy (Canada) Ltd.; Director, Taiwan Stock Exchange Corporation; Director, CTCl Corporation; Director, Chinatrust Investment Co., Ltd.; Director, Chia Hsin R.M.C. Corporation; Director, Cheng Hsin General Hospital; Convener, Corporate Sustainability Committee and Nomination Committee and more. | None | None | None | Note 1 |

| Title | Nationality | Name | Gender | Elected (Appointed) Date | Shares Currently Held | | Shares Currently Held by Spouse or Minors | | Shares Held in the Name of Other Persons | |
|-----------------------|-------------|--------------------|--------|--------------------------|-----------------------|-------------|---|---|--|------|
| | | | | | Shares | % | Shares | % | Shares | % |
| President | ROC | Roman Cheng | Male | November 21, 2022 | - | - | - | - | None | None |
| Senior Vice President | ROC | Chien-Chiang Huang | Male | January 1, 2006 | 846,433 * 20,616 | 0.01 * 0.01 | - | - | None | None |
| Senior Vice President | ROC | Ker-Fu, Lu | Male | June 30, 2008 | 151,891 | 0.00 | - | - | None | None |
| Vice President | ROC | Bao-Luo, Ge | Male | August 11, 2017 | 354,669 | 0.00 | - | - | None | None |

| Education and Experience | Concurrent Positions in TCC and Other Companies | Spouse or Relative within the Second Degree of Kinship Who Is A Manager in TCC | | | Note |
|---|--|---|------|--------------|--------|
| | | Title | Name | Relationship | |
| MBA, National Chengchi University; President, Taipei Fubon Bank. | Member, Corporate Sustainable Development Committee; Director, Hualien County Private Hoping Sustainability Charity Foundation and more | None | None | None | Note 2 |
| BS in Transportation and Logistics Management, National Cheng Kung University | Chairman, Tai-Jie Transport & Storage Corporation; Chairman, Feng Sheng Enterprise Co., Ltd.; Chairman, E.G.C. Cement Corporation; Chairman, Ho-Ping Industrial Port Corporation; Chairman, TCC Fuzhou Cement Co., Ltd.; Chairman, TCC Fuzhou Yangyu Port Co., Ltd.; Director, Taiwan Cement Engineering Corporation; Director, TCC Information Systems Corporation; Director, Taiwan Transport & Storage Co., Ltd.; Director, Ta-Ho Maritime Corporation; Director, Dr. Cecilia Koo Botanic Conservation Center; | Director, Ho-Ping Power Company; Director, Taiwan Cement (Dutch) Holdings B.V.; Director, TCC Shaoguan Cement Co., Ltd.; Director, TCC International Holdings Limited; Director, TCC International Limited; Director, Chiefolk Company Limited; Director, Hong Kong Cement Company Limited; Director, Hong Kong Concrete Company Limited; Director, Quon Hing Concrete Co., Ltd.; President, Hong Kong Cement Manufacturing Co. Ltd.; Managing Director, O-Bank and more | None | None | None |
| BS in Mechanical Engineering, Tamkang University | Chairman and President, Taiwan Cement Engineering Corporation; Chairman, Jin Chang Minerals Corporation; Chairman, Tuo Shan Recycle Technology Company; Chairman, TCC Green Energy Corporation; Chairman, TCC Chia-Chien Green Energy Corporation; Chairman, TCC Yun-Kai Green Energy Corporation; Chairman, TCC Lien-Hsin Green Energy Corporation; Chairman, TCC Chang-Ho Green Energy Corporation; Chairman, TCC Kao-Cheng Green Energy Corporation; Chairman, TCC Nan-Chung Green Energy Corporation; Chairman, Chang-Wang Wind Power Co., Ltd.; Chairman, TCC Ping-Chih Green Energy Corporation; Chairman, Chia-Ho Green Energy Corporation; Chairman, TCC Tung-Li Green Energy Corporation; Chairman, HPC Power Services Corporation; Chairman, TCC Chongqing Cement Company Limited; Chairman, TCC Anshun Cement Company Limited; Chairman, TCC Jingzhou Cement Company Limited; Chairman, TCC Shaoguan Cement Co., Ltd.; Chairman, TCC (Gui Gang) Cement Ltd.; | Chairman, TCC Guigang Mining Industrial Company Limited; Chairman, Beijing TCC Environmental Technology Co., Ltd.; Chairman, TCC Yingde Mining Industrial Company Limited; Chairman, TCC Yingde Mining Industrial Company Limited; Director and President, TCC (Hangzhou) Environmental Protection Technology Co., Ltd.; Director, TCC Information Systems Corporation; Director, Ta-Ho Maritime Corporation; Director, Ho-Ping Power Company; Director, Onyx Ta-Ho Environmental Services Co., Ltd.; Director, TCC New (Hangzhou) Management Company Limited; Director, Scitus Luzhou Cement Co., Ltd.; Director, Scitus Hejiang Cement Co., Ltd.; Director, Yingjing Xinan New Material Co., Ltd.; Director, Jurong TCC Environmental Co., Ltd.; Director, TCC (Hangzhou) New Energy Company Limited; Director, Scitus Cement (China) Holdings Ltd. Director, Quon Hing Concrete Co., Ltd.; Director, Sichuan Taichang Building Material Group Company Limited; Supervisor, Ho-Ping Renewable Energy Company; President, TCC Chemical Corporation and more | None | None | None |
| MS in Foreign Service, Georgetown University | Director, Onyx Ta-Ho Environmental Services Co., Ltd.; Chairman, TCC (Hangzhou) Recycle Resource Technology Limited; Director, TCC Yongren (Hangzhou) Environmental Protection Technology Co., Ltd.; Director, TCC Yongren (Hangzhou) Environmental Technology Co., Ltd.; | Director, TCC (Hangzhou) New Energy Company Limited; Director, TCC Zhihe (Hangzhou) Environmental Protection Company Limited and more | None | None | None |

| Title | Nationality | Name | Gender | Elected (Appointed) Date | Shares Currently Held | | Shares Currently Held by Spouse or Minors | | Shares Held in the Name of Other Persons | |
|---------------------------------|-------------|------------------|--------|--------------------------|-----------------------|------|---|------|--|------|
| | | | | | Shares | % | Shares | % | Shares | % |
| Vice President | ROC | Chien-Chuan Wang | Male | February 9, 2015 | 218,876 | 0.00 | 1,889 | 0.00 | None | None |
| Vice President | ROC | Feng-Ping Liu | Female | February 9, 2015 | 164,758 | 0.00 | 251 | 0.00 | None | None |
| Vice President | ROC | Yu-Jun Yeh | Female | January 29, 2018 | 178,586 | 0.00 | - | - | None | None |
| CFO | ROC | Randy Yu | Male | September 13, 2022 | 10,000 | 0.00 | - | - | None | None |
| Senior Assistant Vice President | ROC | Kuo-Yu Tsai | Male | August 3, 2020 | 611,590 | 0.01 | - | - | None | None |

| Education and Experience | Concurrent Positions in TCC and Other Companies | Spouse or Relative within the Second Degree of Kinship Who Is A Manager in TCC | | | Note | |
|---|--|--|------|--------------|--------|--|
| | | Title | Name | Relationship | | |
| BS in Mechanical Engineering, Feng Chia University. | Chairman, Ta-Ho RSEA Environment Co., Ltd.; Chairman, Tung Chen Mineral Corporation Ltd.; Chairman, Kuan-Ho Refractories Industry Corporation; Chairman, TCC Liaoning Cement Company Limited; Chairman, TCC Zhongrun (Anshun) Environmental Technology Co., Ltd.; Director and President, Ho-Ping Renewable Energy Company; Director, Taiwan Cement Engineering Corporation; Director, Taiwan Transport & Storage Corporation; Director, TCC Chemical Corporation; Director, TCC Recycle Energy Technology Company; Director, Energy Helper TCC Corporation; Director, Tuo Shan Recycle Technology Company; Director, Dr. Cecilia Koo Botanic Conservation Center; Director, Hualien County Private Hoping Sustainability Charity Foundation; Director, Jurong TCC Cement Co., Ltd.; Director, TCC Liuzhou Construction Materials Co., Ltd.; Director, TCC Shaoguan Cement Co., Ltd.; Director, TCC (Gui Gang) Cement Ltd.; | Director, Guigang TCC Dong Yuan Environmental Technology Company Limited; Director, TCC Fuzhou Cement Co., Ltd.; Director, TCC Fuzhou Yangyu Port Co., Ltd.; Director, Yingde Dragon Mountain Cement Co., Ltd.; Director, TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd.; Director, Kaili TCC Environment Technology Co., Ltd.; Director, Beijing TCC Environmental Technology Co., Ltd.; Director, TCC Yingde Cement Co., Ltd.; Director, Jurong TCC Environmental Co., Ltd.; Director, Guigang Conch-TCC New Material Technology Co., Ltd.; Director, TCC Yongren (Hangzhou) Renewable Resources Technology Co., Ltd.; Director, TCC (Shaoguan) Environment Technology Co., Ltd.; Director, Jin Yu TCC (Dai Xian) Environmental Protection; Director, TCC Liuzhou Construction Materials Co., Ltd.; Director, Phihong Technology Co., Ltd.; Supervisor, Guizhou Kaili Rui An Jian Cai Co., Ltd.; President, TCC (Hangzhou) Recycle Resource Technology Limited and more | None | None | None | |
| MS in Technology Application and Human Resource Development, National Taiwan Normal University. | Director, Dr. Cecilia Koo Botanic Conservation Center; Director, NHOA S.A.; | None | None | None | Note 3 | |
| MS in Senior Executive Management, National Chengchi University. | Spokesperson of Taiwan Cement Corporation; Director, Dr. Cecilia Koo Botanic Conservation Center; Director, Hualien County Private Hoping Sustainability Charity Foundation and more | None | None | None | Note 3 | |
| MBA, Stern School of Business, New York University. | Independent Director, GlobalWafers Co., Ltd. | None | None | None | Note 2 | |
| BS in Laws, Soochow University. | None | None | None | None | | |

| Title | Nationality | Name | Gender | Elected (Appointed) Date | Shares Currently Held | | Shares Currently Held by Spouse or Minors | | Shares Held in the Name of Other Persons | |
|--|-------------|------------------|--------|--------------------------|-----------------------|---------------|---|---|--|------|
| | | | | | Shares | % | Shares | % | Shares | % |
| Senior Assistant Vice President and Accounting Chief Officer | ROC | Guo-Hong Yeh | Male | December 16, 2015 | 133,489 | 0.00 | - | - | None | None |
| Senior Assistant Vice President | ROC | Huei-Sheng Chiou | Male | December 7, 2021 | - | - | - | - | None | None |
| Senior Assistant Vice President | ROC | Yu-Wen Chiu | Male | April 15, 2021 | 8,920 *3,132 | 0.00 *0.00 | - | - | None | None |

| Education and Experience | Concurrent Positions in TCC and Other Companies | Spouse or Relative within the Second Degree of Kinship Who Is A Manager in TCC | | | Note | |
|--|---|---|------|--------------|------|--------|
| | | Title | Name | Relationship | | |
| MS in Accounting, National Taipei University. | Director, International CSRC Investment Holdings Co., Ltd.; Director, TCC Green Energy Corporation; Director, TCC Chia-Chien Green Energy Corporation; Director, TCC Yun-Kai Green Energy Corporation; Director, TCC Lien-Hsin Green Energy Corporation; Director, TCC Chang-Ho Green Energy Corporation; Director, TCC Kao-Cheng Green Energy Corporation; Director, TCC Nan-Chung Green Energy Corporation; Director, Chang-Wang Wind Power Co., Ltd.; Director, TCC Ping-Chih Green Energy Corporation; Director, Chia-Ho Green Energy Corporation; Director, TCC Tung-Li Green Energy Corporation; Director, Jiangsu TCC Investment Co., Ltd.; Director, TCC Liaoning Cement Company Limited; Director, TCC (Hangzhou) Recycle Resource Technology Limited; Director, TCC International Holdings Limited; Director, TCC International Limited; Supervisor, Energy Helper TCC Corporation; Supervisor, TCC Investment Corporation; Supervisor, Taiwan Cement Engineering Corporation; Supervisor, TCC Information Systems Corporation; Supervisor, Tai-Jie Transport & Storage Corporation; Supervisor, TCC Energy Storage Technology Corporation; Supervisor, TCC Sustainable Energy Investment Corporation; Supervisor, Kuan-Ho Refractories Industry Corporation; Supervisor, E-One Moli Energy Corp.; | Supervisor, TCC Recycle Energy Technology Company; Supervisor, Molie Quantum Energy Corporation; Supervisor, Tuo Shan Recycle Technology Company; Supervisor, Ho-Ping Industrial Port Corporation; Supervisor, Onyx Ta-Ho Environmental Services Co., Ltd.; Supervisor, TCC Jingzhou Cement Company Limited; Supervisor, TCC Jiuyuan (Guangdong) Environmental Technology Co., Ltd.; Supervisor, TCC Huaihua Cement Company Limited; Supervisor, TCC Huaihua Concrete Company Limited; Supervisor, Jurong TCC Cement Co., Ltd.; Supervisor, TCC Jiangsu Mining Industrial Company Limited; Supervisor, TCC Fuzhou Cement Co., Ltd.; Supervisor, TCC Fuzhou Yangyu Port Co., Ltd.; Supervisor, TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd.; Supervisor, Beijing TCC Environmental Technology Co., Ltd.; Supervisor, TCC Yongren (Hangzhou) Environmental Protection Technology Co., Ltd.; Supervisor, TCC Yongren (Hangzhou) Environmental Technology Co., Ltd.; Supervisor, TCC Yongren (Hangzhou) Renewable Resources Technology Co., Ltd.; Supervisor, TCC Yongren (Hangzhou) Renewable Resources Development Co., Ltd.; Supervisor, TCC Zhihe (Hangzhou) Environmental Protection Company Limited; Supervisor, TCC (Guangdong) Renewable Resources Technology Company Limited and more | None | None | None | |
| Doctor of Philosophy in Civil Engineering, National Taiwan University | None | None | None | None | | |
| BS in Chemical Engineering, Minth University of Science and Technology | Chairman, Guigang TCC Dong Yuan Environmental Technology Company Limited; Chairman, TCC Jiuyuan (Guangan) Environmental Technology Co., Ltd.; Director, Jurong TCC Cement Co., Ltd.; Director, TCC Liaoning Cement Company Limited; Director, TCC (Gui Gang) Cement Ltd.; Director, Beijing TCC Environmental Technology Co., Ltd.; Director, TCC Yongren (Hangzhou) Renewable Resources Development Co., Ltd.; Director, TCC (Shaoguan) Environment Technology Co., Ltd.; | Director, TCC Chongqing Cement Company Limited; Director, TCC Huaihua Cement Company Limited; Director, TCC Jingzhou Cement Company Limited; Director, TCC Huaihua Concrete Company Limited; Director, TCC Zhongrun (Anshun) Environmental Technology Co., Ltd.; Director, Jingyang Industrial Limited; Director, Scitus Cement (China) Holdings Limited; Director, Quon Hing Concrete Co., Ltd.; Director, Yargoan Co Ltd.; President, Tuo Shan Recycle Technology Company and more | None | None | None | Note 3 |

| Title | Nationality | Name | Gender | Elected (Appointed) Date | Shares Currently Held | | Shares Currently Held by Spouse or Minors | | Shares Held in the Name of Other Persons | |
|---|-------------|-----------------|--------|--------------------------|-----------------------|------------|---|------|--|------|
| | | | | | Shares | % | Shares | % | Shares | % |
| Director and Assistant Vice President | ROC | Kung-Yi Koo | Male | June 8, 2017 | 650,954 | 0.01 | - | - | None | None |
| Assistant Vice President | ROC | Jin-Lung Yu | Male | April 25, 2016 | 253,492 | 0.00 | - | - | None | None |
| Assistant Vice President | ROC | Cen-Wei Lan | Male | March 6, 2017 | 167,771 | 0.00 | - | - | None | None |
| Assistant Vice President and Corporate Governance Manager | ROC | Jia-Ro Lai | Female | April 23, 2019 | 79,253 | 0.00 | 246 | 0.00 | None | None |
| Assistant Vice President | ROC | Kuang Si Chen | Male | April 23, 2019 | 89,812 | 0.00 | - | - | None | None |
| Assistant Vice President | ROC | Chia-Pei Wei | Male | March 1, 2016 | 220,279 *4,925 | 0.00 *0.00 | - | - | None | None |
| Assistant Vice President | ROC | Guo-Yuan Li | Male | April 15, 2021 | 67,695 | 0.00 | - | - | None | None |
| Assistant Vice President | ROC | Cheng-Dao Qiang | Male | August 11, 2017 | 95,522 | 0.00 | - | - | None | None |

| Education and Experience | Concurrent Positions in TCC and Other Companies | Spouse or Relative within the Second Degree of Kinship Who Is A Manager in TCC | | | Note |
|---|--|--|------|--------------|------|
| | | Title | Name | Relationship | |
| MBA, The Wharton School of 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, Circular Commitment Company; Chairman, Yun Cheng Investment Corporation; Chairman, Chung Cheng Development & Investment Co.; Chairman, Consolidated Resource Company; Chairman, Taiwan Transport & Storage Corp. Chairman, Synpac (North Carolina), Inc.; Chairman, CCC USA Corp.; Chairman, Continental Carbon Company; Director, Synpac GP Corporation; Director, CSRC (BVI) LTD.; Director, CSRC (SINGAPORE) PTE LTD.; | Director, SYN PAC LTD.; Director, Continental Carbon Nanotechnologies, Inc.; Director, OYAK Carbon Black Investments B.V.; Director, E-One Moli Energy Corp.; Director, TCC Recycle Energy Technology Company; Director, Ho-Ping Power Company; Director, Chiefolk Company Limited; Director, Hong Kong Cement Company Limited; Director, Kong On Cement Holdings Ltd.; Director, China Steel Chemical Corporation; Supervisor, TCC New (Hangzhou) Management Company Limited; Manager, Synpac Venture Capital L.P.; Manager, SVC Management, LLC; Manager, SVC Services, LLC and more | None | None | None |
| BS in Business Administration, National Chengchi University | None | | | | None |
| BS in Business Administration, Soochow University | Director, TCC (Hangzhou) Environmental Protection Technology Co., Ltd.; Director, Hong Kong Concrete Company Limited; Supervisor, Da Tong (Ying De) Logistics Co., Ltd.; | Supervisor, TCC Shaoguan Cement Co., Ltd.; Supervisor, TCC Yingde Mining Industrial Company Limited and more | None | None | None |
| MS in Laws, Fu Jen Catholic University | Director, NHOA S.A.; Supervisor, Ho Sheng Mining Co., Ltd.; Supervisor, Ho-Ping Power Company; Supervisor, Hualien County Private Hoping Sustainability Charity Foundation and more | | None | None | None |
| BS in Chemical Engineering, National Central University | Director, TCC Information Systems Corporation; Director, Kuan-Ho Refractories Industry Corporation and more | | None | None | None |
| BS in Geology, Chinese Culture University | Director and President, Ho Sheng Mining Co., Ltd.; Director and President, Jin Chang Minerals Corporation; Director, Tung Chen Mineral Corporation Ltd.; Director, Kuan-Ho Refractories Industry Corporation; | Director, HPC Power Services Corporation; Director, Ho-Ping Industrial Port Corporation; Director, TCC Guigang Mining Industrial Company Limited; Director, Hualien County Private Hoping Sustainability Charity Foundation and more | None | None | None |
| Master in Land Economics, National Chengchi University. | Director, TCC Chemical Corporation; | | None | None | None |
| BS in Chemical Engineering, National Taipei University of Technology | Director and President, TCC Yingde Mining Industrial Company Limited; Director and President, TCC Yingde Mining Industrial Company Limited; Managing Director and President, Da Tong (Ying De) Logistics Co., Ltd.; | Director, TCC (Guangdong) Renewable Resources Technology Company Limited; Director, TCC International (Liuzhou) Limited and more | None | None | None |

| Title | Nationality | Name | Gender | Elected (Appointed) Date | Shares Currently Held | | Shares Currently Held by Spouse or Minors | | Shares Held in the Name of Other Persons | |
|------------------------------------|-------------|------------------|--------|--------------------------|-----------------------|------------|---|------|--|------|
| | | | | | Shares | % | Shares | % | Shares | % |
| Assistant Vice President | ROC | Yin-Hua Chen | Male | April 1 2022 | 54,934 | 0.00 | - | - | None | None |
| Assistant Vice President | ROC | Katrina Chen | Female | February 1 2023 | 10,248 | 0.00 | - | - | None | None |
| Chief Information Security Officer | ROC | Nien-Wang Chang | Male | April 1, 2022 | 39,597 | 0.00 | - | - | None | None |
| Senior Manager | ROC | Jin-Yi Chen | Male | April 13, 2015 | 98,872 | 0.00 | - | - | None | None |
| Senior Manager | ROC | Yun-De Wu | Male | July 9, 2018 | 40,944 | 0.00 | - | - | None | None |
| Senior Manager | ROC | Chi-Ching Chen | Male | February 1 2023 | 16,623 | 0.00 | 57 | 0.00 | None | None |
| Senior Manager | ROC | Shih-Sheng Liang | Male | February 1 2023 | 24,748 *1,584 | 0.00 *0.00 | - | - | None | None |
| Manager and Internal Audit Manager | ROC | Chia-Hua Tsao | Male | December 1, 2020 | - | - | - | - | None | None |

| Education and Experience | Concurrent Positions in TCC and Other Companies | Spouse or Relative within the Second Degree of Kinship Who Is A Manager in TCC | | | Note | |
|--|--|--|------|--------------|------|--------|
| | | Title | Name | Relationship | | |
| BS in Mechanical Engineering, National Taipei University of Technology | Director, Tuo Shan Recycle Technology Company; Director, TCC Huaying Cement Company Limited; Director, TCC Anshun Cement Company Limited; Director, Jurong TCC Cement Co., Ltd.; | Director, TCC Jiangsu Mining Industrial Company Limited; Director, TCC (Shaoguan) Environment Technology Co., Ltd.; Director, TCC Zhongrun (Anshun) Environmental Technology Co., Ltd. and more | None | None | None | Note 3 |
| MS in Senior Executive Management, National Chengchi University. | None | | None | None | None | Note 3 |
| MBA, National Taipei University MS in Computer and Communication Engineering, National Kaohsiung First University of Science and Technology | None | | None | None | None | Note 2 |
| BS in Chemical Engineering, National Taiwan University of Science and Technology | Director, Ho Sheng Mining Co., Ltd.; Supervisor, Jin Chang Minerals Corporation; | | None | None | None | |
| BS in Geology, Chinese Culture University | Director, Feng Sheng Enterprise Co., Ltd.; | | None | None | None | |
| MS in Chemistry, National Taiwan University | None | | None | None | None | Note 2 |
| BS in Civil Engineering, Da-Han Institute of Technology | Director, TCC Yingde Mining Industrial Company Limited; | | None | None | None | Note 2 |
| BS in Accounting, Fu Jen Catholic University. | Director, TCC Yongren (Hangzhou) Environmental Protection Technology Co., Ltd.; Director, TCC Yongren (Hangzhou) Environmental Technology Co., Ltd.; Director, TCC Yongren (Hangzhou) Renewable Resources Technology Co., Ltd.; Director, TCC Yongren (Hangzhou) Renewable Resources Development Co., Ltd.; Director, TCC Zhihe (Hangzhou) Environmental Protection Company Limited; Supervisor, Taiwan Transport & Storage Co., Ltd.; Supervisor, TCC Green Energy Corporation; Supervisor, TCC Chia-Chien Green Energy Corporation; | Supervisor, TCC Yun-Kai Green Energy Corporation; Supervisor, TCC Lien-Hsin Green Energy Corporation; Supervisor, TCC Chang-Ho Green Energy Corporation; Supervisor, TCC Kao-Cheng Green Energy Corporation; Supervisor, TCC Nan-Chung Green Energy Corporation; Supervisor, Chang-Wang Wind Power Co., Ltd.; Supervisor, TCC Ping-Chih Green Energy Corporation; Supervisor, Chia-Ho Green Energy Corporation; Supervisor, TCC Tung-Li Green Energy Corporation; Supervisor, TCC Huaying Cement Company Limited and more | None | None | None | |

| Title | Nationality | Name | Gender | Elected (Appointed) Date | Shares Currently Held | | Shares Currently Held by Spouse or Minors | | Shares Held in the Name of Other Persons | |
|---------------------------------|-------------|----------------|--------|--------------------------|-----------------------|------|---|---|--|------|
| | | | | | Shares | % | Shares | % | Shares | % |
| Senior Assistant Manager | ROC | Tzu-Yang Wu | Male | July 2, 2020 | – | – | – | – | None | None |
| Senior Assistant Manager | ROC | Yu-Yang Chang | Male | June 16, 2021 | – | – | – | – | None | None |
| President | ROC | Jong-Peir Li | Male | July 31, 2017 | 898,137 | 0.01 | – | – | None | None |
| Senior Assistant Vice President | ROC | Lin-Tian Huang | Male | February 9, 2015 | 4,730 | 0.00 | – | – | None | None |
| Assistant Vice President | ROC | Wei-Jue Hong | Male | November 12, 2010 | 208,380 | 0.00 | – | – | None | None |
| Assistant Vice President | ROC | Yuo-Xin Song | Male | March 6, 2017 | 138,543 | 0.00 | – | – | None | None |
| Senior Manager | ROC | Ming-De Li | Male | August 11, 2017 | 14,299 | 0.00 | – | – | None | None |
| Manager | ROC | Zhi-Ren Liu | Male | August 11, 2017 | 91,219 | 0.00 | – | – | None | None |

Note 1: Where the general manager or a person of equivalent ranking (i.e. the highest ranking manager) and the Chairman of the Board of Directors are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given to describe the rationale, reasonableness, necessity, and the countermeasures taken (such as increasing the number of independent directors, of which over half of the directors should not be an employee or serve a managerial position): There are a total of 154 companies in the TCC Group. Due to the different business operations, the Group CEO is responsible for all the related affairs of the Group, executing decisions made by the Board of Directors, and overseeing the managers of the Company and its affiliates. This position is not the same as that of the CEO of the Company. Therefore, the Board of Directors has decided to appoint a president to manage the Company.

Note 2: Mr. Roman Cheng was newly appointed as of November 21, 2022. Mr. Randy Yu was newly appointed as of September 13, 2022. Mr. Nien-Wang Chang was newly appointed as of April 11, 2022. Mr. Chi-Ching Chen was newly appointed as of February 1, 2023. Mr. Shih-Sheng Liang was newly appointed as of February 1, 2023.

| Education and Experience | Concurrent Positions in TCC and Other Companies | Spouse or Relative within the Second Degree of Kinship Who Is A Manager in TCC | | | Note | |
|--|--|--|------|--------------|--------|--------|
| | | Title | Name | Relationship | | |
| BS in Finance and Banking, Feng Chia University | Chairman, TCC Fuzhou Cement Co., Ltd.; Chairman, TCC Fuzhou Yangyu Port Co., Ltd. and more | None | None | None | | |
| BS in Public Health, Taipei Medical University | None | None | None | None | | |
| Ph.D. NCCU Department of Management Information Systems; MS in Information Technology Management, Carey Business School, Johns Hopkins University; MS in Business Management, George Washington University; President, Taiwan Cement Corporation; Independent Director, TransGlobe Life Insurance Inc.; President of HSBC (Taiwan) Commercial Bank and President, Taiwan, HSBC; Representative, Global Business Finance and Capital Market Department in HSBC; Director, Capital Market Department in CTBC Bank; CFO, Citibank (Taiwan); CFO, Citibank Taiwan Limited | Chairman, TCC Information Systems Corporation; Chairman, TCC Chongqing Cement Company Limited; Chairman, TCC Anshun Cement Co., Ltd.; Director, Taiwan Transport & Storage Co., Ltd.; Director, Ta-Ho Maritime Corporation; Director, Taiwan Cement (Dutch) Holdings B.V.; Director, CIMPOR GLOBAL HOLDINGS B.V.; Director, Taiwan Cement Europe Holdings B.V.; Director, NHOA S.A. France; Director, TCC (Hangzhou) Environmental Protection Technology Co., Ltd.; Director, TCC Jiangsu Mining Industrial Company Limited; Director, TCC Huaying Cement Company Limited; Director, TCC Huaihua Cement Company Limited; Director, TCC Jingzhou Cement Company Limited; Director, TCC Huaihua Concrete Company Limited; Director, Jiangsu TCC Investment Co., Ltd.; Director, Jurong TCC Cement Co., Ltd.; Director, Hong Kong Cement Manufacturing Co. Ltd. and more | None | None | None | Note 4 | |
| BA in Business Administration, Tamkang University. | Director, Union Cement Traders Inc.; Director, Tai-Jie Transport & Storage Corporation; Supervisor, Ta-Ho Maritime Corporation and more | None | None | None | Note 4 | |
| BS in Business Administration, National Taipei University | None | None | None | None | Note 4 | |
| BS in Statistics, Feng Chia University | Supervisor, Anshun Xin Tai Construction Materials Company Limited; Supervisor, Sichuan Taichang Building Material Group Company Limited; | Supervisor, Yingjing Xinan New Material Co., Ltd.; Supervisor, TCC Guigang Mining Industrial Company Limited and more | None | None | None | Note 4 |
| BS in Mechanical Engineering, Feng Chia University | Director, TCC (Guangdong) Renewable Resources Technology Company Limited; | President, TCC Shaoguan Cement Co., Ltd. and more | None | None | None | Note 4 |
| MS in Chemical Engineering, Yuan Ze University | Director and President, Kuan-Ho Refractories Industry Corporation | None | None | None | Note 4 | |

Note 3: Ms. Feng-Ping Liu and Ms. Yu-Jun Yeh were promoted to Vice President as of February 1, 2023. Mr. Yu-Wen Chiu was promoted to Senior Assistant Vice President as of April 1, 2022. Mr. Yin-Hua Chen was promoted to Assistant Vice President as of April 1, 2022. Ms. Katrina Chen was promoted to Assistant Vice President as February 1, 2023.

Note 4: Mr. Jong-Peir Li resigned as of August 10, 2022. Mr. Lin-Tian Huang resigned as of March 17, 2023. Mr. Wei-Jue Hong resigned as of July 31, 2022. Mr. Yuo-Xin Song resigned as of October 3, 2022. Mr. Ming-De Li resigned as of February 1, 2023. Mr. Zhi-Ren Liu resigned as of June 30, 2022.

Note 5: * refers to preferred shares.

3.2.3 Remuneration for directors, supervisors, presidents, and vice presidents

(1) Remuneration paid to directors

| Title | Name | Director's remuneration | | | | | | | |
|----------------------|---|-------------------------|--------------------------------|--------------------------------|--------------------------------|---|--------------------------------|----------------|--------------------------------|
| | | Base compensation (A) | | Severance pay and pensions (B) | | Remuneration for directors (C) (Note 1) | | Allowances (D) | |
| | | From TCC | From all consolidated entities | From TCC | From all consolidated entities | From TCC | From all consolidated entities | From TCC | From all consolidated entities |
| Chairman | Chai Hsin R.M.C. Corporation Representative: An-Ping Chang | | | | | | | | |
| Director (Note 4) | C. F. Koo Foundation Representative : Sun-Te Chen, Jong-Peir Li | | | | | | | | |
| Director | Chia Hsin Cement Corporation Representative : Jason Kang- Lung Chang | | | | | | | | |
| Director | International CSRC Investment Holdings Co., Ltd. Representative: Kenneth C.M. Lo | | | | | | | | |
| Director | Fu Pin Investment Co., Ltd. Representative: Por-Yuan Wang | | | | | | | | |
| Director | Tai Ho Farming Co., Ltd. Representative: Kung-Yi Koo | | | | | | | | |
| Director | Fu Pin Investment Co., Ltd. Representative : Chi-Chia Hsieh | 29,640 | 35,865 | 0 | 0 | 61,622 | 61,622 | 728 | 728 |
| Director | Chia Hsin Cement Corporation Representative : Chi-Te Chen | | | | | | | | |
| Director | Heng Qiang Investment Co., Ltd. Representative: Chien Wen | | | | | | | | |
| Director | Heng Qiang Investment Co., Ltd. Representative : Chun-Ying Liu | | | | | | | | |
| Independent Director | Yu-Cheng Chiao | | | | | | | | |
| Independent Director | Victor Wang | | | | | | | | |
| Independent Director | Lynette Ling-Tai Chou | | | | | | | | |
| Independent Director | Mei-Hua Lin | | | | | | | | |
| Independent Director | Sherry S. L. Lin | | | | | | | | |

1. The connections of the remuneration policy of the Company, standards and portfolios, the procedures for setting remuneration and the performance of the business are as follows: in addition to the Company's overall operating performance and the average package of each executives' remuneration in the respective industry, contribution to the Company's operations, individual performance, and consideration of the Company's future risks and reference to the average remuneration for the independent directors in the industry, the remuneration of the Company's independent directors is evaluated by the Remuneration Committee in accordance with Article 20 of the Company's Charter for its reasonability, and submitted to the board of directors waiting for resolution.

Note 1: As of the printing date, the amount of remuneration (including salary, duty allowances, severance pay, bonuses, awards, etc.) of directors which was not put to a resolution by the BOD in FY23.

Note 2: Pensions funded in accordance with applicable laws. TCC recognized a pension allowance of NT\$128,000 as an expense in FY22. TCC did not disburse the pension to employees.

Unit: NT\$ thousands

| (A+B+C+D) as a % of net income | | Compensation earned by a director who is also an employee of TCC or of TCC's consolidated entities | | | | | | | | (A+B+C+D+E+F+G) as a % of Net Income | | Other compensations from nonsubsidiary affiliates or parent company |
|--------------------------------|--------------------------------|--|--------------------------------|---|--------------------------------|---|--------|--------------------------------|--------|--------------------------------------|--------------------------------|---|
| From TCC | From all consolidated entities | Base compensation, bonuses, and allowances. (E) | | Severance pay and pensions (F) (Note 2) | | Employee profit sharing from earnings distribution (G) (Note 3) | | | | From TCC | From all consolidated entities | |
| | | From TCC | From all consolidated entities | From TCC | From all consolidated entities | From TCC | | From all consolidated entities | | | | |
| | | | | | | Cash | Shares | Cash | Shares | | | |
| 91,990 | 98,215 | 25,081 | 25,081 | 128 | 128 | 2,736 | 0 | 2,736 | 0 | 119,935 | 126,160 | 29,640 |
| 1.70% | 1.82% | | | | | | | | | 2.22% | 2.33% | |

2. In addition to the information disclosed above, was any remuneration paid in the previous year to independent directors for the preparation of financial statements? Not applicable.

Note 3: As of the printing date, the amount of remuneration for employees has yet to be approved by the BOD in FY23. Figures in the table are estimates.

Note 4: C. F. Koo Foundation has changed its representative from Mr. Jong-Peir Li to Mr. Sun-Te Chen since August 12, 2022.

| Remuneration scale for TCC Directors | Name of directors | | | |
|--|--|---|--|---|
| | Sum of A to D | | Sum of A to G | |
| | From TCC | From all consolidated entities | From TCC | From all consolidated entities |
| Below NT\$1,000,000 | Jong-Peir Li; Sun-Te Chen | Sun-Te Chen | Sun-Te Chen | Sun-Te Chen |
| NT\$1,000,000 (included) – NT\$2,000,000 (excluded) | Kung-Yi Koo, Por-Yuan Wang, Chi-Chia Hsieh, Kenneth C.M. Lo, Jason Kang-Lung Chang, Chi-Te Chen, Chun-Ying Liu, Chien Wen | Jong-Peir Li, Por-Yuan Wang, Chi-Chia Hsieh, Kenneth C.M. Lo, Jason Kang-Lung Chang, Chi-Te Chen, Chun-Ying Liu | Por-Yuan Wang, Chi-Chia Hsieh, Kenneth C.M. Lo, Jason Kang-Lung Chang, Chi-Te Chen, Chun-Ying Liu, Chien Wen | Por-Yuan Wang, Chi-Chia Hsieh, Kenneth C.M. Lo, Jason Kang-Lung Chang, Chi-Te Chen, Chun-Ying Liu |
| NT\$2,000,000 (included) – NT\$3,500,000 (excluded) | Yu-Cheng Chiao, Victor Wang, Lynette Ling-Tai Chou, Mei-Hua Lin, Sherry S. L. Lin | Kung-Yi Koo, Yu-Cheng Chiao, Victor Wang, Lynette Ling-Tai Chou, Mei-Hua Lin, Sherry S. L. Lin, Chien Wen | Yu-Cheng Chiao, Victor Wang, Lynette Ling-Tai Chou, Mei-Hua Lin, Sherry S. L. Lin | Yu-Cheng Chiao, Victor Wang, Lynette Ling-Tai Chou, Mei-Hua Lin, Sherry S. L. Lin, Chien Wen |
| NT\$3,500,000 (included) – NT\$5,000,000 (excluded) | Chai Hsin R.M.C. Corporation, Tai Ho Farming Co., Ltd., International CSRC Investment Holdings Co., Ltd. | Chai Hsin R.M.C. Corporation, Tai Ho Farming Co., Ltd., International CSRC Investment Holdings Co., Ltd. | Kung-Yi Koo, Chai Hsin R.M.C. Corporation, Tai Ho Farming Co., Ltd., International CSRC Investment Holdings Co., Ltd. | Chai Hsin R.M.C. Corporation, Tai Ho Farming Co., Ltd., International CSRC Investment Holdings Co., Ltd. |
| NT\$5,000,000 (included) – NT\$10,000,000 (excluded) | C. F. Koo Foundation, Heng Qiang Investment Co., Ltd., Chia Hsin Cement Corporation, Fu Pin Investment Co., Ltd. | C. F. Koo Foundation, Heng Qiang Investment Co., Ltd., Chia Hsin Cement Corporation, Fu Pin Investment Co., Ltd. | C. F. Koo Foundation, Heng Qiang Investment Co., Ltd., Chia Hsin Cement Corporation, Fu Pin Investment Co., Ltd. | Kung-Yi Koo, C. F. Koo Foundation, Heng Qiang Investment Co., Ltd., Chia Hsin Cement Corporation, Fu Pin Investment Co., Ltd. |
| NT\$10,000,000 (included) – NT\$15,000,000 (excluded) | - | - | - | - |
| NT\$15,000,000 (included) – NT\$30,000,000 (excluded) | An-Ping Chang | An-Ping Chang | An-Ping Chang, Jong-Peir Li | An-Ping Chang, Jong-Peir Li |
| NT\$30,000,000 (included) – NT\$50,000,000 (excluded) | - | - | - | - |
| NT\$50,000,000 (included) – NT\$100,000,000 (excluded) | - | - | - | - |
| NT\$100,000,000 and above | - | - | - | - |
| Total | 23 | 23 | 23 | 23 |

(2) Remuneration for Group CEO, presidents and vice presidents

Unit: NT\$ thousands

| Title | Name | Salary (A) | | Pension (B) | | Bonuses and special expenses (C) | | Employee compensation (D) (Note 1) | | | | (A+B+C+D) as a % of net income | | Other compensations from nonsubsidiary affiliates or parent company | |
|-----------------------|--------------------|------------|--------------------------------|-------------|--------------------------------|----------------------------------|--------------------------------|------------------------------------|----------|--------------------------------|----------|--------------------------------|--------------------------------|---|---|
| | | From TCC | From all consolidated entities | From TCC | From all consolidated entities | From TCC | From all consolidated entities | From TCC | | From all consolidated entities | | From TCC | From all consolidated entities | | |
| | | | | | | | | In cash | In share | In cash | In share | | | | |
| CEO | An-Ping Chang | | | | | | | | | | | | | | |
| President (Note 2) | Roman Cheng | | | | | | | | | | | | | | |
| President (Note 3) | Jong-Peir Li | | | | | | | | | | | | | | |
| Senior Vice President | Chien-Chiang Huang | | | | | | | | | | | | | | |
| Senior Vice President | Ker-Fu Lu | 65,088 | 70,715 | 2,506 | 2,506 | 19,768 | 19,920 | 5,774 | - | 5,774 | - | 93,136 | 98,915 | - | - |
| Vice President | Bao-Luo Ge | | | | | | | | | | | | | | |
| Vice President | Chien-Chuan Wang | | | | | | | | | | | | | | |
| CFO (Note 2) | Randy Yu | | | | | | | | | | | | | | |
| CISO (Note 2) | Nien-Wang Chang | | | | | | | | | | | | | | |

Note 1: The amounts listed are estimates, as of the printing date of the 2022 annual report, and have not yet been approved for distribution by the board of directors for the remuneration of the general manager and deputy general manager.

Note 2: Mr. Roman Cheng was newly appointed as of November 21, 2022; Mr. Randy Yu was newly appointed as of September 13, 2022; and Mr. Nien-Wang Chang was newly appointed as of April 11, 2022.

Note 3: Mr. Jong-Peir Li resigned as of August 10, 2022.

| Remuneration scale for individual key managers | Name of Presidents and Vice Presidents | |
|--|---|---|
| | From TCC | From parent company and all investees |
| Below NT\$1,000,000 | Nien-Wang Chang | Nien-Wang Chang |
| NT\$1,000,000 (included) – NT\$2,000,000 (excluded) | - | - |
| NT\$2,000,000 (included) – NT\$3,500,000 (excluded) | Randy Yu | Randy Yu |
| NT\$3,500,000 (included) – NT\$5,000,000 (excluded) | - | - |
| NT\$5,000,000 (included) – NT\$10,000,000 (excluded) | Roman Cheng, Bao-Luo Ge, Chien-Chuan Wang | Roman Cheng, Bao-Luo Ge, Chien-Chuan Wang |
| NT\$10,000,000 (included) – NT\$15,000,000 (excluded) | Chien-Chiang Huang, Ker-Fu Lu | Chien-Chiang Huang, Ker-Fu Lu |
| NT\$15,000,000 (included) – NT\$30,000,000 (excluded) | An-Ping Chang, Jong-Peir Li | An-Ping Chang, Jong-Peir Li |
| NT\$30,000,000 (included) – NT\$50,000,000 (excluded) | - | - |
| NT\$50,000,000 (included) – NT\$100,000,000 (excluded) | - | - |
| NT\$100,000,000 and above | - | - |
| Total | 9 | 9 |

Distribution of employee compensation for managers December 31, 2022. Unit: NT\$ thousands

| Title | Name | Share (Note 1) | Cash (Note 1) | Total | Percentage of net earnings after tax |
|--|--------------------|----------------|---------------|-------|--------------------------------------|
| | | | | | |
| President (Note 2) | Roman Cheng | | | | |
| Senior Vice President | Chien-Chiang Huang | | | | |
| Senior Vice President | Ker-Fu Lu | | | | |
| Vice President | Bao-Luo Ge | | | | |
| Vice President | Chien-Chuan Wang | | | | |
| Vice President (Note 3) | Feng-Ping Liu | | | | |
| Vice President (Note 3) | Yu-Jun Yeh | | | | |
| CFO (Note 2) | Randy Yu | | | | |
| Senior Assistant Vice President | Kuo-Yu Tsai | | | | |
| Senior Assistant Vice President and Accounting chief officer | Guo-Hong Yeh | | | | |
| Senior Assistant Vice President | Huei-Sheng Chiou | | | | |
| Senior Assistant Vice President (Note 3) | Yu-Wen Chiu | | | | |
| Assistant Vice President | Kung-Yi Koo | | | | |
| Assistant Vice President | Jin-Lung Yu | | | | |
| Assistant Vice President | Cen-Wei Lan | | | | |
| Assistant Vice President and Corporate Governance manager | Jia-Ro Lai | | | | |
| Assistant Vice President | Kuang-Si Chen | | | | |
| Assistant Vice President | Chia-Pei Wei | - | 8,203 | 8,203 | 0.15% |
| Assistant Vice President | Guo-Yuan Li | | | | |
| Assistant Vice President | Cheng-Dao Qiang | | | | |
| Assistant Vice President (Note 3) | Yin-Hua Chen | | | | |
| Assistant Vice President (Note 3) | Katrina Chen | | | | |
| CISO (Note 2) | Nien-Wang Chang | | | | |
| Senior Manager | Jin-Yi Chen | | | | |
| Senior Manager | Yun-De Wu | | | | |
| Senior Manager (Note 2) | Chi-Ching Chen | | | | |
| Senior Manager (Note 2) | Shih-Sheng Liang | | | | |
| Manager and Internal Audit Manager | Chia-Hua Tsao | | | | |
| Senior Assistant Manager | Tzu-Yang Wu | | | | |
| Senior Assistant Manager | Yu-Yang Zhang | | | | |
| President (Note 4) | Jong-Peir Li | | | | |
| Senior Assistant Vice President (Note 4) | Lin-Tian Huang | | | | |
| Assistant Vice President (Note 4) | Wei-Jue Hong | | | | |
| Assistant Vice President (Note 4) | Yuo-Xin Song | | | | |
| Senior Manager (Note 4) | Ming-De Li | | | | |
| Manager (Note 4) | Zhi-Ren Liu | | | | |

Note 1: As of the printing date, the BOD hasn't approved the distribution of FY22 employee compensation. Figures in the table are estimates.

Note 2: Mr. Roman Cheng was newly appointed as of November 21, 2022. Mr. Randy Yu was newly appointed as of September 13, 2022. Mr. Nien-Wang Chang was newly appointed as of April 11, 2022. Mr. Chi-Ching Chen was newly appointed as of February 1, 2023. Mr. Shih-Sheng Liang was newly appointed as of February 1, 2023.

Note 3: Ms. Feng-Ping Liu and Ms. Yu-Jun Yeh were promoted to Vice President as of February 1, 2023. Mr. Yu-Wen Chiu was promoted to Senior Assistant Vice President as of April 1, 2022. Mr. Yin-Hua Chen was promoted to Assistant Vice President as of April 1, 2022. Ms. Katrina Chen was promoted to Assistant Vice President as of February 1, 2023.

Note 4: Mr. Jong-Peir Li resigned as of August 10, 2022. Mr. Lin-Tian Huang resigned as of March 17, 2023. Mr. Wei-Jue Hong resigned as of July 31, 2022. Mr. Yuo-Xin Song resigned as of October 3, 2022. Mr. Ming-De Li resigned as of February 1, 2023. Mr. Zhi-Ren Liu resigned as of June 30, 2022.

3.2.4 Does the circumstances in Sub-item "a" or in Sub-item "e" of Item 2 Paragraph 3 Article 10 of the Regulations apply to TCC? If so, TCC shall disclose the individual remuneration paid to each of its top five management personnel: None.

3.2.5 Compensation to directors, supervisors, president, and vice president, as a percentage of net income for the most recent two years; compensation policy, budget, and risks

| Title | Percentage of total compensation of net income | | | |
|--|--|-----------------------|-------|-----------------------|
| | FY22 | | FY21 | |
| | TCC | Consolidated entities | TCC | Consolidated entities |
| Directors | 2.22% | 2.33% | 1.52% | 1.56% |
| Group CEO, Presidents, and Vice Presidents | 1.72% | 2.38% | 0.81% | 0.85% |

TCC provides competitive compensation and benefit packages to attract, retain and encourage talent, as well as to discourage Board members and Management executives from taking risky actions in pursuit of performance-related bonuses. Such packages are adjusted based on actual operating performance and related government regulations to reflect TCC's core value of profit-sharing with its employees.

Principle of compensation:

(1) Employees

1. Compensation packages for employees consist of monthly salary and year-end, quarterly and performance-based bonuses, which take account of the standard pay grade in the market, operating performance, and organizational structure to determine a reasonable range of compensation.
2. Provide annual pay increases to reflect industry dynamics and government regulations in a timely manner.
3. In accordance with Article 25 of the Company's Articles of Association specifying the distribution of profit to employees, quarterly, year-end and performance-based bonuses are awarded to employees based on operating and individual performances in recognition of their dedication to their work.

(2) Managers

1. Compensation packages for employees consist of monthly salary and year-end, quarterly and performance-based bonuses, which take account of the standard pay grade in the market, operating performance, and internal structure to determine a reasonable range of compensation.
2. The variable compensation is composed of short-term and long-term performance. Short-term performance includes a quarterly bonus system and an annual performance bonus. To promote the long-term development of the company, a treasury stock plan is established as a means of long-term incentive.

Short-term performance indicators include the following four aspects:

- (1) Personal indicators (job performance and achievement rate)
- (2) Financial indicators (after-tax net profit and growth)
- (3) Sustainable indicators (carbon reduction effectiveness, application of alternative fuels, and biodiversity management plan)
- (4) Management indicators (talent cultivation and social responsibility, compliance with regulations, and risk prevention)

Long-term performance indicators are divided into seven major aspects:

- (1) Personal indicators (personal performance and achievement rate)
- (2) Financial and operational performance (after-tax net profit, growth)
- (3) Corporate governance (including compliance with regulations, revenue and profits)
- (4) Environmental sustainability and circular economy (developing a circular economy and achieving sustainable goals)
- (5) Talent cultivation and social responsibility (cultivating talent, enhancing employee abilities and qualities, cultivating international perspectives)
- (6) Long-term risk assessment
- (7) Other special contributions or major negative events.

(3) Directors

1. According to Article 4 of the Remuneration Committee Regulations, director compensation should be based on industry norms and performance evaluation, taking into account the director's responsibilities, the company's financial situation and future risks. The evaluation should cover at least six dimensions:
 - (1) understanding of company goals and missions;
 - (2) awareness of director responsibilities;
 - (3) participation in company operations;
 - (4) internal relationship management and communication;
 - (5) professionalism and ongoing education;
 - (6) internal control.
2. Directors are entitled to a fixed monthly salary and attendance remuneration. In accordance with Article 25 of the Company's bylaws, the company shall also accrue no more than 1% of the compensation of Directors as a reward to Directors based on their annual performance review.

3.3 The Company's Corporate Governance Practices

3.3.1 Board of Directors' Operations

From January 1, 2022 to February 24, 2023, the 24th Board of Directors totally held 10 (A) meetings, with the attendance of directors shown below:

| Title | Name | Attendance in person (B) | Attendances by proxy | Attendance rate in person (%) [B/A] | Notes |
|----------------------|---|--------------------------|----------------------|-------------------------------------|--------|
| Chairman | Chai Hsin R.M.C. Corporation Representative: An-Ping Chang | 10 | 0 | 100% | |
| Director | C. F. Koo Foundation Representative: Sun-Te Chen | 5 | 0 | 100% | Note 1 |
| | C. F. Koo Foundation Representative: Jong-Peir Li | 5 | 0 | 100% | Note 1 |
| Director | Chia Hsin Cement Corporation Representative: Jason Kang-Lung Chang | 8 | 2 | 80% | |
| Director | International CSRC Investment Holdings Co., Ltd. Representative: Kenneth C.M. Lo | 9 | 1 | 90% | |
| Director | Fu Pin Investment Co., Ltd. Representative: Por-Yuan Wang | 9 | 1 | 90% | |
| Director | Tai Ho Farming Co., Ltd. Representative: Kung-Yi Koo | 10 | 0 | 100% | |
| Director | Fu Pin Investment Co., Ltd. Representative: Chi-Chia Hsieh | 9 | 1 | 90% | |
| Director | Chia Hsin Cement Corporation Representative: Chi-Te Chen | 9 | 1 | 90% | |
| Director | Heng Qiang Investment Co., Ltd. Representative: Chien Wen | 10 | 0 | 100% | |
| Director | Heng Qiang Investment Co., Ltd. Representative: Chun-Ying Liu | 10 | 0 | 100% | |
| Independent Director | Yu-Cheng Chiao | 8 | 2 | 80% | |
| Independent Director | Victor Wang | 10 | 0 | 100% | |
| Independent Director | Lynette Ling-Tai Chou | 10 | 0 | 100% | |
| Independent Director | Mei-Hua Lin | 10 | 0 | 100% | |
| Independent Director | Sherry S. L. Lin | 10 | 0 | 100% | |

Note 1: C. F. Koo Foundation has changed its representative from Mr. Jong-Peir Li to Mr. Sun-Te Chen since August 12, 2022.

Other required notes for Board of Directors' meetings:

1. While carrying out its operations, the Board of Directors must report the meeting date, period, meeting content, and board resolutions for dissenting opinions or qualified opinions from independent directors:
 - (1) The matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established an audit committee, and the provisions of Article 14-3 of the Securities and Exchange Act do not apply. Please refer to Page 69 of the "3.3.2 Operations of Audit Committee" section in this annual report for related information.
 - (2) Unless otherwise noted, are there any independent directors who expressed opposition or qualified opinions that were recorded or declared in writing? None.

2. When there is avoidance due to conflicts of interest by a director, the name of the director, the proposal(s), the cause for the conflict of interest, and the participation of the voting should be noted:

| Date | Proposal | The cause for the conflict of interest, and the participation of the voting |
|--|---|---|
| February 25, 2022 8 th meeting of the 24 th Board of Directors | No. 13: The 2021 performance bonus plan for the Group CEO | Proceedings of the meeting: The Chairman, Mr. An-Ping Chang recused himself due to conflicts of interest. All attending managers recused themselves as well. Mr. Kenneth C.M. Lo acted as the Acting Chairman. Resolution: The proposal had been approved in the 4th meeting of the 5th Remuneration Committee. Except Mr. An-Ping Chang recused himself from the discussion and vote, the rest attending directors passed the proposal with no objection. |
| April 11, 2022 9 th meeting of the 24 th Board of Directors | No. 4: The 2021 employee compensation and directors remuneration | Proceedings of the meeting: Except for the independent directors, all other directors and attending managers have recused themselves from the discussion. Mr. Victor Wang, the convenor of the Audit Committee, acted as the Acting Chairman. Resolution: The proposal had been approved in the 5th meeting of the 5th Remuneration Committee, and the rest attending independent directors passed the proposal with no objection. |
| | No. 5: Distribution proposal for chairman and director remuneration for the year 2021 | Proceedings of the meeting: Except for the independent directors, all other directors and attending managers have recused themselves from the discussion. Mr. Victor Wang, the convenor of the Audit Committee, acted as the Acting Chairman. Resolution: The proposal had been approved in the 5th meeting of the 5th Remuneration Committee, and the rest attending independent directors passed the proposal with no objection. |
| May 10, 2022 10 th meeting of the 24 th Board of Directors | No. 2: Capital increase of the subsidiary company, TCC Green Energy Corporation | Proceedings of the meeting: Independent director Yu-Cheng Chiao, who serves as the Chairman of the Board of Directors of Winbond Electronics Corp., recused himself from the discussion and voting due to conflicts of interest. Resolution: The proposal had been approved in the 10th meeting of the 3rd Audit Committee, and the rest attending directors passed it without objection. |
| August 10, 2022 12 th meeting of the 24 th Board of Directors | No. 9: Appointment of the President of the Company | Proceedings of the meeting: The Chairman, Mr. An-Ping Chang recused himself due to conflicts of interest, and all attending managers also recused themselves. Mr. Kenneth C.M. Lo acted as the Acting Chairman. Resolution: The proposal had been approved in the 1st meeting of the 1st Nomination Committee and the 8th meeting of the 5th Remuneration Committee before submitting to the Board of Directors. The rest attending directors passed it without objection. |
| | No. 10: Compensation proposal for Mr. An-Ping Chang's serving as the Chairman and the President of the Company | Proceedings of the meeting: The Chairman, Mr. An-Ping Chang recused himself due to conflicts of interest, and all attending managers also recused themselves. Mr. Kenneth C.M. Lo acted as the Acting Chairman. Resolution: The proposal had been approved in the 8th meeting of the 5th Remuneration Committee before submitting to the Board of Directors. The rest attending directors passed it without objection. |
| November 10, 2022 14 th meeting of the 24 th Board of Directors | No. 8: Appointment of Chief Financial Officer for the Company | Proceedings of the meeting: Mr. Kung-Yi Koo and the attending managers recused themselves due to conflicts of interest. Resolution: The proposal had been approved in the 14th meeting of the 3rd Audit Committee and the 9th meeting of the 5th Remuneration Committee before submitting to the Board of Directors. The rest attending directors passed it without objection. |
| | No. 9: Resignation of the President of the Company | Proceedings of the meeting: Mr. Kung-Yi Koo and the attending managers recused themselves due to conflicts of interest. Resolution: The rest attending directors passed it without objection. |

| Date | Proposal | The cause for the conflict of interest, and the participation of the voting |
|--|---|---|
| November 10, 2022 14 th meeting of the 24 th Board of Directors | No. 10: Appointment of the President of the Company | Proceedings of the meeting: Mr. Kung-Yi Koo and the attending managers recused themselves due to conflicts of interest. Resolution: The proposal had been approved in the 2nd meeting of the 1st Nomination Committee and the 9th meeting of the 5th Remuneration Committee before submitting to the Board of Directors. The rest attending directors passed it without objection. |
| January 4, 2023 16 th interim meeting of the 24 th Board of Directors | No. 3: The total amount of 2022 performance bonuses (including managers) of the Company to be set aside | Proceedings of the meeting: 1. The Chairman, Mr. An-Ping Chang, and the director, Mr. Kung-Yi Koo recused themselves due to conflicts of interest from the discussion and voting. Mr. Kenneth C.M. Lo acted as the Acting Chairman. 2. The attending managers recused themselves due to conflicts of interest. Resolution: The proposal had been approved in the 10th meeting of the 5th Nomination Committee and the rest attending directors passed it without objection. |
| | No. 4: The 2022 performance bonus plan for the Group CEO | Proceedings of the meeting: 1. The Chairman, Mr. An-Ping Chang, and the director, Mr. Kung-Yi Koo recused themselves due to conflicts of interest from the discussion and voting. Mr. Kenneth C.M. Lo acted as the Acting Chairman. 2. The attending managers recused themselves due to conflicts of interest. Resolution: The proposal had been approved in the 10th meeting of the 5th Nomination Committee and the rest attending directors passed it without objection. |
| | No. 5: Promotion proposal for managers of the Company. | Proceedings of the meeting: Mr. Kung-Yi Koo and the attending managers recused themselves due to conflicts of interest. Resolution: The proposal had been approved in the 10th meeting of the 5th Remuneration Committee. The rest attending directors passed it without objection. |
| | No. 6: Proposal to establish the 2023 Employee Performance-based Salary Adjustment Plan for the Company. | Proceedings of the meeting: Mr. Kung-Yi Koo and the attending managers recused themselves due to conflicts of interest. Resolution: The proposal had been approved in the 10th meeting of the 5th Remuneration Committee. The rest attending directors passed it without objection. |
| | No. 7: Compensation adjustment proposal for the salary scale system of the Company. | Proceedings of the meeting: Mr. Kung-Yi Koo and the attending managers recused themselves due to conflicts of interest. Resolution: The Board of Directors has authorized the Human Resources Director to submit this proposal to the Company for approval and to handle it with full authority. In the future, compensation issues of non-related managers will be included in the report for reference from the next meeting onwards. |
| February 24, 2023 17 th meeting of the 24 th Board of Directors | No. 8: Proposal of the Group management and employees' subscription plan for treasury stocks | Proceedings of the meeting: Mr. Kung-Yi Koo and the attending managers recused themselves due to conflicts of interest. Resolution: The proposal had been approved in the 11th meeting of the 5th Remuneration Committee and the 17th meeting of the 3rd Audit Committee. The rest attending directors passed it without objection. |

3. Self-assessment items conducted by individual board members:

To implement corporate governance and enhance the function of the Board of Directors, the Company has established the "Board of Directors Performance Evaluation Method" on March 28, 2018. In addition to conducting a self-evaluation of performance once a year, an external evaluation by external experts and scholars should be conducted at least every three years. The results of the internal and external evaluations of the Board of Directors shall be completed by the end of the first quarter of the next fiscal year.

The evaluations performed were as follows:

| Cycle | Period | Scope | Method | Measures |
|---|-------------------------------------|---|---|--|
| Conducted once every three years (External) | January 1, 2021 – December 31, 2021 | The composition, guidance, authorization, supervision, communication, and self-discipline of the Board of Directors, as well as internal control and risk management. | Self-evaluation | <p>The evaluation of the Board includes the following 5 aspects:</p> <ol style="list-style-type: none"> 1. Level of participation in company operations; 2. Improvement in the quality of the Board's decision-making; 3. Composition and structure of the Board; 4. Selection and continuing education of directors; 5. Internal control. <p>The evaluation of individual directors (self or peer) includes the following 6 dimensions:</p> <ol style="list-style-type: none"> 1. Understanding of company goals and mission; 2. Awareness of director's responsibilities; 3. Level of participation in company operations; 4. Management of internal relationships and communication; 5. Professional knowledge and continuous education; 6. Internal control. <p>The evaluation of functional committees includes the following 5 aspects:</p> <ol style="list-style-type: none"> 1. Level of participation in company operations; 2. Understanding of the responsibilities of the committee; 3. Improvement in the quality of the functional committee's decision-making; 4. Composition and selection of members of the committee; 5. Internal control. |
| Conducted once a year (Internal) | January 1, 2022 – December 31, 2022 | the Board of Directors, individual board members, and functional committees | Self-evaluation | <p>The evaluation of the Board includes the following 5 aspects:</p> <ol style="list-style-type: none"> 1. Level of participation in company operations; 2. Improvement in the quality of the Board's decision-making; 3. Composition and structure of the Board; 4. Selection and continuing education of directors; 5. Internal control. <p>The evaluation of individual directors (self or peer) includes the following 6 dimensions:</p> <ol style="list-style-type: none"> 1. Understanding of company goals and mission; 2. Awareness of director's responsibilities; 3. Level of participation in company operations; 4. Management of internal relationships and communication; 5. Professional knowledge and continuous education; 6. Internal control. <p>The evaluation of functional committees includes the following 5 aspects:</p> <ol style="list-style-type: none"> 1. Level of participation in company operations; 2. Understanding of the responsibilities of the committee; 3. Improvement in the quality of the functional committee's decision-making; 4. Composition and selection of members of the committee; 5. Internal control. |
| Conducted once every three years (External) | January 1, 2021 – December 31, 2021 | The composition, guidance, authorization, supervision, communication, and self-discipline of the Board of Directors, as well as internal control and risk management. | The Company appointed KPMG Advisory Services Co., Ltd. (the "KPMG"), an external and independent professional organization, to carry out the 2021 performance evaluation of the Board by the end of June 2022. And the overall evaluation results was EXCELLENT according to the report issued by KPMG on June 17 2022. On June 21 2022, the Company reported the results to the Board of Directors | <p>The external expert evaluation covered 9 aspects: establishment of an effective board, effective operations, professional development and continuous training, business foresight, accountability, management of the executive team, shaping corporate culture, communication with stakeholders, and performance evaluation.</p> <p>The evaluation of the directors included 6 aspects:</p> <ul style="list-style-type: none"> · understanding of company goals & tasks; · awareness of duties; · professional development and continuous training; · accountability; · level of participation in company operations; · management of internal relationships and communication. |

| Cycle | Period | Scope | Method | Measures |
|---|-------------------------------------|---|---|--|
| Conducted once every three years (External) | January 1, 2021 – December 31, 2021 | The composition, guidance, authorization, supervision, communication, and self-discipline of the Board of Directors, as well as internal control and risk management. | The Company appointed KPMG Advisory Services Co., Ltd. (the "KPMG"), an external and independent professional organization, to carry out the 2021 performance evaluation of the Board by the end of June 2022. And the overall evaluation results was EXCELLENT according to the report issued by KPMG on June 17 2022. On June 21 2022, the Company reported the results to the Board of Directors | <p>KPMG evaluated the company's board as EXCELLENT and issued the report based on data analysis and questionnaires.</p> <ul style="list-style-type: none"> · External Expert Recommendation: There is room for improvement in the management of professional development & continuous training, one of the 9 evaluation dimensions. · Actions taken by the Company: The Company actively encourages directors to participate in various training programs. On September 28th, 2022, the Company invited the Taiwan Institute for Sustainable Energy to provide a training session on "Net Zero Sustainable Planning and Outlook for Enterprises" for directors. |
| Conducted once every three years (External) | January 1, 2022 – December 31, 2022 | The composition, guidance, authorization, supervision, communication, and self-discipline of the Board of Directors, as well as internal control and risk management. | The Company appointed KPMG to carry out the 2022 performance evaluation of the Board as well. And the overall evaluation results was EXCELLENT according to the report issued by KPMG on February 10 2023. On February 24 2023, the Company reported the results to the Board of Directors. | <p>After evaluation, external experts believe that the board of directors of our company has established relevant policies and procedures in accordance with relevant laws and domestic corporate governance indicators. The board of directors is composed of directors with relevant expertise and capabilities, and appropriate work allocation is made based on their experience to effectively operate the functions of the board of directors and its committees. The overall evaluation result is EXCELLENT.</p> <ul style="list-style-type: none"> · External Expert Recommendation: Due to the large number of corporate groups, after conducting interviews, the directors affirmed the Company's emphasis on risk management and internal control. They suggested that, based on the existing foundation, the company should evaluate and plan to optimize the information system controls and abnormal warning functions (early warning functions) to continuously improve control effectiveness, reduce human errors, and regularly report to the board of directors. · Actions taken by the Company: The Company has proactively implemented new system controls for various information to prevent problems from occurring. |

Note 1: The external reports and self-assessments of the performance evaluation of the Board of Directors have been disclosed on the Company's website.

Note 2: The overall meeting attendance rate of the 24th Board of Directors from January 1, 2022 to February 24, 2023 was 95%, which is better than the 80% required by the Regulations Governing the Self-Assessment of Directors.

4. Goals to improve the functions of the Board of Directors in the current and previous fiscal years (e.g., establishing an Audit Committee, promoting financial transparency, etc.) and an assessment of the implementation:

(1) To strengthen the functions of the Board of Directors, the Company has set up the following functional committees and disclosed their operations: :

- ① Remuneration Committee (Please refer to page 83 of this annual report under section “3.3.4 Operations of Remuneration Committee”)
- ② Audit Committee (Please refer to page 69 of this annual report under section “3.3.2 Operations of Audit Committee”)
- ③ Nomination Committee

Operation of 1st Nomination Committee: in 2022

| | |
|--------------------|--|
| Establishment | In order to strengthen the management mechanism and enhance the functionality of the board of directors, on June 21, 2022, the Board of Directors passed a resolution to establish a “Nomination Committee” and formulate the “Nomination Committee Organization Regulations.” The Nomination Committee consists of five directors, including three independent directors. |
| Primary duties | Based on the authorization of the board of directors, this committee shall faithfully fulfill the following duties with due care of a good administrator, and shall be accountable to the board of directors. The committee shall also submit its recommendations to the board of directors for discussion: <ul style="list-style-type: none"> · Develop the nomination procedures for directors (including independent directors) and senior executives. · Develop and periodically review plans for director training, evaluation of director performance, and succession planning for both the directors and senior executives. · Handle other matters assigned by the board of directors. |
| Term | From June 21, 2022 to July 4, 2024. |
| Number of meetings | The Nomination Committee held a total of 2 meetings (A) in 2022 |

Members and professional qualifications.

| Title | Name | Professional qualifications and experience | Attendance in person (B) | Attendances by proxy | Attendance rate in person (%) [B/A] |
|------------------|-----------------------|--|--------------------------|----------------------|-------------------------------------|
| Convener | An-Ping Chang | Expertise: Possess expertise in management, leadership, decision-making, ESG, and other related fields. Education and experience: MBA, Stern School of Business, New York University; Chairman, Taiwan Cement Corporation; Group CEO, TCC Group; Chairman, NHOA S.A. | 2 | 0 | 100% |
| Committee member | Kenneth C.M. Lo | Expertise: Possess expertise in management, leadership, decision-making, ESG, and other related fields. Education and experience: MS in Finance, Manderson School of Business, The University of Alabama; Honorary Chairman, O-Bank; President, CTBC Bank Co., Ltd.; Chairman, Chinese National Association of Industry and Commerce | 1 | 0 | 50% |
| Committee member | Yu-Cheng Chiao | Expertise: Possess expertise in management, leadership, decision-making, ESG, and other related fields. Education and experience: MS in Electronic Engineering, University of Washington; BS in Communications Engineering, National Chiao Tung University; Chairman, Winbond Electronics Corp. | 2 | 0 | 100% |
| Committee member | Lynette Ling-Tai Chou | Expertise: Possess expertise in ESG evaluation, accounting and control management. Education and experience : Ph.D. of Accounting, University of Houston; Master of Accounting, University of Houston; BS in International Business, Department of Commerce, National Taiwan University; Chief of Student Affairs, Deputy Dean of Business School, Dean of Department of Accounting, National Chengchi University; Managing Supervisor, Taiwan Public Television Services | 2 | 0 | 100% |

| Members and professional qualifications. | | | | | |
|--|------------------|---|--------------------------|----------------------|-------------------------------------|
| Title | Name | Professional qualifications and experience | Attendance in person (B) | Attendances by proxy | Attendance rate in person (%) [B/A] |
| Committee member | Sherry S. L. Lin | Expertise: Possess expertise in ESG evaluation, financial and banking sectors Education and experience: LLB, National Taiwan University; Chairman, KHL Venture Capital Co., Ltd.; Distinguished Consultant, Lee and Li, Attorneys-at-Law | 2 | 0 | 100% |

Implementation

| Meeting Date | Proposals | Proceedings | The company's handling of the Committee's opinions |
|--|--|---|---|
| August 3, 2022 1 st meeting of 1 st Nomination Committee | Elect the convener of the nomination committee Nomination of the President of the Company | Mr. An-Ping Chang recused himself from the discussion and voting due to conflicts of interest. Resolution: The rest attending members unanimously passed the proposals. | Submitted to the Board of Directors on August 10, 2022, and approved by all attending directors in the meeting. |
| November 10, 2022 2 nd meeting of 1 st Nomination Committee | Nomination of the President of the Company | Resolution: All the attending members unanimously passed the proposal. | Submitted to the Board of Directors on November 10, 2022, and approved by all attending directors in the meeting. |

Note: For more information, please refer to the Company's website: “Investors” > “Corporate Governance” > “Committees”.

④ Risk Management Committee

Operation of Risk Management Committee:

| | |
|--------------------|--|
| Establishment | On May 12, 2020, the Board of Directors passed a resolution to establish a “Risk Management Committee” and formulated “Risk Management Policies and Principles,” with three committee members appointed. In conjunction with the election of directors at the shareholders' meeting in 2021, the Board of Directors decided on July 15 to appoint members of the second session of the Risk Management Committee. |
| Primary duties | To enhance corporate governance and establish sound risk management practices, the Company has formulated risk management policies and principles. TCC strives to control various business risks within a manageable range and achieve the goal of balancing risk and return. TCC Group identifies and analyzes risks in 7 major areas according to its business scope. Each department in the following chart develops corresponding strategies based on the results of risk identification. The Risk Management Committee submits an annual risk control report to the Board of Directors. <div style="text-align: center; margin-top: 10px;"> </div> |
| Term | From July 15, 2021 to July 4, 2024. |
| Number of meetings | The Committee held a total of 1 meeting (A) in 2022 |

| Members and professional qualifications | | | | | |
|---|-----------------------|---|--------------------------|----------------------|-------------------------------------|
| Title | Name | Professional qualifications and experience | Attendance in person (B) | Attendances by proxy | Attendance rate in person (%) [B/A] |
| Convener | Sherry S. L. Lin | Expertise: Possess expertise in ESG evaluation, financial and banking sectors Education and experience: LLB, National Taiwan University; Chairman, KHL Venture Capital Co., Ltd.; Distinguished Consultant, Lee and Li, Attorneys-at-Law | 1 | 0 | 100% |
| Committee member | Victor Wang | Expertise: Financial & risks management Education and experience: BA in Accounting, Soochow University; EMBA, National Taiwan University; President of Auditing Service Division and Vice Chairman of Deloitte Taiwan | 1 | 0 | 100% |
| Committee member | Lynette Ling-Tai Chou | Expertise: Audit and accounting management Education and experience: Ph.D. of Accounting, University of Houston; Master of Accounting, University of Houston; BS in International Business, Department of Commerce, National Taiwan University; Chief of Student Affairs, Deputy Dean of Business School, Dean of Department of Accounting, National Chengchi University; Managing Supervisor, Taiwan Public Television Services | 1 | 0 | 100% |

| Implementation | | | |
|---|--|--|---|
| Meeting Date | Proposals | Proceedings | The company's handling of the Committee's opinions |
| August 5, 2022 3 rd meeting of 2 nd Risk Management Committee | Report on the update status of the Company's risk identification matrix and impact and mitigation strategies for operations in response to war, geopolitics, energy transition, and demographic changes. | All reported matters are acknowledged. | The report was submitted to the Board of Directors on August 10, 2022, and was acknowledged by all attending directors. |

Note: For more information, please refer to the Company's website: "Investors" > "Corporate Governance" > "Committees."

⑤ Corporate Sustainable Development Committee
Operation of Corporate Sustainable Development Committee:

| | |
|--------------------|---|
| Establishment | TCC actively promotes and execute strong corporate sustainability, ethical management and social responsibility practices, and as the Company continues to move towards internationalization, the Board of Directors passed a resolution on July 15, 2021 to set up a Corporate Sustainable Development Committee, with three members in accordance with the "Organization Regulations of the Corporate Sustainable Development Committee." |
| Primary duties | To fulfill the TCC's core values of "Total Climate Commitment" and "Total Care Commitment," the committee promotes and strengthens sustainability management by directing the company's ESG development, which includes corporate governance, CSR and operational mechanisms for sustainable operations. |
| Term | From July 15, 2021 to July 4, 2024. |
| Number of meetings | The Committee held a total of 2 meetings (A) in 2022 |

| Members and professional qualifications | | | | | |
|---|-----------------------|--|--------------------------|----------------------|-------------------------------------|
| Title | Name | Professional qualifications and experience | Attendance in person (B) | Attendances by proxy | Attendance rate in person (%) [B/A] |
| Convener | An-Ping Chang | Expertise: Leads the enterprises towards sustainable development Education and experience: MBA, Stern School of Business, New York University; Chairman, Taiwan Cement Corporation; Group CEO, TCC Group; Chairman, NHOA S.A. | 2 | 0 | 100% |
| Committee member | Victor Wang | Expertise: Has Served as an independent director for multiple listed companies and understands the importance of corporate sustainability. Education and experience: BA in Accounting, Soochow University; EMBA, National Taiwan University; Vice President of Auditing Service Division and Vice Chairman of Deloitte Taiwan | 2 | 0 | 100% |
| Committee member | Roman Cheng (Note 2) | Expertise: Possesses professional expertise in ESG. Education and experience: MBA, National Chengchi University; President, Taiwan Cement Corporation | 1 | 0 | 100% |
| Committee member | Jong-Peir Li (Note 2) | Expertise: Possesses professional expertise in ESG and sustainable development. Education and experience: Ph.D. NCCU Department of Management Information Systems; MS in Information Technology Management, Carey Business School, Johns Hopkins University; MS in Business Management, George Washington University | 1 | 0 | 100% |

| Implementation | | | |
|--|--|--|--|
| Meeting Date | Proposals | Proceedings | The company's handling of the Committee's opinions |
| August 5, 2022 3 rd meeting of 1 st Corporate Sustainable Development Committee | (1) Report on TCC's current status of sustainability performance from October 2021 to July 2022 (2) The response to FSC "Transition Strategies of Sustainable Development for Securities and Futures Sectors," which includes the scope and timeline of TCC Group's GHG inventory | Resolution: All attending members passed the proposals and submitted for the Board's resolution. | The proposal was submitted to the Board of Directors on August 10, 2022, and was acknowledged and passed by all attending directors. |
| December 13, 2022 4 th meeting of 1 st Corporate Sustainable Development Committee | Appointment of new committee members. | Resolution: All attending members passed the proposals and submitted for the Board's resolution. | The proposal was submitted to the Board of Directors on December 13, 2022, and was acknowledged and approved by all attending directors. |

Note 1: For more information, please refer to the Company's website: "Investors" > "Corporate Governance" > "Committees."
Note 2: Mr. Jong-Peir Li resigned on August 12, 2022; Mr. Roman Cheng assumed the position on December 13, 2022.

(2) For information on the Company's board diversity policy and implementation, please refer to page 35 of this annual report under section " 3.2.1 Information regarding board members, 2. Diversification and Independence of Board of Directors. "

The 24th Board of Directors of the Company held 10 meetings from January 1, 2022 to February

24, 2023. The proceedings and implementation of conflict of interest in each meeting were in compliance with the Company's regulations and the requirement of holding at least one meeting per quarter. Additionally, material resolutions were disclosed on MOPS and the Company's website to ensure transparency of information, maintain good governance, strengthen the Board's supervision function, and enhance management effectiveness.

(3) Other corporate governance issues

① Corporate governance:

- Corporate governance evaluation report
- ESG Performance Report
- Information security report
- Integrity report

② Legal compliance: The Company's Head of Corporate Governance and the Board Secretariat notify directors by email or letter prior to meetings, or request accountants or attorneys to provide updates on new regulation to directors during meetings as necessary.

③ Director training: the Company regularly invites experts to provide training courses to the directors based on the latest regulatory and affairs, or provides external training information for the directors to attend. In the year 2022, a training course was held at the Company's premises in September, and a total of 8 directors attended. For individual directors' training records, please refer to page 75 under section "3.3.3 Corporate conduct and ethics implementation as required by FSC, Note 2."

3.3.2 Operations of Audit Committee

Operational Information of Audit committee

1. Establishment information:

To strengthen internal audit mechanisms for the betterment of corporate governance and fulfils the Company's operational benefits, based on the Securities and Exchange Act, the Company has set up an Audit Committee within the Board of Directors on June 27, 2012 to replace the supervisor system. The Audit Committee is composed of the entire number of independent directors.

2. The main duties of the Audit Committee are to review or handle the following matters:

- Adoption or amendment of an internal control system pursuant to Article 14-1 of Securities and Exchange Act;
- Assessment of the effectiveness of the internal control system;
- Adoption or amendment, pursuant to Article 36-1 of Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, lending funds to others, or endorsements or guarantees for others;
- A matter bearing on the personal interest of a director;
- A material asset or derivatives transaction;
- A material monetary loan, endorsement, or provision of guarantee;

- The offering, issuance, or private placement of any equity-type securities;
- The hiring or dismissal of an attesting CPA, or the compensation given thereto;
- The appointment or discharge of a financial, accounting, or internal auditing officer;
- Annual financial reports;
- M&A matters under the Business Mergers and Acquisition Act;
- quarterly financial reports.
- Approval of matters related to the hired CPA's annual audit and non-audit related services.
- Communication and exchange information with the CPA.
- Negotiation of disagreement of opinions on financial reporting between the Company's management and the CPA.
- Discussion of other required financial information and reports required by the US Securities Exchange Act with the Company's management team and the CPA.
- Other significant matters required by the company or regulatory authorities.

3. Committee Members, Professional Qualifications, and Independence:

For information on the members, professional qualifications, and independence of the Audit Committee, please refer to page 19 of the annual report " 3.2.1 Information regarding board members" and page 31 "(1) Directors' professional qualification and independent directors' status of independence."

The 3rd Audit Committee has held 10 meetings (A) from January 1, 2022 to February 24, 2023. The attendance record of independent directors is as follows:

| Title | Name | Attendance in person (B) | Attendances by proxy | Attendance rate in person (%) [B/A] | Note |
|----------------------|-----------------------|--------------------------|----------------------|-------------------------------------|----------|
| Independent Director | Yu-Cheng Chiao | 8 | 2 | 80% | |
| Independent Director | Victor Wang | 10 | 0 | 100% | Convener |
| Independent Director | Lynette Ling-Tai Chou | 10 | 0 | 100% | |
| Independent Director | Mei-Hua Lin | 10 | 0 | 100% | |
| Independent Director | Sherry S. L. Lin | 10 | 0 | 100% | |

Other required notes for Audit Committee meeting:

1. If the Audit Committee operates under any of the following circumstances, it shall disclose the date and term of the Audit Committee meeting, the contents of the agenda, the opposing opinions of independent directors, the contents of reservations or significant recommended items, the decision of the Audit Committee, and the company's handling of the Audit Committee's opinions.

(1) Matters specified in Article 14.5 of the Taiwan Securities and Exchange Act:

| Meeting Date | Proposal | Proceedings, resolutions & opinions of audit committee | The company's handling of the Audit Committee's opinions |
|--|---|--|--|
| April 11, 2022 9 th meeting of 3 rd Audit Committee | 1. Proposal to issue unsecured corporate bonds with a total amount not exceeding NT\$20 billion. | Passed with all attending committee members | All attending directors passed the proposal. |
| | 2. Proposal of a cash capital increase and issuance of common shares for the issuance of overseas depository receipts. | Passed with all attending committee members | All attending directors passed the proposal. |
| | 3. To fully utilize Mainland China's funds, the Company proposes to distribute profits from TCC Yingde Cement Co., Ltd. to TCC International(Hong Kong)Co., Ltd., and reinvest in TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | Passed with all attending committee members | All attending directors passed the proposal. |
| | 4. Proposal to increase capital and issue new shares by converting profits from the fiscal year 2021. | Passed with all attending committee members | All attending directors passed the proposal. |
| | 5. Proposal to revise certain articles of the Company's "Asset Acquisition or Disposal Processing Procedures". | Passed with all attending committee members | All attending directors passed the proposal. |
| | 6. The Company has purchased energy storage equipment from related parties, accumulating up to NTD 300 million within the past year. | Passed with all attending committee members | All attending directors passed the proposal. |
| | 7. Due to the continuous increase in raw material prices and unpredictable delivery times, TCC Energy Storage Technology Corporation is planning to purchase approximately 240 MWh of battery capacity from Samsung SDI, a South Korean company. The batteries will be used for the Company's Hualien plant's 50 MW E-dReg and other energy storage projects. | Passed with all attending committee members | All attending directors passed the proposal. |
| | 8. TCC Chia-Chien Green Energy Corporation plans to increase the budget for the construction of the second phase of the fishing and photovoltaic solar power plant in Yizhu Township and Budai Township, Chiayi County. | Passed with all attending committee members | All attending directors passed the proposal. |
| May 10, 2022 10 th meeting of 3 rd Audit Committee | 1. Approval of 2022Q1 consolidated Financial Report of the Company. | Passed with all attending committee members | All attending directors passed the proposal. |
| | 2. Proposal of the capital increase plan of the subsidiary, TCC Green Energy Corporation. | Mr. Yu-Cheng Chiao, who is also the Chairman of Winbond Electronics Corp., recused himself from the meeting due to a conflict of interest, while the rest attending members passed the proposal. | Mr. Yu-Cheng Chiao, who is also the Chairman of Winbond Electronics Corp., recused himself from the meeting due to a conflict of interest, while the rest attending directors passed the proposal. |
| | 3. The proposal for additional budget for the update of the Suao plant's waste heat power generation system. | Passed with all attending committee members | All attending directors passed the proposal. |
| | 4. The Company originally leased investment properties to its subsidiary, Molie Quantum Energy Corporation. Considering operational needs of Molie Quantum Energy Corporation, it is proposed to extend the land lease term to 50 years and adjust the rent during the construction period. | Passed with all attending committee members | All attending directors passed the proposal. |
| June 21, 2022 11 th meeting of 3 rd Audit Committee | 1. Proposal to give up the subscription for the cash capital increase of TCC Recycle Energy Technology Company. | Passed with all attending committee members | All attending directors passed the proposal. |
| | 2. Proposal to adjust the endorsement guarantee for related enterprises. | The Convener Mr. Victor Wang had to leave due to urgent matters, and delegated Ms. Lynette Ling-Tai Chou to act as acting chairman to preside over the subsequent agenda. All attending committee members passed the proposal. | All attending directors passed the proposal. |
| | 3. TCC Energy Storage Technology Corporation plans to invest in the construction of a large-scale energy storage system within the TCC's Hualien Plant. | Passed with all attending committee members | All attending directors passed the proposal. |
| | 4. Proposal to lease business-use land to its subsidiary, TCC Energy Storage Technology Corporation, for the construction of an energy storage system. | Passed with all attending committee members | All attending directors passed the proposal. |
| August 10, 2022 12 th meeting of 3 rd Audit Committee | 1. Approval of 2022Q2 consolidated Financial Report of the Company. | Passed with all attending committee members | All attending directors passed the proposal. |
| | 2. Due to the continuous rise in battery prices and the changes in the battery scheme for the newly added 50 MW energy storage feeder line and the Suao Plant's 35 MW project, TCC Energy Storage Technology Corporation plans to double its battery procurement from Samsung SDI in Korea from 240 MWh to 480 MWh. | Passed with all attending committee members | All attending directors passed the proposal. |

| Meeting Date | Proposal | Proceedings, resolutions & opinions of audit committee | The company's handling of the Audit Committee's opinions |
|--|--|--|--|
| August 10, 2022 12 th meeting of 3 rd Audit Committee | 3. TCC Energy Storage Technology Corporation plans to change the battery solution for the Suao Plant's 35 MW E-dReg project to SDI 123.6 MWh, resulting in an expansion of the total project budget. | Passed with all attending committee members | All attending directors passed the proposal. |
| | 4. Proposal to sell the land and building of the Company's former Taichung branch to revitalize the underutilized assets. | Passed with all attending committee members | All attending directors passed the proposal. |
| August 30, 2022 13 th meeting of 3 rd Audit Committee | 1. Proposal to conduct a cash capital increase by issuing common shares for the issuance of overseas depository receipts. | Passed with all attending committee members | All attending directors passed the proposal. |
| | 2. Proposal to increase the Company's investment in its wholly-owned overseas subsidiary, TCC International Holdings Ltd., a Cayman Islands company. | Passed with all attending committee members | All attending directors passed the proposal. |
| November 10, 2022 14 th meeting of 3 rd Audit Committee | 1. Approval of 2022Q3 consolidated Financial Report of the Company. | Passed with all attending committee members | All attending directors passed the proposal. |
| | 2. The evaluation of the professionalism, competence and independence of the CPA. | Passed with all attending committee members | All attending directors passed the proposal. |
| | 3. Proposal to adjust the endorsement guarantee for related enterprises. | Passed with all attending committee members | All attending directors passed the proposal. |
| | 4. Proposal to acquire the land of the ready-mixed concrete plant located in Anping District, Tainan City, currently leased by the Company, from Sheng Lee Plastic Co., Ltd., in order to maintain its sales location. | Passed with all attending committee members | All attending directors passed the proposal. |
| | 5. Proposal to hire a Chief Financial Officer. | Passed with all attending committee members | All attending directors passed the proposal. |
| December 13, 2022 15 th meeting of 3 rd Audit Committee | Proposal to develop the 2023 audit plan for the Company. | Passed with all attending committee members | All attending directors passed the proposal. |
| January 4, 2023 16 th meeting of 3 rd Audit Committee | 1. Proposal to implement the 5 th transfer of treasury shares to employees. | Passed with all attending committee members | All attending directors passed the proposal. |
| | 2. To fully utilize Mainland China's funds, the Company proposes to distribute profits from TCC Yingde Cement Co., Ltd. to TCC International(Hong Kong) Co., Ltd., and reinvest in TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | Passed with all attending committee members | All attending directors passed the proposal. |
| February 24, 2023 17 th meeting of 3 rd Audit Committee | 1. Approval of 2022 financial statements for individual and consolidated accounts of the Company. | Passed with all attending committee members | All attending directors passed the proposal. |
| | 2. Proposal to add new items to evaluate the professionalism, competence, and independence of the CPA. | Passed with all attending committee members | All attending directors passed the proposal. |
| | 3. Proposal to establish a pre-approval procedure for non-assurance services provided by the audit firm and its global alliance members to TCC Group. | Passed with all attending committee members | All attending directors passed the proposal. |
| | 4. Proposal to formulate the "Related Party Transaction and Supervision Policy". | Passed with all attending committee members | All attending directors passed the proposal. |
| | 5. TCC Energy Storage Technology Corporation plans to change the leased land area and location for the construction of a large-scale energy storage system within the Hualien Plant to meet operational needs. | Passed with all attending committee members | All attending directors passed the proposal. |
| | 6. TCC Energy Storage Technology Corporation plans to lease land from related company Taiwan Cement Engineering Corporation (99.20% owned by the Company) for the building of a large-scale energy storage system to meet its operational needs. | Passed with all attending committee members | All attending directors passed the proposal. |
| | 7. Capital expenditure budget increase proposal for the renovation and update of the cooling machines #1K and #2K at the Hoping plant. | Passed with all attending committee members | All attending directors passed the proposal. |
| | 8. Proposal to offer the subsidiaries employees to subscribe to the Company's treasury stock plan. | Passed with all attending committee members | All attending directors passed the proposal. |
| | 9. Approval of the "Statement on Internal Control System" for fiscal year 2022. | Passed with all attending committee members | All attending directors passed the proposal. |

(2) Other items not mentioned above that have not been approved by the Audit Committee but have been approved by at least two-thirds of all directors: None.

2. When an independent director recuses himself/herself due to conflicts of interest, the name of that independent director, the involved proposal(s), the cause(s) of the recusal, and the participation in voting of that director shall be specified:

| Meeting Date | Proposal | Reasons and situations for recusal due to conflicts of interest |
|---|--|--|
| May 10, 2022 10 th meeting of 3 rd Audit Committee | Proposal of the capital increase plan of the subsidiary, TCC Green Energy Corporation. | Mr. Yu-Cheng Chiao, who is also the Chairman of Winbond Electronics Corp., recused himself from the meeting due to a conflict of interest, while the rest attending members passed the proposal. |

3. Communications between independent directors and the Head of Internal Audit (the “HIA”) or CPA (including communication of material items, methods of communication, and conclusion regarding the Company’s financials and its business operations):

- (1) The HIA shall submit audit reports and follow-up reports to the convener for review at least once a month. The HIA shall also report on the audit results, improvements made for any deficiencies found in internal controls, and the financial and business status of the Company. The Convener of the Audit Committee shall review and provide feedback on the reports.
- (2) The HIA and the CPA shall attend Audit Committee meetings to report on the audit methodology, scope, material audit adjustments, and their opinions on internal controls. The CPA shall also provide periodic reports on their communication with the management to the independent directors. In addition to communicating during meetings, the HIA, CPA, and independent directors shall maintain a healthy relationship and communicate with each other as necessary to ensure good interaction.
- (3) The communications between the independent directors, HIA and CPA are detailed in the following table and disclosed on the Company’s website under Corporate Governance section.

| Meeting Date | with HIA | | with CPAs | |
|-------------------|---|--|---|----------------------------|
| | Communication matters | Results of the discussions | Communication matters | Results of the discussions |
| February 23, 2022 | Report audit procedure and audit results on Mainland China subsidiaries | The questions raised by Mr. Victor Wang were discussed and communicated. | - | - |
| February 25, 2022 | Discussed the “Internal Control System Statement”. | Passed unanimously | <ul style="list-style-type: none"> • CPA provided supplementary explanations on the financial statements for the 4th quarter of 2021 • the status of regulatory changes. • CPA discussed and communicated regarding the questions raised by the attendees. | Agreed and noted. |
| March 8, 2022 | Report on audit workflow and execution results. | The questions raised by Ms. Lynette Ling-Tai Chou were discussed and communicated. | - | - |
| May 10, 2022 | Report audit execution results for the the period from January to March 2022. | Agreed and noted. | <ul style="list-style-type: none"> • CPA provided supplementary explanations on the financial statements for the 1st quarter of 2022 • the status of regulatory changes. • CPA discussed and communicated regarding the questions raised by the attendees. | Agreed and noted. |

| Meeting Date | with HIA | | with CPAs | |
|-------------------|--|--|--|----------------------------|
| | Communication matters | Results of the discussions | Communication matters | Results of the discussions |
| June 21, 2022 | - | - | CPA communicated with the independent directors regarding significant investment projects of the Company. | Agreed and noted. |
| August 3, 2022 | Report on the audit process and the results of the execution of the audit business for the Chinese subsidiary company. | The questions raised by Ms. Lynette Ling-Tai Chou were discussed and communicated. | - | - |
| August 4, 2022 | Report on the audit process and the results of the execution of the audit business for the Chinese subsidiary company. | The questions raised by Ms. Sherry S. L. Lin were discussed and communicated. | - | - |
| August 10, 2022 | Report on the execution results of the audit business for the 2 nd quarter of 2022. | Agreed and noted. | <ul style="list-style-type: none"> • CPA provided supplementary explanations on the financial statements for the 2nd quarter of 2022. • the status of regulatory changes • CPA discussed and communicated regarding the questions raised by the attendees. | Agreed and noted. |
| September 5, 2022 | Report on the audit process and the results of the execution of the audit business for the Chinese subsidiary company. | The questions raised by Ms. Mei-Hua Lin were discussed and communicated. | - | - |
| November 10, 2022 | Report on the execution results of the audit business for the 3 rd quarter of 2022. | Agreed and noted. | <ul style="list-style-type: none"> • CPA provided supplementary explanations on the financial statements for the 3rd quarter of 2022. • the status of regulatory changes • CPA discussed and communicated regarding the questions raised by the attendees. | Agreed and noted. |
| December 9, 2022 | Report on the audit process and the results of the execution of the audit business for the Chinese subsidiary company. | The questions raised by Ms. Lynette Ling-Tai Chou were discussed and communicated. | - | - |
| December 12, 2022 | 2023 audit plan and recommendations for the internal audit reports. | The questions raised by Ms. Mei-Hua Lin were discussed and communicated. | - | - |
| December 13, 2022 | 2023 audit plan | Passed unanimously | - | - |
| January 17, 2023 | Report on the audit process and the results of the execution of the audit business for the Chinese subsidiary company. | The questions raised by Ms. Mei-Hua Lin were discussed and communicated. | - | - |
| February 6, 2023 | Report on the audit process and the results of the execution of the audit business for the Chinese subsidiary company. | The questions raised by Ms. Sherry S. L. Lin were discussed and communicated. | - | - |
| February 24, 2023 | Report on the execution results of the audit business for the 4th quarter of 2022. | Agreed and noted. | <ul style="list-style-type: none"> • CPA provided supplementary explanations on the financial statements for the 4th quarter of 2022. • the status of regulatory changes • CPA discussed and communicated regarding the questions raised by the attendees. | Agreed and noted. |

3.3.3 The Company's corporate governance practices, the differences with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies,” as well as the reasons for these differences.

| Evaluation items | Implementation status | | Differences & reasons |
|---|-----------------------|----|-----------------------|
| | Yes | No | |
| 1. Does the company establish and disclose the Corporate Governance Best Practice Principles based on the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”? | ✓ | | No difference |
| 2. Equity structure and shareholders' equity | | | |
| (1) Does the Company have internal operation procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If so, have these procedures been implemented accordingly? | ✓ | | No difference |
| (2) Does the Company possess a list of its major shareholders as well as the ultimate owners of these shares? | ✓ | | No difference |
| (3) Has the Company built and executed a risk management system and “firewall” between the Company and its affiliates? | ✓ | | No difference |
| (4) Does the Company have internal regulations in place to prohibit insiders from using undisclosed information to trade securities on the market? | ✓ | | No difference |

| Evaluation items | Implementation status | | Differences & reasons |
|---|-----------------------|----|-----------------------|
| | Yes | No | |
| 3. Composition and duties of the Board of Directors | | | |
| (1) Has the Company established a diversification policy for the composition of its Board of Directors and has it been implemented accordingly? | ✓ | | No difference |
| (2) Other than the Remuneration Committee and Audit Committee which are required by law, has the Company voluntarily established any other functional committees? | ✓ | | No difference |

| Evaluation items | Implementation status | | Differences & reasons |
|---|-----------------------|----|-----------------------|
| | Yes | No | |
| (2) Other than the Remuneration Committee and Audit Committee which are required by law, has the Company voluntarily established any other functional committees? | ✓ | | No difference |
| (3) Does the Company have a board performance evaluation method and process, conducted annually and reported to the board, which is also used as a reference for individual director compensation and nomination? | ✓ | | No difference |
| (4) Does the company regularly evaluate its external auditors' independence? | ✓ | | No difference |

| Evaluation items | Implementation status | | Differences & reasons |
|---|-----------------------|----|---|
| | Yes | No | |
| | | | The evaluation results for the latest fiscal year were discussed and approved by the Audit Committee on November 10, 2022, and February 24, 2023, and reported to the Board of Directors on the same dates. Please refer to Note 1 for details on the assessment of the auditor's independence and suitability. |
| 4. Has the Company ensured that it has an adequate and appropriate number of personnel responsible for corporate governance, and has it designated a corporate governance officer to oversee corporate governance-related matters (including, but not limited to, providing information necessary for the execution of the duties of directors and supervisors, assisting directors and supervisors in compliance with laws and regulations, handling matters related to board and shareholders meetings in accordance with the law, and preparing minutes of board and shareholders meetings)? | ✓ | | No difference |
| 5. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), and created a stakeholder section on its website to appropriately address important corporate social responsibility issues that stakeholders may have? | ✓ | | No difference |
| 6. Has the Company appointed a professional transfer agent to handle shareholder meeting affairs? | ✓ | | No difference |
| 7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business and corporate governance status? | ✓ | | No difference |

| Evaluation items | Implementation status | | Differences & reasons |
|--|-----------------------|----|-----------------------|
| | Yes | No | |
| (2) Does the Company adopt any other means of information disclosure (such as setting up an English website, designating dedicated personnel to collect and disclose company information, implementing a spokesperson system, webcasting investor conferences, etc.)? | ✓ | | No difference |
| (3) Does the Company announce and file its annual financial statements within two months after the end of the fiscal year, and announce and report its first, second, and third quarter financial statements as well as the operating status of each month prior to the prescribed deadline? | ✓ | | No difference |
| 8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)? | ✓ | | No difference |

| Evaluation items | Implementation status | | Differences & reasons |
|--|-----------------------|----|-----------------------|
| | Yes | No | |
| 8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)? | ✓ | | No difference |

The following is a list of improvements made after the 8th Corporate Governance Evaluation:

| No. | Item | Improvements made |
|------|---|---|
| 1.6 | Does the Company convene the annual shareholders meeting before the end of May each year? | The annual shareholder meeting for the year 2022 has already been held on May 26, 2022. The annual shareholders meeting in 2023 will be convened on May 31, 2023. |
| 1.4 | Has the company disclosed in its annual report the implementation status of the resolutions passed at the previous year's annual shareholders meeting? | The Company has disclosed in detail in the annual report. |
| 2.2 | Has the Company established a policy for board diversity and disclosed the specific management objectives and progress of the diversity policy on its official website and annual report? | TCC has increased its diversification goals and provided detailed explanations in its annual report and on the company's official website under the "Investor Relations" section. |
| 2.9 | Has the company formulated a succession plan for its board members and important management personnel, and disclosed its operation status on the company's website or in the annual report? | TCC has provided detailed explanations in its annual report and on the company's official website (under the "Investor Relations" section). |
| 2.11 | Has the Company disclosed in its annual report the discussions and resolutions of the Remuneration Committee, as well as the Company's handling of members' opinions? | The Company has disclosed in detail the operation of the "3.3.4 Operations of Remuneration Committee" on page 83 of this annual report. |
| 2.28 | Does the Company have a policy on the appointment, evaluation, and remuneration of internal audit personnel, which is reported to the Board of Directors or approved by the Chairman of the Board through the signature of the head of the internal audit department, and disclosed on the Company's website? | The Company has enhanced the detailed explanation on its official website (under the "Investors Relationship" section). |
| 3.4 | Does the company disclose its annual financial report within two months after the end of the accounting year? | TCC's financial report for the year 2022 has been approved by the Board of Directors on February 24, 2023, and was announced simultaneously. |
| 3.14 | Has the Company disclosed in its annual report the rationale between performance evaluation of directors and executives and their remuneration? | The Company has provided a detailed explanation on the annual report and official website (under the "Investor Relations" section). |

Issues that require improvement in the 8th Corporate Governance Evaluation but have not yet been addressed:

| No. | Item | Improvements made |
|-----|---|--|
| 3.8 | Has the Company voluntarily published financial forecasts for all quarters, and has it not received any corrective action orders from the competent authority or demerits from TWSE or TPEX regarding related operations? | The Company will continuously evaluate the impact and feasibility. |

| No. | Item | Improvements made |
|------|---|--|
| 3.13 | Does the Company voluntarily disclose the remuneration of directors and supervisors in the annual report? | The Company will continuously evaluate the impact and feasibility. |
| 3.21 | Does the Company's annual report voluntarily disclose individual remuneration for the general manager and deputy general manager? | The Company will continuously evaluate the impact and feasibility. |

Note 1: Assessment of external auditor's independence

| Check items | Results of assessment | Does it meet the independence requirement? |
|--|-----------------------|--|
| 1. Does the external auditor have a material financial interest directly or indirectly to the Company? | No | Yes |
| 2. Is the external auditor involved in any financing or guarantee position with the Company or any of its directors? | No | Yes |
| 3. Does the external auditor have a close business relationship or is potentially employed by the Company? | No | Yes |
| 4. Is the external auditor or any member of the audit team also a director, manager, or other position with influence on the audit procedure during the period of audit? | No | Yes |
| 5. Does the external auditor also provide any non-audit services that can affect the audit procedure for the Company? | No | Yes |
| 6. Does the external auditor hold any shares or other securities issued by the Company? | No | Yes |
| 7. Does the external auditor also act as the defender for the Company or help the Company mediate conflicts with third parties? | No | Yes |
| 8. Is the external auditor related to the directors, managers, or anyone who has an influence on the audit procedure? | No | Yes |
| 9. The auditor and audit team receive significant gifts or presents from the Company's directors and managers. | No | Yes |
| 10. Has the Company not obtained the auditor's independence declaration? | Yes | Yes |

Note 2: The directors of the Company choose the suitable training courses based on their personal schedule and professional background. The details of the courses they have attended are as follows:

| Title | Name | Date | Course Provider | Course | Length | Compliance with Regulations |
|----------|-----------------------|---------------------|---|---|--------|-----------------------------|
| Chairman | An-Ping Chang | September, 28, 2022 | Taiwan Institute for Sustainable Energy (TAISE) | Net Zero Sustainability Planning and Outlook for Enterprises (Water Resources, Carbon Credits, Energy) | 6.0 | Yes |
| | | June 28, 2022 | Taiwan Institute of Directors | The Era of Dramatic Changes: Exploring the Core Competencies of the Next Generation. | 3.0 | Yes |
| | | March 16, 2022 | Taiwan Corporate Governance Association (TCGA) | Integrity in Business and Fair Treatment of Customers | 2.0 | Yes |
| Director | Jason Kang-Lung Chang | December 7, 2022 | TCGA | Family Business Succession, Transformation and Upgrading | 3.0 | Yes |
| | | November 2, 2022 | | Transitioning to Carbon Neutrality: Challenges and Opportunities for Taiwan Enterprises; Investing Today, Sustaining Tomorrow | 3.0 | Yes |
| | | October 12, 2022 | | ESG Implementation from the Perspective of Foreign Shareholders and Voting Behavior. | 3.0 | Yes |
| | | October 5, 2022 | | Global Cybersecurity Trends and Governance | 3.0 | Yes |
| | | September, 7, 2022 | | Emerging Industry Trends and Transnational Investment Structures for New Industries | 3.0 | Yes |
| | | August 31, 2022 | | Economic Outlook & International Engagement 2022 H2 | 3.0 | Yes |
| Director | Kenneth C.M. Lo | May 4, 2022 | TCGA | Anti-Money Laundering Case Studies in Banking | 1.0 | Yes |
| | | April 1, 2022 | Chinese National Association of Industry and Commerce | Taiwan's Opportunities & Challenges in Asia-Pacific Economic Integration | 3.0 | Yes |

| Title | Name | Date | Course Provider | Course | Length | Compliance with Regulations |
|----------------------|-----------------------|---------------------|---|---|--------|-----------------------------|
| Director | Kenneth C.M. Lo | March 16, 2022 | TCGA | Integrity in Business and Fair Treatment of Customers | 2.0 | Yes |
| Director | Por-Yuan Wang | September, 28, 2022 | TAISE | Net Zero Sustainability Planning and Outlook for Enterprises (Water Resources, Carbon Credits, Energy) | 6.0 | Yes |
| Director | Sun-Te Chen | November 2, 2022 | Independent Director Association Taiwan (TIDA) | Fair Customer Service Principles and Financial-Friendly Services | 3.0 | Yes |
| | | June 23, 2022 | | International Sanctions and Enterprise Risk Management in the Russo-Ukrainian War | 2.0 | Yes |
| | | May 6, 2022 | | Net Zero Challenges, Low Carbon Technologies, and Market Transformation Analysis in Taiwan's Petrochemical Industry | 3.0 | Yes |
| | | April 29, 2022 | | Carbon Pricing Mechanisms: Choosing for Taiwan? TCFD Assessment in the Face of Climate Change | 3.0 | Yes |
| | | April 21, 2022 | | Net Zero Emissions and Corporate Governance, Promotion and Future Outlook of Sustainable Classification Standards in Taiwan | 3.0 | Yes |
| Director | Kung-Yi Koo | September, 28, 2022 | TAISE | Net Zero Sustainability Planning and Outlook for Enterprises (Water Resources, Carbon Credits, Energy) | 6.0 | Yes |
| Director | Chi-Chia Hsieh | October 27, 2022 | Corporate Operating and Sustainable Development Association (COSDA) | ESG Trends, Global Tax Reform, and Corporate Tax Governance in the Pandemic Environment | 3.0 | Yes |
| | | October 25, 2022 | | Digital Transformation, Visioning the Future, and New Risk Management Thinking | 3.0 | Yes |
| | | September, 28, 2022 | TAISE | Net Zero Sustainability Planning and Outlook for Enterprises (Water Resources, Carbon Credits, Energy) | 6.0 | Yes |
| | | July 28, 2022 | COSDA | Legal Standards and Practical Case Studies on Insider Trading | 3.0 | Yes |
| | | July 26, 2022 | | Taiwanese Companies' Global Business Operations and M&A Strategies | 3.0 | Yes |
| Director | Chi-Te Chen | November 25, 2022 | TCGA | Legal Restrictions and Judgment Analysis on Shareholding of Directors and Supervisors | 3.0 | Yes |
| | | November 8, 2022 | | New Level of Corporate Governance: Establishing Ethical Business Practices | 3.0 | Yes |
| Director | Chien Wen | November 18, 2022 | TCGA | Key Issues in M&A and Business Integration | 3.0 | Yes |
| | | October 5, 2022 | Securities & Futures Institute | Global Net-Zero Emissions Response and Corporate ESG Actions | 3.0 | Yes |
| Director | Chun-Ying Liu | September, 28, 2022 | TAISE | Net Zero Sustainability Planning and Outlook for Enterprises (Water Resources, Carbon Credits, Energy) | 6.0 | Yes |
| Independent Director | Yu-Cheng Chiao | October 27, 2022 | TCGA | Exploring the History of "Carbon" and Introducing the Biology of "Carbon Footprint" | 1.5 | Yes |
| | | October 27, 2022 | | AI Development Opportunities from the Integration of Software and Hardware; Digital Marketing Trends in Web3+ESG | 3.0 | Yes |
| | | October 25, 2022 | | Research and Outlook on Key Economic and Trade Issues for 2022 | 3.0 | Yes |
| | | September, 2, 2022 | | From Deep Learning to practical AI application | 3.0 | Yes |
| Independent Director | Victor Wang | September, 28, 2022 | TAISE | Net Zero Sustainability Planning and Outlook for Enterprises (Water Resources, Carbon Credits, Energy) | 6.0 | Yes |
| Independent Director | Lynette Ling-Tai Chou | September, 28, 2022 | TAISE | Net Zero Sustainability Planning and Outlook for Enterprises (Water Resources, Carbon Credits, Energy) | 6.0 | Yes |
| Independent Director | Mei-Hua Lin | September, 28, 2022 | TAISE | Net Zero Sustainability Planning and Outlook for Enterprises (Water Resources, Carbon Credits, Energy) | 6.0 | Yes |
| | | September, 27, 2022 | Taiwan Insurance Institute | Seizing the IFRS17 Transformation Opportunity | 3.0 | Yes |
| | | August 26, 2022 | Taiwan Academy of Banking and Finance (TABF) | AML/CFT Trends, Business Ethics, and Fair Treatment | 3.0 | Yes |
| | | July 26, 2022 | TAISE | SKFH's Directors and Supervisors Training Program | 1.0 | Yes |
| | | July 12, 2022 | TCGA | Advanced Practice Sharing on M&A Review and Director Responsibility for Audit Committees | 3.0 | Yes |
| | | March 29, 2022 | TABF | Practical Operation of Board of Directors and Corporate Governance Seminar | 3.0 | Yes |

| Title | Name | Date | Course Provider | Course | Length | Compliance with Regulations |
|----------------------|------------------|----------------|-----------------|---|--------|-----------------------------|
| Independent Director | Sherry S. L. Lin | April 7, 2022 | TIDA | Analyzing Financial Statements to Evaluate Business Performance, Efficiency, and Risk | 3.0 | Yes |
| | | March 23, 2022 | | Safeguarding Information Security, Strategy, and Crisis Management in the Metaverse Trend | 3.0 | Yes |

3.3.4 Operations of Remuneration

The Company established a Remuneration Committee, in accordance with the "Organizational Regulations for the Remuneration Committee," which was approved at the 18th meeting of the 20th Board of Directors on August 30, 2011. The committee serves as a professional and objective body to evaluate and establish the remuneration policies and systems for directors and managers, and to review and assess the performance evaluations and remuneration policies, standards, and structures.

1. Composition of Remuneration Committee

March, 20, 2023

| Title | Name | Professional qualifications and experience | Independence Status | Number of Members Serving on the Remuneration Committees of Other Public Companies |
|---------------------------------|-----------------------|---|---|--|
| Convener & Independent director | Yu-Cheng Chiao | The remuneration committee is composed of independent directors of the Company. For more information on the professional qualifications and independence of the independent directors, please refer to page 31 of this annual report under section 3.2, "Directors' Professional Qualification and Independent Directors" | The remuneration committee is composed of independent directors of the Company. For more information on the professional qualifications and independence of the independent directors, please refer to page 31 of this annual report under section 3.2, "Directors' Professional Qualification and Independent Directors" | 0 |
| Independent director | Victor Wang | | | 3 |
| Independent director | Lynette Ling-Tai Chou | | | 1 |
| Independent director | Mei-Hua Lin | | | 1 |
| Independent director | Sherry S. L. Lin | | | 1 |

2. Operational Information of Remuneration Committee

(1) TCC's Remuneration Committee has five members.

(2) The term of the current Remuneration Committee members is from July 15, 2021 to July 14, 2024.

From January 1, 2022 to the date of printing of March 20, 2023, the Remuneration Committee held a total of 9 meetings (A). The attendance of committee members are as follows:

| Title | Name | Attendance in person (B) | Attendances by proxy | Attendance rate in person (%) [B/A] | Note |
|------------------|-----------------------|--------------------------|----------------------|-------------------------------------|------|
| Convener | Yu-Cheng Chiao | 8 | 1 | 89% | |
| Committee member | Victor Wang | 9 | 0 | 100% | |
| Committee member | Lynette Ling-Tai Chou | 9 | 0 | 100% | |
| Committee member | Mei-Hua Lin | 9 | 0 | 100% | |
| Committee member | Sherry S. L. Lin | 9 | 0 | 100% | |

Other matters to be disclosed:

- The Board of Directors did not adopt or amend any proposals from the Remuneration Committee: None.
- Any member of the Remuneration Committee who dissented or reserved their opinions on any of the resolutions with recorded or written statements: None.

(3) Operations of Remuneration Committee.

| Meeting Date | Summary of Significant Proposals | Proceedings, Resolutions & Opinions of the Committee | The Company's Handling of the Committee's Opinions |
|-------------------|---|--|--|
| January 5, 2022 | The proposal for 2022 performance-based salary adjustments for the managers in line with that of all employees. | Passed with all attending committee members. | All attending directors passed the proposal. |
| | The total amount of 2021 performance bonuses for managers of the Company to be set aside. | Passed with all attending committee members. | All attending directors passed the proposal. |
| April 11, 2022 | Appointment of Chief Information Security Officer for the Company. | Passed with all attending committee members. | All attending directors passed the proposal. |
| | The 2021 employee compensation and directors remuneration. | Passed with all attending committee members. | All attending directors passed the proposal. |
| | Distribution proposal for chairman and director remuneration for the year 2021. | Passed with all attending committee members. | All attending directors passed the proposal. |
| November 10, 2022 | Appointment of Chief Financial Officer for the Company. | Passed with all attending committee members. | All attending directors passed the proposal. |
| | Resignation of the President of the Company. | Passed with all attending committee members. | All attending directors passed the proposal. |
| | Appointment of the President of the Company. | Passed with all attending committee members. | All attending directors passed the proposal. |
| January 4, 2023 | Promotion proposal for managers of the Company. | Passed with all attending committee members. | All attending directors passed the proposal. |
| | Proposal to establish the 2023 Employee Performance-based Salary Adjustment Plan for the Company. | Passed with all attending committee members. | All attending directors passed the proposal. |
| February 24, 2023 | The total amount of 2022 performance bonuses (including managers) of the Company to be set aside. | Passed with all attending committee members. | All attending directors passed the proposal. |
| | Proposal of the Group management and employees' subscription plan for treasury stocks. | Passed with all attending committee members. | All attending directors passed the proposal. |

3.3.5 Sustainable development implementation status and differences with the sustainable development guidelines for TWSE/TPEX Listed Companies, as well as reasons for any differences

| Promotion items | Implementation status | | Differences & reasons |
|---|-----------------------|----|-----------------------|
| | Yes | No | |
| 1. Does the Company develop guidelines for sustainability and establish a sustainability unit which is delegated to Management by the Board of Directors and subject to supervision by the board? | ✓ | | No Difference |

TCC's sustainable development affairs are overseen by the Board of Directors, which established the "Corporate Sustainable Development Committee" in 2018 and upgraded it to a functional committee in July 2021. The current committee consists of three members, including the Chairman Mr. An-Ping Chang, President Mr. Roman Cheng, and Independent Director Mr. Victor Wang, and holds at least two meetings per year to approve and supervise sustainable development initiatives. Mr. An-Ping Chang serves as the convener, and the experience of the committee members covers risk management, business, energy technology, environmental protection, ESG, and other related fields. The Board confirms the Company's sustainable development and ESG management policy and examines the management team's annual performance in this area. In 2022, the Company established a Sustainable Development Office responsible for coordinating and integrating corporate resources to promote sustainable projects and regularly reporting to the Corporate Sustainable Development Committee on the implementation of sustainable initiatives.

| Promotion items | Implementation status | | Differences & reasons |
|--|-----------------------|----|-----------------------|
| | Yes | No | |
| 1. Does the Company develop guidelines for sustainability and establish a sustainability unit which is delegated to Management by the Board of Directors and subject to supervision by the board? | ✓ | | No Difference |
| 2. Does the company carry out risk assessments based on the principle of materiality regarding environmental, social and corporate governance issues related to the company's operations to formulate relevant risk management policies or strategies? | ✓ | | No difference |

| Promotion items | Implementation status | | Differences & reasons |
|--|-----------------------|----|-----------------------|
| | Yes | No | |
| 2. Does the company carry out risk assessments based on the principle of materiality regarding environmental, social and corporate governance issues related to the company's operations to formulate relevant risk management policies or strategies? | ✓ | | No difference |
| 3. Environmental Issues (I) Has the company established a fully appropriate environmental management system in line with its industrial characteristics? | ✓ | | No difference |
| (II) Is the company committed to improving energy efficiency in its operations and using recycled materials to minimize the impact on the environment? | ✓ | | No difference |

| Promotion items | Implementation status | | Differences & reasons |
|---|-----------------------|----|-----------------------|
| | Yes | No | |
| (II) Is the company committed to improving energy efficiency in its operations and using recycled materials to minimize the impact on the environment? | ✓ | | No difference |
| (III) Does the company assess all current and future potential risks and opportunities connected to climate change for the enterprise, and take appropriate measures to deal with climate-related issues? | ✓ | | No difference |
| (IV) Has the company calculated greenhouse gas emissions, water consumption and total waste weight for the past two years, and formulated appropriate policies to maximize energy conservation and carbon reduction, greenhouse gas reduction, water conservation, and other waste management? | ✓ | | No difference |

| Promotion items | Implementation status | | Differences & reasons |
|---|-----------------------|----|-----------------------|
| | Yes | No | |
| 4. Social Issues | | | |
| (I) Does the company implement relevant management policies and procedures that are in accordance with current laws and regulations and international human rights conventions? | ✓ | | No difference |
| (II) Has the company established and implemented reasonable employee benefits (including salaries, leave, and other benefits), and appropriately reflected business performance or results in employee compensation? | ✓ | | No difference |

| Promotion items | Implementation status | | Differences & reasons |
|---|-----------------------|--|-----------------------|
| | Yes | No | |
| (III) Does the company provide employees with a safe and healthy working environment, and regularly implement safety and health education for employees? | ✓ | | No difference |
| | | <p>(III)</p> <p>1. TCC attaches great importance to safety in the working environment of employees, and has long aimed at zero work-related injuries. This includes an occupational safety and health management system, as well as a labor safety and health management office to comprehensively manage labor safety and health related matters throughout the company. Employees go through regular safety and health education training and simulated drills to strengthen education and training in the working environment, with special attention to equipment and hazardous substances to ensure the safety and health of all employees at work.</p> <p>Besides, TCC maintains a full occupational safety and health management system. The Labor Occupational Safety and Health Management Office is responsible for holding quarterly labor safety and health committee meetings to track the implementation results of its work and the progress of related projects for review and improvement, and it launched the Work Safety Monthly Report in 2022 as part of its feedback mechanism.</p> <p>New employees receive specially-arranged health and safety education and training, while their in-service colleagues attend booster education and training courses each year, complemented by environmental safety and health inspections and reward mechanisms that are keyed to each work base. TCC handles reviews of labor safety every year in line with current government regulations. There are also disaster prevention training and other related courses, as well as new training and re-training to maintain relevant certificates for employees such as first aid personnel, those engaged in hypoxic operations or working with dangerous equipment, and occupational safety and health business supervisors, etc. All measures are strictly in accordance with the law. In addition, we take stock of potential safety hazards in the work environment, with a focus on safety education and fire drills and participation in various types of disaster prevention seminars and training organized by the government. This covers air pollution prevention seminars, fire management training, pneumoconiosis diagnosis and case discussion workshops. A total of 197 employee-hours of education and training in environmental safety and health have been offered, with cumulative training time reaching 1,385 hours. There were no incidents of occupational disease during 2022 in the Company.</p> <p>In addition, the Company provides employees with regular health checks and annual free flu vaccinations to strengthen protection of employees' health. Employees' health conditions are regularly tracked, and job descriptions may be adjusted in accordance with health conditions to ensure the health and safety of all employees.</p> <p>Employees are encouraged to develop good exercise habits to enhance the overall sports atmosphere in the company, and subsidies are provided for related community activities. In 2022 we organized the TCC Carbon Reduction Earth Helper Walk Competition, and employees were encouraged to participate in the 2022 Sun Moon Lake 10,000 People's Swim-across and the Taroko Gorge Marathon. Events like these help to cultivate employees' awareness of good health through participation in group activities and competitions.</p> <p>On-site health services were initiated at units throughout TCC in 2020, and specialised medical personnel hired to provide on-site health check services in accordance with the law. This improves care for the health of workers in factory areas and also reduces the risk of occupational accidents. At the same time it promotes health-related measures, with lectures on health and related education and training. Since its establishment in 2020, the cumulative number of employees involved has reached 930. Similarly, four major plans including human factor engineering, overloading, workplace violence and maternal health protection have also been incorporated. Regular health checks and questionnaires help medical personnel monitor and grade the health status of colleagues, and useful health suggestions are given to those who are considered medium and high health risks.</p> <p>2. All cement plants, cement product facilities and headquarters offices of the company have passed ISO 45001 safe practices and health management system certification. On top of this, qualification training of internal auditors is carried out to meet requirements specified by ISO.</p> <p>3. A total of 5 occupational accidents occurred in 2022. As a result, 5 colleagues were injured, amounting to 0.4% of the total number of employees. All of these injuries were due to failure to implement safety regulations. After each incident, refresher education and training on safety protection was arranged for all affected employees.</p> | |

| Promotion items | Implementation status | | Differences & reasons |
|---|-----------------------|--|-----------------------|
| | Yes | No | |
| (IV) Has the company established an effective career development training program for employees? | ✓ | | No difference |
| (V) In areas such as customer health and safety, customer privacy, marketing and labeling of products and services, does the company follow relevant laws and international standards? Does it follow relevant consumer or customer rights protection policies and complaint procedures? | ✓ | | No difference |
| | | <p>(IV)</p> <p>TCC attaches great importance to the training and development needed by employees at all stages of their careers. In order to train employees to have forward-looking vision in the face of complex and ever-changing environmental problems, and to cultivate cross-skill capabilities in diverse professional functions, three large-scale cultivation and development plans are being introduced: a sustainable function improvement plan; a digital intelligence development plan; and a risk management training module.</p> <p>1. Sustainable function improvement plan: This plan emphasizes the nurturing of sustainable concepts for all employees while encouraging functional development by linking core professions to thinking and practices in the circular economy. These courses are held regularly and include newcomer training camps, core management function lectures, new-generation energy management conferences, and English proficiency for those in key positions.</p> <p>Taiwan Cement works constantly to introduce the energy of the academic world into practical applications, inviting well-known scholars and university professors as well as experienced technicians from the Industrial Technology Research Institute and domestic environmental protection and energy fields to share forward-looking views. These interchanges allow experts to describe their experience in areas like marine resource utilization, energy transformation, business opportunities for energy storage systems, and climate change. The challenges of this century – issues such as global warming and extreme weather – are addressed through external multi-functional training and new global knowledge, further expanding employees' cross-skill professional capabilities, and enhancing their ability to respond to any problem that may arise</p> <p>2. Digital intelligence development plan: To create AI functions, develop smart tools and apply them to production operations, and achieve sustainable development goals such as increased efficiency, energy savings, reduced consumption and lower pollution from production, an intelligence group is set up to comprehensively analyze the impact that AI will have on innovation and sustainable development.</p> <p>We are also cooperating with the Massachusetts Institute of Technology (MIT) on a number of projects. Functional supervisors conduct dialogues with professors on sustainable issues, regularly implementing relevant research plans and carrying out overseas exchanges in conjunction with project research and practical workshops.</p> <p>Our employees also take part regularly in online speech courses and seminars, participating in up to 8 sessions held throughout the year.</p> <p>3. The purpose of the risk management training module is to deepen awareness of risk control among employees, developing a harmonious and equal working environment and the principle of integrity as part of long-term career development for employees. This includes lectures and training in new knowledge, the latest regulations, and information security education.</p> <p>In 2022, the online learning platform TCC Lyceum (aka the Taiwan Cement Institute) has been continuously expanded to present enhanced training for everyone from basic to middle and high-level professionals, with ESG series lectures, functional improvement courses, English classes and education on information security and occupational safety, etc. We also gain diversity with the addition of practical lessons in professional functions and general courses, as well as a knowledge library covering general and external courses and health aesthetics. These include the concept of Garden Cities and Entrepreneurial Creativity-Innovation, Service and Care; the Art of Communication in the Workplace; Concepts in Financial Management and Salary, etc., supplemented by video lectures on how to maintain a good environment and channels for talent cultivation. In this way employees and the company can grow and thrive together. Total training hours for Taiwan Cement employees throughout the year reached 84,425 hours, and NT\$21.8 million was invested in education and training.</p> <p>(V)</p> <p>TCC has established customer service and customer complaint channels to provide complete product quality services for customers. We also have a dedicated research team to cooperate with various production and business units in providing customized services and customer complaint solutions. Customer satisfaction surveys are conducted annually as a basis for further improvements and supervision.</p> <p>Bagged cement is marked with the country of origin, composition, date of manufacture, and shelf life on the outside of the bag in accordance with the Commodity Labeling Law. Bulk cement is accompanied by records of the production plant, composition, and date of delivery, and product is loaded in airtight tanks to prevent dust from spilling. Domestic sales are shipped on special ships equipped with dust collection equipment, and complete shipping documents are always issued. Exported goods are sold and shipped in accordance with international standards and practices. The quality assurance system in each factory has passed both ISO and CAS certification. Before leaving the factory, all products are inspected according to the internal control standards of the Bureau of Standards and Inspection of the Ministry of Economic Affairs or higher standards and customer requirements as applicable, to ensure that they meet all customer requirements.</p> | |

| Promotion items | Implementation status | | Differences & reasons | |
|--|-----------------------|----|---|---------------------|
| | Yes | No | | Summary description |
| (VI) Does the company have supplier management policies that require suppliers to adhere to relevant norms on issues such as environmental protection, occupational safety and health or labor rights, and ensure that they are carefully followed? | ✓ | | <p>(VI)</p> <p>TCC has established a supplier management policy and supplier code of conduct, which you can view in the supplier area on the company's official website:</p>  <ol style="list-style-type: none"> Since 2020 the company has held a supplier conference every year, conducting ESG-related education and training during the meeting. In these conferences, suppliers with good sustainable performance are given public recognition. The most recent conference was held September 14, 2022. The company distributes sustainability questionnaires every year to analyze the performance of suppliers in terms of ESG. After suppliers carry out self-assessments the company and third-party consultants conduct a second review. Companies with scores that do not meet Taiwan Cement standards are classified as high risk manufacturers, and are tracked regularly to monitor improvements. A total of 149 suppliers completed sustainability audits in 2022. | No difference |
| 5. Does the company refer to internationally-recognized standards or guidelines for preparing reports, and provide reports such as sustainability reviews that disclose non-financial information regarding company operations? Have previous disclosure reports obtained assurances or guarantees from a third-party verification unit? | ✓ | | <p>The Company's sustainability report follows GRI Sustainability Reporting Standards (GRI Standards) in "Core" issued by the Global Reporting Initiative (GRI), and the GRI "Mining and Metal Industry Category Supplementary Guidance," as well as the Sustainability Accounting Standards Board (SASB) construction materials industry standards</p> <p>Deloitte performed and provided independent limited assurance for the above criteria of GRI and SASB, based on the Assurance Standards Bulletin No. 3000 issued by the Accounting Research and Development Foundation of the Republic of China. This bulletin clarifies the assurance procedures to non-historical financial information and is based on the ISAE (International Standard on Assurance Engagements) 3000 Revised. Besides, the verification was also conducted by the British Standards Institution Taiwan Branch (BSI) in accordance with the GRI Standards core option and AA1000AS Type I moderate assurance level as well.</p> <p>The assurance items may change depending on current issues each year. Take the 2022 sustainability report, for example. Assurance items included confirmed corruption incidents and actions taken, energy consumption, water usage, air pollution emissions, the volume of waste, the amount of waste disposal and corresponding methods, the situation of occupational safety and health, and the stakeholder engagement with the local community, etc., covering the three major aspects of ESG.</p> | No difference |

6. If the company has its own sustainable development code based on the Code of Practice for Sustainable Development in Listed & OTC Companies, please describe any differences between its operations and the code:

No such differences.

Taiwan Cement Corporation has developed the TCC Code of Practice for Corporate Social Responsibility as a guideline in order to practice corporate social responsibility, promote economic, environmental and social progress, and achieve its goal of sustainable development.

To view the Company's corporate social responsibility code of practice, scan the QR Code below:



7. Other important information that will be helpful in understanding the implementation and operation of promoting sustainable development:

Please refer to 7.7 Corporate Sustainable Development on page 238 of this annual report.

3.3.6 Implementation of climate-related disclosure

In August 2020, TCC formulated the Risk Management Policies and Principles. The highest decision-making unit for risk management is the company's board of directors, responsible for reviewing the company's risk management policies and implementation, including those that refer to climate change.

In the company's overall risk management process, the risks posed by climate change are identified according to the TCFD framework. Once those risks have been identified, each department maps out a response strategy that takes into account how those risks could affect company operations and profits. Every year, the risk management executive committee submits a risk control report to the board of directors.

In December 2022, TCC issued its first TCFD Report for the year 2021. The Taiwan branch of the British Standards Institution (BSI) reviewed this report and gave it a 5+ grade. The Report described the systematic strategy and management systems in place to respond to climate change. The Report is now available in the ESG section of TCC's official website.



The information for the year 2022 is still being verified. After verification, it will be included in the TCFD report expected to be released in September 2023.

3.3.7 The Company's ethical management practices, the differences with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," as well as the reasons for these differences

| Evaluation items | Implementation status | | Differences & reasons | |
|---|-----------------------|----|---|---------------------|
| | Yes | No | | Summary description |
| 1. Establishment of ethical corporate management policies and programs (1) Does the Company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy? | ✓ | | <p>(1) To establish a culture of ethical business operations and promote sustainable development, the Company's Board of Directors passed the "Code of Ethics" on March 18, 2011. The Company has always upheld a culture of respect for talent and a commitment to cultural values, and aims to create a corporate entity that combines "quality, morality, and taste." The Company is committed to honesty, service, and surpassing customer expectations through refined service, striving for customer satisfaction, building good relationships with suppliers and customers, and pursuing sustainable growth as its ultimate goal. The Board of Directors and management team have made the implementation of the code of ethics a key objective in the Company's operations, which is clearly stated on the Company's website.</p> | No difference |
| (2) Does the Company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies? | ✓ | | <p>(2) For donations exceeding a certain amount, the Company must obtain approval from the Board of Directors before execution. The internal audit department also monitors for any instances of bribery, corruption, or other unethical practices. The Company has established relevant regulations and guidelines in the Code of Conduct for Ethical Management. For more information, please refer to the "Investor Relations" > "Corporate Governance" > "Corporate Integrity" section on the Company's official website.</p> | No difference |

| Evaluation items | Implementation status | | Differences & reasons |
|--|-----------------------|----|---|
| | Yes | No | |
| (3) Does the Company provide clear operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the Company enforce the programs above effectively and perform regular reviews and amendments? | ✓ | | (3) To prevent any unethical behavior, the Company has established various operational guidelines and policies, such as the "Code of Conduct," "Whistleblowing System for Violation of Professional Ethics," "Anti-Corruption and Anti-Bribery Policy," "Anti-Corruption and Anti-Bribery Education and Training Program," and "Insider Trading Prevention Measures." TCC implements and regularly reviews and revises these guidelines and policies, and submits them to the board of directors for discussion and approval. No difference |
| 2. To implement integrity management (1) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts? | ✓ | | (1.) The Company conducts due diligence procedures to assess corruption and bribery risks for new or periodic business partners, as part of our evaluation criteria for establishing a partnership. We have also established a commitment to integrity statement, which is included in our contracts with partners, requiring them to pledge to comply with all integrity guidelines set forth by the Taiwan Cement Group, and to confirm their understanding of the Taiwan Cement Group's Code of Conduct, Anti-Corruption and Anti-Bribery Policy, Supplier Corporate Social Responsibility Code of Conduct, etc. The signatory also commits to ensuring that their responsible persons, managers, employees, agents, affiliates, or users strictly adhere to the obligations of this commitment. No difference |
| (2) Does the Company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations? | ✓ | | (2) To actively promote sustainable and ethical business operations and social responsibility, the Company established the Corporate Sustainable Development Committee on May 10, 2018, which is chaired by the Chairman of the Board and has established reporting requirements to the Board of Directors for all levels of units. In addition, the Company began implementing the ISO 37001 Anti-Bribery Management System on April 1, 2021 and established the "Anti-Corruption and Anti-Bribery Promotion Team" to plan, consult, and promote the system. The Audit Committee is responsible for supervising and promoting the achievement of the management system's objectives and reporting to the Board of Directors at least once a year. TCC reported to the Board of Directors on November 10, 2022. No difference |
| (3) Whether the Company has established policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly? | ✓ | | (3) The "Practical Guidelines for Corporate Social Responsibility" stipulates that when fulfilling corporate social responsibility, the Company shall respect social ethics and pay attention to the rights and interests of other stakeholders. In pursuing sustainable development and profitability, factors such as the environment, society, and corporate governance should be valued and incorporated into company management and operations. No difference |
| (4) To implement relevant policies on ethical conducts, has the company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct and have its ethical conduct program audited by internal auditors or CPA periodically? | ✓ | | (4) Internal audit is an important part of a company's internal control system, helping management to identify deficiencies in internal controls and measure operational effectiveness and efficiency to ensure that the internal control system is consistently and effectively executed. To prevent fraudulent behavior, the audit team first downloads SAP data through a computer to quickly analyze abnormal data and generates warning flags through the internal control warning system. Based on the level of risk, these warning items are listed as annual audit items. For instance, to ensure the safe delivery of cement to construction sites, GPS monitoring systems and internal control warning systems have been established in cement factories throughout China. Abnormal dispatches generated by GPS tracking management of cargo flow have been detected and traced through multiple investigations, resulting in a decrease in fraudulent behavior. In addition, in the past, there were frequent violations of rules in the control room, such as leaving posts and sleeping on duty. The on-duty personnel had no risk awareness. Through multiple audits and follow-ups, the dishonest behavior in the control room has significantly improved. No difference |
| (5) Does the Company provide internal and external ethical conduct training programs on a regular basis? | ✓ | | (5) The company regularly holds education and training sessions on integrity management. The execution of these sessions in 2022 is as follows: No difference |

| Evaluation items | Implementation status | | Differences & reasons |
|--|-----------------------|----|--|
| | Yes | No | |
| (5) Does the Company provide internal and external ethical conduct training programs on a regular basis? | ✓ | | 1. In 2022, the Company conducted integrity management training for directors, managers, and employees through physical and online learning, including training on corruption and bribery risk assessment, employee job corruption and bribery risk assessment, ISO 37001 anti-corruption and anti-bribery management system, and insider trading case analysis. A total of 324 participants attended, with a 9-hour training of each attendee. 2. On June 30, 2022, the external certification unit completed the annual review, and the ISO 37001 system continued to operate effectively. The Company achieved a 100% signing rate for new employees to sign the "Integrity Code and Ethical Standards Statement." Additionally, all directors, general managers, and employees at each plant signed the "Integrity Code and Ethical Standards Statement," with a total of 1,305 signatures. For managers involved in high-risk business dealings with suppliers and customers, the Company added the signing of the "Positional Integrity Code" (for middle and high-risk managers) outside of the "Integrity Code and Ethical Standards Statement," which also achieved a 100% signing rate. Please refer to the "Employee Training & Education" section under the "Investor" > "Corporate Governance" > "Operations" section of the Company's official website for detailed information on the courses mentioned above. No difference |
| 3. Operation of integrity channels (1) Has the Company established a reward/punishment system and a complaint hotline? Has the Company established a system where the accused individual can be reached by an appropriate person? | ✓ | | (1) Although the Company has yet established an incentive system for infraction reporting, it encourages the reporting of any illegal behavior or violations of TCC's Code of Ethical Conduct with its "Violation of the Code of Conduct Reporting System." The Company emphasizes the awareness of ethical principles, and encourages employees to report any suspected or uncovered illegal acts or violations of the Code of Ethical Conduct to the internal audit department; if the issue involves senior managers within the Company, the whistleblower may also report it to the Company's Audit Committee, which will assign appropriate personnel to handle the case. No difference |
| (2) Has the Company established standard operating procedures for investigating the complaints received, as well as follow-ups after investigations are completed, and has the Company ensured these investigations are handled confidentially? | ✓ | | (2) The Company established the "Violation of the Code of Conduct Reporting System," and has established the operating procedures for investigating the complaints received and the relevant confidentiality mechanisms. The Company has assigned the Internal Audit and Compliance Office to handle these cases in accordance with the Company's regulations. No difference |
| (3) Does the Company provide proper whistleblower protection? | ✓ | | (3) The "Violation of the Code of Conduct Reporting System" set up by the Company has established the whistleblower confidentiality policy, and will handle these reported infractions with the utmost confidentiality. TCC's employees are aware that the Company will protect the identity of all persons reporting any infractions. No difference |
| 4. Strengthening information disclosure Does the Company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and Market Observation Post System (MOPS)? | ✓ | | The Company's official website (http://www.taiwancement.com) has a dedicated section for "Investor Relations" – "Corporate Governance" – "Corporate Integrity". This section clearly discloses the Company's philosophy on ethical business operations. Additionally, the website has separate English and Simplified Chinese versions. No difference |
| 5. If the Company has its own Corporate Social Responsibility Best Practice Principles in accordance with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies, please clearly state any discrepancies between the policies and their implementation: | | | The Company established the Code of Conduct for Ethical Business Operations during the 14th meeting of the 20th board of directors and subsequently revised it during the 11th meeting of the 22nd board of directors. The Internal Audit department is responsible for supervising and implementing the policy on ethical business operations, and the Company gradually implements it in accordance with the regulations of the "Code of Conduct for Ethical Business Operations" for listed and over-the-counter companies. Subsequently, during the 26th meeting of the 23rd board of directors, the Company decided to adjust the reporting mechanism of the "Code of Conduct for Ethical Business Operations" and the reporting mechanism for violations of professional ethics to enhance access to information related to reports. The 6th meeting of the 24th board of directors further amended the reporting mechanism for violations of professional ethics to assign different units to handle reports against individuals at different levels. The Audit Committee was added as a reporting channel for senior managers as part of the Company's Internal Audit department, strengthening the communication channel for reports. No difference |
| 6. Other important information facilitating a better understanding of the Company's ethical corporate management policies: | | | The correspondent banks that the Company uses in its dealings with affiliated enterprises are uniformly financial institutions with a certain credit rating and level of assets. Furthermore, the Company has established customer credit management regulations, regularly conducts appraisals of vendors, performs assessments of at-risk items, and uses the SAP system for monitoring purposes. Company's integrity policy and specific measures to prevent dishonest behavior, as well as their implementation and measures, have been disclosed in the Regulations section of the Company's official website. No difference |

3.3.8 The method of inquiring about the Company’s corporate governance guidelines and regulations

The 8th meeting of the 22nd Board of Directors passed an amendment to the “Application for Suspension or Resumption of Transactions SOP”. The 12th meeting of the 22nd Board of Directors approved amendments to the “Corporate Social Responsibility Best Practice Principles.” The 16th meeting of the 23rd Board of Directors approved amendments to the “Governance Best Practice Principles.”

The 14th meeting of the Company’s 20th Board of Directors approved the establishment of the “Ethical Corporate Management Best Practice Principles,” which was amended at the 2nd meeting of the 22nd Board of Directors. The related regulations can be viewed in the “Investors Relations” section of the Company’s website. You can access the regulations through the QR code provided below.



3.3.9 Other important information regarding corporate governance

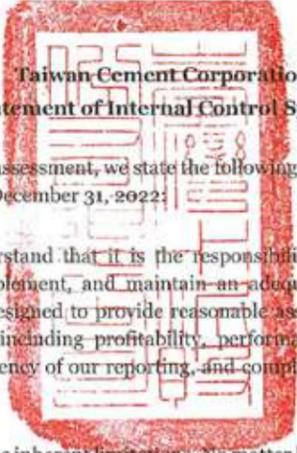
1. The Company discloses material information in a timely manner and regularly holds investor conferences.
2. The 14th meeting of the 20th Board of Directors of the Company has passed the Code of Ethics, Code of Conduct for Integrity in Business Operations, and Corporate Social Responsibility Practice Guidelines.
3. The Company has prepared a Sustainability Report.
 - (1) Internal audit: The data and information disclosed in this report were provided by various departments responsible for ESG reporting, confirmed by the ESG reporting team, and submitted to department heads for review and approval by the Chairman of the Board of Directors.
 - (2) External audit: Deloitte conducted a limited assurance engagement in accordance with the Assurance Standards for Non-Historical Financial Information No. 1 issued by the Accounting Research and Development Foundation of the Republic of China (based on ISAE 3000), specifically targeting the GRI and SASB indicators. The results were then verified by the British Standards Institution (BSI) Taiwan Branch, based on GRI Standards Core Option and AA1000AS Type 1 Moderate level assurance. Please refer to the appendix of this report for more information on the assurance methods and results.
 - (3) The above-mentioned Sustainability Reports have been disclosed on the Company's website and the Market Observation Post System for investors to access.

4. The following table discloses the education and training on corporate governance attended by managers:

| Title | Name | Course Provider | Course | Date | Length | |
|--|---------------|---|--|--|---------------------|-----|
| Senior Assistant Vice President and Chief Accounting Officer | Guo-Hong Yeh | TAISE | Net Zero Sustainability Planning and Outlook for Enterprises (Water Resources, Carbon Credits, Energy) | September, 28, 2022 | 6 | |
| | | Accounting Research and Development Foundation | Continuing Education for Accounting Managers at Issuers, Securities Firms, and Securities Exchanges | December 26, 2022 – December 27, 2022 | 12 | |
| Assistant Vice President and Corporate Governance Manager | Jia-Ro Lai | TAISE | Net Zero Sustainability Planning and Outlook for Enterprises (Water Resources, Carbon Credits, Energy) | September, 28, 2022 | 6 | |
| | | TCGA | Analysis of Management Power Struggles and Prevention Strategies | November 15, 2022 | 3 | |
| | | | Understanding Related-party Transactions and Non-arm's Length (NAL) Transactions through Practical Cases | December 16, 2022 | 3 | |
| Manager And Internal Audit Manager | Chia-Hua Tsao | The Institute of Internal Auditors-Chinese Taiwan(IIA) | The Role of Internal Auditors in Promoting Information Security Governance in Enterprises | February 18, 2022 | 3 | |
| | | | Regulations and Practical Analysis of Fund Lending, Endorsement Guarantees, and Disposal of Assets | April 11, 2022 | 6 | |
| | | | How to Strengthen ESG Promotion Efficiency by Leveraging the Role of Internal Audit and Control | May 20, 2022 | 3 | |
| | | Securities & Futures Institute | | Promotion of Insider Trading Prevention in 2022 | May 20, 2022 | 3 |
| | | IIA | | Why Do Companies Need to Establish "Integrity Management Code of Conduct?" | June 17, 2022 | 3 |
| | | | | Realizing the Value of Auditing in the Digital Environment | July 22, 2022 | 3 |
| | | TAISE | | Net Zero Sustainability Planning and Outlook for Enterprises (Water Resources, Carbon Credits, Energy) | September, 28, 2022 | 6 |
| | | IIA | | Improving Risk Management Systems to Enhance Corporate Sustainability Value | November 8, 2022 | 6 |
| | | | | Impacts of Zero-trust on Corporate Information Security and Emerging Technologies | November 11, 2022 | 3 |
| | | Lawyer San-Yuan Lin | | Case Analysis of Insider Trading | November 21, 2022 | 1.5 |
| IIA | | Fraud Detection Techniques and Techs Application in the Digital Age | November 23, 2022 | 6 | | |
| | | Compliance, Commitment, and Legal Liabilities for Implementing Sustainable ESG Practices and Disclosure | December 9, 2022 | 3 | | |

3.3.10 Internal control systems

3.3.10.1 Statement on internal controls



Taiwan Cement Corporation
Statement of Internal Control System

February 24, 2023

Based on the findings of a self-assessment, we state the following with regard to our internal control system during the year ended December 31, 2022:

1. We acknowledge and understand that it is the responsibility of our Board of Directors and management to establish, implement, and maintain an adequate internal control system. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency of our reporting, and compliance with applicable rulings, laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can only provide reasonable assurance of accomplishing aforementioned goals. Furthermore, the effectiveness of an internal control system may be subject to changes because of extenuating circumstances beyond our control. However, by equipping our internal control system with self-monitoring mechanisms, we take immediate remedial actions in response to any identified deficiencies.
3. We evaluate the design and operating effectiveness of our internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities.
4. We have evaluated the design and operating effectiveness of our internal control system according to the Regulations aforementioned.
5. In respect of the findings of such evaluation, we believe that, on December 31, 2022, in all material respects, our effective internal control system (including the supervision and management of our subsidiaries) provides reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.
6. This statement shall form an integral part of our annual report and prospectus, and it will be disclosed to the public. If there is any fraud, concealment, or other illegality in the above contents, we shall be liable to the legal consequences under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This Statement was approved by the Board of Directors in their meeting held on February 24, 2023, and of the 15 directors present, 0 held opposing views, while the rest agreed to the contents of this Statement.

Taiwan Cement Corporation
Chairman: 
Signature/Seal
President: 
Signature/Seal

3.3.10.2 Has the Company engaged an external auditor to audit its internal control system? If so, please disclose the auditor's report: None.

3.3.11 As of the reporting date, has the Company or its personnel been punished due to violation of regulations or has the Company punished its personnel for violating the Company's internal controls? If so, what were the major deficiencies and the steps taken to improve on the deficiencies? None.

3.3.12 Up to recent year and the publication date of this annual report, major decisions of shareholders' and board meetings

Implementation of the resolutions of regular shareholder meetings held in 2022, 2023, and up to the publication date of this annual report:

| Major resolutions of shareholders' meetings | | | |
|---|---|---|--|
| Meeting date | Proposal | Resolution | Execution |
| May 26, 2022 Annual general meeting | 1. Submission of the 2021 business reports and financial statements of the Company for approval. | The motion proposed and approved by the Board of Directors was resolved and approved based on the voting results. | The 2021 Business Report and Financial Statements were accepted as submitted. |
| | 2. Submission of the 2021 earnings distribution plan of the Company for approval. | The motion proposed and approved by the Board of Directors was resolved and approved based on the voting results. | The 2021 earnings distribution was as follows: Cash dividends: a total of NT\$6,116,173,402 distributed (NT\$ 0.99928258 per share). Ex-dividend date: July 27, 2022. Distribution of cash dividend: August 22, 2022. |
| | 3. Submission of the proposal to increase capital by issuing new shares based on the earnings surplus for the fiscal year 2021. | The motion proposed and approved by the Board of Directors was resolved and approved based on the voting results. | 1. The announcement was made on May 26, 2022, and was posted on the MOPS and the Company's website. 2. On June 21, 2022, the board of directors passed the resolution to increase capital for issuing stock dividends of 2021. 3. On June 23, 2022, the Securities and Futures Bureau approved the application for stock dividends issuance. 4. On August 2, 2022, the Ministry of Economic Affairs approved the registration of changes. |
| | 4. Submission of the proposal to conduct a cash capital increase by issuing common shares for the issuance of overseas depository receipts. | The motion proposed and approved by the Board of Directors was resolved and approved based on the voting results. | 1. The announcement was made on May 26, 2022 and was published on the Taiwan Stock Exchange's MOPS and the Company's website. 2. The approval date and reference number from the Financial Supervisory Commission (FSC) are as follows: Approval date: September 27, 2022 Reference number: FSC-J-G-1110356873. • Date of issuance: October 3rd, 2022 • Number of units issued: 84,000,000 • Each unit represents 5 ordinary shares • Listing country: Luxembourg • Other information: o Issuance amount: USD 425,040,000 o Issuance price per unit: USD 5.06. |
| | 5. Submission of the proposal to amend certain articles in the Company Bylaws. | The motion proposed and approved by the Board of Directors was resolved and approved based on the voting results. | The announcement was made on May 26, 2022, and was posted on the MOPS and the Company's website. The Company has also completed the necessary registration procedures with the Department of Commerce, Ministry of Economic Affairs, in accordance with the revised procedures. |
| | 6. Submission of the proposal to amend articles of the "Asset Acquisition and Disposal Procedure". | The motion proposed and approved by the Board of Directors was resolved and approved based on the voting results. | The announcement was made on May 26, 2022, and was posted on the MOPS and the Company's website. The revised procedures have been followed accordingly. |

Major resolutions of the board meeting in 2022, 2023, and up to the publication date of this annual report:

| Major resolutions of board meetings | | |
|-------------------------------------|--|--|
| Meeting date | Proposal | Resolution and result |
| February 25, 2022 | 1. Investment and installation of an energy storage system (18 MVA/32.8 MWh + 2.2 MVA/2.3 MWh) within the the Ho-Ping Plant. | The proposal had been approved in the 8th meeting of the 3rd Audit Committee, and all attending directors passed the proposal with no objections. |
| | 2. Approval of 2021 financial statements for individual and consolidated accounts of the Company. | The proposal had been approved in the 8th meeting of the 3rd Audit Committee, and all attending directors passed the proposal with no objections. |
| | 3. Preparations for convening the 2022 Annual Shareholders' Meeting of the Company. | All attending directors passed the proposal with no objections. |
| April 11, 2022 | 1. Proposal to issue unsecured corporate bonds with a total amount not exceeding NT\$20 billion. | The proposal had been approved in the 9 th meeting of the 3 rd Audit Committee, and all attending directors passed the proposal with no objections. |
| | 2. Proposal of a cash capital increase and issuance of common shares for the issuance of overseas depositary receipts. | The proposal had been approved in the 9 th meeting of the 3 rd Audit Committee, and all attending directors passed the proposal with no objections. |
| | 3. To fully utilize Mainland China's funds, the Company proposes to distribute profits from TCC Yingde Cement Co., Ltd. to TCC International(Hong Kong)Co., Ltd., and reinvest in TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | The proposal had been approved in the 9 th meeting of the 3 rd Audit Committee, and all attending directors passed the proposal with no objections. |
| | 4. The profit distribution plan for the fiscal year 2021 of the Company. | The proposal had been approved in the 9 th meeting of the 3 rd Audit Committee, and all attending directors passed the proposal with no objections. |
| | 5. Proposal to increase capital and issue new shares by converting profits from the fiscal year 2021. | The proposal had been approved in the 9 th meeting of the 3 rd Audit Committee, and all attending directors passed the proposal with no objections. |
| | 6. Proposal to add items to the agenda of the 2022 Annual Shareholders' Meeting of the Company. | All attending directors passed the proposal with no objections. |
| | 7. The Company has purchased energy storage equipment from related parties, accumulating up to NTD 300 million within the past year. | The proposal had been approved in the 9 th meeting of the 3 rd Audit Committee, and all attending directors passed the proposal with no objections. |
| | 8. The energy storage projects of TCC Energy Storage Technology Corporation. | The proposal had been approved in the 9 th meeting of the 3 rd Audit Committee, and all attending directors passed the proposal with no objections. |
| | 9. TCC Chia-Chien Green Energy Corporation plans to increase the budget for the construction of the second phase of the fishing and photovoltaic solar power plant in Yizhu Township and Budai Township, Chiayi County. | The proposal had been approved in the 9 th meeting of the 3 rd Audit Committee, and all attending directors passed the proposal with no objections. |
| | 10. Appointment of Chief Information Security Officer for the Company. | The proposal was approved in the 5 th meeting of the 5 th Remuneration Committee, and all attending directors passed the proposal without objections. |
| May 10, 2022 | 1. Approval of 2022Q1 consolidated Financial Report of the Company. | The proposal had been approved in the 10 th meeting of the 3 rd Audit Committee, and all attending directors passed the proposal with no objections. |
| | 2. Proposal of the capital increase plan of the subsidiary, TCC Green Energy Corporation. | Proceedings: Mr. Yu-Cheng Chiao, who serves as the Chairman of the Board of Directors of Winbond Electronics Corp., recused himself from the discussion and voting due to conflicts of interest. The proposal had been approved in the 10th meeting of the 3rd Audit Committee, and the rest attending directors passed the proposal with no objections. |

| Major resolutions of board meetings | | |
|-------------------------------------|---|---|
| Meeting date | Proposal | Resolution and result |
| May 10, 2022 | 3. The Company originally leased investment properties to its subsidiary, Mollie Quantum Energy Corporation. Considering operational needs of Mollie Quantum Energy Corporation, it is proposed to extend the land lease term to 50 years and adjust the rent during the construction period. | The proposal had been approved in the 10th meeting of the 3rd Audit Committee, and all attending directors passed the proposal with no objections. |
| | 4. Proposal to change the venue of the 2022 Annual Shareholders' Meeting of the Company. | All attending directors passed the proposal with no objections. |
| June 21, 2022 | 1. Proposal to give up the subscription for the cash capital increase of TCC Recycle Energy Technology Company. | The proposal had been approved in the 11 th meeting of the 3 rd Audit Committee, and all attending directors passed the proposal with no objections. |
| | 2. Proposal to lease business-use land to its subsidiary, TCC Energy Storage Technology Corporation, for the construction of an energy storage system. | The proposal had been approved in the 11 th meeting of the 3 rd Audit Committee, and all attending directors passed the proposal with no objections. |
| | 3. Proposal to elect members for the 1 st Nomination Committee of the Company. | All attending directors passed the proposal with no objections. |
| August 10, 2022 | 1. Approval of 2022Q2 consolidated Financial Report of the Company. | The proposal had been approved in the 12 th meeting of the 3 rd Audit Committee, and all attending directors passed the proposal with no objections. |
| | 2. The cancellation of treasury shares and the establishment of the record date for capital reduction of the Company. | All attending directors passed the proposal with no objections. |
| | 3. Proposal to sell the land and building of the Company's former Taichung branch to revitalize the underutilized assets. | The proposal had been approved in the 12 th meeting of the 3 rd Audit Committee, and all attending directors passed the proposal with no objections. |
| | 4. Resignation of the President of the Company. | All attending directors passed the proposal with no objections. |
| | 5. Appointment of the President of the Company. | Proceedings of the meeting: The Chairman, Mr. An-Ping Chang recused himself due to conflicts of interest, and all attending managers also recused themselves. Mr. Kenneth C.M. Lo acted as the Acting Chairman. Resolution: The proposal had been approved in the 1st meeting of the 1st Nomination Committee and the 8th meeting of the 5th Remuneration Committee before submitting to the Board of Directors. The rest attending directors passed it without objection. |
| August 30, 2022 | 1. Proposal to conduct a cash capital increase by issuing common shares for the issuance of overseas depositary receipts. | The proposal had been approved in the 13 th meeting of the 3 rd Audit Committee, and all attending directors passed the proposal with no objections. |
| November 10, 2022 | 1. Approval of 2022Q3 consolidated Financial Report of the Company. | The proposal had been approved in the 14 th meeting of the 3 rd Audit Committee, and all attending directors passed the proposal with no objections. |
| | 2. Proposal to acquire the land of the ready-mixed concrete plant located in Anping District. | The proposal had been approved in the 14 th meeting of the 3 rd Audit Committee, and all attending directors passed the proposal with no objections. |
| | 3. Proposal to hire a Chief Financial Officer. | Proceedings of the meeting: Mr. Kung-Yi Koo and the attending managers recused themselves due to conflicts of interest. Resolution: The proposal had been approved in the 14th meeting of the 3rd Audit Committee and the 9th meeting of the 5th Remuneration Committee before submitting to the Board of Directors. The rest attending directors passed it without objection. |
| | 4. Appointment of the President of the Company. | Proceedings of the meeting: Mr. Kung-Yi Koo and the attending managers recused themselves due to conflicts of interest. Resolution: The rest attending directors passed it without objection. |

| Major resolutions of board meetings | | |
|-------------------------------------|--|--|
| Meeting date | Proposal | Resolution and result |
| December 13, 2022 | 1. Appointment of members to the "Corporate Sustainable Development Committee" of the Company. | All attending directors passed the proposal with no objections. |
| | 2. Proposal to adjust the Company's spokes system. | All attending directors passed the proposal with no objections. |
| January 4, 2023 | 1. Proposal to implement the 5 th transfer of treasury shares to employees. | The proposal had been approved in the 16 th meeting of the 3 rd Audit Committee, and all attending directors passed the proposal with no objections. |
| | 2. To fully utilize Mainland China's funds, the Company proposes to distribute profits from TCC Yingde Cement Co., Ltd. to TCC International(Hong Kong) Co., Ltd., and reinvest in TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | The proposal had been approved in the 16 th meeting of the 3 rd Audit Committee, and all attending directors passed the proposal with no objections. |
| February 24, 2023 | 1. Approval of 2022 financial statements for individual and consolidated accounts of the Company. | The proposal had been approved in the 17 th meeting of the 3 rd Audit Committee, and all attending directors passed the proposal with no objections. |
| | 2. TCC Energy Storage Technology Corporation plans to change the leased land area and location for the construction of a large-scale energy storage system within the Hualien Plant to meet operational needs. | The proposal had been approved in the 17 th meeting of the 3 rd Audit Committee, and all attending directors passed the proposal with no objections. |
| | 3. TCC Energy Storage Technology Corporation plans to lease land from related company Taiwan Cement Engineering Corporation (99.20% owned by the Company) for the building of a large-scale energy storage system to meet its operational needs. | The proposal had been approved in the 17 th meeting of the 3 rd Audit Committee, and all attending directors passed the proposal with no objections. |
| | 4. Proposal to convene the 2023 Annual Shareholders' Meeting of the Company. | All attending directors passed the proposal with no objections. |

3.3.13 Major issues of record or written statements made by any director dissenting to important resolutions passed by the Board of Directors during 2021 and as of the date of this annual report: None.

3.3.14 Resignation or dismissal of the Company's chairman, president, accounting chief officer, finance director, head of internal audit, corporate governance officer, director of R&D, etc. up to the latest annual report printing date:

| Title | Name | Date of Appointment | Date of Resignation/Dismissal | Reason for Resignation/Dismissal |
|-----------|---------------|---------------------|-------------------------------|----------------------------------|
| President | Jong-Peir Li | July 31, 2017 | August 10, 2022 | Health conditions |
| President | An-Ping Chang | August 10, 2022 | November 21, 2022 | Temporary dual role |

3.3.15 Certification of employees whose jobs are related to the release of the Company's financial information:

| Certification | Number | |
|--|-----------|-------|
| | Financial | Audit |
| Certified Public Accountant (CPA) | 3 | - |
| Certified Management Accountant (CMA) | - | 1 |
| Certified Internal Auditor (CIA) | - | 3 |
| Certified Information Systems Auditor (CISA) | - | 1 |

3.4 Audit & non-audit fees to the Company's independent auditor

Unit: NT\$ thousands

| Accounting firm | Name | Service period | Audit fees | Non-audit fees | Total | Note |
|-----------------|----------------|---------------------|------------|----------------|--------|---|
| Deloitte Taiwan | Hui-Min Huang | 2022/1/1~2022/12/31 | 39,543 | 17,163 | 56,706 | The non-audit fees mainly consist of public fees for tax, issuing company bonds, and consulting services. |
| | Cheng-Hung Kuo | | | | | |

3.4.1 Change of auditing firm with reduced audit fees compared to the previous year: Not applicable.

3.4.2 Audit fees decreased by over 10% from the previous year: Not applicable.

3.5 Change in independent auditors: None.

3.5.1 Predecessor auditor: Not applicable.

3.5.2 Successor auditor: Not applicable.

3.5.3 Was the predecessor CPA required to disclose any information in accordance per Article 10.6.1 and Article 10.6.2-3 of the Standards: Not applicable

3.6 Did the Company's chairman, president and/or management in charge of finance and accounting function served at the audit firm or its affiliates during 2022? None.

3.7 Net changes in shareholdings by directors, management, and shareholders with 10% shareholdings or more

3.7.1 Changes in equity transfer, and pledge status:

Unit: shares

| Title | Name | 2022 | | January 1, 2023 – March 20, 2023 | |
|-----------------------|--|--------------------------|---------------------------|----------------------------------|---------------------------|
| | | Changes in shareholdings | Changes in shares pledged | Changes in shareholdings | Changes in shares pledged |
| Chairman | Chai Hsin R.M.C. Corporation Representative: An-Ping Chang | 303,074 | 0 | 0 | 0 |
| Director | C. F. Koo Foundation Representative: Sun-Te Chen | 316,652 | 0 | 0 | 0 |
| Director | Chia Hsin Cement Corporation Representative: Jason Kang-Lung Chang Representative: Chi-Te Chen | 21,770,320 | 0 | 0 | 0 |
| Director | International CSRC Investment Holdings Co., Ltd. Representative: Kenneth C.M. Lo | 10,347,454 | 0 | 0 | 0 |
| Director | Tai Ho Farming Co., Ltd. Representative: Kung-Yi Koo | 603,879 | 0 | 0 | 0 |
| Director | Fu Pin Investment Co., Ltd. Representative: Por-Yuan Wang Representative: Chi-Chia Hsieh | 7,742,688 | 0 | 0 | 0 |
| Director | Heng Qiang Investment Co., Ltd. Representative: Chien Wen Representative: Chun-Ying Liu | 10,216,763 | 0 | 0 | 0 |
| Independent Director | Yu-Cheng Chiao | 0 | 0 | 0 | 0 |
| Independent Director | Victor Wang | 0 | 0 | 0 | 0 |
| Independent Director | Lynette Ling-Tai Chou | 0 | 0 | 0 | 0 |
| Independent Director | Mei-Hua Lin | 0 | 0 | 0 | 0 |
| Independent Director | Sherry S. L. Lin | 0 | 0 | 0 | 0 |
| Group CEO | An-Ping Chang | 219,798 | 0 | 0 | 0 |
| President | Roman Cheng (appointed on November 21, 2022) | 0 | 0 | 0 | 0 |
| Senior Vice President | Chien-Chiang Huang | 206,898 (100,000) | 0 | 0 | 0 |
| Senior Vice President | Ker-Fu Lu | 143,799 (100,000) | 0 | 0 | 0 |
| VP | Bao-Luo Ge | 192,221 (130,000) | 0 | 0 | 0 |
| VP | Chien-Chuan Wang | 34,884 | 0 | 0 | 0 |

| Title | Name | 2022 | | January 1, 2023 – March 20, 2023 | |
|--|---|--------------------------|---------------------------|----------------------------------|---------------------------|
| | | Changes in shareholdings | Changes in shares pledged | Changes in shareholdings | Changes in shares pledged |
| VP | Feng-Ping Liu | 53,968 (30,000) | 0 | 0 | 0 |
| VP | Yu-Jun Yeh | 105,224 (80,000) | 0 | 0 | 0 |
| CFO | Randy Yu (appointed on September 13, 2022) | 0 | 0 | 0 | 0 |
| Senior AVP | Kuo-Yu Tsai | 165,562 (80,000) | 0 | 0 | 0 |
| Senior Assistant Vice President and Chief Accounting Officer | Guo-Hong Yeh | 101,127 (80,000) | 0 | 0 | 0 |
| Senior AVP | Huei-Sheng Chiou | 0 | 0 | 0 | 0 |
| Senior AVP | Yu-Wen Chiu | 36,810 (30,000) | 0 | 0 | 0 |
| Director and Assistant Vice President | Kung-Yi Koo | 139,139 (50,000) | 0 | 0 | 0 |
| Assistant Vice President | Jin-Lung Yu | 63,029 (40,000) | 0 | 0 | 0 |
| Assistant Vice President | Cen-Wei Lan | 72,787 (50,000) | 0 | 0 | 0 |
| Assistant Vice President and Corporate Governance Manager | Jia-Ro Lai | 43,200 (30,000) | 0 | 0 | 0 |
| Assistant Vice President | Kuang-Si Chen | 41,159 (30,000) | 0 | 0 | 0 |
| Assistant Vice President | Chia-Pei Wei | 124,195 (82,000) | 0 | 0 | 0 |
| Assistant Vice President | Guo-Yuan Li | 43,650 (30,000) | 0 | 0 | 0 |
| Assistant Vice President | Cheng-Dao Qiang | 81,678 (70,000) | 0 | 0 | 0 |
| Assistant Vice President | Yin-Hua Chen (appointed on April 1, 2022) | 69,990 (50,000) | 0 | 0 | 0 |
| Assistant Vice President | Katrina Chen (appointed on February 1, 2023) | 0 | 0 | 0 | 0 |
| Chief Information Security Officer | Nien-Wang Chang (appointed on April 11, 2022) | 59,597 (30,000) | 0 | 0 | 0 |
| Senior Manager | Jin-Yi Chen | 68,982 (60,000) | 0 | 0 | 0 |
| Senior Manager | Yun-De Wu | 33,719 (30,000) | 0 | 0 | 0 |
| Senior Manager | Chi-Ching Chen (appointed on February 1, 2023) | 0 | 0 | 0 | 0 |
| Senior Manager | Shih-Sheng Liang (appointed on February 1, 2023) | 0 | 0 | 0 | 0 |
| Manager and Internal Audit Manager | Chia-Hua Tsao | 20,000 (20,000) | 0 | 0 | 0 |

| Title | Name | 2022 | | January 1, 2023 – March 20, 2023 | |
|--------------------------|--|--------------------------|---------------------------|----------------------------------|---------------------------|
| | | Changes in shareholdings | Changes in shares pledged | Changes in shareholdings | Changes in shares pledged |
| Senior Assistant Manager | Tzu–Yang Wu | 10,000 (10,000) | 0 | 0 | 0 |
| Senior Assistant Manager | Yu–Yang Zhang | 28,000 (28,000) | 0 | 0 | 0 |
| President | Jong–Peir Li (resigned on August 10, 2022) | 121,595 (10,000) | 0 | 0 | 0 |
| Senior AVP | Lin–Tian Huang (resigned on March 17, 2023) | 429 | 0 | 0 | 0 |
| Assistant Vice President | Wei–Jue Hong(resigned on July 31, 2022) | 23,823 | 0 | 0 | 0 |
| Assistant Vice President | Yuo–Xin Song(resigned on October 3, 2022) | 12,586 | 0 | 0 | 0 |
| Senior Manager | Ming–De Li(resigned on February 1, 2022) | 14,299 (10,000) | 0 | 0 | 0 |
| Manager | Zhi–Ren Liu(resigned on June 30, 2022) | 20,000 (20,000) | 0 | 0 | 0 |

3.7.2 The person to whom shares are transferred or pledged is a related party: None.

3.8 Relationships among TCC’s ten largest shareholders

Data is up to the ex–dividend date of July 27, 2022

| Name | Shares held | | Shares held by spouse and minors | | Shares held by others | | Name and the relationship with TCC’s shareholders | | Note Shares |
|---|-------------|------|----------------------------------|------|-----------------------|------|---|--|-------------|
| | Shares | % | Shares | % | Shares | % | Shares | % | |
| Chia Hsin Cement Corporation Representative: Jason Kang–Lung Chang | 239,629,826 | 3.56 | – | – | None | None | Chia Hsin International Co., Ltd. | Also the Chairman of Chia Hsin International Co., Ltd. | |
| | – | – | 264,484 | 0.00 | None | None | Chia Hsin International Co., Ltd. | Director of the Company | |
| Chinatrust Investment Co., Ltd. Representative: Tian–Yi Huo | 211,019,132 | 3.13 | – | – | None | None | Heng Qiang Investment Co., Ltd. | Director of the Company | |
| | – | – | – | – | None | None | Heng Qiang Investment Co., Ltd. | Also the Chairman of Heng Qiang Investment Co., Ltd. | |
| Labor Retirement Reserve fund | 121,080,236 | 1.80 | – | – | None | None | None | None | |
| Yuanta High Dividend Yield ETF | 119,683,655 | 1.78 | – | – | None | None | None | None | |

| Name | Shares held | | Shares held by spouse and minors | | Shares held by others | | Name and the relationship with TCC’s shareholders | | Note Shares |
|---|-------------|------|----------------------------------|------|-----------------------|------|---|--|-------------|
| | Shares | % | Shares | % | Shares | % | Shares | % | |
| Chia Hsin International Co., Ltd. Representative: Jason Kang–Lung Chang | 116,912,847 | 1.74 | – | – | None | None | Chia Hsin Cement Corporation | Also the Chairman of Chia Hsin International Co., Ltd. | |
| | – | – | 264,484 | 0.00 | None | None | Chia Hsin Cement Corporation | Director of the Company | |
| Taishin International Bank, Custodian for Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF | 114,251,748 | 1.70 | – | – | None | None | None | None | |
| International CSRC Investment Holdings Co., Ltd. Representative: Kung–Yi Koo | 113,896,285 | 1.69 | – | – | None | None | None | None | |
| | 650,954 | 0.01 | – | – | None | None | None | None | |
| Heng Qiang Investment Co., Ltd. Representative: Tian–Yi Huo | 112,457,746 | 1.67 | – | – | None | None | Chinatrust Investment Co., Ltd. | Director of the Company | |
| | – | – | – | – | None | None | Chinatrust Investment Co., Ltd. | Also the Chairman of Chinatrust Investment Co., Ltd. | |
| Taiwan Life Insurance Co., Ltd. Representative: Taike Zheng | 110,531,192 | 1.64 | – | – | None | None | None | None | |
| | – | – | – | – | None | None | None | None | |
| BankTaiwan Life Insurance – Government Employees & School Staffs Insurance | 98,191,262 | 1.46 | – | – | None | None | None | None | |

3.9 Ownership of shares in affiliated entities

Ownership in the Company's affiliates held by the Company, directors, supervisors, managers, and directly/indirectly-owned subsidiaries is presented below.

As of December 31, 2022. Unit: share / %

| Affiliates | Ownership held by TCC (Note 1) | | Ownership held by directors, managers, and directly/indirectly owned subsidiaries | | Total ownership | |
|---|--------------------------------|---------|---|--------|-----------------|---------|
| | Shares | % | Shares | % | Shares | % |
| Taiwan Transport & Storage Co., Ltd. | 52,410,366 | 83.88% | 419,013 | 0.67% | 52,829,379 | 84.55% |
| Taiwan Cement Engineering Corporation | 59,681,501 | 99.20% | | | 59,681,501 | 99.20% |
| Kuan-Ho Refractories Industry Corporation | 46,710,900 | 95.29% | | | 46,710,900 | 95.29% |
| Hong Kong Cement Manufacturing Co., Ltd. | 38,094 | 84.65% | | | 38,094 | 84.65% |
| Ta-Ho Maritime Corporation | 175,078,520 | 64.79% | 79,101,538 | 29.27% | 254,180,058 | 94.06% |
| TCC Investment Corporation | 239,800,000 | 100.00% | | | 239,800,000 | 100.00% |
| TCC Chemical Corporation | 140,000,000 | 100.00% | | | 140,000,000 | 100.00% |
| TCC Information Systems Corporation | 14,904,000 | 99.36% | | | 14,904,000 | 99.36% |
| Tung Chen Mineral Corporation Ltd. | 19,890 | 99.45% | | | 19,890 | 99.45% |
| Jin Chang Minerals Corporation | 9,100,000 | 100.00% | | | 9,100,000 | 100.00% |
| Ho-Ping Industrial Port Corporation | 319,990,000 | 100.00% | | | 319,990,000 | 100.00% |
| TCC International Ltd. | 1,100,875,900 | 100.00% | | | 1,100,875,900 | 100.00% |
| Ho-Ping Power Company | 805,940,306 | 59.50% | 6,772,608 | 0.50% | 812,712,914 | 60.00% |
| HPC Power Services Corporation | 6,000 | 60.00% | | | 6,000 | 60.00% |
| Synpac Ltd. | 2,700,000 | 25.00% | 8,100,000 | 75.00% | 10,800,000 | 100.00% |
| CCC USA CORP. | 79,166 | 33.33% | 158,334 | 66.67% | 237,500 | 100.00% |
| Feng Sheng Enterprise Co., Ltd. | 27,260,611 | 45.43% | | | 27,260,611 | 45.43% |
| E.G.C. Cement Corporation | 8,062,600 | 50.64% | 7,587,400 | 49.36% | 15,650,000 | 100.00% |

| Affiliates | Ownership held by TCC (Note 1) | | Ownership held by directors, managers, and directly/indirectly owned subsidiaries | | Total ownership | |
|--|--------------------------------|---------|---|--------|-----------------|---------|
| | Shares | % | Shares | % | Shares | % |
| Onyx Ta-Ho Environmental Services Co., Ltd. | 58,828,112 | 50.00% | | | 58,828,112 | 50.00% |
| Ta-Ho RSEA Environment Co., Ltd. | 39,960,000 | 66.60% | | | 39,960,000 | 66.60% |
| TCC Green Energy Corporation | 1,350,898,696 | 100.00% | | | 1,350,898,696 | 100.00% |
| Ho Sheng Mining Co., Ltd. | 30,100,000 | 100.00% | | | 30,100,000 | 100.00% |
| TCC International Holdings Ltd. | 3,471,217,785 | 45.47% | 4,163,097,279 | 54.53% | 7,634,315,064 | 100.00% |
| Taicorn Minerals Corp. (Note 2) | 119,997 | 72.70% | | | 119,997 | 72.70% |
| Trans Philippines Mineral Corp. | 19,996 | 40.00% | | | 19,996 | 40.00% |
| TCC Sustainable Energy Investment Corporation | 100,000 | 100.00% | | | 100,000 | 100.00% |
| TCC Energy Storage Technology Corporation | 250,600,000 | 100.00% | | | 250,600,000 | 100.00% |
| TCC Recycle Energy Technology Company | 1,041,502,886 | 36.61% | 473,971,658 | 16.66% | 1,515,474,544 | 53.27% |
| Tuo Shan Recycle Technology Company | 100,000 | 100.00% | | | 100,000 | 100.00% |
| International CSRC Investment Holdings Co., Ltd. | 153,476,855 | 15.59% | 52,430,619 | 5.33% | 205,907,474 | 20.92% |
| Taiwan Cement(Dutch) Holdings B.V. | 1,179,219 | 100.00% | | | 1,179,219 | 100.00% |

Note 1: The Company's investments in affiliated entities are accounted for using the equity method.

Note 2: The ownership of Taicorn Minerals Corporation is calculated based on initial equity contribution.

04 Capital and Shares

4.1 Capital and Shares

4.1.1 Capitalization

As of March 20, 2023. Unit: Share

| Type of shares | Authorized share capital | | | | |
|------------------|--------------------------|------------|---------------|-----------------|---------------|
| | Outstanding shares | | | Unissued shares | Total |
| | Listed* | Non-listed | Total | | |
| Ordinary shares | 7,156,181,742 | - | 7,156,181,742 | 1,143,818,258 | 8,300,000,000 |
| Preferred shares | 200,000,000 | - | 200,000,000 | - | 200,000,000 |

*Includes treasury shares, see Section 4.9 for details.

4.1.2 Issued shares

As of March 20, 2023. Unit: NT\$/Share

| Month / Year | Issue price (NT\$ per share) | Authorized capital | | Paid-in capital | | Note | | | | |
|----------------|------------------------------|--------------------|----------------|-----------------|----------------|-------------------------------------|------------------------------------|-----------------------------|---|---------------------|
| | | Shares | Amount | Shares | Amount | Sources of capital | | | Issuance of shares for assets other than cash | Others |
| | | | | | | Capitalization of retained earnings | Capitalization of capital reserves | Issuance of shares for cash | | |
| August 1995 | 10 | 1,650,000,000 | 16,500,000,000 | 1,280,787,200 | 12,807,872,000 | 1,372,272,000 | - | - | None | None |
| August 1996 | 10 | 1,650,000,000 | 16,500,000,000 | 1,408,865,920 | 14,088,659,200 | 896,551,040 | 384,236,160 | - | None | None |
| October 1997 | 10 | 1,650,000,000 | 16,500,000,000 | 1,650,000,000 | 16,500,000,000 | 563,546,368 | 845,319,552 | 1,002,474,880 (Note1) | None | None |
| July 1998 | 10 | 2,300,000,000 | 23,000,000,000 | 1,815,000,000 | 18,150,000,000 | 660,000,000 | 990,000,000 | - | None | None |
| September 1999 | 10 | 2,300,000,000 | 23,000,000,000 | 2,196,500,000 | 21,965,000,000 | 363,000,000 | 1,452,000,000 | 2,000,000,000 (Note2) | None | None |
| August 2000 | 10 | 2,550,000,000 | 25,500,000,000 | 2,372,220,000 | 23,722,200,000 | 1,098,250,000 | 658,950,000 | - | None | None |
| August 2001 | 10 | 2,757,386,600 | 27,573,866,600 | 2,443,386,600 | 24,433,866,000 | - | 711,666,000 | - | None | None |
| September 2001 | 25 | 2,757,386,600 | 27,573,866,600 | 2,607,386,600 | 26,073,866,000 | - | - | 1,640,000,000 (Note3) | None | None |
| August 2002 | 10 | 2,757,386,600 | 27,573,866,600 | 2,656,254,332 | 26,562,543,320 | - | 488,677,320 | - | None | None |
| September 2003 | 10 | 3,157,386,600 | 31,573,866,600 | 2,710,396,409 | 27,103,964,090 | 541,420,770 | - | - | None | None |
| September 2004 | 10 | 3,507,386,600 | 35,073,866,600 | 2,809,764,407 | 28,097,644,070 | 993,679,980 | - | - | None | None |
| October 2005 | 10 | 4,007,386,600 | 40,073,866,600 | 2,949,351,287 | 29,493,512,870 | 1,395,868,800 | - | - | None | None |
| April 2006 | 10 | 4,007,386,600 | 40,073,866,600 | 2,991,886,496 | 29,918,864,960 | - | - | - | None | 425,352,090 (Note4) |

| Month / Year | Issue price (NT\$ per share) | Authorized capital | | Paid-in capital | | Note | | | | |
|----------------|------------------------------|--------------------|----------------|-----------------|----------------|-------------------------------------|------------------------------------|--|---|-------------------------|
| | | Shares | Amount | Shares | Amount | Sources of capital | | | Issuance of shares for assets other than cash | Others |
| | | | | | | Capitalization of retained earnings | Capitalization of capital reserves | Issuance of shares for cash | | |
| June 2006 | 10 | 4,007,386,600 | 40,073,866,600 | 3,131,344,565 | 31,313,445,650 | - | - | - | None | 1,394,580,690 (Note4) |
| September 2006 | 10 | 4,007,386,600 | 40,073,866,600 | 3,181,438,776 | 31,814,387,760 | - | - | - | None | 500,942,110 (Note4) |
| September 2006 | 10 | 4,007,386,600 | 40,073,866,600 | 3,236,097,960 | 32,360,979,600 | 546,591,840 | - | - | None | None |
| October 2006 | 10 | 4,007,386,600 | 40,073,866,600 | 3,072,097,960 | 30,720,979,600 | - | - | - | None | (1,640,000,000) (Note5) |
| January 2007 | 10 | 4,007,386,600 | 40,073,866,600 | 3,141,612,870 | 31,416,128,700 | - | - | - | None | 695,149,100 (Note4) |
| April 2007 | 10 | 4,007,386,600 | 40,073,866,600 | 3,207,351,086 | 32,073,510,860 | - | - | - | None | 657,382,160 (Note4) |
| August 2007 | 10 | 4,007,386,600 | 40,073,866,600 | 3,248,637,197 | 32,486,371,970 | 412,861,110 | - | - | None | None |
| August 2008 | 10 | 4,007,386,600 | 40,073,866,600 | 3,292,175,869 | 32,921,758,690 | 435,386,720 | - | - | None | None |
| December 2010 | 27 | 4,007,386,600 | 40,073,866,600 | 3,692,175,869 | 36,921,758,690 | - | - | 4,000,000,000 (Note6) | None | None |
| June 2011 | 10 | 6,000,000,000 | 60,000,000,000 | 3,692,175,869 | 36,921,758,690 | - | - | - | None | None |
| November 2017 | 10 | 6,000,000,000 | 60,000,000,000 | 4,246,509,010 | 42,465,090,100 | - | - | - | None | 5,543,331,410 (Note7) |
| August 2018 | 10 | 6,000,000,000 | 60,000,000,000 | 4,670,559,911 | 46,705,599,110 | 4,240,509,010 | - | - | None | None |
| September 2018 | 10 | 6,000,000,000 | 60,000,000,000 | 5,108,059,911 | 51,080,599,110 | - | - | 4,375,000,000 (Note8) | None | None |
| January 2019 | 10 | 6,000,000,000 | 60,000,000,000 | 5,308,059,911 | 53,080,599,110 | - | - | 2,000,000,000 (Note9) (preferred shares) | None | None |
| June 2019 | 10 | 7,000,000,000 | 70,000,000,000 | 5,308,059,911 | 53,080,599,110 | - | - | - | None | None |
| September 2019 | 10 | 7,000,000,000 | 70,000,000,000 | 5,665,619,204 | 56,656,192,040 | 3,575,592,930 | - | - | None | None |
| September 2020 | 10 | 7,000,000,000 | 70,000,000,000 | 5,938,500,164 | 59,385,001,640 | 2,728,809,600 | - | - | None | None |
| October 2020 | 10 | 7,000,000,000 | 70,000,000,000 | 5,941,400,721 | 59,414,007,210 | - | - | - | None | 29,005,570 (Note10) |
| February 2021 | 10 | 7,000,000,000 | 70,000,000,000 | 6,010,254,882 | 60,102,548,820 | - | - | - | None | 688,541,610 (Note10) |
| March 2021 | 10 | 7,000,000,000 | 70,000,000,000 | 6,095,645,647 | 60,956,456,470 | - | - | - | None | 853,907,650 (Note10) |
| June 2021 | 10 | 7,000,000,000 | 70,000,000,000 | 6,157,440,327 | 61,574,403,270 | - | - | - | None | 617,946,800 (Note10) |
| August 2021 | 10 | 7,000,000,000 | 70,000,000,000 | 6,323,580,010 | 63,235,800,100 | - | - | - | None | 1,661,396,830 (Note10) |
| November 2021 | 10 | 7,000,000,000 | 70,000,000,000 | 6,324,200,257 | 63,242,002,570 | - | - | - | None | 6,202,470 (Note10) |
| December 2021 | 10 | 7,000,000,000 | 70,000,000,000 | 6,325,234,002 | 63,252,340,020 | - | - | - | None | 10,337,450 (Note10) |
| August 2022 | 10 | 8,500,000,000 | 85,000,000,000 | 6,936,851,342 | 69,368,513,420 | 6,116,173,400 | - | - | None | None |
| September 2022 | 10 | 8,500,000,000 | 85,000,000,000 | 6,936,181,742 | 69,361,817,420 | - | - | - | None | 6,696,000 (Note 11) |
| October 2022 | 10 | 8,500,000,000 | 85,000,000,000 | 7,356,181,742 | 73,561,817,420 | - | - | 4,200,000,000 (Note12) | None | None |

1. The issuance of ordinary shares for cash at NT\$36 per share in accordance with Tai-Cai-Cheng-(1) No. 50087, which was approved by the Securities and Futures Bureau of the Ministry of Finance (MOF) on July 7, 1997.

2. The issuance of ordinary shares for cash at NT\$20 per share in accordance with Tai-Cai-Cheng-(1) No. 29130, which was approved by the Securities and Futures Bureau of the MOF on April 20, 1999.

3. The issuance of 164,000,000 preferred shares for cash in accordance with Tai-Cai-Cheng-(1) No. 143691, which was approved by the Securities and Futures Bureau of the MOF on July 31, 2001.
4. The conversion of overseas unsecured convertible bonds into ordinary shares in accordance with Tai-Cai-Cheng-(1)-Zi No. 0920162472, which was approved by the Securities and Futures Bureau of the MOF on February 6, 2004.
5. Represents capital reduction in connection with the redemption of preferred shares.
6. The issuance of 400,000,000 ordinary shares for cash in accordance with Jin-Guan-Zheng-Fa-Zi (JGZFFZ) No. 0990059240, which was approved by the Financial Supervisory Commission (FSC) on November 5, 2010.
7. The issuance of 554,333,141 new shares to TCC International Holdings Limited in accordance with JGZFFZ No. 106004101, which was approved by the FSC on November 6, 2017.
8. The issuance of 375,000,000 to 468,750,000 shares for cash and 75,000,000 to 93,750,000 units of Global Depository Receipt for a total of USD440,000,000 to USD550,000,000 in accordance with JGZFFZ No. 10703258531, which was approved by the FSC on July 25, 2018.
9. The issuance of 200,000,000 Series 2 preferred shares in accordance with JGZFFZ No. 1070325853, which was approved by the FSC on July 25, 2018.
10. The issuance of shares was due to the conversion of 2018 first series unsecured convertible bond. The total amount of the Corporate bond was approved by the FSC on July 25, 2018, in accordance with JGZFFZ No. 10703258532.
11. The cancellation of treasury stock of shares in accordance with JGZFFZ No. 11101163360, which was approved by the FSC on September 2, 2022.
12. Issuance of 420,000,000 shares for cash and 84,000,000 units of Global Depository Receipt for a total of USD 425,054,000 in accordance with JGZFFZ No. 1110356873, which was approved by the FSC on September 27, 2022.

4.2 Composition of Shareholders

Ordinary shares

As of July 27, 2022 (Note). Unit:Share

| Type of shareholder | Government agencies | Financial institutions | Other institutional investors | Individuals | Foreign institutions and individuals | Treasury shares | Total |
|------------------------|---------------------|------------------------|-------------------------------|---------------|--------------------------------------|-----------------|---------------|
| Number of shareholders | 41 | 177 | 1,979 | 421,131 | 1,442 | 1 | 424,771 |
| Number of shares held | 12,861,263 | 733,070,292 | 2,126,116,242 | 2,464,067,266 | 1,396,066,679 | 4,669,600 | 6,736,851,342 |
| Shareholding (%) | 0.19 | 10.88 | 31.56 | 36.58 | 20.72 | 0.07 | 100.00 |

Note: The most recent book closure date for shareholders to register.

Preferred shares

As of July 27, 2022 (Note). Unit:Share

| Type of Shareholder | Government agencies | Financial institutions | Other institutional investors | Individuals | Foreign institutions and individuals | Treasury shares | Total |
|------------------------|---------------------|------------------------|-------------------------------|-------------|--------------------------------------|-----------------|-------------|
| Number of shareholders | 2 | 22 | 87 | 8,785 | 25 | 0 | 8,921 |
| Number of shares held | 6,494 | 124,433,362 | 68,074,052 | 7,303,697 | 182,395 | 0 | 200,000,000 |
| Shareholding (%) | 0.00 | 62.22 | 34.04 | 3.65 | 0.09 | 0.00 | 100.00 |

Note: The most recent book closure date for shareholders to register.

4.3 Distribution Profile of Share Ownership

Ordinary shares

As of July 27, 2022 (Note)

| Shareholding ownership (Unit: shares) | Number of shareholders | Number of shares held | Ownership (%) |
|---------------------------------------|------------------------|-----------------------|---------------|
| 1-999 | 113,381 | 23,749,603 | 0.35 |
| 1,000-5,000 | 211,621 | 440,460,687 | 6.55 |
| 5,001-10,000 | 47,497 | 320,237,697 | 4.75 |
| 10,001-15,000 | 22,596 | 267,195,175 | 3.97 |
| 15,001-20,000 | 7,525 | 128,935,671 | 1.91 |
| 20,001-30,000 | 9,178 | 218,955,387 | 3.25 |

| Shareholding ownership (Unit: shares) | Number of shareholders | Number of shares held | Ownership (%) |
|---------------------------------------|------------------------|-----------------------|---------------|
| 30,001-40,000 | 3,861 | 132,666,447 | 1.97 |
| 40,001-50,000 | 2,037 | 91,023,785 | 1.35 |
| 50,001-100,000 | 3,790 | 255,454,335 | 3.79 |
| 100,001-200,000 | 1,701 | 228,040,997 | 3.38 |
| 200,001-400,000 | 734 | 202,370,117 | 3.00 |
| 400,001-600,000 | 248 | 120,760,276 | 1.79 |
| 600,001-800,000 | 127 | 88,647,201 | 1.32 |
| 800,001-1,000,000 | 76 | 67,696,639 | 1.00 |
| 1,000,001 and above | 399 | 4,150,657,325 | 61.62 |
| Total | 424,771 | 6,736,851,342 | 100.00 |

Note: The most recent book closure date for shareholders to register.

Preferred shares

As of July 27, 2022 (Note)

| Shareholding ownership (Unit: shares) | Number of shareholders | Number of shares held | Ownership (%) |
|---------------------------------------|------------------------|-----------------------|---------------|
| 1-999 | 6,912 | 857,301 | 0.43 |
| 1,000-5,000 | 1,799 | 2,405,429 | 1.20 |
| 5,001-10,000 | 84 | 605,984 | 0.30 |
| 10,001-15,000 | 23 | 261,872 | 0.13 |
| 15,001-20,000 | 19 | 334,096 | 0.17 |
| 20,001-30,000 | 17 | 418,212 | 0.21 |
| 30,001-40,000 | 6 | 213,209 | 0.11 |
| 40,001-50,000 | 8 | 376,421 | 0.19 |
| 50,001-100,000 | 18 | 1,489,232 | 0.74 |
| 100,001-200,000 | 5 | 776,680 | 0.39 |
| 200,001-400,000 | 6 | 1,937,300 | 0.97 |
| 400,001-600,000 | 4 | 2,358,000 | 1.18 |
| 600,001-800,000 | 3 | 2,162,130 | 1.08 |
| 800,001-1,000,000 | 4 | 3,737,737 | 1.87 |
| 1,000,001 and above | 13 | 182,066,397 | 91.03 |
| Total | 8,921 | 200,000,000 | 100.00 |

Note: The most recent book closure date for shareholders to register.

4.4 Major Shareholders

Unit: NT\$/thousand shares

Ordinary shares

As of July 27, 2022 (Note)

| Shareholders | Number of shares held | Ownership (%) |
|---|-----------------------|---------------|
| Chia Hsin Cement Corporation | 239,629,826 | 3.56 |
| CTCB Investments Co., Ltd. | 211,019,132 | 3.13 |
| Labor Retirement Reserve Fund (Old fund) | 121,080,236 | 1.80 |
| Yuanta High Dividend Yield ETF | 119,683,655 | 1.78 |
| Chia Hsin International Co., Ltd. | 116,912,847 | 1.74 |
| Taishin International Bank, Custodian for Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF | 114,251,748 | 1.70 |
| International CSRC Investment Holdings Co., Ltd. | 113,896,285 | 1.69 |
| Heng Qiang Investment Co., Ltd. | 112,457,746 | 1.67 |
| Taiwan Life Insurance Co., Ltd | 110,531,192 | 1.64 |
| BankTaiwan Life Insurance – Government Employees & School Staffs Insurance | 98,191,262 | 1.46 |

Note: The most recent book closure date for shareholders to register.

Preferred shares

As of July 27, 2022 (Note)

| Shareholders | Number of shares held | Ownership (%) |
|---|-----------------------|---------------|
| China Life Insurance Co., Ltd. | 40,000,000 | 20.00 |
| Yuanta Commercial Bank | 35,190,000 | 17.60 |
| Nan Shan Life Insurance Company, Ltd. | 30,000,000 | 15.00 |
| Chunghwa Post Co., Ltd. labor pension fund management committee | 22,533,000 | 11.27 |
| New Labor Pension Scheme Fund | 20,000,000 | 10.00 |
| Labor Insurance Fund | 12,000,000 | 6.00 |
| BankTaiwan Life Insurance– Army Insurance Reserve | 6,337,000 | 3.17 |
| Yuanta Life Insurance Co., Ltd. | 3,825,000 | 1.91 |
| Yuanta Securities Co., Ltd. | 3,493,000 | 1.75 |
| Union Insurance Company | 2,785,000 | 1.39 |

Note: The most recent book closure date for shareholders to register.

4.5 Market Price, Net Worth, Earnings, and Dividends per Ordinary Share in Most Recent Two Years

| Item | Year | | As of March 20, 2023 | | |
|---------------------------------|---|-----------------------|----------------------|-------|----|
| | 2021 | 2022 | | | |
| Market price per share (Note 1) | High | 58.70 | 50.20 | 39.70 | |
| | Low | 40.15 | 29.80 | 33.30 | |
| | Average | 48.15 | 40.51 | 36.96 | |
| Net worth per share (Note 2) | Before distribution | 32.37 | 29.64 | NA | |
| | After distribution (Note 2) | 28.58 | NA | NA | |
| Earnings per share | Weighted average shares | 6,729,140 | 7,192,853 | NA | |
| | EPS | Basic (Note 3) | 3.30 | 0.74 | NA |
| | | Diluted (Note 3) | 3.00 | | |
| Dividends per share | Cash dividends | 1.00 | (Note 8) | NA | |
| | Share dividend | Earnings distribution | | 1.00 | NA |
| | | Capital distribution | | 0 | NA |
| | Accumulated undistributed dividends (Note4) | 0 | 0 | NA | |
| Return on investment | Price/Earnings ratio (Note 5) | Basic | 14.59 | 54.74 | NA |
| | | Diluted | 16.05 | | |
| | Price/Dividend ratio (Note 6) | 48.15 | NA | NA | |
| | Cash dividend yield (Note 7) | 0.02 | NA | NA | |

* If bonus shares were issued, present the retrospectively adjusted market price per share and cash dividends per share.

Note 1: Present the highest and lowest market prices of common stock for each year, and calculate the average market price for each year based on the trading value and volume available on the TWSE website.

Note 2: Disclose the information based on the outstanding shares as of the end of the fiscal year as well as the distribution plan approved by the Board of Directors or by the shareholders at the Annual Shareholders' Meeting from the following year.

Note 3: If retrospective adjustments to the EPS calculation are necessary to properly account for share dividend dilution, present the EPS before and after the adjustment.

Note 4: If there are provisions regarding the issuance conditions of equity securities, the accumulated unpaid dividends as of the end of that year shall be disclosed separately,

and should be accumulated until they are distributed in a profitable year.

Note 5: Price/Earnings Ratio = Average Market Price/Earnings Per Share.

Note 6: Price/Dividend Ratio = Average Market Price/Cash Dividends Per Share.

Note 7: Cash Dividend Yield = Cash Dividends Per Share/Average Market Price.

Note 8: As of the printing date, this information was pending the decision of the Board of Directors or the Annual Shareholders' Meeting.

Note 9: The net asset value per share and earnings per share should be reported based on the latest quarter that has been audited or reviewed by the auditor up to the date of printing of the annual report. For all other fields, data for the current year up to the date of printing of the annual report should be provided.

4.6 Dividend Policy and Distribution of Earnings

(1) Dividend Policy :

If TCC makes profits in a fiscal year, these shall be used to pay outstanding taxes and offset prior years' losses. The company is also required to set aside 10% annual net income as legal reserve until the accumulated legal reserve equals the company's paid-in capital. TCC may set aside or reverse a special reserve as required by laws or regulations. The remaining profits in the fiscal year together with any undistributed retained earnings may first be allocated to preferred shares, pursuant to Article

5-1 of TCC's Article of Incorporation, and then to ordinary shares. Each year, the Board of Directors shall prepare a dividend distribution proposal and report it to the Annual Shareholders' Meeting.

Since TCC's Article of Incorporation requires the company to strategically diversify its businesses across different industries and markets beyond the cement industry, the dividend policy shall take into account the company's diversification initiatives and capital expenditures budget. Consequently, no less than 20% of the total dividend distribution to ordinary shareholders shall be in the form of cash and the remainder shall be in the form of share.

(2) Earnings Distribution:

As of the printing date, the Board of Directors had not yet made a decision regarding the 2022 earnings distribution.

4.7 The Impact of the Planned Issuance of Share Dividends on the Company's Operating Performance and EPS : Not applicable.

4.8 Director and Employee Compensation

4.8.1 Compensation to Director and Employee, as Set Forth in the Company's Articles of Incorporation

If the Company has profits in the current fiscal year, it shall allocate :

- (1) employee compensation: ranging from 0.01% to 3% and
- (2) director compensation: not exceeding 1%

However, if the Company still has accumulated losses, the amount for compensation shall be reserved in advance for making up the losses, and then the employee and director compensation shall be allocated according to the above-mentioned ratios.

Employee compensation may be issued in the form of stock or cash, and the recipients may include employees of controlling or subsidiary companies who meet certain conditions.

4.8.2 Disclose the Basis for Estimating the Amount of Director and Employee Compensation in the Form of Cash or in the Form of Share for the Current Fiscal Year. Describe the Accounting Treatment if There is a Discrepancy between the Actual Distributed Amount and the Estimated Amount.

Accruals for employee and director compensation were made based on a percentage range of 2022 profits as previously mentioned. Any differences between the subsequent payout amount and the estimated/accrued amount will be recorded in the year of payment as a change in the accounting estimate.

4.8.3 Proposed Compensation to Directors and Employees

As of the date of printing this annual report, the Board of Directors of the Company had not yet approved the proposal for the distribution of employee and director compensation for the fiscal year 2022.

4.8.4 Actual Distribution of Employee and Director Compensation for the Previous Year, Including Number of Shares Distributed, Amount, and Stock Price: Disclosure of Differences with Accrued Amount, Amount of Difference, Reasons, and Handling.

| Item | Board of Directors decision (April 11, 2022) |
|-------------------------------|--|
| Employee profit sharing bonus | 106,914,137 |
| Director compensation | 210,452,677 |

Note: There is no difference between the accrued amount and actual paid in the amount of employee and director compensation in 2022.

4.9 Repurchase of Company Shares

(1) Repurchases Completed

| Implementation of buybacks | Fourth round | Fifth round |
|---|---------------------------------|--------------------------------------|
| Purpose of buyback | Transfer of shares to employees | Transfer of shares to employees |
| Buyback period | May 5, 2020 – May 22, 2020 | January 11, 2023 – February 15, 2023 |
| Price range (NT\$) | 42.90 | 36.62 |
| Class and number of shares bought | 4,000,000 common shares | 20,000,000 common shares |
| Buyback amount (NT\$) | 171,600,146 | 732,458,798 |
| The percentage of the number of shares repurchased to the proposed number of shares to be repurchased (%) | 50% | 100% |
| Number of shares transferred | – | – |
| Total number of accumulated number of repurchased shares | 4,000,000 | 24,000,000 |
| The percentage of accumulated number of repurchased shares to the total number of issued shares (%) | 0.05% | 0.33% |

Note: The above information is dated as of March 20, 2022.

(2) Repurchases in Progress: None.

4.10 Issuance of Corporate Bonds

4.10.1 Corporate Bonds

As of March 20, 2023 Unit: NT\$

| Item | Type | First Series Unsecured Bond (2018) | First Series Unsecured Bond (2019) |
|--|---|--|--|
| Issuance date | | June 21, 2018 | June 14, 2019 |
| Face value | | NT\$1,000,000 | NT\$1,000,000 |
| Listing exchange | | None | None |
| Offering price | | NT\$100 per unit at par | NT\$100 per unit at par |
| Total amount | | NT\$12,000,000,000 | NT\$12,600,000,000 |
| Coupon rate | | 1.7% p.a. | 0.85% p.a. |
| Term and maturity date | | Term: Fifteen years Maturity date: June 21, 2033 | Term: Five years Maturity date: June 14, 2024 |
| Guarantor | | None | None |
| Trustee | | CTBC Bank | CTBC Bank |
| Underwriter | | HSBC Bank (Taiwan) Company Limited | HSBC Bank (Taiwan) Company Limited |
| Legal counsel | | Hui-Chi Kuo | Hui-Chi Kuo |
| Auditor | | Deloitte & Touche (Ya-Ling Wong and Chih-Ming Shao) | Deloitte & Touche (Ya-Ling Wong and Chih-Ming Shao) |
| Repayment | | Bullet | Bullet |
| Outstanding principal | | NT\$12,000,000,000 | NT\$12,600,000,000 |
| Terms for redemption or early repayment | | None | None |
| Covenants | | None | None |
| Credit rating | | twA+ (Taiwan Ratings Corporation, May 8, 2018) | twA+ (Taiwan Ratings Corporation, April 25, 2019) |
| Other bondholder rights | Amount of converted or exchanged ordinary shares, global depository receipts, or other securities | None | None |
| | Conversion rights | None | None |
| Dilution effect and other adverse effects on existing shareholders | | None | None |
| Custodian | | None | None |

As of March 20, 2023 Unit: NT\$

| Item | Type | First Series Unsecured Bond (2020) |
|--|---|--|
| Issuance date | | April 15, 2020 |
| Face value | | NT\$ 1,000,000 |
| Listing exchange | | None |
| Offering price | | NT\$100 per unit at par |
| Total amount | | NT\$ 20,000,000,000 Tranche A: NT\$5,200,000,000 Tranche B: NT\$14,800,000,000 |
| Coupon rate | | Tranche A : 0.69% p.a. Tranche B : 0.93% p.a. |
| Term and maturity date | | Tranche A: Seven years Maturity Date: April 15, 2027 Tranche B: Fifteen years Maturity date: April 15, 2035 |
| Guarantor | | None |
| Trustee | | CTBC Bank |
| Underwriter | | HSBC Bank (Taiwan) Company Limited |
| Legal counsel | | Hui-Chi Kuo |
| Auditor | | Deloitte & Touche Ya-Ling Wong and Chih-Ming Shao |
| Repayment | | Bullet |
| Outstanding principal | | NT\$ 20,000,000,000 |
| Terms for redemption or early repayment | | None |
| Covenants | | None |
| Credit rating | | twA+ (Taiwan Ratings Corporation, April 25, 2019) |
| Other bondholder rights | Amount of converted or exchanged ordinary shares, global depository receipts, or other securities | None |
| | Conversion rights | None |
| Dilution effect and other adverse effects on existing shareholders | | None |
| Custodian | | None |



As of March 20, 2023 Unit: NT\$

| Item | Type | First Series Unsecured Bond (2021) | | |
|--|---|---|--|--|
| Issuance date | | August 31, 2021 | | |
| Face value | | NT\$ 1,000,000 | | |
| Listing exchange | | None | | |
| Offering price | | NT\$100 per unit at par | | |
| Total amount | | NT\$ 16,600,000,000 | Tranche A: NT\$5,800,000,000 Tranche B: NT\$3,100,000,000 | Tranche C: NT\$1,200,000,000 Tranche D: NT\$6,500,000,000 |
| Coupon rate | | Tranche A : 0.59% p.a. Tranche B : 0.68% p.a. | Tranche C: 0.78% p.a. Tranche D: 0.95% p.a. | |
| Term and maturity date | | Tranche A: Five years Maturity date: August 31, 2026 Tranche B: Seven years Maturity date: August 31, 2028 Tranche C: Ten years Maturity date: August 31, 2031 Tranche D: Fifteen years Maturity date: August 31, 2036 | | |
| Guarantor | | None | | |
| Trustee | | CTBC Bank | | |
| Underwriter | | Yuanta Securities Co. | | |
| Legal counsel | | Hui-Chi Kuo | | |
| Auditor | | Deloitte & Touche (Chih-Ming Shao and Hui-Ming Huang) | | |
| Repayment | | Bullet | | |
| Outstanding principal | | NT\$ 16,600,000,000 | | |
| Terms for redemption or early repayment | | None | | |
| Covenants | | None | | |
| Credit rating | | twA+ (Taiwan Ratings Corporation, April 27, 2021) | | |
| Other bondholder rights | Amount of converted or exchanged ordinary shares, global depository receipts, or other securities | None | | |
| | Conversion rights | None | | |
| Dilution effect and other adverse effects on existing shareholders | | None | | |
| Custodian | | None | | |

As of March 20, 2023 Unit: NT\$

| Item | Type | First Series Unsecured Bond (2022) | |
|--|---|--|--|
| Issuance date | | June 8, 2022 | |
| Face value | | NT\$ 1,000,000 | |
| Listing exchange | | None | |
| Offering price | | NT\$100 per unit at par | |
| Total amount | | NT\$ 7,750,000,000 Tranche A: NT\$4,950,000,000 Tranche B: NT\$2,800,000,000 | |
| Coupon rate | | Tranche A : 1.90% p.a. Tranche B : 2.15% p.a. | |
| Term and maturity date | | Tranche A: Six years Maturity date: June 8, 2028 Tranche B: Ten years Maturity date: June 8, 2032 | |
| Guarantor | | None | |
| Trustee | | CTBC Bank | |
| Underwriter | | Yuanta Securities Co. | |
| Legal counsel | | Hui-Chi Kuo | |
| Auditor | | Deloitte & Touche (Chih-Ming Shao and Hui-Ming Huang) | |
| Repayment | | Bullet | |
| Outstanding principal | | NT\$ 7,750,000,000 | |
| Terms for redemption or early repayment | | None | |
| Covenants | | None | |
| Credit rating | | twA+ (Taiwan Ratings Corporation, April 21, 2022) | |
| Other bondholder rights | Amount of converted or exchanged ordinary shares, global depository receipts, or other securities | None | |
| | Conversion rights | None | |
| Dilution effect and other adverse effects on existing shareholders | | None | |
| Custodian | | None | |

As of March 20, 2023 Unit: NT\$

| Item | Type | Second Series Unsecured Bond (2022) (Note 1) |
|--|---|---|
| Issuance date | | November 25, 2022 |
| Face value | | NT\$ 1,000,000 |
| Listing exchange | | None |
| Offering price | | NT\$100 per unit at par |
| Total amount | | NT\$ 3,300,000,000 Tranche A: NT\$2,100,000,000 Tranche B: NT\$1,200,000,000 |
| Coupon rate | | Tranche A : 2.10% p.a. Tranche B : 2.65% p.a. |
| Term and maturity date | | Tranche A: Five years Maturity date: November 25, 2027 Tranche B: Ten years Maturity date: November 25, 2032 |
| Guarantor | | None |
| Trustee | | CTBC Bank |
| Underwriter | | Yuanta Securities Co. |
| Legal counsel | | Hui-Chi Kuo |
| Auditor | | Deloitte & Touche (Chih-Ming Shao and Hui-Ming Huang) |
| Repayment | | Bullet |
| Outstanding principal | | NT\$ 3,300,000,000 |
| Terms for redemption or early repayment | | None |
| Covenants | | None |
| Credit rating | | twA+ (Taiwan Ratings Corporation, April 21, 2022) |
| Other bondholder rights | Amount of converted or exchanged ordinary shares, global depository receipts, or other securities | None |
| | Conversion rights | None |
| Dilution effect and other adverse effects on existing shareholders | | None |
| Custodian | | None |

As of March 20, 2023 Unit: NT\$

| Item | Type | Third Series Unsecured Bond (2022) (Note 1) |
|--|---|--|
| Issuance date | | January 13, 2023 |
| Face value | | NT\$ 1,000,000 |
| Listing exchange | | None |
| Offering price | | NT\$100 per unit at par |
| Total amount | | NT\$ 9,300,000,000 Tranche A: NT\$6,100,000,000 Tranche B: NT\$3,200,000,000 |
| Coupon rate | | Tranche A : 2.40% p.a. Tranche B : 2.65% p.a. |
| Term and maturity date | | Tranche A: Seven years Maturity date: January 13, 2030 Tranche B: Ten years Maturity date: January 13, 2033 |
| Guarantor | | None |
| Trustee | | CTBC Bank |
| Underwriter | | Yuanta Securities Co. |
| Legal counsel | | Hui-Chi Kuo |
| Auditor | | Deloitte & Touche (Chih-Ming Shao and Hui-Ming Huang) |
| Repayment | | Bullet |
| Outstanding principal | | NT\$ 9,300,000,000 |
| Terms for redemption or early repayment | | None |
| Covenants | | None |
| Credit rating | | twA+ (Taiwan Ratings Corporation, April 21, 2022) |
| Other bondholder rights | Amount of converted or exchanged ordinary shares, global depository receipts, or other securities | None |
| | Conversion rights | None |
| Dilution effect and other adverse effects on existing shareholders | | None |
| Custodian | | None |



As of March 20, 2023 Unit: US\$

| Item | Type | First Series Overseas Unsecured Convertible Corporate Bond (2021) |
|---|---|---|
| Issuance date | | December 7, 2021 |
| Face value | | US\$ 200,000 |
| Listing exchange | | Singapore Exchange Limited (SGX) |
| Offering price | | US\$ 100 per unit at par |
| Total amount | | US\$ 800,000,000 |
| Coupon rate | | 0% |
| Term and maturity date | | Term: Five years Maturity date: December 7, 2026 |
| Guarantor | | None |
| Trustee | | Citicorp International Limited |
| Underwriter | | Credit Suisse (Hong Kong) Limited |
| Legal Counsel | | Abe T.S. Sung |
| Auditor | | Deloitte & Touche (Hui-Ming Huang and Chih-Ming Shao) |
| Repayment | | Unless earlier redeemed, repurchased and canceled, or converted, the bonds will be redeemed at maturity at par |
| Outstanding principal | | US\$ 800,000,000 |
| Terms for redemption or early repayment | | (a) The Issuer may redeem the bonds, in whole or in part, anytime between two years after the issuance date and the maturity date, at the Early Redemption Price. However, the product of the Early Redemption Price multiplied by the prevailing Conversion Price must be greater than 130% of the Closing Price of the Issuer's ordinary shares on the TWSE for 20 days out of a 30 trading days period. (b) The Issuer may redeem all of the bonds at the Early Redemption Price in the event that more than 90% of the bonds have already been redeemed, converted, repurchased or canceled. (c) If the Issuer is subjected to paying additional amounts with respect to the bonds due to certain changes in tax laws, the issuer may redeem all of the Bonds at the Early Redemption Price. If the bondholders elect not to have their bonds redeemed, the Issuer will not reimburse these bondholders for any additional tax or costs incurred. |
| Covenants | | None |
| Credit rating | | None |
| Other bondholder rights | Amount of converted or exchanged ordinary shares, global depository receipts, or other securities | 0 |
| | Conversion rights | Unless earlier redeemed, repurchased, and except during the Conversion Suspension Period (as defined below), the bonds may be converted into newly-issued Ordinary Shares anytime between three months after the Issuance Date and ten days before the Maturity Date (the "Conversion Period") upon request by the bondholders. Under current ROC laws and regulations, the Conversion Suspension Period is defined as: (a) The 60-day period prior to the date of the Company's annual general shareholders' meeting or the 30-day period prior to the date of the Company's special shareholders' meeting. (b) The 15-day period prior to the issuance of bonus shares, the distribution of cash dividends, or the completion of equity financing. (c) The period from the date the capital reduction plan was approved to the date before the new shares are traded. (d) The period from the date of suspension of stock conversion due to the stock denomination change was approved until the day before the new shares are issued and begin trading . |

| Item | Type | First Series Overseas Unsecured Convertible Corporate Bond (2021) |
|--|-------------------|---|
| Other bondholder rights | Conversion rights | (e) The periods where transfers are suspended by ROC and TWSE laws and regulations. (f) If there are any changes to the laws and regulations governing the suspension of transfers, the updates shall apply prospectively. |
| Dilution effect and other adverse effects on existing shareholders | | If all of the bonds were converted to Ordinary Shares, the potential dilution impact will be approx. 5.72%. Although the bonds will bring about a future dilution of the Company's capital and EPS, TCC will benefit from a strengthened capital structure. |
| Custodian | | None |

Note 1 On April 11, 2022, the Board of Directors authorized the domestic issuance of NTD or USD-denominated sustainability bonds and/or unsecured corporate bonds, or overseas issuance of USD-denominated green bonds/social responsibilities bonds/ or unsecured corporate bonds with a total value not exceeding NT\$20 billion or equivalent US\$. The bonds may be issued on a lump-sum basis or on an installment basis. On November 25, 2022, the Company issued NT\$3.3 billion. On January 13, 2023, the Company issued NT\$9.3 billion. As of the printing date, the authorized but unissued bonds were valued at NT\$7.4 billion.

4.10.2 Convertible Bonds

Unit:US\$

| Types of corporate bond | | First Series Overseas Unsecured Convertible Corporate Bond (2021) | | | |
|---|---------|---|-----------------|---|------------------|
| Item | Year | At issuance date | 2021 | 2022 | 2023 (Note 1) |
| Market price | High | US\$101.749 | US\$102.004 | US\$103.042 | US\$91.426 |
| | Low | US\$101.749 | US\$101.317 | US\$79.134 | US\$87.303 |
| | Average | US\$101.749 | US\$101.642 | US\$91.982 | US\$89.616 |
| Conversion price (NT\$/share) | | NT\$ 59.8/share | NT\$ 59.8/share | NT\$ 59.8/share NT\$ 52.53/share (Note 2) | NT\$ 52.53/share |
| Issuance date and conversion price at issuance date | | Issuance date: December 07, 2021 Conversion price: NT\$ 59.8/share | | | |
| Conversion method | | Delivery of issued shares | | | |

Note 1: The information for 2023 was dated as of March 20, 2023.

Note 2: According to the terms and conditions of 2021 First Series Overseas Unsecured Convertible Corporate Bond, the conversion price has been adjusted due to the cash capital increase for the issuance of global depository receipts.

4.10.3 Exchangeable Bonds : None.

4.10.4 Shelf Registration for Issuing Bonds : None.

4.10.5 Corporate Bonds with Warrants : None.

4.11 Issuance of Preferred Shares

4.11.1 Preferred Shares

As of March 20, 2023

| Item | Issuance Date | December 13, 2018 Taiwan Cement Corp. Series 2 Preferred Shares (TWSE: 1101B) |
|------------------------|--|--|
| Face value | | NT\$10 |
| Issued price | | NT\$50 per share |
| Number of shares | | 200,000,000 shares |
| Total amount | | NT\$10,000,000,000 |
| Rights and obligations | Dividends | <p>1. Dividends: Holders of Series 2 Preferred Shares will be entitled to receive, when and as declared by the board of directors, dividends at a rate of 3.5% per annum (5-year IRS 0.9375% + fixed rate 2.5625%). The IRS rate will be reset every 5 years based on the average rate of PYTWDFIX and COSMOS3 of Reuter at 11:00 am on the date which is two business days prior to the interest rate reset date. If no such rate can be obtained, the company will determine the rate based on reasonable market price with good faith.</p> <p>2. Dividend payment:</p> <p>(1) The dividends of Series 2 Preferred Shares, when and as declared by the board of directors, will be distributed annually in cash. The board of directors shall determine the dividend record date and payment date. Dividend payment shall be prorated based on the actual number of days the Series 2 Preferred Shares are outstanding in the year of issuance and the year of redemption.</p> <p>(2) If the Company made profits in a fiscal year, the profits shall be used to pay outstanding taxes and offset prior years' losses. The Company is also required to set aside and may set aside or reverse special reserves as required by laws or regulations. The remaining profits in the fiscal year together with any undistributed retained earnings may be allocated to Series 2 Preferred Shares.</p> <p>(3) Dividends on the Series 2 Preferred Shares are discretionary. The company may decide not to declare dividends on preferred shares under the following circumstances: (a) there are no profits in the fiscal year, or (b) the profits in the fiscal year are insufficient to cover preferred shares dividend distribution. In the event dividends are not declared, it shall not constitute a breach of contract.</p> <p>(4) Dividends on the Series 2 Preferred Shares are not cumulative and will not be mandatory. In the event dividends are not declared for payment, or are declared but are insufficient, in respect to any dividend period, such dividends shall not be cumulative.</p> <p>(5) In addition to (3) and (4), holders of Series 2 Preferred Shares are also not entitled to ordinary share cash or share dividends derived from retained earnings or capital reserves.</p> |
| | Liquidation preferences | Of the assets available to be distributed to the Company's shareholders, preferred shareholders are entitled to be paid (i) simultaneously and on pari passu basis with other classes of preferred shares; and (ii) before any distribution shall be made to ordinary shareholders, provided that it does not exceed the issue price of the outstanding preferred shares at the time of the distribution. |
| | Voting rights | Preferred shareholders have no voting rights at the shareholders' meeting but may be elected as directors. Preferred shareholders have the right to vote in the preferred shareholders' meeting or vote on matters that pertain to their rights and obligations at the general shareholders' meeting. |
| | Others | Preferred shareholders have the same pre-emptive rights as ordinary shareholders to purchase newly issued shares before they are offered to the others. |
| | Outstanding preferred shares | |
| | Amount of redeemed or converted shares | NT\$ 0 |
| | Amount of unredeemed or unconverted shares | NT\$ 10,000,000,000 |
| | Redemption or conversion rights | <p>1. Preferred shares are non-convertible and shareholders shall not request the Company to redeem the preferred shares.</p> <p>2. Preferred shares may be redeemed by the Company, in whole or in part, five years of issuance, at the issuance price. The rights and obligations will remain the same for the unredeemed preferred shares.</p> |

| Item | Issuance Date | December 13, 2018 Taiwan Cement Corp. Series 2 Preferred Shares (TWSE: 1101B) | |
|--|-----------------------------|--|------------|
| Market Price per share | 2022 | High | NT\$ 52.20 |
| | | Low | NT\$ 47.10 |
| | | Average | NT\$ 50.55 |
| | As of March 20, 2023 (Note) | High | NT\$ 49.05 |
| | | Low | NT\$ 47.55 |
| | | Average | NT\$ 48.50 |
| Other preferred shareholder rights | Amount of converted shares | Not applicable as preferred shares are non-convertible | |
| | Conversion rights | None | |
| Dilution effect and other adverse effects on existing shareholders | | None | |

Note: The information is as of the date of printing the annual report.

4.11.2 Preferred Shares with Warrants : None.

4.12 Global Depositary Receipts (GDR)

As of March 20, 2023. Unit: USD

| Item | Issuance Date | August 3, 2018 | October 3, 2022 |
|---|---------------|---|---|
| Listing Exchange | | EuroMTF | EuroMTF |
| Total Amount | | USD\$548,625,000 | USD\$425,040,000 |
| Offering Price | | USD6.27 per share | USD5.06 per share |
| Total share | | 87,500,000 shares | 84,000,000 shares |
| Recognition of the source of securities | | Common shares issued by the company for cash capital increase | Common shares issued by the company for cash capital increase |
| Number of shares | | 437,500,000 share | 420,000,000 share |
| Rights and Obligations of Depositary Receipt Holders | | Same as common shares | Same as common shares |
| Trustee | | Not Applicable | Not Applicable |
| Depositary Institution | | CitiBank | CitiBank |
| Custodial Institution | | First Bank | First Bank |
| Outstanding Shares | | 37,862 shares | |
| Cost of issuance and duration | | Borne by the Company | Borne by the Company |
| Important Stipulations in the depositary and custody contract | | Refer to the Depositary and Custody Contract | Refer to the Depositary and Custody Contract |

| Item | | Issuance Date | August 3, 2018 | October 3, 2022 |
|------------------------|-----------------------------|---------------|----------------|-----------------|
| Market price per share | 2022 | High | US\$8.75 | |
| | | Low | US\$4.64 | |
| | | Average | US\$6.82 | |
| | As of March 20, 2023 (Note) | High | US\$6.50 | |
| | | Low | US\$5.45 | |
| | | Average | US\$6.04 | |

Note: The information is as of the date of printing the annual report.

4.13 Status of Employee Share Option Plan : None.

4.14 Status of Employee Restricted Share : None.

4.15 Status of New Share Issuance in Connection with Mergers and Acquisitions : None.

4.15.1 Evaluation Opinion and Implementation Status Issued by the Lead Securities Underwriter of the Latest M&A Transaction or New Stocks Issued for Acquisition of a New Company : Not applicable

4.15.2 Basic Information of Newly Acquired Company : Not applicable

4.16 Financing Plans and Execution

1. Describe the Plan and Its Execution

(A) Issuance of the First Series Unsecured Bond (2022):

1. Use of proceeds: To repay debt
2. Regulatory approval: Zheng-Guei-Zai-Zhi No. 11100053041 dated May 27, 2022
3. Total budget: NT\$ 7,750,000,000
4. Source of funds: the issuance of unsecured bonds for NT\$ 7,750,000,000
5. Plan and execution status:

Unit: NT\$ thousands

| Plan for the use of proceeds | Implementation status | | As of March 20, 2023 | Reasons for deviation from the plan |
|------------------------------|-----------------------|--------|----------------------|---|
| Repayment of debt | Amount | Budget | 7,750,000 | Not applicable as funds were fully spent. |
| | | Actual | 7,750,000 | |
| | Progress (%) | Budget | 100.00% | |
| | | Actual | 100.00% | |

(B) Issuance of the Second Series Unsecured Bond (2022):

1. Use of proceeds: To repay debt
2. Regulatory approval: Cheng-Kuei-Chai-Tzi No. 11100120661 dated November 16, 2022
3. Total budget: NT\$3,300,000,000
4. Source of funds: the issuance of unsecured bonds for NT\$3,300,000,000
5. Plan and execution status:

Unit: NT\$ thousands

| Plan for the use of proceeds | Implementation status | | As of March 20, 2023 | Reasons for deviation from the plan |
|------------------------------|-----------------------|--------|----------------------|--|
| Repayment of debt | Amount | Budget | 3,300,000 | Not applicable as funds were fully spent |
| | | Actual | 3,300,000 | |
| | Progress (%) | Budget | 100.00% | |
| | | Actual | 100.00% | |

(C) Issuance of the Third Series Unsecured Bond (2022):

1. Use of proceeds: To repay debt
2. Regulatory approval: Cheng-Kuei-Chai-Tzi No. 11200002272 dated January 12, 2023
3. Total budget: NT\$9,300,000,000
4. Source of funds: the issuance of unsecured bonds for NT\$9,300,000,000
5. Plan and execution status:

Unit: NT\$ thousands

| Plan for the use of proceeds | Implementation status | | As of March 20, 2023 | Reasons for deviation from the plan |
|------------------------------|-----------------------|--------|----------------------|--|
| Repayment of debt | Amount | Budget | 9,300,000 | Not applicable as funds were fully spent |
| | | Actual | 9,300,000 | |
| | Progress (%) | Budget | 100.00% | |
| | | Actual | 100.00% | |

(D) Issuance of the First Series Overseas Unsecured Convertible Corporate Bonds (2022):

1. Use of proceeds: To invest in overseas subsidiaries and purchase raw materials.
2. Regulatory approval: Cheng-Kuei-Chai-Tzi No. 1100373764 dated November 26, 2021
3. Total budget: US\$800,000,000
4. Source of funds: the issuance of overseas unsecured convertible corporate bonds for US\$800,000,000
5. Plan and execution status:

Unit: US\$ thousands

| Plan for the use of proceeds | Implementation status | | As of March 20, 2023 | Reasons for deviation from the plan |
|---|-----------------------|--------|----------------------|--|
| Invest in foreign subsidiary – TCCIH (Note 1) | Amount | Budget | 350,000 | Not applicable as funds were fully spent |
| | | Actual | 350,000 | |
| | Progress (%) | Budget | 100.00% | |
| | | Actual | 100.00% | |
| Invest in foreign subsidiary – TCC Dutch (Note 2) | Amount | Budget | 390,000 | Not applicable as funds were fully spent |
| | | Actual | 390,000 | |
| | Progress (%) | Budget | 100.00% | |
| | | Actual | 100.00% | |
| Provide additional funds for operations | Amount | Budget | 60,000 | Not applicable as funds were fully spent |
| | | Actual | 60,000 | |
| | Progress (%) | Budget | 100.00% | |
| | | Actual | 100.00% | |
| Total | Amount | Budget | 800,000 | |
| | | Actual | 800,000 | |
| | Progress (%) | Budget | 100.00% | |
| | | Actual | 100.00% | |

Note1: TCCIH is an abbreviated form of TCC International Holdings Ltd.
 Note2: TCC Dutch is an abbreviated form of Taiwan Cement (Dutch) Holdings B.V.

(E) Issuance of the Global Depositary Receipts (2022):

1. Use of proceeds: To invest in overseas subsidiaries and purchase raw materials.
2. Regulatory approval: Cheng-Kuei-Chai-Tzi No. 1110356873 dated September 27, 2022
3. Total budget: US\$425,040,000
4. Source of funds: the issuance of Global depositary receipts for US\$425,040,000
5. Plan and execution status:

Unit: US\$ thousands

| Plan for the use of proceeds | Implementation status | | As of March 20, 2023 | Reasons for deviation from the plan |
|--------------------------------------|-----------------------|--------|----------------------|--|
| Invest in foreign subsidiary – TCCIH | Amount | Budget | 380,000 | Not applicable as funds were fully spent |
| | | Actual | 380,000 | |
| | Progress (%) | Budget | 100.00% | |
| | | Actual | 100.00% | |
| Raw material purchase | Amount | Budget | 30,000 | The total amount of required funds is USD 45.04 million, and the amount of funds used as of March 31, 2023, according to the fund utilization schedule, is USD 30 million. The main reason for the lag in progress is the deferred payment of some foreign currency procurement. |
| | | Actual | 17,892 | |
| | Progress (%) | Budget | 66.61% | |
| | | Actual | 39.72% | |
| Total | Amount | Budget | 410,000 | Raw material purchase is expected to be fully executed by 30 June, 2023. The budget amount is USD 410 million. |
| | | Actual | 397,892 | |
| | Progress (%) | Budget | 96.46% | |
| | | Actual | 93.61% | |

2. Evaluate the Effectiveness of the Plan

- (1) The use of the proceeds from the issuance of First, Second, and Third Series Unsecured Bond (2022) and First Series Overseas Unsecured Bond (2021) was to repay the Company's debt.

Unit: NT\$ thousands

| Financial metrics | 2021 (Pre-implementation) | 2022 (Post-implementation) | Increase (decrease) |
|--|---------------------------|----------------------------|---------------------|
| Current assets | 169,353,435 | 175,624,058 | 6,270,623 |
| Current liabilities | 88,687,968 | 75,209,411 | (13,478,557) |
| Total liabilities | 216,029,886 | 222,533,181 | 6,503,295 |
| Total equity | 225,654,673 | 238,275,780 | 12,621,107 |
| Interest expense | 1,670,463 | 2,869,888 | 1,199,425 |
| Turnover | 107,041,452 | 113,929,706 | 6,888,254 |
| EPS (NT\$) | 3.0 | 0.74 | (2.26) |
| Long-term funds to property, plant and equipment (%) | 359.48 | 336.06 | (23.42) |

As shown in the table above, the current ratio improved by 22% in 2022 compared to 2021, showing that the Company's plan was effectively implemented,

- (2) One of the fundraising plans for the issuance of First Series Overseas Unsecured Convertible Bond in 2021 was for the procurement of raw material in the original currency. The expected benefit was to moderately alleviate financial burden, and there was no significant difference between the expected benefit and the actual achievement.
- (3) The proceeds from the issuance of the Global Depositary Receipts in 2022 were planned to be used for one project, which was to be reinvested in the overseas subsidiary TCCIH to repay the bank loans of the aforementioned investment company. As for the benefit of saving interest expenses on the already repaid loans, its planned benefit was not significantly different from the actual achievement. However, due to a significant increase in coal prices in China, which resulted in increased operating costs and reduced net profit, the recognized investment gains and losses of TCCIH in 2022 decreased compared to 2021.

The recognized investment gains or losses on TCCIH from 2020 to 2022 are shown in the following table.

Unit: NT\$ thousands

| | 2020 | 2021 | 2022 |
|--|------------|------------|-------------|
| | 15,927,223 | 11,452,942 | (1,783,461) |

- (4) Additionally, the second planned use of the funds raised through the issuance of Global Depositary Receipts in 2022 was for the procurement of raw materials in the original currency, with the expected benefit of moderately reducing the financial burden. The expected benefits were not significantly different from the actual achievements.

05 Business Overview

5.1 Descriptions of Business

5.1.1 Business Scope

TCC Group mainly produces and sells cement products. It also engages in electric power and battery businesses. Other departments include:

The Cement Department:

Produces, processes, and sells various cement products.

The Electricity & Energy Department:

Focuses on thermal power generation, photovoltaic power generation, wind power generation, and geothermal power generation for the development and operation of power plants. It also engages in the research, development, production, and sales of rechargeable lithium-ion batteries and battery modules.

Other Departments:

Engage in sea and land transportation and production and sales of heat-resistant materials. Some departments engage in construction and management projects related to the prevention of environmental pollution.

Current main products and their sales ratio

| Department | Main Products | Sales Ratio |
|------------------------|--|-------------|
| Cement | Cement and ready-mixed concrete | 67.90% |
| Electricity and Energy | Power supply, Rechargeable lithium-ion battery | 29.29% |
| Others | Sea and Land Transportation | 2.81% |
| Total | | 100.00% |

5.1.2 Industry Overview

5.1.2.1 The Cement Sector

Current status and future development

Taiwan's cement sector is already a mature industry with stable demand. In terms of cement kiln capacity, cement production in western Taiwan has been shut down since the mining rights expired there in 1997. The current capacity stands at 20.24 million tons. But some cement companies went out of production or cut production.

Statistics from Taiwan Cement Manufacturers' Association showed that in 2022, their

member companies produced a total of 11.22 million tons of cement. The annual domestic cement consumption stood at 13.48 million tons, with an average of 579 kg per person per year.

In 2023, the world gradually neutralized the effects of the COVID-19 pandemic. But global inflation, systemic risks of the financial system, and geopolitical conflicts remain unresolved. Global economic growth is expected to further slow down. China relaxed its COVID-19 restrictions, but has been affected by structural adjustments in the real estate industry.

The People's Bank of China (PBOC) and the China Banking and Insurance Regulatory Commission (CBIRC) have proposed increasing the financial support for the housing market. This move aims to help promote the stable and healthy development of the property sector.

Steps will be taken to (1) maintain stable and orderly growth of home financing, (2) proactively ensure the "guaranteed handover" of housing projects, (3) adequately manage the risks of distressed developers actively, (4) legally protect the legitimate rights of home buyers, (5) amend some financial regulatory policies step by step, and (6) increase financial support for the rental housing market.

A total of 16 measures will be implemented. However, the implementation of such measures is still undecided. In the medium and long term, China's economic growth is expected to slow down gradually.

Corporate investment plans in Taiwan may be postponed or investors could become more cautious due to rising global inflationary pressures and weakening terminal demand. Major technology companies at home and abroad announced reductions in capital expenditures and postponement of factory construction. Due to the high linkage between private investment and exports, Taiwan expects more moderate growth rates for exports in 2023 and the growth momentum of private investment will be limited.

The Taiwanese government has no plans to ease restrictions meant to curb speculative real estate buying. Large-scale new homes are about to be completed and sold.

Property developers face the problems of a labor crunch and the high costs of green buildings. The profit margins of the property sector are eroded by such factors. Thus, in 2023, Taiwan's property market will slow down gradually. But the Forward-looking Infrastructure Development Program and real estate projects are still in progress. It is estimated that the overall market development in 2023 will remain flat.

Type I general-purpose cement is the most widely consumed type of cement in Taiwan. In recent years, the need for specialty cement has increased significantly thanks to the infrastructure projects launched by government-owned enterprises. In addition, the use of fly ash and furnace slag powder in ready-mix concrete batching plants has been increasing since 1995. Such increases have replaced part of cement consumption and impacted the demand for cement.

The up-, mid-, and downstream sectors of the cement industry

The upstream sectors in the cement industry includes the quarrying of raw materials such as limestone and clay, metal mining with silica sand, steelmaking with cinder and furnace slag, non-metal mining with gypsum and limestone, and coal-fired power generation with fly ash and flue gas

desulphurization gypsum. The key midstream sectors include electricity supply, gas fuel supply, rail freight transport, trucking, and maritime transport.

The downstream sectors that require cement include construction, ready-mix concrete, cement-made products (such as concrete pipes, concrete bricks, gypsum, asbestos-cement pipes, and asbestos tiles), and other sectors (e.g. oil and gas drilling geological engineering).

5.1.2.2 The Electricity and Energy Sector:

Current status and future development

1. The Electricity Department:

A stable supply of electricity and sustainable development of the electricity industry are both essential to the needs of the people's livelihood, industrial competition, environmental protection and national security. Taiwan's electricity industry is now in the 28th year since it was opened to the private sector to set up power plants in 1995. Yet the overall power industry has not gone through any major changes since 2009. For a long time the state-owned Taiwan Power Company ("Taipower") practically operated the entire power industry, and although Taipower operated in coordination with the country's direction of economic development, it also acted according to its own "Long-term Power Development Program" in introducing new developments in the power industry.

After 1989, however, vigorous growth in the economy led to skyrocketing demand for electricity (see the figure below — Power Generation and Purchases by the Taipower System over the Years), and the ratio of reserve capacity dropped sharply from 2014 to 2018. Actual current performance value of the capacity rate is even lower than the 15% target value mandated by the government (see the figure below — Reserve Capacity Rate). In 2019, the peak load was 37.07 million kW, and deactivation of the No. 2 generator of the First Nuclear Power Plant was followed by transfer of the new Tunghsiao Gas-fired Power Plant and increased installation of solar photovoltaics. Units 1 and 2 of the Xiehe Oil-fired Power Plant were decommissioned in 2020, but new units such as the Linkou (ultra-supercritical coal-fired), Talin (gas-fired) and Tunghsiao (gas-fired) power plants were installed in succession. At present, with commercial transfers of power and renewable energy injection, the reserve capacity ratio stands at 16.4%.

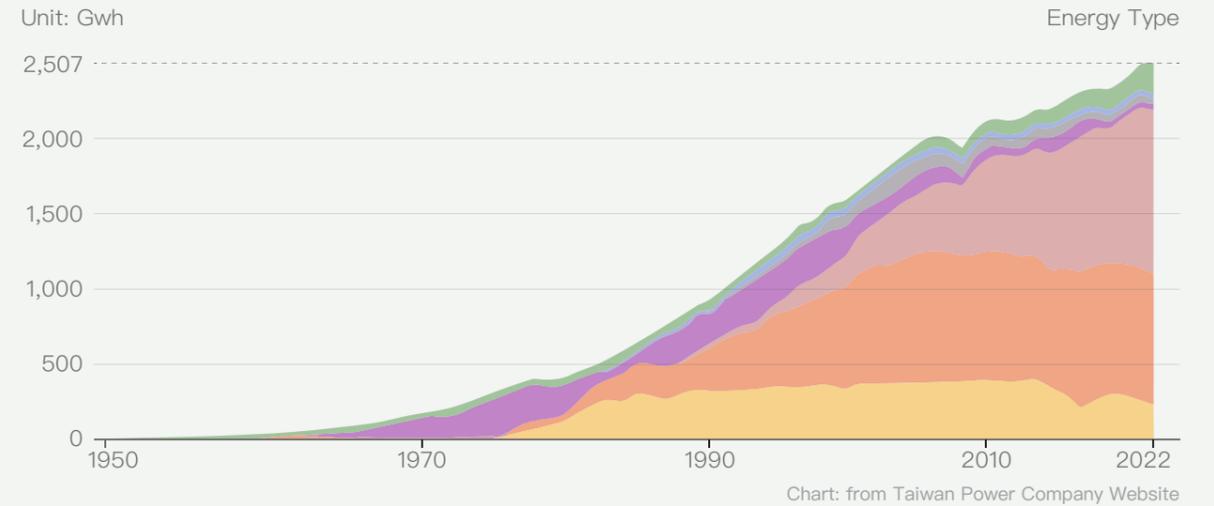
According to Taipower statistics, although growth in electricity demand was slowed in 2021 by the COVID-19 epidemic, warmer weather and other factors meant that demand for electricity rose in the first half of the year, with electricity consumption increasing by 5.4% compared with 2020. In the second half of the year, the epidemic cooled growth to about 3.7% before its impact gradually began to diminish.

In the 2022 a policy calling for electrification of vehicles went into effect, expansion plans were unveiled for the domestic semiconductor industry, and even trade conflicts between the US and China were figured into the base period for high electricity consumption growth. In the period from 2023 to 2028 the average annual growth rate for domestic electricity demand will be significantly higher than the average annual growth rate of 1.6% seen over in the past 10 years.

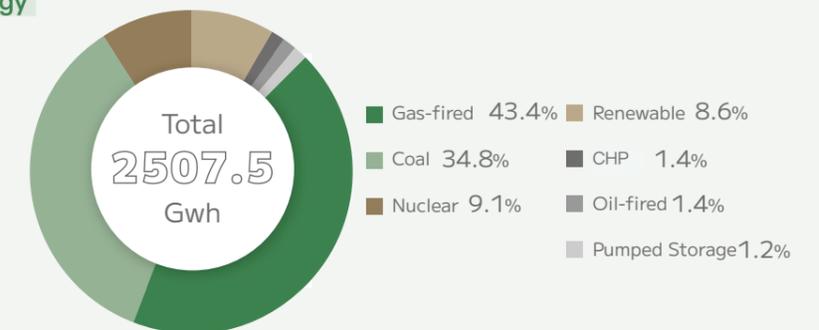
Since 1995, international fossil fuel prices have soared, severely impacting the operating environment of the electric industry, which also faces the problem of global warming. Low-carbon economy, low-

carbon energy and low-carbon electricity will be the main axes for global development in the future. The lack of self-produced energy in Taiwan means that the public and businesses face the inevitable trend of striving for reduced GHG production in order to ensure sustainable development of the

Taipower System Sales for 1950–2022



% of Total Supply by Energy Source— 2022



Reserve capacity



Reserve rate = (Peak period supply — Peak period demand) / Peak period demand
 Note 1: In 2012 the MOEA adjusted the reserve ratio to 15%
 Note 2: From 2022, it turns to show the nighttime reserve ratio
 Chart source: Taiwan Power Company website
 The Republic of China calendar or Minguo calendar

electric power industry. To do this, Taiwan will work to develop low-carbon electricity on the supply side, at the same time fully promoting electricity conservation and improve electricity efficiency on the demand side. As a result, the electrical industry market finds itself in the age of "energy saving and carbon reduction."

Meanwhile the Electricity Industry Law was enacted in 1947. It has not been amended in the more than 50 years that have passed since it was revised in 1965. This has led to a long-term monopoly of the entire electric industry, resulting in slow liberalization, lack of competition and comparatively slack operating performance. Still, seeing that electricity market reform is a current global development trend, in response to the times and to meet the needs of national economic development, the Legislative Yuan finally revised and promulgated the Electricity Industry Law on January 26, 2017. The revised law can generally be summarized as follows: (1) Promote green electricity first; (2) Establish open and transparent electricity trading platforms.

Relevant sub-laws and energy bureaus have gradually established and revised measures to support the Electricity Industry Law. With release of the "Rules for Setting Up An Electricity Trading Platform" by the MOEA on June 29, 2021, and official opening of the power trading platform on July 1, 2022, TCC Group is now actively participating in providing training courses for employees regarding the electricity trading platform to obtain trader qualification licenses and actively participate in the domestic electricity market. Further, we constantly track the content of laws and regulations to make plans and adjust long-term development goals as needed.

Important events in Taiwan's power industry in recent years include the following:

- In 1995 the first and second phases of privately established power plants began
- The Kyoto Protocol was enacted in 1997
- In 1999 the third phase of privately operated power plants began
- Exhaustive inventories of GHGs in the energy industry were first taken in 2005
- The fourth phase of opening private power plants began in 2006
- The Greenhouse Gas Reduction and Management Law was announced in 2015
- In 2017 the Electric Industry Law Amendments were announced
- A referendum on energy issues was held in 2018
- Renewable Energy Development Act were released in 2019
- The government announced key points for setting up trial platforms for auxiliary services and spare capacity transactions in 2020
- A pilot platform for ancillary services and reserve capacity transactions was officially launched in 2021
- The Greenhouse Gas Reduction and Management Act was amended and replaced by the "Climate Change Response Act" in 2023

At the 2015 UN Conference on Climate Change (the COP21 Paris Agreement), all participating countries agreed that all efforts to curb GHG emissions should be aimed at global joint action to reduce dependence on fossil energy, implement carbon reduction goals and encourage autonomy and diversified energy industries. As part of this, the National Development Council announced "Goals and Key Strategies for the Net Zero Transformation Stage." The overarching goal was to increase the proportion of renewable energy in the energy supply from 27% to 30% by 2030 and continue to promote increased use of natural gas and less dependence on coal. For now, then, natural gas usage will remain near 50% while coal consumption falls to 20% to balance carbon reduction and energy supply stability and reduce the nation's dependence on imported energy.

In 2022, renewable energy accounted for 8.3% of Taiwan's total electricity supply, and it now has slightly surpassed nuclear energy's share of 8.2%. The vision of a non-nuclear homeland in 2025 and an energy policy with a target of 20% for renewable energy power generation are still challenged by sizeable development hurdles.

TCC Group's Green Energy mainly relies on construction and development of power plants. From 2018 to 2022, the Group's average annual construction volume grew at a rate of 10.8%. With gradual improvement in government policy on renewable energy, in the next few years, annual construction of renewable energy power plants is expected to increase significantly.

2. The Energy Department:

(1) In response to the goal that renewable energy will account for 20% of power generation in 2025, Taipower planned to increase its energy storage equipment and auxiliary services to 590 MW by 2025 to meet the need for infrastructure to stabilize the power grid. During this period of development, peak power consumption shifted from daytime to nighttime, resulting in aggravated demands on the power grid. Thus the target value for energy storage was further increased to 1 GW, in hopes it could be used to transfer surplus power from peak power generation to times when more power is needed. For this reason, in addition to frequency regulations (dReg, sReg) for original auxiliary units to stabilize the power grid, services have also added enhanced frequency regulation functions as overall demand has increased.

The MOEA also issued "Administrative Measures for Power Users with a Certain Contracted Capacity and Above to Install Renewable Energy Power Generation Equipment" at the end of 2020, which stipulated that power users with a contracted capacity of 5 MW or more must build a percentage of the contracted capacity themselves before 2025. This would shuttle a tenth of renewable energy to energy storage, or require the purchase of green power certificates, otherwise users would have to pay a fee; thus current large power users can consume more than 10GW of electricity, and green power or energy storage required by the market will be 1 GW.

(2) In recent years, in the face of technological development and energy transformation, the traditional vehicle market has gradually shifted towards electric vehicles, which in turn has driven vigorous development of the global green energy vehicle market. According to a report from Bloomberg New Energy Finance, global demand for lithium ion batteries will continue to grow and should exceed 2,300 GWh by 2031, of which about 88% will be for electric vehicles. At present, challenges presented by charging time, battery life, insufficient power and safety issues have delayed the spread of electrification. In recent years, major international manufacturers have invested in R&D of high-power, high-capacity and high-safety technology for batteries in order to solve the problems described above.

Various countries have set out policy goals for electric vehicles in different stages. For example, Norway is expected to achieve its goal of completely banning sale of new fossil-fuel vehicles in 2025, while most countries such as the UK, the Netherlands, Germany and Denmark will completely ban the sale of new fossil-fuel vehicles in 2030; In 2017, in order to achieve the goals of the Paris Agreement, it was announced that sales of new fossil-fuel vehicles in France would be halted in 2040; Japan's revised version of the Green Growth Strategy, announced in June 2021, mentioned that by 2035 electric vehicles must account for 100% of sales of new cars.

Driven by the policy goals of governments of various countries, major international car manufacturers have also announced development policies related to electric vehicles:

- Mercedes-Benz Group of Germany will invest more than 40 billion euros to accelerate R&D for electric vehicles between 2022 and 2030. The group plans to build eight battery plants on three continents, with hybrid and pure electric vehicles accounting for more than half of global sales.
- Volvo Motors has announced it will start phasing out production of gasoline and diesel vehicles in 2019, to offer only all-electric or hybrid vehicles. In 2024, the sale of new gasoline and diesel vehicles will be completely halted, and in 2025, sales of electric and hybrid vehicles are slated to reach 1 million units.
- Honda has announced that in 2030 some 2/3 of vehicle sales will be electric vehicles.
- Volkswagen Group (VAG) announced that investment in electric vehicles and digitalization will increase to 89 billion euros within five years, of which 52 billion euros will be used for R&D of electric vehicles, and 30 billion euros will be used for software and self-driving car development.
- General Motors aims to sell 1 million electric vehicles worldwide by 2025, and promises to produce only electric vehicles by 2035.

(3) Energy transition: In addition to accelerated development of low-carbon technology for ground transportation, the air transportation industry is also actively moving towards de-carbonization reform. The aviation industry proposed a net zero commitment for 2050 at COP26, and it is currently the only industry that has made a global commitment. The Waypoint 2050 report released by the Air Transport Action Group (ATAG) notes that by 2050, short-haul transportation with less than 100 passengers is expected to switch over to electric and hybrid powertrains starting in 2035.

According to Morgan Stanley's forecast for global electric aircraft eVTOL and UAM (Urban Air Mobility) market size by 2040, the market for electric aircraft is expected to reach US\$2,900 billion in the most optimistic scenario that technological development and regulatory policies can be loosened immediately. Airline companies such as United Airlines, Delta Air Lines, jetBlue, American Airlines, Virgin Atlantic, and Air Asia, as well as DHL and aircraft leasing companies such as Avolon are actively moving towards carbon reduction goals and cooperating with electric aircraft companies to set sales targets. If United Airlines cooperates with a number of electric aircraft manufacturers and signs a purchase agreement to order at least 350 aircraft from one electric aircraft maker, this will be a sizeable market in the coming decade.

In response to these new energy trends, domestic laws and regulations and the market are gradually becoming more active. TCC is working to combine energy creation, energy transmission, energy storage and electricity sales as it moves toward its goal as "Taiwan's most comprehensive new energy group."

TCC Group's E-One Moli Energy Technology leads the domestic industry in the eVTOL and UAM (Urban Air Mobility) markets for electric aircraft, and has already achieved a high penetration rate. It cooperates with customers in initial introductory testing and development, and carries out technical research and improvement as needed. When various electric aircraft are put into service, Energy Technology's know-how will be quickly integrated with the rest of the industry and should generate

excellent business opportunities.

Lithium-ion batteries are mainly distinguished by various positive electrode materials, while graphite is generally used for negative electrode materials by most makers. Different positive electrode materials can directly affect the capacity, useful life, operating temperatures, stability, and even the price of batteries. Currently, mainstream lithium-ion batteries fall into three types according to their shape: cylindrical, square (prismatic) and soft pack (laminated) batteries.

Compared with the other two battery types, cylindrical batteries boast the longest development history, the most mature production technology and the highest degree of automation in production. Battery size is divided into 14500 (capacity usually less than 1.0 Ah), 16340 (0.7~0.8Ah), 18650 (2.3Ah~3.6 Ah), 26700 (2.0Ah~3.0Ah), 20700 (3.0Ah~4.0Ah), 21700 (4.0Ah~5.0Ah) and 4680 (higher than 20Ah), etc. 18650 is the most widely used size in the market, but concentrated responses from electric car manufacturers such as Tesla mean that the general trend is likely to see 21700 batteries replace the 18650.

Since its establishment, TCC Group's E-One Moli Energy Technology has focused on R&D and production of cylindrical lithium batteries, with 18650 and 21700 as the main models and cathode materials adopting the most advanced NCA (nickel-cobalt-aluminum) materials. In 2021 it expanded into the global battery manufacturing industry. At a time when big manufacturers dominated the global market, E-One Moli Energy Technology leads the domestic industry in the eVTOL and UAM (Urban Air Mobility) markets for electric vehicles, taking the lead in launching products with a maximum capacity of 4.5Ah, high-power 100W discharge and 12-minute (5C) fast charging, which aroused strong reactions in the market. In the future battery cores with capacities exceeding 5.0Ah will be launched one after another.

In response to this energy transformation, TCC Energy Storage has shifted to meet current market demand for a combination of charging and storage. It is also responding to users' demand for green electricity by providing a three-in-one 'total' solution of charging, storage and green electricity. This energy storage system will help large electricity consumers fulfill their obligations, cut peaks and fill in valleys to reduce contracted capacity, providing charging piles to charge without causing instantaneous high load on the grid, and matching up with self-generated green electricity. It will also optimize matching to achieve RE goals and can also be used as an uninterruptible power system in factories to regulate power consumption.

According to provisions in the terms offered to large electricity consumers, the obligatory performance date of 2025 is approaching. The mandated scope for GHG and carbon inventories will be expanded, the issue of grid instability in industrial areas and science parks is heating up and policies such as RE100 responses and EV100 trends are proliferating. TCC Group's preliminary planning for energy storage is aimed at creating corresponding new energy solutions for the six target customer groups of large electricity consumers, commercial buildings, large shopping malls, logistics providers, small users and science parks.

In addition to multiple applications of technology, customer relationship management is also a focus of development. Smart service charging means consumers do not need to waste time to download apps and there are no complicated procedures in membership registration when combined with LINE, the most commonly used Social Networking Apps in Taiwan, to start the charging process by scanning the QR Code to add friends. This also provides car identification locking and appointment services so that consumers will not risk futile charging every time batteries run low.

For corporate users, TCC Energy Storage has also developed an energy management system to visualize electricity consumption and power generation data, and assess power generation situations in real time. If there is any abnormality, it acts to speed up response and solution and can implement and plan related energy-saving and carbon-reduction policies.

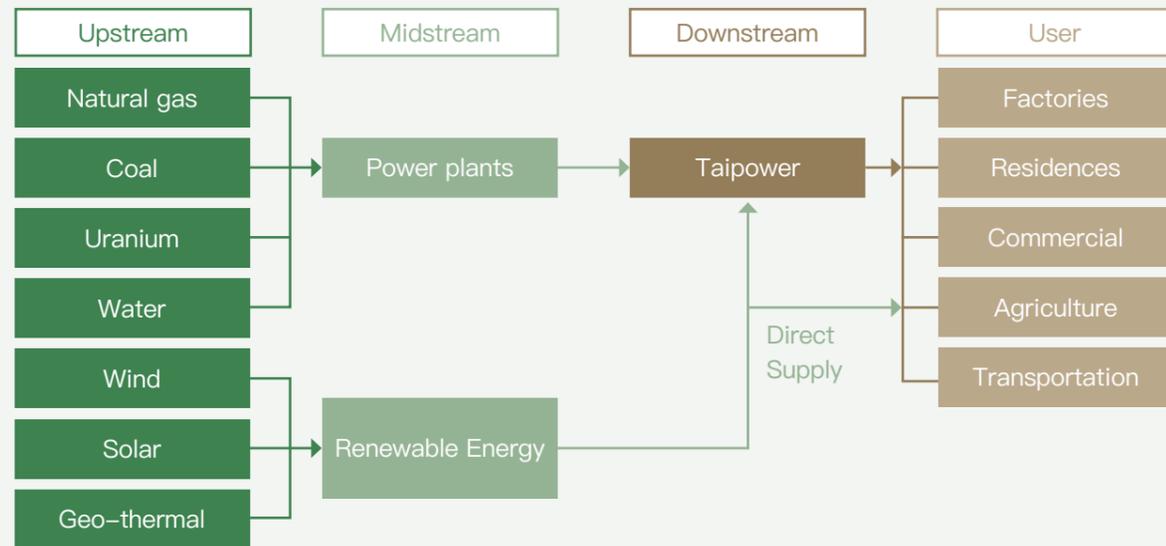
Control of upstream and downstream GHG emissions in scope 3 is also more data-based. For example, every time an electric cargo truck of a logistics company is charged, the background system clearly records the carbon reduction amount corresponding to the charging amount, as well as the group or supply chain.

This green power supply solution, which is effected through the API connection method, can collect monthly green power usage information, and has clearer digital support and reference for strategic thinking and implementation of RE goals.

The up-, mid-, and downstream sectors of the electricity and energy industry

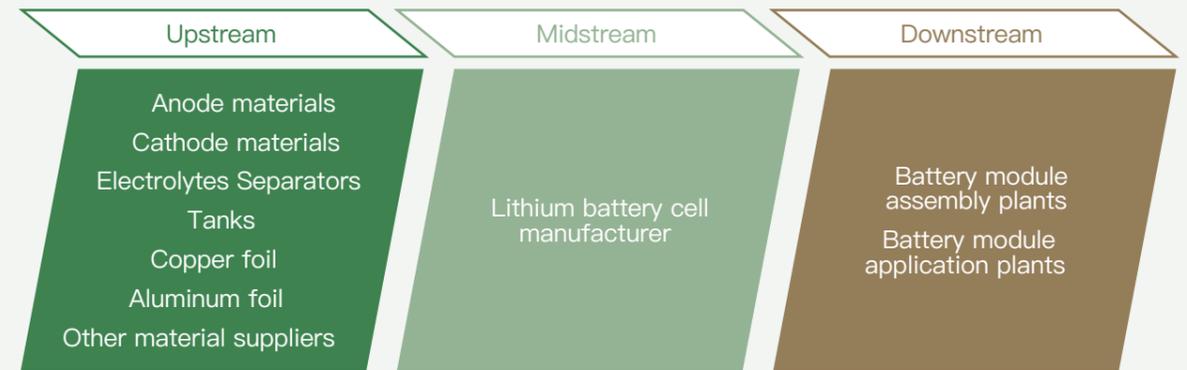
(1) The Electricity Department:

At present, Taiwan's main power generation methods include those displayed below. With the opening up of Taiwan's electricity market, new power generation industries have joined the electricity market one after another, especially in the renewable energy sector. In response to the government's green energy policy for energy conservation and carbon reduction, TCC Group is also actively investing in construction of related renewable energy facilities.

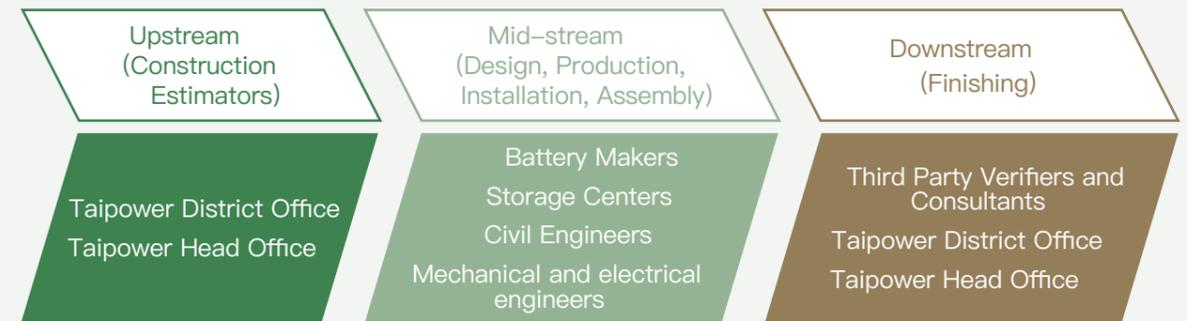


(2) The Energy Department:

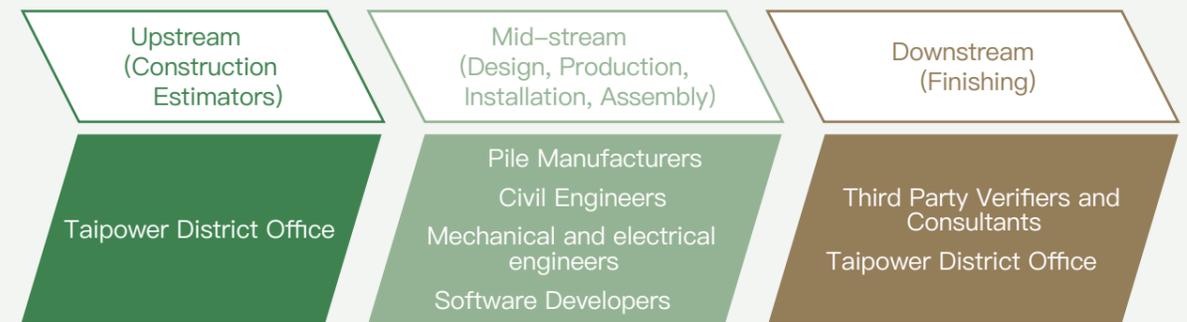
Battery business:



Energy storage business:



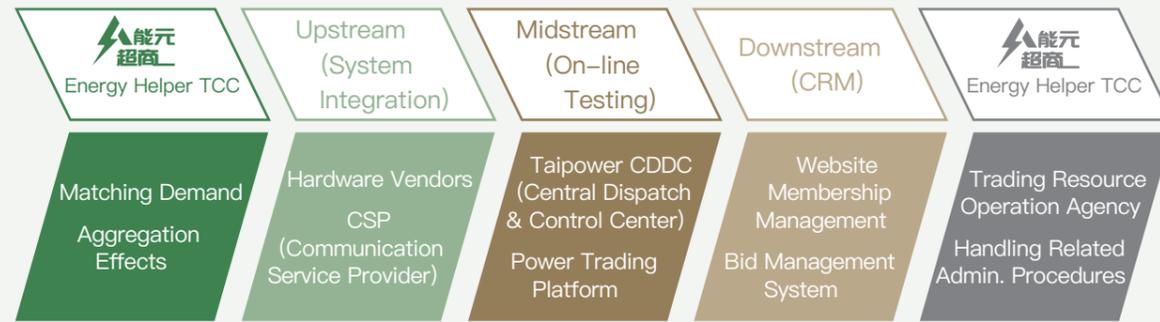
Charging Pile Operations:



Green Electricity Purchases and Sales:



Power Trading Resource Aggregator:

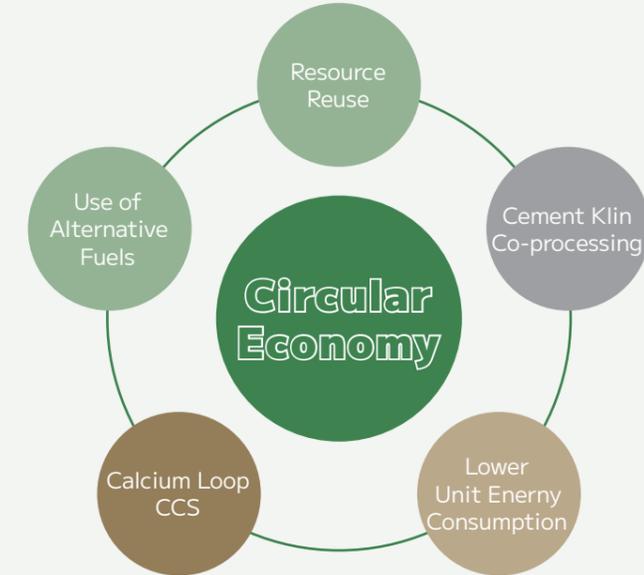


5.1.3 Overview of Technology and R&D:

As of the publication date of this annual report for 2023 and 2022, the Group invested NT\$675,823 thousands and NT\$121,898 thousands in R&D expenses respectively. The technology and R&D overview for the major operating departments are as follows:

5.1.3.1 The Cement Sector:

1. TCC operates the only professional cement and concrete research laboratory in Taiwan. The lab's research scope covers three major fields — cement, concrete and re-use of resources, and its operations are focused on the company's three core values: low-carbon cement, a circular economy, and green energy.
2. In order to strengthen the technical capabilities and competitive advantages of the company's ready-mixed concrete, a professional concrete certification laboratory building has been constructed. In the future, in addition to training to raise the technical skills of personnel, control of the raw materials and product quality for each ready-mix plant will be improved. This will serve to enhance the company's professional image, strengthen competitiveness and efforts towards developing new materials, and help with the continued development of low-carbon concrete.
3. In line with the TCC's core development direction of a circular economy, in addition to continuing research on introducing various product upgrades and optimizing quality, the Company will be more active in R&D of technology in the following areas:



- (1) Widen the scope of reuse of resources, such as blending and utilizing recycled pellets as well as industrial waste, waste incineration, and use of coal ash from power plants and slag from steel plants; plus treatment and applications for solid recovered fuel (SRF).
- (2) Our cement kilns co-dispose domestic garbage and hazardous waste, thereby helping to reduce waste generated by urban and industrial development.
- (3) Lowering unit energy consumption, saving energy and reducing our carbon footprint at the same time.
- (4) Our CCS (CO₂ capture, storage and reuse) technology combines the calcium loop capture CO₂ system with a microalgae cultivation system.
- (5) Adding oxygen-enriched combustion equipment allows the use of alternative fuels, a follow-up to developing pure oxygen calcination carbon capture technology.

4. Technologies and products that have been successfully developed include:

- (1) Research and mass-production of Type II high-performance cement and Type II/V high-strength cement.
- (2) Development and mass-production of Type IV cement with quality conforming to CNS specifications and special engineering requirements, earning qualification to use the CNS “正” mark and the MIT smile mark.
- (3) Development and mass-production of 10000 psi high-performance concrete.
- (4) Development and mass-production of self-infilling concrete.
- (5) Development and mass-production of high impermeability concrete.
- (6) Development of testing and reutilization technology for calcium fluoride sludge.
- (7) Development of detection technology for cement trace elements.
- (8) Development of detection technology for trace elements in reducing slag.
- (9) Development of applications and technology for oil mud and ash residues.
- (10) Technology used in cement kiln treatment of household waste.
- (11) Treatment technology to reduce crusting in the cyclone preheater for the cement kiln.
- (12) Research and development of energy-saving and carbon-reduction technologies for thermoelectric materials, applied in rotary kilns which burn waste for heat and power generation.

- (13) Algae breeding technology to expand the scope of cultivation; and trial development of astaxanthin cosmetics has been completed.
- (14) Completed trial production of medical and beauty cosmetics and skin care products, including four products — a cleansing bubble mask, crystal serum, anti-ageing double-effect pearls, hydrating energy-boosting cream and other cosmetics-related products. Meanwhile, we are developing health-related testing systems to ensure product quality.
- (15) Developed a Haematococcus pluvialis red algae gift box, including red algae buckwheat noodles, seaweed, litsea cubeba and shichimi seven-flavored powder.
- (16) Registration of the trade name and INCI for Astarose cosmetics and ingredients has been completed.
- (17) The 1.9 MWt pilot calcium circuit test plant carried out a 100-hour continuous operation test, with CO₂ capture efficiency reaching 85 to 93%.
- (18) The new-generation 500kWt steam hydration and multi-stage cyclone calcium loop carbon capture system was installed, with 1,200 hours of cumulative operating time.
- (19) 15 items and 31 patents have been proposed for calcium-based carbon dioxide capture technology and microalgae cultivation-related technologies.
- (20) Developed the concrete mix ratios to mortar in grout, and implemented DIY workshops for cement.
- (21) Formulated complete reduction targets with a scientific basis. TCC's SBTi (Science Based Targets initiative) goal is: taking 2016 as the base year, reduce greenhouse gas (GHG) emission in Scope 1 by 11% by the target year 2025. The Company is also committed to reducing Scope 2 GHG intensity by 32% over the same period.
- (22) Completed formulation of the National Portland Cement Products Carbon Footprint Product Category Regulations (PCR), obtaining Taiwan's first carbon footprint label for cement products for the Ho-Ping Plant's Type I bagged cement.
- (23) Completed the carbon footprint check and obtained certification for Type I cement (bulk) products from the Ho-Ping Plant.
- (24) Completed the carbon footprint inspection and obtained certification for 3000psi ready-mixed concrete products from the Daya plant.
- (25) The Company's Ho-Ping, Suao and Ready-Mixing Plants successively qualified for Taiwan's first carbon footprint reduction label for cement products.
- (26) The company joined GCCA, an international organization of cement and concrete producers, to be in line with international standards, discuss and study possible paths for carbon neutrality with international benchmarking enterprises and scholars, and formulated the carbon reduction path for the Company's cement and concrete in 2050.

5. Future R&D plans for participation in and assistance, as well as new products slated for development:

- (1) The new generation of calcium loop carbon capture technology, the "calcium loop capture technology verification and amplification technology research and development" project, featuring long-term continuous operation and verification. Key points of the plan include:
 - The unit system is improved and optimized to improve stability of the overall system.
 - Long-term stable operation testing of the new generation calcium loop carbon capture system; apply the capture system on an industrial scale to promote detailed design and planning based on the model 10 MW calcium loop capture system and to establish industrial-scale engineering specifications for the system.

- (2) Development of microalgae cultivation technology: the "Intelligent Application (I) Project for High-Efficiency Biological Carbon Sequestration and Utilization Technology Development"—with a time table of 2 years for the whole plan:
 - Establish an expert-assisted operation system for the microalgae carbon sequestration program and its stable cultivation technology.
 - Complete the discussion on microalgae energy integration and value-added applications.
 - Construct a feasible two-stage biological carbon sequestration value-added application model to achieve economic benefits related to the carbon cycle.
 - Comprehensively evaluate the value-added production of biological carbon sequestration and the economic benefits of characteristic products, and provide a basis for future related business development.
- (3) Develop Ultra High Performance Concrete (UHPC) and establish a Cladding Panel production technology project, to become the first company in China with the ability to produce UHPC products. Key points of the project include:
 - Development of optimal fit ratios for UHPC Cladding Panels.
 - Feasibility studies of surface modification using the UHPC carbonization method.
 - Planning of production equipment for the pilot plant.
 - Development of manufacturing processes and mass production capacity, etc.

As a result of related research, construction of the UHPC production plant has been completed at our company's Ho-Ping Plant, and it is being put into curtain wall production at the DAKA Renewable Resource Utilization Center (RRUC). At present, it has been put into use with the RRUC's cladding panels and UHPC energy storage units, which can also be used for subsequent development of various UHPC products that will enhance the technical level of the company.

5.1.3.2 The Electricity and Energy Sector:

1. The Electricity Department:

The core business of the Group's Ho-Ping Power Company is coal-fired power generation. To reduce pollution emissions, the "Boiler Combustion Efficiency Improvement" Project for Unit No. 1 and "AQCS-Air Quality Control System Optimization" EPC Project for Unit No. 2 were completed in 2019 and 2022. Besides, in a move to improve equipment efficiency and stable operation, the DCS control system upgrade plan for the two equipment units will be implemented in 2023.

As for the promotion of renewable energy, TCC, a leader in traditional industries, follows the pace of the government's energy transformation, and gets actively involved in the development of renewable energy. TCC Green Energy Corp. actively invests in the development of solar, wind, and geothermal power. It set up solar and wind power plants in Changhua, Yunlin, Chiayi, Tainan, and Pingtung, as well as geothermal power plants in Taitung, to support the government's energy transformation policy.

The Group's Hoping Power Plant has gradually entered into its energy transformation plan. The renewable energy plan includes solar photovoltaic installations on the roofs of factory buildings, biofuels, microhydropower, as well as ocean thermal energy conversion and the development of the deep seawater related industry.

(1) Solar photovoltaic installations

In 2022, the first stage of solar panels on the roof of factory buildings has obtained the first green energy certificate for the whole factory. We expect to obtain 319 certificates throughout the year. The second stage of solar panels on the roof of factory buildings includes a laboratory, repair factory, liquid ammonia storage tank, and wastewater treatment plant. The total capacity of the roofs of the four buildings stands at 256.2 kW.

The interconnection of internal power system was completed in April 2022. It is estimated that 179,292 kilograms of carbon emissions can be reduced a year. The application for green energy certificates is now in progress.

The third stage of solar panels on the roof of factory buildings include a body shop of heavy vehicles, gas switching plant, laboratory, and fire pump room. The total capacity of the roofs of the four buildings stands at 230.25 kW. It is estimated that 161,132 kilograms of carbon emissions can be reduced a year. The wiring work is reaching completion. The interconnection of internal power system is expected to be completed in the first quarter of 2023. The fourth stage of solar panels on the roof of a turbine room is being processed.

(2) Biofuel program

In 2022, TCC worked with the National Chung Hsing University (NCHU) and Taiwan Bio-energy Technology Development Association. Under the collaboration of Associate Professor Wu Keng-Tung and Dr. Chang Chia-Chi from NCHU's Department of Forestry, the Preliminary Evaluation Plan for Adding Gasifiers to the Hoping Power Plant was completed in December 2022. That evaluation included:

- Investigation of Taiwan's biomass and waste material sources
- Methods of acquisition, transport and storage
- Selection of gasification system
- Economic benefit analysis as well as investigation and analysis of relevant laws and regulations

In 2023, Germany-based RWE AG helped to complete the feasibility study of the biomass energy project for power plants. The study included the feasibility assessment of wood pellets replacing 10%, 25% and 50% of the existing coal fuel, from transportation, grinding system, boiler combustion to AQCS.

Its construction cost was also provided as a reference for future renovation. In 2023, the evaluation of biofuels will continue. It includes commissioning Finnish gasifier manufacturer Valmet to assess the feasibility of gasifiers and domestic material sources, transportation, unloading and storage.

(3) Microhydropower project

The cooling water of each unit of the Hoping Power Plant reaches 22 cms. Its main function is to condense the low-pressure steam into water after the units have done work, and then discharge it into the sea through a cofferdam. As the cofferdam could provide potential energy, the company plans to set up microhydropower units in the existing warm water discharge channel. Manufacturers are commissioned to assess the feasibility of Hoping Power Plant's microhydropower system and to check whether the installation of the microhydropower system could affect the operation of existing units.

In December 2022, the hydraulic model test and analysis of the micorhydropower units in the south seawater channel were completed. In January 2023, in the north seawater channel, the hydraulic model test for the microhydropower units was carried out. The feasibility study and analysis of the microhydropower units, expected to be obtained in March 2023, will serve as the basis for subsequent construction of microhydropower units in the future.

(4) Ocean thermal energy conversion and the related industry

In October 2022, the preliminary feasibility assessment of ocean thermal energy conversion (OTEC) was completed. It included the layout of sea pipelines, intake wells, power stations, and economic analysis.

The company went to Kume Island, Okinawa, Japan to visit one of the only two OTEC plants in the world—a 2x50 kW OTEC demonstration plant, funded and built by the government. That OTEC plant uses the temperature difference between warm water in the surface layer and cold water in the deep sea to generate electricity.

Compared with the OTEC development of TCC's Hoping Power Plant, the difference lies in the Hoping Plant using its warm drainage to replace warm water in the surface layer. Using the warm drainage will help improve OTEC efficiency.

Under government regulations, the survey plan for underwater cultural assets and for submarine pipeline routes were approved in 2022. In accordance with the climate and wave conditions, surveys of seabed topography, landforms and underwater cultural assets will be conducted. It is estimated that the investigation report on underwater cultural assets and review of the submarine pipeline routes permit will be completed in 2023.

In an effort to develop related industries, TCC approached the Stone & Resource Industry R&D Center, Agricultural Technology Research Institute, and Industrial Technology Research Institute in Taiwan. The company also visited the deep seawater-related industries on Kume Island, including oysters, cosmetics, shrimp, sea grapes, and bottled water. TCC will continue to collect information on deep seawater-related industries as the basis for future development.

2 The Energy Department:

In response to the impact of a large amount of renewable energy being connected to the grid, Taipower fostered the auxiliary service of Automatic Frequency Control (AFC) of Energy Storage. Relying on its rich resources of battery technology, electricity generation, and green energy experience, the Group bid for this AFC service new business opportunity.

In 2020, TCC Green Energy Corp. and E-One Moli Energy Corp. worked together and won the bid for Taipower's AFC Modulation Backup and Auxiliary Service for Energy Storage with a total capacity of 5 MW. Their accumulated technical strength in energy storage enabled them to win. They now expect it to become a new energy business.

E-One Moli Energy Corp. focuses on the R&D and production of cylindrical lithium batteries. This work includes:

- (1) Battery R&D that covers advanced material, chemical formulation, battery cell design, and the advanced manufacturing processes.
- (2) Based on the concept of battery recycling, except for the continuing research on advanced material development and quality optimization, the company is more active in the following fields:
 - In addition to continuously improving the original advanced technique that enables high-power output, the company is actively working to improve the cycle life of batteries and implement the concept of second-order battery utilization. This is being done while simultaneously stabilizing the company's market position and enhancing the competitiveness of its products.
 - Evaluation of organic solvent alternatives in the process to achieve the ideal goal of green process.
- (3) Technologies or products that have been successfully developed:
 - The 21700-P45B product, which has entered the stage of mass production and verification.
 - The 18650-P30B product, which has entered the stage of mass production and verification.
 - The 21700-P50B product, which was completed its R&D engineering verification.
 - Completed the development and certification of a new negative electrode graphite system, slashing the internal resistance of batteries by 10% to enhance product competitiveness.
 - Completed the development of high-end silicon cathode materials, with a reversible capacity of over 90%.
 - Completed the research on the slurry process of high-end silicon cathode materials to overcome the problems involved in high-end silicon material processing.
 - Successfully introduced high-nickel NCA anode materials with higher stability to ensure the safety of production and materials supply.
 - Established the next generation of the Ni90 anode system, introducing the concept of single crystal materials to improve cycle stability.
 - Developed electrochemical analysis methods to effectively determine the battery degradation mechanism.
 - Developed the new high-power electrolyte formula, improving high-power cycle stability by 10%.
- (4) Future R&D plans and new products to be developed:
 - Establishment of a new generation of anode material system
 - Development of Ni92-94 high nickel system.
 - Stability improvement project for high-nickel anode materials to improve material mixing and coating technology.
 - Research and development of anode prelithiation technique to improve anode utilization efficiency.
 - Development of next-generation high-power platform for fast-charging cathode materials
 - Research on graphite granulation and coating technology to reduce ion transport resistance.
 - Efficiency and stability improvement of high-end silicon materials, including improved expansion according to the nature of materials, assistance of tubular conductive materials, and improvement of adhesive performance.
 - Verification of silicon materials with high directionality and low expansion coefficient.
 - Development, design and manufacturing of 21700-P55B high-power battery system

- Introduction of a new generation of anode and cathode material system.
- Design of fast-charging electrodes.
- Process optimization for 21800/22900.
- Development of a new design verification methodology to shorten the manufacturing process between samples and mass production from two years to less than one year.
- Introduction of AI into battery lifetime prediction and health analysis.

In July 2021, TCC's subsidiary TCEH acquired a 60.5% stake in Engie EPS. In September of the same year, TCEH made a cash mandatory tender offer of a 4.7% stake in Engie EPS, became the company's largest shareholder, and renamed it NHOA (New HOrizons Ahead). Its sites range from Europe to America, Oceania and Africa.

The company has a wide range of patents and products in advanced BESS (battery energy storage system), electric vehicle fast charging device, smart grid, and hydrogen energy. TCC Energy Storage Technology Corporation set a new milestone for the Group in energy research and energy storage planning. Its business ranges from energy storage systems to micro-grids and electric vehicle charging stations.

The company and the Group's NHOA simultaneously obtained the latest technology and technical exchanges, as a provider of energy regulation solutions and services. Technology development can be divided into software, hardware, and renewable energy.

I. Software

The Group continues to develop the Cloud-EMS. Market expansion plus and increase in the number of sites enable real time remote monitoring of sites dynamics. In addition, the functional development of micro-grid dynamic energy dispatching and power consumption forecasting help customers do energy management.

Meanwhile, given different products and services on the power trading platform, including frequency reserve, instantaneous reserve and supplemental reserve, the EMS will play an important role in response to Taipower's dispatch.

Finally, in line with the latest international communication standard IEC-61850 for electricity substations, the functions of Server and Client should be upgraded accordingly.

II. Hardware

The Group continues to optimize the R&D of UHPC (Ultra-High Performance Concrete) energy storage cabinets, combining cement research, energy storage technology, and battery products. The first generation of products combined with charging piles, with a battery capacity of 145 kWh, was unveiled at the 7-Eleven Yawan store in September 2022.

The capacity of the second generation will be expanded to 1 MWh and is expected to be launched in a battery factory of Molie Quantum Energy Corp. in the second quarter of 2023. Apart from capacity expansion, the R&D team continues to develop small-scale, high-energy-density standardized UHPC energy storage cabinets in accordance with building regulations. They will combine this work with the development of battery cooling technology to ensure that the temperature fluctuations of batteries during charging and discharging are under control.

III. Renewable energy

Apart from its existing projects of solar power, onshore wind energy, biofuels, and geothermal energy, the Group will focus on ocean thermal energy conversion through the power generation of the Hoping Plant and the stable temperature difference in eastern Taiwan's deep seawater. This could become a business role model in Taiwan for ocean thermal energy conversion.

5.1.4 Long-term and Short-term Business Development Plans:

5.1.4.1 The Cement Sector:

Short-term Development Plan

1. The cement industry in Taiwan is mature, so the company aims to maintain its market share, reduce costs and increase profits as its primary goals in Taiwan.
2. As for business in Mainland China, TCC Group has used self-construction and mergers and acquisitions over the past few years to establish cement plants in Guangdong, Guangxi, Jiangsu, Liaoning, Guizhou, Sichuan, Chongqing, Hunan, and Yunnan. And in Liuzhou (Guangxi), Fuzhou (Fujian), and Naxi (Sichuan), there are also grinding stations. In 2022, our total annual production capacity in Mainland China reached 66.54 million metric tons, ranking 7th in clinker production capacity in the cement industry. In addition to capacity in Taiwan, TCC Group's annual production reached 74.43 million metric tons. After privatization of TCC International in 2017, in line with the industry's "green development", "supply-side reform" and "environmental protection" and other policies, we will hold our position as leader in regional market share in environmental protection processes while continuing to increase group profits.
3. In addition to our cross-strait cement business, the company has established Dutch TCC Holdings, a wholly-owned subsidiary in the Netherlands. Dutch TCC Holdings and Turkey's OYAK entered into a joint venture company (JVC) in which Dutch TCC and OYAK hold 40% and 60% respectively of equity. And JVC owns OYAK's original local cement sector in Turkey. The company operates 7 cement plants, 3 grinding plants, 45 RMC plants and 3 aggregate plants, with annual production capacity of 12.6 million metric tons of clinker and 22.5 million metric tons of cement.

This is the first time Taiwan's cement industry has stepped out of the Asian cement market. Partner OYAK and Turkey's special position in the Mediterranean region has led TCC to use the JVC to strategically acquire Portugal's Cimpor Global Holdings B.V., followed by acquisitions in West Africa's Ivory Coast and Cameroon to build grinding stations that further extend TCC's global reach.

4. The acquisition of Cimpor Cement Company in Portugal was completed in 2019. The Company gained three cement plants and two grinding plants with annual production capacity of 5 million metric tons of clinker and 8.4 million metric tons of cement. In addition, 800,000 metric ton grinding plants are being developed in both Ivory Coast and Cameroon. The former plant began operation in 2020, and the Cameroon plant is expected to be completed in the third quarter of 2023. These two bases will serve to increase capacity utilization and expand production efficiency in, and to expand TCC's global presence.

Long-term development plans

1. Using JVC as a starting platform, the company's goal is to extend to Europe, Africa and other countries, finding suitable partners or bases to actively expand TCC's cement business to other regions of the world, improve the geographical diversification and decentralized layout of the group's operations, and further strengthen mitigation of risk.
2. Cooperate with the establishment of cement plants and grinding plants in Mainland China, investing in the construction of aggregate plants, ready-mixed concrete plants or the precast concrete industry in the target market, in an integrated extension of upstream and downstream production of cement, and allowing more added value processing.
3. Maintain TCC's brand status in Taiwan, and strive to improve product quality and customer service in southern, southwestern and eastern China. We hope to stay in Taiwan while looking toward the Chinese Mainland to fully cultivate the southern and southwestern Chinese markets, maintaining a position as a leading cement company in Mainland China as a key long-term development goal.
4. Apply the three-fold "high" process characteristics of cement kilns, namely, "high temperature, high turbulence and high presence time", while actively establishing a company which values environmental protection, with cement plants that process solid waste such as domestic garbage, sludge, and hazardous waste. This will enhance our position in the circular economy value chain as an element in "one-stop environmental protection."

(1) Projects involving co-processing of cement kiln renewable resources (household waste)

- In December 2015, the first cement kiln co-processing facility for renewable resources utilization successfully went into operation at TCC (Anshun) Cement Co., Ltd. in Pingba District of Anshun City, Guizhou Province. This was listed as the "2016 Model Pilot Project for Collaborative Kiln Disposal of Solid Waste" by the Ministry of Industry and Information Technology and the Ministry of Finance of Mainland China. The facility is currently in stable operation.
- The TCC Shaoguan Plant in Qujiang District, Shaoguan City, Guangdong Province, is designed as a supporting co-processing facility of renewable resources in cement kiln. A 25-year domestic waste treatment agreement was signed with the district government in July 2016. The cement production line was established in 2021, going into operation in just four quarters, and a renewable resource co-processing project (at 200 tons/day) was initiated in August 2022.
- The cement kiln of TCC's Ho-Ping Cement Plant co-processes general waste in Hualien County. At the end of 2019 the Ho-Ping Plant signed a BOO contract with the Hualien County Environmental Protection Bureau. It passed the EIA review in September 2020 and obtained a building permit in March 2021. Construction started in July 2021 and the system is expected to be completed in stages and put into operation in 2023.
- Hunan Jingzhou Plant's cement kiln renewable resource co-processing project (at 200 tons/day) obtained EIA approval in November 2021, and went into operation in September 2022.

(2) Cement Kiln Collaborative Treatment of Solid and Hazardous Waste Project Part

● Treatment Project of Other Industrial Wastes at the TCC Suao Plant:

Based on the semiconductor industry's treatment of calcium fluoride sludge, coal bottom ash and fly ash and chemical plants to treat inorganic sludge, waste incineration plants to treat bottom slag recycled pellets, etc., in August 2020 a newly added alternative fuel project adopted wood chips and alternative raw materials paired with reused China Steel waste ceramics (waste fire bricks).

In another project to expand the use of alternative raw fuels, in January 2021 a number of alternative fuels approved as well, such as husks (grain), SRF (solid recovered fuel), glycerol (glycerin) and wood chips were added at 6,000 tons/month, with ground granulated blast furnace slag to replace clinker. In 2023 metal smelting slag, mineral powder, waste foundry grains, waste artificial fiber, non-hazardous oil sludge, waste wood, etc., will be applied for alternative reuse.

● Projects for processing other industrial waste at the Ho-Ping Factory: Hualien County Government issued an operating permit in February 2019. Building on the plant's processing of power plant coal ash, paper mill inorganic sludge, and sludge-derived stone powder, the company's Ho-Ping Plant will increase processing of semiconductor industry calcium fluoride sludge, steel mill reducing slag, water plant sludge and waste plastic molds from the packaging industry, which are all currently being processed stably.

In September 2022 other new alternative fuel projects were added – waste plastic, waste rubber, waste wood, organic sludge, non-hazardous sludge, waste fiber, biomass fuel (organic waste converted into biomass energy) and SRF (solid recovered fuel).

- In Guangxi, the Guigang TCC Dongyuan Environmental Protection Technology Co., Ltd. Project will handle 300,000 tons of hazardous waste and 30,000 tons of sewage treatment plant sludge annually:

The first phase of construction to treat 200,000 tons of hazardous waste has been completed, and in February 2020 the project obtained hazardous waste operating permits for 32 categories and 369 subcategories of materials for disposal. Due to the impact of the new Coronavirus epidemic, start of production was delayed to April 2020, and a 5-year renewal of the hazardous waste operating permit was granted at the end of January 2021, covering a total of 33 major categories (newly added HW46 nickel-containing waste) and 334 sub-categories, for a total of 200,000 tons/year.

The firm was notified by the Guigang City Ecological Environment Bureau (EEB) on November 30, 2011 to begin treatment of the first batch from the Guigang EEB as a model for protection, publicity and education. 105,415 tons (80,316 tons of hazardous waste and 25,099 tons of solid waste) were disposed of in 2022, an annual increase of 126% compared to the 46,641 tons handled in 2021.

- Jiangsu Jurong Plant's second-line treatment project handles 15,500 tons/year of power plant fly ash: It went into operation in October 2021.
- Jiangsu Jurong Plant's first-line treatment treats waste tires (50,000 tons/year): It was put into operation in February 2023.
- The Guizhou Kaili Plant's 50,000-ton annual hazardous waste project: On November 9, 2021, it obtained a five-year hazardous waste business license, and production began in February 2022.
- The Liaoning Municipal Sludge Treatment (60,000 tons/year) project at Liaoning: the project passed EIA review in March 2020, obtained a construction permit in September 2021, and completed on May 26, 2022.
- The Solid and Hazardous Waste Project at the Sichuan Guangan Plant (hazardous waste 100,000 tons/year, general solid waste 150,000 tons/year): EIA approval was obtained on May 14, 2011, and a license for hazardous waste management was granted on December 30, 2022. Operation was started in January 2023.

5.1.4.2 The Electricity and Energy Sector:

Short-term development plan:

The Group's Hoping Power Plant has obtained a wide range of ISO certifications and has pledged to:

1. ISO 14001 Environmental Policy:

- Comply with environmental regulations and EIA commitments, preventing pollution problems.
- Keep upgrading equipment and improve the performance of anti-pollution equipment.
- Implement waste classification and reduction, and do recycling.
- Regularly supervise and engage in pollution prevention.
- Establish and implement an environmental management and control system.
- Regular education and reporting, plus engage in publicity and written communication.
- Welcome external visits and with transparency, demonstrate environmental protection performance .

2. Promote the ISO 9001 quality management system:

Through this quality management system, the company keeps improving its mechanical and electrical equipment, providing customers with stable, reliable and high-quality power services.

3. Foster the ISO 45001 HSE management system:

Guided by the ISO 45001 environmental protection system for safety and hygiene, the company helps provide a sound facility environment, reduces the incidence of accidents that could lead to disability, keeps zero incidents in the workplace, improves communication and harmonious development, and thereby boosts the Group's image.

4. Implement ISO 27001 information security management certification:

Through planned and organized information management and maintenance, it is possible to prevent leakage of the company's business secrets, enabling the company to conduct smooth operations.

TCC Energy Storage Technology Corp. and TCC Green Energy Corp. plan to adopt the NHOA's advanced energy storage solutions and self-developed technology in the setup of 7 large-scale energy storage projects in Suao Cement Plant, Ho-Ping Cement Plant, Hualien Cement Plant, Changbin Energy Plant Phase II, and Molie Quantum Energy Plant. These projects have a total transaction service volume that exceeds 200 MW, with 195 MW/628.6 MWh being put into the auxiliary services of the E-dReg power trading platform. The Group is expected to become the largest provider of E-dReg Automatic Frequency Control (AFC) service in Taiwan in 2023.

Energy Helper TCC Corp. has harnessed the Group's resources, plus its status of being a qualified electricity seller, and its ability to aggregate renewable energies. Energy Helper TCC Corp. has more than 200 MW of green power and 8,000 renewable energy certificates (T-RECs) each year, together with offshore wind power. Following the RE goals and SBTi carbon reduction trend, the company is expected to become a competitive green power supplier in Taiwan in 2023.

TCC Green Energy Corp. set up a Green Energy Vision Pavilion in the Zhangbin office to increase awareness of the green energy industry and the importance of a friendly environment. The pavilion provides information, interactive learning, leisure, and entertainment. TCC Green Energy Corp. also built a hot spring resort park in the Hongye Geothermal Power Plant, Taitung. The general public can thus better understand green energy through the existence of green energy power plants, and the tourism and leisure industries.

In 2022, the Tainan Plant of E-One Moli Energy Corp. increased its overall production capacity. Despite the global economic downturn, the Group actively increases demand for the development of high-end products, continuing to improve production efficiency and product quality.

Medium-term development plan:

The Group's Hoping Power Plant will upgrade the DCS control system of two generating units to improve efficiency and stable operation.

Long-term development plan:

The Group's Hoping Power Plant keeps improving its air quality control system (AQCS) and adds clean energy units:

1. Set emission reduction targets and evaluate technical improvement plans for the current standards of flue gas emissions. The project to improve the air quality control system (AQCS) of equipment units is expected to be completed in 2024.

| Item | NOx ppm | SOx ppm | PM mg/Nm ³ |
|-----------------------------|---|---|---|
| Current standards | 50 | 50 | 20 |
| Emission reduction targets | 23 | 23 | 7 |
| Technical improvement plans | <ul style="list-style-type: none"> ◆ Increase volume of catalytic reactors ◆ Invest in low nitrogen burners | <ul style="list-style-type: none"> ◆ Renovate FGD absorption towers ◆ Use non-leakage gas reheaters | <ul style="list-style-type: none"> ◆ Add wet electrostatic dust collectors |

2. Build clean energy units near the Ho–Ping Plant or other places in Taiwan, continue to evaluate the construction of clean energy units, set up renewable energy power sites and participate in relevant investments, increase device capacity and profits, and support the government’s policy to promote green energy.
3. TCC Green Energy Corp. will continue to focus on the field of renewable energy, by engaging in the development, construction and operation of solar, wind, and geothermal power plants, and in research on ocean energy that has great potential for power generation.

About 57.7 MW of photovoltaic facilities and 21.6 MW of onshore wind power have been connected to the grid. We have previously applied for relevant permits to build additional 121.8 MW renewable energy facilities and they are presently under construction. Currently, all contracts are signed with Taipower for 20–year power purchase agreements in FIT. However, the Group will work with Energy Helper TCC Corp. to gradually develop the CPPA (Corporate Power Purchase Agreement) market, making future operations more flexible.

4. TCC’s new lithium battery factory in Kaohsiung of Molie Quantum Energy Corp. is expected to open in 2023. The production line will be equipped with cutting–edge technology to strengthen materials management, automated production lines, AI analysis of production data and process management, as well as back–end orders management and shipments.

The annual capacity is estimated to be 1.8 GWh, which can supply electricity for 24,000 electric vehicles per year. The company will produce 21700–sized high–nickel lithium ternary batteries with high–end, high–capacity, as well as good charge and discharge rate performance. The size can be adjusted to 22900 based on customer needs. This means that the capacity of the new plant will meet a recent trend in the electric vehicle market toward increasing battery sizes.

5. The development positioning of TCC Energy Storage Technology Corp. and Energy Helper TCC Corp. is focused respectively on energy storage systems, charging devices, green power purchases and sales, as well as the energy aggregation and operation. They can work together for the development of providing more comprehensive energy services and the expansion of different business models.

5.2 Market and Sales Overview

5.2.1 Market Analysis

5.2.1.1 The Cement Sector

Sales Market, Market Share, Future Supply and Demand, and Growth of Major Products

Cement and ready–mixed concrete, the main products of TCC, are sold at home and abroad.

In 2022, the amount of cement consumption in Taiwan was 13.48 million tons, up 6.7% from 12.63 million tons in 2021. In 2022, TCC sold 5.07 million tons of cement and clinker (including materials used in the ready–mix concrete plants) in the domestic market, down 1.9% from 5.17 million tons a year earlier. The company commanded a 38 percent market share in 2022.

The government’s continuous development of major infrastructure projects and investment expansion in the electronics industry drove the demand for cement in Taiwan in 2022.

However, the higher cost of coal and sea freight greatly impacted cement prices. To maintain profits, TCC increased its sales price to offset the impact of higher costs.

Despite the Forward–looking Infrastructure Development Program and real estate projects still in progress, the 2023 domestic demand for cement will remain flat due to the continued strained relationship between Taiwan and China, the impact of the Russo–Ukrainian War, the volatility of global financial markets, the central bank’s expected interest rate hike, the government’s continuous tighter housing market policy, and the postponement of fixed investment projects in the electronics and manufacturing industries.

In 2023, the domestic sales of TCC cement and clinker is expected to be 5.1 million tons. The price for domestic cement will continue its upward trend and TCC will maintain reasonable sales prices to absorb higher costs.

The majority of TCC exports are cement and clinker. In 2022, the company exported 0.55 million tons of cement and clinker to overseas countries, down 50.9% from 1.12 million tons in 2021.

In 2023, the company’s export volumes is estimated to reach 0.5 million tons. The international cement market is expected to fluctuate at higher rates due to the impact of coal prices. Although the company raised its export prices in 2023, higher production costs have not been beneficial for its exports. In addition, export volumes will continue to decline because the company complies with the government’s export control policy.

In 2022, total TCC sales of cement and clinker (including material used in ready–mix concrete batching plants) at home and abroad were 5.617 million tons, a decrease of 10.7% from 6.293 million tons a year earlier. The decrease was primarily driven by the reduction of export volumes and a large number of low–priced imported cement from Vietnam into the market.

In 2023, TCC will continue its strategy of stable profits. The sales target for the Company’s cement and clinker (including material used in ready–mix concrete batching plants) in Taiwan and abroad in 2023 will be 5.6 million tons, an increase of 2% from 5.49 million tons in 2022.

In 2022, the company sold 5.259 million cubic meters of ready–mix concrete, down 1% from 5.30 million cubic meters in 2021.

In 2023, the sales volume of ready–mix concrete is expected to decrease due to the gradual slowdown in the property estate market, factory construction and public works. However, TCC estimates that the shipping volume will remain at 5 million cubic meters due to many on–going construction works. The higher costs of raw materials will mean that the company will adjust the selling price of its products to maintain reasonable and stable profits.

Competitive Niches and Favorable Factors for Industry Development

TCC is Taiwan’s largest and oldest cement and ready–mix concrete manufacturer and supplier. It is a model company with successful vertical integration of domestic products. The Company’s products

are renowned for their high quality and superior image thanks to strong R&D capacity and stringent process control. In addition, TCC has cement distribution centers and ready-mix concrete plants all over Taiwan, thereby creating a complete sales network in major metropolitan areas and providing customers with the best products and services. This is the Company's competitive niche.

In 2021, the company's ready-mixed concrete raw materials and product traceability was certified by the Taiwan Construction Research Institute (TCRI). Customers can access the company's system through QR codes or emails to review the latest inspection reports of raw materials and finished products, thereby understanding the product quality variance.

These achievements demonstrate the company's commitment to providing high quality services and products. In 2022, the company's cement and concrete products obtained the (BSI) British Standards Institution's ISO 14064 and ISO 14067 certifications as well as a carbon footprint label from Taiwan's Environmental Protection Agency.

In 2023, TCC has disclosed its carbon emissions for cement and concrete shipments, further demonstrating the company's efforts at carbon reduction in its products.

TCC continues to apply for carbon reduction management certifications, such as carbon reduction labels, green building materials, water footprints, circular economy, energy management, green factory labels, and water resource efficiency management systems, in a bid to achieve the goal of carbon neutrality in 2050.

1. The domestic demand for cement remains stable due to the Taiwanese government's Forward-looking Infrastructure Development Program, the promotion of public construction, urban renewal projects, and the construction of social housing.

Overseas Taiwanese businesses have been increasingly returning and investing in Taiwan despite the impacts of the U.S.–China trade war and new coronavirus variants. This drives economic improvement and helps maintain the stable development of the cement industry.

2. The sturdy demand for industrialization, urbanization, and economic development in China has driven its government to implement strict environmental protection standards, limit the construction of new production facilities, enforce staggered production schedules, and impose carbon reduction policies.

This will help solve the problem of China's cement overcapacity. With the Chinese cement market gradually reaching maturity, mergers and acquisitions will be inevitable in the future. TCC will cautiously assess China's economic conditions, and use its advanced position in carbon reduction and efficiency improvement to maintain its lead in the cement industry.

Unfavorable Factors and Countermeasures for Industrial Development

1. The central government levied commodity taxes, air pollution fees, and waste disposal fees on the cement industry and local governments imposed mining taxes. Such levies have adversely impacted the cement industry. Moreover, the government has prohibited factory and capacity expansion due to the small and mature cement market in Taiwan.

2. In recent years, environmental awareness has increased. External interference and obstacles affecting the application and renewal of mining permits also continue to intensify. Furthermore, many countries set reduction targets for greenhouse gas emissions. To keep their commitments to reduce carbon emissions, some governments may take aggressive action, such as levying carbon taxes and setting production restrictions. The Taiwanese government has proposed a carbon tax and plans to put it into practice soon.

Countermeasures:

1. In Taiwan, TCC relies on information systems to control costs, integrate the markets of Taiwan and China, and boost overall operating efficiency. The company continues to strengthen its presence in the domestic market and maintain its leading position in the industry.

It also actively works with the government to facilitate the nation's development, and in order to help achieve sustainable development, TCC implements cement industry policies, promotes a circular economy, and deals with the disposal of industrial waste.

2. Taiwan's cement sector is already a mature industry with limited room to grow. TCC has invested in China's cement market and chose southern China as its target market as well as expanded to eastern and southwest China.

At the end of 2009, the company successfully merged and acquired the cement production capacity of Prosperity Minerals. This was one way of responding to China's policy of controlling capacity, suspending new construction projects, encouraging mergers and acquisitions, and increasing market concentration.

In 2011, TCC continued to acquire the cement production capacities of Gangan, Kaili, Scitus Cement, and Taichang companies, located in the Guizhou and Sichuan Provinces.

In 2014, the company acquired Chuantie Cement in Sichuan Province and Jindadi Cement in Hunan Province.

In 2022, TCC yearly capacity in China reached 66.54 million tons. In line with China's carbon peak in 2030, carbon neutrality in 2060, and energy consumption control policies, the company will accelerate the development of alternative energy, resource recycling and reusing, plus other scientific carbon reduction techniques to achieve sustainable operations.

3. On October 25, 2018, the TCC board of directors approved the establishment of Dutch TCC Holdings, a wholly-owned subsidiary in the Netherlands. Dutch TCC Holdings and OYAK established the joint venture company (JVC). TCC and OYAK have 40% and 60% of JVC equities.

JVC controlled all of OYAK's cement business in Turkey. This was the first time that a Taiwanese cement maker stepped out of the Asian cement market. As a result, TCC became a key shareholder in a holding company with a dominant presence of 19% of Turkey's total cement capacity of 119 million tons.

Through its partner OYAK and Turkey's special status in the Mediterranean region, TCC expects to leverage JVC to do strategic M&As and form strategic alliances. In 2019, the company

successfully acquired Portugal's Cimpor and became one of the most influential cement makers there. Such moves facilitate TCC's future global network.

- TCC set up the Corporate Sustainable Development Committee under the board of directors to hold regular meetings, discuss climate change risks, and set goals and relevant measures. In addition, the Company continues to abide by higher standards than existing environmental regulations.

Relying on information systems to obtain relevant statistics, TCC's cement division also holds regular meetings to review environmental performance indicators in the manufacturing process, set specific carbon reduction goals, and track implementation progress.

TCC implements environmental service integration in the circular economic operation model. It integrates cement production and waste disposal, fulfilling its role to "balance the complicated relationship between human beings and nature." It thus fulfills its social responsibilities and creates a win-win situation for its stakeholders.

5.2.1.2 The Electricity and Energy Sectors:

1. The Electricity Department:

Sales Market, Market Share, Future Supply and Demand, and Growth of Major Products

Power generated by the TCC Group's power department is currently sold wholesale to Taiwan Power Company (Taipower) in accordance with power purchase and sale contracts; the power output is coordinated and distributed by TaiPower.

According to statistics from the official Taipower website, total installed capacity of Taiwan in 2022 was 53.736 GW, and net power generation was 250.75 billion kWh, of which total installed capacity of coal-fired power plants was 14.6971GW, and net generation was 87.295 billion kWh. Additionally, total installation capacity of renewable energy was 13.5783 GW, and net generation of renewable energy was 21.632 billion kWh.

Installed capacity of TCC Group's Ho-Ping Electric Power Unit 2 is 1.31 GW, and electricity sales in 2022 totaled about 8.12 billion kWh, accounting for about 9.3% of all coal-fired power generation in Taiwan. In addition, in 2022, the Group's photovoltaic facilities currently in operation have a capacity of about 57.7 MW, onshore wind power is 21.6 MW, and electricity sales totaled about 101 million kWh, accounting for about 0.47% of Taiwan's renewable energy power generation.

In response to Taiwan's renewable energy policies and the nature of its power generation structure, the Group will continue to develop renewable energy power sites and connect them to the grid, and through a combination of Group resources, power plant operations will enjoy more stable growth than their peers. Existing grid-connected power plants will also see more widespread use. Contracts will be extended or equipment will be updated, and new contracts will be signed.

At the same time, new energy storage facilities including both battery energy storage and pumped storage will be actively installed, and numerous gas-fired power generation projects will be promoted in cooperation with Taipower and private power plants to gradually build up a low-pollution/low-

carbon emission environment.

As for carbon emissions in the energy supply system, in view of recent sizable changes in energy and economic situations at home and abroad, the Group will conduct a rolling review of annual industrial development and growth in electricity consumption as well as the needs of the public's lifestyles in the future, and dovetail the Group's actions to meet national energy policies and follow the net-zero emission path to promote various power supply development plans, lay out and maintain appropriate reserve capacity, and strive for a stable power supply.

Competitive Niches and Favorable Factors for Industry Development

1. Taiwan's economy continues to grow, and demand for electricity will continue to increase:

In 2022, policies governing electrification motor vehicles, future expansion plans of the domestic semiconductor industry and trade conflicts between the US and China will exert pressure on Taiwan companies to bring their overseas operations back home; these trends will all be reflected in the growth of high electricity-consuming companies during the base period of 2023 to 2028. During this period average annual growth rate of domestic electricity demand should still be significantly higher than the average annual growth rate of 1.6% experienced over the past 10 years.

2. TCC's power generation facilities are generally located close to the northern power load center, a situation which offers certain geographical advantages:

In recent years, large-scale generating units such as Nuclear Power Plant 2 and the Hsien-ho Plant in the north Taiwan have been decommissioned one after another. Power development projects such as the Shen'ao and 4th Nuclear Power Plant in eastern areas of the central and north regions, as well as the 3rd Natural Gas Receiving Port to supply fuel for the Da-tan Power Plant, are planned but have yet to be successfully implemented. This results in a shortage of power in the north. Because output from the Group's Ho-Ping power generating units is connected to the northern power grid, it is playing an increasingly pivotal role in a northern power grid that is chronically short of power.

3. Public awareness of the importance of environmental protection is improving:

Taiwan's social environment has changed considerably in recent years. Social groups are becoming more diversified, and people's awareness of the need for environmental protection has been heightened. Although various coal-fired power plants and the government have actively adopted some environmental protection measures to reduce pollution caused by power plants to the community, they still cannot completely eliminate all of the impact on the public. In addition, doubts about environmental protection practices at coal-fired power plants have made it difficult to obtain land for new power plant sites and power transmission line tower bases.

4. Promotion of renewable energy policies will continue in the future:

In 2022, renewable energy accounted for 8.3% of Taiwan's total electricity supply, and it has now edged slightly past nuclear energy's share of 8.2%. Given the vision of a non-nuclear homeland by 2025 and an energy policy with a target of 20% for renewable energy power generation, it is obvious that there are still considerable needs for growth and development of green energy.

5. Combined utilization of group resources:

Unlike other coal-fired power plants, which must have ash ponds to bury their problematic coal ash product, TCC Group originally designed its Ho-Ping Plant so that coal ash produced in coal combustion would be provided to the cement plant as a raw material to replace clay. In addition, the Ho-Ping plant is designed so that limestone required for use in desulfurization processes can be directly supplied by the cement factory, and the gypsum produced in desulfurization can be used as a retarder in producing cement, an arrangement which satisfies the needs of both industrial resource regeneration and environmental protection. In terms of air pollution and water pollution, little is needed other than a 250-meter-high chimney to facilitate the emission of exhaust gases, and an indoor coal bunker to store and transport coal in fully-enclosed corridors to eliminate coal dust and water pollution by coal.

In addition to carrying out the plans described above and building related equipment to reduce pollution, TCC Group has also retained professional consultants, academic institutions and testing agencies certified by the EPA to implement environmental quality monitoring schemes during operations and in nearby coastal areas on a quarterly or monthly basis. Ecological survey plans as well as flue and effluent test plans for the whole plant are aimed at implementing comprehensive environmental protection and strengthening mutual trust between the Group and the surrounding community. Combining all of the above-mentioned actions will provide adequate niches for maintaining sustainable operations of the company.

Unfavorable Factors and Countermeasures for Industrial Development

Fluctuations in international fuel prices:

Power generation costs for coal-fired power plants stem mainly from the price of coal, which is an international bulk raw material transaction item, meaning that the market price is easily affected by economic cycles and varying demand. This in turn directly affects operating costs and profitability of coal-fired power plants. In the first half of 2022 increases in international coal prices were beyond what energy tariff rates could compensate for, resulting in an increase in power generation costs, which then broadly affected profits in the first half of the year. Fortunately, in the second half of the year tariff rates have been able to properly absorb increases in the cost of coal.

Countermeasures:

To reduce the supply risk posed by extreme weather in coal supply production areas for coal-fired production (such as Australia, Indonesia, Russia, and etc.), various procurement methods (spot purchases, long-term contracts) are used to disperse the effects of coal price fluctuations and risks posed by single regional fuel supply sources.

2. The Energy Department:

Sales Market, Market Share, Future Supply and Demand, and Growth of Major Products

TCC Group's E-One Moli Energy Corp. (E-One Moli) battery products exported to Asia accounted for 70% of the unit's sales, while North America accounted for 20% and other regions accounted for about 8%. Domestic sales accounted for the remaining 2% of total sales. Based on SNE Research's

statistics, the top ten players in installed power battery capacity in 2022 were Contemporary Amperex Technology (CATL), LG New Energy, BYD Auto, Panasonic, SK On, Samsung SDI, China Innovation Aviation (China Aviation Lithium Batteries), Gotion High-Tech, Sunwoda and Farasis Energy. E-One Moli's market share was about 0.5~1% of the total market.

Studies by the Industrial Trends and Economic Research Center (IEK Consulting) predicted that global demand for batteries for electric vehicles would reach 480 GWh in 2022 and continue to increase year on year after that. It is estimated that demand for batteries in the next 10 years will grow from less than 200 GWh in 2020 to 3000 GWh, an increase of more than 15 times. In addition, the McKinsey report predicts that expected battery demand for electric vehicles produced in Europe is more than five times the number of projects currently confirmed in Europe, with additional demand expected to be about 1,000 GWh/year by 2040. Electrification of motor vehicles, aircraft, ships and heavy machinery will further increase demand for batteries. The above-mentioned gap in the industrial chain must be filled by battery imports or development of local additional battery manufacturing capacity.

TCC Group has become increasingly involved in construction of the energy landscape. The Group simultaneously acquired NHQA energy operations and established TCC Energy Storage Technology Corporation (TCC Energy Storage). At present NHQA sites are located in Europe, the Americas, Oceania and Africa. The group holds various patents and offers products in advanced battery energy storage systems (BESS), electric vehicle fast charging devices, smart grids and hydrogen energy charging, while TCC Energy Storage is focused on the Asia-Pacific market and jointly working toward a global energy ecosystem.

TCC Group's TCC Energy Storage business centers on energy storage, charging piles, green power purchases and sales, energy aggregation and operation, etc. Since 2022 the Group's Suao Cement Factory, Ho-Ping Cement Factory and Hualien Cement Factory have been joined by seven large-scale energy storage projects including Changhua Coastal Park Service Center and Molie Quantum Energy Corporation, with a total capacity of more than 200 MW. Construction is expected to be finished and the projects officially launched in 2023, becoming the largest qualified E-dReg transaction supplier on the electricity trading platform.

At present, charging piles are being aggressively added to support the charging needs of customers like LDC Hotels & Resorts in the eastern region of Taiwan. We also work with tourist attractions to solve problems encountered in traveling and charging for car owners in eastern areas of the island. In the western region we are mainly focused on the charging economy. For example, in July 2022 the world's first UHPC energy storage cabinet combined with a charging pile site was built and launched at the 7-11 Yawan store in Tainan.

Meanwhile, TCC Group has established an online matching platform and consulting systems, so that enterprises with green electricity needs can gain a preliminary understanding of the green power field beforehand, and can conduct self-assessments through online consultant calculations. In addition to integrating the green power resources of the Group, green power supply units also negotiate with offshore wind power companies to develop additional green power resources. The Group also retains a certain percentage of green-power resources for those small and medium-sized enterprises with an innate sense of social responsibility. Power resource management gives priority to models developed by affiliated companies of the Group. Currently, Changhua Coastal Park Service Center is participating in E-dReg services of 5 MW, and E-One Moli is involved by providing instant backup of 1 MW in spinning reserve services. Meanwhile Ho-Ping Cement Plant has finished installing a 2.2-MW

energy storage system and is participating in supplemental reserve services in coordination with its on-site demand response.

Competitive Niches and Favorable Factors for Industry Development

1. Global environmental policy and goal setting:

Countries set their own policies and goals for electric vehicles, expanding the global electric vehicle market and promoting development of electric vehicles through tax cuts, subsidies, infrastructure construction, and exhaust emission regulations. To accelerate promotion of the industry, however, advanced battery technology is also being feverishly sought in many areas. For example, the US government provides policy incentives for the industry to develop high-end batteries and encourage technological development in the battery industry. E-One Moli has the capability to develop positive and negative electrode material formulas and electrolyte formulas for producing advanced batteries, and has accumulated more than 70 domestic and foreign patents. Product quality is stable and the entire product line complies with EU RoHS and green product specifications, passing numerous certifications including tests fielded by UL, UN, CE, and Certification for the MOEA's Bureau of Standards, Metrology and Inspection (BSMI) in 2014. The Group's battery products are widely used by the US military.

2. A review mechanism for terms offered to large electricity consumers has been initiated:

A key turn in the terms offered to large electricity consumers lies ahead in 2025. A report issued in 2023 by the Bureau of Energy of the Ministry of Economic Affairs revealed that a majority (52%) of current large electricity consumers purchase renewable energy power and certificates, the pursuit of goals in the areas of global carbon emissions, RE100, and SBTi is ongoing and not conflict with each other. TCC Group has formulated a completely new integrated energy plan that offers customers a wide range of choices. If large electricity consumers choose to purchase green electricity to meet their obligations, the Group will ensure that optimization services are provided, so that fulfilling obligations will no longer be an internal waste of resources and costs for businesses.

3. Increasing demand for electric vehicle charging equipment:

Government decrees increasingly attach importance to establishing exclusive parking spaces and charging facilities for electric vehicles, and they have begun regulating charging facilities in specific areas such as public parking lots or commercial office buildings. With increased charging demand, construction of energy storage equipment is also becoming more essential. To mitigate uneasiness over fire prevention and explosion protection that generally weigh on the public's minds, the Group is using UHPC (Ultra-High Performance Concrete) as the primary material for constructing energy storage cabinets. This program was officially launched in July 2022 and has gradually been optimized into standardized products with different charging capacities and usage areas to provide fast, efficient and secure service.

Unfavorable Factors and Countermeasures for Industrial Development

The global battery raw material supply chain is unstable:

According to market research company BMI's predictions, global lithium consumption is pegged at 320,000 tons in 2020, 1 million tons in 2025, and 3 million tons in 2030. Bloomberg New Energy Finance estimates that global lithium consumption will quadruple before the end of 2029. In the face

of huge market demand and rising raw material prices, battery manufacturers may well be forced to increase prices or face shortages in supply.

Looking at available market information, in the recent raw materials market the unit price of cobalt is more than double that of nickel, both of which are raw materials essential for producing of electric vehicle batteries. The majority of electric vehicle battery manufacturers are located in South Korea, mainland China and Japan. Mainland China has a widespread presence in related industries. As a results, problems in material supply can quickly lead to production interruptions. The current US-China trade war is expected to continue for some time, with the US planning to de-Sinify the battery supply chain as much as possible, and it will probably further regulate battery raw materials in the future. With a large segment of production confined to mainland China, unstable supply chains promise to be a long-term problem affecting the entire battery industry.

Countermeasures:

In the wake of COP26, demand for lithium batteries is surging once more, with resulting shortages of raw materials and sharp rises in prices. This has been exacerbated by inflation stemming from the Ukrainian-Russian war, as raw material supply and price fluctuations have intensified. In response to increasing risks, the Group's energy operations have adopted two main policies to minimize or avoid risks:

1. Increase inventory levels of raw materials: 3-4 months of inventory for primary materials is required to cope with the risk of supply chain shortages that may occur at any time.
2. Actively develop alternative sources: For primary materials or materials subject to tight market supply, evaluate possible alternative sources to diversify risk. At present, there are more than ten types of alternative materials under evaluation to avoid the risk of supply interruptions that may result from reliance on single sources.

5.2.2 Production Processes and Uses of Main Products

5.2.2.1 The Cement Sector

| Main Products | Uses |
|---|--|
| Type I Cement | The main product of various cement companies in Taiwan is commonly known as ordinary cement which is mainly supplied to the market. It is only suitable for general engineering and construction because it does not have the characteristics of other kinds of cement. |
| Type II Cement | Also known as flat heat cement, its chemical composition is more restricted than Type I cement, its hydration slower, and its hydration heat also lower. It has moderate resistance to sulfate erosion and is suitable for reservoirs, dams, massive concrete, harbors, docks, coastal buildings, fish reefs, sewers, factory drainage, chimneys and other structures. |
| Type III Cement | Generally known as early-strength cement, this type of cement has high early strength, suitable for short construction periods such as emergency repairs of buildings and roads. |
| Type V Cement | It is highly resistant to sulfate corrosion, and its maximum of 5% mineral composition tricalcium aluminate (C3A) content is lower than those of other types of cement. Its C4AF sum plus 2 times C3A is regulated within 25%, making it suitable for areas with a large amount of sulfate in the water or soil, such as harbors, oceans, tunnels, bridges, sanitary sewers, chemical factories, structures in hot spring areas, and offshore construction projects. |
| Type I Low-temperature, Low-alkali cement | TCC manufactures and supplies this type of cement to meet the needs of high-speed rail projects, Taipei City and Kaohsiung MRT projects. Its low-temperature and low-alkali properties can avoid cracks caused by high concrete temperatures and alkali-aggregate reactions (AAR) and increase the durability of structures. |
| Type II / V High-strength cement | This type of cement is developed for export to the US market. It has high resistance to sulfate attacks and high early and late strengths. |

The main raw material of cement is limestone. TCC's mining work uses the safest and most environmentally friendly methods. First, the limestone taken out of the mine is transported by truck to the vertical shaft mouth for unloading, and then it is crushed by the stone crusher at the bottom of the shaft. It is then transported to the secondary crusher by the belt conveyor for secondary crushing, and then sent to the pre-mixing warehouse for mixing evenly.

Another possible process is for the extracted limestone transported by truck to the crushing machine, sent to the transshipment silo at the foot of the mountain by aerial ropeway, and then sent to the pre-mixing silo in the factory by belt conveyor for mixing evenly. The limestone of uniform quality is then extracted from the pre-mixing silo by the re-extractor.

According to the precise computer ratio, it is fed with clay, silica sand, and iron slag into the raw meal mill to make raw meal powder, which is sent to the raw meal mixing warehouse and mixed well to prepare it for the firing clinker.

The raw meal is pumped through the raw meal mixing warehouse, and after adequately weighing, is fed into the preheater, deacidified, decomposed, and then burned by the rotary kiln with a pulverized coal burner. It is cooled by air in the cooler and after adding an appropriate amount of gypsum retarder is ground into cement. It is then sent to the warehouse for storage and delivery.

To improve productivity and cement quality, all production processes utilize automatic equipment and computer-controlled operations. Finally, it is packaged into bagged cement by an automatic packaging machine or sold in domestic and foreign markets as bulk cement.

5.2.2.2 The Electricity and Energy Sector

1. The Electricity Department

Electricity, the mother of industry and the bedrock of a vibrant industrial and commercial economy, is the main product of the Group's electricity Sector. Electricity is used in a wide range of applications, including people's livelihood, industry, agriculture and transportation, all of which require electricity to function properly.

Thermal power production process is as follows:



Geothermal power production process is as follows:



Wind power generation process:



The power generation process of solar energy is as follows:



2. The Energy Department

This department's main products are lithium secondary batteries, construction of energy storage systems, construction of charging piles, green power purchase and sale, energy aggregation and operation.

Lithium secondary batteries have high energy density, long life and repeated charge/discharge capabilities. It is a very mature technology and has become a very popular energy source. They are widely used in smart electronic devices, hand-held electric tools, and electric vacuum cleaners.

They are also used for medical equipment, BEV (pure electric vehicles), HEV (hybrid electric vehicles), various mobile electric vehicles, data center backup power supplies, agricultural machinery, unmanned guided vehicles (AGV), electric skateboards, heavy electric motorcycles, off-road racing motorcycles, electric bicycles, unmanned aircraft, and energy storage systems. In recent years, they have also been utilized for the active development of vertical take-off and landing flying vehicles (EVTOL) and low-orbit satellites.

The construction of energy storage systems assists users in their power consumption and contract capacity reduction. Such systems can also be used as an option for large power consumers to fulfill their obligations. They could also be built as uninterruptible power supply systems or as centralized charging systems.

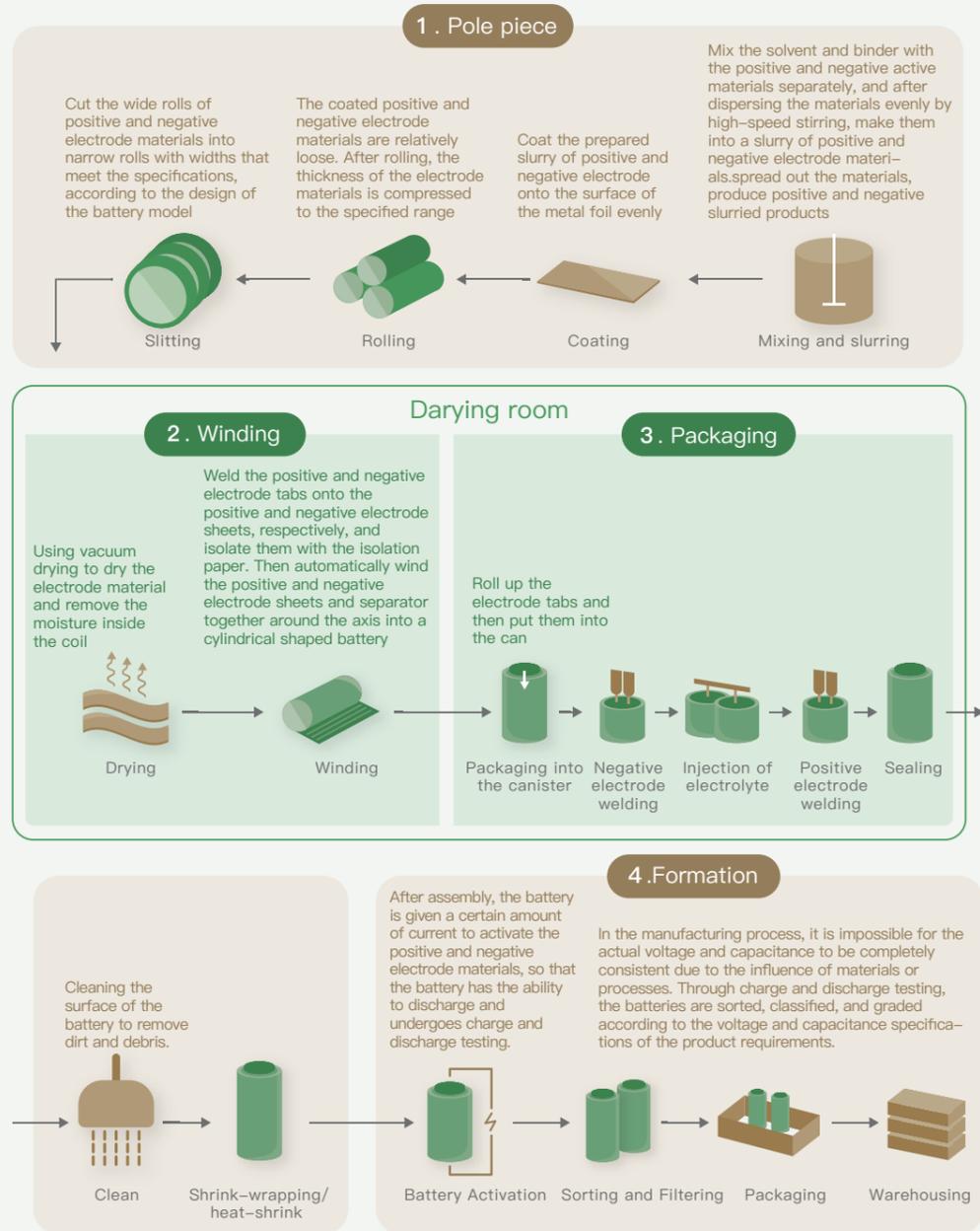
The energy storage system could also be used to stabilize the power grid. With its own renewable energy, the system could optimize power generation to meet varying consumer needs, and thus achieve the RE100 goal. Building the energy storage system could be costly but it stabilizes electricity consumption and reduces hidden costs. Building such a system further outweighs the costs because it could form part of the auxiliary service market for power trading platforms.

The construction of charging piles is guided by the goals set by RE100/EV100. The use of electric vehicles will become a trend and relevant laws and regulations will also be gradually formulated. For example, public parking lots should be equipped with special parking spaces for electric vehicles and their charging facilities. This will help increase construction.

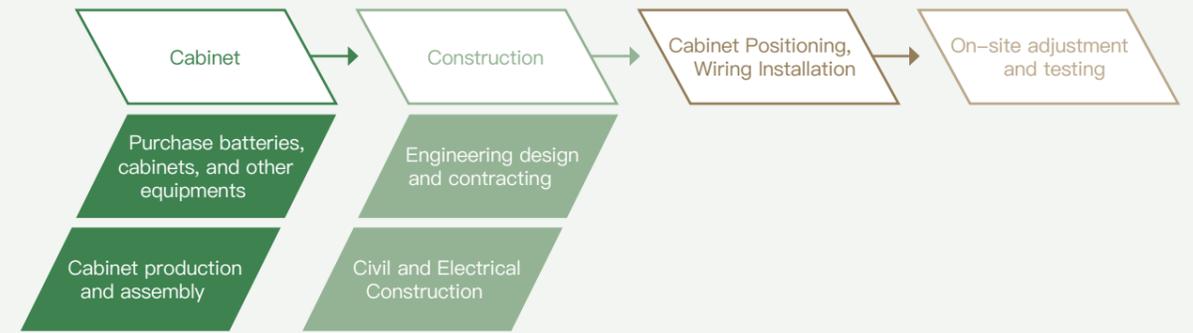
The purchase and sale of green electricity assist large electricity consumers to fulfill their obligations, achieve the RE100 target, implement the SBTi carbon reduction plan, respond to the 2050 net-zero carbon emission target, and meet the requirements of the international supply chain.

The adequate management and aggregation of power resources, such as energy storage systems, and the timely power demand response can enable users to participate in Taipower's power trading platform or achieve energy savings and carbon reduction, bringing actual benefits.

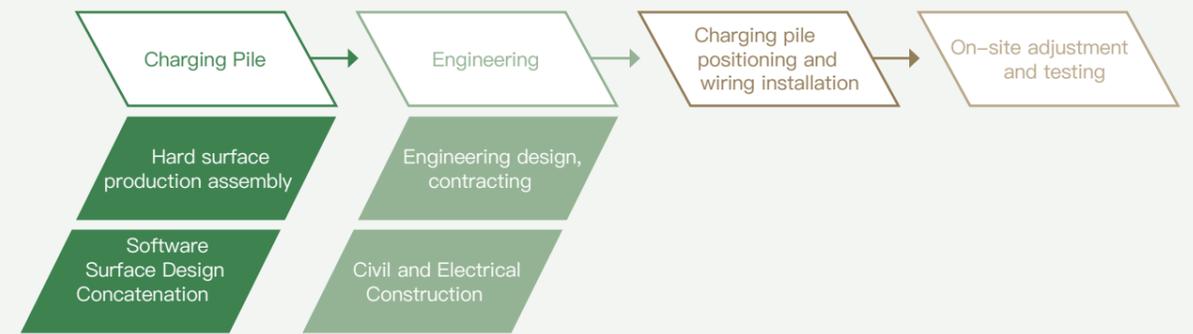
Lithium Secondary Batteries Production Process:



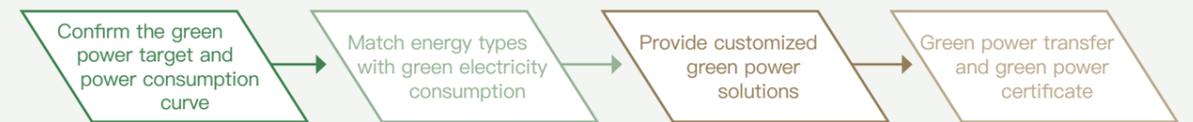
Energy Storage Systems Construction Process:



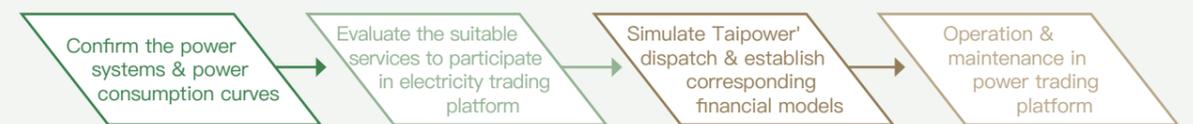
Charging Pile Construction Process:



Green Electricity Purchase and Sale Process:



The Process of Energy Resource Aggregation and Operation for Power Trading:



5.2.3 Supply of Main Raw Materials

5.2.3.1 Cement Department:

Cement production relies on the following main raw materials: limestone, clay, silica sand, iron slag, and gypsum. The production fuel used is mainly coal, and alternative fuels are used to reduce costs and carbon emissions.

Limestone is both self-produced and sourced through long-term supply contracts signed with domestic manufacturers. Similarly, clay and silica sand are procured from domestic suppliers. On the

other hand, gypsum, low-alkali sand, and iron slag are purchased from high-quality domestic and foreign suppliers.

Taiwan imports coal mainly from Australia and Russia, mostly through spot bidding. Mainland China produces its own local coal. Other auxiliary materials are obtained through long-term contracts with mainland Chinese companies. Alternative fuels in Taiwan are mainly made up of sawdust and waste wood, whereas in mainland China, they mainly comprise wood chips, waste wood, and waste spinning materials.

The Company relies on stable raw material suppliers that sell at competitive market prices.

5.2.3.2 The Electricity and Energy Sector:

The Group's thermal power generation department abides by the government's power supply requirements and environmental assessment standards. The average annual ash content of coal should be less than 12%. Therefore, procurement must be diversified in order to match the low ash content of Indonesian or Russian coal. Procurement is therefore done through long-term and short-term supply contracts.

Weather factors could limit the amount of sunlight and wind in renewable energy power generation, but this still has great benefits for environmental protection. The extensive use of renewable energy, energy-saving measures, and waste reduction effectively control the impact of human beings on the environment.

The energy department just relies on a few companies for its needed supply of raw materials even though the number of raw materials suppliers have increased due to the growth of the global energy industry. In 2022, there was a rise in the prices of raw materials and battery components. The Russian-Ukraine war also disrupted the metals market and caused the prices of battery-related raw materials to remain high.

However, long-term cooperation with major suppliers in the energy sector and proper negotiations ensured a stable supply.

Besides such long-standing purchase arrangements, we also actively develop new sources. Moreover, the joint development of advanced materials enables us to gain a leading position in technology and meet customers' needs for better battery performance.

5.2.4 Major Suppliers and Customers for the Most Recent Two Years

Suppliers accounting for more than 10% of annual net procurement for the most recent two years:

Unit: NT\$ thousands

| Item | 2021 | | | | 2022 | | | |
|------|----------------------------------|--------------------|------------------------------------|-----------------|----------------------------------|--------------------|------------------------------------|-----------------|
| | Supplier | Procurement amount | As % of 2021 total net procurement | Relation to TCC | Supplier | Procurement amount | As % of 2022 total net procurement | Relation to TCC |
| 1 | Yancoal Australia Sales Pty Ltd. | 4,968,629 | 8% | None | Yancoal Australia Sales Pty Ltd. | 8,281,045 | 11% | None |
| 2 | Others | 55,891,812 | 92% | - | Others | 67,637,307 | 89% | - |
| | Total net procurement | 60,860,441 | 100% | | Total net procurement | 75,918,352 | 100% | |

Note 1: Discontinued department was excluded for the year of 2021.

Note 2: The increase in the procurement amount from Yancoal Australia Sales Pty Ltd. compared to the previous period is due to the rising market price of coal.

Customers accounting for more than 10% of annual net revenue for the most recent two years:

Unit: NT\$ thousands

| Item | 2021 | | | | 2022 | | | |
|------|-------------------|-------------|--------------------------------|----------|-------------------|-------------|--------------------------------|----------|
| | Customer | Net revenue | As % of 2021 total net revenue | Customer | Customer | Net revenue | As % of 2022 total net revenue | Customer |
| 1 | Taipower | 11,183,628 | 10% | None | Taipower | 23,605,027 | 21% | None |
| 2 | Others | 95,857,824 | 90% | - | Others | 90,324,679 | 79% | - |
| | Total net revenue | 107,041,452 | 100% | | Total net revenue | 113,929,706 | 100% | |

Note 1: Discontinued department was excluded for the year of 2021.

Note 2: The increase in the sales amount of Taipower compared to the previous period is due to the adjustment of selling prices in response to the rising market price of coal.

5.2.5 Production Volume for the Most Recent Two Years

Unit: Production: NT\$ in thousands

| Major products | Production | 2021 | | | 2021 | | |
|----------------|---|-------------------|----------|------------|-------------------|----------|-------------|
| | | Capacity (Note 1) | Output | Amount | Capacity (Note 1) | Output | Amount |
| | Cement and clinker (thousand tonnes) | 74,700 | 50,479 | 74,258,403 | 74,430 | 42,082 | 61,824,358 |
| | Ready mix concrete (thousand m3) | 15,102 | 5,257 | 12,900,204 | 15,246 | 5,109 | 13,551,963 |
| | Electricity (Capacity: MW, Production: GWh) | 1,332.9 | 8,393.99 | 10,391,837 | 1,376.40 | 8,220.57 | 23,356,774 |
| | Batteries (1,000 peaces, 1,000 units)(Note 2) | 30,833 | 29,217 | 2,134,027 | 84,156 | 67,910 | 6,077,150 |
| | AFC (5 MWh) (Note 3) | 5 | – | 20,084 | 5 | – | 28,586 |
| | Energy resources (GWh) | – | – | – | – | 22.20 | 1,428 |
| | Total | | | 99,704,555 | | | 104,840,259 |

Note 1: Capacity is the amount of production volume that can be achieved under normal circumstances, taking into account losses from downtime due to periodic maintenance and holidays.

Note 2: Batteries were consolidated into the Electricity and Energy Sector since August of 2021.

Note 3: In the year 2021, AFC products were classified as other products. Starting from the year 2022, they were classified as independent products due to the expansion of operations.

Note 4: Discontinued department was excluded for the year of 2021.

5.2.6 Sales Volume for the Most Recent Two Years

Unit sales amount: NT\$ in thousands

| Major products | Sales | 2021 | | | | 2022 | | | |
|----------------|--|----------|------------|--------|-----------|----------|------------|--------|-----------|
| | | Domestic | | Export | | Domestic | | Export | |
| | | Volume | Amount | Volume | Amount | Volume | Amount | Volume | Amount |
| | Cement and clinker (thousand tonnes) | 48,536 | 71,189,262 | 1,120 | 1,363,367 | 40,192 | 57,531,830 | 551 | 1,037,388 |
| | Ready mix concrete (thousand m3) | 5,393 | 13,236,713 | – | – | 5,275 | 13,994,292 | – | – |
| | Electricity (GWh) | 8,393.99 | 10,391,837 | – | – | 8,220.57 | 23,356,774 | – | – |
| | Batteries(1,000 peaces,1,000 units) (Note 3) | 2,460 | 194,826 | 29,776 | 2,130,502 | 1,222 | 135,886 | 60,705 | 6,082,633 |
| | AFC (5 MWh) (Note 4) | – | 20,084 | – | – | – | 28,586 | – | – |
| | Energy resources (GWh) | – | – | – | – | 22.20 | 6,074 | – | – |
| | Total | | 95,032,722 | | 3,493,869 | | 95,053,442 | | 7,120,021 |

Note 1: Domestic sales of cement and clinker exclude cement and clinker used in the manufacture of ready-mix concrete. The company used 1,175,000 tonnes of cement and clinker in 2021 and 1,173,000 tonnes in 2022 for the production of ready-mix concrete.

Note 2: Presented above is the Group's sales information before intercompany eliminations.

Note 3: Batteries were consolidated into the Electricity and Energy Sector since August of 2021.

Note 4: In the year 2021, AFC products were classified as other products. Starting from the year 2022, they were classified as independent products due to the expansion of operations.

Note 5: Discontinued department was excluded for the year of 2021.

5.3 Employees for the Most Recent Two Years

| Item | Year | 2021 | 2022 | As of March 20, 2023 |
|--------------------------|-------------|---------------------------|--------|----------------------|
| | | Total number of employees | 11,931 | 12,188 |
| Average age | | 39.92 | 40.68 | 40.75 |
| Average years of service | | 7.25 | 7.60 | 7.69 |
| Education | Ph.D. | 0.20% | 0.35% | 0.36% |
| | Master's | 2.63% | 3.24% | 3.29% |
| | Bachelor's | 29.51% | 31.33% | 31.57% |
| | High school | 35.70% | 33.66% | 33.61% |
| | Others | 31.96% | 31.42% | 31.17% |

Note: Discontinued department was excluded for the year of 2021.

5.4 Environmental Expenditures

5.4.1 The Cement Sector:

TCC is an active member of the "Taiwan Cement Industry Association", the "Taiwan Quarry Industry Association", the "China Mining and Metallurgy Engineering Society", the "ROC Federation of Industries", the "ROC Chamber of Commerce and Industry", the "Taiwan Circular Economics Association", the "Taiwan Carbon Capture and Re-use Association" and other related organizations. Member companies often exchange environmental protection information with each other, or communicate with government and academic research units through these organizations, and they also use their own technical experience as well as the latest information from Taiwan and overseas. TCC also provides relevant government authorities references for revising laws and regulations, and we play a significant role in the promotion of environmental protection and re-use of resources.

1. Investment to rectify expenditures for environmental protection

For many years TCC has followed the basic principle of "take what you get from society and use it for the good of society." We take the utmost care to fulfil our responsibilities to the nation and the people. The Ho-Ping Plant completed Kilns 1 and 2 in October 2000 and May 2001 respectively, adopting the latest Low NOx pre-heater system, combustion equipment, and waste heat power generation system, all of which act to more effectively suppress pollutants in the process of production and are even more impressive in terms of energy saving and waste reduction.

Moreover, every year we set aside a certain amount of budget for maintenance of existing equipments, performance improvement and the addition of new systems such as multi-stage combustion prevention and control facilities to reduce NOx emissions. In 2019 the kiln tail electric dust collectors at the Ho-Ping and Suao Cement plants were transformed through electric bag composite dust collection projects. With these changes the actual controlled value of particulate pollutant emissions exceeded government standards, reaching never-before-realized high levels.

Environmental protection laws and regulations issued by local governments are becoming stricter everywhere. At TCC the transformation to systems featuring ultra-low emission of nitrogen oxides has been implemented since 2021, and construction of a SCR denitrification system at the plants in Mainland China has been carried out with a total of five different system projects.

In terms of environmental protection, investment in environmental protection expenditures at Cement Product Plants reached NT\$130 million over the past three years. The main projects in this area have been floor improvements, dust collector and filter bag replacement, new sprinkler systems, sand and gravel recovery equipment maintenance, and sewage pump maintenance. Currently each individual plant carries out normal operation and maintenance of equipment.

On the other hand, in the most recent year and as of the publication date for this annual report, total losses (including compensation) and fines due to environmental pollution for TCC were NT\$36,000.

| Date levied | Case number | Laws and regulations Violated | Description of Violations |
|-------------|----------------|---|---|
| 2022.07.26 | No. 1110030687 | Waste Disposal Act Article 31, Paragraph 1, Subparagraph 2 | Discrepancies in the quantities of some items in waste declarations. |
| 2022.12.02 | No. 1110336987 | Water Pollution Control Act Article 20, Paragraph 1 | Items not in accordance with those recorded in the waste (sewage) water storage permit. |

The following improvement steps were taken:

- (1) TCC developed a reporting SOP and strengthened personnel education and training to avoid discrepancies in the amount of waste collected and re-used.
- (2) When equipment in the plant is changed in the future, confirmation of whether it complies with the environmental protection permit is required. If this requirement is not met, an application for an amended change must be submitted to competent authorities at once.
- (3) A project improvement plan was submitted to the Environmental Protection Agency on December 6, 2022 with the projected time set from December 25, 2022, to March 31, 2024.

2. Key tasks for environmental protection in the future

- (1) Improve management and operation of equipment, personnel training, inspection and maintenance work, and upgrade all dust collection systems to ensure normal operation of environmental protection equipment.
- (2) Tighten control of environmental cleaning and waste water treatment and discharge operations, and strictly control waste disposal procedures and management practiced by outsourced contractors; mobile cleaning of vehicle tires to keep the overall factory environment as green as possible.
- (3) Carry out retirement and replacement of air and water pollution prevention and control equipments and make additions as needed. For example, carry out multi-stage combustion transformation of pre-heaters and add chlorine bypass systems at the Ho-Ping and Suao Plants and at cement plants in mainland China to achieve optimizal multi-stage combustion. At some plants, set up desulfurization towers and SCRs, and use high-quality dust collection bags to meet ultra-low emission targets; use waste-heat power generation and ensure the products of recycling and treatment of discharge water and domestic sewage in each plant are not released outside to minimize the impact on the environment.

Estimated environmental protection expenditures for the cement sector in the next three years are as follows:

| Area | Currency | 2023 | 2024 | 2025 | 3-yr Total |
|----------------|----------|----------------|----------------|----------------|----------------|
| Taiwan | NTD | 195.72 million | 194.33 million | 194.33 million | 584.38 million |
| Mainland China | RMB | 460.96 million | 135.44 million | 122.53 million | 718.93 million |

- (4) Continue to promote integration and utilization of energy resources, minimize use of natural mineral resources, and assist electronics and related industries, power plants, paper industries, water purification plants, waste incineration power plants, steel mills, etc., in handling resulting industrial waste. TCC's achievements in circular economy included: passed BS 8001 certification; Type I Portland Cement from the Ho-Ping and Suao Plants won Gold Awards for Environmentally Friendly Cement while Suao's Type I Low Alkali and Type II cements won Silver Awards for Environmentally Friendly Cement. In the future we will continue to optimize the quality of cement while reducing its production cost, and we will further expand re-use of resources. We will also promote co-processing of household waste and waste incineration power plant fly ash in cement kilns, including a co-processing project of cement kiln renewable resources in Guizhou Anshun Plant, completed and put into operation in 2015. The solid and hazardous waste co-processing project phase I at Guangxi Guigang plant (200,000 tons/year) was completed and put into operation in 2020; and a fly ash disposal project for the waste incineration power plant at the Jiangsu Jurong Plant went into operation in October 2021. Co-processing of renewable resources went into operation at the cement kiln at Guangdong Shaoguan Plant in August 2022, while a co-processing hazardous waste project with a capacity of 50,000 tons/year was put into operation at the Guizhou Kaili Plant in February 2022 and co-processing of renewable resources was initiated at Hunan Jingzhou Plant cement kiln in September 2022. A solid and hazardous waste project for the Sichuan Guangan Plant (hazardous waste 100,000 tons/yr, general solid waste 150,000 tons/yr) was initiated in January 2023, and the Ho-Ping Plant's co-processing system for general waste from Hualien County is now under construction and will go into operation in First Quarter 2024.
- (5) On April 22, 2020, the company submitted its carbon reduction targets to the Science-Based Carbon Reduction Initiative (SBTi) for review, becoming the first large-scale traditional manufacturer in Taiwan to commit to a science-based target (SBT).
- (6) On July 16, 2020, SBTi announced that TCC had completed its goal setting: "The base year is 2016 and the commitment year is 2025, with total intensity of GHG emissions to be reduced by 11% (including scope 1 emissions reduced by 11% and scope 2 emissions reduced by 32%)". TCC is one of four cement companies in the world that have set carbon reduction targets, and the first cement company in East Asia to set such targets.
- (7) On July 31, 2009, TCC's Ho-Ping Cement Plant passed a footprint check for carbon in Type I cement, while the Taichung Daya Ready-Mix Plant passed the footprint check for carbon in ready-mix concrete.
- (8) On August 6, 2020, the Company completed its review for Taiwan Cement Product Category Regulations (PCR) and gained the right to use related carbon labels for cement products from the Environmental Protection Agency.
- (9) On September 1, 2020, TCC and 40 other cement benchmarking companies in the Global Cement and Concrete Association (GCCA) jointly launched "2050 Climate Vision", publicly declaring that

they are committed to reducing their carbon footprint for cement and concrete by 2050.

- (10) On June 5, 2021, in response to the "Net Zero 2030/3050" initiative, TCC joined the "Taiwan Net Zero Emissions Association" as a founding member, and jointly committed to implementing a move towards the goal of net zero emissions.
- (11) On September 14, 2021, TCC's Portland Type I cement passed examination by the EPA to obtain the first "Product Carbon Footprint Reduction Certificate" in Taiwan's cement industry.
- (12) TCC will continue to promote carbon capture and micro-algae carbon fixation research projects in cooperation with ITRI:

Cooperation plans call for a pilot plant with a scale equivalent to capturing 1 metric ton of carbon dioxide per hour in the company's Ho-Ping Plant and carrying out test runs. This will be the world's largest carbon dioxide capture pilot plant to date. A computer simulation of the project was realized. The project was recognized in the international awards competition "R&D Top 100 Awards for 2014" in July 2014.

Another new-generation 500kWt integrated steam hydration and multi-stage cyclone capture system was tested and technically verified in April 2017 and will be used as a basis for planning and designing an optimal scale 10 MW model. In 2018 a new-generation 500kWt integrated steam hydration and multi-stage cyclone capture system was subjected to continuous operation testing to evaluate its technical optimization, its deactivated limestone (adsorbent) regeneration of high-purity light calcium carbonate technology, and R&D for a scaled-up capture system design. At present, technical verification and economic evaluation of the new generation of calcium loop systems and detailed design and planning of the scaled-up model system are under way, working toward reducing the cost of carbon capture in quarry operations. At this point the project for calcium loop carbon dioxide capture technology has already filed 31 patent applications for 15 items.

In the future we will continue various carbon capture projects based on R&D for our original calcium loop capture technology. This covers:

- Evaluate the feasibility of using oxy-fuel combustion technology to improve energy efficiency, reduce carbon emissions, and increase use of alternative fuels. An oxy-fuel combustion system project at the Suao Plant was completed and put into operation in December 2022.
- Develop a cement kiln calcination process which uses pure oxygen combustion and CO₂ capture technology, and carry out large-scale experimental operations to find ways to further reduce carbon emissions generated in the process.

In addition, TCC has cooperated with ITRI since September 2012 on "Outdoor Micro-algae Carbon Fixation System and High Unit Price Micro-algae Cultivation Research", a project which won the "5th National Industry Innovation Award" as well as the "13th National New Innovation Award." In January 2017 we completed strategy research on biologically active substances to promote the growth of micro-algae and develop a patented map analysis of biological carbon fixation technology. We also verified the feasibility of anaerobic microorganisms to continuously fix carbon and produce acid. A service contract for development of the "Haematococcus pluvialis astaxanthin Extraction Process and its Applications" was signed, a case which was completed at the end of 2017. It has been preliminarily verified that Haematococcus pluvialis astaxanthin can relieve light-induced retinal degeneration and protect Aβ-induced nerve injury and inhibition of

LPS-induced neuro-inflammation and other effects. At the same time we are developing items ranging from cosmetic skin care products to Soba Noodle Food Gift Boxes, packaged to present a strong impression on consumers, even as we communicate with the outside world about our carbon reduction actions. ITRI is developing high-efficiency micro-algae growth models and bionic applications that will increase the yield of carbon-fixing micro-algae to $\geq 45\text{g}/\text{m}^2/\text{day}$ (in lab research), and we are discussing high-efficiency outdoor micro-algae cultivation to establish a reference for farming techniques for outdoor high-efficiency carbon sequestration by micro-algae.

- (13) We will continue our efforts in water and soil conservation and vegetation greening in quarry operations, as part of our mission to support ecological conservation:

TCC is very serious about soil and water conservation and preserving the ecology. Since 1991 we have carried out vegetation and greening work in various factories and mines, with considerable success. Our industry-university cooperation with Hualien's Dahan Institute of Technology, begun in 2017, concerns final residual wall vegetation restoration in the Ho-Ping Factory Quarry area, and we have worked with Yi-lan University to carry out planting and greening restoration projects in the Suao Plant's Taibai Mountain mining area. In 2021 we renewed our industry-university cooperation contract with Yi-lan University to further verify the results of greening and restoration of the mining area, making necessary adjustments and improvements to increase certain specific effects of environmental protection and soil and water conservation.

Embracing the concepts of loving one's hometown, loving the soil and loving nature, we at TCC aspire to reinforce awareness of the need for environmental protection through specific conservation activities. TCC has successively sponsored and filmed a number of documentaries since 1992, such as "Taiwan Wild Birds Centennial," "Chasing Summer Birds – Taiwan Terns", "Chestnut-backed Forest Robins", "Macaque World" and other ecological-themed films. We have also carried out research on one of the world's rarest birds – the black-faced spoonbill. The latter work generated a great response after its release, and we hope it will act as a catalyst in making the general public, business circles and governments appreciate the impact of ecological conservation on the quality of life and the importance of involving all people in the promotion of ecological conservation.

5.4.2 The Electricity and Energy Sector

1. Total amount of losses (including compensation) and settlements due to environmental pollution in the most recent year and up to the publication date of this annual report: None.

2. Future countermeasures and possible expenditures:

In order to continuing improving our environmental protection efforts, the power department of TCC Group not only maintains routine operation of extensive anti-pollution equipment and systems, we also plan and carry out improvement projects for air quality control systems (AQCS) and upgrade the efficiency of wastewater treatment as needed. In addition, professional consulting companies, academic institutions and testing companies certified by the EPA are engaged to implement environmental quality monitoring plans during periods of operation, including ecological surveys of nearby sea areas and flue and discharge water inspection plans for the whole plant on a quarterly or monthly basis. Our environmental protection expenditures in the next three years are projected to

total about NT\$2.1455 billion. Some of the anti-pollution projects planned include:

- (1) Set up indoor coal bunkers to store and transport coal in fully-enclosed corridors to avoid pollution of the air and water by coal dust and coal fragments.
- (2) All raw materials and by-products are transported in closed containers to avoid pollution.
- (3) Coal ash produced by the power plant is used as a raw material for production of cement by the adjacent Ho-Ping Cement Plant or as an additive to finished cement products. There is no need for ash ponds or disposal at sea, a solution which only causes marine pollution.
- (4) Install electrostatic dust collectors, wet limestone/gypsum exhaust desulfurization equipment and selective coal-contact reduction de-nitrification equipment to reduce the emission concentration of particulate pollutants to 20 mg/m³ (the legal standard is 20 mg/m³). The concentration of sulfur oxides is reduced to 50 ppm (regulatory standard is 60 ppm) and the concentration of nitrogen oxides is reduced to 50 ppm (regulatory standard is 70 PPM), and a 250-meter-high chimney facilitates diffusion of any remaining particulate matter.
- (5) Warm water discharge, noise control, and waste water treatment are strictly controlled to meet the latest national environmental protection standards.
- (6) We have enlarged the physical and chemical treatment units of wastewater treatment plants to improve the efficiency of wastewater treatment and reduce concentrations of pollutants in discharged water.

TCC Group's energy units constantly develop advanced operating methods and expand their processing capacity. The difficulties involved in developing new manufacturing processes and greatly increased demand for raw materials sometimes mean that output of waste increases at the same time. To reduce environmental loads and impact, we hold closely to the concepts of re-use and recycling of resources, and we are committed to reducing our waste output and increasing our rates of recycling. In 2022 a total of 14.8 tons of waste fiber bags of raw material packaging materials were reused, and a total of 96.41 tons of carbon was recovered from waste slurry through physical treatment. The concepts of reducing waste and improving re-use were followed wherever possible.

In the area of environmental protection management, the ISO 14001 environmental management system is our primary guideline. The ISO management system helps us pursue continued improvement in our environmental performance. Further, we enhance the intensity of environmental management by proposing our own environmental management and improvement plans, and establishing management systems. In addition to complying with the requirements of local regulations, we are driven by environmental issues and resource depletion issues. Strengthened development of "renewable energy" and "green energy" has become a trend all over the world. The energy units in the TCC Group will continue to invest time and funds in energy conservation, waste reduction and pollution improvement programs.

In 2022 a number of environmental protection and energy-saving improvement measures were implemented, at a total cost of about NT\$5.339 million. This energy-saving effort saved a total of 2,407 thousand kWh of electricity, equivalent to about 1,225 tons of CO₂ emissions.

- In winter, use optimum operation modes in frequency conversion ice machines
- Use optimized operation mode for connections between the first and second plants in winter
- Update all EMT1 cooling tower cooling materials
- Replace old CDA 150HPs with new ones and upgrade the inverters
- Replace restaurant and aisle light spiral lights with LED bulbs
- Replace T8 lamps with LED bulbs (220pcs)
- Raise EMT1 ice water outlet temperature from 6 degrees to 8.2 degrees
- Raise EMT2 ice water outlet temperature from 6 degrees to 8.2 degrees
- Remove lamps in offices and production lines with luminance of 350-500 lux (except for special operations)
- Change parking lot lighting to two-stage induction lamp
- Lower the temperature of the EMT CDA rear cooler, and reduce dryer regeneration cycles by 50%
- In winter (December-February) air conditioners are changed to stand-alone operation

In addition, TCC Group incorporates climate change factors in its risk impact assessments, and implements improvement plans based on the assessment results. In doing so we hope to reduce energy consumption and carbon emissions and improve our carbon reduction management. At the same time, we also assess waste re-use rates and related energy-saving and waste-reduction measures on a number of levels. We estimate that future environmental protection expenditures will include the following items to reduce environmental load, fulfill our responsibility as citizens of the earth and implement the goal of sustainable development in our overall enterprise.

- Add frequency converters and replace heat sinks in cooling water towers: cost NT\$1.8 million
- Air compressor renewal and energy saving improvements: cost NT\$4.7 million
- Additional 400KW solar power generation system: cost NT\$60 million
- Greenhouse gas inventory and third-party verification: cost NT\$300,000

5.5 Labor Relations

Since its establishment, TCC has always attached great importance to the rights and benefits of employees. Regarding the systems and measures related to labor relations, it has complied with and implemented the provisions of labor laws and regulations to ensure the transparency of the protection of the company's employees' rights and interests.

Through channels such as labor-management meetings, departmental meetings, employee meetings, and suggestion boxes, establish a mechanism for employee communication to understand employee needs, achieve effective communication and maintain harmonious labor-management relations.

In addition to providing a high-quality workplace and a market-competitive salary and benefit system, the company is more active in cultivating talents. For employees, various benefits, advanced training, training, and retirement systems are all carried out on the premise that they are superior to or comply with laws and regulations. Planning and implementation are committed to creating a harmonious working environment between labor and capital.

As of the year 2022 and the publication date of the annual report, the company has not suffered any major losses due to labor disputes.

However, the Company was fined for violating labor laws based on the results of a labor inspection, as stated in the "Letter No. 11160281571 from the Taipei City Department of Labor on July 22, 2022". The ruling stated that the Company violated Article 32, Paragraph 2 of the Labor Standards Act by working for more than 12 hours in a day, including extended working hours, and was fined NT\$50,000.

In response, the Company has reiterated its emphasis on employee work hour management and the internal communication. The existing measures include daily clock-out reminders for all employees and advance application if employees need to work overtime due to job requirements. Besides, employees can choose between overtime pay or compensatory leave in their applications. TCC will continue to strengthen its labor-management relationship, maintain smooth communication channels, and support employees in balancing their work and family responsibilities.

5.5.1 Educational Development

TCC attaches great importance to the training and development of its employees at all stages of their careers. The company's Employee Cultivation and Development Plan is directed at enabling them to have a forward-looking vision and initiative in the face of complex and changing environmental problems and acquire cross-domain and diverse professional functions:

1. Sustainable Professional Development:

Emphasizes employees' acquisition of sustainable concepts while developing functional skills that enables them to use their core professional skills guided by the concept of a circular economy. Courses held regularly include: newcomer training camps, core management lectures, conferences on managing new generation energy, and English for key positions.

TCC proactively harnesses the resources of the academic world, and invites well-known scholars and university professors from the Industrial Technology Research Institute and domestic environmental protection and energy fields to share their visions for the future.

The Company also engages in experience sharing on the utilization of marine resources, energy transformation, business opportunities for energy storage systems, and climate change. By cultivating employees' cross-domain professional capabilities and multi-functional training, they are trained to handle and respond to the major challenges of the century: global warming and extreme weather and the need to acquire new world knowledge.

2. Digital Intelligence Development:

TCC set up a Digital Intelligence Team to comprehensively think about the impact of AI on sustainable innovative development. The team creates AI functions, develops smart tools, and applies them to production operations. Their goal is to achieve sustainable development goals, raise efficiency, save energy, and reduce consumption and pollution.

The company also cooperates with the Massachusetts Institute of Technology (MIT) on special projects. Project supervisors hold dialogues with university professors on sustainable issues, regularly engages in relevant overseas research and practical workshops.

Our colleagues also regularly attend online speech courses and seminars for a total of 8 sessions throughout the year.

3. The Risk Management Training Module seeks to strengthen the understanding of risk control among colleagues, implement a harmonious working environment based on equality and integrity, and ensure the long-term career development of employees. We hold lectures on regulations and information security on a regular basis.

In 2022, Tcc Lyceum, TCC's online learning platform started to provide training for entry, mid-, and high-level professionals. We organized ESG lecture series, skills improvement courses, English proficiency, information security and occupational safety education.

The Lyceum also plans to offer diverse onsite specialized and general education courses that cover the use of knowledge data plus health and aesthetics management. Its diverse curriculum also includes: City Gardens, Entrepreneurship, Innovation, Service Care, Workplace Communication, Financial Management and Remuneration.

Multi-media lectures are used to yield maximum results for talent cultivation, so that employees and the Company can grow and thrive together. Tcc Lyceum's annual total training hours reached 84,425 hours, and TCC invested NT\$21.8 million for education and training.

5.5.2 Employee Benefits

TCC upholds the core values of caring for colleagues and putting people first. Its Employee Welfare Committee strives to create fair and good working conditions to maintain harmonious relations between workers and managers. Through a wide variety of benefits, we take care of our employees and their families. We provide basic benefits in accordance with labor laws. TCC's complete welfare system includes:

1. A comprehensive compensation system: Performance bonuses, a quarterly bonus system, employee stock ownership trust, and employee welfare savings trust.
2. Health care: Group insurance for employees and their dependents, medical expenses subsidies for employees and their dependents, health examination subsidies, maternity subsidies and gifts, hospitalization consolation grants, on-site health consultation services, health promotion lectures, and stress-relieving massage services.
3. Life care: Travel subsidies, festival gifts, birthday gifts, wedding gifts, funeral subsidies for employees and their families, emergency relief funds, community subsidies, and after-school rest space for employees' children.
4. Learning support: Children's education scholarships, advanced study grants, digital learning platforms, and English courses.
5. Retirement care: Additional appropriations of employee share trust, employee health check-ups, retirement parties, and retirement insurance plans (triple protection of medical, accident and life insurance subsidized by the company).

In addition, the company also holds or subsidizes a wide range of events to benefit the physical and mental development of employees and improve communication between workers and managers.

These events include clubs and sports events (dragon boat races, swimming across the Sun Moon Lake, and Taroko marathon), labor union activities, Christmas parties, year-end parties, social activities for employees, family days, meetings between workers and managers, and staff meetings.

We hope to provide uninterrupted care for each of our workers, thereby creating a pleasant, friendly and harmonious workplace.

Faced with the COVID-19 pandemic in recent years, TCC has offered comprehensive preventive measures, encouraging employees to get vaccinated and providing them with paid vaccine leave. The company also invested nearly NT\$3.44 million in providing free flu vaccines for all employees. Through corporate propaganda, we encourage them to get vaccinated as soon as possible in a bid to protect themselves and others.

Moreover, we offer our colleagues on-site health care services, free personal health consultation on epidemic diseases and psychological stress, as well as thoughtful care for their physical and spiritual health.

For employees who need to care for some family members, we launched the Diverse and Agile Working Hours Plan with three days of “paid family leave” every year. Our employees can also apply for “working from home” and ask their supervisors to give them a day off to help overcome jet lag. Such measures help our colleagues have health and safety, work flexibility, and take care of their families.

5.5.3 Retirement System

In an effort to help employees feel financially comfortable after retirement, TCC laid out a retirement plan.

1. Pensions, given to employees who worked before the implementation of the Labor Standards Act, are more generous than those in accordance with the laws.
2. TCC set up the Labor Retirement Reserve Fund Supervision Committee in accordance with the laws to regularly allocate and deposit pension funds to the Bank of Taiwan Co., Ltd. (formerly known as the Central Trust Bureau). The committee regularly meets to review the allocation and use of pension funds.

By the end of each year, the committee checks the balance of the special account. If the balance is insufficient to pay the workers who are qualified to retire the next year, the amount will be replenished before the end of March of the next year to protect the rights and interests of employees.

3. The government enacted a new retirement scheme on July 1, 2005. Under this new scheme, all employers were required to deposit no less than 6% of a worker’s monthly wages into an individual labor pension account. Individuals could also make additional voluntary deposits into a personal pension account managed by the Labor Insurance Bureau. The deposits will be withheld from their monthly salary based on their voluntary contribution rate.
4. In a move to help colleagues accumulate wealth and plan for future retirement, TCC has increased the amount of employee stock ownership trust for those who are about to retire at the age of 60.

5.6 Management of Information Security

TCC Group follows an established notification procedure for information security incidents to ensure immediate and effective implementation of response measures when information security incidents occur. This reduces the risk of loss to the group resulting from information security incidents.

As of 2022 and the publication date of the annual report, no major information security incidents have occurred in TCC Group.

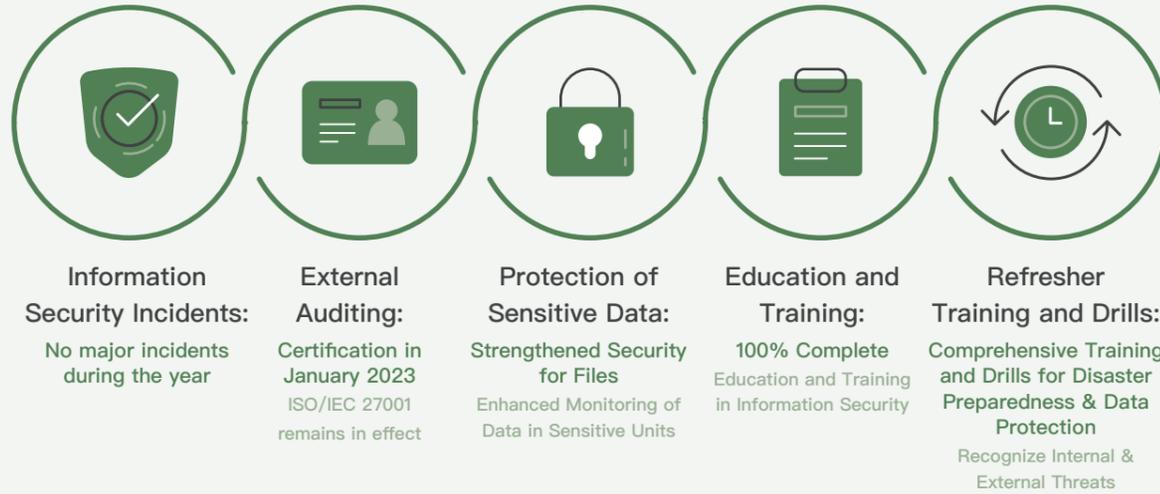
5.6.1 Security Policy

TCC Group is committed to its goal of carbon reduction for the cement industry. In recent years, it has also focused on the development of new sources of energy. In the process of continuous growth, information security and smart data protection are the Group’s obligation to society, our shareholders and our business partners. Information security protection has become an indicator of business health for the industry, and TCC Group strives to set a good example. In order to ensure proper protection of internal information and information systems and to promote and strengthen our information security management system in accordance with the requirements of ISO/IEC 27001:2013. The ultimate goal is to provide safer and more stable information services by continuously improving the effectiveness of the system.

5.6.2 Management Plan

1. There were no major information security incidents throughout the past year, ensuring that the information used by the TCC Group and our business partners enjoys the most secure protection.
 - (1) In order to implement the requirements of the ISO/IEC 27001:2013 standards, in December 2021 we passed an external continuous audit of information security with zero defects, and our ISO/IEC 27001:2013 certification continues to be valid.
 - (2) We carry out a disaster recovery drill for our core business system once a year to ensure the effectiveness of backup procedures and data backup, and to ensure smooth connection to information system services through real-time drills to prevent the risk of disasters, as an essential part of sustainable development of TCC Group’s basic operations.
 - (3) We analyze and classify all data and adopt strict data leakage protection measures and monitoring of sensitive data stored or transmitted to ensure the safety of business secrets.
 - (4) We take pro-active precautions to reduce the impact of information security incidents such as damage, theft, leakage, tampering, abuse, and infringement.

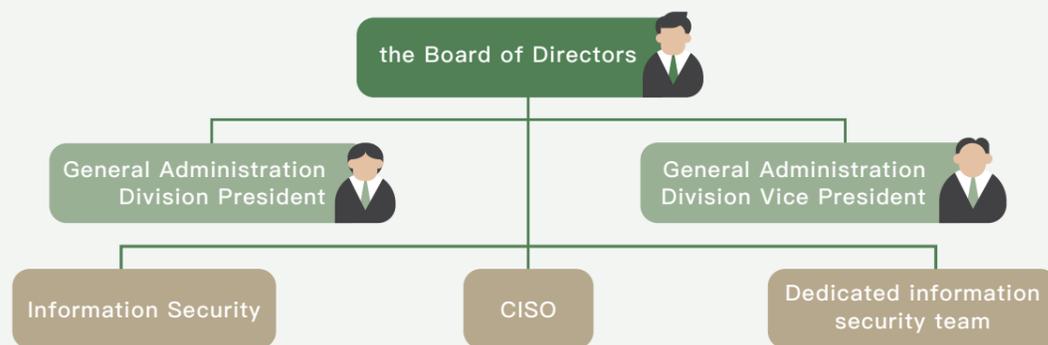
(5) We continuously improve the confidentiality, integrity and availability of all operations of each information service and system.



5.6.3 Organizational structure

Except for a member of the Board of Directors, with a background in information security, the Information Security Management Committee was established in 2020. The committee holds a management review meeting once a year to review improvements and achievements in the organization's information security management system for the past year.

On February 25th, 2022, the Board of Directors set up a Chief Information Security Officer (CISO) and a dedicated information security team to be responsible for implementing and promoting information security in TCC Group. The CISO is directly responsible to the Board Chairman and regularly reports to the President and the Board of Directors.



5.6.4 Resource Management

1. Strengthen Control of Information Security

In 2022, in response to the needs of the home office due to the pandemic and the development of new energy businesses, home office connection security, data access security and physical environment

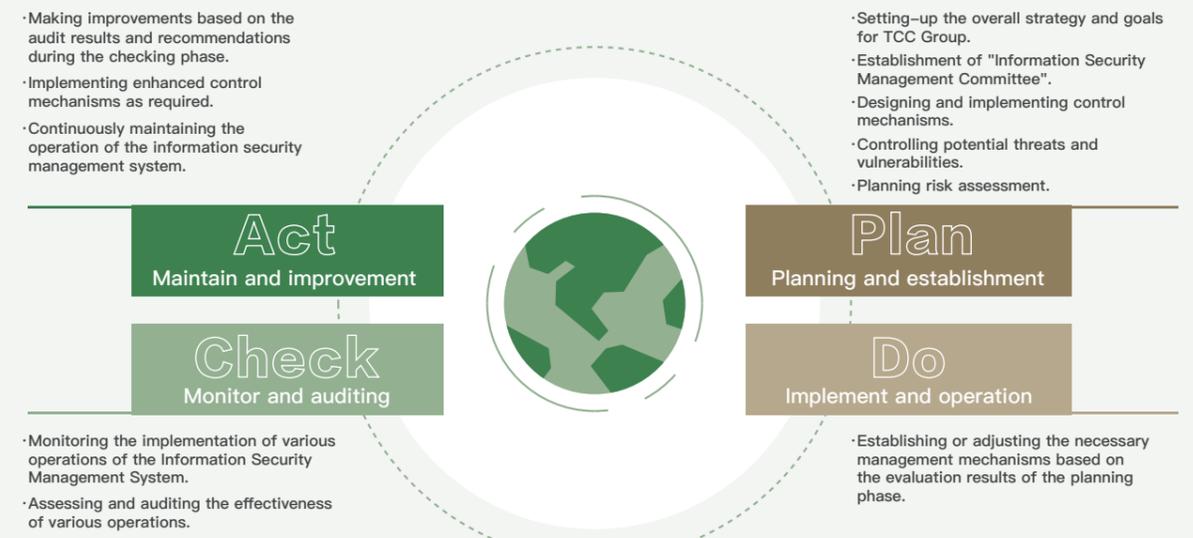
control are information security issues to which TCC Group attaches great importance. At the same time, in response to measures to limit the spread of the pandemic, the Group's demand for remote work has increased, and remote work connection security has been strengthened, most notably with the introduction of software-based two-factor authentication. A password is matched with a mobile dynamic password to prevent the password from being leaked or hacked, thereby effectively shielding the account and solving the problem of password theft. This ensures complete security in internal networks.

2. Strengthened Awareness of Information Security

To guarantee a good information security environment, employees' information security awareness is even more indispensable. In order to continuously strengthen and enhance the information security awareness of employees of TCC Group, the information security unit holds information security education and training every year to promote basic information security concepts. This covers the latest information security trends and the latest in hacker attack methods. In addition, TCC Group has set up an information security platform to regularly update news on the latest information security incidents and attack methods so that colleagues can receive information related to information security at any time. The information security unit also sends information security announcements through internal channels to remind colleagues of any changes in the Group's information security rules and advise of possible risky behaviors, thereby reducing the possibility of information security incidents.

3. Construction of a Defense Mechanism

On the basis of zero trust, TCC Group implements the concept of 'defense in depth' to construct a complete information security protection mechanism from outside to inside as well as from inside to outside. This mechanism serves to prevent attacks from all directions from affecting stable operation of the company's operating system. Employees are highly aware of information security and regularly evaluate the appropriateness and effectiveness of information security policies and operations. This feedback is used to formulate special plans to continuously strengthen protection measures that reduce information security risks. In addition, the Group follows the spirit of the ISO/IEC 27001: 2013 standards, using the Plan-Do-Check-Act (PDCA) cyclic operation mode to establish and manage the information security management system, maintain its effective operation and continuously find areas for improvement. The result is a safe and stable information system service.

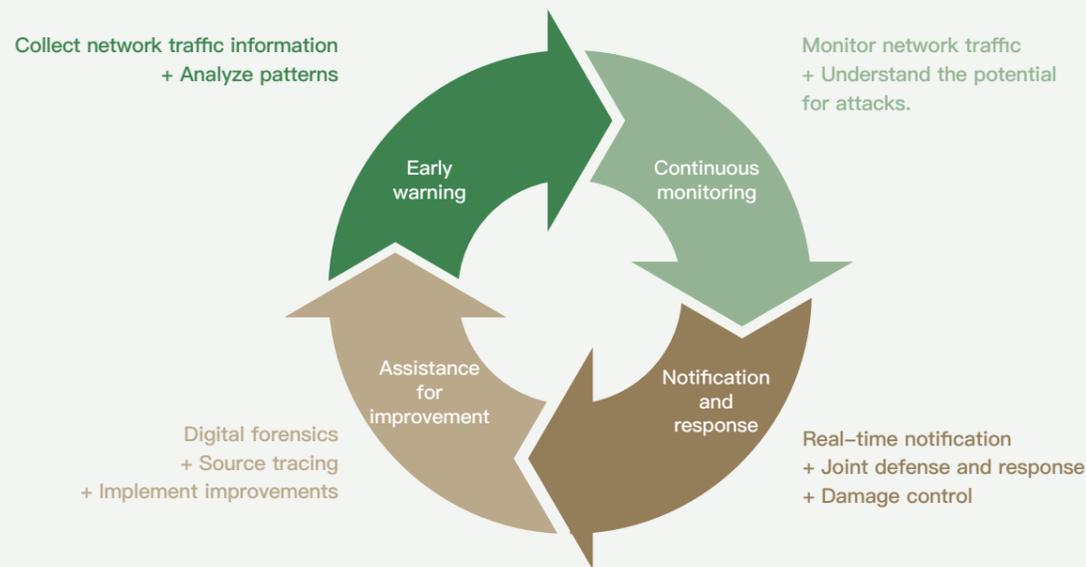


5.6.5 The Impact of Information Security Risks on the Company's Financial and Operational Activities and Response Measures

5.6.5.1 Risk Management of Information and Communications Security

To understand the information security risks within the Group, the Information Security Committee conducts annual reviews and assessments of information assets to set acceptable risk levels within the organization and classify the assets into different risk levels. Based on these levels, risk assessments are conducted across various aspects of information security. In addition to improving high-risk areas within the organization, the committee conducts ongoing monitoring of abnormal events, external issues, and topics related to information security.

1. Planning and evaluation: Conduct a risk assessment on threats, vulnerabilities, and current control mechanisms affecting information assets security in accordance with the ISO/IEC 27001:2013 management standard.
2. Implementation and execution: Design, implement, and execute control mechanisms based on the results of the risk assessment.
3. Inspection and review: Regularly conduct risk assessments and internal audits of information security to ensure the effectiveness of the information security management system; implement information security management by having management review.
4. Tracking and continuous improvement: Based on the audit results, implement corrective and preventive measures, improve and implement control mechanisms, and provide information security education and training to our colleagues.



5.6.5.2 Audit of Information and Communications Security

To ensure the effective operation and implementation of the information security management

system, developed in accordance with the ISO 27001:2013 standard, relevant information security organizations and responsibilities are specified to promote and maintain various management, implementation, and audit activities. At least one audit and regular management review meeting should be conducted annually within the company to ensure the system's applicability, appropriateness, and effectiveness.

1. Develop and implement internal and external audit procedures in accordance with ISO/IEC 27001:2013 standards.
2. Audit of log information and management and maintenance of alert equipment.
3. Correction and continual improvement of the InfoSec management system.
4. Education on InfoSec incidents, interpretation of regulations, and compliance.

5.6.5.3 Information Security Procedures and Regulatory Compliance

Each company within the TCC Group should establish operational management specifications for their respective businesses based on the Group's information security policies. Any abnormality or information security incident that occurs during daily operations should be reported to departments related to information security, audit, and management. Additionally, to ensure compliance with relevant regulations and avoid violating laws and contractual obligations related to information security, each company should regularly review personal data privacy protection and other information security standards and requirements, in addition to internal management procedures.

5.6.5.4 Development of Information and Communications Security

Information security is essential to enterprises. TCC's subsidiary, TCC Information Systems Corp., follows the Group's strategy to enhance the ongoing development of information security technologies, such as strengthening the protection against cyber-attacks, detecting external threats in real-time and effectively blocking them, and mitigating the risk of sensitive data leakage, which are the key focuses of the information security development.

TCC Group enhances its information security technology development and operation based on the three key elements of information security, as well as recent common information security risks and future business scope. These enhancements include risks related to remote work security, improving employee security awareness, enhancing system availability, protecting sensitive data, managing privileged accounts, event logging and analysis, cloud environment security assessments, and more. The specific enhancements are as follows:

1. To respond to epidemic prevention, TCC Group strengthens remote security connections by adopting two-factor authentication, to improve network connection security controls.
2. Through education and training, TCC Group aims to improve employees' security awareness and reduce the security incidents caused by personnel negligence.
3. To establish network traffic and behavior analysis to enhance external service security.
4. Establishing a secure data protection zone to enhance monitoring of data access and usage for core business operations.
5. To enhance control over internal data transfers to external parties, TCC Group will only allow legally authorized transmission methods, establish rules for external data transfers, and strengthen monitoring to prevent data leakage.

6. To strengthen physical security measures for core business areas by implementing dual-factor authentication for access control, in order to protect important assets and data.
7. To ensure the stability of core systems through the use of monitoring tools.
8. Undergo regular off-site backup, performing recovery drills of core systems, to ensure timely recovery from potential information security incidents.

5.7 Important Contracts

5.7.1 Supply and Marketing

| Types | Counterparty | Terms | Summary | Restrictive terms |
|-------------|---|---|--|----------------------------|
| Sales | Taipower | August 4, 1998 to June 29, 2027 | Power purchase agreement | No significant restriction |
| Sales | FIAT CHRYSLER AUTOMOBILES ITALY SPA | January 1, 2021 to June 30, 2022 | Provide products | No significant restriction |
| Sales | FreetoX S.r.l. | May 27, 2022 to May 27, 2033 | Provide services for EVC design, operation and leasing, hardware installation, construction management, and removal. | No significant restriction |
| Procurement | Pt. Indominco | August 1, 2004 to December 31, 2022 | Purchase of coal | No significant restriction |
| | Yancoal | December 1, 2020 to June 30, 2023 | | |
| | Bayan | January 17, 2022 to December 31, 2022 | | |
| | Eaglecrest | September 5, 2022 to December 31, 2022 | | |
| | Noble | May 11, 2022 to July 31, 2022 | | |
| | SUEK | May 11, 2022 to October 31, 2022 | | |
| | Bengalla | January 13, 2022 to March 31, 2022 | | |
| Procurement | Hsin Tai Chemical Co., Ltd. | September 1, 2021 to August 31, 2022; September 1, 2022 to August 31, 2023 | Purchase of liquid ammonia | No significant restriction |
| Procurement | Toray Engineering Co., Ltd. | December 14, 2021 to the end of the warranty period; August 24, 2022 to the end of the warranty period | Purchase of pole piece coating production equipment | No significant restriction |
| Procurement | Sintokogio, Ltd. | December 10, 2021 to the end of the warranty period | Purchase of pole piece rolling production equipment | No significant restriction |
| Procurement | Wuxi Rich Intelligent Equipment Co., Ltd. | December 1, 2021 to the end of the warranty period | Purchase of pole piece feeding production equipment | No significant restriction |
| Procurement | Nishimura MFG. Co., Ltd. | December 15, 2021 to the end of the warranty period | Purchase of pole piece slitting production equipment | No significant restriction |
| Procurement | Hana Technology Co., Ltd. | November 30, 2021 to the end of the warranty period; November 2, 2022 to the end of the warranty period | Purchase of assembly line production equipment | No significant restriction |

| Types | Counterparty | Terms | Summary | Restrictive terms |
|-------------|---|--|---|----------------------------|
| Procurement | Maschinenfabrik Gustav Eirich GmbH & Co. KG | February 24, 2022 to the end of the warranty period | Purchase of pole piece mix production equipment | No significant restriction |
| Procurement | Kaido Manufacturing Co., Ltd. | November 30, 2021 to the end of the warranty period | Purchase of winder production equipment | No significant restriction |
| Procurement | MACCOR INC | June 8, 2022 to the end of the warranty period | Purchase of testing system equipment | No significant restriction |
| Procurement | Sintokogio, Ltd. | October 17, 2022 to the end of the warranty period | Purchase of pole piece rolling production equipment | No significant restriction |
| Procurement | KATAOKA CORPORATION | December 1, 2022 to the end of the warranty period | Purchase of lithium-ion batteries production equipment. | No significant restriction |
| Procurement | MARUBENI CORPORATION | March 2022 to delivery | Contracts to build bulk carrier | No significant restriction |
| Procurement | Samsung SDI CO., Ltd. | November 10, 2022 to the completion acceptance | Procurement of 50 MW battery energy storage system | No significant restriction |
| Procurement | Samsung SDI CO., Ltd | January 10, 2023 to the completion acceptance; September 1, 2022 to the completion acceptance | Procurement of a 35 MW/123.6 MWh battery energy storage system | No significant restriction |
| Procurement | Samsung SDI CO., Ltd | February 28, 2022 to the completion acceptance | Procurement of a 40 MW/132.52 MWh battery energy storage system | No significant restriction |
| Procurement | Samsung SDI CO., Ltd | May 7, 2022 to September 30, 2022 | Expansion of storage capacity to 30.517 MWh for the energy storage equipment. | No significant restriction |
| Procurement | PTLK INTERNATIONAL LTD. | April 28, 2022 to the end of the warranty period | Usage of PCS equipment at the energy storage plant | No significant restriction |
| Procurement | ETI CA BATTERY INC. | December 26, 2022 to the end of the warranty period | Purchase and installation of energy storage container E4L-20P and accessories | No significant restriction |
| Procurement | Jinko Solar Technology Sdn. Bhd | September 20, 2022 to February 20, 2023 | Purchase of solar modules for TCC Chia-Chien Green Energy Corporation Fishery Electricity Phase 2 | No significant restriction |
| Procurement | ENERCON GmbH | August 30, 2022 to September 15, 2023 | Purchase of wind turbines for Chang-Bin Green Energy Phase 2 Wind Power Plant | No significant restriction |
| Procurement | Contemporary Amperex Technology Co. Limited. | October 1, 2021 to December 13, 2024 | Procurement of specific products | No significant restriction |
| Procurement | Freyr Battery Norway A.S. | May 9, 2022 till both parties establish a sales contract or one party terminates the contract. | Established important terms and conditions of purchase for potential future business partner | No significant restriction |
| Services | NYK | April 1, 2011 to March 31, 2023 | Transportation of coal | No significant restriction |
| Services | Bocimar | April 1, 2011 to March 31, 2026 | Transportation of cement, clinker and coal | No significant restriction |
| Services | Norden | April 1, 2011 to March 31, 2026 | Transportation of cement, clinker and coal | No significant restriction |
| Services | Cathay Insurance, Fuban, Shin Kong, First, Huana, Tokio Marine Nawa Insurance, Mega, Union Insurance, Nanshang General, MSIG, Taiwan Fire and Marine Insurance, HoTaim, and other insurance companies | December 31, 2022 to December 31, 2023 | Property insurance and operational insurance for power plants | No significant restriction |

| Types | Counterparty | Terms | Summary | Restrictive terms |
|-----------------------|---|--|--|----------------------------------|
| Services | Taipower | January 4, 2021 to December 31, 2026 | Repair of generators and maintenance | No significant restriction |
| Services | GE Power | July 1, 2020 to June 30, 2027 | Repair of generators and maintenance | No significant restriction |
| Services | TANG SHI CHUN ENTERPRISE CO., LTD and 60 other companies | January 1, 2022 to December 31, 2022 | Commissioned to sell cement | No significant restriction |
| Services | FIAT CHRYSLER AUTOMOBILES ITALY SPA | December 22, 2021 to 20 years from the beginning of amortization | Logistic service of electric vehicle and V2G vehicle to grid services | No significant restriction |
| Services | FDC International Hotels | May 27, 2020 to May 27, 2045 (Can be extended for 10 years after expiration) | Contracted to manage and operate the hotel service; the authorization of the hotel trademark; provide strategic services | Operate before December 31, 2025 |
| Services | Tianjin Cement Industry Design & Research Institute Limited Company | June 9, 2021 to June 8, 2022 | Jurong plant roller press and associated equipment maintenance | No significant restriction |
| Cooperation Agreement | Accenture S.p.A. | November 12, 2021 to December 31, 2025 | Scope of Service: 1. Technical platform 2. Marketing 3. Client and on site maintenance 4. Eco innovation | No significant restriction |
| Cooperation Agreement | FreetoX S.r.l. | May 27, 2022 to May 27, 2034 | Collaboration agreement for profit and loss sharing for EVC at Milan Linate Airport | No significant restriction |

5.7.2 Construction and Labor Services

| Types | Counterparty | Terms | Summary | Restrictive terms |
|--------------|---|--|---|----------------------------|
| Construction | CTCI | February 4, 2010 to July 31, 2024 | Construction to upgrade to #2 Air pollution equipment at Ho-Ping Plant (AQCS project) | No significant restriction |
| Construction | CTCI | May 1, 2021 to the end of the warranty period | EPsCm service | No significant restriction |
| Construction | Ruentex Engineering & Construction Co. Ltd. | August 20, 2021 to the end of the warranty period | Early stage of the construction preparation work for the plants | No significant restriction |
| Construction | Ruentex Engineering & Construction Co. Ltd. | October 20, 2021 to the end of the warranty period | Civil engineering construction for the plants | No significant restriction |
| Construction | CTCI Smart Engineering Corporation | October 20, 2021 to the end of the warranty period | Electromechanical systems engineering | No significant restriction |
| Construction | GE Power | November 8, 2019 to April 30, 2023 | Construction for the improvements of the #2 low pressure steam turbine | No significant restriction |
| Construction | GE Power | June 20, 2020 to December 31, 2023 | Construction to improve the DCS module control system | No significant restriction |
| Construction | Chunghwa Telecom Co., Ltd. | December 2017 to January 2024 | Construction of Phase I solar power plant in Chang-Bin | No significant restriction |

| Types | Counterparty | Terms | Summary | Restrictive terms |
|--------------|---|---|---|----------------------------|
| Construction | Chunghwa Telecom Co., Ltd. | December 2017 to July 2025 | Construction of Phase II solar power plant in Chang-Bin | No significant restriction |
| Construction | Star Energy Corporation | November 2017 to April 2025 | Construction of Phase I wind power plant in Chang-Bin | No significant restriction |
| Construction | Taiyen Green Energy Co., Ltd. | November 2010 to completion of construction | Construction of fishery power plant in Yi-Chu | No significant restriction |
| Construction | Taiwan Jiuyueng Engineering Corporation | November 16, 2021 to December 31, 2022 | Construction of the Suao Plant #6 alternative fuel storage system | No significant restriction |
| Construction | Resources Engineering Services Inc. | July 1, 2021 to April 30, 2024 | Civil engineering, mechanical and electrical construction of the TCC DAKA Renewable Resource Utilization Center | No significant restriction |
| Construction | Resources Engineering Services Inc. | July 1, 2021 to April 30, 2024 | Civil engineering, mechanical and electrical construction of the TCC DAKA Renewable Resource Utilization Center – the 2 nd order | No significant restriction |
| Construction | Resources Engineering Services Inc. | June 1, 2022 to April 22, 2023 | Steel structure engineering of the TCC DAKA Renewable Resource Utilization Center | No significant restriction |
| Construction | Resources Engineering Services Inc. | April 30, 2023 to completion of construction (agreed upon in 11 months) | Curtain wall engineering of the TCC DAKA Renewable Resource Utilization Center | No significant restriction |
| Construction | Resources Engineering Services Inc. | August 19, 2022 to January 10, 2023 | VMU showcase center construction and elevator engineering of TCC DAKA Renewable Resource Utilization Center | No significant restriction |
| Construction | Futai Engineering Ltd. | January 5, 2022 to July 16, 2023 | Engineering, supply and installation of process mechanical and electrical equipment of TCC DAKA Renewable Resource Utilization Center | No significant restriction |
| Construction | Futai Engineering Ltd. | January 10, 2023 to February 4, 2024 | Renewal project for the AQC boiler exhaust duct and preheaters at the Ho-Ping plant | No significant restriction |
| Construction | Taiwan Jiuyueng Engineering Corporation | February 7, 2022 to November 4, 2022 | The installation of UHPC factory and equipment at the Hoping plant | No significant restriction |
| Construction | ADL Energy Corp. | September 1, 2022 to June 30, 2023. | The construction of solar power generation system at the Hoping plant | No significant restriction |
| Construction | ALLIS ELECTRIC CO., LTD. | August 5, 2022 till obtaining the Electricity Business License | EPC turnkey project for TCC Chia-Chien Green Energy Corporation's Fishery & Electricity symbiosis- the Phase 2 | No significant restriction |
| Construction | CPC CORPORATION, TAIWAN | August 8, 2022 to September 2, 2023 | Geothermal drilling project for the Yanping geothermal project | No significant restriction |
| Construction | San Yuan Hsing Construction Co., Ltd. | January 1, 2023 to June 30, 2023 | Turnkey project for civil, mechanical, electrical, and substation construction for TCC Lien-Hsin Green Energy Corporation Ho-Ping 100 MW project site | No significant restriction |
| Construction | ENERCON GmbH | August 30, 2022 to February 15, 2024 | Construction of Phase II wind power plant in Chang-Bin | No significant restriction |

| Types | Counterparty | Terms | Summary | Restrictive terms |
|--------------|---|---|---|--|
| Construction | Electricity Generation and Retail Corporation (“Synergy”) | October 1, 2021 to October 14, 2022 | Construction, procurement, testing, and adjustment of the 100 MW/200 MWh battery energy storage system of Kwinana power station | If the credit rating of the bank that providing the bond is lower than A- (S&P), the contractor must replace with a bank that has a credit rating of at least A-. |
| Construction | Engie Servizi S.p.A. | March 21, 2021 to June 23, 2023 | The construction, procurement, installation, and 15 years of maintenance and operation of the Nera Montoro power storage system in Italy | No significant restriction |
| Construction | Engie Rinnovabili S.p.A. | March 31, 2021 to June 23, 2023 | The construction, procurement, installation, and 15 years of maintenance and operation of the Salemi (Trapani) power storage system in Italy. | No significant restriction |
| Construction | Blyth Battery Pty Ltd. | December 31, 2022 to April 3, 2030 | Engineering, procurement, and construction contract for the Blyth 200 MW battery energy storage system in South Australia | If the financial institution issuing the bond no longer holds the required rating (A- from Standard & Poor's or A3 from Moody's), the contractor must immediately notify the client and provide an alternative bond from another bank within 10 days of issuance. |
| Construction | Kallpa Generacion S.A. | September 16, 2022 to December 18, 2024 | The design, build, and installation of electronic energy storage system | The required rating for this project is at least A3 from Moody's or A- from Standard & Poor's for long-term senior unsecured debt. |
| Construction | ENGIE ENERGIA PERU S.A. | March 21, 2022 to June 12, 2025 | Engineering, procurement, and construction contract for the 26.5 MW battery energy storage system | No significant restriction |
| Construction | Kearsarge William Way LLC | March 11, 2021 to December 15, 2023 | Construction, procurement, testing, and maintenance of the 2.64 MW/9.6 MWh battery energy storage system | If the bank's credit rating for issuing the bond is lower than the minimum rating of BBB from Standard & Poor's or Baa2 from Moody's, the contractor must provide the owner with a bond from a London branch of a bank that meets the rating standards within 30 days. |
| Construction | Kearsarge Kingston LLC | March 21, 2022 to May 9, 2025 | Construction, procurement, testing, and maintenance of the 1 MW AC/4.58 MWh DC battery energy storage system | If the bank's credit rating for issuing the bond is lower than the minimum rating of BBB from Standard & Poor's or Baa2 from Moody's, the contractor must provide the owner with a bond from a London branch of a bank that meets the rating standards within 30 days. |

| Types | Counterparty | Terms | Summary | Restrictive terms |
|--------------|--|--|---|--|
| Construction | Kearsarge Beverly LLC | March 21, 2022 to May 9, 2025 | Construction, procurement, testing, and adjustment of the 1.7 MW AC/7.44 MWh DC battery energy storage system | If the bank's credit rating for issuing the bond is lower than the minimum rating of BBB from Standard & Poor's or Baa2 from Moody's, the contractor must provide the owner with a bond from a London branch of a bank that meets the rating standards within 30 days. |
| Construction | Italiana Petroli S.p.A. | July 14, 2022 to June 30, 2023 | (1) Design, procurement, and construction of 5 electric vehicle charging stations (2) Related contract for software services (creating two digital platforms to manage electric vehicle charging stations and energy storage systems) | No significant restriction |
| Construction | China Construction First Building (Group) Corporation Limited | February 12, 2020 to the completion of construction (The total agreed upon construction period is 1,083 calendar days) | Construction project execution: General contractor for civil engineering | No significant restriction |
| Construction | Zhongzhou Construction Co., Ltd. | June 27, 2022 to May 23, 2023 | Turnkey project for a 5.6 MW/33.62 MWh energy storage power plant at the TCC Guigang plant | No significant restriction |
| Construction | CNBM (Hefei) Powder Technology Equipment Co., Ltd. | May 23, 2022 to March 3, 2023 | General contract turnkey project for the pre-grinding system retrofit of the rolling mill at the Fuzhou plant | No significant restriction |
| Construction | Tianjin Cement Industry Design&Research Institute Co., Ltd. | March 24, 2022 to July 22, 2022 | Turnkey project for the addition of storage and transportation facilities for the co-processing of general solid waste in the cement kiln at the Guigang plant, and the installation of the injection system for the preheater of the CD line | No significant restriction |
| Construction | Jiangsu Provincial Building Material Research & Design Institute Co., Ltd. | April 15, 2022 to December 11, 2022 | Turnkey project for the optimization and reconstruction of the raw and auxiliary material storage and transportation system at the Guigang plant, phase one | No significant restriction |
| Construction | CNBM Environmental Protection Research Institute (Jiangsu) Co., Ltd. | November 30, 2022 to May 11, 2025 | Ultra-low emission retrofit project for denitrification of kiln exit gas at the Yingde plant | No significant restriction |

| Types | Counterparty | Terms | Summary | Restrictive terms |
|---------------|--|---|--|----------------------------|
| Construction | Qingyuan City Dianchuang Electric Power Engineering Installation Co., Ltd. | September 8, 2022 to the end of the warranty period | Turnkey project for a 7 MWp solar photovoltaic power station at the Yingde plant | No significant restriction |
| Construction | Jiangsu Yumeng Environmental Protection Technology Co., Ltd. | April 8, 2022 to the end of the warranty period | Turnkey project for the fourth generation grate cooler retrofit of the 3K line at the Yingde plant" | No significant restriction |
| Construction | Jiangsu Yumeng Environmental Protection Technology Co., Ltd. | March 30, 2022 to August 9, 2022 | Turnkey project for the fourth generation grate cooler retrofit of the 4K line at the Guigang plant | No significant restriction |
| Construction | Dongfang Electric Automatic Control Engineering Co. Ltd. | September 13, 2022 to April 11, 2023 | Turnkey project for a 6.5 MWp solar photovoltaic power station at the Guigang plant | No significant restriction |
| Construction | China Non-metal Materials Mine Engineering Co., Ltd. (NanJing) | November 16, 2021 to May 20, 2023 | First-phase development and construction project of the Longzu Mountain limestone mine at the Guigang plant | No significant restriction |
| Construction | Tianjin Cement Industry Design and Research Institute Co., Ltd. | December 5, 2022 to the end of the warranty period | EPC contract for the technical renovation of the rolling machine system and pre-grinding system at Yingde Plant. | No significant restriction |
| Construction | Zhejiang Baosheng Construction Group Co., Ltd. | December 9, 2021 to March 31, 2023 | Construction project for co-processing municipal solid waste in the cement kiln at Jingzhou plant. | No significant restriction |
| Labor service | Taiyen Green Energy Co., Ltd. | February 2018 to completion of 20 years of commercial operation | Operation and management of fishery farms in Chia Chien fishery and electricity symbiosis sites- phase I | No significant restriction |
| Labor service | Wei Chen Development Co., Ltd. | July 7, 2021 to completion of grid connection | Labor management for land development of the Chia-Ho Longjiang fishery and electricity symbiosis project | No significant restriction |

5.7.3 Financing

| Types | Counterparty | Terms | Summary | Restrictive terms |
|--------------------|--|--|---|--|
| Syndicated Loans | Consortium bank led by the Mega International Bank | March 8, 2018 ~ March 8, 2023 | Credit period: five years | Maintenance of agreed financial ratios |
| | Consortium bank led by the Mega International Bank | May 17, 2022 to May 17, 2027 | Credit period: five years | Maintenance of agreed financial ratios |
| | Consortium bank led by the CTBC Bank | December 7, 2018 to December 7, 2025 | Credit period: seven years | Maintenance of agreed financial ratios |
| PURCHASE AGREEMENT | Credit Suisse(Hong Kong) Limited | November 30, 2021 to November 30, 2026 | Subscription agreement for overseas convertible corporate bonds | None |
| INDENTURE | CITICORP INTERNATIONAL LIMITED | December 7, 2021 to December 7, 2026 | Subscription agreement for overseas convertible corporate bonds | None |

06 Financial Information



6.1 Condensed Balance Sheets and Statements of Comprehensive Income for the Last Five Years

6.1.1 Condensed Balance Sheets from 2018 to 2022 (Consolidated)

Unit: NT\$ thousands

| Item | Year | Financial information for the last five years (Note 1) | | | | |
|---|---------------------|--|-------------|-------------|-------------|-------------|
| | | 2022 | 2021 | 2020 | 2019 | 2018 |
| Current assets | | 175,624,058 | 169,353,435 | 124,309,171 | 118,145,990 | 110,380,695 |
| Property, plant and equipment | | 114,739,983 | 98,196,032 | 92,108,972 | 89,881,319 | 91,093,825 |
| Intangible assets | | 27,880,416 | 27,650,861 | 19,563,960 | 19,656,118 | 20,427,352 |
| Other assets | | 142,564,504 | 146,484,231 | 153,524,133 | 139,798,958 | 122,183,246 |
| Total assets | | 460,808,961 | 441,684,559 | 389,506,236 | 367,482,385 | 344,085,118 |
| Current liabilities | Before distribution | 75,209,411 | 88,687,968 | 72,103,708 | 66,532,743 | 64,503,844 |
| | After distribution | Note 2 | 95,154,141 | 93,048,142 | 80,526,791 | 81,378,430 |
| Non-current liabilities | | 147,323,770 | 127,341,918 | 98,572,475 | 92,487,775 | 82,201,818 |
| Total liabilities | Before distribution | 222,533,181 | 216,029,886 | 170,676,183 | 159,020,518 | 146,705,662 |
| | After distribution | Note 2 | 222,496,059 | 191,620,617 | 173,014,566 | 163,580,248 |
| Equity attributable to shareholders of the parent company | | 217,894,766 | 204,477,333 | 204,071,817 | 193,684,068 | 181,541,510 |
| Share capital | | 73,561,817 | 63,252,340 | 60,102,549 | 56,656,192 | 53,080,599 |
| Capital surplus | | 65,985,865 | 56,757,470 | 49,122,450 | 48,015,947 | 47,836,241 |
| Retained earnings | Before distribution | 66,527,594 | 73,939,852 | 74,199,518 | 65,626,033 | 61,588,761 |
| | After distribution | Note 2 | 61,357,506 | 53,255,084 | 48,903,175 | 41,138,582 |
| Others | | 11,991,090 | 10,920,014 | 21,146,991 | 23,734,855 | 19,038,454 |
| Treasury share | | (171,600) | (392,343) | (499,691) | (348,959) | (2,545) |
| Non-controlling interests | | 20,381,041 | 21,177,340 | 14,758,236 | 14,777,799 | 15,837,946 |
| Total equity | Before distribution | 238,275,780 | 225,654,673 | 218,830,053 | 208,461,867 | 197,379,456 |
| | After distribution | Note 2 | 219,188,500 | 197,885,619 | 194,467,819 | 180,504,870 |

Note 1: The financial information has been audited by independent CPAs

Note 2: The proposal to distribute 2022 earnings is subject to the Board of Directors or shareholders' approval at the Annual Shareholders' Meeting.

6.1.2 Condensed Statements of Comprehensive Income from 2018 to 2022 (Consolidated)

Unit: NT\$ thousands (except EPS: NT\$)

| Item | Year | Financial information for the last five years (Note 1) | | | | |
|---|------|--|-------------|-------------|-------------|-------------|
| | | 2022 | 2021 | 2020 | 2019 | 2018 |
| Net revenue | | 113,929,706 | 107,041,452 | 105,911,223 | 122,783,014 | 124,594,602 |
| Gross profit | | 9,583,967 | 26,650,099 | 37,403,477 | 35,910,255 | 33,591,539 |
| Income from operations | | 1,162,138 | 19,786,475 | 31,637,210 | 30,156,721 | 28,180,901 |
| Non-operating income and expenses | | 5,483,959 | 6,291,609 | 4,181,873 | 2,476,698 | 2,363,520 |
| Income before income tax | | 6,646,097 | 26,078,084 | 35,819,083 | 32,633,419 | 30,544,421 |
| Income from continuing operations | | 4,157,085 | 20,147,697 | 28,474,852 | 25,455,090 | 22,644,071 |
| Income (Loss) from discontinued operations (Note 2) | | - | 1,053,559 | (483,459) | - | - |
| Net income | | 4,157,085 | 21,201,256 | 27,991,393 | 25,455,090 | 22,644,071 |
| Other comprehensive income for the year, net of income tax | | 1,144,923 | (9,066,133) | (2,495,498) | 5,024,759 | (2,936,676) |
| Total comprehensive income for the year | | 5,302,008 | 12,135,123 | 25,495,895 | 30,479,849 | 19,707,395 |
| Net income attributable to shareholders of the parent | | 5,404,984 | 20,256,366 | 25,099,309 | 24,211,081 | 21,180,821 |
| Net income attributable to noncontrolling interests | | (1,247,899) | 944,890 | 2,892,084 | 1,244,009 | 1,463,250 |
| Total comprehensive income attributable to shareholders of the parent | | 6,253,579 | 11,281,319 | 22,708,608 | 29,178,084 | 18,245,179 |
| Total comprehensive income attributable to noncontrolling interests | | (951,571) | 853,804 | 2,787,287 | 1,301,765 | 1,462,216 |
| EPS (Note 3) | | 0.74 | 3.00 | 3.90 | 3.81 | 3.48 |

Note 1: The financial information has been audited by independent CPAs.

Note 2: To present a comparison of the discontinued operations in the consolidated income statement for the year ended December 31, 2021, the Group reclassified the income/loss of discontinued operations for the year ended December 31, 2020 so that the related period information in the consolidated income statement is more relevant.

Note 3: The EPS was calculated based on the weighted average of shares outstanding in each year. The prior year EPS was retrospectively adjusted to account for share dividend dilution.

6.1.3 Condensed Balance Sheets from 2018 to 2022 (Standalone)

Unit: NT\$ thousands

| Item | Year | Financial information for the last five years (Note 1) | | | | |
|-------------------------------|---------------------|--|-------------|-------------|-------------|-------------|
| | | 2022 | 2021 | 2020 | 2019 | 2018 |
| Current assets | | 16,682,727 | 38,730,514 | 27,303,220 | 17,669,898 | 21,170,918 |
| Property, plant and equipment | | 35,583,596 | 33,820,654 | 30,590,559 | 26,864,808 | 27,007,306 |
| Intangible assets | | 10,709 | 10,709 | 10,710 | 10,711 | 10,711 |
| Other assets | | 322,065,205 | 283,716,469 | 260,990,344 | 244,330,544 | 215,271,048 |
| Total assets | | 374,342,237 | 356,278,346 | 318,894,833 | 288,875,961 | 263,459,983 |
| Current liabilities | Before distribution | 33,811,693 | 39,964,799 | 32,013,057 | 20,510,314 | 18,483,895 |
| | After distribution | Note 2 | 46,430,972 | 52,957,491 | 34,504,362 | 35,358,481 |
| Non-current liabilities | | 122,635,778 | 111,836,214 | 82,809,959 | 74,681,579 | 63,434,578 |
| Total liabilities | Before distribution | 156,447,471 | 151,801,013 | 114,823,016 | 95,191,893 | 81,918,473 |
| | After distribution | Note 2 | 158,267,186 | 135,767,450 | 109,185,941 | 98,793,059 |
| Share capital | | 73,561,817 | 63,252,340 | 60,102,549 | 56,656,192 | 53,080,599 |
| Capital surplus | | 65,985,865 | 56,757,470 | 49,122,450 | 48,015,947 | 47,836,241 |
| Retained earnings | Before distribution | 66,527,594 | 73,939,852 | 74,199,518 | 65,626,033 | 61,588,761 |
| | After distribution | Note 2 | 61,357,506 | 53,255,084 | 48,903,175 | 41,138,582 |
| Others | | 11,991,090 | 10,920,014 | 21,146,991 | 23,734,855 | 19,038,454 |
| Treasury share | | (171,600) | (392,343) | (499,691) | (348,959) | (2,545) |
| Total equity | Before distribution | 217,894,766 | 204,477,333 | 204,071,817 | 193,684,068 | 181,541,510 |
| | After distribution | Note 2 | 198,011,160 | 183,127,383 | 179,690,020 | 164,666,924 |

Note 1: The financial information has been audited by independent CPAs.

Note 2: The proposal to distribute 2022 earnings is subject to the Board of Directors or shareholders' approval at the Annual Shareholders' Meeting.

6.1.4 Condensed Statements of Comprehensive Income from 2018 to 2022 (Standalone)

Unit: NT\$ thousands (except EPS: NT\$)

| Item | Year | Financial information for the last five years (Note 1) | | | | |
|--|------|--|-------------|-------------|------------|-------------|
| | | 2022 | 2021 | 2020 | 2019 | 2018 |
| Net revenue | | 25,360,898 | 23,799,505 | 21,495,430 | 19,122,776 | 16,979,445 |
| Gross profit | | 5,494,596 | 4,932,220 | 3,824,413 | 1,824,021 | 1,378,936 |
| Income from operations | | 3,972,935 | 2,925,582 | 2,176,211 | 297,838 | 192,868 |
| Non-operating income and expenses | | 2,048,535 | 16,728,380 | 23,335,829 | 23,913,527 | 21,067,007 |
| Income before income tax | | 6,021,470 | 19,653,962 | 25,512,040 | 24,211,365 | 21,259,875 |
| Income from continuing operations | | 5,404,984 | 19,182,427 | 25,279,796 | 24,211,081 | 21,180,821 |
| Income (Loss) from discontinued operations (Note 2) | | - | 1,073,939 | (180,487) | - | - |
| Net income | | 5,404,984 | 20,256,366 | 25,099,309 | 24,211,081 | 21,180,821 |
| Other comprehensive income for the year, net of income tax | | 848,595 | (8,975,047) | (2,390,701) | 4,967,003 | (2,935,642) |
| Total comprehensive income for the year | | 6,253,579 | 11,281,319 | 22,708,608 | 29,178,084 | 18,245,179 |
| EPS (Note 3) | | 0.74 | 3.00 | 3.90 | 3.81 | 3.48 |

Note 1: The financial information has been audited by independent CPAs.

Note 2: To present a comparison of the discontinued operations in the consolidated income statement for the year ended December 31, 2021, the Group reclassified the income/loss of discontinued operations for the year ended December 31, 2020 so that the related period information in the consolidated income statement is more relevant.

Note 3: The EPS was calculated based on the weighted average of shares outstanding in each year. The prior year EPS was retrospectively adjusted to account for share dividend dilution.

6.1.5 Independent Auditors' Opinions from 2018 to 2022:

| Year | CPA | Audit Opinion |
|------|----------------------------------|---------------------|
| 2022 | Hui-Min Huang and Cheng-Hung Kuo | Unqualified opinion |
| 2021 | Hui-Min Huang and Cheng-Hung Kuo | Unqualified opinion |
| 2020 | Chih-Ming Shao and Hui-Min Huang | Unqualified opinion |
| 2019 | Ya-Ling Wong and Chih-Ming Shao | Unqualified opinion |
| 2018 | Ya-Ling Wong and Chih-Ming Shao | Unqualified opinion |

Note 1: The adjustments made in the fiscal years 2020 and 2021 were to maintain the independence of the auditors and comply with corporate governance, as well as to implement internal rotation within the signing CPA firms.

Note 2: Deloitte & Touche | 20F, No. 100, Songren Rd., Xinyi Dist., Taipei, Taiwan, R.O.C. | TEL: 886-2-2725-9988

6.2 Financial Analysis

6.2.1 Financial Analysis from 2018 to 2022 (Consolidated)

| Item | | Financial analysis for the last five years (Note 1) | | | | |
|--------------------------------|---|---|--------|--------|--------|--------|
| | | Year | 2022 | 2021 | 2020 | 2019 |
| Capital structure analysis | Debt ratio (%) | 48.29 | 48.91 | 43.82 | 43.27 | 42.64 |
| | Long-term fund to property, plant and equipment (%) | 336.06 | 359.48 | 344.59 | 334.83 | 306.92 |
| Liquidity analysis | Current ratio (%) | 233.51 | 190.95 | 172.40 | 177.58 | 171.12 |
| | Quick ratio (%) | 211.47 | 175.30 | 160.92 | 164.66 | 155.85 |
| | Times interest earned (times) | 3.48 | 18.50 | 20.59 | 18.36 | 14.21 |
| Operating performance analysis | Average collection turnover (times) | 3.21 | 3.06 | 2.87 | 3.12 | 3.80 |
| | Days sales outstanding | 113.70 | 119.28 | 127.17 | 116.98 | 96.05 |
| | Average inventory turnover (times) | 7.07 | 8.20 | 9.55 | 9.87 | 10.21 |
| | Average payment turnover (times) | 8.80 | 10.83 | 11.32 | 11.40 | 11.67 |
| | Average inventory turnover days | 51.62 | 44.51 | 38.21 | 36.98 | 35.74 |
| | Property, plant and equipment turnover (times) | 1.07 | 1.21 | 1.26 | 1.36 | 1.34 |
| | Total assets turnover (times) | 0.25 | 0.28 | 0.30 | 0.35 | 0.40 |
| | Return on total assets (%) (ROA) | 1.40 | 5.40 | 7.78 | 7.58 | 7.94 |
| Profitability analysis | Return on equity attributable to shareholders of the parent (%) (ROE) | 1.79 | 9.54 | 13.10 | 12.54 | 12.94 |
| | Pre-tax income to paid-in capital ratio (%) | 1.58 | 42.89 | 58.82 | 57.60 | 57.54 |
| | Net margin (%) | 3.65 | 18.41 | 24.48 | 20.73 | 18.17 |
| | Earnings per share (NT\$) (Note 2) | 0.74 | 3.00 | 3.90 | 3.81 | 3.48 |
| | Cash flow ratio (%) | 8.22 | 21.39 | 43.38 | 43.91 | 34.34 |
| Cash flow | Cash flow adequacy ratio (%) | 57.53 | 67.18 | 85.40 | 81.70 | 80.90 |
| | Cash flow reinvestment ratio (%) | (0.30) | (0.92) | 3.55 | 2.56 | 3.68 |
| | Operating leverage | 15.57 | 1.70 | 1.43 | 1.43 | 1.42 |
| Leverage | Financial leverage | 0.76 | 1.08 | 1.06 | 1.07 | 1.09 |

- The current ratio and quick ratio increased mainly due to repayment of short-term borrowings through fund management.
- The decrease in times interest earned, return on total assets, return on equity attributable to shareholders of the parent, pre-tax income to paid-in capital ratio, net margin, earnings per share and financial leverage, as well as an increase of operating leverage, was mainly due to an increase in market raw material costs, which led to a decrease in profitability.
- The cash flow ratio and cash reinvestment ratio decreased mainly due to a decrease in net cash inflows from operating activities in 2022 while the acquisition of property, plant, and equipment increased.

Note 1: The financial information has been audited by independent CPAs. The calculation of the financial analysis reclassify income/loss of discontinued operations for each item for the year ended December 31, 2021.

Note 2: The prior year EPS was retrospectively adjusted to account for share dividend dilution.

6.2.2 Financial Analysis from 2018 to 2022 (Standalone)

| Item | | Financial analysis for the last five years (Note 1) | | | | |
|--------------------------------|---|---|--------|--------|--------|--------|
| | | Year | 2022 | 2021 | 2020 | 2019 |
| Capital structure analysis | Debt ratio (%) | 41.79 | 42.61 | 36.01 | 32.95 | 31.09 |
| | Long-term fund to property, plant and equipment (%) | 956.99 | 935.27 | 937.81 | 998.95 | 907.07 |
| Liquidity analysis | Current ratio (%) | 49.34 | 96.91 | 85.29 | 86.15 | 114.54 |
| | Quick ratio (%) | 42.41 | 92.74 | 81.37 | 79.03 | 106.96 |
| | Times interest earned (times) | 4.18 | 16.59 | 18.04 | 19.70 | 47.29 |
| Operating performance analysis | Average collection turnover (times) | 4.29 | 4.29 | 4.14 | 4.04 | 4.27 |
| | Days sales outstanding | 85.08 | 85.08 | 88.16 | 90.34 | 85.48 |
| | Average inventory turnover (times) | 10.03 | 13.15 | 13.36 | 12.39 | 10.29 |
| | Average payment turnover (times) | 7.21 | 9.30 | 11.40 | 10.00 | 8.99 |
| | Average inventory turnover days | 36.39 | 27.75 | 27.32 | 29.45 | 35.47 |
| | Property, plant and equipment turnover (times) | 0.73 | 0.74 | 0.75 | 0.71 | 0.62 |
| | Total assets turnover (times) | 0.07 | 0.07 | 0.07 | 0.07 | 0.08 |
| Profitability analysis | Return on total assets (%) (ROA) | 1.89 | 6.32 | 8.65 | 9.14 | 10.11 |
| | Return on equity attributable to shareholders of the parent (%) (ROE) | 2.56 | 9.92 | 12.62 | 12.90 | 13.33 |
| | Pre-tax income to paid-in capital ratio (%) | 8.19 | 32.77 | 42.15 | 42.73 | 40.05 |
| | Net margin (%) | 21.31 | 85.11 | 116.77 | 126.61 | 124.74 |
| | Earnings per share (NT\$) (Note 2) | 0.74 | 3.00 | 3.90 | 3.81 | 3.48 |
| Cash flow | Cash flow ratio (%) | 10.72 | 9.17 | 10.19 | 0.40 | 4.45 |
| | Cash flow adequacy ratio (%) | 5.53 | 5.22 | 5.87 | 5.55 | 7.17 |
| | Cash flow reinvestment ratio (%) | (0.76) | (4.97) | (3.37) | (5.61) | (2.01) |
| Leverage | Operating leverage | 1.64 | 2.02 | 2.18 | 9.10 | 9.89 |
| | Financial leverage | 1.91 | 1.83 | 3.16 | (0.30) | (0.72) |

- The current ratio and quick ratio decreased mainly due to repayment of short-term borrowings through fund management.
- The decrease in average inventory turnover and average payment turnover, as well as an increase in average inventory turnover days, were mainly due to the increase in market coal raw material costs, which led to an increase in the average inventory and average accounts payable.
- The decrease in times interest earned, return on total assets, return on equity attributable to shareholders of the parent, pre-tax income to paid-in capital ratio, net margin, and earnings per share was mainly due to an increase in market raw material costs, which resulted in a decrease in profitability.
- The cash flow reinvestment ratio decreased mainly due to the acquisition of long-term investments and an increase in property, plant, and equipment.

Note 1: The financial information has been audited by independent CPAs. The calculation of the financial analysis reclassify income/loss of discontinued operations for each item for the year ended December 31, 2020.

Note 2: The prior year EPS was retrospectively adjusted to account for share dividend dilution.

Note: Glossary
1. Capital structure analysis

- (1) Debt ratio = Total liabilities / Total assets
- (2) Long-term fund to property, plant and equipment ratio = (Shareholders' equity + Non-current liabilities) / Net property, plant, and equipment

2. Liquidity analysis

- (1) Current ratio = Current assets / Current liabilities
- (2) Quick ratio = (Current assets — Inventory — Prepaid Expenses) / Current liabilities
- (3) Times interest earned = Earnings before Interest and Taxes / Interest expense

3. Operating performance analysis

- (1) Average collection turnover = Net revenue / Average accounts receivable (including accounts receivable and notes receivable)
- (2) Days sales outstanding = 365 / Average collection turnover
- (3) Average inventory turnover = Cost of sales / Average inventory
- (4) Average payment turnover = Cost of goods sold / Average accounts payable (including account payable and notes payable)
- (5) Average inventory turnover days = 365 / Average inventory turnover
- (6) Property, plant, and equipment turnover = Net revenue / Average net property, plant and equipment
- (7) Total assets turnover = Net revenue / Average total assets

4. Profitability analysis

- (1) Return on total assets = [Net income + Interest expense × (1 – Tax rate)] / Average total assets
- (2) Return on equity = Net income / Average shareholders' equity
- (3) Pre-tax income to paid-in capital ratio = Income before tax / Paid-in Capital
- (4) Net margin = Net income / Net revenue
- (5) Earnings per share = (Net income attributable to shareholders of the parent — Preferred share dividend) / Weighted average number of shares outstanding

5. Cash flow

- (1) Cash flow ratio = Net cash provided by operating activities / Current liabilities
- (2) Cash flow adequacy ratio = Five-year sum of cash from operations / Five-year sum of capital expenditures, inventory additions, and cash dividend
- (3) Cash flow reinvestment ratio = (Cash provided by operating activities — Cash dividends) / (Gross property, plant and equipment + Long-term investments + Other noncurrent assets + Working capital)

6. Leverage

- (1) Operating leverage = (Net revenue — Variable operating costs and expenses) / Operating income
- (2) Financial leverage = Operating income / (Operating income — Interest expense)

6.3 Audit Committee's Review Report

Audit Committee's Review Report

The Board of Directors of Taiwan Cement Corporation has prepared the Company's 2022 Business Report, Consolidated and Standalone Financial Statements, and the proposal for the allocation of earnings. The CPA firm Deloitte & Touche was retained to audit the Company's Financial Statements and it has issued an audit report on the Financial Statements. The Business Report, Financial Statements, and the earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Taiwan Cement Corporation. According to Article 14-4 of the Securities Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Taiwan Cement Corporation

Chairman of the Audit Committee: Victor Wang

March 24, 2023

6.4 Financial Statements and Independent Auditor's Report (Consolidated)

Deloitte.

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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, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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.

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, 2022. 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, 2022 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, 2022. Our main audit procedures performed in respect of the aforesaid key audit matter include understanding and testing the design and operating effectiveness of the internal controls related to the revenue from cement sales, and random inspection of the contracts, factory orders and delivery documents from the sales details and testing the collection information of the samples before the end of the reporting period in order to verify the validity of revenue recognition of cement sales.

Other Matter

We have also audited the parent company only financial statements of Taiwan Cement Corporation as of and for the years ended December 31, 2022 and 2021 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, 2022 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 Hui-Min Huang and Cheng-Hung Kuo.

Hui-Min Huang Cheng-Hung Kuo

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 24, 2023

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, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

| ASSETS | 2022 | | 2021 | |
|---|-----------------------|------------|-----------------------|------------|
| | Amount | % | Amount | % |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents (Notes 4 and 6) | \$ 88,842,494 | 19 | \$ 91,121,942 | 21 |
| Financial assets at fair value through profit or loss (Notes 4, 7 and 34) | 611,802 | - | 363,813 | - |
| Financial assets at fair value through other comprehensive income (Notes 4, 8, 34 and 36) | 5,934,753 | 1 | 6,387,543 | 1 |
| Financial assets at amortized cost (Notes 4, 6 and 36) | 20,954,299 | 5 | 15,508,688 | 4 |
| Notes receivable (Notes 4, 9 and 24) | 19,450,723 | 4 | 25,639,724 | 6 |
| Accounts receivable (Notes 4, 9, 10 and 24) | 15,148,760 | 3 | 9,844,002 | 2 |
| Notes and accounts receivable from related parties (Notes 4 and 35) | 513,975 | - | 457,203 | - |
| Other receivables (Notes 4 and 26) | 2,309,268 | 1 | 1,499,322 | - |
| Other receivables from related parties (Notes 4, 13 and 35) | 415,606 | - | 388,968 | - |
| Inventories (Notes 4 and 12) | 16,089,980 | 4 | 13,412,511 | 3 |
| Prepayments | 4,268,024 | 1 | 3,935,575 | 1 |
| Other current assets (Notes 4 and 24) | 1,084,374 | - | 794,144 | - |
| Total current assets | <u>175,624,058</u> | <u>38</u> | <u>169,353,435</u> | <u>38</u> |
| NON-CURRENT ASSETS | | | | |
| Financial assets at fair value through profit or loss (Notes 4, 7, 34 and 36) | 284,876 | - | - | - |
| Financial assets at fair value through other comprehensive income (Notes 4, 8, 34 and 36) | 22,751,646 | 5 | 27,835,864 | 6 |
| Financial assets at amortized cost (Notes 4, 6 and 36) | 9,577,103 | 2 | 15,468,807 | 4 |
| Investments accounted for using the equity method (Notes 4, 14 and 36) | 53,586,673 | 12 | 46,781,575 | 11 |
| Property, plant and equipment (Notes 4, 15, 25, 35 and 36) | 114,739,983 | 25 | 98,196,032 | 22 |
| Right-of-use assets (Notes 4, 16, 25 and 35) | 15,503,775 | 3 | 14,992,784 | 3 |
| Investment properties (Notes 4, 17, 25 and 36) | 5,323,016 | 1 | 5,425,680 | 1 |
| Intangible assets (Notes 4, 18 and 25) | 27,880,416 | 6 | 27,650,861 | 6 |
| Prepayments for property, plant and equipment (Notes 15 and 35) | 9,658,047 | 2 | 7,762,010 | 2 |
| Long-term finance lease receivables (Notes 4 and 10) | 21,372,402 | 5 | 24,334,423 | 6 |
| Net defined benefit assets (Notes 4 and 22) | 1,567,531 | - | 1,850,315 | - |
| Other non-current assets (Notes 4, 26, 35 and 36) | 2,939,435 | 1 | 2,032,773 | 1 |
| Total non-current assets | <u>285,184,903</u> | <u>62</u> | <u>272,331,124</u> | <u>62</u> |
| TOTAL | <u>\$ 460,808,961</u> | <u>100</u> | <u>\$ 441,684,559</u> | <u>100</u> |
| LIABILITIES AND EQUITY | | | | |
| CURRENT LIABILITIES | | | | |
| Short-term loans (Notes 19, 32 and 36) | \$ 22,416,812 | 5 | \$ 48,440,514 | 11 |
| Short-term bills payable (Note 19) | 3,065,961 | 1 | 6,769,046 | 2 |
| Financial liabilities at fair value through profit or loss (Notes 4, 7 and 34) | 641,522 | - | 213,062 | - |
| Contract liabilities (Note 24) | 1,774,714 | - | 1,439,222 | - |
| Notes and accounts payable (Note 35) | 13,691,411 | 3 | 10,023,071 | 2 |
| Other payables (Note 21) | 9,771,591 | 2 | 10,238,196 | 2 |
| Other payables to related parties (Note 35) | 750,236 | - | 1,391,057 | - |
| Current income tax liabilities (Notes 4 and 26) | 1,063,356 | - | 2,490,823 | 1 |
| Lease liabilities (Notes 4, 16 and 35) | 400,136 | - | 407,652 | - |
| Long-term loans and bonds payable - current portion (Notes 19, 20, 32 and 36) | 21,511,839 | 5 | 7,091,417 | 2 |
| Other current liabilities | 121,833 | - | 183,908 | - |
| Total current liabilities | <u>75,209,411</u> | <u>16</u> | <u>88,687,968</u> | <u>20</u> |
| NON-CURRENT LIABILITIES | | | | |
| Bonds payable (Notes 4 and 20) | 72,136,574 | 16 | 81,526,445 | 18 |
| Long-term loans (Notes 19, 32 and 36) | 42,864,736 | 9 | 16,695,836 | 4 |
| Lease liabilities (Notes 4, 16 and 35) | 3,550,048 | 1 | 3,261,791 | 1 |
| Deferred income tax liabilities (Notes 4 and 26) | 12,359,419 | 3 | 11,922,865 | 3 |
| Long-term bills payable (Note 19) | 14,990,589 | 3 | 12,680,086 | 3 |
| Net defined benefit liabilities (Notes 4 and 22) | 119,623 | - | 143,201 | - |
| Other non-current liabilities (Notes 14 and 15) | 1,302,781 | - | 1,111,694 | - |
| Total non-current liabilities | <u>147,323,770</u> | <u>32</u> | <u>127,341,918</u> | <u>29</u> |
| Total liabilities | <u>222,533,181</u> | <u>48</u> | <u>216,029,886</u> | <u>49</u> |
| EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE CORPORATION (Notes 4, 23 and 31) | | | | |
| Ordinary shares | 71,561,817 | 16 | 61,252,340 | 14 |
| Preference shares | 2,000,000 | - | 2,000,000 | - |
| Capital surplus | 65,985,865 | 14 | 56,757,470 | 13 |
| Retained earnings | 66,527,594 | 14 | 73,939,852 | 17 |
| Other equity | 11,991,090 | 3 | 10,920,014 | 2 |
| Treasury shares | (171,600) | - | (392,343) | - |
| Equity attributable to shareholders of the Corporation | <u>217,894,766</u> | <u>47</u> | <u>204,477,333</u> | <u>46</u> |
| NON-CONTROLLING INTERESTS (Notes 23 and 31) | <u>20,381,014</u> | <u>5</u> | <u>21,177,340</u> | <u>5</u> |
| Total equity | <u>238,275,780</u> | <u>52</u> | <u>225,654,673</u> | <u>51</u> |
| TOTAL | <u>\$ 460,808,961</u> | <u>100</u> | <u>\$ 441,684,559</u> | <u>100</u> |

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

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| | 2022 | | 2021 | |
|--|--------------------|-----------|-------------------|-----------|
| | Amount | % | Amount | % |
| OPERATING REVENUE (Notes 4, 24 and 35) | \$ 113,929,706 | 100 | \$ 107,041,452 | 100 |
| OPERATING COSTS (Notes 4, 12, 22, 25 and 35) | <u>104,345,739</u> | <u>92</u> | <u>80,391,353</u> | <u>75</u> |
| GROSS PROFIT | <u>9,583,967</u> | <u>8</u> | <u>26,650,099</u> | <u>25</u> |
| OPERATING EXPENSES (Notes 22, 25 and 35) | | | | |
| Marketing | 820,576 | 1 | 709,024 | 1 |
| General and administrative | 6,925,430 | 6 | 5,797,048 | 6 |
| Research and development | <u>675,823</u> | <u>-</u> | <u>357,552</u> | <u>-</u> |
| Total operating expenses | <u>8,421,829</u> | <u>7</u> | <u>6,863,624</u> | <u>7</u> |
| INCOME FROM OPERATIONS | <u>1,162,138</u> | <u>1</u> | <u>19,786,475</u> | <u>18</u> |
| NON-OPERATING INCOME AND EXPENSES | | | | |
| Share of profit of associates and joint ventures (Notes 4 and 14) | 3,919,856 | 3 | 4,149,749 | 4 |
| Interest income (Note 25) | 2,102,495 | 2 | 1,535,980 | 1 |
| Dividend income (Note 4) | 2,498,353 | 2 | 1,747,166 | 2 |
| Other income (Note 25) | 583,112 | 1 | 1,067,849 | 1 |
| Net gain (loss) on disposal of investment properties (Note 17) | 502,346 | - | (4,298) | - |
| Foreign exchange gains (losses), net | 201,611 | - | (87,583) | - |
| Finance costs (Notes 4 and 25) | (2,869,888) | (2) | (1,670,463) | (1) |
| Other expenses (Note 25) | (829,313) | (1) | (786,719) | (1) |
| Net gain (loss) on disposal of property, plant and equipment (Note 15) | (20,296) | - | 327,659 | - |
| Net gain (loss) on financial assets and liabilities at fair value through profit or loss | (514,394) | - | 19,025 | - |
| Non-financial assets impairment loss (Notes 15 and 18) | <u>(89,923)</u> | <u>-</u> | <u>(6,756)</u> | <u>-</u> |
| Total non-operating income and expenses | <u>5,483,959</u> | <u>5</u> | <u>6,291,609</u> | <u>6</u> |

(Continued)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

| | 2022 | | 2021 | |
|---|---------------------|------------|----------------------|------------|
| | Amount | % | Amount | % |
| INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS | \$ 6,646,097 | 6 | \$ 26,078,084 | 24 |
| INCOME TAX EXPENSE (Notes 4 and 26) | <u>2,489,012</u> | <u>2</u> | <u>5,930,387</u> | <u>5</u> |
| NET INCOME FROM CONTINUING OPERATIONS | 4,157,085 | 4 | 20,147,697 | 19 |
| PROFIT FROM DISCONTINUED OPERATIONS (Note 11) | <u>-</u> | <u>-</u> | <u>1,053,559</u> | <u>1</u> |
| NET INCOME | <u>4,157,085</u> | <u>4</u> | <u>21,201,256</u> | <u>20</u> |
| 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) | (282,252) | - | 266,289 | - |
| Unrealized loss on investments in equity instruments at fair value through other comprehensive income (Note 23) | (6,366,804) | (6) | (2,810,397) | (3) |
| Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method (Note 23) | (352,936) | - | 177,820 | - |
| Income tax related to items that will not be reclassified subsequently to profit or loss (Note 26) | <u>57,170</u> | <u>-</u> | <u>(53,780)</u> | <u>-</u> |
| | <u>(6,944,822)</u> | <u>(6)</u> | <u>(2,420,068)</u> | <u>(3)</u> |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Exchange differences on translating foreign operations (Note 23) | 4,288,246 | 4 | (1,414,314) | (1) |
| Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method (Note 23) | <u>3,801,499</u> | <u>3</u> | <u>(5,231,751)</u> | <u>(5)</u> |
| | <u>8,089,745</u> | <u>7</u> | <u>(6,646,065)</u> | <u>(6)</u> |
| Other comprehensive income (loss) for the year, net of income tax | <u>1,144,923</u> | <u>1</u> | <u>(9,066,133)</u> | <u>(9)</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | <u>\$ 5,302,008</u> | <u>5</u> | <u>\$ 12,135,123</u> | <u>11</u> |

(Continued)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

| | 2022 | | 2021 | |
|--|---------------------|------------|----------------------|-----------|
| | Amount | % | Amount | % |
| NET INCOME (LOSS) ATTRIBUTABLE TO: | | | | |
| Shareholders of the Corporation | \$ 5,404,984 | 5 | \$ 20,256,366 | 19 |
| Non-controlling interests | <u>(1,247,899)</u> | <u>(1)</u> | <u>944,890</u> | <u>1</u> |
| | <u>\$ 4,157,085</u> | <u>4</u> | <u>\$ 21,201,256</u> | <u>20</u> |
| TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO: | | | | |
| Shareholders of the Corporation | \$ 6,253,579 | 6 | \$ 11,281,319 | 10 |
| Non-controlling interests | <u>(951,571)</u> | <u>(1)</u> | <u>853,804</u> | <u>1</u> |
| | <u>\$ 5,302,008</u> | <u>5</u> | <u>\$ 12,135,123</u> | <u>11</u> |
| EARNINGS PER SHARE (Note 27) | | | | |
| From continuing and discontinued operations | | | | |
| Basic earnings per share | <u>\$ 0.74</u> | | <u>\$ 3.00</u> | |
| Diluted earnings per share | <u>\$ 0.73</u> | | <u>\$ 2.97</u> | |
| From continuing operations | | | | |
| Basic earnings per share | <u>\$ 0.74</u> | | <u>\$ 2.84</u> | |
| Diluted earnings per share | <u>\$ 0.73</u> | | <u>\$ 2.81</u> | |

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

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

| | 2022 | 2021 |
|--|--------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Income before income tax from continuing operations | \$ 6,646,097 | \$ 26,078,084 |
| Profit before income tax from discontinued operations | - | 1,051,097 |
| Income before income tax | <u>6,646,097</u> | <u>27,129,181</u> |
| Adjustments for: | | |
| Depreciation expense | 7,473,531 | 6,603,392 |
| Amortization expense | 1,042,504 | 460,289 |
| Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss | 514,394 | (19,025) |
| Finance costs | 2,869,888 | 1,732,162 |
| Interest income | (2,102,495) | (1,539,799) |
| Dividend income | (2,498,353) | (1,747,166) |
| Share-based compensation | 103,396 | 24,325 |
| Share of profit of associates and joint ventures | (3,919,856) | (4,149,749) |
| Loss (gain) on disposal of property, plant and equipment, net | 20,296 | (327,659) |
| Loss (gain) on disposal of investment properties, net | (502,346) | 4,298 |
| Loss on disposal of intangible assets | - | 46 |
| Loss (gain) on disposal of investments, net | 16 | (755,170) |
| Non-financial asset impairment loss | 89,923 | 6,756 |
| Write-down (reversal) of inventories | 259,108 | (11,949) |
| Unrealized loss (gain) on foreign exchange, net | (18,198) | 51,499 |
| Changes in operating assets and liabilities: | | |
| Financial assets mandatorily classified as at fair value through profit or loss | (618,799) | - |
| Notes receivable | 6,742,899 | 3,688,015 |
| Accounts receivable | (5,325,704) | (1,842,995) |
| Notes and accounts receivable from related parties | (44,065) | (244,940) |
| Other receivables | (138,781) | (833,954) |
| Other receivables from related parties | (52,768) | (3,668) |
| Inventories | (2,774,387) | (4,996,513) |
| Prepayments | (19,124) | (1,735,035) |
| Other current assets | (286,894) | (31,241) |
| Contract liabilities | 352,425 | (387,900) |
| Notes and accounts payable | 3,565,856 | 3,785,009 |
| Other payables | (293,088) | (194,313) |
| Other payables to related parties | (640,789) | 1,843,557 |
| Other current liabilities | (62,315) | (312,001) |
| Net defined benefit liabilities | (45,669) | 285,985 |
| Cash generated from operations | <u>10,336,702</u> | <u>26,481,437</u> |
| Income tax paid | <u>(4,156,197)</u> | <u>(7,509,067)</u> |
| Net cash generated from operating activities | <u>6,180,505</u> | <u>18,972,370</u> |
| | | (Continued) |

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

| | Share Capital | | | Retained Earnings | | | Other Equity | | | Total Equity | | | | |
|--|-----------------|-------------------|-------------------|-------------------|---------------|-----------------|-------------------------|--|--|--------------|------------------------------------|-----------------|---------------|----------------|
| | Ordinary Shares | Preference Shares | Convertible Bonds | Capital Surplus | Legal Reserve | Special Reserve | Unappropriated Earnings | Exchange Differences on Translating Foreign Operations | Unrealized Gain/Loss on Financial Assets at Fair Value | | Gain (Loss) on Hedging Instruments | Treasury Shares | | |
| BALANCE AT JANUARY 1, 2021 | \$ 574,140,007 | \$ 2,000,000 | \$ 688,342 | \$ 49,122,450 | \$ 19,351,561 | \$ 13,039,860 | \$ 41,806,297 | \$ 9,532,576 | \$ 30,670,817 | \$ (250) | \$ (499,601) | \$ 204,071,817 | \$ 14,758,236 | \$ 218,830,053 |
| Appropriation of 2020 earnings | - | - | - | - | 2,530,554 | - | (2,530,554) | - | - | - | - | (20,594,434) | - | (20,594,434) |
| Cash dividends distributed by the Corporation | - | - | - | - | (20,594,434) | - | (350,000) | - | - | - | - | (350,000) | - | (350,000) |
| Preferred share dividends distributed by the Corporation | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cash dividends distributed by subsidiaries | - | - | - | - | - | - | 20,256,566 | - | - | - | - | 20,256,566 | - | 20,256,566 |
| Net income for the year ended December 31, 2021 | - | - | - | - | - | - | 222,020 | - | - | 220 | - | (83,972,042) | - | (83,972,042) |
| Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax | - | - | - | - | - | - | 30,478,416 | (6,545,119) | (2,652,023) | 250 | - | 11,281,319 | 853,804 | 13,135,123 |
| Total comprehensive income (loss) for the year ended December 31, 2021 | - | - | - | - | - | - | 20,256,566 | (6,545,119) | (2,652,023) | 250 | - | (83,972,042) | 853,804 | 13,135,123 |
| Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method | - | - | - | 9,304 | - | - | - | - | - | - | - | - | - | 9,304 |
| Difference between consideration received and the carrying amount of subsidiaries net assets during actual acquisitions or disposal | - | - | - | (22,400) | - | - | (732,293) | - | - | - | - | (732,293) | - | 5,428,067 |
| Changes in ownership interests of subsidiaries | - | - | - | (1,404) | - | - | (91,235) | - | - | - | - | (92,639) | 1,452,148 | 1,359,509 |
| Competition costs of treasury shares transferred to employees | - | - | - | 24,325 | - | - | - | - | - | - | - | 24,325 | - | 24,325 |
| Treasury shares transferred to employees | - | - | - | (14,323) | - | - | - | - | - | - | 107,348 | 93,025 | - | 93,025 |
| Deposits of investments in equity instruments at fair value through other comprehensive income | - | - | - | - | - | - | 1,029,880 | - | (1,029,880) | - | - | 945,146 | - | 945,146 |
| Convertible bonds converted to ordinary shares | - | - | - | 6,301,695 | - | - | - | - | - | - | - | - | - | 6,301,695 |
| Equity component of issuance of convertible bonds | - | - | - | 1,337,822 | - | - | - | - | - | - | - | - | - | 1,337,822 |
| BALANCE AT DECEMBER 31, 2021 | 61,252,340 | 2,000,000 | (68,542) | 56,757,470 | 21,881,915 | 13,039,860 | 39,018,077 | (16,068,895) | 26,988,909 | 250 | (392,343) | 204,477,333 | 13,177,240 | 225,654,673 |
| Appropriation of 2021 earnings | - | - | - | - | 2,008,477 | - | (2,008,477) | - | - | - | - | (61,161,732) | - | (61,161,732) |
| Cash dividends distributed by the Corporation | - | - | - | - | (61,161,732) | - | (350,000) | - | - | - | - | (350,000) | - | (350,000) |
| Preferred share dividends distributed by the Corporation | - | - | - | - | (61,161,732) | - | (61,161,732) | - | - | - | - | (61,161,732) | - | (61,161,732) |
| Cash dividends distributed by subsidiaries | - | - | - | - | - | - | 5,404,984 | - | - | - | - | 5,404,984 | - | 5,404,984 |
| Net income (loss) for the year ended December 31, 2022 | - | - | - | - | - | - | (222,481) | - | - | (1,651) | - | (838,592) | - | (838,592) |
| Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax | - | - | - | - | - | - | 5,182,592 | 2,723,220 | (6,201,992) | (1,651) | - | 6,235,529 | (951,421) | 5,302,028 |
| Total comprehensive income (loss) for the year ended December 31, 2022 | - | - | - | - | - | - | 5,182,592 | 2,723,220 | (6,201,992) | (1,651) | - | 6,235,529 | (951,421) | 5,302,028 |
| Issuance of global depositary receipts | - | - | - | 4,200,000 | - | - | - | - | - | - | - | - | - | 4,200,000 |
| Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method | - | - | - | 9,193,957 | - | - | - | - | - | - | - | - | - | 13,393,957 |
| Difference between consideration received and the carrying amount of subsidiaries net assets during actual acquisitions or disposals | - | - | - | (42,912) | - | - | - | - | - | - | - | - | - | (42,912) |
| Changes in ownership interests of subsidiaries | - | - | - | - | 64,744 | - | (12,415) | - | - | - | - | (12,415) | - | 1,529,061 |
| Competition costs of treasury shares transferred to employees | - | - | - | 66,820 | - | - | - | - | - | - | - | 238,335 | - | 238,335 |
| Treasury shares transferred to employees | - | - | - | (31,702) | - | - | - | - | - | - | 29,208 | (2,494) | - | (2,494) |
| Cancellation of treasury shares | - | - | - | (6,696) | - | - | - | - | - | - | - | (29,208) | - | (29,208) |
| Reversal of special reserves recognized from asset disposals | - | - | - | - | - | - | 35,429 | - | - | - | - | - | - | 35,429 |
| BALANCE AT DECEMBER 31, 2022 | \$ 71,564,842 | \$ 2,000,000 | \$ - | \$ 65,958,885 | \$ 23,929,392 | \$ 13,004,401 | \$ 29,572,801 | \$ (8,329,125) | \$ 20,288,916 | \$ (1,651) | \$ (471,600) | \$ 212,839,766 | \$ 20,381,014 | \$ 233,220,780 |

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

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES
**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

| | 2022 | 2021 |
|---|---------------------|---------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of financial assets at fair value through other comprehensive income | \$ (286,227) | \$ (1,510,555) |
| Disposal of financial assets at fair value through other comprehensive income | - | 2,182,067 |
| Disposal of financial assets at amortized cost | 390,801 | 969,204 |
| Acquisition of long-term equity investments accounted for using the equity method | (65,443) | (762,498) |
| Acquisition of subsidiaries | - | (1,645,144) |
| Disposal of subsidiary | - | (126,538) |
| Payments for property, plant and equipment | (23,458,453) | (16,552,788) |
| Proceeds from disposal of property, plant and equipment | 98,435 | 173,692 |
| Payments for intangible assets | (900,999) | (2,178,073) |
| Payments for right-of-use assets | - | (669,869) |
| Payments for investment property | (1,255) | (3,334) |
| Proceeds from disposal of investment properties | 560,763 | - |
| Decrease in finance lease receivables | 2,962,021 | 1,782,651 |
| Decrease in other non-current assets | (696,023) | (71,547) |
| Interest received | 1,732,229 | 1,973,325 |
| Dividends received | <u>3,074,114</u> | <u>3,148,657</u> |
| Net cash used in investing activities | <u>(16,590,037)</u> | <u>(13,290,750)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Increase (decrease) in short-term loans | (27,377,773) | 17,043,656 |
| Increase (decrease) in short-term bills payable | (3,703,085) | 522,017 |
| Issuance of bonds | 11,050,000 | 38,567,539 |
| Increase in long-term loans | 48,396,400 | 8,934,525 |
| Repayment of long-term loans | (28,834,975) | (13,301,379) |
| Increase in long-term bills payable | 39,900,000 | 34,700,000 |
| Decrease in long-term bills payable | (37,500,000) | (27,000,000) |
| Repayment of the principal portion of lease liabilities | (442,617) | (399,972) |
| Increase (decrease) in other non-current liabilities | 155,205 | (129,667) |
| Cash dividends paid | (7,627,265) | (23,014,042) |
| Proceeds from issuance of ordinary shares | 13,393,957 | - |
| Treasury shares transferred to employees | 159,833 | 93,025 |
| Acquisition of subsidiaries | (18,966) | (957,841) |
| Interest paid | (3,044,895) | (2,054,380) |
| Changes in non-controlling interests | 1,535,612 | 1,392,274 |
| Payments for buy-back of ordinary shares | <u>-</u> | <u>(900)</u> |
| Net cash generated from financing activities | <u>6,041,431</u> | <u>34,394,855</u> |
| EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | <u>2,088,653</u> | <u>(388,055)</u> |

(Continued)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES
**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

| | 2022 | 2021 |
|--|----------------------|----------------------|
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | \$ (2,279,448) | \$ 39,688,420 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | <u>91,121,942</u> | <u>51,433,522</u> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | <u>\$ 88,842,494</u> | <u>\$ 91,121,942</u> |

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

(Concluded)

6.5 Financial Statements and Independent Auditor's Report (Standalone)

Deloitte.

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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, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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.

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, 2022. 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, 2022 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, 2022. Our main audit procedures performed in respect of the aforesaid key audit matter include understanding and testing the design and operating effectiveness of the internal controls related to the revenue from cement sales, and random inspection of the contracts, factory orders and delivery documents from the sales details and testing the

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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, 2022 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 Hui-Min Huang and Cheng-Hung Kuo.

Hui-Min Huang Cheng-Hung Kuo

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 24, 2023

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, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

| ASSETS | 2022 | | 2021 | |
|---|-----------------------|------------|-----------------------|------------|
| | Amount | % | Amount | % |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents (Notes 4 and 6) | \$ 4,243,295 | 1 | \$ 26,919,655 | 8 |
| Financial assets at fair value through profit or loss (Notes 4, 7 and 27) | 259,919 | - | 306,075 | - |
| Financial assets at fair value through other comprehensive income (Notes 4, 8 and 27) | 3,607,819 | 1 | 3,832,706 | 1 |
| Notes and accounts receivable (Notes 4 and 9) | 5,319,368 | 1 | 5,165,862 | 1 |
| Notes and accounts receivable from related parties (Notes 4 and 28) | 681,793 | - | 646,808 | - |
| Inventories (Notes 4 and 11) | 2,321,850 | 1 | 1,640,537 | 1 |
| Other current assets (Notes 22 and 28) | 248,683 | - | 218,871 | - |
| Total current assets | 16,682,727 | 4 | 38,730,514 | 11 |
| NON-CURRENT ASSETS | | | | |
| Financial assets at fair value through other comprehensive income (Notes 4, 8 and 27) | 7,633,603 | 2 | 8,459,255 | 2 |
| Investments accounted for using the equity method (Notes 4, 5 and 12) | 307,101,709 | 82 | 267,535,378 | 75 |
| Property, plant and equipment (Notes 4, 13, 21, 28 and 29) | 35,583,596 | 10 | 33,820,654 | 9 |
| Right-of-use assets (Notes 4, 14, 21 and 28) | 1,788,972 | 1 | 2,092,105 | 1 |
| Investment properties (Notes 4, 15 and 21) | 2,436,675 | 1 | 2,495,151 | 1 |
| Intangible assets (Notes 4 and 21) | 10,709 | - | 10,709 | - |
| Prepayments for property, plant and equipment (Note 13) | 682,765 | - | 374,127 | - |
| Net defined benefit assets (Notes 4 and 19) | 1,526,546 | - | 1,823,268 | 1 |
| Other non-current assets (Notes 4, 6, 22 and 29) | 894,935 | - | 937,185 | - |
| Total non-current assets | 357,659,510 | 96 | 317,547,832 | 89 |
| TOTAL | \$ 374,342,237 | 100 | \$ 356,278,346 | 100 |
| LIABILITIES AND EQUITY | | | | |
| CURRENT LIABILITIES | | | | |
| Short-term loans (Notes 16 and 25) | \$ 6,026,632 | 2 | \$ 25,426,775 | 7 |
| Short-term bills payable (Note 16) | - | - | 1,897,708 | 1 |
| Financial liabilities at fair value through profit or loss (Notes 4, 7 and 27) | 641,522 | - | 213,062 | - |
| Accounts payable | 1,857,952 | - | 1,162,329 | - |
| Accounts payable to related parties (Note 28) | 1,164,459 | - | 1,326,965 | - |
| Other payables (Notes 13 and 18) | 2,311,009 | 1 | 2,553,645 | 1 |
| Current income tax liabilities (Notes 4 and 22) | 411,503 | - | 423,152 | - |
| Lease liabilities (Notes 4, 14 and 28) | 275,841 | - | 314,565 | - |
| Long-term loans and bonds payable - current portion (Notes 16, 17 and 25) | 20,785,447 | 6 | 6,450,000 | 2 |
| Other current liabilities (Note 28) | 337,328 | - | 196,598 | - |
| Total current liabilities | 33,811,693 | 9 | 39,964,799 | 11 |
| NON-CURRENT LIABILITIES | | | | |
| Bonds payable (Notes 4 and 17) | 72,136,574 | 19 | 81,526,445 | 23 |
| Long-term loans (Notes 16 and 25) | 29,825,090 | 8 | 10,724,917 | 3 |
| Lease liabilities (Notes 4, 14 and 28) | 1,551,162 | - | 1,806,283 | 1 |
| Notes payable (Note 16) | 13,397,747 | 4 | 11,982,079 | 3 |
| Deferred income tax liabilities (Notes 4 and 22) | 5,370,199 | 2 | 5,434,006 | 2 |
| Other non-current liabilities (Note 12) | 355,006 | - | 362,484 | - |
| Total non-current liabilities | 122,635,778 | 33 | 111,836,214 | 32 |
| Total liabilities | 156,447,471 | 42 | 151,801,013 | 43 |
| EQUITY (Notes 4, 20 and 23) | | | | |
| Ordinary shares | 71,561,817 | 19 | 61,252,340 | 17 |
| Preference shares | 2,000,000 | - | 2,000,000 | - |
| Capital surplus | 65,985,865 | 18 | 56,757,470 | 16 |
| Retained earnings | 66,527,594 | 18 | 73,939,852 | 21 |
| Other equity | 11,991,090 | 3 | 10,920,014 | 3 |
| Treasury shares | (171,600) | - | (392,343) | - |
| Total equity | 217,894,766 | 58 | 204,477,333 | 57 |
| TOTAL | \$ 374,342,237 | 100 | \$ 356,278,346 | 100 |

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

TAIWAN CEMENT CORPORATION
**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

| | 2022 | | 2021 | |
|--|-------------------|------------|-------------------|-----------|
| | Amount | % | Amount | % |
| OPERATING REVENUE (Notes 4 and 28) | \$ 25,428,507 | 100 | \$ 23,878,294 | 100 |
| LESS: SALES RETURNS AND ALLOWANCES | <u>67,609</u> | <u>-</u> | <u>78,789</u> | <u>-</u> |
| OPERATING REVENUE, NET | 25,360,898 | 100 | 23,799,505 | 100 |
| OPERATING COSTS (Notes 11, 21 and 28) | <u>19,866,302</u> | <u>78</u> | <u>18,867,285</u> | <u>79</u> |
| GROSS PROFIT | 5,494,596 | 22 | 4,932,220 | 21 |
| REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES | <u>1,228</u> | <u>-</u> | <u>1,228</u> | <u>-</u> |
| REALIZED GROSS PROFIT | <u>5,495,824</u> | <u>22</u> | <u>4,933,448</u> | <u>21</u> |
| OPERATING EXPENSES (Notes 21 and 28) | | | | |
| Marketing | 277,792 | 1 | 273,441 | 1 |
| General and administrative | <u>1,245,097</u> | <u>5</u> | <u>1,734,425</u> | <u>7</u> |
| Total operating expenses | <u>1,522,889</u> | <u>6</u> | <u>2,007,866</u> | <u>8</u> |
| INCOME FROM OPERATIONS | <u>3,972,935</u> | <u>16</u> | <u>2,925,582</u> | <u>13</u> |
| NON-OPERATING INCOME AND EXPENSES | | | | |
| Share of profit of subsidiaries and associates (Notes 4 and 12) | 3,493,766 | 14 | 17,819,863 | 75 |
| Interest income | 114,030 | - | 36,258 | - |
| Dividend income (Note 4) | 559,116 | 2 | 418,689 | 2 |
| Other income (Note 21) | 125,159 | 1 | 107,581 | - |
| Net gain (loss) on disposal of property, plant and equipment | 13,938 | - | (11,670) | - |
| Net gain (loss) on disposal of investment properties (Note 15) | 502,346 | 2 | (4,298) | - |
| Finance costs (Notes 4, 21 and 28) | (1,936,156) | (8) | (1,351,009) | (6) |
| Other expenses (Note 21) | (138,725) | - | (247,378) | (1) |
| Foreign exchange losses, net | (210,323) | (1) | (64,293) | - |
| Net gain (loss) on financial assets and liabilities at fair value through profit or loss | <u>(474,616)</u> | <u>(2)</u> | <u>24,637</u> | <u>-</u> |
| Total non-operating income and expenses | <u>2,048,535</u> | <u>8</u> | <u>16,728,380</u> | <u>70</u> |

(Continued)

TAIWAN CEMENT CORPORATION
**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

| | 2022 | | 2021 | |
|---|---------------------|-------------|----------------------|-------------|
| | Amount | % | Amount | % |
| INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS | \$ 6,021,470 | 24 | \$ 19,653,962 | 83 |
| INCOME TAX EXPENSE (Notes 4 and 22) | <u>616,486</u> | <u>3</u> | <u>471,535</u> | <u>2</u> |
| NET INCOME FROM CONTINUING OPERATIONS | 5,404,984 | 21 | 19,182,427 | 81 |
| PROFIT FROM DISCONTINUED OPERATIONS (Notes 10 and 28) | <u>-</u> | <u>-</u> | <u>1,073,939</u> | <u>4</u> |
| NET INCOME | <u>5,404,984</u> | <u>21</u> | <u>20,256,366</u> | <u>85</u> |
| OTHER COMPREHENSIVE INCOME (LOSS) (Note 4) | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | |
| Remeasurement of defined benefit plan (Note 19) | (304,887) | (1) | 270,496 | 1 |
| Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Note 20) | (1,050,539) | (4) | 1,723,801 | 7 |
| Share of other comprehensive loss of subsidiaries and associates accounted for using the equity method (Note 20) | (5,631,676) | (22) | (4,369,926) | (18) |
| Income tax related to items that will not be reclassified subsequently to profit or loss (Note 22) | <u>60,977</u> | <u>-</u> | <u>(54,099)</u> | <u>-</u> |
| Items that may be reclassified subsequently to profit or loss: | <u>(6,926,125)</u> | <u>(27)</u> | <u>(2,429,728)</u> | <u>(10)</u> |
| Share of other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method (Note 20) | <u>7,774,720</u> | <u>31</u> | <u>(6,545,319)</u> | <u>(28)</u> |
| Other comprehensive income (loss) for the year, net of income tax | <u>848,595</u> | <u>4</u> | <u>(8,975,047)</u> | <u>(38)</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | <u>\$ 6,253,579</u> | <u>25</u> | <u>\$ 11,281,319</u> | <u>47</u> |

(Continued)

TAIWAN CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| | 2022 | | 2021 | |
|---|---------|---|---------|---|
| | Amount | % | Amount | % |
| EARNINGS PER SHARE (Note 23) | | | | |
| From continuing and discontinued operations | | | | |
| Basic earnings per share | \$ 0.74 | | \$ 3.30 | |
| Diluted earnings per share | \$ 0.73 | | \$ 2.97 | |
| From continuing operations | | | | |
| Basic earnings per share | \$ 0.74 | | \$ 2.84 | |
| Diluted earnings per share | \$ 0.73 | | \$ 2.81 | |

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

(Concluded)

TAIWAN CEMENT CORPORATION
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

| | Share Capital | | Certificate of Entitlement to New Shares from Convertible Bonds | Legal Reserve | Retained Earnings | | Unappropriated Earnings | Total | Exchange Differences on Translating Foreign Operations | Other Equity Instruments on Financial Assets at Fair Value Through Other Comprehensive Income | Gain (Loss) on Hedges Instruments | Treasury Shares | Total Equity |
|---|-----------------|-------------------|---|---------------|-------------------|-----------------|-------------------------|---------------|--|---|-----------------------------------|-----------------|----------------|
| | Ordinary Shares | Preference Shares | | | Capital Surplus | Special Reserve | | | | | | | |
| BALANCE AT JANUARY 1, 2021 | \$ 57,414,007 | \$ 2,000,000 | \$ 688,542 | \$ 49,122,450 | \$ 19,351,361 | \$ 13,039,860 | \$ 41,808,297 | \$ 74,199,518 | \$ (9,523,576) | \$ 30,670,817 | \$ (250) | \$ (499,691) | \$ 204,071,817 |
| Appropriation of 2020 earnings | - | - | - | - | 2,530,354 | - | (2,530,354) | (2,530,354) | - | - | - | - | - |
| Cash dividends distributed by the Corporation | - | - | - | - | - | - | (20,504,624) | (20,504,624) | - | - | - | - | (20,504,624) |
| Preferred share dividends distributed by the Corporation | - | - | - | - | - | - | (350,000) | (350,000) | - | - | - | - | (350,000) |
| Net income for the year ended December 31, 2021 | - | - | - | - | - | - | 20,256,366 | 20,256,366 | - | - | - | - | 20,256,366 |
| Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax | - | - | - | - | - | - | 222,050 | 222,050 | (6,545,319) | (2,652,028) | 250 | - | (8,975,027) |
| Total comprehensive income (loss) for the year ended December 31, 2021 | - | - | - | - | - | - | 20,478,416 | 20,478,416 | (6,545,319) | (2,652,028) | 250 | - | 11,281,319 |
| Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method | - | - | - | 9,304 | - | - | - | 9,304 | - | - | - | - | 9,304 |
| Difference between consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals | - | - | - | (22,400) | - | - | (732,293) | (732,293) | - | - | - | - | (754,693) |
| Changes in ownership interests of subsidiaries | - | - | - | (1,404) | - | - | (91,235) | (91,235) | - | - | - | - | (92,639) |
| Compensation costs of treasury shares transferred to employees | - | - | - | 24,325 | - | - | - | 24,325 | - | - | - | - | 24,325 |
| Treasury shares transfer to employees | - | - | - | (14,323) | - | - | - | (14,323) | - | - | - | 107,348 | 93,025 |
| Disposals of investments in equity instruments at fair value through other comprehensive income | - | - | - | - | - | - | 1,029,880 | 1,029,880 | - | (1,029,880) | - | - | - |
| Convertible bonds converted to ordinary shares | 3,838,333 | - | (688,542) | 6,301,695 | - | - | - | - | - | - | - | - | 9,451,486 |
| Equity component of issuance of convertible bonds | - | - | - | 1,337,823 | - | - | - | - | - | - | - | - | 1,337,823 |
| BALANCE AT DECEMBER 31, 2021 | 61,252,340 | 2,000,000 | - | 56,737,470 | 21,881,915 | 13,039,860 | 39,018,077 | 73,939,852 | (16,068,955) | 26,988,909 | - | (392,343) | 204,477,333 |
| Appropriation of 2021 earnings | - | - | - | - | 2,068,477 | - | (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 | (6,301,993) | (1,651) | - | 848,595 |
| Total comprehensive income (loss) for the year ended December 31, 2022 | - | - | - | - | - | - | 5,182,503 | 5,182,503 | 7,774,720 | (6,301,993) | (1,651) | - | 6,553,579 |
| Issuance of global depositary receipt | 4,200,000 | - | - | - | - | - | - | - | - | - | - | - | 4,200,000 |
| 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) |
| Changes in ownership interests of subsidiaries | - | - | - | 64,744 | - | - | - | 64,744 | - | - | - | - | 64,744 |
| Compensation costs of treasury shares transferred to employees | - | - | - | 66,820 | - | - | - | 66,820 | - | - | - | - | 66,820 |
| Treasury shares transfer to employees | - | - | - | (31,702) | - | - | - | (31,702) | - | - | - | 191,535 | 159,833 |
| Cancellation of treasury shares | (6,696) | - | - | (22,512) | - | - | - | (29,208) | - | - | - | 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 | \$ - | \$ 68,985,865 | \$ 23,950,309 | \$ 13,004,401 | \$ 29,572,801 | \$ 66,527,594 | \$ (8,294,125) | \$ 20,286,916 | \$ (1,651) | \$ (171,609) | \$ 217,894,266 |

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

TAIWAN CEMENT CORPORATION
**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

| | 2022 | 2021 |
|--|------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Income before income tax from continuing operations | \$ 6,021,470 | \$ 19,653,962 |
| Profit before income tax from discontinued operations | - | 1,073,939 |
| Income before income tax | <u>6,021,470</u> | <u>20,727,901</u> |
| Adjustments for: | | |
| Depreciation expense | 1,011,625 | 989,349 |
| Amortization expense | - | 1 |
| Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss | 474,616 | (24,637) |
| Finance costs | 1,936,156 | 1,351,009 |
| Interest income | (114,030) | (36,258) |
| Dividend income | (559,116) | (418,689) |
| Share-based compensation | 66,820 | 24,325 |
| Share of profit of subsidiaries and associates | (3,493,766) | (17,757,136) |
| Loss (gain) on disposal of property, plant and equipment, net | (13,938) | 11,670 |
| Loss (gain) on disposal of investment properties, net | (502,346) | 4,298 |
| Loss (gain) on disposal of investments, net | 16 | (1,092,894) |
| Write-down (reversal) of inventories | 19,604 | (26,213) |
| Unrealized loss on foreign exchange, net | 3,357 | 3,425 |
| Changes in operating assets and liabilities: | | |
| Notes and accounts receivable | (153,506) | (381,956) |
| Notes and accounts receivable from related parties | (35,211) | (141,088) |
| Inventories | (700,917) | (384,580) |
| Other current assets | (28,069) | (65,073) |
| Net defined benefit assets | (8,165) | (3,724) |
| Accounts payable | 698,009 | 389,241 |
| Accounts payable to related parties | (162,503) | 533,757 |
| Other payables | (252,225) | 116,511 |
| Other current liabilities | 46,919 | 74,965 |
| Cash generated from operations | <u>4,254,800</u> | <u>3,894,204</u> |
| Income tax paid | <u>(629,366)</u> | <u>(228,906)</u> |
| Net cash generated from operating activities | <u>3,625,434</u> | <u>3,665,298</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of financial assets at fair value through other comprehensive income | - | (1,510,555) |
| Disposal of financial assets at fair value through other comprehensive income | - | - |
| Acquisition of financial assets at amortized cost | - | - |
| Disposal of financial assets at amortized cost | 15,470 | 4,892,170 |
| Net cash out flow on acquisition of subsidiaries | (36,844,773) | (17,628,894) |
| Disposal of subsidiary | - | 2,400,208 |
| Payments for property, plant and equipment | (2,815,142) | (3,368,582) |
| Proceeds from disposal of property, plant and equipment | 14,142 | 12,128 |

(Continued)

TAIWAN CEMENT CORPORATION
**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

| | 2022 | 2021 |
|---|---------------------|----------------------|
| Proceeds from disposal of investment properties | \$ 560,763 | \$ - |
| Decrease (increase) in other non-current assets | 25,181 | (194,235) |
| Interest received | 111,485 | 62,311 |
| Dividends received | <u>3,484,193</u> | <u>4,355,448</u> |
| Net cash used in investing activities | <u>(35,448,681)</u> | <u>(10,980,001)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Increase in short-term loans | - | 2,071,411 |
| Decrease in short-term loans | (19,404,870) | - |
| Increase in short-term bills payable | - | 1,897,708 |
| Decrease in short-term bills payable | (1,897,708) | - |
| Issuance of bonds | 11,050,000 | 38,567,539 |
| Increase in long-term loans | 29,809,000 | - |
| Repayment of long-term loans | (17,200,000) | (4,300,000) |
| Increase in long-term bills payable | 38,734,624 | 33,905,553 |
| Decrease in long-term bills payable | (37,318,956) | (26,914,800) |
| Repayment of the principal portion of lease liabilities | (368,022) | (363,467) |
| Increase (decrease) in other non-current liabilities | (7,886) | 36,741 |
| Cash dividends paid | (6,466,173) | (20,944,434) |
| Proceeds from issuance of ordinary shares | 13,393,957 | - |
| Treasury shares transferred to employees | 159,833 | 93,025 |
| Acquisitions of subsidiaries | - | (685,985) |
| Interest paid | <u>(1,336,912)</u> | <u>(1,137,347)</u> |
| Net cash generated from financing activities | <u>9,146,887</u> | <u>22,225,944</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (22,676,360) | 14,911,241 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | <u>26,919,655</u> | <u>12,008,414</u> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | <u>\$ 4,243,295</u> | <u>\$ 26,919,655</u> |

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

(Concluded)

6.6 Financial Difficulties: None.

07 Financial Position, Financial Performance, and Risk Management

7.1 Financial Position

Unit: NT\$ thousands

| Item | Year | 2022 | 2021 | Difference | |
|---|------|-------------|-------------|--------------|------|
| | | | | Amount | % |
| Current assets | | 175,624,058 | 169,353,435 | 6,270,623 | 4% |
| Property, plant and equipment | | 114,739,983 | 98,196,032 | 16,543,951 | 17% |
| Intangible assets | | 27,880,416 | 27,650,861 | 229,555 | 1% |
| Other assets | | 142,564,504 | 146,484,231 | (3,919,727) | -3% |
| Total assets | | 460,808,961 | 441,684,559 | 19,124,402 | 4% |
| Current liabilities | | 75,209,411 | 88,687,968 | (13,478,557) | -15% |
| Non-current liabilities | | 147,323,770 | 127,341,918 | 19,981,852 | 16% |
| Total liabilities | | 222,533,181 | 216,029,886 | 6,503,295 | 3% |
| Share capital | | 73,561,817 | 63,252,340 | 10,309,477 | 16% |
| Capital reserve | | 65,985,865 | 56,757,470 | 9,228,395 | 16% |
| Retained earnings | | 66,527,594 | 73,939,852 | (7,412,258) | -10% |
| Other Equity | | 11,991,090 | 10,920,014 | 1,071,076 | 10% |
| Equity attributable to owners of parent | | 217,894,766 | 204,477,333 | 13,417,433 | 7% |
| Non-controlling interests | | 20,381,014 | 21,177,340 | (796,326) | -4% |

Note : Insignificant difference between 2021 and 2022

7.2 Financial Performance

Analysis of Financial Performance

Unit: NT\$ thousands

| Item | Year | 2022 | 2021 | Difference | Difference(%) |
|-------------------------------------|------|-------------|-------------|--------------|---------------|
| Net revenue | | 113,929,706 | 107,041,452 | 6,888,254 | 6% |
| Operating costs | | 104,345,739 | 80,391,353 | 23,954,386 | 30% |
| Gross profit | | 9,583,967 | 26,650,099 | (17,066,132) | -64% |
| Operating expenses | | 8,421,829 | 6,863,624 | 1,558,205 | 23% |
| Operating income | | 1,162,138 | 19,786,475 | (18,624,337) | -94% |
| Non-operating income and expenses | | 5,483,959 | 6,291,609 | (807,650) | -13% |
| Pretax income | | 6,646,097 | 26,078,084 | (19,431,987) | -75% |
| Income tax | | 2,489,012 | 5,930,387 | (3,441,375) | -58% |
| Income from continuing operations | | 4,157,085 | 20,147,697 | (15,990,612) | -79% |
| Income from discontinued operations | | - | 1,053,559 | (1,053,559) | -100% |
| Net income | | 4,157,085 | 21,201,256 | (17,044,171) | -80% |

Analysis :

- Gross profit, operating income, pretax income and net income from continuing operation, and net income decreased due to a sharp increase in the cost of raw material and an increase in operating expenses from the business expansion of electricity and energy departments.
- The increase in operating expenses is mainly due to the merger and acquisition of NHOA S.A. and its subsidiaries and of TCC Recycle Energy Technology Company and its subsidiary after August 2021 as well as the business expansion of electricity and energy departments.
- The decrease in income tax is mainly due to less pretax income from the increase in the cost of raw material.
- There was no income from discontinued operations in 2022. The increase in income from discontinued operations in 2021 was from the operating growth and the recognition of the gain on the disposal of Taiwan Prosperity Chemical Corporation.
- Expected sales quantity and basis for estimation for the next year: The sales target for the next year is to achieve a total of 44.1 million tons of cement and clinker and 5 million cubic meters of ready-mixed concrete based on the business plan.
- Possible effect on financial performance in the last two years: The global impact of the ongoing Russia-Ukraine war has worsened the inflationary situation of raw materials. In addition, the COVID-19 lockdown measures in mainland China and the influence of the China-US political and economic situation have led to an overall economic downturn. Our cement business in mainland China has also experienced a decline in profitability. Fortunately, the impact of the pandemic is expected to ease, and we anticipate a gradual recovery in the mainland China cement market.
- Future plan: Accelerate the focus on the three core businesses of "environmental protection, energy, and cement," further strengthen the layout in waste treatment, renewable energy, energy storage, and lithium battery businesses, with the aim of creating new blue ocean businesses and continuing to move towards the goal of transforming into a green enterprise.

7.3 Cash Flow

Analysis of Consolidated Cash Flows in the most recent year

Unit: NT\$ thousands

| Cash balance as of January 1, 2022 | Net cash provided by operating activities in 2022 | Net cash flow in 2022 | Cash balance as of December 31, 2022 | Remedy for cash shortfall | |
|------------------------------------|---|-----------------------|--------------------------------------|---------------------------|----------------|
| | | | | Investment plan | Financing plan |
| 91,121,942 | 6,180,505 | (8,459,953) | 88,842,494 | – | – |

1. Cash flow analysis :

- (1) Net cash provided by operating activities: Represents income from operations.
- (2) Net cash used in investing activities: Represents the purchase of property, plant and equipment.
- (3) Net cash used in financing activities: Represents the long-term borrowing, issuance of bonds, follow-on offering, and the disbursement of cash dividends.

2. Remedial actions for cash shortfall: Not applicable.

Liquidity analysis for the most recent two years

| Item | Year | 2022 | 2021 | Difference (%) |
|------------------------------|------|-------|--------|----------------|
| Cash flow ratio | | 8.22 | 21.39 | (62) |
| Cash flow adequacy ratio | | 57.53 | 67.18 | (14) |
| Cash flow reinvestment ratio | | (0.3) | (0.92) | (67) |

Analysis of the changes in ratios:

The cash flow and cash flow reinvestment ratio decreased mainly due to the decrease in net cash provided by operating activities and the purchase of property, plant and equipment in 2022.

Cash flow projection for next year

Unit: NT\$ thousands

| Cash balance as of January 1, 2023 | Net cash flow from operating activities in 2023 | Net cash flow in 2023 | Cash balance as of December 31, 2023 | Remedy for cash shortfall | |
|------------------------------------|---|-----------------------|--------------------------------------|---------------------------|----------------|
| | | | | Investment plan | Financing plan |
| 88,842,494 | 14,171,000 | 2,140,506 | 105,154,000 | – | – |

Cash flow projection:

- (1) Net cash flow from operating activities: We expect cash to be generated from operating income.
- (2) Net cash flow from investing activities: We expect cash to be spent primarily on capital expenditure.
- (3) Net cash flow from financing activities: We expect to pay cash dividends and will have other financing activities..

7.4 Impact of Major Capital Expenditures on Financial Business in Recent Years

In the year 2022, the significant capital expenditure amounted to NT\$23.5 billion. It is expected to have a significant impact on the group's revenue and circular economy layout. The major items of capital expenditure include the following :

- (1) Our subsidiary Molie Quantum Energy Corporation constructed Taiwan's first super battery plant in Xiaogang, Kaohsiung. Production is expected to begin in mid-2023, targeting top-end battery markets such as high-performance electric supercars and aerospace technology field. The factory will have an annual production capacity of 1.8GWh, equivalent to the long-range battery requirements for around 24,000 electric vehicles.
- (2) The subsidiary TCC (Hangzhou) Environmental Protection Technology Co., Ltd. is building the Hangzhou TCC C.F. Building alongside the Qiantang River in Hangzhou, China. The building is expected to be completed in the middle of 2024 and will serve as the operational center for the Group's energy and waste management businesses in mainland China. The Group also plans to diversify the building's operations by incorporating commercial office, retail, and hotel services.
- (3) The DAKA Renewable Resource Utilization Center, which is being constructed at the Hoping Plant of Taiwan Cement Corporation, is expected to be completed and put into operation in the fiscal year 2023. It will be the first environmental park in Taiwan to use cement kilns for high-temperature co-processing of waste. The designed daily processing capacity is 200 tons of waste, helping solve the garbage disposal issue in Hualien.
- (4) The subsidiary TA-HO Maritime Corporation is continuously expanding its eco-friendly and energy-saving fleet while integrating shore power systems and adopting an intelligent fleet management system, reducing fuel consumption and greenhouse gas emissions. The company is committed to achieving the goal of "zero carbon and green environment" in the shipping industry.
- (5) Our subsidiary TCC Green Energy Corporation continues to expand its investment in renewable energy. The 43 MW capacity plant in the fishery and electricity symbiosis area in Yijhu, Chiayi, has been fully operated and is currently the largest fishery and electricity symbiosis site in Taiwan.
- (6) TCC Energy Storage Technology Corporation has installed energy storage systems with capacities of 35 MW/123.6 MWh and 50 MW/160.8 MWh at its Suao and Hualien cement plants, respectively. These systems are expected to be completed and operated in 2023. In the future, TCC Energy Storage Technology Corporation assist the Group in actively participating in the auxiliary service market for power trading platforms, which will boost its revenue in the renewable energy business.

7.5 Latest Investment Policy, Main Reasons for Gains or Losses, Improvement Plan, and Investment Plans for the Next Year

The equity method of investment returns in the consolidated basis of the year 2022 was NTD 3.92 billion.

The overall business of the Company's investment in China Synthetic Rubber Corporation (CSRC) is still profitable, mainly due to the biotech business. However, the carbon black business may experience fluctuations in different regions. The sales volume in the United States has continued to grow due to demand for tire replacement and supply chain disruptions. The performance in India and Taiwan has remained stable. In China, the reduction in steel production and transportation restrictions have led to an increase in the price of raw materials such as coal tar, but weak downstream tire demand has made it difficult to pass on the cost increase, putting pressure on the operation of the carbon black business and resulting in an overall loss.

The investment in Cimpor Global has shown stable growth in the cement businesses in Turkey and Portugal markets. In the future, TCC will continue to follow a long-term strategic investment principle to become a comprehensive energy group with research and development and self-production capabilities in green energy, batteries, energy storage, and fast charging for electric vehicles.

7.6 Risk Analysis and Assessment

7.6.1 Impact of Fluctuation in Interest Rates, Exchange Rates, and Inflation on the Company's Income Statement and Future Coping Strategies

1. Fluctuation of interest rates: The inflation rates of major economies remain high, and the future trend is highly uncertain. Most central banks may continue to raise interest rates. As for China, which has less inflation pressure, it continues to adopt a loose monetary policy due to the slowdown in the economy. It is expected that Taiwan's interest rates may continue to rise to reduce domestic inflation pressure. Fluctuations in interest rates in Taiwan, the United States, and China may affect the Company's interest income from cash equivalents and financial assets, as well as the interest expenses required to be paid on its liabilities. The Company is closely monitoring changes and trends in interest rates and assessing potential risks in a timely manner, and will adjust its debt position or use fixed-rate instruments to mitigate risks if necessary.
2. Fluctuation of exchange rates: The Company is mainly affected by fluctuations in the US dollar, Chinese yuan, and euro. In general, the Company adopts a natural hedging approach for its net positions and closely monitors changes in foreign exchange rates by executing spot or forward foreign exchange transactions, adjusting foreign currency borrowings, or taking other appropriate measures to hedge against foreign exchange risks. These hedging measures help to reduce foreign exchange risks, and if necessary, the Company will review them based on market conditions and hedging costs. Overall, the impact of foreign exchange rate fluctuations on the Company's operations is still manageable, and the risk is relatively limited.
3. Inflation: Based on the latest statistics to look forward to the year 2023, as the testing capacity for the virus improves and the vaccination coverage increases, the global economy is expected to maintain its recovery, which will in turn affect the demand for raw materials, increasing the prices of international raw materials such as crude oil. The Directorate-General of Budget, Accounting and Statistics predicts that the annual growth rate of the Consumer Price Index in Taiwan for the entire year of 2023 will be 2.16% on which is the group's sales pricing strategy base. The impact of inflation on the Company's annual earnings is still a controllable risk.

7.6.2 The Policy, Gain or Loss, and Future Coping Strategies for High-risk, Highly Leveraged Investments, Lending, Endorsing, and Derivative Trading

1. TCC Group primarily focuses on our core business operations and, in the recent years, did not engage in high-risk or highly leveraged investment activities.
2. The entities to whom TCC and the subsidiaries have provided funding or endorsed guarantees are limited to our subsidiaries or affiliates. The financial operations are normal and complied with the relevant laws and regulations of the Securities and Futures Bureau and the Company's "Procedures for Capital Lending" and "Procedures for Endorsement and Guarantee". Therefore, there is limited possibility of any loss arising from these transactions.
3. Our company and its subsidiaries engage in derivative trading activities solely for the purpose of hedging the risks of foreign exchange or raw material. These activities are conducted in accordance with the "Asset Acquisition or Disposal Procedure" established by the Company, and no transactions are conducted outside the purpose of hedging.

7.6.3 Future R&D Plans and Expected Expenditures

7.6.3.1 The Cement Sector

TCC has never stopped its research and development; it continues to invest in carbon capture and reuse technologies. The technical transformation and construction of the equipment in a second-generation plant have been completed. The tests of a CO₂ capture plant have been started. The Company now promotes a new generation of carbon capture technology (oxygen-enriched combustion and oxy-fuel combustion), and keeps reducing carbon.

The Company's board of directors continues to promote the carbon capture test plan. It plans to build a demonstration plant for the next stage of the test and expand the microalgae cultivation project for carbon dioxide reuse. Since 2019, the company has evaluated the feasibility of expanding the "microalgae cultivation area" in its Hoping Plant.

The board passed a capital expenditure budget of about NT\$600 million, which will be used to foster the design and reliability of calcium-looping CO₂ capture amplification system to verify a new generation of carbon capture technology. The objective is to commercialize the system in 2025, verify commercial models, and actively reduce carbon emissions for the earth.

TCC also actively invested in the development of new UHPC (Ultra High Performance Concrete) materials in concrete technology, establishing Cladding Panel production technology to provide options for new building materials.

7.6.3.2 The Electricity Department

| Recent annual plans | Current progress | Amount to be reinvested in R&D (in NT\$10,000) | Completion time | Main factors influencing the success of future R&D |
|---|--|--|---|--|
| Oxygen-enriched combustion | TCC's Suao Plant invested in the expansion project of an oxygen-enriched combustion system in 2022. The oxygen-enriched combustion system was used at a kiln tail to reduce carbon monoxide generation and improve combustion efficiency. It can also increase the input of alternative fuels to achieve coal-saving and carbon-reducing benefits. TCC now plans to conduct tests at a kiln head of the Hoping Plant. | 11,010 | Dec. 2023 | <ol style="list-style-type: none"> 1. Input point of alternative fuel and introduction of input equipment. 2. Establishment of combustion efficiency and reaction time model. 3. Comply with the cement quality control under the CNS standard. 4. Alternative fuel sources and quality control. |
| Feasibility assessment of gasifier pilot scheme | This scheme had been helped by the National Chung Hsing University, and its evaluation report was completed in December 2022. The report includes <ol style="list-style-type: none"> 1. Investigation, acquisition, transportation and storage methods of material sources; 2. Selection of gasification system; 3. Brief analysis of economic benefits; 4. Investigation and analysis of relevant regulations. The above evaluation benefits future gasifier selection and material source acquisition. | 60 | Dec. 2022 | <ol style="list-style-type: none"> 1. Biofuel price and stable supply. 2. Feasibility of introducing syngas from gasifiers into existing boiler technology. 3. Adjustment of FIT price after biofuel replacing some coal. |
| Ocean thermal energy conversion (OTEC) project | <ol style="list-style-type: none"> 1. The preliminary feasibility assessment was completed in October 2022. 2. The marine survey work was completed from March 6, 2023 to March 12, 2023. 3. The project specification is being drafted. | 145,000 ~ 420,000 | The first MW class OTEC power plant is expected to be completed in December 2025. | <ol style="list-style-type: none"> 1. Approval of the change of industrial zone in the urban land planning. 2. Approval of OTEC environmental impact assessment. 3. Feasibility of financial evaluation. |

7.6.3.3 The Energy Department

| Recent annual plans | Current progress | Amount to be reinvested in R&D (in NT\$10,000) | Completion time | Main factors influencing the success of future R&D |
|---|---|--|-----------------|--|
| Establishment of a new generation of anode material | <ol style="list-style-type: none"> 1. Development of Ni92 – Ni94 high nickel series. 2. Stability improvement project for high-nickel anode materials to improve material mixing and coating technology. 3. Research and development of anode pre-lithium intercalation technique to improve the utilization efficiency of anode. | 15,000 | Dec. 2023 | <ol style="list-style-type: none"> 1. Engagement of relevant professionals. 2. Cooperation projects of key strategic suppliers. 3. Collaboration of synchrotron radiation projects. 4. Investment in important testing equipment. |
| Development of next-generation high-power fast-charging cathode material | <ol style="list-style-type: none"> 1. Research on graphite granulation and coating technology to reduce ion transport resistance. 2. Efficiency and stability improvement of high-end silicon materials, including improved expansion by the nature of materials, assistance of tubular conductive materials, and improvement of adhesive performance. 3. Verification of high capacity, low expansion coefficients silicon | 15,000 | Dec. 2023 | <ol style="list-style-type: none"> 1. Manufacturers providing stable coating technology. 2. Manufacturers providing stable process technology and slurry ratio test 3. Buying soft bag pressure testers to compare the expansion coefficients of silicon materials by pressure. |
| Development, design and manufacturing of 21700–P55B high-power battery system | <ol style="list-style-type: none"> 1. Introduction of a new generation of anode and cathode material system. 2. Design of fast-charging electrodes. 3. Development of high-power and high-energy-density batteries. 4. Development of a new design verification methodology to shorten the manufacturing process between samples and mass production from two years to less than one year. 5. Introduction of AI into battery lifetime prediction and health analysis. | 22,500 | Dec. 2023 | <ol style="list-style-type: none"> 1. Engagement of highly professional colleagues 2. Technical cooperation of key equipment suppliers |

| Recent annual plans | Current progress | Amount to be reinvested in R&D (in NT\$10,000) | Completion time | Main factors influencing the success of future R&D |
|--|--|--|-----------------|---|
| Oxy-fuel combustion | Since 2011, TCC has worked with the ITRI to develop and verify the research and experiment of calcium-looping CO ₂ capture technology. The ITRI completed a summary report on their research results of the calcium-looping technology development in 2022. On the basis of verification and solid operating experience, TCC will launch the next generation of carbon capture technology, oxy-fuel combustion, in response to the carbon reduction strategy. This technology simply replaces part loading of the preheating system in a cement plant with the calcination in a calcium-looping system. It can capture high-concentration CO ₂ in the process while assisting clinker production. It can also optimize the complexity of the carbon capture process and reduce energy consumption. | 100,304 | Dec. 2025 | <ol style="list-style-type: none"> 1. Energy consumption control and process operation in the capture process. 2. CO₂ capture efficiency and final concentration increase. 3. CO₂ storage after capture and establishment of a sustainable utilization business model. |
| Development of UHPC container-type energy storage cabinet system | UHPC new energy storage cabinet is the world's first energy storage cabinet to combine environmental protection, fire and explosion resistance. This cabinet has building-enter and fire safety design. Its related patents include movable cabinet and energy storage equipment, energy storage equipment and fire extinguishing method, cabinet unit and system, as well as cabinet for accommodating energy storage equipment. | 615 | Dec. 2023 | <ol style="list-style-type: none"> 1. UHPC ratio and cost-sensitive analysis. 2. Mould development and grouting during pattern making; establishment of the SOP for demoulding methods 3. Stress analysis of stencil-making. 4. Establishment of the flame-retardant and anti-explosion mechanism of the cabinet. |
| UHPC product development and establishment of Cladding Panel | The UHPC Cladding Panel mold design and production, technical guidance for the production equipment planning of the Hoping Precast Factory, and technical guidance and consulting service for the actual mass production have been completed. Two UHPC ratios (120 Mpa and 150 Mpa) of different strength grades have been developed. By the end of this year, UHPC carbonization surface modification, technology transfer and personnel training, as well as the development of 180MPa strength ratio, are expected to be finished. | 255 | Jun. 2023 | <ol style="list-style-type: none"> 1. Development of optimum ratio of different intensity levels. 2. Actual mass production equipment going into production and confirmed ratio. 3. Mold design and production. |

7.6.4 Risk Associated with Changes in the Political and Regulatory Environment

TCC Group's operational policies strictly adhere to legal requirements. The group continuously monitors significant domestic and international policies and legal revisions and seeks expert opinions when necessary to evaluate the impact of legal regulations on our financial operations and promptly adjust our internal regulations accordingly.

China has released the "Carbon Peak Action Plan by 2030," proposing to achieve a non-fossil energy consumption ratio of 20% by 2025 and of 25% by 2030, with a unit GDP carbon dioxide emissions reduction of more than 65% compared to 2005. The "Greenhouse Gas Reduction and Management Act," drafted by Taiwan's Environmental Protection Administration, was passed by the Legislative Yuan and amended to the "Climate Change Response Act" on January 10, 2022. The fourth article of this amendment explicitly incorporates the net-zero greenhouse gas emissions target by 2050 into law, making it a legal norm rather than just a declaration and demonstrating a determination to implement the policy. Subsequently, following international practices, stage-by-stage control targets will be developed every five years to gradually achieve net-zero greenhouse gas emissions by 2050, making it the main legal source for future climate governance.

In May 2022, the European Commission released the REPowerEU plan, which has three main pillars: energy efficiency, production of clean energy, and diversification of energy supply. As part of the expansion of renewable energy in the power generation, industrial, construction, and transportation sectors, the EU has increased its target of renewable energy in electricity generation from 40% to 45% by 2030.

On June 22, 2022, the European Parliament passed the legislative principles of the world's first carbon border adjustment mechanism (CBAM) with 450 votes in favor, 115 votes against, and 55 abstentions. In the future, regardless of where companies cause pollution, they will have to pay a price if they want to export to the European market. On December 13th, the Council of the EU and the European Parliament reached an agreement on the implementation of the CBAM. The implementation speed of CBAM will be the same as the free carbon quota mechanism covering industries under the EU Emissions Trading System (ETS) being phased out. CBAM will be launched in 2026 and fully implemented by 2034, while the free carbon quota mechanism will be gradually phased out from 2026 and completely withdrawn by 2034.

The cement sector coping strategies

Our cement sector, in response to the carbon tax increases due to China's "Action Plan for Carbon Peak by 2030" and Taiwan's "Climate Change Response Law", will continue to actively develop alternative fuel sources to accelerate the reduction of carbon emissions, particularly through the use of biomass fuel, such as waste wood chips and SRF. Additionally, we have planned to improve our preheaters, coolers, and cement mills to reduce coal and electricity consumption, while simultaneously renovating our waste heat power generation system, solar power generation, and energy storage system to decrease our electricity usage and costs.

In response to the regulations of the European Union, the production plants located in Portugal and Turkey under Cimpor Global Holdings, TCC's affiliate company, have planned to invest in reducing carbon emissions, decreasing energy consumption, and increasing the use of renewable energy, such as upgrading production systems to reduce coal and energy consumption, increasing the proportion

of alternative fuels to lower carbon emissions, as well as constructing solar power plants and waste heat recovery systems to enhance the share of renewable energy.

Under the government's energy and circular economy policies, TCC continues its role as an Eco-solution provider and supports all initiatives that help mitigate and adapt to climate change, hoping to provide assistance to the industry and local governments in reducing environmental impact risks.

The electricity and energy sector coping strategies

On November 30, 2022, an amendment to Article 27-1 of the "Parking Lot Management Act" in Taiwan was passed, requiring public parking lots to set up designated parking spaces and charging facilities for electric vehicles. This amendment will provide significant support to the domestic electric vehicle charging equipment industry. We also see the market grow significantly as the electric vehicle market in Taiwan grew by over 70% compared to the previous year. In addition, since November 2021, the "Apartment Building Management Regulations" have been revised to loosen restrictions on the installation of charging piles, with some counties and cities implementing regulations to reserve charging parking spaces in new apartment buildings in proportion to the number of units and include the installation of charging piles as part of the criteria for Excellent Apartment Building Selection.

The California Legislature and the European Parliament have both passed new laws in 2022 and 2023, respectively, to ban the sale of new diesel vehicles by 2035, meaning that new vehicles must have zero carbon emissions. The new regulation will drive the development of the electric vehicle market in Europe and have a positive impact on the group's plans to establish over 5,000 fast-charging facilities in Southern Europe by 2025, as well as its overall European market layout.

On November 28, 2022, the Bureau of Standards, Metrology and Inspection, M.O.E.A. implemented the "Battery Energy Storage System Project Verification System" in Taiwan and on August 17, 2022, Taiwan also established the "Guidelines for Enhancing Fire Safety Management of Energy Storage Systems."

The release of these regulations signifies the government's emphasis on energy storage systems in Taiwan. Through the design of a three-stage verification process and management regulations, the government hopes to ensure safety and reduce public concerns regarding energy storage systems. These policies not only have positive effects on the energy storage system industry, but also require companies to comply with regulations to avoid any conflicts.

7.6.5 Impact of New Technology (including Information Security Risks) and Industry Changes to the Company's Operations and Coping Strategies

7.6.5.1 Technology and Industry Changes

In response to Industry 4.0, the TCC Group has been promoting the optimization of its internal management system to integrate economic, environmental, social, and risk control aspects, with a focus on cloud computing, big data, Internet of Things (IoT), and smart machines. The Company has shifted its management approach from "target management" to "behavior management," enabling its employees and managers to make accurate judgments and carry out their work efficiently. One of TCC's achievements is the establishment of the "TCC War Room" system, which enables real-time monitoring and risk prediction of production and business across all factories. TCC also combines

its big data database with artificial intelligence (AI) technology. Through machine learning, product "life cycle assessment" (LCA), and self-developed carbon management system, the Company can set goals, and collect and evaluate carbon resources in each plant to propose the optimal process ratio and carbon reduction methods for each plant and progress tracking at each stage. The Company has also deepened the link between internal assessment and bonus performance to ensure energy conservation and carbon reduction are being implemented effectively.

In recent years, both Taiwan and China have included the co-disposal of cement kiln waste as a policy direction. Our company has over 30 years of experience in co-processing waste, and in conjunction with our R&D department certified by the National TAF, we will be able to extend and expand our handling of more solid and hazardous waste.

Our company's largest cement kiln co-disposal project for solid and hazardous waste in China is located in Guigang, Guangxi and obtained a five-year hazardous waste management permit on January 28, 2021, with 200,000 tons annual processing capacity of the first phase. On November 30, 2021, we were notified by the Ecological Environment Bureau of Guigang City as the first batch of demonstration bases for ecological environment protection education and practice. In October 2021, our project for fly ash disposal in the garbage incineration power plant in Juirong, Jiangsu started operation. In August 2022, the cement kiln co-disposal of renewable resources in Shaoguan, Guangdong started operation. In February 2022, the 50,000 tons/year hazardous waste co-disposal project in Kaili, Guizhou started operation. In September 2022, the cement kiln co-disposal of renewable resources in Jingzhou, Hunan started operation. In January 2023, the solid and hazardous waste project (with a hazardous waste capacity of 100,000 tons/year and general solid waste capacity of 150,000 tons/year) in Guang'an, Sichuan started operation.

In Taiwan, the construction of the co-processing of a general waste project in Hualien County is underway and is expected to be completed and put into use in stages in 2023. In the future, while operating profitably, we will be able to balance the interests of the nation and society, maximize the benefits of the cement industry's circular economy in protecting the environment, and continue to play a leading role in the field of circular economy.

China has released the "Action Plan for Carbon Peaking before 2030" and aims to achieve a non-fossil fuel consumption ratio of around 20% by 2025 and of around 25% by 2030. Furthermore, the plan aims to reduce carbon dioxide emissions per unit of GDP by over 65% from the 2005 level.

The "Greenhouse Gas Reduction and Management Act," drafted by Taiwan's Environmental Protection Administration, was passed by the Legislative Yuan and amended to the "Climate Change Response Act" on January 10, 2022. The fourth article of this amendment explicitly incorporates the net-zero greenhouse gas emissions target by 2050 into law, making it a legal norm rather than just a declaration and demonstrating a determination to implement the policy. Subsequently, following international practices, stage-by-stage control targets will be developed every five years to gradually achieve net-zero greenhouse gas emissions by 2050, making it the main legal source for future climate governance.

In response to the carbon tax increases due to China's "Action Plan for Carbon Peak by 2030" and Taiwan's "Climate Change Response Law", our cement plants will continue to actively develop alternative fuel sources to accelerate the reduction of carbon emissions, particularly through the use of biomass fuel, such as waste wood chips and SRF. Additionally, we have planned to improve our preheaters, coolers, and cement mills to reduce coal and electricity consumption, while simultaneously renovating our waste heat power generation system, solar power generation, and energy storage system to decrease our electricity usage and costs.

7.6.5.2 Information Security

Please refer to page 180 of this annual report "5.6 Management of Information Security" for additional details regarding Information Security.

7.6.6 Changes in Corporate Image and Impact on Company's Crisis Management

Please refer to this annual report page 244 Chapter 7.7.2 (5) "The assessment of current and future potential risks, opportunities and response measures due to climate change."

7.6.7 Expected Benefits and Potential Risks of Merger and Acquisition

TCC's subsidiary, ATLANTE S.R.L., has announced its intention to acquire 100% equity interest in the charging station construction department of Kilometer Low Cost, S.A. (the "Target") on December 15, 2022 for the expansion of the Group's electric vehicle infrastructure in Portugal. The acquisition will be completed in two phases: with 60% equity interest to be acquired for € 4.5 million, ATLANTE S.R.L. having the right to acquire the remaining 40% equity in 2024 at a price based on the Target's operating performance in 2023, which ranges from € 1.7 million to € 6.7 million. Upon approval by the Portuguese Competition Authority and other regulatory authorities, the transfer of 60% equity interest will be carried out in accordance with the contract.

7.6.8 Expected Benefits and Potential Risks of Facility Expansion

Cement Sector

To expand cement production capacity in China and fill the geographic gap between our plants in Yingde, Guangdong and Hunan, TCC has constructed a new cement and clinker production line with waste treatment facilities in Shaoguan, Guangdong. This plant will serve as our bridgehead in the northern Guangdong market. The project represents our first cement plant designed with integrated waste treatment facilities and has a capacity of 2 million tons per year for clinker and cement production. Ground construction work began in April 2020, and the cement kiln production line was put into operation in November 2021. This is TCC Group's most technologically advanced plant and the first open plant in Mainland China. Equipped with a sixth-level cyclone preheater, fourth-generation clinker cooler, SCR denitrification system, and desulfurization tower equipment, air pollution will be effectively reduced. Additionally, the water park inside the plant is open and accessible to all surrounding residents. TCC believes that the plant will foster a connection with and dialogue among the local community, becoming an integral part of community life.

Electricity and Energy Sector:

In response to the government's vision for a nuclear-free homeland and the goal of renewable energy accounting for 20% of power generation by 2025, TCC Group, as a leader in the traditional industry, is also keeping pace with the energy transition and actively investing in renewable energy. One of our projects includes the development of 12.1 MW of solar power and 7.2 MW of wind power at the former TCC Chemical Corporation's plant site in Changhua Coastal Industrial Park, as well as 2.1 MW of rooftop solar power at the TCC Building. In addition, our 43.4 MW fishery and electricity symbiosis site in Chiayi County was connected to the grid in October 2022.

TCC Group aims to build 500 MW of renewable energy power capacity by the year 2030, which is expected to reduce one-third of its external power consumption. The initial goal for the company's renewable energy construction is to achieve nearly 100 MW, with an estimated annual electricity generation of 200 million kWh. In addition, in response to the upcoming policy of power trading liberalization by the government, TCC established TCC Energy Storage Technology Corporation in September 2020 and completed a 5 MW AFC smart energy storage system in Changhua Coastal in March 2021. This was the first large-scale AFC energy storage project in Taiwan and started participating in Taipower's power trading trial platform in 2021.

In addition, in the year 2021, the Group acquired 60.48% of the shares of the European Engie EPS energy storage company, becoming its largest shareholder and renaming it NHQA (New Horizons Ahead). By integrating the power storage technology of NHQA, TCC can provide a continuous supply of renewable energy. Apart from the 5 MW AFC energy storage system in Changhua Coastal, the 10 MW E-dReg intelligent energy storage system built in its Hoping plant also passed the performance test of Taipower in March 2023 and joined the power trading platform. TCC is also promoting the construction of large-scale energy storage systems, such as the 35 MW E-dReg in Suao, the 100 MW E-dReg in TCC Lien-Hsin Green Energy Corporation, and the 50 MW E-dReg at the Hualien Plant, which have all passed Taipower's impact analysis of integration in distribution networks and will be completed successively in 2023, bringing stable income to the Group.

Renewable energy focuses on developing and building renewable energy projects and selling green power to government or private enterprises, rather than being a production industry. On the other hand, the development of energy storage systems are expected to be outsourced through OEM, so there are no plans to construct or expand factories.

In response to the rising awareness of environmental issues and the increasing demand for compliance with regulations, our company plans to build a new unit for physicochemical treatment in the wastewater treatment facility. The goal is to enhance the plant's processing capacity and reduce the concentration of discharged wastewater. We are also actively analyzing and assessing the risks and opportunities in the operation of power plants, to continuously improve and strengthen our environmental performance and ecological benefits.

7.6.9 Risks Associated with Purchase and Sales Concentration: None.

7.6.10 The Impact of a Significant Transfer or Replacement of Shares by Directors, Supervisors, or Major Shareholders Holding more than 10% of the Shares on the Company: None.

7.6.11 The Impact and Risks Associated with Changes in Ownership or Control: None.

7.6.12 Litigations or Non-Litigations As of the end of 2022 and the publication of this annual report, significant lawsuits, non-litigations, or administrative disputes relevant to the Company that have been determined or are pending: None.

As of the end of the 2022 and the publication date of this annual report, significant lawsuits, non-litigations, or administrative disputes that have been determined or are pending involving the Company's directors, general manager, substantial controlling shareholders with more than 10% ownership, or subsidiaries that may have a significant impact on shareholder equity or securities prices:

| Company name | Ho-Ping Power Company (HPPC) |
|------------------------|--|
| Details of the dispute | The Fair Trade Commission (FTC) fined HPPC NT\$1.35 billion for violation of Article 14 of the Fair Trade Act. |
| Value of the claim | NT\$1.35 billion |
| Litigation start date | March 2013 |
| Parties concerned | HPPC and the Fair Trade Commission |
| Status | <p>1. Regarding the violation of Article 14 of the Fair Trade Act. On June 30, 2015 and September 6, 2018 the Taiwan Supreme Administrative Court denied the original decision (where HPPC won the case) and remanded the case to the Taipei High Administrative Court. In May 2020, the Taipei High Administrative Court dismissed the FTC's penalties (Case Series: 2018 No. 116). The Fair Trade Commission has filed an appeal with the Supreme Administrative Court regarding the rejection of the appeal by HPPC in the original trial (Case Series: 2020 No.864). HPPC disagrees with the aforementioned decision and has filed an "application for retrial" and an "application for constitutional and statutory interpretation review" with the Constitutional Court.</p> <p>2. The FTC imposed a fine of NTD 1,320,000 on HPPC for its joint conduct, and despite multiple appeals, the FTC still upheld the penalty in July 2014. HPPC filed a complaint against this decision (Administrative Decision No. 103090, issued on July 10, 2014), but the appeal proceedings were temporarily suspended as the administrative lawsuit to determine whether the joint conduct was established had not yet been finalized. However, with the Supreme Administrative Court's decision in case 2020 No. 864 now finalized, the Executive Yuan will proceed with the appeal proceedings. HPPC has also filed a "Supplemental Statement of Appeal Reasons" regarding the amount of the penalty, and the legality of the fine will continue to be disputed.</p> <p>3. Acting on the principle of conservativeness, HPPC accrued for the relevant losses in 2012, and had paid all of the penalties by December 31, 2019.</p> |

| Company Name | HPPC |
|------------------------|---|
| Details of the dispute | Taiwan Power Co., Ltd. (Taipower) filed a civil lawsuit with the Taipei District Court |
| Value of the claim | NT\$1.755 billion |
| Litigation start date: | November 2015 |
| Parties concerned | HPPC and Taipower |
| Status | <p>In November 2015, HPPC was served a summons by the Taipei District Court for a civil lawsuit based on the same case. In May 2020, the claim was reduced from NT\$5.268 billion to NT\$1.755 billion. On May 12, 2021, the Taipei District Court ruled against Taipower's claim. Taipower appealed the decision, and the case is currently being heard by the Taiwan High Court.</p> <p>HPPC believes Taipower does not have a valid standing for the case, thus it has not accrued for a potential loss.</p> |

7.6.13 Other Important Risks:

1. Risk assessment of six key axes:

TCC identifies key risk areas according to a risk assessment process. In 2022, the Company identified six key risk areas: geopolitics and conflicts, inflationary pressures and interest rate hikes, carbon emission control, the impact of COVID-19 lockdowns, structural talent shortages, and network security failure.

Their conclusions were based on world economic risk reports, cement and energy industry risk reports, and international trends. These conclusions followed their identification and analysis of 7 major risks in the areas of: finance, personnel, regulatory compliance, country, operation, information security, and ESG. The company thus updated its risk identification matrix.

On August 5, 2022, TCC held a meeting of the risk management executive committee to report the updates of the risk identification matrix, as well as its impact on operations and sectoral mitigation strategies in response to wars, climate change, geopolitics, energy transition, information security risks, and population structure.

2. The Gukut and Knlibu tribes in Xiulin, Hualien County, discussed and voted to approve TCC's mining rights:

In March 2022, the Gukut and Knlibu tribes in Hoping Village, Xiulin Township, Hualien County, held tribal consultative and voting meetings. More than 82% of the Gukut tribespeople and over 97% of the Knlibu tribespeople voted for and supported the company to keep mining. The company opened the gates of the Hoping Factory in January 2020 to promote Taiwan's first open factory project — "TCC DAKA."

TCC strove for co-existing and co-prosperity with the surrounding communities. Every six months, TCC chairman Nelson Chang would meet local leaders to exchange ideas. In October 2021, the company's Hoping Factory also took the initiative to apply with the Xiulin Township Office for tribal consultation procedures for the four quarries of Hoping, Baolai, Heshengyuan, and Jinchang.

The company created the booklet "For the Future, Make Peace Sustainable" while communicating with the tribes. The booklet described the achievements of the Hoping Port-Power-Cement Circular Economy Park, jointly built by the Company and communities over the past two decades, for the Gukut and Knlibu tribespeople. It also showed the Company's plan to transform the cement area into a low-carbon, environmentally friendly and green energy park in the future.

At the same time, the Company will also keep working with the tribes for sustainable development. The TCC DAKA has attracted 4.51 million visits over two years, creating different jobs for local people. Through industry-academia partnership programs, the Company will also help the tribes nurture young people to become green energy talents.

Vocational training courses are being introduced to help the tribespeople develop skills. TCC also plans to provide home-delivered meal services for seniors whose children go to work, and shuttle bus services to and from Hualien City. These programs aim to care for tribal elders and make Hoping a competitive and livable community.

3. In response to an earthquake in Türkiye, an employee relocation program was immediately launched, and three factories were not affected:

On February 6, 2023, a major earthquake hit Türkiye, where TCC had invested in a company called OYAK. As TCC held a 40% share in OYAK, they put their people first. Upon hearing the news of the quake, the company launched an "employee relocation program" to help and take care of the employees and their families affected by the quake. One hundred sets of first-aid kits were urgently airlifted to Türkiye. The Company did its utmost to help the employees and their families, suppliers, and customers, thereby minimizing the risks.

Three factories in the region were affected by the earthquake, with one located only 200 kilometers from the epicenter. Fortunately, none of the critical equipment in these factories were damaged. As a result, the earthquake had no major impact on TCC's overall financial and business operations.

4. TCC concrete products earn their customers' trust, and administrative litigation remedies will be filed against the ruling of the Fair Trade Commission (FTC):

The FTC ruled that 18 ready-mix concrete batching plants, including TCC, had engaged in joint actions. TCC has been working hard to develop low-carbon products and is the only company in Taiwan to implement a ready-mix concrete product traceability system. The Company marks carbon emissions on the delivery list and honestly reveals their formula and ratio. TCC concrete product quality and prices have always been the best in the industry, and they have earned the customers' trust. It is impossible and unnecessary to engage in joint acts with other peers. Therefore, TCC will file administrative litigation remedies against the ruling of the FTC.

7.7 Sustainable Development for the Corporation

7.7.1 Corporate Sustainable Development Committee & the ESG Organizational Structure:

TCC set up the "Corporate Sustainable Development Committee" as a functional committee directly under the Board of Directors. The Board of Directors appoints 3 members, with Chairman Mr. An-Ping Chang as the convener, President Mr. Roman Cheng and Independent Director Mr. Victor Wang as members. Mr. Cheng took over on December 13, 2022, after former member Mr. Jong-Peir Li resigned August 12, 2022. The members' broad background covers risk management, operations, energy technology, environmental protection, ESG and other related fields.

The committee oversees eight functional groups covering "Integrity Governance and Risk Management", "Circular Manufacturing", "Sustainable Environment and Products", "Employee Care", "Social Care", "Financial TCFD", "Information Security" and "Sustainable Supply Chains". Each functional group is composed of first-level supervisors and senior personnel from relevant departments, and responsible for ESG-related businesses. Corporate group companies are assigned according to departmental functions as well. Regular meetings are held twice a year to review and promote the ESG program internally and strengthen the corporate well-being.

TCC established a Sustainability Office in 2022. It is responsible for coordinating and integrating enterprise team resources to promote sustainable projects, conducting cross-departmental

communication and coordination, and making suggestions for improvement, and it reports on the Group's sustainable development to members of the Sustainable Development Committee. The office continually monitors the overall situation to ensure momentum is maintained in sustainable operations.

The Corporate Sustainable Development Committee met on August 5 and December 13, 2022, respectively. Major resolutions made in the two meetings included:

| | |
|---|---|
| Review progress towards Science-Based Carbon Reduction Targets (SBT) | In July 2020 TCC's Science-Based Carbon Reduction Target (SBT) was set and a carbon reduction program was launched, and its effectiveness was reviewed. Compared with the base year of 2015, carbon intensity in 2022 was reduced by 5.1%. This shows TCC's commitment to a carbon trading system that promotes good points and suppresses bad ones. |
| Committed to the development of ultra-high performance concrete (UHPC) products | Moved to develop ultra-high-performance concrete (UHPC) movable bins and energy storage equipment, which can reduce carbon emissions in production by about 50% compared with ordinary metal energy storage cabinets. |
| Plans of introducing PAS2080 & carbon neutral certification application in TCC DAKA | TCC DAKA Renewable Resource Utilization Center plans to introduce PAS2080 and apply for carbon neutral certification. |
| Actively introduce relevant certifications to improve energy productivity | TCC, Taiwan's first large-scale manufacturing EP100 member, aims to increase energy productivity by 50% in 2040. The cement plant obtained ISO 46001 Water Resource Efficiency System Certification in December 2021, and the production factory is scheduled for completion by February 2023. As for carbon footprint, water footprint and BS 8001 Water Resource Efficiency System Certification, these have all been completed at production facilities. |
| Carry out the Earth Helper Sustainable Initiative | The company's new-generation charging station was launched in March 2022, and the Earth Helper Sustainable Initiative was launched simultaneously. Cumulative carbon reduction in the past five months exceeded 11 metric tons. |
| Continue to improve internal and external communication | The corporate group launched Tourism and Medical Assistance 2.0, exhibiting ESG performance that ranked it among the "Top ESG Enterprises" in the global building materials industry survey by Sustainalytics from 2020 to 2022. MSC and ESG scores have also shown outstanding results in recent years. The CDP Carbon Disclosure Supply Chain won the leadership level rating (A) for two consecutive years in 2020 and 2021. In addition, Global Views ranked the company first in its annual honor roll of the industry for three consecutive years, and it won the Best Employer Award in Asia in 2021 and 2022. |
| Assessment of Resetting Science-Based Targets (SBT) | The company promised to make improvements in December 2022 and completed the goal setting in July 2020. In September 2022 SBTi announced the SDA for the cement industry with targets to be set by July 2024 at the latest. |
| Focus on the issue of the proportion of self-consumption of renewable energy | The "ESG Information Disclosure and Declaration System of the TWSE Market Observation Post System" ruled that the utilization rate for renewable energy in 2021 was 0.0051%. Waste heat power generation does not apply here as it is within the scope of the circular economy. |
| Obtained carbon labels for low-carbon and green products | Since 2018, gold-grade environmentally-friendly cement has been used in published information such as revenue ratios and energy/ water saving/carbon reduction. Relevant low-carbon certifications included cement products obtaining the carbon label in 2020 and the carbon reduction label in 2021. Concrete gained the green building material label and the 4000/5000/6000 psi carbon label in December last year. In future the range of low-carbon products will be widened to include Ultra High Performance Concrete (UHPC). |

| | |
|--|--|
| International Trend Assessment and Response | In September 2022 the EV100+ initiative will be released, and the enterprise group is gradually preparing to produce electric vehicles. In addition, the UN Environmental Program will announce its Nature-related Financial Disclosure (TNFD) framework in 2023. The nine major impacted industries include the mining industry, and CC will further cooperate with He-Ping Factory and carry out discussions with the Species Conservation Center to evaluate and collect detailed information for its "Survey of Ground Animals, Plants and Soil Biology in the He-Ping Mining Area". |
| The Sustainable Development Path of the Financial Supervisory Commission | The FSC's Sustainable Development Roadmap for listed companies was released in March 2022. The regulations include: (1) Greenhouse gas (GHG) inventory needs to be carried out and included in reports to the Board of Directors. (2) Subsidiaries at home and abroad are required to submit the "Greenhouse Gas Inventory Planning and Verification Schedule" to the Board of Directors before the first quarter of 2023, reporting quarterly for control, and completing an inventory in 2025 and 2027 for verification. (3) TCC submitted its sustainable development plan to the Board of Directors in April 2022. There are a total of 147 corporate group companies. In Taiwan, a company under the jurisdiction of the Environmental Protection Agency is checked every year (e.g., He-Ping Power), and if it is not a company under supervision, review and verification are required. For overseas units: Overseas operating companies are checked in accordance with local regulations and standards. At present, an external consultant has been retained to conduct a question-and-answer session. The release of FSC guidelines was delayed to the fourth quarter of 2022, and the consultant will track relevant regulations on sustainable development paths and inform the company of any situation that does not conform to current rules. |

7.7.2 Environmental Protection:

"Environmental protection, energy, and low-carbon cement" are the three core businesses of Taiwan Cement Corporation, and with "zero waste, zero pollution, and zero emissions" as the goals of the circular economy, we have introduced ISO 14001, ISO 50001, ISO 14064, ISO 14046, ISO 46001, BS 8001 and other international standard certifications to improve our performance in product, energy, water, wastewater and waste management. With standards that exceed those of environmental protection laws and regulations, we constantly evaluate the direction of energy conservation, environmental protection and production process improvement programs, implementing the concept of sustainable environmental management to minimize our environmental impact.

Asia's first three-in-one "Hoping Port-Power-Cement Circular Economy Park." TCC cooperated with the government's eastward shift of industries in 1997, taking the opportunity to use recycling as a design consideration. The Ho-Ping power plant and cement plant are connected through a closed network of pipelines. Raw materials, fuels, and waste materials for the three different facilities of port, power, and cement plant are complementary to each other, forming a closed loop within the complex. The cement products produced are transported out to sea on low-carbon ships, with no land transportation involved. This cross-facility "circular economy" design optimizes the efficiency of resource use. This was TCC's innovative cross-industry model for resource utilization, zero waste, low carbon emission and ecological circular economy, and it achieved a number of firsts: it was the only environmental protection power plant in the world with no ash pool, supporting an EU-certified industrial ecological port and a cement factory where fireflies dance every summer night.

"Mining" is one of the cores of TCC's industry. We adhere to environmentally friendly mining methods, restoring the mining ecosystem when moving on, and continuously practicing green

conservation. TCC's mine restoration is different from most quick greening models, opting not to blindly pursue maximum green coverage and number of saplings. After long-term planning and in-depth consideration of ecological balance and reconstruction, we continue to implement mine greening management while gradually restoring the original ecology of the mine. At the same time, we involve the academic community and the Dr. Cecilia Koo Botanic Conservation Center, Asia's largest, to conduct field investigations on native species and patiently restore the limestone ecosystem.

In 2007, the Dr. Cecilia Koo Botanic Conservation Center was established with the strong support of Mr. Leslie Koo and Dr. Cecilia Koo. The mission of the species conservation center is to protect tropical and subtropical plants all over the world, so that the earth can continue to maintain rich biodiversity. Over the past 15 years, the company has invested funds and manpower to develop a species conservation center based on research, participating in the world's tropical plant conservation projects through international academic exchanges, and becoming a world-class plant conservation base. By the end of January 2022, it had successfully cultivated 34,046 plants from all over the world, and assisted the Company's mining area in carrying out restoration plans, at the same time implementing TCC's concepts of sustainable development, environmental protection and climate change adaptation with concrete actions.

In response to the UN Convention on Biological Diversity, the Company formulated a Biodiversity Management Plan (BMP) based on the principles of avoidance, mitigation and compensation. In 2020 it signed the Business for Nature initiative, committing to reduce natural capital Loss, using this corporate initiative to work with more than 700 international companies to urge governments around the world to formulate more active nature-related policies, further highlighting TCC's pledge to protect ecological diversity.

On January 17, 2022, the TCC Group held a "Dr. Cecilia Koo Botanic Conservation Center Asteroid" presentation and certification ceremony. The Conservation Center established by the TCC Group, in addition to being one of the most important tropical and subtropical plant conservation bases in the world, also officially leaped up into the sky in 2022. National Central University specially gave asteroid No. 526460 discovered by the Lulin Observatory the official name "Ceciliakooocen" and approved a review by the IAU International Astronomical Union. This name reflects the selfless dedication of the Conservation Center to species conservation and ecological sustainability. We hope that the largest tropical plant conservation center on earth can become a Noah's Ark for the plant world, carrying the hope of sustainable development to continue forward. The Dr. Cecilia Koo Botanic Conservation Center Asteroid will also carry this spirit into eternity, shining toward the earth for all the universe to see.

TCC's eco-port promotion project refers to the policy directions of the "Taiwan Green Ports Program", which is divided into four aspects: tourism, freight, port environment, and urban/community development. It is hoped that through the management of these four aspects, conversion of Ho-Ping Port into a green port will improve the environmental quality of the entire port area, spurring the development of tourism and enhancing the quality of local living, while improving operational efficiency and reducing pollution in working areas. In 2019, the Group's Ho-Ping Port obtained Eco-Port certification provided by the Ecological Environment Sustainable Logistic Chain (ECOSLC), putting it on a par with the European ports of Amsterdam, London, Stockholm and Oslo, etc., as globally-renowned Eco-Ports. This has led to exchanges of environmental information on ecological balance in port areas, creating a new major port with environmental awareness. In 2021, the Group's Ho-Ping Ecological Industrial Port gained EU Ecological Port Certification (Port Environmental Review

System, PERS) and Green Port Certification (Green Port Award System, GPAS) from the Asia Pacific Port Service Organization (APSN).

1. TCC maintains an environmental management system that is appropriate for its industrial make-up.

Through ISO 14064, ISO 14001, ISO 46001 and ISO 50001 environmental and energy management systems, TCC continues to pursue improvement of our environmental and energy use performance by following environmental management plans and carrying out energy baseline surveys, improvement plan proposals, and regular management system upgrades.

TCC obtained the ISO 14064 GHG verification statement issued by SGS and released its BS 8001 circular economy assessment and verification in 2018 with a grade of 'Optimizing.' Additionally, BSI conducted BS 8001 compliance inspections in December 2020 and November 2022, with both inspections resulting in verification at the 'Optimizing' level. Furthermore, the Company has included carbon emission intensity of each plant as one of quarterly performance bonus calculation indicators from the second quarter of 2019. This change has boosted reduction of carbon emission intensity considerably in all production units.

In 2021, the Suao and Ho-Ping Plants took the lead in introducing ISO 46001 water resource efficiency management certification. In 2022, a water footprint analysis platform was established to further strengthen the management of water use, drainage, and recycled water in a more systematic way.

TCC became a member of the climate organization Climate Group EP100 in August 2022. It was the first large-scale manufacturing industry in Taiwan to join in EP100 energy efficiency improvement. This will eventually lead to the ISO 50001 energy management system and target an increase of 50% in energy productivity by 2040 compared to the 2016 benchmark.

2. TCC is committed to improving the utilization efficiency of various resources and using recycled materials with a low impact on the environment

- (1) We actively study ways of reusing waste and resources to replace natural resources and raw materials. In this way unit consumption of cement raw materials is lowered even as GHG emissions are reduced. In October 2022, TCC's Ho-Ping Plant was awarded the Environmental Protection Department's Resource Recycling Enterprise Gold Award.
- (2) The "Kaili TCC Environmental Protection Technology Co., Ltd.," uses cement kilns to co-process solid waste (50,000 tons/year) in a project holding a 5-year hazardous waste business license granted November 9, 2021. It went into operation in February 2022. The co-processing project for cement kiln renewable resources at the Shaoguan Plant of Guangdong Province (200 tons/day) went into operation in August 2022; and the co-processing project for cement kiln renewable resources in Jingzhou Plant of Hunan Province (200 tons/day), was put into operation in September 2022. The solid and hazardous waste project of Sichuan Guangan Plant (hazardous waste 100,000 tons/year, general solid waste 150,000 tons/year), obtained a one-year hazardous waste business license on December 30, 2022, and went into operation in January 2023. Ho-Ping Cement Plant's cement kiln co-processes general waste in Hualien County: construction started in July 2021, and it is expected to be opened in stages in 2023.

3. "Management of Carbon Emissions" and "Conservation of Green Environments"

- (1) TCC put a sound management structure and system in place at an early date. Thus when the industry's internationalization trend took off in 1993, each factory was able to obtain ISO 9000 quality management system certification in a minimum of time, and each cement factory in succession passed review by the Ministry of Economic Affairs and ISO 14000 Environmental Management System Certification by the Bureau of Standards, Inspection and Quarantine. The three cement plants in Taiwan passed ISO 50001 Energy Management System Certification on December 8, 12, and 15, 2014. In order to improve water efficiency, in 2021 they took the initiative to introduce ISO 46001 for Water Resource Management Efficiency and conducted the ISO 14046 Product Type Water Footprint Inventory. Some of TCC's cement plants in mainland China have obtained ISO 9000, ISO 14000, ISO 50001 and OHSAS-18001 Management System Certification and have completed an organizational Water Footprint Inventory.
- (2) Since 1994 the Company's cement plants have been awarded numerous performance awards by the Environmental Protection Agency and other government agencies. Among these, the Hualien plant has won the special honor of the ROC Enterprise Environmental Protection Award for three consecutive years since 2000, and was awarded the Excellent Manufacturer Award for Voluntary Greenhouse Gas Emission Reduction by the Industrial Bureau of the MOEA in 2009 and 2014. On the other hand, the Suao Plant was awarded Industrial Sustainability Excellence Award In 2003, as well as the Excellent Manufacturer Award for Voluntary Greenhouse Gas Emission Reduction in 2008 and 2019. In 2004 and 2007, the Ho-Ping Plant received the Energy Conservation Award and Industrial Voluntary Greenhouse Gas Emission Reduction from the Industrial Bureau of the MOEA.

In light of TCC's long-term energy conservation and emission reduction, waste reduction and resource reuse and good performance, the Company was awarded the 100-year Energy and Resource Integration Benchmark Enterprise Award by the MOEA in November 2011. TCC's Ho-Ping Plant was rated as a "two-star manufacturer with waste resources circular economy" (the highest level) In December 2018 by the Environmental Protection Agency.

In January 2019, the EPA issued certificates for the use of environmental protection labels on cement products from Suao and Ho-Ping Plants. To promote Taiwan's cement product carbon emission calculation and inventory standards, the company voluntarily applied to the EPA to establish cement Product Category Rules (PCR) in 2020, creating the first carbon label system in the cement industry for conducting carbon footprint inventories. In August 2020 TCC obtained the first carbon footprint label for cement products issued by the EPA. In August 2021 it took the lead in passing the EPA's examination, obtaining the first product carbon footprint reduction label certificate in Taiwan's cement industry.

4. Annual greenhouse gas emissions, water consumption and total waste weight and corresponding management policies

Reduced energy consumption per unit of product through system-level management, in addition to improving resource efficiency, can achieve carbon reduction and reduce the risk of material shortages resulting from climate change.

With the circular economy as a strategic goal, TCC instituted a cross-industry "circular economic chain" to create sustainable business value. Through international standard certification for ISO 14001,

ISO 50001, ISO 14064, ISO 14046, ISO 46001, and BS 8001, TCC has enhanced its performance in energy, water, wastewater, and waste management, with standards that exceed environmental protection regulations and indicators. These are all routine parts of our energy conservation, environmental protection, and production process improvement plan planning directions, and we implement business management concepts in energy conservation and environmental protection policies to further reduce our environmental impact.

5. The assessment of current and future potential risks, opportunities and response measures due to climate change.

- (1) The company first proposed a green value supply chain in 2016, establishing a carbon capture application platform (CCUS) and creating new ways to respond to climate change. We also participated in various government plans for resource reuse and renewable energy.
- (2) In July 2020 the SBTi announced that it had completed the review of TCC's carbon reduction goal. TCC was the first cement company in East Asia, and one of only four cement companies in the global cement industry, to complete goal setting for carbon reduction. The company's science-based carbon reduction goal is: set 2016 as the base year, and commit to reduce GHG emission intensity of scope 1 (fuel use) by 11% and the GHG emission intensity of scope 2 (power consumption) by 32% by the target year 2025. This shows a genuine effort to reverse the trend of climate change.
- (3) In September 2020, the Global Cement and Concrete Association (GCCA) and 40 other industry benchmarking companies jointly launched "2050 Climate Vision", publicly declaring that the industry is committed to reducing the carbon footprint of cement and concrete by 2050 to achieve the most ambitious goal of carbon neutrality for cement products.
- (4) In June 2021, in response to the "NET ZERO 2030/3050" initiative, TCC joined the "Taiwan Net Zero Emissions Association" as a founding member, jointly committing to implement action to move towards the goal of Net Zero.
- (5) On June 15, 2022, TCC obtained the Green-level Net-zero Label, becoming the first group of companies to pass the audit of the Taiwan Net-Zero Emissions Association, and promising net-zero office locations in 2030.
- (6) In December 2022, TCC signed the COP15 Business for Nature Action Statement (Business for Nature_Make it Mandatory) with 330 companies from 52 countries. TCC will also participate in the UN Nature-related Financial Disclosure (TNFD) pilot project. As the first traditional manufacturing company in Taiwan to take practical action towards the core vision of "Living in Harmony with Nature", TCC is committed to making a positive impact on the environment.

1. The impact of corporate image changes on corporate crisis management and countermeasures:

Since 2018, TCC has initiated its transformation and upgrade. With "low-carbon cement, resource recycling, and green energy" as its three core businesses, it has become a green environmental engineering company dedicated to addressing the complex relationship between human civilization and nature. TCC is a representative of ECO-SOLUTION PROVIDER, committed to actively solving environmental problems and promoting the EARTH HELPER Sustainable Initiative.

In 2022, TCC held a meeting of the Corporate Sustainable Development Committee which centered

on four topics including "Climate Change Strategy", "Circular Economy", "New Energy" and "Communication with Stakeholders." It took aim at the Financial Supervision and Management Committee's sustainable development path in explaining the scope and timetable for handling the GHG inventory of the Taiwan Cement Corporation Group.

(1) Climate Change Responses – Participate in international initiatives and evaluations, set positive carbon reduction goals that meet the highest international standards, implement climate change mitigating action, and formulate carbon reduction strategies in accordance with the strictest international standards in addressing the sustainable mission of international enterprises.

TCC conforms to international sustainability standards and actively participates in various climate action initiatives. It sets carbon reduction targets to meet the highest international standards for Science Based Targets (SBT) and implements climate change mitigating actions and strategies to fulfill its mission of corporate sustainability.

TCC constantly demands that its contributions to climate change mitigation be aligned with the highest standards. On September 1, 2020, the Global Cement and Concrete Association (GCCA) and 40 other cement benchmarking companies jointly launched "2050 Climate Vision", publicly declaring that they will strive to reduce the carbon footprints of cement and concrete, reaching goals for cement products before 2050. The goal of carbon neutrality is also inspiring efforts to coordinate a feasible de-carbonization path for Taiwan's cement industry in Asia in the next 30 years. This is the base on which TCC's internal carbon management structure is established, and seven carbon reduction strategies of the enterprise group have been drawn up, namely:

- use of alternative fuels;
- use of alternative raw materials;
- promotion of waste heat power generation;
- continuous process improvement;
- development of renewable energy (including solar, wind, geothermal and ocean thermal energy conversion);
- smart energy storage equipment and large power batteries;
- negative carbon technology carbon capture (CCS) and carbon sink afforestation.

In 2022 TCC became an official member of the climate organization Climate Group EP100. It was the first large-scale manufacturing industry in Taiwan to join EP100 to work for energy efficiency improvement, and it was also the fourth cement company in the world to pass the EP100 audit. The Company promises that all cement plants will introduce the ISO 50001 energy management system and target that energy productivity in 2040 will increase by 50% compared with the base year 2016.

At the same time, TCC has adopted the TCFD structure and issued its first climate-related financial disclosure report in 2022. This is the first time we have fully disclose the risks and opportunities of the Company's response to climate change with a systematic structure, and the strategic actions and management actions taken by the Company. We have assessed the climate-related financial impacts we face, and we use the quantitative results as specific considerations for medium- and long-term strategic layouts, as we move towards the goal of net zero emissions by 2050.

(2) Circular economy – Committed to creating a waste co-processing system, based on the urban purifier-cement kiln, through the application of technology to create a symbiotic circle of circular economy, extend the social value chain and help solve social problems derived from industrial waste and domestic waste.

According to the World Business Council for Sustainable Development (WBCSD), the average temperature of cement kilns exceeds 1,300° C, which can decompose dioxins that cannot be processed by incinerators. This acts to make most of the waste produced by humans harmless, and the result becomes a renewable resource to replace certain cement raw materials and fuels. This is yet another step toward the goal of carbon reduction, earning the kiln a reputation as the ultimate "urban purifier."

The earth's resources are limited. Acting in the spirit of the circular economy, TCC is committed to reusing waste resources with its core competence – high-temperature cement kiln collaborative processing technology – in the cement kiln process, which is currently the most scientific and effective such model in the world. Over the years, TCC has used collaborative technology for cement kilns to process industrial waste from various industries such as optoelectronics and semiconductor industries, papermaking, water purification plants, chemical plants and steel plants, allowing resources in different industries to be continuously recycled and greatly reducing energy consumption. As for consumption of resources, we give full play to its high temperature, high turbulence, high residence time and other characteristics, obtaining the functions of proper circulation with no secondary pollution. The process can convert practically any potential wastes into resources, replacing raw materials or fuels required by the cement process, to achieve both waste and carbon reduction at the same time. This cross-function interaction not only reuses resources, it forms an environmental protection value chain that significantly reduces consumption of energy and resources while alleviating pressure from waste disposal and pollution. A low-carbon circular economy model is formed and locked into a sector of the circular economy in a new form of symbiosis.

TCC continues to try new alternative raw materials and techniques such as waste molding compound and reducing slag, and alternative fuels such as waste wood, sawdust, coal ash, etc. Our goal is to develop new alternative raw materials and fuels in the future to implement carbon reduction and renewable resource utilization. Located in Guigang, Guangxi, China, the largest cement kiln co-processing solid and hazardous waste project in mainland China, the annual processing capacity of the first phase of the project is 200,000 tons. It obtained a five-year hazardous waste business license on January 28, 2021. On November 30, the plant was notified by the Guigang City Ecological Environment Bureau to ready the first demonstration run for publicity and education in ecological environment protection for Guigang City. The fly ash disposal project of the waste incineration power plant in Jiangsu Jurong Plant was put into operation in October 2021; the Guangdong Shaoguan Plant Co-processing of cement kiln renewable resources went into operation in August 2022; and the Guizhou Kaili Plant's 50,000 tons/year co-processing hazardous waste project went into operation in February 2022. The Hunan Jingzhou Plant co-processing of cement kiln renewable resources was put into operation in September 2022; and the solid and hazardous waste project of the Sichuan Guangan Plant (hazardous waste 100,000 tons/year and general solid waste 150,000 tons/year) was put into operation in January 2023. Meanwhile at the Ho-Ping Plant the collaborative processing unit for general waste from Hualien County is under construction and is expected to be completed and introduced in phases in 2023. The cement kiln will be the heart of the circular economy and the sustainability mission for urban recycling purifiers.

Progress has also been made in the area of urban waste. In 2021 the Environmental Protection Bureau of the Hualien County Government cooperated with our company to develop the "Cement Industry (Kiln) Cooperative Waste Treatment" project in September of the same year, using the BOO mode of promotion and participation. Construction started in July 2021, and Hualien City's household waste will be processed beginning in the middle of 2023, with 200 tons of waste processed every

day. This will reduce carbon emissions by 40,000 tons per year and avoid methane pollution caused by accumulated garbage.

TCC constantly works to optimize and improve its technology. In 2018 it became the first cement industry in the world to pass BS 8001 circular economy certification. In 2020, it received the highest rating, 'Optimizing.' In 2022, operating under the theme of "Carbon Reduction Verification of Alternative Raw Fuels", it achieved Level 4 in BS 8001 optimization verification levels.

(3) New energy – focusing on the power industry, the sector with the highest carbon dioxide emissions in the world, we are actively investing in energy creation (renewable energy), energy transmission (critical battery types) and smart energy storage, and developing towards an all-round energy group.

Since the generation of its first green electricity in 2018, the TCC Group has established its first power plant based on hybrid wind and solar technology. In succession, the group has successfully developed the first large-scale fishery and electricity symbiosis project site, as well as geothermal energy. Additionally, the possibility of utilizing ocean temperature differences for power generation is being evaluated. On May 20, 2022, TCC Group signed a new energy MOU with CPC Corporation. TCC Green Energy, a subsidiary of the group, and LDC Hotels & Resorts Group have jointly collaborated to build a hot spring park in Hongye Village, Yanping Township, Taitung County, the hometown of the world-famous Little League Baseball team. The "Vakangan Hot Spring Park" will occupy an area of 3 hectares and include a 1 MW geothermal power plant, while introducing a hot spring park with many unique local features to develop co-prosperity with the local community.

In addition to actively generating energy, intermittent renewable energy requires energy storage as its base load, which is an important key to providing stable power. In 2021, it acquired overseas Engie EPS and re-named it NHQA, becoming the fourth largest energy storage company in the world.

At the same time, Taiwan's first 5 MW AFC smart energy storage system was launched in 2021. During the major power outages of May 13 and 17 in 2021 and March 3 in 2022, the energy storage system assisted Taipower instantly stabilized power and played the role of peak-shaving and valley-filling.

TCC planned and designed the world's first new UHPC (Ultra High Performance Concrete Ultra High Performance Concrete) energy storage cabinet for the 7-Eleven Yawan store on July 12, 2022, since then it has officially entered commercial use. UHPC, an environmentally friendly new concrete building material, is used to create a fire-resistant and explosion-resistant energy storage cabinet. With the same volume, UHPC can reduce carbon emissions by about 50% compared with ordinary metal energy storage cabinets.

On July 27, 2022, TCC Energy Storage collaborated with the Taipei City government to build the first low-carbon electric vehicle charging station in Taiwan, which incorporates green energy storage at the public Lequn parking lot. This project will help stabilize the city's power grid.

TCC Group's E-One Moli Energy Corp. has established the largest lithium battery factory in Taiwan, located in Kaohsiung, to cater to the crucial battery energy storage segment. The factory is expected to produce high-capacity, high-power Nickel-Manganese-Cobalt (NMC) batteries starting in 2023. With a production capacity of approximately 1.8 GWh per year, it can provide the long-range battery needs for about 24,000 electric vehicles. The batteries and energy storage systems will play a critical

role in stabilizing the quality of renewable energy power and balancing the global demand for electric vehicle batteries.

TCC is aiming to develop into a comprehensive energy group, and we hope to integrate our core business with the development of a comprehensive energy solution that includes renewable energy, energy storage, large-scale battery energy transmission, and charging services.

- Taiwan Cement DAKA has gradually transformed into the first low-carbon and environmentally-friendly green energy park in eastern Taiwan, where various new energy development projects of TCC Group have settled in, including an electric vehicle charging station that integrate green energy and energy storage, large-scale energy storage bases that can help stabilize the power grid, an UHPC new low-carbon building materials factory, wind tulips, and the planned ocean thermal energy conversion.
- On March 3, 2022, TCC Group's Taiwan Cement Energy Storage – DAKA Park charging station was officially launched. The park collaborates with sustainable partners both online and offline to engage electric vehicle owners and the general public in sustainable activities such as carbon reduction, beach cleanup, and waste reduction, encouraging them to accumulate "sustainable scores" and advocate for a low-carbon and sustainable lifestyle with new energy sharing. Within the DAKA park, there are the "24K GREEN" leisure charging piles, the first pure green electricity charging piles in Taiwan, which emphasizes charging, leisure, and slow living. Electric vehicle owners who choose to use the "24K GREEN" can enjoy two hours of free use of the park's shared electric bicycles. This enables families to freely ride bicycles from the DAKA park to nearby Hanben Marine Station. In the future, TCC Group's charging stations in Yilan, Hualien, and Taitung will collaborate with local governments, tourist attractions, and sustainable partners to become a shared base for charging and slow travel, creating a new charging and slow travel lifestyle in eastern Taiwan.
- On November 22, 2022, the Group officially entered the green electricity trading market with its launch of the "Energy Helper TCC," a green electricity trading platform. It takes only "three steps" to complete a "green electricity transaction," making it every bit as convenient as shopping at a supermarket.

The platform combines the diversified renewable energy types and resources of the Group, including wind, solar, geothermal, and ocean. It is the renewable energy seller with the most self-built power plants and the most green energy available for sale on the platform in Taiwan. It is expected to open for sales of renewable energy with a capacity of up to 103 MW, or about 150 million kWh, in 2023. A certain percentage of this energy will be available for purchase by small and medium-sized enterprises with export-oriented needs, assisting commercial partners to be competitive in the international green supply chain.

(4) Stakeholder Communication— In line with the principles of openness, transparency, integration, sharing and integration, TCC hopes to deepen the understanding of outside stakeholders regarding the Company's operations. This will lead to enhanced awareness of the industry, and then on to a clearer view of the corporate image. In order to effectively track and manage the effectiveness of implementation of the Company's sustainability strategy, we carry out a stakeholder analysis every two years. In 2022 an analysis of major issues was carried out to assess the levels of issues that concern stakeholders.

- Promoting the Earth Helper Sustainability Initiative to drive transformation of the lives of the general public:

Reduction of accumulated carbon in daily activities, and community interaction to practice sustainable life together – TCC Group has established an NHQA.TCC LINE@ account, regularly issuing various "Love the Earth" actions, including beach cleaning, kitchen waste reuse, garbage classification, carbon reduction bicycle trips, etc., to obtain points and rewards. At the same time, the charging power of electric vehicle owners is converted into carbon reduction credits, forming a carbon reduction point system. Car owners can generate continuous motivation through real-time leaderboards and reward mechanisms. The EARTH HELPER initiative is also open to the general public who are concerned about sustainable issues, and they can also earn points by responding to energy-saving and carbon reduction in daily life and participating in sustainable activities held by different companies. This platform connects TCC's energy storage, electric vehicle owners, the general public, and responsive companies, creating multi-faceted interactions and forming a tangible carbon reduction community. On the other hand, it encourages people to use electric vehicles to reduce the impact of fossil fuel on the environment.

Off-peak charging is love for the earth – a small step in daily life, and a big step in low-carbon life – In December 2022 the TCC Group took the lead in Taiwan in promoting a two-week long 'Off-peak charging is love for the earth' initiative, calling on 300 car owners to jointly achieve the sustainable goal of reducing carbon emissions by 10 metric tons. The initiative aimed at persuading electric car owners to charge during off-peak hours, with preferential rates for charging, to reduce the burden on the power grid.

Electric vehicles are low-carbon and environmentally friendly compared with gasoline vehicles. Charging during off-peak hours reduces peak load on the urban power grid and also reduces by about 0.5 kg the amount of carbon dioxide generated for the Earth per kWh. This action initiative emphasizing "off-peak charging" and "loving the earth" hopes to transform the lives of electric car owners, encouraging them to adjust their daily charging routines and respond to the behavior of charging load-shedding, further transitioning to a low-carbon lifestyle. This event will be continued in 2023.

Cross-corporate partnerships extend the transformation towards a greener lifestyle – TCC Group pioneers the use of LINE charging platform, which is not just a one-way interface for charging, but also a two-way green life community that connects individuals. Car owners are encouraged to invite their family and friends to join the community, and regularly receive energy-saving and carbon-reduction actions via LINE to encourage them to practice small sustainable actions in their daily lives. This will enable them to step outside and participate in various sustainable actions organized by different companies and social groups such as beach and mountain cleanups, low-carbon cycling, and choosing eco-friendly accommodations – all aimed at spreading green seeds of change. In 2023, Earth Helper members will be invited to join a year-long sustainability calendar of activities to gradually build and practice a truly low-carbon life.

- External communication with institutional investors, corporate investors and shareholders:

At shareholder meetings and legal seminars, TCC's Chairman and management team explain the company's sustainable philosophy to shareholders and investors. They emphasize the company's carbon reduction goals and actions, as well as the current status of new energy businesses. When communicating with institutional investors, they adhere to principles of transparency and integrity, and respond with publicly-available information. The focus of the communication is on the company's sustainable performance, business mission, and future plans related to sustainability.

- Internal communication with employees:

The spirit and business philosophy of sustainability have always been important issues in our internal communication at TCC. We are committed to establishing a sustainable organizational culture and internalizing it into our corporate 'DNA'. We convey sustainable value through various channels and methods, including internal ESG education and training. Employees in each department share their own business and ESG issues. Monthly decision-making meetings are chaired by the TCC chairman, with nearly 40 participants, including the general manager, vice president, middle and senior executives from various departments, and general managers of various subsidiaries in Taiwan and overseas. Topics discussed cover the Company's current strategy, corporate social responsibility, and sustainability issues. These are all crucial occasions for internal "Top-down" communication to convey the core values of the Company to employees.

Additionally, we organize quarterly Town Hall meetings, labor-management meetings, meetings of labor union and welfare committee. These give managers at all levels and employees opportunities to interact and communicate directly with executives up to the chairman, obtain feedback and opinions, and learn about the meaning and plans for sustainable development in the Company. Through these activities, we strive to make all employees realize the value and determination of TCC as a green environmental engineering company, dealing with the complex relationship between human civilization and nature.

2. Carry out environmental protection and climate change management with a strategic focus on sustainable development and the circular economy

The 2015 UN Climate Summit and Paris Climate Agreement:

In 2015, the UN Climate Summit adopted the Paris Climate Agreement, which warned that if global warming continues, average temperatures will rise to 1.5° C above pre-industrial levels. If that happens, catastrophic climate change will be irreversible. The participating countries agreed to formulate plans to significantly reduce carbon emissions and to evaluate progress on this aim every five years. On April 4, 2022, the IPCC Working Group III released its latest report, "Mitigation of Climate Change" (AR6 Climate Change 2022: Mitigation of Climate Change), which explored the scientific, technological, environmental, economic, and social literature on mitigating climate change and assessed the latest global trends and technologies for reducing carbon emissions. The report noted that if climate change is to be slowed to limit temperature rise to 1.5° C, GHG emissions must be almost halved by 2030, net zero emissions achieved by 2050, and the world must continue to move towards negative carbon emissions after reaching net zero.

To address the potential impacts of global warming and extreme weather, TCC has taken concrete actions to evaluate and participate in climate change mitigation and adaptation efforts. In August 2020, the Company developed its "Risk Management Policy and Principles," which sets out the Board of Directors as the highest decision-making body for risk management. This policy outlines TCC's risk management practices and monitors their implementation.

In terms of risk management, the Company conducts risk identification and analysis in seven areas, including operations, finance, legal and compliance, human resources, geopolitics, information security, and ESG issues related to business, and climate change risks. Climate change risks have been integrated into the Company's overall risk management process, using the TCFD framework to identify potential climate-related risks. Based on the results of this risk identification, each department develops response strategies to manage risks that may impact the Company's operations and profitability.

Finally, the Risk Management Executive Committee presents an annual Risk Control Report to the Board of Directors. This report outlines TCC's risk management activities and their effectiveness in managing potential risks across all areas of operation, including climate change risks.

(1) Strategic management of climate change risks:

To enhance risk assessment and management capabilities, TCC's Board of Directors approved the establishment of a "Risk Management Committee" in May 2020. The committee is responsible for overseeing all aspects of risk management, including climate-related issues, with TCC's President appointed as the top management representative.

A Risk Management Working Group has been established under the Risk Management Committee. Affected departments appoint a first-level supervisor as a representative to review the seven major risk areas, formulate strategies, and put them into practice. They hold written discussions annually, and first-level supervisors in each department report to the Risk Management Committee. In response to management's supervision of climate issues, the Company conducts inter-departmental meetings to discuss climate strategies related to various climate actions. Meetings are held at least once every two weeks or monthly to implement climate management responsibilities, make major climate-related decisions and resolutions. Additionally, the Chairman holds regular meetings with the President and Vice Presidents of functional units to effectively monitor progress on climate issues and implement any necessary changes.

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|--------------------------|------------------------------------|---|
| Management and Executive | Energy Management System | We have implemented the ISO 50001 Energy Management System to continuously pursue improvements in our energy usage performance. We employ methods such as energy baseline surveys, improvement plan proposals, and management system establishment to enhance the intensity of our energy management. |
| | Water Resources Management System | We conducted internal and external water resources risk assessments and implemented measures to achieve 100% recycling of cooling water, promote 100% water recycling and reuse, and formulate water management and control measures as well as rainwater runoff recovery and usage measures. Our cement plants have completed the ISO 14046 water footprint inventory and achieved ISO 46001 Water Efficiency Verification for 2021. |
| | Carbon Management System | Since 2007, TCC has been conducting GHG inventory and obtains the ISO 14064 GHG verification statement issued by a third-party notary unit every year. Reduction targets and priorities are set based on these inventory results, and the reduction results can also be confirmed. Since the second quarter of 2019, a policy has been implemented that ties carbon emission intensity results for each factory to quarterly bonuses, which has prompted cement factories to strive for further reductions in carbon emission intensity. In 2021, TCC planned to launch an internal carbon trading platform, which was launched in January 2023. Using the internal carbon pricing and carbon trading management mechanism, each factory is encouraged to achieve its own carbon reduction goals and promote TCC's overall carbon management. In the future, feasibility of the internal climate fund will be explored to enhance the potential resources of energy-saving, carbon reduction, and green energy projects. |
| | Circular Economy Management System | Low-carbon products – Cement is one of the primary materials used in construction projects. It requires various ores and raw materials that are ground and fired in a kiln. In addition to using shaft mining methods that are symbiotic with the environment to reduce the impact of mining, we are also actively researching the reutilization of waste and resources to replace natural resources and raw materials. This helps to reduce the unit energy consumption of cement products and minimize GHG emissions. In 2018, we introduced the BS 8001 circular economy assessment and verification, which was verified by SGS and achieved the grade-optimizing level. We renewed the certification in 2020, which has helped to improve waste and resource reuse efficiency while obtaining certification for high-quality cement products. |

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|---------------------|--|
| Sustainable Ecology | The Dr. Cecilia Koo Botanic Conservation and Environmental Protection Development Foundation was established in January 2007. Its primary focus is on the establishment of the Dr. Cecilia Koo Botanic Conservation Center in Gaoshu Township, Pingtung County. The center's mission is to conserve tropical and subtropical plants worldwide and to sustain the planet's rich biodiversity. |
| | Starting in October 2022, the Dr. Cecilia Koo Botanic Conservation Center initiated the Lanyu and Xiaolanyu ecological restoration program. The program aims to restore the original ecological forests and breeding grounds and to create microhabitats suitable for the growth of various organisms on the restored lands. |
| | In 2023, the foundation will actively launch the "Ho-Ping Ecological Ark Project," a unique global soil species study. The project will explore the diverse ecological characteristics of local soils and preserve the only samples of rare soil species in the world. |

(2) Identifying climate change risks and opportunities

● Laws and policies

The Company not only complies with and responds to the government's relevant energy and circular economy policies, but also formulates its own environmental protection and carbon reduction target policies. As an Eco-solution provider, TCC supports various work projects that are conducive to mitigating and adapting to climate change. The Company aims to provide assistance to industries and local governments in reducing the risks of environmental impact.

● Enterprise Risk Management

According to the TCFD guidelines and industry-specific recommendations, TCC conducts analysis on international climate science and low-carbon technology-related research. The Company collects climate data from its operating bases, and considers industry characteristics to identify risk factors that are relevant to TCC. This enables the Company to optimize climate risk and opportunity assessments.

● Product Management

To reduce energy consumption per unit of product, TCC implements system-level management. The company continuously replaces raw materials and fuels with waste and other resources through product R&D. TCC collaborates with its subsidiary, TCC Information Corp., to plan a carbon reduction management platform, utilizing systematic calculation of carbon emissions in the production process and classification statistics (raw materials, combustion, electricity). This helps the company track usage and replacement ratios for each alternative raw material and fuel, as well as carbon emission intensity targets, achievement rates, and assessment indicators for alternative fuels. The IT application facilitates the management and execution of low-carbon products.

(3) Opportunities to respond to climate change

● International issues and policies and laws:

To put the UN Climate Action into practice, as a member of the global industry, TCC is committed to aligning with international standards and actively participating in organizations such as the Global Cement and Concrete Association (GCCA). In September 2020, TCC joined with 40 benchmark cement companies worldwide to commit to the goal of achieving carbon neutrality in concrete by 2050. As part of this commitment, TCC is responsible for providing an integrated assessment of the

feasibility of a de-carbonization path for the cement industry in Taiwan and the rest of Asia, as well as the projected direction of low-carbon transformation and development over the next 30 years.

TCC has taken numerous active carbon reduction actions over the years, including the commitment to the most credible and strictest scientifically-based carbon reduction targets (Science Based Targets, SBT) in 2019. These targets were established using the methodology of the IPCC and the International Energy Agency (IEA) and set goals and paths for carbon reduction based on a scenario where the average global temperature increase is kept below 2° C.

In June 2020, TCC passed a scientific review to become the first cement company in East Asia to complete its target setting. Based on 2016 as the baseline year, the target year of 2025 will see scope 1 (direct emissions) GHG-emission intensity reduced by 11%, and scope 2 (indirect emissions) GHG-emission intensity reduced by 32%.

- AI carbon reduction management platform and internal carbon pricing:

To achieve our science-based targets for carbon reduction in 2025 and carbon neutrality in 2050, TCC is accelerating the development of AI technology. Using AI modules, we calculate and track the carbon emission intensity of our production units' products. We collect data on carbon reduction resources and benefits in the vicinity of each factory to evaluate and propose an optimized strategy. We continually adjust and optimize our carbon reduction plan, taking advantage of technological advancements and breakthroughs in concepts. We are simultaneously promoting the seven carbon reduction strategies and implementing internal carbon pricing, conducting carbon inventories, and introducing product life cycle assessments (LCA). We have also developed a proprietary carbon reduction management platform that provides optimal carbon reduction strategies and tracking management mechanisms for each plant area.

- Carbon labels and carbon reduction labels:

In 2020, TCC conducted a carbon inventory of two products in addition to the original organizational carbon dioxide emission inventory. This was done to better understand the carbon footprint of Ho-Ping Cement Factory's Type I cement and Taichung Cement Products Factory's (Taya) 3000psi ready-mixed concrete materials. In July 2020, a verification statement for the carbon footprint of these products was obtained.

In 2020, TCC announced the establishment of Product Category Rule (PCR) and introduced Taiwan's first carbon footprint label for cement products. The company's Suao and Ho-Ping Plants obtained the carbon footprint reduction label for their Portland Type I cement products in 2021. In 2022, TCC's concrete business department obtained ISO 14064 and ISO 14067 for its carbon footprint, as well as low-carbon concrete 280, 350, and 420kgf/cm² carbon labels from the Environmental Protection Agency.

- Business management:

TCC is committed to not only achieving continuous growth, but also to actively collaborating with the government on environmental protection issues. The Company strives to deepen employees' understanding of ESG and engage with stakeholders, with the aim of collectively contributing to climate change mitigation efforts.

- Product management:

We are constantly working to improve our energy efficiency and the transparency of our carbon emissions disclosure. In addition to pursuing higher quality products, we want our consumers to feel confident that TCC is committed to energy conservation, carbon reduction, and climate change mitigation through the production of low-carbon cement.

(4) Ecological Restoration Strategy

- When engaged in mining, we strive to minimize the impact on the environment; and after mining is finished, sites must be fully restored and returned to nature.

TCC is committed to implementing an ecosystem restoration plan during the mining process. We use the world's most environmentally-friendly shaft technology and gravity to transport ore, which ensures that the surrounding environment and ecology of the mining area will not be affected by mining activities. At the same time, we take measures to ensure the health of native plants in the area during the mining process. We also conduct research backed by field implementation and practice to effectively reduce the exposed area of earth, rocks, and native plants. If necessary, native plants are removed and replanted during mining operations.

To protect water and soil, we install water and soil conservation facilities such as platform ditches, drainage ditches, and large-scale flood detention and grit chambers at the edges of projects. We also install solid rock and earth embankments with a height of more than 2 meters to prevent heavy rain and water from directly eroding slopes and causing disasters. Additionally, we create a friendly ecological environment for animals and plants through a series of vegetation and greening processes to promote the maintenance of green vegetation in mining areas so that it will not be affected by mining activities.

We plan to fully restore the ecology of the mines and implement a Biodiversity Action Plan (BAP) that applies international standards to systematically manage the ecology of mining areas. Furthermore, we implement Ecological Service Value estimates for outsourced mining areas to promote the restoration and development of all mining areas systematically. The coverage rate of our biodiversity plans is near 100%, and we invest long-term resources to protect endangered species, promote the functioning of the overall ecological circle, maintain biodiversity, and practice environmental friendliness to fulfill our mission of maintaining balance and harmony between life and nature.

- Ecosystem Service Assessment:

In 2020, National Taiwan University's Department of Environmental Resources was commissioned to assess the ecological service value of Jinchang Quarry, which included carbon sequestration, water conservation, air purification, soil and sand loss prevention, and biodiversity. The report indicated that during the 20-year development period, the estimated value of lost ecological services amounted to NT\$108,371,802. In response to this finding, our company has committed to investing over NT\$5.8 million annually towards environmental protection and restoration efforts in the mining area. We will conduct quarterly monitoring of water quality in the sedimentation pond and land area ecology, expand the scope of ecological surveys, and increase the number of infrared automatic cameras monitoring the local ecology to 21, including an additional 16 cameras.

In 2023, the Dr. Cecilia Koo Botanic Conservation Center initiated the Ho-Ping Ecological Ark Project, which involves using mud from Taiwanese secondary forest land near Ho-Ping DAKA Park for ecological restoration and innovative experiments. The logical process of rebuilding the ecology serves as a model for the preservation of the Earth's ecosystem – a positive and challenging goal.

The future plan is to gradually introduce at least 1,000 species of plants based on their geographical micro-environments and experimental planning. We will continue to observe and practice the techniques involved in returning plants to the wild. The base area will also be utilized as an environmental education center, combining with DAKA Park and the Renewable Resource Center to create the most distinctive environmental education and leisure complex in eastern Taiwan.

● Ecological Restoration :

The TCC cement factory at the Suao Plant has partnered with the Department of Horticulture at Yilan University to transplant native tree species and encourage the return of local flora and fauna to rebuild complete ecosystems. The current greening of vegetation has been completed, and the maintenance coverage rate has now reached 90%.

Meanwhile, the Ho-Ping Factory has collaborated with the Dr. Cecilia Koo Botanic Conservation Center to implement an ecosystem restoration plan that utilizes the center's world-class technology to simulate natural succession sequences. In principle, native seedlings are replanted in every five square meters of mining area.

In 2020, restoration operations prioritized the rare Taiwanese white orchid, *Bletilla*. The seedlings were cultivated using the aseptic sowing technology of the Species Conservation Center and then moved to the Ho-Ping Mine nursery to adapt to the local climate before finally being planted back on the residual wall at the original site. The Species Conservation Center has also established the Baifeng Garden in the Taiwan Cement DAKA Park, the world's first outdoor display area of bromeliads. This provides visitors with an opportunity to understand the diverse appearances of plants.

Starting from October 2022, the Dr. Cecilia Koo Botanic Conservation Center has initiated ecological restoration plans for Lanyu and Xiaolanyu, focusing on the restoration of the original breeding grounds and the reconstruction of the native forest ecosystem to create microhabitats suitable for the growth of diverse organisms. The project is jointly supported by Sigurds Co., Ltd., the Powercheng Technology Group, and the ASE Kaohsiung Plant, and jointly implemented by the Dr. Cecilia Koo Botanic Conservation Center, the National Museum of Natural Science, and the Cultural and Educational Foundation of the National Natural Science Museum. The project aims to effectively conserve and restore the plant ecologies of Lanyu and Xiaolanyu.

7.7.3 Labor Safety and Health:

TCC places a high priority on ensuring a safe working environment for its employees and has a long-term goal of achieving zero work-related injuries. To this end, we have implemented an occupational safety and health management system and established a Labor Safety and Health Office to oversee all related matters across the Company. We also prioritize regular education and simulated drills to enhance the safe operation of equipment and the control of hazardous substances potentially exposing our colleagues to risks. Our aim is to safeguard the safety and health of our employees in the workplace.

The Labor Safety and Health Office is responsible for organizing quarterly labor safety and health committee meetings to monitor project implementation, progress, and outcomes. Moreover, we introduced a "Work Safety Monthly Report" feedback mechanism in 2022 to solicit input from our employees.

In terms of health and safety education and training, we provide initial education and training for new colleagues, and require in-service colleagues to undergo one hour of health and safety education and training per year. Each year, we conduct relevant courses, such as labor, labor safety, and disaster prevention training, in accordance with current regulations. We also arrange for colleagues and occupational safety and health business supervisors to receive new and refresher training for relevant certificates, such as first aid, hypoxic operations, and dangerous equipment.

Furthermore, we conduct safety education and fire drills, identify potential safety hazards in the work environment, and participate in various disaster prevention seminars and certificate training organized by the government. These include seminars on air pollution prevention, fire management training, and workshops on Pneumoconiosis diagnosis and case discussion.

In total, 197 people attended education and training in environmental safety and health, with a total of 1,385 hours of training. There were no reported cases of occupational disease in 2022.

In addition, our company provides regular health check-ups for employees, as well as free flu vaccinations each year to strengthen employee health protection. We also regularly monitor employee health and adjust work arrangements according to their health conditions to ensure their safety and wellbeing. We encourage employees to develop healthy exercise habits, promote a positive sports culture, and offer relevant community subsidies.

In 2022, our company organized the TCC Carbon Reduction and Love the Earth/ EARTH HELPER Start Walking Competition, winter volunteer gatherings, and invited employees to participate in the 2022 Sun Moon Lake Ten Thousand Swimmers Carnival and Taroko Gorge Marathon. Through group activities and competitions, we aim to cultivate employee awareness of health promotion.

Starting from 2020, our company has been offering "On-site Health Services". We legally hired contracted medical staff to provide on-site health check-ups, which enhance and care for the health of workers in the factory, and reduce occupational hazards. We also promote health promotion measures such as holding health seminars and related educational training. Since the launch in 2020, the cumulative number of service users has reached 930 people. Additionally, we implement four major programs, including human engineering, overload, workplace violence, and maternal health protection. Through health check-ups, distributing questionnaires, and other methods, we assess the health status of employees, and provide relevant health advice to those who are at high or medium risk.

7.7.4 Society:

(1) Human rights

● TCC Group upholds the corporate spirit of "Integrity and solidarity, labor and employment" and strives to foster a people-oriented, healthy workplace environment.

TCC adheres to various international human rights conventions, including the United Nations Global Compact, the UN Universal Declaration of Human Rights, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, as well as all labor-related laws and regulations in the locations of our global operations.

We have established a human rights policy to safeguard the legitimate rights and interests of our employees and treat all salaried colleagues with dignity and respect. This policy applies to TCC, our domestic and foreign subsidiaries, joint ventures, suppliers, partners, and other corporate entities that we have substantial control over.

- We value society, environment, and corporate governance, strives to protect employee rights, and actively creates a healthy and friendly workplace that fosters mutual assistance.

To promote a healthy and friendly workplace that emphasizes social responsibility, environmental protection, and corporate governance, our group is fully committed to safeguarding the rights and interests of the employees. To achieve this goal, an online well-being platform and an electronic mailbox for employee feedback have been implemented. Moreover, dedicated measures and complaint channels have been established to prevent workplace sexual harassment, with strict confidentiality policies enforced by trained professionals to provide colleagues with the most secure protection. We are actively dedicated to protecting the rights and safety of every employee.

- Important policies such as the "Human Rights Policy," "Code of Conduct for Business Integrity," and "Anti-Discrimination and Anti-Harassment Policy" have been established.

The above policies are included in the annual mandatory training program for the Group, and all employees are required to read the policy documents every year to fully understand the Company's commitment to protecting and safeguarding employee rights.

(2) Employee benefits and employee training

- We provide competitive salaries and bonuses to attract and retain talent

Every year, we conduct a salary survey based on industry standards to review employee salary levels and incentive systems, establish competitive salary levels in the market, and corporate social responsibility is one of the indicators. We also link the company's overall operational profits with employees' individual performance to ensure that everyone in the company is committed to environmental friendliness, making nature the priority and social welfare the goal at every step.

We design incentive reward systems to reward employees who demonstrate outstanding performance. Employees who perform well or behave improperly are managed in accordance with the "work rules". We uphold the core value of putting people first and plan a variety of employee welfare programs, including flexible working hours, telecommuting, and international time zone shifts to ensure that all colleagues can balance their health and safety, family care, and work flexibility needs.

In addition to the aforementioned compensations, we offer various measures to support our employees, such as health check-ups, free flu vaccinations, medical insurance, scholarships for children's education, subsidies for marriage and childbirth, festival bonuses, share trusts, emergency assistance, and subsidies for overtime night return transportation.

We also proactively organize or subsidize activities that benefit the physical and mental development of our workers and promote labor-management communication. These activities include clubs and sports events (such as dragon boat races, swimming across Sun Moon Lake, and the Taroko Gorge Marathon), union activities, Christmas dinners, year-end parties, self-strengthening activities, family days, labor-management meetings, and employee meetings.

Our comprehensive welfare system is designed to provide employees with the most caring physical and mental care, and we continuously fulfill our responsibility to care for our employees' physical and mental health.

- Our company values the training and development of employees' professional skills required in different stages of careers.

| Three major employee development programs: | |
|--|--|
| Program for Enhancing Competencies Related to Sustainability | We strive to foster a culture of sustainability among all employees and equip them with the necessary competencies by integrating core expertise with circular economy principles. In pursuit of this goal, we have introduced a range of training programs, including ESG seminars, professional management courses, and English language classes. We also seek to tap into the academic community by inviting renowned scholars from institutions such as the Industrial Technology Research Institute and other domestic organizations to share their perspectives on environmental protection and energy. Through diverse external training opportunities and exposure to the latest global knowledge, we empower our employees with cross-disciplinary expertise, enabling them to enhance their problem-solving and adaptability skills. |
| Program for Digital Skills Development | We are committed to developing AI competencies and applying smart tools to production and operations in order to achieve sustainable development goals such as increased efficiency, energy conservation, reduced consumption, and pollution. To accomplish this, we have established intelligent team meetings and book clubs to explore the innovative role of AI in sustainable development. We have collaborated with the Massachusetts Institute of Technology (MIT) on projects, and each functional manager regularly conducts related research projects. We also facilitate discussions with overseas professors and conduct project research and practical workshops. Furthermore, our reserve cadres regularly participate in online seminars to enhance their skills and knowledge. |
| Risk Management Training Modules | To further enhance our employees' awareness of risk management and foster a fair and harmonious workplace culture based on the principles of integrity, we conduct regular seminars on regulatory updates and offer information security training to protect the long-term career development of our staff. |

- Online learning platform-TCC Lyceum (Taiwan Cement Corporation Academy)

In 2022, we continued to plan and develop TCC Lyceum, an online learning platform that provides comprehensive training programs for grassroots and middle to high-level professionals. These programs include ESG seminars, skills enhancement courses, English language training, and education on information and occupational safety. In addition, we also plan to offer physical classes on diverse professional skills and general education courses, such as knowledge library, health and aesthetics, and other external training courses, such as "Rural-Urban Integration and Entrepreneurship Spirit", "Innovation, Service, and Care", "The Art of Workplace Communication", "Financial Planning and Salary Concepts", etc. These courses are supplemented with multi-point video teaching to maintain a favorable environment and pipeline for talent development.

(3) Consumer Rights

To ensure the rights of our clients and consumers to knowledge, our company regularly updates the Safety Data Sheets (SDS) of our products, providing the latest information on safety characteristics and disposal methods. We also revise the product labeling contents in response to government policies and current events, in order to prevent misunderstandings and provide safe and environmentally friendly product information for our clients and consumers.

● Customer service and complaint handling procedures

We are committed to delivering comprehensive product quality services to our customers. The dedicated research laboratory collaborates closely with various production and business units to offer tailored services and solutions for addressing complaints. We conduct annual customer satisfaction surveys, which serve as a cornerstone for improvement and supervision.

Besides, all of our factory quality management systems have passed ISO and official certification, ensuring that all products leaving the factory undergo quality inspections according to the standards set by the Bureau of Standards, Metrology and Inspection, as well as internal control standards and customer requirements that meet or exceed those standards. These quality inspections are carried out to ensure that our products meet our customers' requirements.

| | |
|-------------------|--|
| Bagged Cement | Complied with the regulations of the Commodity Labeling Act, the place of origin, composition, date of manufacture, and shelf life are labeled on the surface of the bag. |
| Bulk Cement | The shipping factory, composition, and date of manufacture are recorded on the shipping document, and the cement is loaded onto a specialized airtight tanker truck to prevent dust from scattering. |
| Domestic Shipping | Shipped by dedicated ships equipped with dust collection equipment and complete loading documents will be provided. |
| Export | Sales and shipping are carried out in accordance with international standards and trading practices. |

(4) Supplier management

Our company conducts regular on-site visits and evaluations of critical suppliers to maintain a comprehensive understanding of their management practices. These evaluations are carried out by a cross-functional assessment team composed of members from different departments or by external organizations. The evaluation criteria cover quality, service, organization, and financial performance, as well as sustainability factors such as labor practices, health and safety, environmental protection, ethical standards, and management systems. Through on-site interviews, we gain a full understanding of the suppliers' sustainability practices, evaluate their ability to improve sustainability performance, and promote the sustainable development of the industry.

In order to ensure that our procurement activities align with our sustainability goals, our company has implemented a "Supplier Code of Conduct" which all partners are required to follow. This includes a thorough investigation of potential suppliers to ensure they meet our standards for labor practices, health and safety, environmental protection, ethical standards, and management systems before they can become a TCC Group partner.

(5) Community participation, social contribution, social services and social welfare:

1. TCC's DAKA Open Ecological Recycling Plant is the first operational cement plant in Taiwan that is open to the public. Located in TCC's Hualien Ho-Ping Plant, it has created a new dialogue between industry and society, with a non-profit commitment to monthly contributions to the Ho-Ping Elementary School Education Fund and joint community development with the local area.
2. Shi min Academy, a public welfare program initiated by Taiwan Cement Corporation in 2012, upholds the slogan of "Cultivate Virtue, Nourish Wisdom". The program aims to address major issues such as limited education, lack of educational resources, and insufficient nutrition among rural and left-behind children. To this end, TCC actively collaborates with schools located near its cement plants in Taiwan and China to establish "Shi min Academy". This public welfare initiative embodies three core concepts, namely "Character", "Learning", and "Quality". TCC works hand-in-hand with schools and families to nurture future global citizens and support local community development by providing and improving resources. The ultimate goal is to foster a society with high-quality standards where education, children, families, and enterprises can grow together and share the value of a harmonious community.

Moreover TCC has established a scholarship program which not only offers financial assistance to students but also instills the meaning of scholarship and inspires a sense of honor in students. This helps to encourage them to strive for learning and develop good character, leading them towards the correct path for growth and ultimately becoming talented individuals who can give back to society. The main components of school cooperation include caring within and outside the school. Within the school, TCC provides after-school tutoring programs and love boxes, while outside the school, TCC offers transportation services for students to return home and local care projects.

3. Taiwan Cement Corporation actively participates in community development and charitable activities through diverse channels, reflecting its commitment to the local community. The corporation has long been concerned about the issue of homelessness and has been providing ongoing support and resources to help those in need. This includes regular care and support from within the company to assist homeless individuals in overcoming difficulties and rediscovering happiness.

In response to the United Nations Sustainable Development Goal 2, "Zero Hunger," Taiwan Cement Corporation has elevated its long-standing "Donation of Lunch Boxes for the Homeless" program to a long-term and systematic "Food Conservation Program." This program involves tripartite collaboration between employees, the corporation, and suppliers to encourage continuous donation of meal vouchers by employees and regular donation of food conservation lunch boxes to nearby charitable organizations. The program aims to support homeless individuals, low-income households, and other vulnerable groups who are not currently supported by existing social welfare organizations.

In addition to publishing Corporate Social Responsibility reports that disclose our social welfare practices, we have also established a dedicated ESG section on our official website. This section includes details of our past performance and future plans, presented in a reader-friendly format with images and charts. The aim is to make it easy for the public to gain immediate access to our specific sustainability achievements.

ESG Section (Chinese):



ESG Section (English):



Furthermore, we deepen our communication with the general public by utilizing various media platforms to engage with diverse communities and promptly release information about sustainability-related events to achieve the best possible outcome.

The following are links to our company's major social media accounts.

1. Instagram



5. TCC Group YouTube



8. Hanben Ocean Station



2. WeChat



6. Facebook



9. Earth Helper/Carbon Reduction and Sustainability Action



3. NHQA.TCC LINE



7. TCC DAKA Ho-Ping Micro Travel



4. TCC Suao Plant



7.7.5 ESG Awards and Ratings:

Since 1991, our company has been carrying out vegetation and greening work in various factory and mining areas, and has been recognized by the Council of Agriculture with awards for greening and

afforestation promotion. We are deeply committed to soil and water conservation and ecological conservation.

To this end, we have invested a huge sum of NT\$3.75 billion in the Ho-Ping Plant mining area to construct three vertical shafts in stages. We have adopted the most advanced mountain-top platform-type mining vertical shaft transportation methods, with the design of the shaft being completely underground, automated, and environmentally friendly. This has greatly improved our environmental performance. During platform mining operations, a 2–3 meter thick rock mass is preserved on the side slopes to prevent water and soil loss from the top of the mountain.

On November 8, 2022, TCC Group launched the "Zero-Carbon Mine" initiative, which was implemented at our Jiangsu Jurong Plant. The entire mining area is now covered by unmanned electric mining vehicles, and we have also planned and constructed photovoltaic power generation (839kWp) along with energy storage (1 MWp) projects. Similar plans for other mining areas are currently underway.

Additionally, TCC's Jurong Cement Plant in January 2020 was awarded the National Green Mine Certification in mainland China. Following that, TCC (Guigang) Cement Co., Ltd., TCC (Chongqing) Cement Co., Ltd., and TCC (Anshun) Cement Co., Ltd. also received the Green Mine Certification respectively in December 2020 and January 2021.

Moreover, TCC (Guigang) Cement Co., Ltd., was granted the National Green Factory Certification in October 2020. In January 2022, both TCC (Liaoning) Cement Co., Ltd. and TCC (Chongqing) Cement Co., Ltd. also received the National Green Factory Certification.

In October 2001, our company published the "TCC Environmental Report" based on the flexible June 2000 Sustainability Reporting Guidelines. This report provides detailed information on organizational management, environmental performance, and social feedback, and shares our entrepreneurial spirit of continuous improvement and innovation with the public. We have also actively participated in sustainable development activities and have won multiple awards from 2016 to 2020. In 2022, our company received the following awards as recognition of our efforts:

- On January 23, 2022, TCC was selected as Taiwan ESG Dividend Select Index component.
- On February 10, 2022, TCC (Taiwan Cement Corporation) was awarded the Supplier Engagement Leader honor with an industry-leading A rating by the Carbon Disclosure Project (CDP) for its Supplier Engagement Rating (SER) in the CDP climate change questionnaire. This honor acknowledges TCC's commitment to climate change and sustainability through its engagement with suppliers.
- On February 18, 2022, the film "Indigenous People of Mt. Taibai" was selected as one of the "Top 10 Sustainable Microfilms of the Year" at the 2022 Taipei Golden Eagle Microfilm Festival.
- On February 22, 2022, the Group's Ho-Ping Port obtained certification from the Environmental Protection Administration as an environmental education facility, becoming the first certified port in Taiwan to continuously promote the concept of eco-friendly port and environmental protection.
- On May 3, 2022, our company won the first prize in both the "Traditional Industry Category" and the "Environmental Friendly Category" at the 18th Global Views CSR and ESG Corporate Social Responsibility Awards. We have won the top award in the traditional industry category for three consecutive years and are the only large traditional industry to be listed on the annual honor roll.

- On June 14th, 2022, TCC was recognized as one of the Top 10 Circular Economy Manufacturing Advocates by DailyView Network Thermometer.
- On June 15, 2022, TCC won the right to display the green-level net-zero label and became the first group of companies to pass the audit of the Taiwan Net-Zero Emissions Association.
- On June 21, 2022, TCC was selected as a component of the Taiwan Sustainability Index.
- On June 28, 2022, TCC was selected as one of the 2022 Taiwan Best-in-Class 100.
- On June 30, 2022, TCC was ranked in the top 25% in the "Environmentally Friendly" module of the Taiwan Corporate Sustainability Rating (TCSA) conducted by Taiwan Index Plus Corporation (TIP).
- On July 18, 2022, TCC's sustainability report was shortlisted as one of the top three in ESG Investing's Best Sustainability Reporting: Basic Materials category.
- On July 21, 2022, TCC was recognized as the ESG Industry Top-Rated Company in the building materials sector by Sustanalytics, a world-renowned ESG rating agency, and awarded the highest rating badge.
- On August 19, 2022, TCC won the HR Asia- 2022 Best Companies to Work for in Asia Award for the second consecutive year.
- On August 31, 2022, TCC was awarded the "iSports" certification by the Ministry of Education for its commitment to sports and wellness. This is the company's first participation and it was honored to receive the recognition.
- On September 2, 2022, TCC's Ho-Ping Plant was awarded the 3rd Taiwan Circular Economy Award in the categories of Product Award, Outstanding Award, and Sustainable Classification Award.
- On September 8, 2022, TCC was awarded the third place in the 2022 CommonWealth Magazine Corporate Citizenship Award in the category of Large Manufacturing Enterprises, marking the first time for TCC to enter the top three in this category.
- On September 23, 2022, our company was selected as a "Pace-setter" in the Greater China Business Sustainable Index, ranking among the top 20 companies.
- On October 4, 2022, TCC's DAKA was ranked fifth among the top ten emerging tourist factories in Taiwan in the DailyView Network Thermometer.
- On October 25, 2022, TCC 's Suao Plant was selected as an excellent manufacturer for reducing GHG emissions in 2022 by the Industrial Bureau of the Ministry of Economic Affairs.
- On October 26, 2022, the corporate group Hanben Ocean Service Station's public toilets won the gold medal in the 2022 Annual Excellent Public Toilet competition in Yilan County.
- On October 28, 2022, TCC's Ho-Ping Plant was awarded the gold medal in the Circular Economy category of the Environmental Protection Agency's 2022 Excellent Resource Recycling Enterprise evaluation.
- On November 15, 2022, TCC's Suao Plant was awarded the Excellent Award for Low-carbon Products in the 2022 annual awards by the Environmental Protection Administration.
- On November 16, 2022, the TCC Group was honored with multiple awards at the 15th Taiwan Corporate Sustainability Awards (TCSA) for the year 2022. These awards include The Most Prestigious Sustainability Awards- Top 10 Domestic Corporates, as well as the Corporate Sustainability Reporting Award for being among the Top 50. The TCC Group was also recognized

for its outstanding performance in specific categories (the Best Performance of Specific Categories) such as circular economy, innovative growth, social inclusion, and information security.

- On November 17, 2022, TCC was awarded the BSI Sustainable Resilience Award, recognizing the company's sustainable management strategy and information transparency in its sustainability report.
- On November 18, 2022, TCC achieved its highest rating in recent years by ranking in the top 5 of the global building materials industry in the S&P Global Corporate Sustainability Assessment (CSA), which serves as the basis for the Dow Jones Sustainability Index (DJSI).
- On November 22, 2022, TCC was awarded the 2022 Best Taiwan Global Brands- Rising Star.
- On November 25, 2022, TCC 's Sustainable Development Committee was selected as the Super MVP in the 15th '100 MVP Managers' by 'Manager Today' Magazine.
- On November 28, 2022, TCC 's Taipei Products Plant was selected as an enterprise with outstanding performance in green procurement by New Taipei City for 2022.
- On December 5, 2022, TCC 's MSCI ESG rating was A, a rating which has been upgraded for four consecutive years from 2019 to 2022.
- On December 13, 2022, TCC was awarded Level A- in the 2022 CDP Carbon Disclosure Questionnaire Guide and Level B in Water Disclosure Questionnaire Management.
- On December 23, 2022, TCC issued the TCFD Climate-related Financial Disclosure Report for the first time, obtaining the highest certification of BSI Level 5+.
- On December 26, 2022, TCC 's 6 cement product plants in Taipei, Taichung, Dadu, Chiayi, Tainan, and Kaohsiung were selected as 2021 green procurement outstanding units by the Environmental Protection Agency.

7.8 Other Significant Issue: None.

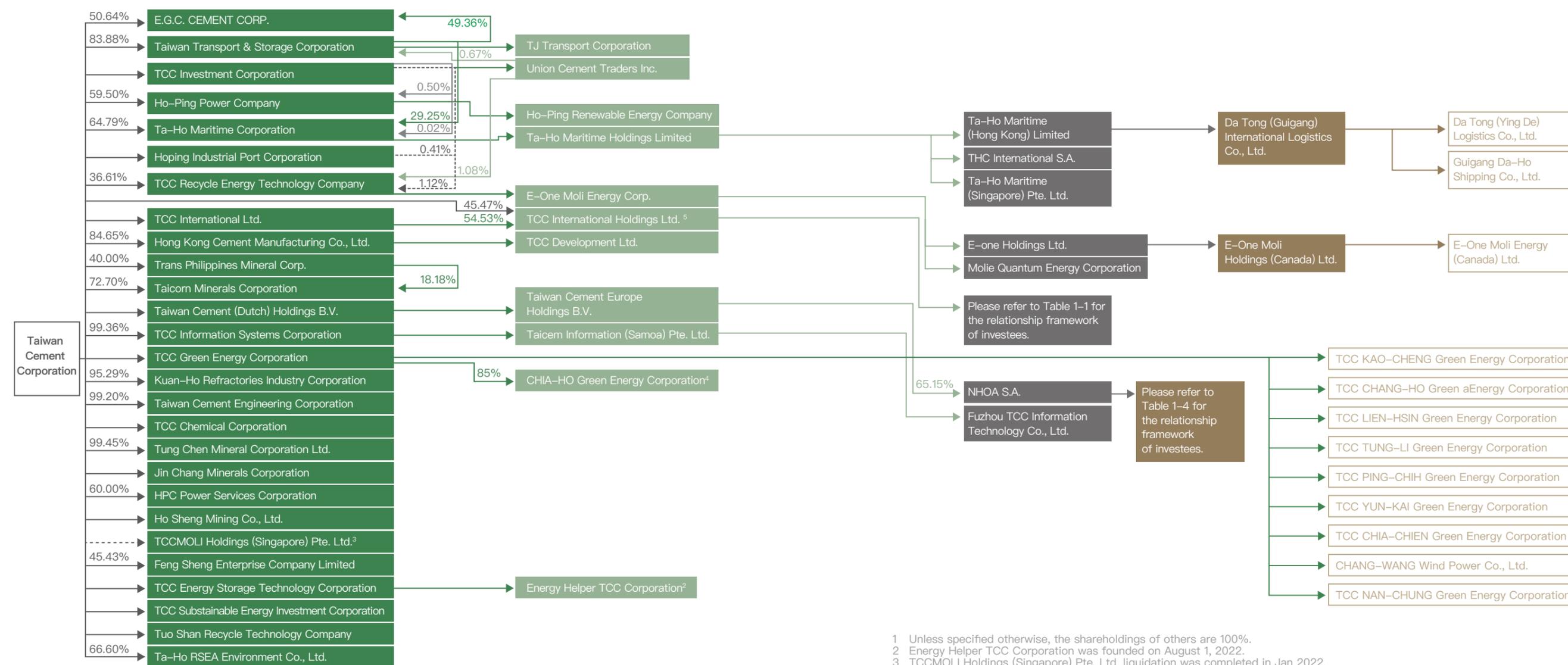
8.1 Information on affiliated entities

The scope of business of TCC's affiliates includes the generation of electricity and manufacture and sale of renewable energy related products; land transportation; sea transportation; manufacture and sale of fire-retardant materials; the undertaking of environmental protection projects, the manufacture, service, and sale of environmental protection related products and equipment, and the undertaking of waste disposal; the design, production, installation, service, sale, and consultation

services for information industry products; outsourcing to contractors to build public housing, and the lease and sale of office buildings; and thermal power generation.

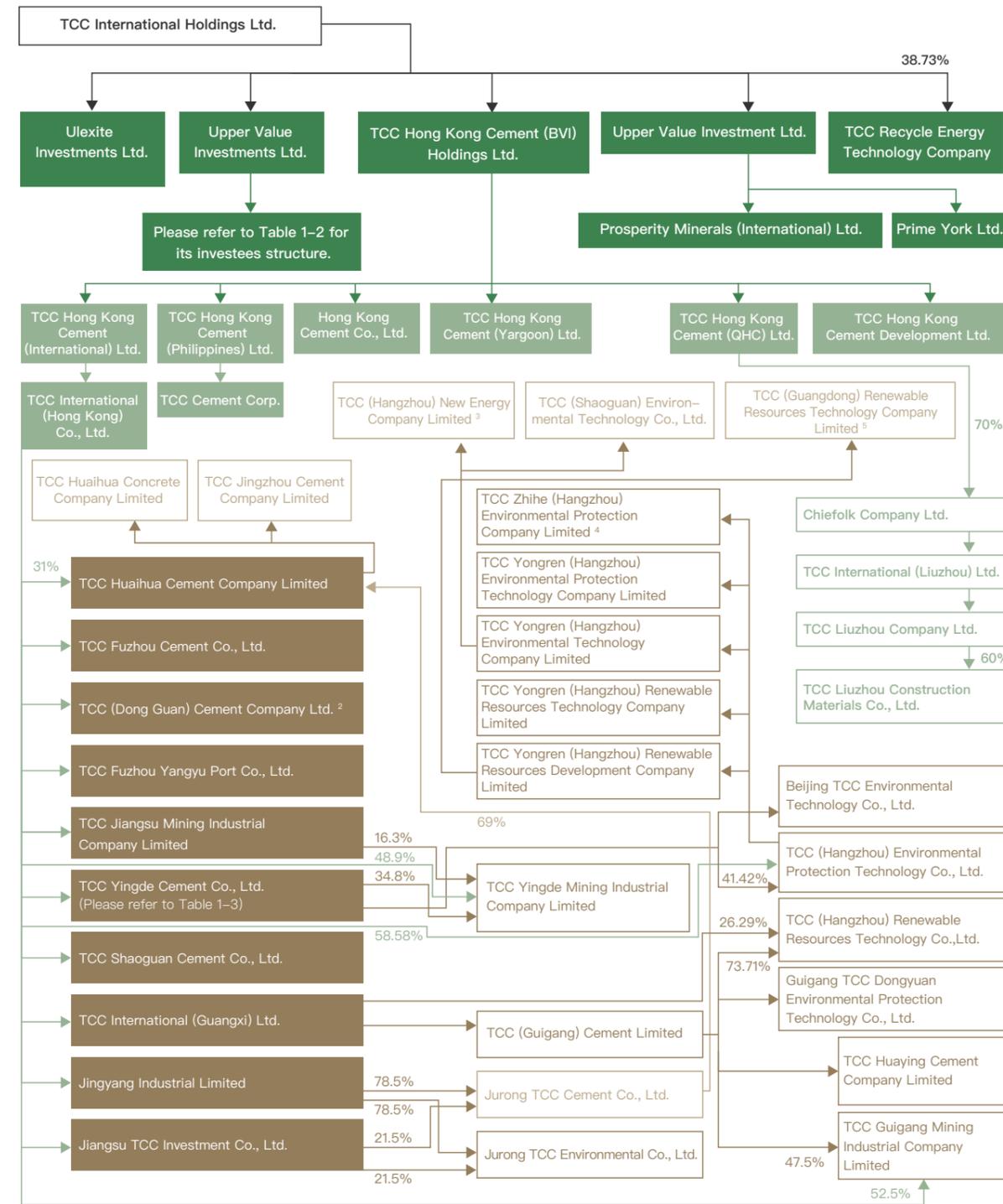
The following highlights the associations between TCC and its affiliates: TCC manufactures cement; NHOA.S.A. is responsible for the sales of energy storage equipment and electric vehicles charging point; E-One Moli Energy Corp. is responsible for the manufacture and sale of battery; Taiwan Transport & Storage Corporation provides land transportation in Taiwan; Ta-Ho Maritime Corporation and its subsidiaries provide sea transportation and land transportation in China; TCC Information Systems Corporation provides data processing services; and Kuan-Ho Refractories Industry Corporation supplies fire-retardant materials. Transactions among TCC's affiliated entities are determined by contracts or purchase orders that specify the rights and obligations of each party, with transaction prices determined according to market prices; if a product does not have a market price, then the price is set fairly.

Taiwan Cement Corporation and its subsidiaries Group organization chart¹ December 31, 2022



1 Unless specified otherwise, the shareholdings of others are 100%.
 2 Energy Helper TCC Corporation was founded on August 1, 2022.
 3 TCCMOLI Holdings (Singapore) Pte. Ltd. liquidation was completed in Jan 2022.
 4 After the capital increase of CHIA-HO Green Energy Corporation on September 1, 2022, the shareholding ratio of its parent company TCC Green Energy Corporation was changed to 85%.
 5 After the capital increase of TCC International Holdings Ltd. on December 20, 2022, the shareholding ratio of its parent company TCC International Ltd. was changed to 54.53%.

Table 1-1 Taiwan Cement Corporation and its subsidiaries
Organization chart of TCC International Holdings Ltd. and its subsidiaries¹
December 31, 2022



1 Unless specified otherwise, the shareholdings of others are 100%.
2 TCC (DongGuan) Cement Company Limited liquidation was completed in Feb 2023.
3 TCC (Hangzhou) New Energy Company Limited was established on August 8, 2022. As of December 31, 2022, capital injection was in progress.
4 TCC Zhihe (Hangzhou) Environmental Protection Company Limited was established on May 24, 2022. As of December 31, 2022, capital injection was in progress.
5 TCC (Guangdong) Renewable Resources Technology Company Limited was established on September 26, 2022. As of December 31, 2022, capital injection was in progress.

Table 1-2 Taiwan Cement Corporation and its subsidiaries
Organization chart of Upper Value Investments Limited and its subsidiaries¹
December 31, 2022

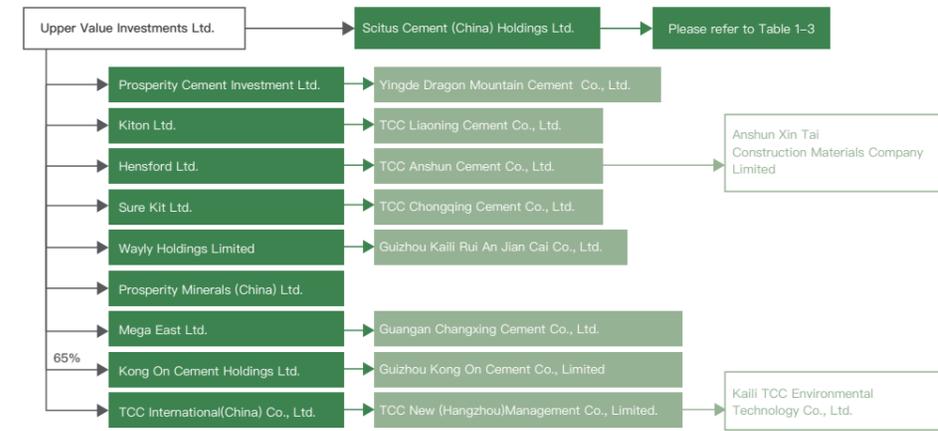


Table 1-3 Taiwan Cement Corporation and its subsidiaries
Organization chart of Scitus Cement (China) Holdings Ltd. and its subsidiaries¹
December 31, 2022

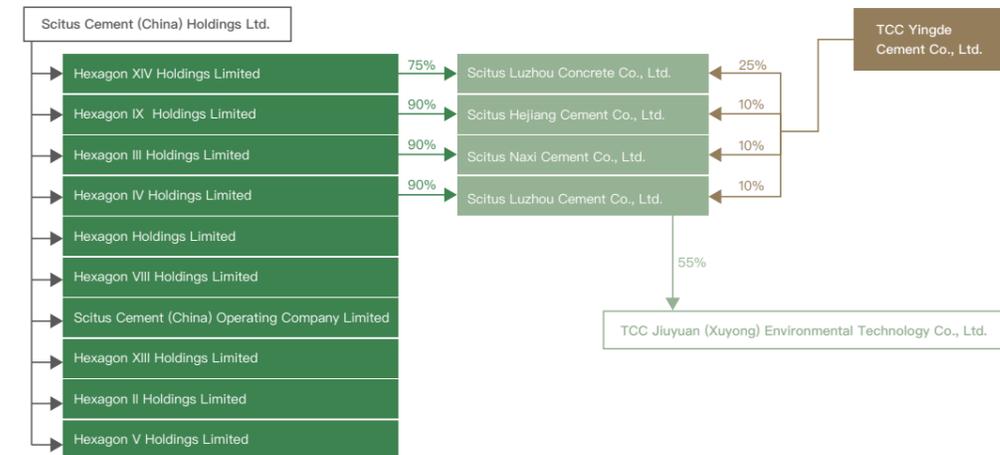
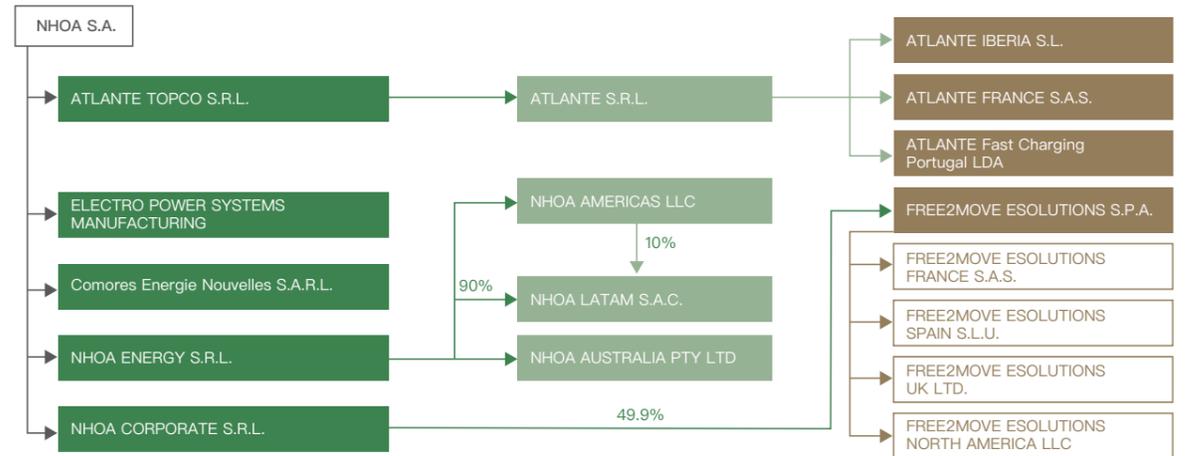


Table 1-4 Taiwan Cement Corporation and its subsidiaries
Organization chart of NHOA S.A. and its subsidiaries¹
December 31, 2022



1 Unless specified otherwise, the shareholdings of others are 100%.

8.1.1 Information of affiliates

December 31, 2022 (expressed in NT\$ thousands)

| Affiliate | Establishing date | Address | Paid-in capital | Scope of business |
|---|-------------------|---|-----------------|---|
| Taiwan Transport & Storage Corporation | December 24, 1955 | 10F, No. 16-5, Dehui St, Zhongshan District, Taipei City | 624,839 | Cargo transportation, cargo storage, customs clearance, construction material wholesale, sea transportation understanding, coal and coal product wholesale, automobile container transportation, construction material wholesale, desilting, parking lot. |
| TJ Transport Corporation | August 22, 2019 | 10F, No. 16-5, Dehui St, Zhongshan District, Taipei City | 25,000 | Cargo transportation, cargo storage. |
| Taiwan Cement Engineering Corporation | September 2, 1974 | 10F, No. 113, Section 2, Zhongshan North Road, Taipei City | 601,656 | 1. Manufacture and sale of chemical engineering machinery and accessories. 2. Design, manufacture, and installation of equipment for pollution prevention and waste disposal. 3. Repair and manufacture of railroad carriers for bulk cement, stone, and coal; bulk cement trailers; and related parts. |
| Kuan-Ho Refractories Industry Corporation | July 26, 1973 | No. 932, Jianfeng Road, Neighborhood 13, Lankeng Borough, Toufeng City, Miaoli County | 490,200 | 1. Manufacture and trading of fire-retardant materials, heat insulation materials, and acid- and alkaline-resistant instruments. 2. Manufacture and trading of ceramics and construction materials. 3. Processing and trading of silver sand clay and red sand clay. 4. Trading of fire-retardant and ceramic materials and accessories. 5. Investment in production-sales or government supported special economic development projects relating to fire-retardant and ceramic materials. 6. Design and installation of furnace lining. |
| TCC Green Energy Corporation | August 7, 1989 | No. 11, Changbin East 1st Road, Wenzhi Village, Xianxi Township, Changhua County | 13,508,987 | Manufacture of machinery for the generation, transmission, and distribution of electricity, and own-use generation equipment. |
| TCC CHIA-CHIEN Green Energy Corporation | May 4, 2018 | No. 8, Xinsheng St., Minxiong Township, Chiayi County | 3,202,000 | Manufacture of machinery for the generation, transmission, and distribution of electricity, and own-use generation equipment. |
| TCC YUN-KAI Green Energy Corporation | May 4, 2018 | 10F, No. 113, Section 2, Zhongshan North Road, Taipei City | 25,000 | Manufacture of machinery for the generation, transmission, and distribution of electricity, and own-use generation equipment. |
| TCC LIEN-HSIN Green Energy Corporation | May 8, 2018 | 10F, No. 113, Section 2, Zhongshan North Road, Taipei City | 4,012,000 | Manufacture of machinery for the generation, transmission, and distribution of electricity, and own-use generation equipment. |
| TCC CHANG-HO Green Energy Corporation | July 10, 2018 | No. 11, Changbin East 1st Road, Wenzhi Village, Xianxi Township, Changhua County | 2,456 | Manufacture of machinery for the generation, transmission, and distribution of electricity, and own-use generation equipment. |
| TCC KAO-CHENG Green Energy Corporation | July 18, 2018 | No. 251, Xixi Rd., Linyuan Dist., Kaohsiung City | 82,000 | Manufacture of machinery for the generation, transmission, and distribution of electricity, and own-use generation equipment. |
| TCC NAN-CHUNG Green Energy Corporation | September 6, 2018 | No. 36, Taiyi 7th St., Rende Dist., Tainan City | 170,000 | Manufacture of machinery for the generation, transmission, and distribution of electricity, and own-use generation equipment. |
| CHANG-WANG Wind Power Co., Ltd. | December 12, 2018 | No. 11, Changbin East 1st Road, Wenzhi Village, Xianxi Township, Changhua County | 720,000 | Manufacture of machinery for the generation, transmission, and distribution of electricity, and own-use generation equipment. |
| TCC PING-CHIH Green Energy Corporation | August 8, 2019 | 10F, No. 113, Section 2, Zhongshan North Road, Taipei City | 2,000 | Manufacture of machinery for the generation, transmission, and distribution of electricity, and own-use generation equipment. |
| CHIA-HO Green Energy Corporation ¹ | February 14, 2020 | 10F, No. 113, Section 2, Zhongshan North Road, Taipei City | 3,700,000 | Manufacture of machinery for the generation, transmission, and distribution of electricity, and own-use generation equipment. |
| TCC TUNG-LI Green Energy Corporation | February 9, 2021 | No. 121, Honggu Rd., Yanping Township, Taitung County | 270,000 | Tourism and recreation. |
| Hong Kong Cement Manufacturing Co., Ltd. | August 29, 1962 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | HKD 45,000,000 | Investment holdings. |

December 31, 2022 (expressed in NT\$ thousands)

| Affiliate | Establishing date | Address | Paid-in capital | Scope of business |
|---|--------------------|--|---|--|
| TCC Development Ltd. | May 22, 1997 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | Ordinary shares: USD 10 Non-voting deferred shares: USD 90 | Investment holdings. |
| Ta-Ho Maritime Corporation | September 4, 1979 | 10F, 16-5, DeHui Street, Taipei 104, Taiwan, R.O.C | 2,702,355 | Ship transportation and shipping agent. |
| Ta-Ho Maritime Holdings Limited | June 20, 1995 | Offshore, Chambers, P.O. Box 217, Apia, Western Samoa | USD 74,300,000 | Investment holdings. |
| THC International S.A. | April 12, 1990 | 53rd Street, Urbanizacion Obarrio Torre Swiss Bank, 16th Floor, Panama, R.O. Panama | USD 94,310,000 | Ship transportation. |
| Ta-Ho Maritime (Hong Kong) Limited | May 30, 2008 | 31st Floor, Chinachem Century Tower, 178 Gloucester Road, Wanchai, Hong Kong. | USD 5,100,000 | Ship transportation. |
| Ta-Ho Maritime (Singapore) Pte. Ltd. | September 25, 2008 | 8 Cross Street#11-00 PwC Building Singapore 048424 | USD 100,000 | Ship transportation. |
| Da Tong (Guigang) International Logistics Co., Ltd. | September 28, 2008 | People's Government, Hualian Town, Qintang District, Guigang City, China. | USD 5,000,000 | Logistics. |
| Guigang Da-Ho Shipping Co., Ltd. | November 19, 2008 | People's Government, Hualian Town, Qintang District, Guigang City, China. | RMB 4,000,000 | Ship transportation. |
| Da Tong (Ying De) Logistics Co., Ltd. | March 8, 2012 | 2nd Floor, Honglou, Guanyinshan, Yingcheng Subdistrict, Yingde City, China | RMB 5,000,000 | Logistics. |
| TCC Investment Corporation | June 21, 1988 | 11F, No. 113, Section 2, Zhongshan North Road, Taipei City. | 2,398,000 | Investment holdings. |
| Union Cement Traders Inc. | November 15, 1990 | 11F, No. 113, Section 2, Zhongshan North Road, Taipei City. | 342,000 | Trading. |
| TCC Chemical Corporation | April 11, 1991 | 9F, No. 113, Section 2, Zhongshan North Road, Taipei City | 1,400,000 | Property leasing. Energy technology service. |
| TCC Information Systems Corporation | April 10, 1991 | 9F, No. 113, Section 2, Zhongshan North Road, Taipei City | 150,000 | 1. Design, installation, sales, maintenance, and lease of computer and information software products. 2. EPC contracting of automation control projects and computerization projects. 3. Enquiries and consultation for computerization. |
| Taicem Information (Samoa) Pte. Ltd. | February 24, 2003 | Trust Chambers, Lotemau Centre, P. O. Box 1225, Apia, Samoa. | 3,412 | Investment holdings. |
| Fuzhou TCC Information Technology Co., Ltd. | August 6, 2003 | TCC (Fuzhou) Corporation Building, Yangyu Village, Hangcheng Street, Changde City, Fujian Province, China. | RMB 826,510 | Development and production of software products; maintenance and after-sale service of precision instruments and equipment. |
| Tung Chen Mineral Corporation | January 6, 1973 | No. Heping 263, Heping Village, Xiulin Township, Hualien County | 2,000 | Mining, sales, processing, and trading of minerals. |
| Jin Chang Minerals Corporation | July 1, 1999 | No. Heping 263, Heping Village, Xiulin Township, Hualien County | 91,000 | Wholesale of Ores \ Wholesale of Building Materials \ Quarrying \ Mining of Non-metallic \ Afforestation/ Silviculture \ logging \ International Trade \ All business items that are not prohibited or restricted by law, except those that are subject to special approval. |
| Hoping Industrial Port Corporation | May 8, 1996 | No. 6, Hegong 5th Road, Heping Village, Xiulin Township, Hualien County | 3,200,000 | Operations, maintenance and management of Hoping Industrial Port. |
| Ho Sheng Mining Co., Ltd. | March 31, 2011 | 10F, No. 113, Section 2, Zhongshan North Road, Taipei City. | 301,000 | Sand and gravel excavation. |

December 31, 2022 (expressed in NT\$ thousands)

| Affiliate | Establishing date | Address | Paid-in capital | Scope of business |
|--|--------------------|---|---|---|
| Ho-Ping Power Company | October 29, 1997 | No. 7, Hegong 2nd Road, Heping Village, Xiulin Township, Hualien County | 13,545,215 | 1. Coal-fired power plant. 2. Import and trading of fuel coal for power generation. 3. Import and trading of raw materials and parts for generation equipment. 4. Manufacture, processing, and trading of gypsum, coal dust, and bottom ash. 5. All business items that are not prohibited or restricted by law, except those that are subject to special approval. |
| Ho-Ping Renewable Energy Company | April 9, 2018 | No. 7, Hegong 2nd Road, Heping Village, Xiulin Township, Hualien County | 1,000 | 1. Electric power supply, electric transmission and power distribution machinery manufacturing. 2. Self-usage power generation equipment utilizing renewable energy industry. 3. Electricity equipment checking and maintenance. 4. Apparatus installation construction. 5. Energy technical services. |
| HPC Power Services Corporation | January 29, 1999 | Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands | USD 100,000 | Operations, management, and consultation of power plants, and business activities permitted under the law of the British Virgin Islands. |
| Ta-Ho RSEA Environment Co., Ltd. | December 11, 2002 | 7F, No. 16-2, Dehui Street, Taipei City | 600,000 | waste disposal. |
| E.G.C. CEMENT CORP. | May 26, 1992 | Lane 23, No. 6, Xingang Road, Tainan City | 159,200 | Sales and processing of cement, asphalt, and gypsum |
| Feng Sheng Enterprise Company Limited | September 25, 1997 | No. 294, Fengren Road, Renwu District, Kaohsiung City. | 600,000 | Soil and gravel mining, leasing, ready mixed concrete manufacture, international trade, manufacture and retail of stone and construction materials, other environmental services, all business items that are not prohibited or restricted by law, except those that are subject to special approval. |
| Taicorn Minerals Corporation | June 20, 1995 | 8th Fl., Unit A, Legaspi Towers 300, 2600 Roxas Boulevard, Malate, Manila, the Philippines | PHP 16,500,000 | Mining. |
| Trans Philippines Mineral Corp. | February 2, 1996 | 8th Fl., Unit A, Legaspi Towers 300, 2600 Roxas Boulevard, Malate, Manila, the Philippines | PHP 5,000,000 | Mining. |
| TCC International Ltd. | May 22, 1997 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | USD 1,100,876,000 | Investment holdings. |
| TCC International Holdings Ltd. ² | July 4, 1997 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | Common share capital HKD 763,431,507 | Investment holdings. |
| TCC International (Guangxi) Limited | October 13, 2004 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | USD 203,000,000 | Investment holdings. |
| TCC (Guigang) Cement Ltd. | December 28, 2005 | Huanglian Valley, Huanglian Town, Qintang District, Guigang City | USD 332,875,900 | Manufacture and distribution of clinkers and cement |
| TCC Hong Kong Cement (BVI) Holdings Ltd. | May 22, 1997 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | USD 17,000 | Investment holdings. |
| Ulexite Investments Limited | August 12, 1999 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | USD 200 | Investment holdings. |
| TCC Hong Kong Cement Development Ltd. | May 22, 1997 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | Ordinary shares: USD 10 Non-voting deferred shares: USD 90 | Property |

December 31, 2022 (expressed in NT\$ thousands)

| Affiliate | Establishing date | Address | Paid-in capital | Scope of business |
|--|--------------------|---|--------------------|---|
| TCC Hong Kong Cement (QHC) Ltd. | May 22, 1997 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | USD 100 | Investment holdings. |
| Chiefolk Company Limited | April 18, 1989 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | HKD 1,000,000 | Investment holdings. |
| TCC International (Liuzhou) Ltd. | February 26, 2003 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | USD 50,000 | Investment holdings. |
| TCC Liuzhou Company Limited | November 9, 2007 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | HKD 10,000 | Investment holdings. |
| TCC Hong Kong Cement (Yargoan) Ltd. | March 12, 1997 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | USD 100 | Investment holdings. |
| Hong Kong Cement Company Limited | June 11, 1997 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | HKD 164,391,000 | Import and distribution of cement. |
| TCC Hong Kong Cement (Philippines) Ltd. | May 22, 1997 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | USD 100 | Investment holdings. |
| TCC Cement Corporation | February 21, 1996 | Unit 16-E, Legaspi Towers 300 Roxas Blvd., Malate, Manila, Philippines | PHP 91,020,500 | Investment holdings. |
| TCC Hong Kong Cement (International) Ltd. | June 11, 1997 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | USD 1,700 | Investment holdings. |
| TCC International (Hong Kong) Co., Ltd. | October 25, 2007 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | HKD 10,163,557,694 | Investment holdings. |
| TCC Fuzhou Yangyu Port Co., Ltd. | May 17, 2002 | West Side, Xizhe Line, Yangyu Village, Hangcheng Town, Changle City, Fujian Province, China | USD 5,000,000 | Pier facilities and services. |
| TCC Liuzhou Construction Materials Co., Ltd. | October 21, 2003 | 102 Anchunjiang Road, Liuzhou City, Guangxi Zhuang Autonomous Region, China | USD 13,500,000 | Manufacture and distribution of bottom ash. |
| TCC Fuzhou Cement Co., Ltd. | May 17, 2002 | West Side, Xizhe Line, Yangyu Village, Hangcheng Town, Changle City, Fujian Province, China | USD 16,250,000 | Manufacture and distribution of cement. |
| TCC Yingde Cement Co., Ltd. | September 15, 2003 | Guanyinshan, Yingcheng Subdistrict, Yingde City, China | USD 254,400,000 | Manufacture and distribution of clinkers and cement. |
| Jurong TCC Cement Co., Ltd. | June 26, 1993 | Qiaotou Town, Jurong City, Jiangsu Province, China | USD 233,000,000 | Limestone mining, and production and sales of cement and cement products. |
| Jingyang Industrial Ltd. | February 12, 1991 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | HKD 101,614,561 | Investment holdings. |
| JiangSu TCC Investment Co., Ltd. | May 27, 2009 | Block 11, Mianzhongchang, Qiaotou Town, Jurong City, Jiangsu Province, China | USD 50,000,000 | Investment holdings. |
| Upper Value Investments Limited | January 2, 2008 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | USD 12,700 | Investment holdings. |
| Prosperity Cement Investment Limited | January 24, 2006 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | HKD 759,955,769 | Investment holdings. |
| Yingde Dragon Mountain Cement Co., Ltd. | March 10, 2003 | Wanpu Town, Yingde City, Guangdong Province, China | RMB 428,110,000 | Manufacture and distribution of clinkers and cement. |
| Prosperity Minerals (International) Limited | April 23, 2004 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | HKD 28,533,976 | Investment holdings. |
| Kiton Ltd. | December 17, 2007 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | HKD 685,926,583 | Investment holdings. |



December 31, 2022 (expressed in NT\$ thousands)

| Affiliate | Establishing date | Address | Paid-in capital | Scope of business |
|--|-------------------|---|-------------------|---|
| TCC Liaoning Cement Company Limited | December 14, 2007 | Xidayao Village, Xidayao Town, Dengta City, Liaoyang, Liaoning Province, China | RMB 371,000,000 | Manufacture and distribution of clinkers and cement. |
| Hensford Limited | December 19, 2007 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | HKD 1,191,945,979 | Investment holdings. |
| TCC Anshun Cement Company Limited | May 27, 2008 | Martin Village, Chengguan Town, Pingba District, Anshun City, Guizhou Province, China | USD 153,490,000 | Manufacture and distribution of clinkers and cement. |
| Sure Kit Limited | February 13, 2008 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | HKD 953,818,809 | Investment holdings. |
| TCC Chongqing Cement Company Limited | June 3, 2008 | Jianliang Village, Yanjing Town, Hechuan District, Chongqing City, China | USD 118,000,000 | Manufacture and distribution of clinkers and cement. |
| Prime York Limited | December 17, 2007 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | HKD 532,147,515 | Investment holdings. |
| Prosperity Minerals (China) Limited | July 26, 2007 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | USD 10,300 | Investment holdings. |
| Mega East Limited | April 16, 2008 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | HKD 597,603,470 | Investment holdings. |
| Guangan Changxing Cement Co., Ltd. | August 25, 2009 | Jijian Village, Qianfeng Town, Guangan District, Guangan City, Sichuan Province, China | USD 76,990,000 | Manufacture and distribution of clinkers and cement. |
| TCC (DongGuan) Cement Company Limited ³ | May 10, 2010 | 4 th Floor, 8 Jinniu Road, Wanniidun Town, Dongguan City, China | - | Transfer of cement and cement products. |
| TCC International (China) Company Limited | January 14, 2011 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | HKD 62,143,260 | Investment holdings. |
| TCC New (Hangzhou) Management Company Limited | May 13, 2011 | Room 1902, 19th Floor, Jialianhua Building, 586 Jiaguo North Road, Hangzhou, China | USD 8,000,000 | Business management. |
| Kong On Cement Holdings Ltd. | April 29, 2009 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | HKD 127,440,000 | Investment holdings. |
| Guizhou Kong On Cement Co., Ltd. | June 9, 2009 | Shibanjing Village, Tingyun Township, Guanling County, Anshun City, Guizhou Province, China | USD 20,300,000 | Manufacture and distribution of clinkers and cement. |
| Wayly Holdings Limited | July 16, 2007 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | USD 10,501 | Investment holdings. |
| Guizhou Kaili Rui An Jian Cai Co., Ltd. | February 20, 2008 | Xintai Village, Ximahe District, Kaili City, Guizhou Province, China | RMB 389,660,500 | Manufacture and distribution of clinkers and cement. |
| TCC Shaoguan Cement Co., Ltd. | November 3, 2011 | Shijao Village, Wushi Town, Cuijiang District Shaoguan City, Guangdong Province, China | USD 69,100,000 | Manufacture and distribution of clinkers and cement (in preparation). |
| TCC Yingde Mining Industrial Company Limited | April 13, 2004 | Aishanping Village, Yingde City, Guangdong Province, China (inside the mining site of TCC Yingde Cement Co., Ltd.) | USD 11,500,000 | Provision of limestone mining service. |
| TCC Guigang Mining Industrial Company Limited | June 28, 2007 | Huanglian Valley, Huanglian Town, Qintang District, Guigang City, China (inside the mining site of TCC Guigang Cement Ltd.) | USD 5,000,000 | Provision of limestone mining service. |
| TCC Jiangsu Mining Industrial Company Limited | October 21, 1996 | Dazhuo Township, Jurong City, Jiangsu Province, China | USD 4,000,000 | Provision of limestone mining service. |
| Scitus Cement (China) Holdings Limited | October 30, 2007 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | HKD 1,245,257,277 | Investment holdings. |

December 31, 2022 (expressed in NT\$ thousands)

| Affiliate | Establishing date | Address | Paid-in capital | Scope of business |
|---|--------------------|---|-----------------|--|
| Scitus Cement (China) Operating Company Limited | January 9, 2008 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | USD10,000 | Investment holdings. |
| Hexagon Holdings Limited | March 1, 2007 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | HKD 1 | Investment holdings. |
| Hexagon II Holdings Limited | January 11, 2008 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | HKD 1 | Investment holdings. |
| Upper Value Investment Limited | May 20, 2008 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | HKD 1 | Investment holdings. |
| Hexagon III Holdings Limited | January 11, 2008 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | HKD 79,500,001 | Investment holdings. |
| Hexagon IV Holdings Limited | March 11, 2008 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | HKD 136,430,001 | Investment holdings. |
| Hexagon V Holdings Limited | March 11, 2008 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | HKD 1 | Investment holdings. |
| Hexagon VIII Holdings Limited | May 20, 2008 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | HKD 1 | Investment holdings. |
| Hexagon IX Holdings Limited | May 20, 2008 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | HKD 1 | Investment holdings. |
| Hexagon XIII Holdings Limited | November 6, 2008 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | HKD 1 | Investment holdings. |
| Hexagon XIV Holdings Limited | November 6, 2008 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong | HKD 1 | Investment holdings. |
| Scitus Luzhou Cement Co., Ltd. | May 5, 2008 | Community 1, Fulong Village, Zhendong Township, Xuyong County, Luzhou City, China | RMB 395,000,000 | Manufacture and distribution of clinkers and cement. |
| Scitus Hejiang Cement Co., Ltd. | August 7, 2002 | Communities 3 and 4, Chaofang Village, Hejiang Town, Hejiang County, Luzhou City, Sichuan Province, China | RMB 23,250,000 | Manufacture and distribution of cement. |
| Scitus Luzhou Concrete Co., Ltd. | May 13, 2009 | Naxi District Industrial Development Zone, Luzhou City, Sichuan Province, China | RMB 25,000,000 | Manufacture and distribution of concrete. |
| Scitus Naxi Cement Co., Ltd. | May 13, 2009 | Naxi District Industrial Development Zone, Luzhou City, Sichuan Province, China | RMB 146,510,000 | Manufacture and distribution of cement. |
| Anshun Xin Tai Construction Materials Company Limited | February 13, 2012 | Matian Village, AnPing Office, Pingba County, Anshun City, Guizhou Province, China | RMB 15,000,000 | Manufacture and distribution of sand, gravels, and aggregates. |
| TCC Huaying Cement Company Limited | July 24, 2009 | Longqiao Village, Xikou Town, Huaying City, Sichuan Province, China | RMB 949,880,000 | Manufacture and distribution of clinkers and cement. |
| TCC Huaihua Cement Company Limited | January 12, 2001 | Wuli Village, Luyang Town, Zhongfang County, Huaihua City, Hunan Province, China | RMB 300,000,000 | Manufacture and distribution of clinkers and cement. |
| TCC Jingzhou Cement Company Limited | August 20, 2008 | Pukou Township, Jingzhou County, Huihua City, Hunan Province, China | RMB 150,000,000 | Manufacture and distribution of clinkers and cement. |
| TCC Huaihua Concrete Company Limited | September 24, 2009 | Wuli Village, Luyang Town, Zhongfang County, Huihua City, Hunan Province, China | RMB 10,000,000 | Manufacture and distribution of concrete. |



December 31, 2022 (expressed in NT\$ thousands)

| Affiliate | Establishing date | Address | Paid-in capital | Scope of business |
|--|-------------------|---|-----------------|---|
| Guigang TCC Dongyuan Environmental Protection Technology Co., Ltd. | June 7, 2018 | Huanglian Valley, Huanglian Town, Qintang District, Guigang City, China | RMB 126,000,000 | Development of technologies for environmental protection products. |
| Beijing TCC Environmental Technology Co., Ltd. | March 18, 2019 | Room B2001, 20 / F, building 1, No.36, Beisanhuan East Road, Dongcheng District, Beijing, China | RMB 6,000,000 | Development of technologies for environmental protection products. |
| Kaili TCC Environmental Technology Co., Ltd. | January 17, 2019 | Xintai Village, Ximahe St, Kaili City, Guizhou Province, China | RMB 8,000,000 | Development of technologies for environmental protection products. |
| TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd. | January 3, 2019 | Fulong Village, Zhendong Township, Xuyong County, LuZhou City, Sichuan province, China | RMB 4,000,000 | Development of technologies for environmental protection products. |
| Taiwan Cement (Dutch) Holdings B.V. | November 8, 2018 | Strawinskyalaan 3051, 1077ZX Amsterdam | EUR 838,369,850 | Investment holdings. |
| Taiwan Cement Europe Holdings B.V. | April 26, 2021 | Strawinskyalaan 3051, 1077ZX Amsterdam | EUR 180,001,000 | Investment holdings |
| NHOA S.A. | December 26, 2014 | 28, Rue de Londres, 75009, Paris, (France) | EUR 5,106,744 | Investment holdings |
| NHOA ENERGY S.R.L. | December 23, 2015 | Piazzale Lodi 3, 20137, Milano (MI) – IT | EUR 2,000,000 | Renewable energy and storage systems construction |
| ELECTRO POWER SYSTEM MANUFACTURING | March 21, 2016 | VIA ANTON FRANCESCO GRAZZINI, 14, 20158 MILANO (MI) – IT | EUR 1,004,255 | IP |
| Comores Energie Nouvelles S.A.R.L. | July 20, 2018 | Ridjal Building, Moroni – Dar Saanda, PO 2223, Moroni, Comoros. | KMP 1,000,000 | IPP |
| NHOA AMERICAS LLC | June 16, 2021 | 251 Little Falls Drive, Wilmington, DE 19808, New Castel Country, USA | USD 10,000 | Renewable energy and storage systems construction |
| NHOA AUSTRALIA PTY LTD | July 29, 2021 | Tower One – International Towers, Sydney' L 46, 100BARANGAROOAV, BARANGAROO NSW 2000, Australia | AUD 25,210,000 | Renewable energy and storage systems construction |
| ATLANTE TOPCO S.R.L. | February 18, 2022 | Piazzale Lodi 3, 20137, Milano (MI) – IT | EUR 1,000,000 | Investment holdings |
| NHOA CORPORATE S.R.L. | December 13, 2022 | Piazzale Lodi 3, 20137, Milano (MI) – IT | EUR 1,000,000 | Investment holdings |
| NHOA LATAM S.A.C. | October 11, 2022 | Av. Alvarez Calderon, 185 – San Isidro, Lima, Peru | SOL 3,000 | Renewable energy and storage systems construction |
| ATLANTE S.R.L. | October 5, 2021 | Piazzale Lodi 3, 20137, Milano (MI) – IT | EUR 5,000,000 | Design, installation, management and maintenance of charging infrastructure for electric vehicles, and provision of charging services |
| ATLANTE IBERIA S.L. | February 24, 2022 | 08029, Barcelona, España, calle Paris, no. 45, Entresòl 3ª | EUR 504,000 | Design, installation, management and maintenance of charging infrastructure for electric vehicles, and provision of charging services |
| ATLANTE FRANCE S.A.S. | March 14, 2022 | 93 Boulevard Haussmann, Paris 75008 | EUR 3,000,000 | Design, installation, management and maintenance of charging infrastructure for electric vehicles, and provision of charging services |
| Atlante Fast Charging Portugal LDA | July 18, 2022 | Centro Empresarial Torres de Lisboa, Torre G, Rua Tomás da Fonseca, 1600 209 Lisboa | EUR 4,000 | Design, installation, management and maintenance of charging infrastructure for electric vehicles, and provision of charging services |

December 31, 2022 (expressed in NT\$ thousands)

| Affiliate | Establishing date | Address | Paid-in capital | Scope of business |
|--|--------------------|---|-------------------|---|
| FREE2MOVE ESOLUTIONS S.P.A. | November 23, 2021 | Piazzale Lodi 3, 20137, Milano (MI) – IT | EUR 32,755,531 | E-mobility |
| FREE2MOVE ESOLUTIONS NORTH AMERICA LLC | April 27, 2022 | 251 Little Falls Drive, Wilmington, County of New Castle, Delaware, 19808 | USD 100,000 | E-mobility |
| FREE2MOVE ESOLUTIONS FRANCE S.A.S. | May 5, 2022 | 93 boulevard Haussmann 75008 Paris | EUR 100,000 | E-mobility |
| FREE2MOVE ESOLUTIONS SPAIN S.L.U. | July 13, 2022 | C/ Eduardo Barreiros, n° 110, 28041 – Madrid – Spain | EUR 100,000 | E-mobility |
| FREE2MOVE ESOLUTIONS UK LTD | June 17, 2022 | St Matthews House Quays Office Business Park, Conference Avenue, Portishead, United Kingdom, BS20 7LZ | GBP 100,000 | E-mobility |
| TCCMOLI Holdings (Singapore) Pte. Ltd. 4 | June 12, 2019 | 50 RAFFLES PLACE #32-01 SINGAPORE LAND TOWER SINGAPORE(048623) | – | Investment holdings. |
| TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | March 25, 2019 | Room 391, 857 Shi Xin Bei Road, Xiaoshan District, Hangzhou City, Zhejiang Province, China | RMB 1,690,000,000 | Environment, cement, business management consulting. |
| TCC (Hangzhou) Renewable Resources Technology Co., Ltd. | April 24, 2020 | Room 808, Unit 1, Building 1, Shengde International Plaza, Xin'anjiang Street, Jiande City, Hangzhou City, Zhejiang Province, China | RMB 560,000,000 | Renewable Resources \ Environment, \ business management. |
| Jurong TCC Environmental Co., Ltd. | August 25, 2020 | Qiaotou Town, Jurong City, Jiangsu Province, China | RMB 150,000,000 | Hazardous waste disposal. |
| TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited | December 15, 2021 | Room 2103, 21st floor, Guangfu United International Center, Qianjiang Century City, Xiaoshan District, Hangzhou City, Zhejiang Province | RMB 1,000,000 | Technical service, development and consultation, resource recycling service technical consultation, biomass energy technical service, biomass briquette fuel sales; renewable resource sales and recovery; solid waste treatment. |
| TCC Yongren (Hangzhou) Environmental Technology Company Limited | December 15, 2021 | Room 2104, 21st floor, Guangfu United International Center, Qianjiang Century City, Xiaoshan District, Hangzhou City, Zhejiang Province | RMB 1,000,000 | Resource recycling service technical consultation; solid waste treatment; resource regeneration technology research and development; biotechnology technical services; biomass briquette fuel sales |
| TCC Yongren (Hangzhou) Renewable Resources Technology Company Limited | December 15, 2021 | Room 2106, 21st floor, Guangfu United International Center, Qianjiang Century City, Xiaoshan District, Hangzhou City, Zhejiang Province | RMB 1,000,000 | Resource recycling technology research and development; resource recycling service technical consultation; solid waste treatment; biomass fuel processing and sales, technical services. |
| TCC Yongren (Hangzhou) Renewable Resources Development Company Limited | December 15, 2021 | Room 2105, 21st floor, Guangfu United International Center, Qianjiang Century City, Xiaoshan District, Hangzhou City, Zhejiang Province | RMB 1,000,000 | Resource recycling technology research and development; resource recycling service technical consultation; solid waste treatment; biomass fuel processing and sales; biomass energy technical services; renewable resources sales and recycling |
| TCC Shaoguan Environmental Technology Company Limited | December 31, 2021 | Room 101, 1 st floor, Sanjiao Office Building, Shijiao Village Wushi Town Qujiang District, Shaoguan City, Guangdong, China | RMB 1,000,000 | Biofuel, resource recycling, technology research and development related business |
| TCC Energy Storage Technology Corporation | September 18, 2020 | 11F, No. 113, Section 2, Zhongshan North Road, Taipei City. | 2,506,000 | Energy storage equipment manufacturing, production and sales. |



December 31, 2022 (expressed in NT\$ thousands)

| Affiliate | Establishing date | Address | Paid-in capital | Scope of business |
|---|--------------------|---|-----------------|--|
| TCC Sustainable Energy Investment Corporation | September 18, 2020 | 11F, No. 113, Section 2, Zhongshan North Road, Taipei City. | 1,000 | Investment holding. |
| Tuo Shan Recycle Technology Company | April 29, 2021 | 11F, No. 113, Section 2, Zhongshan North Road, Taipei City. | 1,000 | Waste collection and treatment |
| Energy Helper TCC Corporation ⁵ | August 1, 2022 | 6F, No. 113, Section 2, Zhongshan North Road, Taipei City. | 10,000 | Renewable energy retail and energy technology services |
| TCC Recycle Energy Technology Company | June 19, 2019 | 11F, No. 113, Section 2, Zhongshan North Road, Taipei City. | 28,450,979 | Investment holding. |
| E-One Moli Energy Corp. | March 24, 1998 | No. 10, Dali 2nd Rd., Shanhua Dist., Tainan City | 27,663,107 | Manufacturing and sales of Lithium battery |
| Molie Quantum Energy Corporation | March 24, 2021 | 11F, No. 113, Section 2, Zhongshan North Road, Taipei City. | 22,001,000 | Manufacturing and sales of batteries, power generation machinery and electronic components |
| E-One Holdings Ltd. | December 29, 1999 | TrustNet Chambers, PO Box 3444, Road Town, Tortola, British Virgin Islands | USD 65,345,000 | Investment holding. |
| E-One Moli Holdings (Canada) Ltd. | January 20, 2000 | 20000 Stewart Crescent, V2X 9E7 Maple Ridge, BC, Canada | CAD 79,141,000 | Investment holding. |
| E-One Moli Energy (Canada) Ltd. | January 31, 2000 | 20000 Stewart Crescent, V2X 9E7 Maple Ridge, BC, Canada | CAD 85,779,000 | Battery research and development and sales |
| TCC (Hangzhou) New Energy Company Limited ⁶ | August 8, 2022 | Room 2108, 21st floor, Guangfu United International Center, Qianjiang Century City, Xiaoshan District, Hangzhou City, Zhejiang Province | - | Emerging energy technology research and development, energy storage technology services, technical services |
| TCC Zhihe (Hangzhou) Environmental Protection Company Limited ⁷ | May 24, 2022 | Room 2107, 21st floor, Guangfu United International Center, Qianjiang Century City, Xiaoshan District, Hangzhou City, Zhejiang Province | - | Resource recycling service technical consultation, resource recycling technology research and development, environmental protection consulting service |
| TCC (Guangdong) Renewable Resources Technology Company Limited ⁸ | September 26, 2022 | Room 509, 5th floor, No.613 Guangzhou Avenue North, Tianhe District, Guangzhou, China | - | Research and Experimental Development |

- After the capital increase of CHIA-HO Green Energy Corporation on September 1, 2022, the shareholding ratio of its parent company TCC Green Energy Corporation was changed to 85%.
- After the capital increase of TCC International Holdings Ltd. on December 20, 2022, the shareholding ratio of its parent company TCC International Ltd. was changed to 54.53%.
- TCC (DongGuan) Cement Company Limited liquidation was completed in Feb 2023.
- TCCMOLI Holdings (Singapore) Pte. Ltd. liquidation was completed in Jan 2022.
- Energy Helper TCC Corporation was founded on August 1, 2022.
- TCC (Hangzhou) New Energy Company Limited was established on August 8, 2022. As of December 31, 2022, capital injection was in progress.
- TCC Zhihe (Hangzhou) Environmental Protection Company Limited was established on May 24, 2022. As of December 31, 2022, capital injection was in progress.
- TCC (Guangdong) Renewable Resources Technology Company Limited was established on September 26, 2022. As of December 31, 2022, capital injection was in progress.

8.1.2 Profiles of directors, supervisors, and presidents of affiliates

March 20, 2023 (expressed in shares and %)

| Affiliate | Title | Name or representative | Type of shares | |
|---|------------|---|----------------|------------|
| | | | Shareholdings | Percentage |
| Taiwan Transport & Storage Corporation | Chairman | Representative of Taiwan Cement Corporation: Kung-Yi Koo | 52,410,366 | 83.88 |
| | Director | Representatives of Taiwan Cement Corporation: An-Ping Chang, Jong-Peir Li, Chien-Chiang Huang, Chien-Chuan Wang | | |
| | Supervisor | Representative of Union Cement Traders Inc.: Chia-Hua Tsao | 419,013 | 0.67 |
| | President | Cynthia Wu | - | - |
| TJ Transport Corporation | Chairman | Representative of Taiwan Transport & Storage Corporation: Chien-Chiang Huang | 2,500,000 | 100.00 |
| | Director | Representative of Taiwan Transport & Storage Corporation: Cynthia Wu, Lin-Tian Huang | | |
| | Supervisor | Representative of Taiwan Transport & Storage Corporation: Guo-Hong Yeh | - | - |
| | President | Cynthia Wu | | |
| Taiwan Cement Engineering Corporation | Chairman | Representative of Taiwan Cement Engineering Corporation: Ker-Fu Lu | 59,681,501 | 99.20 |
| | Director | Representatives of Taiwan Cement Corporation: Chien-Chuan Wang, Chien-Chiang Huang | | |
| | Supervisor | Representative of Taiwan Cement Corporation: Guo-Hong Yeh | - | - |
| | President | Ker-Fu Lu | | |
| Kuan-Ho Refractories Industry Corporation | Chairman | Representative of Taiwan Cement Corporation: Chien-Chuan Wang | 46,710,900 | 95.29 |
| | Director | Representatives of Taiwan Cement Corporation: Chih-Jen Liu, Chia-Pei Wei, Kuang-Hsi Chen | | |
| | Supervisor | Representative of Taiwan Cement Corporation: Guo-Hong Yeh | - | - |
| | President | Chih-Jen Liu | | |
| TCC Green Energy Corporation | Chairman | Representative of Taiwan Cement Corporation: Ker-Fu Lu | 1,350,898,696 | 100.00 |
| | Director | Representatives of Taiwan Cement Corporation: Chi-Liang Weng, Guo-Hong Yeh | | |
| | Supervisor | Representative of Taiwan Cement Corporation: Chia-Hua Tsao | - | - |
| | President | Chi-Liang Weng | | |
| TCC CHIA-CHIEN Green Energy Corporation | Chairman | Representative of TCC Green Energy Corporation: Ker-Fu Lu | 320,200,000 | 100.00 |
| | Director | Representatives of TCC Green Energy Corporation: Chi-Liang Weng, Guo-Hong Yeh | | |
| | Supervisor | Representative of TCC Green Energy Corporation: Chia-Hua Tsao | - | - |
| | President | Chi-Liang Weng | | |
| TCC YUN-KAI Green Energy Corporation | Chairman | Representative of TCC Green Energy Corporation: Ker-Fu Lu | 2,500,000 | 100.00 |
| | Director | Representatives of TCC Green Energy Corporation: Chi-Liang Weng, Guo-Hong Yeh | | |
| | Supervisor | Representative of TCC Green Energy Corporation: Chia-Hua Tsao | - | - |
| | President | Chi-Liang Weng | | |

March 20, 2023 (expressed in shares and %)

| Affiliate | Title | Name or representative | Type of shares | |
|---|------------|---|----------------|------------|
| | | | Shareholdings | Percentage |
| TCC LIEN-HSIN Green Energy Corporation | Chairman | Representative of TCC Green Energy Corporation: Ker-Fu Lu | 401,200,000 | 100.00 |
| | Director | Representatives of TCC Green Energy Corporation: Chi-Liang Weng, Guo-Hong Yeh | | |
| | Supervisor | Representative of TCC Green Energy Corporation: Chia-Hua Tsao | | |
| | President | Chi-Liang Weng | - | - |
| TCC CHANG-HO Green Energy Corporation | Chairman | Representative of TCC Green Energy Corporation: Ker-Fu Lu | 245,635 | 100.00 |
| | Director | Representatives of TCC Green Energy Corporation: Chi-Liang Weng, Guo-Hong Yeh | | |
| | Supervisor | Representative of TCC Green Energy Corporation: Chia-Hua Tsao | | |
| | President | Chi-Liang Weng | - | - |
| TCC KAO-CHENG Green Energy Corporation | Chairman | Representative of TCC Green Energy Corporation: Ker-Fu Lu | 8,200,000 | 100.00 |
| | Director | Representatives of TCC Green Energy Corporation: Chi-Liang Weng, Guo-Hong Yeh | | |
| | Supervisor | Representative of TCC Green Energy Corporation: Chia-Hua Tsao | | |
| | President | Chi-Liang Weng | - | - |
| TCC NAN-CHUNG Green Energy Corporation | Chairman | Representative of TCC Green Energy Corporation: Ker-Fu Lu | 17,000,000 | 100.00 |
| | Director | Representatives of TCC Green Energy Corporation: Chi-Liang Weng, Guo-Hong Yeh | | |
| | Supervisor | Representative of TCC Green Energy Corporation: Chia-Hua Tsao | | |
| | President | Chi-Liang Weng | - | - |
| CHANG-WANG Wind Power Co., Ltd. | Chairman | Representative of TCC Green Energy Corporation: Ker-Fu Lu | 72,000,000 | 100.00 |
| | Director | Representatives of TCC Green Energy Corporation: Chi-Liang Weng, Guo-Hong Yeh | | |
| | Supervisor | Representative of TCC Green Energy Corporation: Chia-Hua Tsao | | |
| | President | Chi-Liang Weng | - | - |
| TCC PING-CHIH Green Energy Corporation | Chairman | Representative of TCC Green Energy Corporation: Ker-Fu Lu | 200,000 | 100.00 |
| | Director | Representatives of TCC Green Energy Corporation: Chi-Liang Weng, Guo-Hong Yeh | | |
| | Supervisor | Representative of TCC Green Energy Corporation: Chia-Hua Tsao | | |
| | President | Chi-Liang Weng | - | - |
| CHIA-HO Green Energy Corporation ¹ | Chairman | Representative of TCC Green Energy Corporation: Ker-Fu Lu | 314,500,000 | 85.00 |
| | Director | Representatives of TCC Green Energy Corporation: Chi-Liang Weng, Guo-Hong Yeh | | |
| | Supervisor | Representative of TCC Green Energy Corporation: Chia-Hua Tsao | | |
| | President | Chi-Liang Weng | - | - |

March 20, 2023 (expressed in shares and %)

| Affiliate | Title | Name or representative | Type of shares | |
|--|--------------------|--|---|------------|
| | | | Shareholdings | Percentage |
| TCC TUNG-LI Green Energy Corporation | Chairman | Representative of TCC Green Energy Corporation: Ker-Fu Lu | 27,000,000 | 100.00 |
| | Director | Representatives of TCC Green Energy Corporation: Chi-Liang Weng, Guo-Hong Yeh | | |
| | Supervisor | Representative of TCC Green Energy Corporation: Chia-Hua Tsao | | |
| | President | Chi-Liang Weng | - | - |
| Hong Kong Cement Manufacturing Co., Ltd. | Director | Representatives of Taiwan Cement Corporation: An-Ping Chang, Jong-Peir Li | 38,094 | 84.65 |
| | | Representative of Wing Fat Investments Inc.: Cheuk-Wai Chan | 881 | 1.96 |
| | | Hwai-Chen Koo | - | - |
| | Han-Ton Lin | 100 | 0.22 | |
| President | Chien-Chiang Huang | - | - | |
| TCC Development Ltd. | Director | Representative of Hong Kong Cement Manufacturing Company Limited: An-Ping Chang | Ordinary share 10 Non-voting deferred share 90 | 100.00 |
| | President | Chien-Chiang Huang | - | - |
| Ta-Ho Maritime Corporation | Chairman | Representative of Taiwan Cement Corporation: Li-Wen Tsai | 175,078,520 | 64.79 |
| | Vice Chairman | Representative of Taiwan Cement Corporation: An-Ping Chang | | |
| | Director | Representatives of Taiwan Cement Corporation: Chien-Chiang Huang, Ker-Fu Lu, Jong-Peir Li | | |
| | Supervisor | Representatives of Taiwan Transport & Storage Corporation: Lin-Tian Huang, James Wen | 79,050,904 | 29.25 |
| | President | Miin-Shyong Shieh | - | - |
| Ta-Ho Maritime Holdings Limited | Director | Ta-Ho Maritime Corporation | Contribution: USD 74,300,000 | 100.00 |
| THC International S.A. | Director | Representatives of Ta-Ho Maritime Holdings Ltd.: An-Ping Chang, Li-Wen Tsai, Wei-Lun Kao | Contribution: USD 94,310,000 | 100.00 |
| | President | Miin-Shyong Shieh | - | - |
| Ta-Ho Maritime (Hong Kong) Limited | Director | Representative of Ta-Ho Marine Corporation: Li-Wen Tsai | Contribution: USD 5,100,000 | 100.00 |
| Ta-Ho Maritime (Singapore) Pte. Ltd. | Director | Representative of Ta-Ho Marine Corporation: An-Ping Chang, Wee-Choo Peng | Contribution: USD 100,000 | 100.00 |
| | President | Wei-Lun Kao | - | - |
| Ho Sheng Mining Co., Ltd. | Chairman | Representative of Taiwan Cement Corporation: Chia-Pei Wei (In the progress of registration) | 30,100,000 | 100.00 |
| | Director | Representatives of Taiwan Cement Corporation: Chin-Yi Chen (In the progress of registration), Yan-ting Lin | | |
| | Supervisor | Representative of Taiwan Cement Corporation: Jia-Ro Lai | | |
| | President | Chia-Pei Wei | - | - |

March 20, 2023 (expressed in shares and %)

| Affiliate | Title | Name or representative | Type of shares | |
|---|--------------------|--|-----------------------------|------------|
| | | | Shareholdings | Percentage |
| Da Tong (Guigang) International Logistics Co., Ltd. | Executive Director | Representative of Ta-Ho Marine (Hong Kong) Limited: Chen-Chia Song | Contribution: USD 5,000,000 | 100.00 |
| | Supervisor | Yi-Feng Wang | - | - |
| | President | Chuan-feng Shih | - | - |
| Guigang Da-Ho Shipping Co., Ltd. | Executive Director | Representative of Da Tong (Guigang) International Logistics Co., Ltd.: Chen-Chia Song | Contribution: RMB 4,000,000 | 100.00 |
| | Supervisor | Yi-Feng Wang | - | - |
| | President | Chuan-Feng Shih | - | - |
| Da Tong (Ying De) Logistics Co., Ltd. | Executive Director | Representative of Da Tong (Guigang) International Logistics Co., Ltd.: Cheng-Tao Chiang | Contribution: RMB 5,000,000 | 100.00 |
| | Supervisor | Cen-Wei Lan | - | - |
| | President | Shih-Sheng Liang(In the progress of registration) | - | - |
| TCC Investment Corporation | Chairman | Representative of Taiwan Cement Corporation: An-Ping Chang | 239,800,000 | 100.00 |
| | Director | Representatives of Taiwan Cement Corporation: Yu-Tzu Chiu, Yi-Wen Ai | | |
| | Supervisor | Representative of Taiwan Cement Corporation: Guo-Hong Yeh | | |
| | President | An-Ping Chang | | |
| Union Cement Traders Inc. | Chairman | Representative of TCC Investment Corporation: An-Ping Chang | 34,200,000 | 100.00 |
| | Director | Representatives of TCC Investment Corporation: Lin-Tian Huang, Yi-Wen Ai | | |
| | Supervisor | Representative of TCC Investment Corporation: Li-Wen Tsai | | |
| | President | An-Ping Chang | | |
| TCC Chemical Corporation | Chairman | Representative of Taiwan Cement Corporation: An-Ping Chang | 140,000,000 | 100.00 |
| | Director | Representatives of Taiwan Cement Corporation: Kuo-Yuan Li and Chien-Chuan Wang | | |
| | Supervisor | Representative of Taiwan Cement Corporation: Li-Wen Tsai | | |
| | President | Ker-Fu Lu | | |
| TCC Information Systems Corporation | Chairman | Representative of Taiwan Cement Corporation: Jong-Peir Li | 14,904,000 | 99.36 |
| | Director | Representatives of Taiwan Cement Corporation: An-Ping Chang, Ker-Fu Lu, Kuang-Hsi Chen, Chien-Chiang Huang | | |
| | Supervisor | Representative of Taiwan Cement Corporation: Guo-Hong Yeh | | |
| | President | Kuen-Long Lee | | |

March 20, 2023 (expressed in shares and %)

| Affiliate | Title | Name or representative | Type of shares | |
|---|--|--|---------------------------|------------|
| | | | Shareholdings | Percentage |
| Taicem Information (Samoa) Pte. Ltd. | Director | Representative of TCC Information Systems Corporation: Kuen-Long Lee | 3,412 | 100.00 |
| Fuzhou TCC Information Technology Co., Ltd. | Chairman | Representative of Taicem Information (Samoa) Pte. Ltd.: Kuen-Long Lee | Contribution: RMB 826,510 | 100.00 |
| Tung Chen Mineral Corporation | Chairman | Representative of Taiwan Cement Corporation: Chien-Chuan Wang | 19,890 | 99.45 |
| | Director | Representatives of Taiwan Cement Corporation: Chia-Pei Wei, Yan-Ting Lin | | |
| | Supervisor | Representative of Taiwan Cement Corporation: Yu-Tzu Chiu | | |
| Jin Chang Minerals Corporation | Chairman | Representative of Taiwan Cement Corporation: Ker-Fu Lu | 9,100,000 | 100.00 |
| | Director | Representatives of Taiwan Cement Corporation: Chia-Pei Wei, Yan-Ting Lin | | |
| | Supervisor | Representative of Taiwan Cement Corporation: Jin-Yi Chen | | |
| | President | Chia-Pei Wei | | |
| Hoping Industrial Port Corporation | Chairman | Representative of Taiwan Cement Corporation: Chien-Chiang Huang | 319,990,000 | 100.00 |
| | Director | Representatives of Taiwan Cement Corporation: An-Ping Chang and Chia-Pei Wei | | |
| | Supervisor | Guo-Hong Yeh | | |
| | President | Ping-Huang Chuang | | |
| Ho-Ping Power Company | Chairman | Representative of Taiwan Cement Corporation: An-Ping Chang | 805,940,306 | 59.50 |
| | Vice Chairman | Power Infrastructure Holdings (Malaysia) Limited: David Mark Fleming | 539,099,566 | 39.80 |
| | Director | Representatives of Taiwan Cement Corporation: Chien-Chiang Huang, Kung-Yi Koo, Chien-Yih Chen, Ker-Fu Lu, Chi-Liang Weng | 805,940,306 | 59.50 |
| | Director | Representatives of Power Infrastructure Holdings (Malaysia) Limited: Tsiu-Fung Li, Shinichiro Suzuki and Lo Yeung | 539,099,566 | 39.80 |
| | Independent Director | Liang Chang | - | - |
| | Independent Director | Hsiao-Kang Ma | - | - |
| | Independent Director | Yu-Chuan Chen | - | - |
| | Supervisor | Representatives of TCC Investment Corporation: Li-Wen Tsai, Jia-Ro Lai | 6,772,608 | 0.50 |
| Supervisor | Representative of Power Infrastructure Holdings (Labuan) Limited: Sharon Lee | 2,709,043 | 0.20 | |
| President | Chien-Yih Chen | - | - | |
| Ho-Ping Renewable Energy Company | Chairman | Representative of Ho-Ping Power Company: An-Ping Chang | 100,000 | 100.00 |
| | Vice Chairman | Representative of Ho-Ping Power Company: David Mark Fleming | | |
| | Director | Representatives of Ho-Ping Power Company: Li-Wen Tsai, Chien-Chuan Wang, Shinichiro Suzuki | | |
| | Supervisor | Representative of Ho-Ping Power Company: Ker-Fu Lu | | |
| | President | Chien-Chuan Wang | | |

March 20, 2023 (expressed in shares and %)

| Affiliate | Title | Name or representative | Type of shares | |
|---------------------------------------|---------------|---|----------------|------------|
| | | | Shareholdings | Percentage |
| HPC Power Services Corporation | Chairman | Representative of Taiwan Cement Corporation: Ker-Fu Lu | 6,000 | 60.00 |
| | Vice Chairman | Representative of OneEnergy Taiwan Ltd.: Dick-Fai Lai | 4,000 | 40.00 |
| | Director | Representatives of Taiwan Cement Corporation: Chi-Liang Weng, Chia-Pei Wei | 6,000 | 60.00 |
| | Director | Representative of OneEnergy Taiwan Ltd.: Mr. Li Tsiu Fung | 4,000 | 40.00 |
| | President | Wen-Huang Lin (Acting) | - | - |
| Ta-Ho RSEA Environment Co., Ltd. | Chairman | Representative of Taiwan Cement Corporation: Chien-Chuan Wang | 39,960,000 | 66.60 |
| | Director | Representative of Taiwan Cement Corporation: Min-Yi Chien | | |
| | Director | Representative of Veterans Affairs Council, R.O.C: Kuo-Fang Wang | 20,040,000 | 33.40 |
| | Supervisor | Wei-Ling Gao, Xiao-En Tseng | - | - |
| | President | Min-Yi Chien | - | - |
| E.G.C. CEMENT CORP. | Chairman | Representative of Taiwan Cement Corporation: Chien-Chiang Huang | 8,062,600 | 50.64 |
| | Director | Representatives of Taiwan Cement Corporation: Yin-Te Wu ; Ke-Hung Chen | | |
| | Supervisor | Representative of Taiwan Transport & Storage Corporation: Chong-Zhi Hong | 7,857,400 | 49.36 |
| | Manager | Ke-Hung Chen | - | - |
| Feng Sheng Enterprise Company Limited | Chairman | Representative of Taiwan Cement Corporation: Chien-Chiang Huang | 27,260,611 | 45.43 |
| | Director | Representatives of Taiwan Cement Corporation: Chin-Lung Yu, Yin-Te Wu | | |
| | Director | Representatives of Quintain Steel Co., Ltd.: Chi-Sheng Chu and Hsieh-Chia Chen | 27,116,689 | 45.19 |
| | Supervisor | Fu-Tsai Liu | 1,827,373 | 3.05 |
| | President | Chi-Sheng Chu | - | - |
| Taicorn Minerals Corporation | Chairman | Chien-Chiang Huang | 1 | 0.00 |
| | Director | Katz N. Tierra | 1 | 0.00 |
| | Director | Yih-Chin Wu | 1 | 0.00 |
| | Director | Renato L. Gonzales | 1 | 0.00 |
| Trans Philippines Mineral Corp. | Chairman | Chien-Chiang Huang | 1 | 0.00 |
| | Director | Katz N. Tierra | 1 | 0.00 |
| | Director | Yih-Chin Wu | 1 | 0.00 |
| | Director | Renato L. Gonzales | 1 | 0.00 |
| TCC International Ltd. | Director | Representatives of Taiwan Cement Corporation: An-Ping Chang, Jong-Peir Li, Chien-Chiang Huang | 1,100,875,900 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |

March 20, 2023 (expressed in shares and %)

| Affiliate | Title | Name or representative | Type of shares | |
|---|-----------|---|-------------------------------|------------|
| | | | Shareholdings | Percentage |
| TCC International Holdings Ltd ² | Chairman | Representatives of Taiwan Cement Corporation: An-Ping Chang, Jong-Peir Li | 3,471,217,785 | 45.47 |
| | Director | Representatives of TCC International Ltd.: Chien-Chiang Huang | 4,163,097,279 | 54.53 |
| | President | Chien-Chiang Huang | - | - |
| TCC International (Guangxi) Limited | Director | Representatives of TCC International (Hong Kong) Co., Ltd.: An-Ping Chang, Chien-Chuan Wang(In the progress of registration) | 203,000,100 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| TCC (Guigang) Cement Ltd. | Chairman | Representative of TCC International (Guangxi) Limited: Ker-Fu Lu | Contribution: USD 332,875,900 | 100.00 |
| | Director | Representatives of TCC International (Guangxi) Limited: Yu-Wen Chiu, Chien-Chuan Wang | | |
| | President | Hai-Hua Wu | - | - |
| TCC Hong Kong Cement (BVI) Holdings Limited | Director | Representative of TCC International Holding Limited: An-Ping Chang | 17,000 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| Ulexite Investments Limited | Director | Representative of TCC International Holding Limited: An-Ping Chang | 200 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| TCC Hong Kong Cement Development Limited | Director | Representative of TCC Hong Kong Cement (BVI) Holdings Limited: An-Ping Chang | Ordinary share 10 | 10.00 |
| | Director | Representative of Hong Kong Cement Manufacturing Company Limited: An-Ping Chang | Non-voting deferred share 90 | 90.00 |
| | President | Chien-Chiang Huang | - | - |
| TCC Hong Kong Cement (QHC) Limited | Director | Representative of TCC Hong Kong Cement (BVI) Holdings Limited: An-Ping Chang | 100 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| Chiefolk Company Limited | Director | Representatives of TCC Hong Kong Cement (QHC) Limited: An-Ping Chang, Kung-Yi Koo, Chien-Chiang Huang | 70,000 | 70.00 |
| | Director | Representatives of Top Form Construction Limited: Cheuk-Wai Chan | 30,000 | 30.00 |
| | Manager | Chien-Chiang Huang | - | - |
| TCC International (Liuzhou) Limited | Director | Representatives of Chiefolk Company Limited: An-Ping Chang, Cheuk-Wai Chan, Cheng-Tao Chiang(In the progress of registration) | 50,000 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| TCC Liuzhou Company Limited | Director | Representative of TCC International (Liuzhou) Limited: An-Ping Chang | 10,000 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| TCC Hong Kong Cement (Yargoan) Ltd. | Director | Representative of TCC Hong Kong Cement (BVI) Holdings Limited: An-Ping Chang | 100 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |

March 20, 2023 (expressed in shares and %)

| Affiliate | Title | Name or representative | Type of shares | |
|--|---------------|--|------------------------------|------------|
| | | | Shareholdings | Percentage |
| Hong Kong Cement Company Limited | Director | Representatives of TCC Hong Kong Cement (BVI) Holdings Limited: An-Ping Chang, Kung-Yi Koo, Chien-Chiang Huang | 10,000 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| TCC Hong Kong Cement (Philippines) Limited | Director | Representative of TCC Hong Kong Cement (BVI) Holdings Limited: An-Ping Chang | 100 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| TCC Cement Corporation | Director | Chien-Chiang Huang | 910,199 | 100.00 |
| | Director | Yih-Chin Wu | | |
| | Director | Yu-Tzu Chiu | | |
| TCC Hong Kong Cement (International) Limited | Director | Representatives of TCC Hong Kong Cement (BVI) Holdings Limited: An-Ping Chang, Jong-Peir Li | 1,700 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| TCC International (Hong Kong) Co., Ltd. | Director | Representative of TCC Hong Kong Cement (International) Limited: An-Ping Chang | 11,900 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| TCC Fuzhou Yangyu Port Co., Ltd. | Chairman | Representative of TCC International (Hong Kong) Company Limited: Chien-Chiang Huang | Contribution: USD 5,000,000 | 100.00 |
| | Director | Representatives of TCC International (Hong Kong) Limited: Chien-Chuan Wang, Jia-Lin Chen | | |
| | Supervisor | Guo-Hong Yeh | - | - |
| | President | Zi-Yang Wu | - | - |
| TCC Liuzhou Construction Materials Co., Ltd. | Chairman | Representative of Guangxi Liuzhou Iron and Steel Group Company Limited: Jian-Qiang Xu | Contribution: USD 5,400,000 | 40.00 |
| | Vice Chairman | Representative of TCC Liuzhou Company Limited: Chien-Chiang Huang | Contribution: USD 8,100,000 | 60.00 |
| | Director | Representatives of TCC Liuzhou Company Limited: Jian-Quan Wang, Cheuk-Wai Chan, Quan-Feng Shi | | |
| | Director | Representatives of Guangxi Liuzhou Iron and Steel Group Company Limited: Chuang Jin, Zhong Chen | As above | As above |
| | Supervisor | Representative of TCC Liuzhou Company Limited: Yu-Tzu Chiu | As above | As above |
| | Supervisor | Representative of Guangxi Liuzhou Iron and Steel Group Company Limited: De-yun Lee | As above | As above |
| | President | Quan-Feng Shi | - | - |
| TCC Fuzhou Cement Co., Ltd. | Chairman | Representative of TCC International (Hong Kong) Company Limited: Chien-Chiang Huang | Contribution: USD 16,250,000 | 100.00 |
| | Director | Representatives of TCC International (Hong Kong) Company Limited: Chien-Chuan Wang, Jia-Lin Chen | | |
| | Supervisor | Guo-Hong Yeh | - | - |
| | President | Zi-Yang Wu | - | - |

March 20, 2023 (expressed in shares and %)

| Affiliate | Title | Name or representative | Type of shares | |
|---|------------|--|-------------------------------|------------|
| | | | Shareholdings | Percentage |
| TCC Yingde Cement Co., Ltd. | Chairman | Representative of TCC International (Hong Kong) Company Limited: Ker-Fu Lu | Contribution: USD 254,400,000 | 100.00 |
| | Director | Representatives of TCC International (Hong Kong) Company Limited: Yu-Wen Chiu (In the progress of registration), Cheng-Tao Chiang | | |
| | Supervisor | Cen-Wei Lan (In the progress of registration) | - | - |
| | President | Shi-Sheng Liang(In the progress of registration) | - | - |
| Jurong TCC Cement Co., Ltd. | Chairman | Representative of Jingyang Industrial Limited & Jiangsu TCC Investment Co., Ltd: Ker-Fu Lu | Contribution: USD 233,000,000 | 100.00 |
| | Director | Representatives of Jingyang Industrial Limited & Jiangsu TCC Investment Co., Ltd: Cheng-Fu Yao, Chien-Chuan Wang, Yin-Hua Chen , Yu-Wen Chiu | | |
| | Supervisor | Representative of Jingyang Industrial Limited & Jiangsu TCC Investment Co., Ltd: Guo-Hong Yeh | | |
| | President | Zhong-Hong Yang | - | - |
| Jingyang Industrial Limited | Director | Representative of TCC International (Hong Kong) Company Limited: An-Ping Chang, Yu-Wen Chiu(In the progress of registration) | 24,000,100 | 100.00 |
| JiangSu TCC Investment Co., Ltd. | Chairman | Representative of TCC International (Hong Kong) Company Limited: Ker-Fu Lu | Contribution: USD 50,000,000 | 100.00 |
| | Director | Representatives of TCC International (Hong Kong) Company Limited: Chien-Chiang Huang, Guo-Hong Yeh | | |
| | Supervisor | Representative TCC International (Hong Kong) Company Limited: Li-Wen Tsai | - | - |
| | President | Hai-Hua Wu | - | - |
| Upper Value Investments Limited | Director | Representative of TCC International Holdings Ltd.: An-Ping Chang | 12,700 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| Prosperity Cement Investment Limited | Director | Representative of Upper Value Investments Limited: An-Ping Chang | 10,100 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| Yingde Dragon Mountain Cement Co., Ltd. | Chairman | Representative of Prosperity Cement Investment Limited: Ker-Fu Lu | Contribution: RMB 428,110,000 | 100.00 |
| | Director | Representatives of Prosperity Cement Investment Limited: Chien-Chuan Wang, Guang-Yuan He | | |
| | Supervisor | Shao-Ming Lee | - | - |
| | President | Jun Li | - | - |
| Prosperity Minerals (International) Limited | Director | Representative of Upper Value Investment Limited: An-Ping Chang | 3 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| Kiton Limited | Director | Representative of Upper Value Investments Limited: An-Ping Chang | 10,400 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |

March 20, 2023 (expressed in shares and %)

| Affiliate | Title | Name or representative | Type of shares | |
|--|------------|--|-------------------------------|------------|
| | | | Shareholdings | Percentage |
| TCC Liaoning Cement Company Limited | Chairman | Representative of Kiton Limited: Jian-Quan Wang | Contribution: RMB 371,000,000 | 100.00 |
| | Director | Representatives of Kiton Limited: Yu-Wen Chiu, Guo-Hong Yeh | | |
| | Supervisor | Representative of Kiton Limited: Li-Wen Tsai | | |
| | President | Hai-Feng Yan | - | - |
| Hensford Limited | Director | Representative of Upper Value Investments Limited: An-Ping Chang | 10,500 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| TCC Anshun Cement Company Limited | Chairman | Representative of Hensford Limited: Ker-Fu Lu | Contribution: USD 153,490,000 | 100.00 |
| | Director | Representatives of Hensford Limited: Chien-Chiang Huang, Li-Wen Tsai, Yin-Hua Chen | | |
| | Supervisor | Representative of Hensford Limited: Cheng-Fu Yao | | |
| | President | Shih-Min Wang | - | - |
| Sure Kit Limited | Director | Representative of Upper Value Investments Limited: An-Ping Chang | 10,400 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| TCC Chongqing Cement Company Limited | Chairman | Representative of Sure Kit Limited: Ker-Fu Lu | Contribution: USD 118,000,000 | 100.00 |
| | Director | Representatives of Sure Kit Limited: Chien-Chiang Huang, Yu-Wen Chiu | | |
| | Supervisor | Representative of Sure Kit Limited: Cheng-Fu Yao | | |
| | President | Jao-Wen Wang | - | - |
| Prime York Limited | Director | Representative of Upper Value Investment Limited: An-Ping Chang | 10,300 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| Prosperity Minerals (China) Limited | Director | Representative of Upper Value Investments Limited: An-Ping Chang | 10,300 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| Mega East Limited | Director | Representative of Upper Value Investments Limited: An-Ping Chang | 10,300 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| Guangan Changxing Cement Co., Ltd. | Chairman | Representative of Mega East Limited: Li-Wen Tsai | Contribution: USD 76,990,000 | 100.00 |
| | Director | Representatives of Mega East Limited: Ker-Fu Lu, Chien-Chiang Huang | | |
| | Supervisor | Representative of Mega East Limited: Cheng-Fu Yao | | |
| | President | Tao Yang | - | - |
| TCC (DongGuan) Cement Company Limited ³ | Director | - | - | - |

March 20, 2023 (expressed in shares and %)

| Affiliate | Title | Name or representative | Type of shares | |
|---|------------|---|-------------------------------|------------|
| | | | Shareholdings | Percentage |
| TCC International (China) Company Limited | Director | Representative of Upper Value Investments Limited: An-Ping Chang | 38,830 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| TCC New (Hangzhou) Management Company Limited | Chairman | Representative of TCC International (China) Company Limited: An-Ping Chang | Contribution: USD 8,000,000 | 100.00 |
| | Director | Representatives of TCC International (China) Company Limited: Ker-Fu Lu, Chien-Chiang Huang, Yi-Xiu Liu | | |
| | Supervisor | Representative of TCC International (China) Company Limited: Kung-Yi Koo | | |
| | President | Cheng-Fu Yao | - | - |
| Kong On Cement Holdings Ltd. | Director | Representatives of Upper Value Investments Limited: An-Ping Chang, Kung-Yi Koo | 15,801,500 | 65.00 |
| | Director | Representative of Central Champion Investment Limited: Richard Su | 8,508,500 | 35.00 |
| | Manager | Chien-Chiang Huang | - | - |
| Guizhou Kong On Cement Co., Ltd. | Chairman | Representative of Kong On Cement Holdings Limited: Li-Wen Tsai | Contribution: USD 20,300,000 | 100.00 |
| | Director | Representatives of Kong On Cement Holdings Limited: Chien-Chiang Huang, Richard Su | | |
| | Supervisor | Representative of Kong On Cement Holdings Limited: Cheng-Fu Yao | | |
| | President | Xing-Xuan Chu | - | - |
| Wayly Holdings Limited | Director | Representative of Upper Value Investments Limited: An-Ping Chang | 10,501 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| Guizhou Kaili Rui An Jian Cai Co., Ltd. | Chairman | Representative of Wayly Holdings Limited: Li-Wen Tsai | Contribution: RMB 389,660,500 | 100.00 |
| | Director | Representatives of Wayly Holdings Limited: Ker-Fu Lu, Cheng-Fu Yao | | |
| | Supervisor | Representative of Wayly Holdings Limited: Chien-Chuan Wang | | |
| | President | Kui Wang | - | - |
| TCC Shaoguan Cement Co., Ltd. | Chairman | Representative of TCC International (Hong Kong) Co., Ltd: Ker-Fu Lu | Contribution: USD 69,100,000 | 100.00 |
| | Director | Representatives of TCC International (Hong Kong) Co., Ltd.: Chien-Chuan Wang, Chien-Chiang Huang | | |
| | Supervisor | Representative of TCC International (Hong Kong) Co., Ltd: Cen-Wei Lan | | |
| | President | Chi-Ching Chen (In the progress of registration) | - | - |
| TCC Yingde Mining Industrial Company Limited | Chairman | Representative of TCC International (Hong Kong) Co., Ltd: Ker-Fu Lu | Contribution: USD 5,625,000 | 48.91 |
| | Director | Representative of TCC Yingde Cement Co., Ltd.: Cheng-Tao Chiang | Contribution: USD 4,000,000 | 34.78 |
| | Director | Representative of TCC Jiangsu Mining Industrial Company Limited: Shih-Sheng Liang | Contribution: USD 1,875,000 | 16.31 |
| | Supervisor | Cen-Wei Lan | - | - |
| | President | Shi-Sheng Liang(In the progress of registration) | - | - |
| | | | | |

March 20, 2023 (expressed in shares and %)

| Affiliate | Title | Name or representative | Type of shares | |
|---|------------|--|------------------------------|------------|
| | | | Shareholdings | Percentage |
| TCC Guigang Mining Industrial Company Limited | Chairman | Representative of TCC International (Hong Kong) Co., Ltd: Ker-Fu Lu | Contribution: USD 2,625,000 | 52.50 |
| | Director | Representatives of TCC (Guigang) Cement Ltd.: Chen-Chia Song and Chia-Pei Wei | Contribution: USD 2,375,000 | 47.50 |
| | Supervisor | Cen-Wei Lan(In the progress of registration) | - | - |
| | President | Hai-Hua Wu | - | - |
| TCC Jiangsu Mining Industrial Company Limited | Chairman | Representative of TCC International (Hong Kong) Co., Ltd: Wei Liu | Contribution: USD 4,000,000 | 100.00 |
| | Director | Representatives of TCC International (Hong Kong) Co., Ltd.: Cheng-Fu Yao, Yin-Hua Chen | | |
| | Supervisor | Representative of TCC International (Hong Kong) Co., Ltd: Guo-Hong Yeh | - | - |
| | President | Wei Liu | - | - |
| Anshun Xin Tai Construction Materials Company Limited | Chairman | Representative of TCC Anshun Cement Company Limited: Lin-Tien Huang | Contribution: RMB 15,000,000 | 100.00 |
| | Supervisor | Cen-Wei Lan(In the progress of registration) | - | - |
| | President | Shih-Min Wang | - | - |
| Scitus Cement (China) Holdings Limited | Director | Representative of Upper Value Investments Limited: An-Ping Chang | 109,163,251 | 100.00 |
| | Director | Representative of TCC International (Hong Kong) Co., Ltd: An-Ping Chang | 1 | 0.00 |
| | Director | Ker-Fu Lu, Yu-Wen Chiu(In the progress of registration) | - | - |
| | Manager | Chien-Chiang Huang | - | - |
| Scitus Cement (China) Operating Company Limited | Director | Representative of Scitus Cement (China) Holdings Limited: An-Ping Chang | 10,000 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| Hexagon Holdings Limited | Director | Representative of Scitus Cement (China) Holdings Limited: An-Ping Chang | 1 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| Hexagon II Holdings Limited | Director | Representative of Scitus Cement (China) Holdings Limited: An-Ping Chang | 1 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| Hexagon III Holdings Limited | Director | Representative of Scitus Cement (China) Holdings Limited: An-Ping Chang | 201 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| Hexagon IV Holdings Limited | Director | Representative of Scitus Cement (China) Holdings Limited: An-Ping Chang | 201 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| Hexagon V Holdings Limited | Director | Representative of Scitus Cement (China) Holdings Limited: An-Ping Chang | 1 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |

March 20, 2023 (expressed in shares and %)

| Affiliate | Title | Name or representative | Type of shares | |
|----------------------------------|---------------|---|-------------------------------|------------|
| | | | Shareholdings | Percentage |
| Upper Value Investment Limited | Director | Representative of TCC International Holdings Ltd. : An-Ping Chang | 1 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| Hexagon VIII Holdings Limited | Director | Representative of Scitus Cement (China) Holdings Limited: An-Ping Chang | 1 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| Hexagon IX Holdings Limited | Director | Representative of Scitus Cement (China) Holdings Limited: An-Ping Chang | 1 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| Hexagon XIII Holdings Limited | Director | Representative of Scitus Cement (China) Holdings Limited: An-Ping Chang | 1 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| Hexagon XIV Holdings Limited | Director | Representative of Scitus Cement (China) Holdings Limited: An-Ping Chang | 1 | 100.00 |
| | Manager | Chien-Chiang Huang | - | - |
| Scitus Luzhou Cement Co., Ltd. | Chairman | Representative of Hexagon IV Holdings Limited: Cheng-Fu Yao | Contribution: RMB 355,500,000 | 90.00 |
| | Vice Chairman | Representative of TCC Yingde Cement Co., Ltd.: Li-Wen Tsai | Contribution: RMB 39,500,000 | 10.00 |
| | Director | Representatives of Hexagon IV Holdings Limited: Ker-Fu Lu, Chien-Chiang Huang | As above | As above |
| | Supervisor | Representative of Hexagon IV Holdings Limited: Yu-Tzu Chiu | As above | As above |
| | President | Gao-Ying Dong | - | - |
| Scitus Hejiang Cement Co., Ltd. | Chairman | Representative of Hexagon IX Holdings Limited: Cheng-Fu Yao | Contribution: RMB 20,925,000 | 90.00 |
| | Vice Chairman | Representative of TCC Yingde Cement Co., Ltd.: Li-Wen Tsai | Contribution: RMB 2,325,000 | 10.00 |
| | Director | Representative of Hexagon IX Holdings Limited: Ker-Fu Lu | As above | As above |
| | Supervisor | Representative of Hexagon IX Holdings Limited: Yu-Tzu Chiu | As above | As above |
| | President | Ding-Qi Zhang | - | - |
| Scitus Luzhou Concrete Co., Ltd. | Chairman | Representative of Hexagon XIV Holdings Limited: Cheng-Fu Yao | Contribution: RMB 18,750,000 | 75.00 |
| | Vice Chairman | Representative of TCC Yingde Cement Co., Ltd.: Li-Wen Tsai | Contribution: RMB 6,250,000 | 25.00 |
| | Director | Representative of Hexagon XIV Holdings Limited: Ker-Fu Lu | As above | As above |
| | Supervisor | Representative of Hexagon XIV Holdings Limited: Yu-Tzu Chiu | As above | As above |
| | President | Gang Jiang | - | - |

March 20, 2023 (expressed in shares and %)

| Affiliate | Title | Name or representative | Type of shares | |
|--|---------------|---|-------------------------------|------------|
| | | | Shareholdings | Percentage |
| Scitus Naxi Cement Co., Ltd. | Chairman | Representative of Hexagon III Holdings Limited: Cheng-Fu Yao | Contribution: RMB 131,859,000 | 90.00 |
| | Vice Chairman | Representative of TCC Yingde Cement Co., Ltd.: Li-Wen Tsai | Contribution: RMB 14,651,000 | 10.00 |
| | Director | Representative of Hexagon III Holdings Limited: Ker-Fu Lu | As above | As above |
| | Supervisor | Representative of Hexagon III Holdings Limited: Yu-Tzu Chiu | As above | As above |
| | President | Gao-Ying Dong | - | - |
| TCC Huaying Cement Company Limited | Chairman | Representative of TCC (Guigang) Cement Ltd.: Ker-Fu Lu | Contribution: RMB 949,880,000 | 100.00 |
| | Director | Representatives of TCC (Guigang) Cement Ltd.: Cheng-Fu Yao, Yin-Hua Chen | | |
| | Supervisor | Representative of TCC (Guigang) Cement Ltd.: Chia-Hua Tsao | | |
| | President | Dao-Ping Wang | - | - |
| TCC Huaihua Cement Company Limited | Chairman | Representative of TCC International (Hong Kong) Co., Ltd.: Ker-Fu Lu | Contribution: RMB 93,000,000 | 31.00 |
| | Director | Representatives of TCC International (Hong Kong) Co., Ltd.: Cheng-Fu Yao, Yu-Wen Chiu | | |
| | Supervisor | Representative of TCC International (Hong Kong) Co., Ltd.: Guo-Hong Yeh | | |
| | President | Wang-Gen Tu | - | - |
| TCC Jingzhou Cement Company Limited | Chairman | Representative of TCC Huaihua Cement Company Limited: Ker-Fu Lu | Contribution: RMB 150,000,000 | 100.00 |
| | Director | Representatives of TCC Huaihua Cement Company Limited: Cheng-Fu Yao, Yu-Wen Chiu | | |
| | Supervisor | Guo-Hong Yeh | - | - |
| | President | Guo-Hong Hu | - | - |
| TCC Huaihua Concrete Company Limited | Chairman | Representative of TCC Huaihua Cement Company Limited: Ker-Fu Lu | Contribution: RMB 10,000,000 | 100.00 |
| | Director | Representatives of TCC Huaihua Cement Company Limited: Cheng-Fu Yao, Yu-Wen Chiu | | |
| | Supervisor | Guo-Hong Yeh | - | - |
| | President | Zhen-Feng Zhou | - | - |
| Guigang TCC Dongyuan Environmental Protection Technology Co., Ltd. | Chairman | Representative of TCC (Guigang) Cement Company Limited: Yu-Wen Chiu | Contribution: RMB 126,000,000 | 100.00 |
| | Director | Representative of TCC (Guigang) Cement Company Limited: Chien-Chuan Wang, Hai-Hau Wu | | |
| | Supervisor | Yu-Tzu Chiu | - | - |
| | President | Hai-Hau Wu | - | - |
| Beijing TCC Environmental Technology Co., Ltd. | Chairman | Representative of TCC Yingde Cement Co., Ltd.: Ker-Fu Lu | Contribution: RMB 6,000,000 | 100.00 |
| | Director | Representatives of TCC Yingde Cement Co., Ltd.: Chien-Chuan Wang, Yu-Wen Chiu | | |
| | Supervisor | Guo-Hong Yeh | - | - |
| | President | Wei Tian | - | - |

March 20, 2023 (expressed in shares and %)

| Affiliate | Title | Name or representative | Type of shares | |
|---|--------------------|--|-------------------------------|------------|
| | | | Shareholdings | Percentage |
| Kaili TCC Environmental Technology Co., Ltd. | Chairman | Representative of TCC New (Hangzhou) Management Company Limited: Li-Wen Tsai | Contribution: RMB 8,000,000 | 100.00 |
| | Director | Representatives of TCC New (Hangzhou) Management Company Limited: Cheng-Fu Yao, Chien-Chuan Wang | | |
| | Supervisor | Yu-Tzu Chiu | - | - |
| | President | Kui Wang | - | - |
| TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd. | Chairman | Representative of Scitus Luzhou Cement Co., Ltd.: Di-Cai Luo | Contribution: RMB 2,200,000 | 55.00 |
| | Director | Representatives of Scitus Luzhou Cement Co., Ltd.: Cheng-Fu Yao, Tie-Meng Zhou (In the progress of registration) | | |
| | Supervisor | Guo-Hong Yeh, Zhi-Qiang Tian (In the progress of registration) | - | - |
| | President | Tie-Meng Zhou (In the progress of registration) | - | - |
| Taiwan Cement (Dutch) Holdings B.V. | Director | Representative of Taiwan Cement Corporation: Jong-Peir Li, Li-Wen Tsai, Chien-Chiang Huang | Contribution: EUR 838,369,850 | 100.00 |
| Taiwan Cement Europe Holdings B.V. | Director | Representative of Taiwan Cement Dutch Holdings B.V.: Jong-Peir Li, An-Ping Chang, Chia-Kai Yang | Contribution: EUR 325,001,000 | 100.00 |
| NHOA S.A. | Chairman | Representative of Taiwan Cement Europe Holdings B.V.: An-Ping Chang | Contribution: EUR 233,390,481 | 65.15 |
| | CEO | Carlalberto Guglielminotti | - | - |
| | Director | Representative of Taiwan Cement Europe Holdings B.V.: Jong-Peir Li, Chia-Jou Lai, Feng-Ping Liu | As above | As above |
| | Director | Giuseppe Artizzu, Luigi Michi, Romualdo Cirillo, Veronica Vecchi, Cen-Ming Chang, Cindy Utterback | - | - |
| NHOA ENERGY S.R.L. | Chairman | Carlalberto Guglielminotti | Contribution: EUR 74,355,974 | 100.00 |
| | CEO | Giuseppe Artizzu | | |
| | Director | Ilaria Scarinci, Chia-Kai Yang | | |
| ELECTRO POWER SYSTEM MANUFACTURING | Chairman | Roberta Romano | Contribution: EUR 21,202,403 | 100.00 |
| | CEO | Ilaria Scarinci | | |
| | Director | Carlalberto Guglielminotti | | |
| Comores Energie Nouvelles S.A.R.L. | Director | Ivo Sciuttini | Contribution: EUR 450,000 | 100.00 |
| NHOA AMERICAS LLC | Director | Giuseppe Artizzu, Ilaria Scarinci, Luca Roccia | Contribution: EUR 189,848 | 100.00 |
| NHOA AUSTRALIA PTY LTD | Director | Giuseppe Artizzu, Ilaria Scarinci, Ashley Mangano | Contribution: EUR 16,144,733 | 100.00 |
| ATLANTE TOPCO S.R.L. | Sole Administrator | Stefano Terranova | Contribution: EUR 10,000 | 100.00 |
| NHOA CORPORATE S.R.L. | Sole Administrator | Carlalberto Guglielminotti | Contribution: EUR 10,000 | 100.00 |
| NHOA LATAM S.A.C. | Sole Director | Luca Roccia | Contribution: SOL 3,000 | 100.00 |
| ATLANTE S.R.L. | CEO | Stefano Terranova | Contribution: EUR 5,000,000 | 100.00 |
| | Chairman | Carlalberto Guglielminotti | | |
| | Director | Romano Roberta, Gabriele Tuccillo, Chia-Kai Yang | | |

March 20, 2023 (expressed in shares and %)

| Affiliate | Title | Name or representative | Type of shares | |
|--|--------------------|---|------------------------------|------------|
| | | | Shareholdings | Percentage |
| ATLANTE IBERIA S.L. | Sole Administrator | Giovanni Ravina | Contribution: EUR 504,000 | 100.00 |
| ATLANTE FRANCE S.A.S. | Chairman | Stefano Terranova | Contribution: EUR 3,000,000 | 100.00 |
| | CEO | Jacques Galvani | | |
| Atlante Fast Charging Portugal LDA | Sole Administrator | Giovanni Ravina | Contribution: EUR 4,000 | 100.00 |
| FREE2MOVE ESOLUTIONS S.P.A. | Chairman | Carlalberto Guglielminotti | Contribution: EUR 16,344,531 | 49.90 |
| | CEO | Mathilde Lheureux | | |
| | Director | Luigi Michi, Giovanni Ravina, Davide Mele, Brigitte Courtheux | | |
| FREE2MOVE ESOLUTIONS NORTH AMERICA LLC | Director | Mathilde Lheureux, Brian Szalk | Contribution: USD 100,000 | 100.00 |
| FREE2MOVE ESOLUTIONS FRANCE S.A.S. | CEO | Mathilde Lheureux | Contribution: EUR 100,000 | 100.00 |
| | Chairman | Veronique Pujo | | |
| FREE2MOVE ESOLUTIONS SPAIN S.L.U. | Sole Director | Mathilde Lheureux | Contribution: EUR 100,000 | 100.00 |
| FREE2MOVE ESOLUTIONS UK LTD | Sole Director | Mathilde Lheureux | Contribution: GBP 100,000 | 100.00 |
| TCCMOLI Holdings (Singapore) Pte. Ltd. ⁴ | Director | - | - | - |
| TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited | Chairman | Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Bao-Luo Ge | Contribution: RMB1,000,000 | 100 .00 |
| | Director | Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Yi-Xiu Lin, Chia-Hua Tsao | | |
| | Supervisor | Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Guo-Hong Yeh | | |
| | President | Wei Tian | - | - |
| TCC Yongren (Hangzhou) Environmental Technology Company Limited | Chairman | Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Bao-Luo Ge | Contribution: RMB1,000,000 | 100 .00 |
| | Director | Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Yi-Xiu Lin, Chia-Hua Tsao | | |
| | Supervisor | Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Guo-Hong Yeh | | |
| | President | Wei Tian | - | - |
| TCC Yongren (Hangzhou) Renewable Resources Technology Company Limited | Chairman | Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Chien-Chuan Wang | Contribution: RMB1,000,000 | 100 .00 |
| | Director | Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Yi-Xiu Lin, Chia-Hua Tsao | | |
| | Supervisor | Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Guo-Hong Yeh | | |
| | President | Wei Tian | - | - |

March 20, 2023 (expressed in shares and %)

| Affiliate | Title | Name or representative | Type of shares | |
|--|------------|---|---------------------------------|------------|
| | | | Shareholdings | Percentage |
| TCC Yongren (Hangzhou) Renewable Resources Development Company Limited | Chairman | Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Yu-Wen Chiu | Contribution: RMB 1,000,000 | 100 .00 |
| | Director | Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Yi-Xiu Lin, Chia-Hua Tsao | | |
| | Supervisor | Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Guo-Hong Yeh | | |
| | President | Wei Tian | - | - |
| TCC (Shaoguan) Environmental Technology Co., Ltd. | Chairman | Representative of TCC Yongren (Hangzhou) Environmental Technology Company Limited: Chien-Chuan Wang | Contribution: RMB 1,000,000 | 100 .00 |
| | Director | Representative of TCC Yongren (Hangzhou) Environmental Technology Company Limited: Yin-Hua Chen, Yu-Wen Chiu | | |
| | Supervisor | Representative of TCC Yongren (Hangzhou) Environmental Technology Company Limited: Yu-Tzu Chiu | | |
| | President | Ming-Da Li | - | - |
| TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | Chairman | Representative of TCC Yingde Cement Co., Ltd. : An-Ping Chang | Contribution: RMB 1,690,000,000 | 100.00 |
| | Director | Representatives of TCC Yingde Cement Co., Ltd. : Cen-Wei Lan, Ker-Fu Lu | | |
| | Director | Wei Tian | - | - |
| | Supervisor | Yi-Xiu Lin | - | - |
| | President | Ker-Fu Lu | - | - |
| TCC (Hangzhou) Renewable Resources Technology Co., Ltd. | Chairman | Representatives of TCC (Guigang) Cement Company Limited: Bao-Luo Ge | Contribution: RMB 100,000,000 | 17.86 |
| | Director | Representatives of TCC (Guigang) Cement Company Limited: Guo-Hong Yeh | | |
| | Director | Wei Tian | - | - |
| | Supervisor | Yi-Xiu Lin | - | - |
| | President | Chien-Chuan Wang | - | - |
| Jurong TCC Environmental Co., Ltd. | Chairman | Representatives of Jingyang Industrial Limited & Jiangsu TCC Investment Co., Ltd: Ker-Fu Lu | Contribution: RMB 150,000,000 | 100.00 |
| | Director | Representatives of Jingyang Industrial Limited & Jiangsu TCC Investment Co., Ltd.: Cheng-Fu Yao, Chien-Chuan Wang | | |
| | Supervisor | Zhong-Hong Yang | - | - |
| TCC Energy Storage Technology Corporation | Chairman | Representative of Taiwan Cement Corporation: An-Ping Chang | 250,600,000 | 100.00 |
| | Director | Representatives of Taiwan Cement Corporation: Yi-Hsieh Huang, Yu-Tzu Chiu | | |
| | Supervisor | Representative of Taiwan Cement Corporation: Guo-Hong Yeh | | |
| | President | An-Ping Chang | - | - |
| TCC Sustainable Energy Investment Corporation | Chairman | Representative of Taiwan Cement Corporation: An-Ping Chang | 100,000 | 100.00 |
| | Director | Representatives of Taiwan Cement Corporation: Chi-Liang Weng, Yu-Tzu Chiu | | |
| | Supervisor | Representative of Taiwan Cement Corporation: Guo-Hong Yeh | | |
| | President | Chi-Liang Weng | - | - |

March 20, 2023 (expressed in shares and %)

| Affiliate | Title | Name or representative | Type of shares | |
|--|------------|--|----------------|------------|
| | | | Shareholdings | Percentage |
| Tuo Shan Recycle Technology Company | Chairman | Representative of Taiwan Cement Corporation: Ker-Fu Lu | 100,000 | 100.00 |
| | Director | Representatives of Taiwan Cement Corporation: Chien-Chuan Wang, Yin-Hua Chen | | |
| | Supervisor | Representative of Taiwan Cement Corporation: Guo-Hong Yeh | | |
| | President | Yu-Wen Chiu | - | - |
| Energy Helper TCC Corporation ⁵ | Chairman | Representative of TCC Energy Storage Technology Corporation: An-Ping Chang | 1,000,000 | 100.00 |
| | Director | Representatives of TCC Energy Storage Technology Corporation: Chien-Chuan Wang, Yi-Hsieh Huang | | |
| | Supervisor | Representative of TCC Energy Storage Technology Corporation: Guo-Hong Yeh | | |
| TCC Recycle Energy Technology Company | Chairman | Representative of Taiwan Cement Corporation: An-Ping Chang | 1,041,502,886 | 36.61 |
| | Director | Representatives of Taiwan Cement Corporation: Chien-Chuan Wang | | |
| | Director | International CSRC Investment Holdings Co., Ltd. : Kung-Yi Koo | 388,962,582 | 13.67 |
| | Supervisor | Guo-Hong Yeh | 150,000 | - |
| | President | Ren-Jen Shiue | 315,649 | - |
| E-One Moli Energy Corp. | Chairman | TCC Recycle Energy Technology Company: An-Ping Chang | 2,766,310,703 | 100.00 |
| | Director | TCC Recycle Energy Technology Company: Kung-Yi Koo, Ren-Jen Shiue | | |
| | Supervisor | TCC Recycle Energy Technology Company: Guo-Hong Yeh | | |
| | President | Ren-Jen Shiue | - | - |
| Molie Quantum Energy Corporation | Chairman | E-One Moli Energy Corporation: An-Ping Chang | 2,200,100,000 | 100.00 |
| | Director | E-One Moli Energy Corporation: Ren-Jen Shiue, Yu-Tzu Chiu | | |
| | Supervisor | E-One Moli Energy Corporation: Guo-Hong Yeh | | |
| | President | An-Ping Chang | - | - |
| E-One Holdings Ltd. | Director | E-One Moli Energy Corporation: An-Ping Chang | 65,344,940 | 100.00 |
| E-One Moli Holdings (Canada) Ltd. | Director | An-Ping Chang, Po-Sung Huang | 23,800 | 100.00 |
| E-One Moli Energy (Canada) Ltd. | Director | An-Ping Chang, Ting-I Wang, Ren-Jen Shiue, Frank So | 6,649,200 | 100.00 |

March 20, 2023 (expressed in shares and %)

| Affiliate | Title | Name or representative | Type of shares | |
|---|------------|---|------------------------------|------------|
| | | | Shareholdings | Percentage |
| TCC (Hangzhou) New Energy Company Limited ⁶ | Chairman | TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited : An-Ping Chang | - | - |
| | Director | TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited : Ker-Fu Lu, Bao-Luo Ge | | |
| | Supervisor | TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited : Yi-Xiu Lin | | |
| | President | Wei Tian | - | - |
| TCC Zhihe (Hangzhou) Environmental Protection Company Limited ⁷ | Chairman | TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited : An-Ping Chang | Contribution: RMB 41,000,000 | 100.00 |
| | Director | TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited : Ker-Fu Lu, Bao-Luo Ge | | |
| | Supervisor | TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited : Yi-Xiu Lin | | |
| | President | Wei Tian | - | - |
| TCC (Guangdong) Renewable Resources Technology Company Limited ⁸ | Chairman | TCC Yongren (Hangzhou) Renewable Resources Development Company Limited : Wei Tian | Contribution: RMB 5,000,000 | 100.00 |
| | Director | TCC Yongren (Hangzhou) Renewable Resources Development Company Limited : Cheng-Tao Chiang, Ming-Da Li | | |
| | Supervisor | TCC Yongren (Hangzhou) Renewable Resources Development Company Limited : Guo-Hong Yeh | | |
| | President | Wei Tian | - | - |

- 1 After the capital increase of CHIA-HO Green Energy Corporation on September 1, 2022, the shareholding ratio of its parent company TCC Green Energy Corporation was changed to 85%.
- 2 After the capital increase of TCC International Holdings Ltd. on December 20, 2022, the shareholding ratio of its parent company TCC International Ltd. was changed to 54.53%.
- 3 TCC (DongGuan) Cement Company Limited liquidation was completed in Feb 2023.
- 4 TCCMOLI Holdings (Singapore) Pte. Ltd. liquidation was completed in Jan 2022.
- 5 Energy Helper TCC Corporation was founded on August 1, 2022.
- 6 TCC (Hangzhou) New Energy Company Limited was established on August 8, 2022. As of March 20, 2023, capital injection was in progress.
- 7 TCC Zhihe (Hangzhou) Environmental Protection Company Limited was established on May 24, 2022.
- 8 TCC (Guangdong) Renewable Resources Technology Company Limited was established on September 26, 2022.



8.1.3 Business highlights of affiliates

December 31, 2022 (expressed in NT\$ thousands)

| Affiliate | Capital amount | Total asset | Total liabilities | Net worth | Revenue | Profit from operations | Profit (after tax) | EPS (NT\$) (after tax) |
|---|---|-----------------|-------------------|-----------------|-----------------|------------------------|--------------------|------------------------|
| Taiwan Transport & Storage Corporation | 624,839 | 3,251,707 | 455,359 | 2,796,348 | 1,548,767 | 44,377 | 311,453 | 4.98 |
| TJ Transport Corporation | 25,000 | 114,850 | 78,029 | 36,821 | 64,122 | 11,665 | 8,473 | 3.39 |
| Taiwan Cement Engineering Corporation | 601,656 | 735,962 | 870 | 735,092 | 2,367 | 214 | 1,993 | 0.03 |
| Kuan-Ho Refractories Industry Corporation | 490,200 | 1,100,739 | 409,406 | 691,333 | 1,018,281 | 73,383 | 55,018 | 1.26 |
| TCC Green Energy Corporation | 13,508,987 | 13,490,344 | 53,232 | 13,437,112 | 179,209 | 24,274 | 102,848 | 0.09 |
| TCC CHIA-CHIEN Green Energy Corporation | 3,202,000 | 3,889,533 | 764,701 | 3,124,832 | 136,131 | 45,188 | 43,528 | 0.19 |
| TCC YUN-KAI Green Energy Corporation | 25,000 | 22,178 | 30 | 22,148 | - | (34) | 65 | 0.03 |
| TCC LIEN-HSIN Green Energy Corporation | 4,012,000 | 4,322,082 | 296,843 | 4,025,239 | - | (1,077) | 17,895 | 0.04 |
| TCC CHANG-HO Green Energy Corporation | 2,456 | 2,376 | 30 | 2,346 | - | (34) | (30) | (0.12) |
| TCC KAO-CHENG Green Energy Corporation | 82,000 | 85,278 | 1,494 | 83,784 | 7,162 | 1,799 | 1,562 | 0.19 |
| TCC NAN-CHUNG Green Energy Corporation | 170,000 | 171,096 | 1,021 | 170,075 | 2,872 | 28 | 625 | 0.04 |
| CHANG-WANG Wind Power Co., Ltd. | 720,000 | 762,165 | 21,818 | 740,347 | 93,969 | 49,664 | 43,743 | 0.61 |
| TCC PING-CHIH Green Energy Corporation | 2,000 | 1,882 | 30 | 1,852 | - | (33) | (31) | (0.15) |
| CHIA-HO Green Energy Corporation ¹ | 3,700,000 | 3,660,887 | 3,728 | 3,657,159 | - | (21,934) | (10,134) | (0.07) |
| TCC TUNG-LI Green Energy Corporation | 270,000 | 269,973 | 27,022 | 242,952 | 3,383 | (21,391) | (21,013) | (1.04) |
| Hong Kong Cement Manufacturing Company Limited | HKD 45,000,000 | HKD 70,589,038 | HKD 180,280 | HKD 70,408,758 | HKD 1,782,612 | HKD (112,548) | HKD (112,548) | NA |
| TCC Development Limited | Ordinary shares: USD 10 Non-voting deferred shares: USD 90 | HKD 145,417,131 | HKD 3,666,573 | HKD 141,750,558 | HKD 25,905,894 | HKD 23,815,831 | HKD 20,325,831 | HKD 203,258.31 |
| Ta-Ho Maritime Corporation | 2,702,355 | 11,221,387 | 5,696,704 | 5,524,683 | 2,591,274 | 675,884 | 804,053 | 2.97 |
| Ta-Ho Maritime Holdings Limited. | USD 74,300,000 | USD 234,120,567 | USD 7,012 | USD 234,113,555 | - | USD (9,944) | USD 10,136,442 | USD 0.14 |
| THC International S.A. | USD 94,310,000 | USD 203,609,335 | USD 5,604,579 | USD 198,004,756 | USD 35,020,387 | USD 7,750,794 | USD 8,005,962 | USD 0.08 |
| Ta-Ho Maritime (Hong Kong) Limited | USD 5,100,000 | USD 33,397,890 | USD 9,512 | USD 33,388,378 | - | USD (10,270) | USD 2,140,198 | USD 0.42 |
| Ta-Ho Maritime (Singapore) Pte. Ltd. | USD 100,000 | USD 2,432,436 | USD 53,960 | USD 2,378,475 | - | USD (39,584) | USD (1,090) | USD (0.01) |
| Da Tong (Guigang) International Logistics Co., Ltd. | USD 5,000,000 | RMB 240,474,856 | RMB 11,560,511 | RMB 228,914,345 | RMB 87,942,008 | RMB 2,266,408 | RMB 14,452,848 | NA |
| Guigang Da-Ho Shipping Co., Ltd. | RMB 4,000,000 | RMB 162,335,532 | RMB 31,926,848 | RMB 130,408,685 | RMB 202,658,745 | RMB 9,659,392 | RMB 8,878,893 | NA |
| Da Tong (Ying De) Logistics Co., Ltd. | RMB 5,000,000 | RMB 38,586,440 | RMB 5,397,858 | RMB 33,188,582 | RMB 22,884,043 | RMB 2,408,068 | RMB 2,885,054 | NA |
| TCC Investment Corporation | 2,398,000 | 6,563,596 | 2,374,725 | 4,188,871 | - | (660) | 671,787 | 2.80 |
| Union Cement Traders Inc. | 342,000 | 2,112,031 | 999,921 | 1,112,110 | - | (275) | 67,083 | 1.96 |
| TCC Chemical Corporation | 1,400,000 | 2,329,177 | 1,004,253 | 1,324,924 | 135,578 | 98,625 | 94,359 | 0.67 |
| TCC Information Systems Corporation | 150,000 | 466,667 | 131,378 | 335,289 | 397,820 | 61,823 | 66,187 | 4.41 |
| Taicem Information (Samoa) Pte. Ltd. | 3,412 | 75,831 | 10,641 | 65,190 | - | (79) | 13,412 | NA |
| Fuzhou TCC Information Technology Co., Ltd. | RMB 826,510 | RMB 8,323,006 | RMB 2,186,755 | RMB 6,136,251 | RMB 7,193,578 | RMB 2,199,723 | RMB 2,197,449 | NA |
| Tung Chen Mineral Corporation | 2,000 | 1,223 | 240 | 983 | - | (251) | (249) | (12.52) |
| Jin Chang Minerals Corporation | 91,000 | 593,403 | 394,084 | 199,319 | 288,053 | 139,810 | 131,897 | 14.49 |

| Affiliate | Capital amount | Total asset | Total liabilities | Net worth | Revenue | Profit from operations | Profit (after tax) | EPS (NT\$) (after tax) |
|--|---|--------------------|-------------------|--------------------|-------------------|------------------------|--------------------|------------------------|
| Hoping Industrial Port Corporation | 3,200,000 | 8,315,043 | 2,592,529 | 5,722,514 | 1,622,589 | 836,889 | 700,877 | 2.19 |
| Ho-Ping Power Company | 13,545,215 | 38,234,330 | 14,152,504 | 24,081,826 | 22,985,566 | (1,253,480) | (1,488,561) | (1.10) |
| Ho-Ping Renewable Energy Company | 1,000 | 992 | - | 992 | - | (3) | (2) | (0.02) |
| HPC Power Services Corporation | USD 100,000 | 318,259 | 106,233 | 212,026 | 505,973 | 259,655 | 207,958 | NA |
| Ta-Ho RSEA Environment Co., Ltd. | 600,000 | 629,310 | 180 | 629,130 | - | (3,204) | (943) | (0.02) |
| E.G.C. CEMENT CORP. | 159,200 | 437,471 | 195,283 | 242,188 | 812,940 | 42,766 | 34,974 | 2.20 |
| Feng Sheng Enterprise Company Limited | 600,000 | 2,940,362 | 1,869,426 | 1,070,936 | 4,127,943 | 349,701 | 285,905 | 4.77 |
| Ho Sheng Mining Co., Ltd. | 301,000 | 453,685 | 118,586 | 335,099 | 229,585 | 5,966 | 8,688 | 0.29 |
| Taicorn Minerals Corporation | PHP 16,500,000 | - | PHP 35,201,000 | PHP (35,201,000) | - | - | - | NA |
| Trans Philippines Mineral Corp. | PHP 5,000,000 | - | PHP 10,004,000 | PHP (10,004,000) | - | - | - | NA |
| TCC International Limited | USD 1,100,875,900 | HKD 16,318,852,078 | HKD 1,031,469,517 | HKD 15,287,382,561 | - | HKD 311,038,347 | HKD 278,699,288 | HKD 0.46 |
| TCC International Holdings Ltd. ² | Ordinary shares: HKD 763,431,506.48 | HKD 30,690,681,256 | HKD 3,457,109,652 | HKD 27,233,571,604 | - | HKD 22,017,530 | HKD 21,633,504 | - |
| TCC International (Guangxi) Limited | USD 203,000,000 | HKD 3,112,926,473 | HKD 85,028,282 | HKD 3,027,898,191 | - | HKD 1,160,699,908 | HKD 1,044,630,591 | HKD 5.15 |
| TCC (Guigang) Cement Ltd. | USD 332,875,900 | HKD 8,051,553,457 | HKD 2,226,656,600 | HKD 5,824,896,857 | HKD 1,623,275,384 | HKD (374,242,418) | HKD (441,056,769) | NA |
| TCC Hong Kong Cement (BVI) Holdings Ltd. | USD 17,000 | HKD 10,573,255,057 | HKD 3,287,366 | HKD 10,569,967,691 | - | HKD 23,768,592 | HKD 23,768,592 | HKD 1,398.15 |
| Ulexite Investments Limited | USD 200 | HKD 38,340,717 | - | HKD 38,340,717 | - | HKD 158,253 | HKD 158,253 | HKD 791.26 |
| TCC Hong Kong Cement Development Ltd. | Ordinary shares: USD10 Non-voting deferred shares: USD90 | HKD 91,894,599 | HKD 8,164,976 | HKD 83,729,623 | - | HKD (2,346,452) | HKD (1,939,889) | NA |
| TCC Hong Kong Cement (QHC) Ltd. | USD 100 | HKD 18,114,340 | HKD 1,963 | HKD 18,112,378 | - | HKD 23,791,836 | HKD 23,791,836 | HKD 237,918.36 |
| Chiefk Company Limited | HKD 1,000,000 | HKD 46,084,196 | HKD 40,000 | HKD 46,044,196 | - | HKD 33,608,659 | HKD 33,608,659 | HKD 336.09 |
| TCC International (Liuzhou) Limited | USD 50,000 | HKD 391,525 | - | HKD 391,525 | - | HKD 34,190,550 | HKD 34,190,550 | HKD 683.81 |
| TCC Liuzhou Company Limited | HKD 10,000 | HKD 76,936,913 | HKD 20,000 | HKD 76,916,913 | - | HKD 15,431,501 | HKD 13,888,715 | HKD 1,388.87 |
| TCC Hong Kong Cement (Yargoan) Ltd. | USD 100 | HKD 3,331,571 | - | HKD 3,331,571 | - | HKD (8,164) | HKD (8,164) | NA |
| Hong Kong Cement Company Limited | HKD 164,391,013 | HKD 359,804,181 | HKD 25,617,740 | HKD 334,186,441 | HKD 325,915,172 | HKD 50,737,544 | HKD 43,402,382 | HKD 4,340.24 |

| Affiliate | Capital amount | Total asset | Total liabilities | Net worth | Revenue | Profit from operations | Profit (after tax) | EPS (NT\$) (after tax) |
|--|--------------------|--------------------|-------------------|--------------------|-------------------|------------------------|--------------------|------------------------|
| TCC Hong Kong Cement (Philippines) Ltd. | USD 100 | HKD 22,233,162 | HKD 6,179,161 | HKD 16,054,001 | - | HKD (8,164) | HKD (8,164) | NA |
| TCC Cement Corporation | Peso 91,020,500 | HKD 10,561,375 | HKD 8,747,064 | HKD 1,814,311 | - | - | - | NA |
| TCC Hong Kong Cement (International) Ltd. | USD 1,700 | HKD 10,167,016,182 | HKD 237,585,990 | HKD 9,929,430,192 | - | HKD (206,422) | HKD (206,422) | NA |
| TCC International (Hong Kong) Company Limited | HKD 10,163,557,694 | HKD 12,983,171,071 | HKD 7,700,916 | HKD 12,975,470,155 | - | HKD 2,180,152,441 | HKD 2,180,152,441 | HKD 183,206.09 |
| TCC Fuzhou Yangyu Port Co., Ltd. | USD 5,000,000 | HKD 81,875,514 | HKD 2,163,633 | HKD 79,711,881 | HKD 11,874,086 | HKD 2,635,057 | HKD 1,921,868 | NA |
| TCC Liuzhou Construction Materials Co., Ltd. | USD 13,500,000 | HKD 228,647,218 | HKD 14,756,748 | HKD 213,890,470 | HKD 138,018,878 | HKD (7,200,417) | HKD (7,196,365) | NA |
| TCC Fuzhou Cement Co., Ltd. | USD 16,250,000 | HKD 284,912,264 | HKD 56,678,792 | HKD 228,233,472 | HKD 109,045,782 | HKD (32,715,657) | HKD (32,683,421) | NA |
| TCC Yingde Cement Co., Ltd. | USD 254,400,000 | HKD 11,093,550,690 | HKD 2,485,258,562 | HKD 8,608,292,128 | HKD 3,585,637,994 | HKD 125,429,688 | HKD 92,267,548 | NA |
| Jurong TCC Cement Co., Ltd. | USD 233,000,000 | HKD 5,031,542,703 | HKD 427,641,483 | HKD 4,603,901,220 | HKD 1,707,776,257 | HKD 187,563,365 | HKD 63,458,570 | NA |
| Jingyang Industrial Limited | HKD 101,614,561 | HKD 1,560,276,622 | HKD 1,251,073,090 | HKD 309,203,531 | - | HKD (4,557) | HKD (4,557) | NA |
| Jiangsu TCC Investment Co., Ltd. | USD 50,000,000 | HKD 1,023,966,775 | HKD 89 | HKD 1,023,966,686 | - | HKD 374 | HKD 5,945,305 | NA |
| Upper Value Investments Limited | USD 12,400 | HKD 8,418,581,753 | HKD (268,617,584) | HKD 8,687,199,338 | - | HKD 541,940,398 | HKD 541,940,398 | HKD 42,672.47 |
| Prosperity Cement Investment Limited | HKD 759,955,769 | HKD 973,981,994 | HKD 264,740 | HKD 973,717,254 | - | HKD 580,001,252 | HKD 522,008,610 | HKD 51,684.02 |
| Yingde Dragon Mountain Cement Co., Ltd. | RMB 428,110,000 | HKD 4,263,309,110 | HKD 274,605,703 | HKD 3,988,703,407 | HKD 1,715,115,128 | HKD 146,654,298 | HKD 110,752,969 | NA |
| Prosperity Minerals (International) Limited | HKD 28,533,976 | HKD 2,071,637,901 | HKD 177,208,784 | HKD 1,894,429,117 | - | HKD 4,934,588 | HKD 4,934,588 | HKD 1,644,862.52 |
| Kiton Ltd. | HKD 685,926,583 | HKD 685,699,730 | HKD 48,000 | HKD 685,651,730 | - | HKD (49,505) | HKD (49,505) | NA |
| TCC Liaoning Cement Company Limited | RMB 371,000,000 | HKD 874,563,766 | HKD 418,732,760 | HKD 455,831,006 | HKD 460,147,048 | HKD (26,718,723) | HKD (23,764,398) | NA |
| Hensford Limited | HKD 1,191,945,979 | HKD 1,191,949,270 | HKD 48,000 | HKD 1,191,901,270 | - | HKD (46,854) | HKD (46,854) | NA |
| TCC Anshun Cement Company Limited | USD 153,490,000 | HKD 1,970,928,665 | HKD 118,096,068 | HKD 1,852,832,597 | HKD 572,611,048 | HKD (18,110,264) | HKD (17,952,669) | NA |
| Sure Kit Limited | HKD 953,818,809 | HKD 954,553,323 | HKD 48,000 | HKD 954,505,323 | - | HKD (46,474) | HKD (46,474) | NA |
| TCC Chongqing Cement Company Limited | USD 118,000,000 | HKD 2,671,655,428 | HKD 215,551,825 | HKD 2,456,103,603 | HKD 1,024,704,348 | HKD 46,432,104 | HKD 31,652,986 | NA |
| Prime York Limited | HKD 532,147,515 | HKD 609,780,424 | HKD 4,084,723 | HKD 605,695,702 | - | HKD 42,069,072 | HKD 42,069,072 | HKD 4,084.38 |
| Prosperity Minerals (China) Limited | USD 10,300 | HKD 127,287,048 | HKD 6,997,575 | HKD 120,289,473 | - | HKD (455,120) | HKD (498,330) | NA |
| Mega East Limited | HKD 597,603,470 | HKD 597,731,475 | HKD 465,785 | HKD 597,265,690 | - | HKD (49,458) | HKD (49,458) | NA |
| Guangan Changxing Cement Co., Ltd. | USD 76,990,000 | HKD 1,690,888,840 | HKD 96,058,377 | HKD 1,594,830,463 | HKD 594,793,737 | HKD 79,611,317 | HKD 56,956,058 | NA |
| TCC (DongGuan) Cement Company Limited ³ | - | HKD 901,165 | HKD 1,283 | HKD 899,882 | - | HKD 5,669,019 | HKD 5,669,019 | NA |

| Affiliate | Capital amount | Total asset | Total liabilities | Net worth | Revenue | Profit from operations | Profit (after tax) | EPS (NT\$) (after tax) |
|---|-------------------|-------------------|-------------------|-----------------|-----------------|------------------------|--------------------|------------------------|
| TCC International (China) Company Limited | HKD 62,143,260 | HKD 62,134,445 | HKD 254,290 | HKD 61,880,155 | - | HKD (21,700) | HKD (21,700) | NA |
| TCC New (Hangzhou) Management Company Limited | USD 8,000,000 | HKD 107,599,839 | HKD 91,132,688 | HKD 16,467,151 | - | HKD 510,046 | HKD (1,102,245) | NA |
| Kong On Cement Holdings Ltd. | HKD 127,440,000 | HKD 157,477,509 | HKD 19,625,666 | HKD 137,851,842 | - | HKD (20,747) | HKD (20,747) | NA |
| Guizhou Kong On Cement Co., Ltd. | USD 20,300,000 | HKD 330,880,101 | HKD 194,473,841 | HKD 136,406,260 | HKD 174,769,015 | HKD (30,709,686) | HKD (30,609,361) | NA |
| Wayly Holdings Limited | USD 10,501 | HKD 497,157,231 | HKD 26,218,857 | HKD 470,938,374 | - | HKD (15,689,827) | HKD (15,689,827) | NA |
| Guizhou Kaili Rui An Jian Cai Co., Ltd. | RMB 389,660,500 | HKD 993,451,632 | HKD 56,197,482 | HKD 937,254,151 | HKD 357,222,155 | HKD (20,835,412) | HKD (23,459,988) | NA |
| TCC Shaoguan Cement Co., Ltd. | USD 69,100,000 | HKD 1,896,475,310 | HKD 1,496,158,942 | HKD 400,316,368 | HKD 488,999,819 | HKD (67,179,517) | HKD (67,179,517) | NA |
| TCC Yingde Mining Industrial Company Limited | USD 11,500,000 | HKD 92,373,911 | HKD 756,606 | HKD 91,617,305 | - | HKD 2,014,627 | HKD (1,456,940) | NA |
| TCC Guigang Mining Industrial Company Limited | USD 5,000,000 | HKD 101,507,659 | HKD 441,852 | HKD 101,065,807 | - | HKD 1,629,610 | HKD 1,222,208 | NA |
| TCC Jiangsu Mining Industrial Company Limited | USD 4,000,000 | HKD 109,535,968 | HKD 7,622,305 | HKD 101,913,663 | HKD 54,384,335 | HKD 18,470,648 | HKD 13,626,340 | NA |
| Scitus Cement (China) Holdings Limited | HKD 1,245,257,277 | HKD 1,270,044,620 | HKD 393,076,320 | HKD 876,968,300 | - | HKD (674,115) | HKD (674,115) | NA |
| Scitus Cement (China) Operating Company Limited | HKD 10,000 | - | HKD 6,248,922 | HKD (6,248,922) | - | HKD (12,150) | HKD (12,150) | NA |
| Hexagon Holdings Limited | HKD 1 | HKD 211,581,700 | HKD 12,000 | HKD 211,569,700 | - | HKD (12,850) | HKD (12,850) | NA |
| Hexagon II Holdings Limited | HKD 1 | HKD 75,857,859 | HKD 12,000 | HKD 75,845,859 | - | HKD (12,150) | HKD (12,150) | NA |
| Hexagon III Holdings Limited | HKD 79,500,001 | HKD 158,446,572 | HKD 69,190,657 | HKD 89,255,915 | - | HKD (49,698) | HKD (49,698) | NA |
| Hexagon IV Holdings Limited | HKD 136,430,001 | HKD 439,486,688 | HKD 281,732,878 | HKD 157,753,809 | - | HKD (52,267) | HKD (52,267) | NA |
| Hexagon V Holdings Limited | HKD 1 | HKD 89,070,339 | HKD 14,014,609 | HKD 75,055,730 | - | HKD (12,250) | HKD (12,250) | NA |
| Upper Value Investment Limited | HKD 1 | HKD 560,785,596 | HKD 51,020,000 | HKD 509,765,596 | - | HKD 369,308,890 | HKD 369,308,890 | NA |
| Hexagon VIII Holdings Limited | HKD 1 | HKD 10,795,032 | HKD 12,000 | HKD 10,783,032 | - | HKD (12,250) | HKD (12,250) | NA |
| Hexagon IX Holdings Limited | HKD 1 | HKD 19,295,736 | HKD 20,760,179 | HKD (1,464,443) | - | HKD (49,700) | HKD (49,700) | NA |
| Hexagon XIII Holdings Limited | HKD 1 | HKD 5,822,478 | HKD 12,000 | HKD 5,810,478 | - | HKD (12,255) | HKD (12,255) | NA |
| Hexagon XIV Holdings Limited | HKD 1 | HKD 21,449,128 | HKD 21,970,361 | HKD (521,233) | - | HKD (49,705) | HKD (49,705) | NA |
| Scitus Luzhou Cement Co., Ltd. | RMB 395,000,000 | HKD 1,064,295,475 | HKD 155,299,953 | HKD 908,995,522 | HKD 567,667,314 | HKD 46,220,311 | HKD 33,145,932 | NA |
| Scitus Hejiang Cement Co., Ltd. | RMB 23,250,000 | HKD 2,248,257 | HKD 1,025 | HKD 2,247,231 | - | HKD 1,211,664 | HKD 1,210,708 | NA |
| Scitus Luzhou Concrete Co., Ltd. | RMB 25,000,000 | HKD 24,462,405 | HKD 3,778,085 | HKD 20,684,320 | HKD 14,460,037 | HKD (4,031,189) | HKD (4,035,100) | NA |

| Affiliate | Capital amount | Total asset | Total liabilities | Net worth | Revenue | Profit from operations | Profit (after tax) | EPS (NT\$) (after tax) |
|--|-------------------|-------------------|-------------------|-------------------|-----------------|------------------------|--------------------|------------------------|
| Scitus Naxi Cement Co., Ltd. | RMB 146,510,000 | HKD 210,198,755 | HKD 87,714,928 | HKD 122,483,827 | HKD 45,363,164 | HKD (28,959,919) | HKD (29,211,394) | NA |
| Anshun Xin Tai Construction Materials Company Limited | RMB 15,000,000 | HKD 14,615,231 | HKD 321,541 | HKD 14,293,690 | HKD 1,606,639 | HKD (2,161,657) | HKD (2,161,657) | NA |
| TCC Huaying Cement Company Limited | RMB 949,880,000 | HKD 870,488,128 | HKD 33,874,762 | HKD 836,613,366 | HKD 134,947,100 | HKD (109,307,635) | HKD (109,075,149) | NA |
| TCC Huaihua Cement Company Limited | RMB 300,000,000 | HKD 1,894,820,087 | HKD 735,941,689 | HKD 1,158,878,398 | HKD 280,432,052 | HKD (79,034,122) | HKD (116,615,112) | NA |
| TCC Jingzhou Cement Company Limited | RMB 150,000,000 | HKD 732,951,915 | HKD 186,366,922 | HKD 546,584,993 | HKD 231,110,533 | HKD (32,199,133) | HKD (32,224,228) | NA |
| TCC Huaihua Concrete Company Limited | RMB 10,000,000 | HKD 22,634,395 | HKD 17,975,828 | HKD 4,658,567 | HKD 4,050,941 | HKD (3,825,968) | HKD (3,825,968) | NA |
| Guigang TCC Dongyuan Environmental Protection Technology Co., Ltd. | RMB 126,000,000 | HKD 284,269,893 | HKD 26,348,301 | HKD 257,921,592 | HKD 85,808,841 | HKD 24,024,854 | HKD 24,024,854 | NA |
| Beijing TCC Environmental Technology Co., Ltd. | RMB 6,000,000 | HKD 1,290,434 | HKD 28,231,953 | HKD (26,941,519) | - | HKD (11,045,627) | HKD (11,045,627) | NA |
| Kaili TCC Environmental Technology Co., Ltd. | RMB 8,000,000 | HKD 109,088,000 | HKD 127,591,376 | HKD (18,503,377) | HKD 9,077,531 | HKD (1,612,291) | HKD (1,612,291) | NA |
| TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd. | RMB 4,000,000 | HKD 4,132,274 | HKD (14,495) | HKD 4,146,769 | - | HKD 36,629 | HKD 36,629 | NA |
| Taiwan Cement (Dutch) Holdings B.V. | EUR 1,179,219,000 | EUR 1,272,402,816 | EUR 53,293,194 | EUR 1,219,109,623 | EUR 96,000 | EUR (882,589) | EUR 48,615,735 | NA |
| Taiwan Cement Europe Holdings B.V. | EUR 180,001,000 | EUR 274,491,960 | EUR 13,002 | EUR 274,478,958 | - | EUR (84,540) | EUR (29,756,401) | NA |
| NHOA S.A. | EUR 5,106,744 | EUR 131,938,267 | EUR 55,791,497 | EUR 76,146,770 | - | EUR (4,231,444) | EUR (38,814,659) | NA |
| NHOA ENERGY S.R.L. | EUR 2,000,000 | EUR 126,605,397 | EUR 76,658,252 | EUR 49,947,145 | EUR 73,238,188 | EUR (6,374,901) | EUR (8,197,294) | NA |
| ELECTRO POWER SYSTEM MANUFACTURING | EUR 1,004,255 | EUR 7,132,393 | EUR 183,571 | EUR 6,948,821 | - | EUR 3,017,485 | EUR 2,892,627 | EUR 3 |
| Comores Energie Nouvelles S.A.R.L. | KMF 1,000,000 | EUR 5,864,810 | EUR 6,532,497 | EUR (667,687) | EUR 555,077 | EUR 62,543 | EUR (307,200) | EUR 625 |
| NHOA AMERICAS LLC | USD 10,000 | EUR 3,420,191 | EUR 3,472,402 | EUR (52,211) | EUR 3,246,546 | EUR (1,444,327) | EUR (1,234,665) | NA |
| NHOA AUSTRALIA PTY LTD | AUD 25,210,000 | EUR 27,931,216 | EUR 12,857,548 | EUR 16,135,194 | EUR 84,444,620 | EUR 49,894 | EUR 704 | EUR 0.002 |
| ATLANTE TOPCO S.R.L. | EUR 1,000,000 | EUR 19,613,047 | EUR 16,819,564 | EUR 2,793,483 | - | EUR (1,300) | EUR (12,053,735) | NA |
| NHOA CORPORATE S.R.L. | EUR 1,000,000 | EUR 13,042,470 | EUR 7,611,039 | EUR 5,431,431 | - | - | EUR (13,323,585) | NA |
| NHOA LATAM S.A.C. | SOL 3,000 | EUR 5,373,319 | EUR 5,508,759 | EUR 78,126 | EUR 5,086,778 | EUR 403,671 | EUR 78,885 | EUR 135 |
| ATLANTE S.R.L. | EUR 5,000,000 | EUR 36,126,724 | EUR 21,177,224 | EUR 14,949,500 | EUR 1,292,722 | EUR (8,856,936) | EUR (12,039,225) | NA |
| ATLANTE IBERIA S.L. | EUR 504,000 | EUR 1,538,501 | EUR 1,776,788 | EUR (76,718) | - | EUR (1,599,401) | EUR (1,437,723) | NA |

| Affiliate | Capital amount | Total asset | Total liabilities | Net worth | Revenue | Profit from operations | Profit (after tax) | EPS (NT\$) (after tax) |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|------------------------|--------------------|------------------------|
| ATLANTE FRANCE S.A.S. | EUR 3,000,000 | EUR 2,933,984 | EUR 2,378,906 | EUR 732,936 | - | EUR (2,480,983) | EUR (2,320,842) | NA |
| Atlante Fast Charging Portugal LDA | EUR 4,000 | EUR 25,971 | EUR 74,442 | EUR (48,472) | - | EUR (52,363) | EUR (52,472) | NA |
| FREE2MOVE ESOLUTIONS S.P.A. | EUR 32,755,531 | EUR 80,836,388 | EUR 69,968,700 | EUR 10,867,688 | EUR 18,055,442 | EUR (27,688,236) | EUR (26,697,474) | NA |
| FREE2MOVE ESOLUTIONS NORTH AMERICA LLC | USD 100,000 | EUR 720,620 | EUR 2,268,478 | EUR (1,547,859) | - | EUR (1,542,562) | EUR (1,610,449) | NA |
| FREE2MOVE ESOLUTIONS FRANCE S.A.S. | EUR 50,000 | EUR 23,614 | EUR 106,060 | EUR (82,446) | - | EUR (132,446) | EUR (132,446) | NA |
| FREE2MOVE ESOLUTIONS SPAIN S.L.U. | EUR 100,000 | EUR 100,000 | EUR 194,790 | EUR (94,790) | - | EUR (194,790) | EUR (194,790) | NA |
| FREE2MOVE ESOLUTIONS UK LTD | GBP 100,000 | - | EUR 26,379 | EUR (26,378) | - | EUR (27,121) | EUR (27,121) | NA |
| TCCMOLI Holdings (Singapore) Pte. Ltd. ⁴ | - | - | - | - | - | - | - | NA |
| TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | RMB 1,690,000,000 | HKD 2,840,440,519 | HKD 1,114,661,681 | HKD 1,725,778,838 | HKD 2,234,866,145 | HKD 3,146,585 | HKD (3,139,635) | NA |
| TCC (Hangzhou) Renewable Resources Technology Co., Ltd. | RMB 560,000,000 | HKD 643,669,850 | HKD 698,644 | HKD 642,971,206 | - | HKD 10,084,560 | HKD 7,563,420 | NA |
| Jurong TCC Environmental Co., Ltd. | RMB 150,000,000 | HKD 166,728,775 | HKD 10 | HKD 166,728,765 | - | HKD 507,048 | HKD 394,196 | NA |
| TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited | RMB 1,000,000 | HKD 5,735,612 | HKD 4,632,126 | HKD 1,103,486 | HKD 4,149,695 | HKD (20,493) | HKD (17,182) | NA |
| TCC Yongren (Hangzhou) Environmental Technology Company Limited | RMB 1,000,000 | HKD 1,119,788 | - | HKD 1,119,788 | - | (HKD 111) | (HKD 133) | NA |
| TCC Yongren (Hangzhou) Renewable Resources Technology Company Limited | RMB 1,000,000 | HKD 2,854,425 | HKD 2,240,000 | HKD 614,425 | - | HKD (33,064) | HKD (33,086) | NA |
| TCC Yongren (Hangzhou) Renewable Resources Development Company Limited | RMB 6,000,000 | HKD 7,812,784 | HKD 1,071,288 | HKD 6,741,497 | HKD 4,815,701 | HKD 23,148 | HKD 22,569 | NA |
| TCC Shaoguan Environmental Technology Company Limited | RMB 1,000,000 | HKD 1,123,166 | - | HKD 1,123,166 | - | HKD 3,311 | HKD 3,311 | NA |
| TCC Energy Storage Technology Corporation. | 2,506,000 | 2,460,860 | 130,814 | 2,330,046 | 4,748 | (140,863) | (149,021) | (0.59) |
| TCC Sustainable Energy Investment Corporation. | 1,000 | 909 | 10 | 899 | - | (14) | (13) | (0.13) |
| Tuo Shan Recycle Technology Company | 1,000 | 953 | 10 | 943 | - | (13) | (12) | (0.12) |

| Affiliate | Capital amount | Total asset | Total liabilities | Net worth | Revenue | Profit from operations | Profit (after tax) | EPS (NT\$) (after tax) |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|------------------------|--------------------|------------------------|
| Energy Helper TCC Corporation ⁵ | 10,000 | 9,917 | 318 | 9,599 | - | (404) | (401) | (0.10) |
| TCC Recycle Energy Technology Company | 28,450,979 | 28,018,994 | 996 | 28,017,998 | - | (1,227) | 419,262 | 0.15 |
| E-One Moli Energy Corp. | 27,663,107 | 31,871,283 | 4,729,778 | 27,141,505 | 6,052,180 | 298,742 | 418,013 | 0.15 |
| Molie Quantum Energy Corporation | 22,001,000 | 23,285,582 | 1,461,459 | 21,824,123 | - | (152,906) | (94,224) | (0.04) |
| E-One Holdings Ltd | USD 65,344,940 | USD 32,455,012 | - | USD 32,455,012 | - | - | USD 2,508,001 | NA |
| E-One Moli Holdings (Canada) Ltd. | CAD 79,141,373 | CAD 21,337,308 | - | CAD 21,337,308 | - | - | CAD 1,529,346 | NA |
| E-One Moli Energy (Canada) Ltd. | CAD 85,779,298 | CAD 43,845,321 | CAD 20,300,588 | CAD 23,544,733 | CAD 14,902,580 | CAD 1,267,253 | CAD 1,529,386 | NA |
| TCC (Hangzhou) New Energy Company Limited ⁶ | - | - | - | - | - | - | - | NA |
| TCC Zhihe (Hangzhou) Environmental Protection Company Limited ⁷ | - | - | - | - | - | - | - | NA |
| TCC (Guangdong) Renewable Resources Technology Company Limited ⁸ | - | - | - | - | - | - | - | NA |

- After the capital increase of CHIA-HO Green Energy Corporation on September 1, 2022, the shareholding ratio of its parent company TCC Green Energy Corporation was changed to 85%.
- After the capital increase of TCC International Holdings Ltd. on December 20, 2022, the shareholding ratio of its parent company TCC International Ltd. was changed to 54.53%.
- TCC (DongGuan) Cement Company Limited liquidation was completed in Feb 2023.
- TCCMOLI Holdings (Singapore) Pte. Ltd. liquidation was completed in Jan 2022.
- Energy Helper TCC Corporation was founded on August 1, 2022.
- TCC (Hangzhou) New Energy Company Limited was established on August 8, 2022. As of December 31, 2022, capital injection was in progress.
- TCC Zhihe (Hangzhou) Environmental Protection Company Limited was established on May 24, 2022. As of December 31, 2022, capital injection was in progress.
- TCC (Guangdong) Renewable Resources Technology Company Limited was established on September 26, 2022. As of December 31, 2022, capital injection was in progress.

8.2 Private Placement Securities: None.

8.3 Holding or Disposition of the Company Stocks by Subsidiaries: None.

8.4 Other required supplementary notes: None.

09 Any Event in 2022 and as of the Date of This Annual Report That Had a Material Impact on Shareholders' Interests or Share Prices as Stated in Item 3 Paragraph 2 of Article 36 of the Securities and Exchange Law of Taiwan:

- On July 1, 2022, the Company announced that President Mr. Jong-Peir Li resigned on August 10, 2022 due to health reasons. Therefore, on August 10, 2022, the Board of Directors resolved to appoint Chairman Mr. An-Ping Chang as the acting President, effective from August 10, 2022.
- On November 10, 2022, the Company announced that the Board of Directors passed a resolution to appoint Mr. Roman Cheng as the President of the Company, effective from November 21, 2022.

Although there have been changes in the Company's President, the management teams of each department remain unchanged. The above-mentioned matters have been announced and reported in accordance with the relevant regulations of the Securities and Exchange Law. After evaluation, the Company has determined that these matters have not significantly affected the shareholders' equity or security prices.

Contact Information

TCC Headquarters

(02) 2531-7099
No. 113, Section 2,
Zhongshan North Rd.,
Zhongshan Dist., Taipei City
104, Taiwan

R&D

(03) 321-7855
No. 148, Section 1, Chang'an
Rd., Luzhu Dist., Taoyuan
City 338, Taiwan

Hoping cement plant

(03) 868-2111
No.263, Ho-Ping Village,
Sioulin Township, Hualien
County 972, Taiwan

Suao cement plant

(03) 996-2511-20
No. 46, Yongchang Rd.,
Suao Township, Yilan County
270, Taiwan

Hualien cement plant

(03) 822-1161
No. 103, Huadong, Hualien
City, Hualien County 970,
Taiwan

Hualien ready mix concrete site

(03) 822-8353
No. 2-1, Jingmei Rd., Hualien
City, Hualien County 970,
Taiwan

Taipei cement products plant

(02) 8691-9518
No. 310, Sec.1, Datong Rd.,
Xizhi Dist., New Taipei City
221, Taiwan

Tucheng branch

(02) 8676-3356
No. 4, Ln. 223, Sec. 3,
Jieshou Rd., Sanxia Dist.,
New Taipei City 237, Taiwan

Taoyuan branch

(03) 322-2166-68
No. 220, Sec. 2,
Nanshan Rd., Luzhu
Township, Taoyuan County
338, Taiwan

Taoyuan second branch

(03) 322-1321
No. 59, Liufu Rd., Luzhu
Dist., Taoyuan City 338,
Taiwan

Taipei delivery station

(02) 2423-1815
No. 59, Guanghua Rd.,
Zhongshan Dist., Keelung
City 203, Taiwan

Guishan branch

(03) 359-5633
No. 688, Dongwanshou Rd.,
Guishan Dist., Taoyuan City
333, Taiwan

Bade branch

(03) 368-5785
No. 32-1, Chung Hsiao alley,
Changxing Rd., Bade Dist.,
Taoyuan City 334, Taiwan

Jhongli branch

(03) 490-7675-8
No. 203, Sec. 6, Minzu Rd.,
Xinwu Township, Taoyuan
County 327, Taiwan

Jhongli Second Branch

(03) 490-5501
No. 38, Ln. 306, Sec. 1,
Guoling Rd., Zhongli Dist.,
Taoyuan City 320, Taiwan

Hsinchu branch

(03) 551-5166-9
No. 792, Bo'ai St., Zhubei
City, Hsinchu County 302,
Taiwan

Yilan branch

(03) 922-0456
No. 438, Sec. 2, Yuanshan
Rd., Yuanshan Township,
Yilan County 264, Taiwan

Taichung cement plant

(04) 2568-1691
No. 785, Sec. 3, Zhongqing
Rd., Daya Dist., Taichung
City 428, Taiwan

Dadoo branch

(04) 2699-2826
No. 303, Sec. 2, Shatian Rd.,
Dadu Dist., Taichung City
432, Taiwan

Taichung Port cement distribution station

(04) 2656-4394-5
No.2, Beiheng 7th Rd.,
Qingshui Dist., Taichung City
436, Taiwan

Shengang branch

(04) 2563-3980
No. 502, Xizhou Rd.,
Shengang Dist., Taichung
City 429, Taiwan

Caotun branch

(049) 225-3248
No. 137, Renhe Rd., Nantou
City, Nantou County 540,
Taiwan

Kaohsiung cement plant

(07)372-0396
No. 16, Gongye 1st Rd.,
Renwu Dist., Kaohsiung City
814, Taiwan

Chiayi branch

(05) 221-7215
No. 8, Xinsheng St., Minxiang
Township, Chiayi County
621, Taiwan

Tainan branch

(06) 270-3259
No. 36, Taiyi 7th St., Rende
Dist., Tainan City 717, Taiwan

Luzhu branch

(07) 607-1238
No. 809, Daren Rd., Luzhu
Dist., Kaohsiung City 821,
Taiwan

Shanhua branch

(06) 581-0685
No. 33, Xingnong Rd.,
Shanhua Dist., Tainan City
741, Taiwan

Anping branch

(06) 291-9809
No. 84-2, Xinle Rd., South
Dist., Tainan City 702,
Taiwan

Nanzi Plant

(07) 349-4062
No. 99-1, Gaonan Highway,
Renwu Dist., Kaohsiung City
814, Taiwan

Xiaogang branch

(07) 872-1166-7
No. 12, Zhonglin Rd.,
Xiaogang Dist., Kaohsiung
City 812, Taiwan

Kaohsiung Port cement distribution station (No.44 Wharf)

(07) 813-5047-9
No. 12, Dahua 3rd Rd.,
Qianzhen Town, Kaohsiung
City 806, Taiwan

Anping Port cement distribution station

(06) 292-3123
No. 6, Lane 23, Xingang Rd.,
South Dist., Tainan City 702,
Taiwan

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E-mail : shellyyeh@taiwancement.com

Deputy spokesperson : Associate VP, Jia-Ro Lai

Tel : (02)2531-7099 Ext 20207
E-mail : nana.lai@taiwancement.com

Stock transfer services : Transfer Agency, CTCB Bank

Address : 5F., No.83, Sec.1, Chongqing S. Rd.,
Zhongzheng Dist., Taipei City 100, Taiwan
Tel : (02) 6636-5566
Website : <http://www.chinatrust.com.tw>

CPAs : Hui-Min Huang and Cheng-Hung Kuo

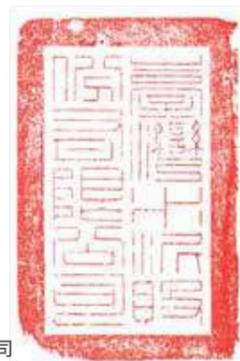
CPA firm : Deloitte Taiwan
Address : 20F., Taipei Nan Shan Plaza No.100,
Songren Rd., Xinyi Dist., Taipei 11073, Taiwan
Tel : (02) 2725-9988 (Rep.)
Website : <http://www.deloitte.com>

Overseas listings and access to listing information:

1. Global depository receipts – Luxembourg
Stock Exchange sub-board link for
inquiries: [https://www.bourse.lu/issuer/
TaiwanCement/55152](https://www.bourse.lu/issuer/TaiwanCement/55152)
2. Overseas unsecured convertible corporate
bonds – Singapore Exchange link for
inquiries: <https://www2.sgx.com/>

台灣水泥(股)公司

負責人:



THE FUTURE IS WORTH IT

THE TAIWAN CEMENT CORPORATION

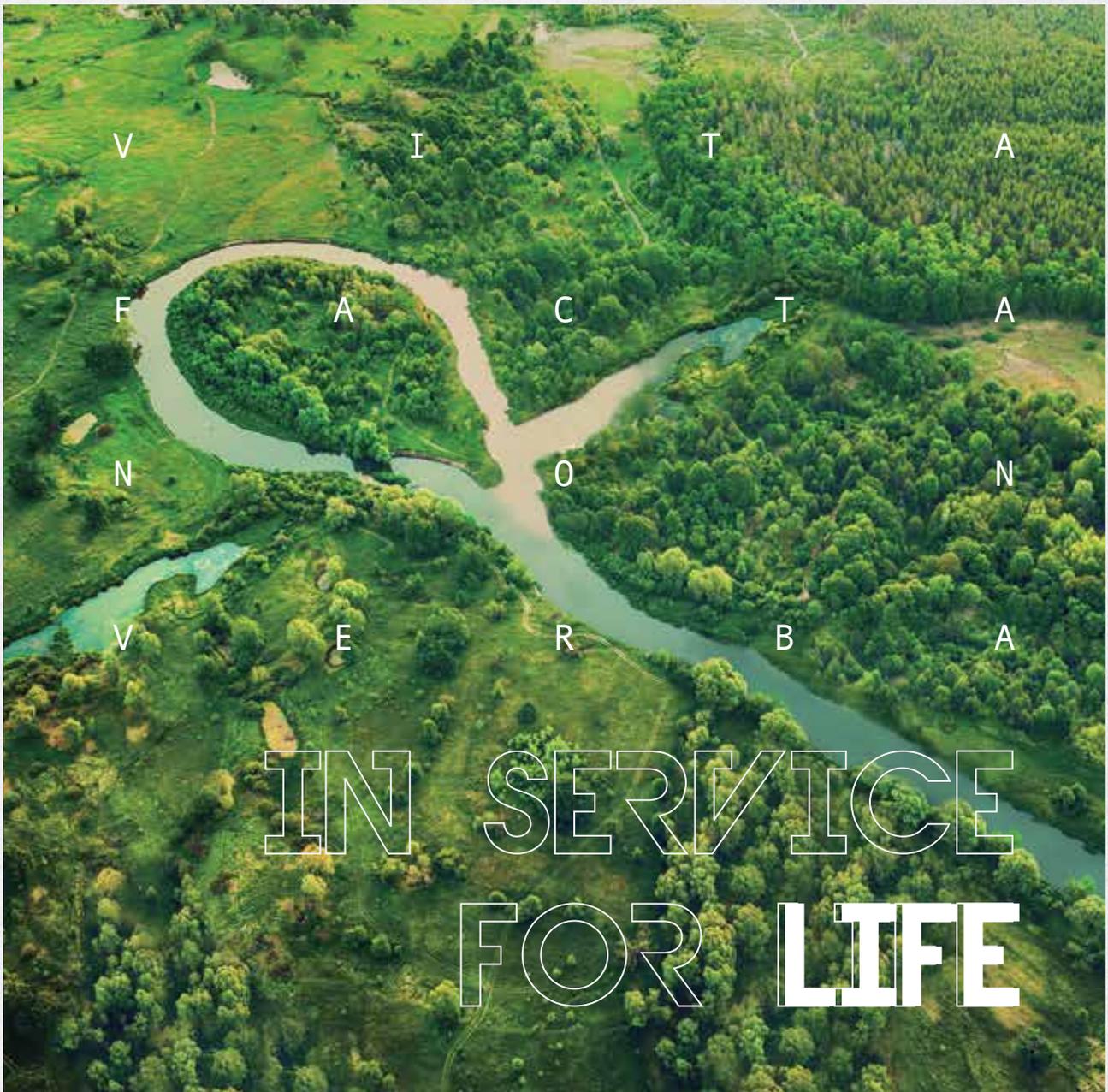
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THE TAIWAN CEMENT CORPORATION ANNEXES TO 2022 ANNUAL REPORT



WEBSITE : www.taiwancement.com

(MOPS)MARKET OBSERVATION POST SYSTEM WEBSITE: mops.twse.com.tw

PUBLISHED ON MARCH 20th 2023

**Taiwan Cement Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Years Ended December 31, 2022 and 2021 and
Independent Auditors' Report**

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, 2022 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 24, 2023

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Taiwan Cement Corporation (the “Corporation”) was incorporated in 1946 and restructured as a corporation in 1951, which was jointly operated by the Ministry of Economics Resource Committee and the Taiwan Provincial Government. In 1954, the Corporation was privatized as a result of the Taiwan government’s land reform program, land-to-the-tiller policy. The Corporation engages in the manufacturing and marketing of cement, cement-related products and ready-mixed concrete. The Corporation’s shares have been listed on the Taiwan Stock Exchange since February 1962.

The consolidated financial statements of the Corporation and its subsidiaries, collectively referred to as the “Group”, are presented in New Taiwan dollars, the functional currency of the Corporation.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s board of directors on February 24, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2023

| New IFRSs | Effective Date Announced by IASB |
|---|-------------------------------------|
| Amendments to IAS 1 “Disclosure of Accounting Policies” | January 1, 2023 (Note 1) |
| Amendments to IAS 8 “Definition of Accounting Estimates” | January 1, 2023 (Note 2) |
| Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction” | January 1, 2023 (Note 3) |

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

- c. The New IFRSs issued by International Accounting Standards Board (IASB) but not yet endorsed and issued into effect by the FSC

| New IFRSs | Effective Date Announced by IASB (Note 1) |
|--|--|
| Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" | To be determined by IASB |
| Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback" | January 1, 2024 (Note 2) |
| IFRS 17 "Insurance Contracts" | January 1, 2023 |
| Amendments to IFRS 17 | January 1, 2023 |
| Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information" | January 1, 2023 |
| Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" | January 1, 2024 |
| Amendments to IAS 1 "Non-current Liabilities with Covenants" | January 1, 2024 |

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

- b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit assets or liabilities which are measured at the present value of the defined benefit obligation less the fair value of the plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 on the basis of the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs on an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

The Group engages in the construction business, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the Group's construction-related assets and liabilities.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation.

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions or up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in its relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of an investment in an associate or a joint venture.

Refer to Note 13 for the detailed information on subsidiaries (including the percentages of ownership and main businesses).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

For each business combination, the Group measures the non-controlling interests at either fair value or the share in the recognized amounts of the acquiree's identifiable net assets. Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets, in the event of liquidation, may be initially measured at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of the measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value.

When a business combination is achieved in stages, the Group's previously held equity interest in an acquiree is remeasured to fair value at the acquisition date, and the resulting gain or loss is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are recognized on the same basis as would be required if those interests were directly disposed of by the Group.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

f. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, and in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the functional currencies of the Corporation and the group entities (including subsidiaries and associates in other countries that use currencies that are different from the currency of the Corporation) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Corporation and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

g. Inventories

Inventories consist of raw materials, supplies, finished goods and work in process, etc. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost at the end of the reporting period.

h. Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group uses the equity method to account for its investments in associates and joint ventures.

Under the equity method, investments in an associate and joint venture are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group's share of the equity of associates and joint ventures.

Any excess of the cost of an acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate or a joint venture at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of an associate and joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in that associate and joint venture. The Group records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus - changes in the Group's share of equity of associates and joint ventures. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate and a joint venture equals or exceeds its interest in that associate and joint venture (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate and joint venture), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate and joint venture.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate and a joint venture. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on its initial recognition as a financial asset. The difference between the previous carrying amount of the associate and joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate and the joint venture. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate and joint venture on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

When a group entity transacts with its associate and joint venture, profit and loss resulting from the transactions with the associate and joint venture are recognized in the Group's consolidated financial statements only to the extent that interests in the associate and the joint venture are not related to the Group.

i. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measure at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are carried at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Freehold land is not depreciated.

Depreciation of property, plant and equipment (including assets held under finance leases) is recognized using the straight-line method. Each significant part is depreciated separately. If a lease term is shorter than the assets' useful lives, such assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Investment properties

Investment properties are properties held to earn rentals or for capital appreciation and land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

For a transfer of classification from investment properties to property, plant and equipment, the deemed cost of an item of property for subsequent accounting is its carrying amount at the commencement of owner-occupation. On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

k. Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of the acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit or groups of cash-generating units was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit or groups of

cash-generating units is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation that is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

l. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

When the Group has a right to charge for usage of concession infrastructure (as a consideration for providing construction services in a service concession arrangement), it is initially recognized as an intangible asset at its fair value. The intangible asset is subsequently measured at cost less accumulated amortization and any accumulated impairment loss.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date. Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

m. Impairment of property, plant and equipment, right-of-use assets, intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets, excluding goodwill, in order to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Group assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of an asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount (less amortization expenses or depreciation expenses) that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

n. Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on their remeasurement recognized in profit or loss. Fair value is determined in the manner described in Note 34.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents and trade receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties

Cash equivalents include time deposits and bonds with repurchase agreements with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investments.

b) Impairment of financial assets and contract assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable), lease receivables, as well as contract assets.

The Group always recognizes lifetime expected credit losses (ECLs) for accounts receivable, lease receivables and contract assets. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, without considering the collateral held, the Group determines that a financial asset is in default when internal or external information show that the debtor is unlikely to pay its creditors, unless there is reasonable and corroborative information to support a more lagged default criterion.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Corporation's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Corporation's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except for financial liabilities at FVTPL, all financial liabilities are carried at amortized cost using the effective interest method.

Financial liabilities are classified as at FVTPL when any such financial liability is either held for trading or is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in other gains or losses. Fair value is determined in the manner described in Note 34.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in other profit or loss.

4) Convertible bonds

The component parts of compound instruments (i.e. convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

5) Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

o. Hedge accounting

The effects of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the line item relating to the hedged item in the same period as when the hedged item affects profit or loss. If the hedge of forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and included in the initial cost of the non-financial asset or non-financial liability.

p. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

- 1) Revenue from the sale of goods is recognized when the goods are delivered to customer' specific location and the ownership of the goods is transferred to customer.
- 2) Service income is recognized by reference to the stage of completion of the contract or when services are provided. Freight revenue is recognized by reference to the proportion of the voyage period.
- 3) Revenue from electric power is calculated according to the volume of electric power sold and the energy rate.
- 4) Revenue from construction contract is recognized over time. The Group measures the progress on the basis of costs incurred relative to the total expected costs as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligations. When the outcome of a performance obligation cannot be reasonably measured, contract revenue is recognized only to the extent of contract costs incurred in satisfying the performance obligation for which recovery is expected.

q. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

For a contract that contains a lease component and non-lease components, the Group allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under finance leases, the lease payments comprise in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives payable. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases.

Lease payments less any lease incentives payable from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, and variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decrease the scope of the lease, and recognizes in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

r. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than the above-stated, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

s. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable. Relevant grants of an asset are recognized as deferred revenue or a reduction of the asset's cost on a straight-line basis.

t. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service costs and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for a defined benefit plan except that remeasurement is recognized in profit or loss.

u. Share-based payment arrangements

The fair value at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. It is recognized as an expense in full at the grant date if vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees and treasury shares transferred to employees is the date on which the number of shares that the employees purchase is confirmed.

v. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the consolidated financial statement carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards and unused tax credits for research and development expenditures to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates and interest in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. For deferred tax assets arising from deductible temporary differences associated with such investments and equity, the interests are only recognized to the extent that it is probable that there will be sufficient taxable profit against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, and in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the possible impact of the recent development of the COVID-19 pandemic and the volatility in energy market when making its critical accounting estimations on cash flow, growth rate, discount rate, profitability, etc. The estimations and the underlying assumptions will be continuously reviewed by the management. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a. Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The calculation of the value in use requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

b. Impairment of property, plant and equipment

The impairment loss of property, plant and equipment in relation to production was based on the recoverable amounts of those assets, which are the higher of their fair value less costs of disposal and their value in use. Any changes in the market prices or future cash flows will affect the recoverable amounts of those assets and may lead to the recognition of additional impairment losses or the reversal of impairment losses.

6. CASH AND CASH EQUIVALENTS

| | December 31 | |
|--|----------------------|----------------------|
| | 2022 | 2021 |
| Cash on hand | \$ 29,162 | \$ 9,014 |
| Checking accounts and demand deposits | 27,747,698 | 38,476,321 |
| Cash equivalents | | |
| Time deposits with original maturities of less than 3 months | 57,861,359 | 48,383,576 |
| Bonds with repurchase agreements | <u>3,204,275</u> | <u>4,253,031</u> |
| | <u>\$ 88,842,494</u> | <u>\$ 91,121,942</u> |

The market rate intervals of cash in banks and bonds with repurchase agreements at the end of the reporting period were as follows:

| | <u>December 31</u> | |
|----------------------------------|--------------------|-------------|
| | 2022 | 2021 |
| Cash in banks | 0.01%-6.05% | 0.01%-3.00% |
| Bonds with repurchase agreements | 0.84%-4.30% | 0.19%-0.30% |

Financial assets at amortized cost are mainly time deposits with original maturities of more than 3 months and restricted demand deposits:

| | <u>December 31</u> | |
|-------------|----------------------|----------------------|
| | 2022 | 2021 |
| Current | \$ 20,954,299 | \$ 15,508,688 |
| Non-current | <u>9,577,103</u> | <u>15,468,807</u> |
| | <u>\$ 30,531,402</u> | <u>\$ 30,977,495</u> |

The market rate intervals of financial assets at amortized cost at the end of the reporting period were as follows:

| | <u>December 31</u> | |
|--|--------------------|-------------|
| | 2022 | 2021 |
| | 0.01%-6.24% | 0.01%-4.26% |

Refer to Note 36 for information relating to pledged financial assets at amortized cost.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | <u>December 31</u> | |
|---|--------------------|-------------------|
| | 2022 | 2021 |
| <u>Financial assets at FVTPL - current</u> | | |
| Financial assets mandatorily classified as at FVTPL | | |
| Non-derivative financial assets | | |
| Domestic listed shares | \$ 197,210 | \$ 256,588 |
| Domestic emerging market shares | 95,145 | 107,225 |
| Foreign government bonds | 277,772 | - |
| Foreign corporate bonds | <u>41,675</u> | <u>-</u> |
| | <u>\$ 611,802</u> | <u>\$ 363,813</u> |
| <u>Financial assets at FVTPL - Non-current</u> | | |
| Financial assets mandatorily classified as at FVTPL | | |
| Non-derivative financial assets | | |
| Foreign government bonds | <u>\$ 284,876</u> | <u>\$ -</u> |

(Continued)

| | <u>December 31</u> | |
|---|--------------------|----------------------------------|
| | <u>2022</u> | <u>2021</u> |
| <u>Financial liabilities at FVTPL - current</u> | | |
| Held for trading | | |
| Derivative instruments (not under hedge accounting) | | |
| Redemption options and put options of convertible bonds | <u>\$ 641,522</u> | <u>\$ 213,062</u> (Concluded) |

Refer to Note 36 for information relating to financial instruments at fair value through profit or loss.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | <u>December 31</u> | |
|--------------------------------|----------------------|----------------------|
| | <u>2022</u> | <u>2021</u> |
| <u>Current</u> | | |
| Domestic investments | | |
| Listed shares | \$ 5,883,584 | \$ 6,335,655 |
| Convertible preference shares | <u>51,169</u> | <u>51,888</u> |
| | <u>\$ 5,934,753</u> | <u>\$ 6,387,543</u> |
| <u>Non-current</u> | | |
| Domestic investments | | |
| Unlisted shares | \$ 8,032,322 | \$ 8,964,202 |
| Privately placed listed shares | 1,030,300 | 1,255,794 |
| Foreign investments | | |
| Listed shares | 13,412,634 | 17,615,868 |
| Unlisted preference shares | <u>276,390</u> | <u>-</u> |
| | <u>\$ 22,751,646</u> | <u>\$ 27,835,864</u> |

The Corporation subscribed 37,520 thousand privately placed ordinary shares of Pihong Technology Co., Ltd. via private placement in consideration of \$1,510,555 thousand in December 2021. After the private placement, the Corporation owns 9.9998% of shares in Pihong Technology Co., Ltd. The privately placed ordinary shares may not be transferred to others within 3 years under the relevant laws and regulations.

The Group successively disposed foreign listed shares of China Conch Venture Holdings Limited in the year of 2021, and the proceeds from disposal were \$2,182,067 thousand. The gain on disposal in the amount of \$1,029,880 thousand was reclassified from unrealized gain on financial assets at FVTOCI to retained earnings.

Refer to Note 36 for information relating to investments in equity instruments at FVTOCI pledged as collateral for credit accommodations.

9. NOTES AND ACCOUNTS RECEIVABLE

| | December 31 | |
|-------------------------------------|----------------------|----------------------|
| | 2022 | 2021 |
| Notes receivable | \$ 19,460,178 | \$ 25,650,868 |
| Less: Allowance for impairment loss | <u>(9,455)</u> | <u>(11,144)</u> |
| | <u>19,450,723</u> | <u>25,639,724</u> |
| Accounts receivable | 15,351,598 | 10,009,817 |
| Less: Allowance for impairment loss | <u>(202,838)</u> | <u>(165,815)</u> |
| | <u>15,148,760</u> | <u>9,844,002</u> |
| | <u>\$ 34,599,483</u> | <u>\$ 35,483,726</u> |

The Group recognizes allowance for impairment loss on accounts receivable on the basis of individual customers for which credit losses have actually taken place. Moreover, the Group separates all customers into different segments based on their risks and determines their expected credit loss rates by reference to past default experience with the counterparties, on analysis of their financial position and observable economic condition of the industry in which the customer operates. The Group recognizes an allowance for impairment loss of 100% against past due receivables which have indication of impairment.

The Group writes off an account receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery of the receivables. For accounts receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables which are due. Where recoveries are made, these are recognized in profit or loss.

The aging analysis of receivables was as follows:

| | December 31 | |
|---------------|----------------------|----------------------|
| | 2022 | 2021 |
| Up to 90 days | \$ 23,611,140 | \$ 21,322,063 |
| 91-180 days | 10,595,776 | 13,245,451 |
| 181-365 days | 376,993 | 875,253 |
| Over 365 days | <u>15,574</u> | <u>40,959</u> |
| | <u>\$ 34,599,483</u> | <u>\$ 35,483,726</u> |

The above aging schedule was based on the number of days past due from the invoice date.

The movements of the allowance for doubtful notes and accounts receivable were as follows:

| | For the Year Ended December 31 | |
|---|---------------------------------------|-------------------|
| | 2022 | 2021 |
| Balance at January 1 | \$ 176,959 | \$ 143,439 |
| Add: Net remeasurement of loss allowance | 33,790 | 24,558 |
| Less: Amounts written off | (601) | (3,896) |
| Acquisitions through business combinations | - | 18,008 |
| Foreign exchange translation gains and losses | <u>2,145</u> | <u>(5,150)</u> |
| Balance at December 31 | <u>\$ 212,293</u> | <u>\$ 176,959</u> |

10. FINANCE LEASE RECEIVABLES

| | <u>December 31</u> | |
|---|----------------------|----------------------|
| | <u>2022</u> | <u>2021</u> |
| <u>Undiscounted lease payments</u> | | |
| Year 1 | \$ 5,578,575 | \$ 5,550,758 |
| Year 2 | 6,127,364 | 5,578,575 |
| Year 3 | 6,285,029 | 6,127,364 |
| Year 4 | 6,294,158 | 6,285,029 |
| Year 5 | 8,716,844 | 6,294,158 |
| Year 6 onwards | <u>-</u> | <u>8,716,844</u> |
| | 33,001,970 | 38,552,728 |
| Less: Unearned finance income | 8,619,669 | 11,529,733 |
| Less: Accumulated impairment | <u>47,878</u> | <u>47,878</u> |
| Net investment in leases presented as finance lease receivables | <u>\$ 24,334,423</u> | <u>\$ 26,975,117</u> |
| Current (included in accounts receivable) | \$ 2,962,021 | \$ 2,640,694 |
| Non-current | <u>21,372,402</u> | <u>24,334,423</u> |
| | <u>\$ 24,334,423</u> | <u>\$ 26,975,117</u> |

The Group's electric power selling contracts signed with Taiwan Power Company with guaranteed power generation periods are classified as finance lease arrangements and the term entered into was 25 years. The interest rate inherent in the lease was fixed at the contract date for the entire lease term. The interest rate inherent in the finance lease was approximately 11.18%.

11. DISCONTINUED OPERATIONS

On March 19, 2021, the Board of Directors of the Corporation approved to sell all its issued shares of Taiwan Prosperity Chemical Corporation for the total consideration of \$2,400,000 thousand to Chang Chun Plastics Co., Ltd. According to the Share Purchase Agreement, the Corporation planned to assist the termination of Equipment Lease Agreement between Taiwan Prosperity Chemical Corporation and TCC Chemical Corporation before the closing. Taiwan Prosperity Chemical Corporation planned to pay \$400,000 thousand to TCC Chemical Corporation as the consideration of the termination. The Corporation has completed the share transaction on August 17, 2021. Please refer to Note 30 and consolidated financial statements for the year ended December 31, 2021 for detailed information relating to the disposal.

The above transactions met the criteria of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". Therefore, gain (loss) on disposal of Taiwan Prosperity Chemical Corporation was presented as income (loss) from discontinued operations.

The details of profit (loss) from discontinued operations and the related cash flow information are as follows:

| | January 1, 2021 to August 17, 2021 |
|---|---|
| Operating revenue | \$ 8,113,370 |
| Operating costs | <u>(7,143,150)</u> |
| Gross profit | 970,220 |
| Operating expenses | <u>(367,972)</u> |
| Profit from operations | 602,248 |
| Finance costs | (61,699) |
| Other income and expenses | <u>(10,866)</u> |
| Income before income tax | 529,683 |
| Income tax benefit | <u>2,462</u> |
| Net profit for the year | 532,145 |
| Gain on disposal (Note 30) | <u>521,414</u> |
| Profit from discontinued operations | <u><u>\$ 1,053,559</u></u> |
| Profit (loss) from discontinued operations attributable to: | |
| Shareholders of the Corporation | \$ 1,073,939 |
| Non-controlling interests | <u>(20,380)</u> |
| | <u><u>\$ 1,053,559</u></u> |
| Net cash inflow from: | |
| Operating activities | \$ 56,445 |
| Investing activities | 520,746 |
| Financing activities | <u>597,907</u> |
| Net cash inflow | <u><u>\$ 1,175,098</u></u> |

The carrying amounts of assets and liabilities of Taiwan Prosperity Chemical Corporation at the date of disposal are disclosed in Note 30.

12. INVENTORIES

| | <u>December 31</u> | |
|-----------------|-----------------------------|-----------------------------|
| | 2022 | 2021 |
| Finished goods | \$ 3,872,877 | \$ 2,508,696 |
| Work in process | 2,411,645 | 3,332,257 |
| Raw materials | <u>9,805,458</u> | <u>7,571,558</u> |
| | <u><u>\$ 16,089,980</u></u> | <u><u>\$ 13,412,511</u></u> |

The costs of inventories recognized as cost of goods sold for the years ended December 31, 2022 and 2021 were \$97,030,132 thousand and \$72,555,570 thousand, respectively.

The cost of goods sold included reversal of write-downs of inventory as follows:

| | For the Year Ended December 31 | |
|--|---------------------------------------|--------------------|
| | 2022 | 2021 |
| (Reversal) of write-downs of inventory | <u>\$ 259,108</u> | <u>\$ (16,323)</u> |

Previous write-downs were reversed because slow moving inventories were sold.

13. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

The consolidated financial statements include subsidiaries which are as follows:

| Investor | Investee | Main Business | Proportion of Ownership (%) | | Remark |
|---------------------------|---|--|------------------------------------|-------------|--------|
| | | | 2022 | 2021 | |
| Taiwan Cement Corporation | Taiwan Transport & Storage Corporation | Warehousing, transportation and sale of sand and gravel | 83.9 | 83.9 | 1) |
| | TCC Investment Corporation | Investment | 100.0 | 100.0 | |
| | Kuan-Ho Refractories Industry Corporation | Production and sale of refractory materials | 95.3 | 95.3 | |
| | Hong Kong Cement Manufacturing Co., Ltd. ("HKCMCL") | Investment holding | 84.7 | 84.7 | |
| | Ta-Ho Maritime Corporation | Marine transportation | 64.8 | 64.8 | |
| | Taiwan Cement Engineering Corporation | Engineering services | 99.2 | 99.2 | 1) |
| | TCC Green Energy Corporation | Renewable energy generation | 100.0 | 100.0 | |
| | TCC Chemical Corporation | Leasing property and energy technology services | 100.0 | 100.0 | |
| | TCC Information Systems Corporation | Information software design | 99.4 | 99.4 | |
| | Tung Chen Mineral Corporation | Afforestation and sale of limestone | 99.5 | 99.5 | |
| | Jin Chang Minerals Corporation | Afforestation and sale of limestone | 100.0 | 100.0 | |
| | Hoping Industrial Port Corporation | Hoping Industrial Port management | 100.0 | 100.0 | |
| | TCC International Ltd. ("TCCIP") | Investment holding | 100.0 | 100.0 | |
| | TCCMOLI Holdings (Singapore) Pte. Ltd. ("TCCMOLI") | Investment holding | - | 100.0 | 4) |
| | Ho-Ping Power Company | Thermal power generation | 59.5 | 59.5 | |
| | HPC Power Service Corporation | Business consulting | 60.0 | 60.0 | |
| | E.G.C. Cement Corporation | Sale of cement | 50.6 | 50.6 | |
| | Feng Sheng Enterprise Company Limited | Sale of ready-mixed concrete | 45.4 | 45.4 | 3) |
| | Trans Philippines Mineral Corporation ("TPMC") | Mining excavation | 40.0 | 40.0 | 3) |
| | Taicorn Minerals Corporation ("TMC") | Mining excavation | 72.7 | 72.7 | |
| | Ta-Ho RSEA Environment Co., Ltd. | Waste collection and treatment | 66.6 | 66.6 | |
| | Ho Sheng Mining Co., Ltd. | Mining excavation and sale of limestone | 100.0 | 100.0 | |
| | TCC International Holdings Ltd. ("TCCIH") | Investment holding | 45.5 | 38.3 | 1) |
| | Taiwan Cement (Dutch) Holdings B.V. ("TCC Dutch") | Investment holding | 100.0 | 100.0 | |
| | TCC Sustainable Energy Investment Corporation | Investment holding | 100.0 | 100.0 | |
| | TCC Energy Storage Technology Corporation | Energy storage equipment manufacturing, production and sales | 100.0 | 100.0 | |

(Continued)

| Investor | Investee | Main Business | Proportion of Ownership (%) | | Remark |
|---|---|---|-----------------------------|-------|--------|
| | | | 2022 | 2021 | |
| | Tuo Shan Recycle Technology Company | Waste collection and treatment | 100.0 | 100.0 | 4) |
| | TCC Recycle Energy Technology Company | Investment holding | 36.6 | 63.3 | 1), 2) |
| Taiwan Transport & Storage Corporation | E.G.C. Cement Corporation | Sale of cement | 49.4 | 49.4 | |
| | Ta-Ho Maritime Corporation | Marine transportation | 29.2 | 29.2 | 6) |
| | Tai-Jie Transport & Storage Corporation | Transportation | 100.0 | 100.0 | |
| TCC Investment Corporation | Union Cement Traders Inc. | Import and export trading | 100.0 | 100.0 | |
| | Ho-Ping Power Company | Thermal power generation | 0.5 | 0.5 | |
| | Ta-Ho Maritime Corporation | Marine transportation | - | - | |
| | TCC Recycle Energy Technology Company | Investment holding | 1.1 | 1.9 | 2) |
| HKCMCL | TCC Development Ltd. | Property leasing | 100.0 | 100.0 | |
| Ta-Ho Maritime Corporation | Ta-Ho Maritime Holdings Ltd. | Investment | 100.0 | 100.0 | |
| TCC Information Systems Corporation | Taicem Information (Samoa) Pte., Ltd. | Investment | 100.0 | 100.0 | |
| Hoping Industrial Port Corporation | TCC Recycle Energy Technology Company | Investment holding | 0.4 | 0.7 | 2) |
| TCCI | TCCIH | Investment holding | 54.5 | 61.7 | 1) |
| TPMC | TMC | Mining excavation | 18.2 | 18.2 | |
| Union Cement Traders Inc. | Taiwan Transport & Storage Corporation | Warehousing, transportation and sale of sand and gravel | 0.7 | 0.7 | |
| | TCC Recycle Energy Technology Company | Investment holding | 1.1 | 1.9 | 2) |
| Ho-Ping Power Company | Ho-Ping Renewable Energy Company | Renewable energy generation | 100.0 | 100.0 | |
| TCC Green Energy Corporation | Chang-Wang Wind Power Co., Ltd. | Renewable energy generation | 100.0 | 100.0 | |
| | TCC Nan-Chung Green Energy Corporation | Renewable energy generation | 100.0 | 100.0 | |
| | TCC Kao-Cheng Green Energy Corporation | Renewable energy generation | 100.0 | 100.0 | |
| | TCC Chang-Ho Green Energy Corporation | Renewable energy generation | 100.0 | 100.0 | |
| | TCC Chia-Chien Green Energy Corporation | Renewable energy generation | 100.0 | 100.0 | |
| | TCC Yun-Kai Green Energy Corporation | Renewable energy generation | 100.0 | 100.0 | |
| | TCC Lien-Hsin Green Energy Corporation | Renewable energy generation | 100.0 | 100.0 | |
| | TCC Ping-Chih Green Energy Corporation | Renewable energy generation | 100.0 | 100.0 | |
| | Chia-Ho Green Energy Corporation | Renewable energy generation | 85.0 | 100.0 | 7) |
| | TCC Tung-Li Green Energy Corporation | Renewable energy generation | 100.0 | 100.0 | 4) |
| TCC Energy Storage Technology Corporation | Energy Helper TCC Corporation | Renewable energy retail and energy technology services | 100.0 | - | 4) |
| Ta-Ho Maritime Holdings Ltd. | Ta-Ho Maritime (Hong Kong) Limited | Marine transportation | 100.0 | 100.0 | |
| | THC International S.A. | Marine transportation | 100.0 | 100.0 | |
| | Ta-Ho Maritime (Singapore) Pte. Ltd. | Marine transportation | 100.0 | 100.0 | |
| Taicem Information (Samoa) Pte., Ltd. | Fuzhou TCC Information Technology Co., Ltd. | Software product and equipment maintenance | 100.0 | 100.0 | |
| Ta-Ho Maritime (Hong Kong) Limited | Da Tong (Guigang) International Logistics Co., Ltd. | Logistics and transportation | 100.0 | 100.0 | |
| Da Tong (Guigang) International Logistics Co., Ltd. | Da Tong (Ying De) Logistics Co., Ltd. | Logistics and transportation | 100.0 | 100.0 | |
| | Guigang Da-Ho Shipping Co., Ltd. | Marine transportation | 100.0 | 100.0 | |
| TCC Dutch | Taiwan Cement Europe Holdings B.V. ("TCEH") | Investment holding | 100.0 | 100.0 | 4) |
| TCEH | NHOA S.A. | Investment holding | 65.2 | 65.2 | 8) |

(Continued)

| Investor | Investee | Main Business | Proportion of Ownership (%) | | Remark |
|---------------------------------------|--|--|-----------------------------|-------|------------|
| | | | 2022 | 2021 | |
| NHOA S.A. | NHOA ENERGY S.R.L. | Renewable energy and energy storage system construction | 100.0 | 100.0 | 8) |
| | ELECTRO POWER SYSTEM MANUFACTURING | Renewable energy and energy storage system construction | 100.0 | 100.0 | 8) |
| | Comores Énergie Nouvelles S.A.R.L. | Renewable energy and energy storage system construction | 100.0 | 60.0 | 8), 10) |
| | ATLANTE TOPCO S.R.L. | Investment holding | 100.0 | - | 4) |
| NHOA CORPORATE S.R.L. | NHOA CORPORATE S.R.L. | Investment holding | 100.0 | - | 4) |
| | FREE2MOVE ESOLUTIONS S.P.A. | Electric vehicle charging equipment | 49.9 | - | 3), 9) |
| NHOA ENERGY S.R.L. | FREE2MOVE ESOLUTIONS S.P.A. | Electric vehicle charging equipment | - | 49.9 | 3), 8), 9) |
| | NHOA AMERICAS LLC | Renewable energy and energy storage system construction | 100.0 | 100.0 | 8) |
| | NHOA AUSTRALIA PTY LTD | Renewable energy and energy storage system construction | 100.0 | 100.0 | 8) |
| | NHOA LATAM S.A.C. | Renewable energy and energy storage system construction | 90.0 | - | 4) |
| ATLANTE TOPCO S.R.L. | ATLANTE S.R.L. | Renewable energy and charging equipment | - | 100.0 | 4), 9) |
| | ATLANTE S.R.L. | Renewable energy and charging equipment | 100.0 | - | 4), 9) |
| | NHOA AMERICAS LLC | Renewable energy and energy storage system construction | 10.0 | - | 4) |
| | ATLANTE S.R.L. | Renewable energy and charging equipment | 100.0 | - | 4) |
| ATLANTE S.R.L. | ATLANTE IBERIA S.L. | Renewable energy and charging equipment | 100.0 | - | 4) |
| | ATLANTE FRANCE S.A.S. | Renewable energy and charging equipment | 100.0 | - | 4) |
| | ATLANTE Fast Charging Portugal LDA | Renewable energy and charging equipment | 100.0 | - | 4) |
| | FREE2MOVE ESOLUTIONS S.P.A. | Electric vehicle charging equipment | 100.0 | - | 4) |
| FREE2MOVE ESOLUTIONS S.P.A. | FREE2MOVE ESOLUTIONS FRANCE S.A.S. | Electric vehicle charging equipment | 100.0 | - | 4) |
| | FREE2MOVE ESOLUTIONS SPAIN S.L.U. | Electric vehicle charging equipment | 100.0 | - | 4) |
| | FREE2MOVE ESOLUTIONS NORTH AMERICA LLC | Electric vehicle charging equipment | 100.0 | - | 4) |
| | FREE2MOVE ESOLUTIONS UK LTD | Electric vehicle charging equipment | 100.0 | - | 4) |
| TCC Recycle Energy Technology Company | E-One Moli Energy Corp. | Manufacturing and sales of Lithium battery | 100.0 | 100.0 | 2) |
| | E-One Holdings Ltd. | Investment holding | 100.0 | 100.0 | 2) |
| E-One Moli Energy Corp. | Molie Quantum Energy Corporation | Manufacturing and sales of batteries, power generation machinery and electronic components | 100.0 | 100.0 | 2) |
| E-One Holdings Ltd. | E-One Moli Holdings (Canada) Ltd. | Investment holding | 100.0 | 100.0 | 2) |
| E-One Moli Holdings (Canada) Ltd. | E-One Moli Energy (Canada) Ltd. | Battery research and development and sales | 100.0 | 100.0 | 2) |
| TCCIH | Upper Value Investment Limited | Investment holding | 100.0 | 100.0 | |
| | Upper Value Investments Ltd. (“UPPV”) | Investment holding | 100.0 | 100.0 | |
| | TCC Hong Kong Cement (BVI) Holdings Ltd. | Investment holding | 100.0 | 100.0 | |
| | Ulexite Investments Ltd. | Investment holding | 100.0 | 100.0 | |
| | TCC Recycle Energy Technology Company | Investment holding | 38.7 | - | 2) |
| Upper Value Investment Limited | Prime York Ltd. | Investment holding | 100.0 | 100.0 | |
| | Prosperity Minerals (International) Ltd. | Investment holding | 100.0 | 100.0 | |

(Continued)

| Investor | Investee | Main Business | Proportion of Ownership (%) | | Remark |
|---|--|--|-----------------------------|-------|--------|
| | | | 2022 | 2021 | |
| TCC Hong Kong Cement (BVI) Holdings Ltd. | TCC Hong Kong Cement Development Ltd. | Investment holding | 100.0 | 100.0 | |
| | TCC Hong Kong Cement (QHC) Ltd. | Investment holding | 100.0 | 100.0 | |
| | TCC Hong Kong Cement (Yargoan) Ltd. | Investment holding | 100.0 | 100.0 | |
| | TCC Hong Kong Cement (Philippines) Ltd. | Investment holding | 100.0 | 100.0 | |
| | TCC Hong Kong Cement (International) Ltd. | Investment holding | 100.0 | 100.0 | |
| | Hong Kong Cement Company Limited (“HKCCL”) | Sale of cement | 100.0 | 100.0 | |
| TCC Hong Kong Cement (QHC) Ltd. | Chiefolk Company Ltd. | Investment holding | 70.0 | 70.0 | |
| Chiefolk Company Ltd. | TCC International (Liuzhou) Ltd. | Investment holding | 100.0 | 100.0 | |
| TCC International (Liuzhou) Ltd. | TCC Liuzhou Company Ltd. | Investment holding | 100.0 | 100.0 | |
| TCC Liuzhou Company Ltd. | TCC Liuzhou Construction Materials Co., Ltd. | Manufacturing and sale of slag powder | 60.0 | 60.0 | |
| TCC Hong Kong Cement (Philippines) Ltd. | TCC Cement Corp. | Cement processing services | 100.0 | 100.0 | |
| TCC Hong Kong Cement (International) Ltd. | TCC International (Hong Kong) Co., Ltd. (“TCCI (HK)”) | Investment holding | 100.0 | 100.0 | |
| TCCI (HK) | TCC Guigang Mining Industrial Company Limited | Mining excavation | 52.5 | 52.5 | |
| | Jiangsu TCC Investment Co., Ltd. | Investment holding | 100.0 | 100.0 | |
| | Jingyang Industrial Limited | Investment holding | 100.0 | 100.0 | |
| | TCC International (Guangxi) Ltd. | Investment holding | 100.0 | 100.0 | |
| | TCC Shaoguan Cement Co., Ltd. | Manufacturing and sale of cement | 100.0 | 100.0 | |
| | TCC Yingde Mining Industrial Company Limited | Mining excavation | 48.9 | 48.9 | |
| | TCC Yingde Cement Co., Ltd. | Manufacturing and sale of cement | 100.0 | 100.0 | |
| | TCC Jiangsu Mining Industrial Company Limited | Mining excavation | 100.0 | 100.0 | |
| | TCC Fuzhou Yangyu Port Co., Ltd. | Service of port facility | 100.0 | 100.0 | |
| | TCC (Dong Guan) Cement Company Ltd. | Manufacturing and sale of cement | 100.0 | 100.0 | |
| | TCC Fuzhou Cement Co., Ltd. | Manufacturing and sale of cement | 100.0 | 100.0 | |
| | TCC Huaihua Cement Company Limited | Manufacturing and sale of cement | 31.0 | 31.0 | |
| | TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | Environmental protection, cement and enterprise management consulting | 58.6 | - | 5) |
| Jiangsu TCC Investment Co., Ltd. | Jurong TCC Cement Co., Ltd. | Manufacturing and sale of cement | 21.5 | 21.5 | |
| | Jurong TCC Environmental Co., Ltd. | Dangerous waste treatment | 21.5 | 21.5 | |
| Jingyang Industrial Limited | Jurong TCC Cement Co., Ltd. | Manufacturing and sale of cement | 78.5 | 78.5 | |
| | Jurong TCC Environmental Co., Ltd. | Dangerous waste treatment | 78.5 | 78.5 | |
| TCC International (Guangxi) Limited | TCC (Gui Gang) Cement Ltd. | Manufacturing and sale of cement | 100.0 | 100.0 | |
| | TCC (Hangzhou) Recycle Resource Technology Limited | Recycle Resource technology development, business management and sales | 26.3 | 26.3 | |
| TCC (Gui Gang) Cement Ltd. | TCC Huaying Cement Company Limited | Manufacturing and sale of cement | 100.0 | 100.0 | |
| | TCC Guigang Mining Industrial Company Limited | Mining excavation | 47.5 | 47.5 | |
| | Guigang TCC Dong Yuan Environmental Technology Company Limited | Dangerous waste treatment | 100.0 | 100.0 | |
| | TCC (Hangzhou) Recycle Resource Technology Limited | Recycle Resource technology development, business management and sales | 73.7 | 73.7 | |

(Continued)

| Investor | Investee | Main Business | Proportion of Ownership (%) | | Remark |
|---|--|---|-----------------------------|-------|--------|
| | | | 2022 | 2021 | |
| TCC Yingde Cement Co., Ltd. | TCC Yingde Mining Industrial Company Limited | Mining excavation | 34.8 | 34.8 | |
| | Scitus Luzhou Concrete Co., Ltd. | Sale of ready-mixed concrete | 25.0 | 25.0 | |
| | Scitus Luzhou Cement Co., Ltd. | Manufacturing and sale of cement | 10.0 | 10.0 | |
| | Scitus Naxi Cement Co., Ltd. | Manufacturing and sale of cement | 10.0 | 10.0 | |
| | Scitus Hejiang Cement Co., Ltd. | Manufacturing and sale of cement | 10.0 | 10.0 | |
| | Beijing TCC Environmental Technology Co., Ltd. | Technology development, enterprise management and sales | 100.0 | 100.0 | |
| | TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | Environmental protection, cement and enterprise management consulting | 41.4 | 100.0 | 5) |
| TCC Jiangsu Mining Industrial Company Limited | TCC Yingde Mining Industrial Company Limited | Mining excavation | 16.3 | 16.3 | |
| TCC Huaihua Cement Company Limited | TCC Jingzhou Cement Company Limited | Manufacturing and sale of cement | 100.0 | 100.0 | |
| | TCC Huaihua Concrete Company Limited | Sale of ready-mixed concrete | 100.0 | 100.0 | |
| UPPV | Wayly Holdings Ltd. | Investment holding | 100.0 | 100.0 | |
| | TCC International (China) Co., Ltd | Investment holding | 100.0 | 100.0 | |
| | Kong On Cement Holdings Ltd. | Investment holding | 65.0 | 65.0 | |
| | Mega East Ltd. | Investment holding | 100.0 | 100.0 | |
| | Prosperity Minerals (China) Ltd. | Investment holding | 100.0 | 100.0 | |
| | Sure Kit Ltd. | Investment holding | 100.0 | 100.0 | |
| | Hensford Ltd. | Investment holding | 100.0 | 100.0 | |
| | Kiton Ltd. | Investment holding | 100.0 | 100.0 | |
| | Prosperity Cement Investment Ltd. | Investment holding | 100.0 | 100.0 | |
| | Scitus Cement (China) Holdings Ltd. (“Scitus Holdings”) | Investment holding | 100.0 | 100.0 | |
| Wayly Holdings Ltd. | Guizhou Kaili Rui An Jian Cai Co., Ltd. | Manufacturing and sale of cement | 100.0 | 100.0 | |
| TCC International (China) Co., Ltd | TCC New (Hangzhou) Management Company Limited | Operation management | 100.0 | 100.0 | |
| Kong On Cement Holdings Ltd. | Guizhou Kong On Cement Company Limited | Manufacturing and sale of cement | 100.0 | 100.0 | |
| Mega East Ltd. | Guangan Changxing Cement Company Ltd. | Manufacturing and sale of cement | 100.0 | 100.0 | |
| Sure Kit Ltd. | TCC Chongqing Cement Company Limited | Manufacturing and sale of cement | 100.0 | 100.0 | |
| Hensford Ltd. | TCC Anshun Cement Company Limited | Manufacturing and sale of cement | 100.0 | 100.0 | |
| Kiton Ltd. | TCC Liaoning Cement Company Limited | Manufacturing and sale of cement | 100.0 | 100.0 | |
| Prosperity Cement Investment Ltd. | Yingde Dragon Mountain Cement Co., Ltd. | Manufacturing and sale of cement | 100.0 | 100.0 | |
| TCC Anshun Cement Company Limited | Anshun Xin Tai Construction Materials Company Limited | Filtering of sand and gravel and sale of ready-mixed concrete | 100.0 | 100.0 | |
| TCC New (Hangzhou) Management Company Limited | Kaili TCC Environment Technology Co., Ltd. | Waste collection and treatment | 100.0 | 100.0 | |
| Scitus Holdings | Scitus Cement (China) Operating Company Limited | Investment holding | 100.0 | 100.0 | |
| | Hexagon XIV Holdings Limited | Investment holding | 100.0 | 100.0 | |
| | Hexagon XIII Holdings Limited | Investment holding | 100.0 | 100.0 | |
| | Hexagon IX Holdings Limited | Investment holding | 100.0 | 100.0 | |
| | Hexagon VIII Holdings Limited | Investment holding | 100.0 | 100.0 | |
| | Hexagon V Holdings Limited | Investment holding | 100.0 | 100.0 | |
| | Hexagon IV Holdings Limited | Investment holding | 100.0 | 100.0 | |
| | Hexagon III Holdings Limited | Investment holding | 100.0 | 100.0 | |
| | Hexagon II Holdings Limited | Investment holding | 100.0 | 100.0 | |
| | Hexagon Holdings Limited | Investment holding | 100.0 | 100.0 | |
| Hexagon IX Holdings Ltd. | Scitus Hejiang Cement Co., Ltd. | Manufacturing and sale of cement | 90.0 | 90.0 | |
| Hexagon IV Holdings Ltd. | Scitus Luzhou Cement Co., Ltd. | Manufacturing and sale of cement | 90.0 | 90.0 | |

(Continued)

| Investor | Investee | Main Business | Proportion of Ownership (%) | | Remark |
|--|--|---|-----------------------------|-------|--------|
| | | | 2022 | 2021 | |
| Hexagon III Holdings Ltd. | Scitus Naxi Cement Co., Ltd. | Manufacturing and sale of cement | 90.0 | 90.0 | |
| Hexagon XIV Holdings Ltd. | Scitus Luzhou Concrete Co., Ltd. | Sale of ready-mixed concrete | 75.0 | 75.0 | |
| Scitus Luzhou Cement Co., Ltd. | TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd. | Technology development, enterprise management and sales | 55.0 | 55.0 | |
| Jurong TCC Cement Co., Ltd. | TCC Huaihua Cement Company Limited | Manufacturing and sale of cement | 69.0 | 69.0 | |
| TCC (Hangzhou) Environmental Protection Co., Ltd. | TCC Yongren (Hangzhou) Environmental Protection Technology Co., Ltd. | Resource recycling technology consultation, biomass energy technology and fuel sales, solid waste treatment | 100.0 | 100.0 | 4) |
| | TCC Yongren (Hangzhou) Environmental Technology Co., Ltd. | Resource recycling technology consultation, solid waste treatment, biomass fuel sales | 100.0 | 100.0 | 4) |
| | TCC Yongren (Hangzhou) Renewable Resources Technology Co., Ltd. | Resource reusing technology and development, solid waste treatment, biomass fuel processing and sales | 100.0 | 100.0 | 4) |
| | TCC Yongren (Hangzhou) Renewable Resources Development Co., Ltd. | Resource regeneration technology research and development, solid waste treatment, biomass fuel processing and sales | 100.0 | 100.0 | 4) |
| TCC Yongren (Hangzhou) Environmental Protection Technology Co., Ltd. | TCC (Shaoguan) Environment Technology Co., Ltd. | Biomass fuel processing and sales, solid waste treatment, urban and kitchen waste treatment | 100.0 | 100.0 | 4) |

(Concluded)

Remarks:

- 1) The Corporation purchased a portion of shares of TCC Recycle Energy Technology Company, Taiwan Cement Engineering Corporation and Taiwan Transport & Storage Corporation in 2022 and 2021. Refer to Note 31 for information relating to the aforementioned equity acquisition transaction. The Corporation invested in TCCIH in 2022, and its percentage of ownership was increased to 45.5%. The original shareholder, TCCI, did not simultaneously invest which resulted in decrease of the percentage of ownership to 54.5%.
- 2) TCC Recycle Energy Technology Company increased its capital by \$10,000,000 thousand by cash in August 2021. The Group invested \$9,232,894 thousand in TCC Recycle Energy Technology Company and its subsidiaries. Due to the non-subscription by other shareholders, the Group's percentage of ownership was increased from 29.7% to 67.8% and the Group obtained the right to control TCC Recycle Energy Technology Company and its subsidiaries. Thus TCC Recycle Energy Technology Company was included in the consolidated entities from August 2021. Please refer to Note 29 for details. TCC Recycle Energy Technology Company increased its capital by cash in September 2022, and the Group participated in the subscription of shares via TCCIH. Due to the non-subscription by other shareholders, the Group's percentage of ownership was increased from 67.8% to 77.9%.
- 3) Although the Group's percentages of ownership in Feng Sheng Enterprise Company Limited, TPMC and FREE2MOVE ESOLUTION S.P.A. were less than 50%, the Group still has control over those entities. Thus, Feng Sheng Enterprise Company Limited, TPMC and FREE2MOVE ESOLUTION S.P.A. are considered as subsidiaries of the Group. According to the agreement, other shareholders' investment in FREE2MOVE ESOLUTION S.P.A. will be paid in January 2023. As of December 31, 2022, the uncollected amount is accounted as other receivables from related parties.

- 4) TCC Tung-Li Green Energy Corporation, Tuo Shan Recycle Technology Company, TCEH, TCC Yongren (Hangzhou) Environmental Protection Technology Co., Ltd, TCC Yongren (Hangzhou) Environmental Technology Co., Ltd, TCC Yongren (Hangzhou) Renewable Resources Technology Co., Ltd, TCC Yongren (Hangzhou) Renewable Resources Development Co., Ltd, TCC (Shaoguan) Environment Technology Co., Ltd. and ATLANTE S.R.L were established in 2021. ATLANTE TOPCO S.R.L., ATLANTE IBERIA S.L., ATLANTE FRANCE S.A.S., FREE2MOVE ESOLUTIONS FRANCE S.A.S., Energy Helper TCC Corporation, FREE2MOVE ESOLUTIONS SPAIN S.L.U., NHOA CORPORATE S.R.L., NHOA LATAM S.A.C., ATLANTE Fast Charging Portugal LDA, FREE2MOVE ESOLUTIONS NORTH AMERICA LLC and FREE2MOVE ESOLUTIONS UK LTD were established in 2022. TCCMOLI liquidation process in progress at the end of December 2021, and had completed the liquidation in 2022.
- 5) TCCI (HK) invested in TCC (Hangzhou) Environmental Protection Technology Co., Ltd. in 2022, and its percentage of ownership was increased to 58.6%. The original shareholder, TCC Yingde Cement Co., Ltd., did not simultaneously invest which resulted in decrease of the percentage of ownership to 41.4%.
- 6) Taiwan Transport & Storage Corporation purchased a portion of shares of Ta-Ho Maritime Corporation in 2021. Refer to Note 31 for information relating to the aforementioned equity acquisition transaction.
- 7) The beneficial related party of the Group, Winbond Electronics Corporation, participated in the capital increase of Chia-Ho Green Energy Corporation in the amount of \$555,000 thousand in August 2022, which resulted in the shareholding of Winbond Electronics Corporation increased to 15.0%. Due to the non-subscription by the Group, the shareholding of the Group decreased to 85.0%.
- 8) TCEH acquired 60.5% ordinary shares of NHOA S.A. from Group Engie SA and the right to control NHOA S.A. and its subsidiaries in July 2021. TCEH filed a simple compulsory tender offer to acquire 4.7% of NHOA S.A. by cash in September 2021. Please refer to Note 29 and 31 for information relating to the aforementioned acquisition transaction.
- 9) Due to the Group strategic development and operating arrangement, the Group proceeded an organizational restructuring by transferring the equity interest of ATLANTE S.R.L. held by NHOA ENERGY S.R.L. to ATLANTE TOPCO S.R.L. and FREE2MOVE ESOLUTIONS S.P.A. held by NHOA ENERGY S.R.L. to NHOA CORPORATE S.R.L. in 2022.
- 10) NHOA S.A. purchased 40% shares of Comores Énergie Nouvelles S.A.R.L. in 2022, which resulted the shareholding increased to 100%. Refer to Note 31 for information relating to the aforementioned acquisition transaction.

b. Details of subsidiaries that have material non-controlling interests

| | Proportion of Ownership and Voting Rights Held by Non-controlling Interests | |
|-----------------------|--|-------------|
| | December 31 | |
| | 2022 | 2021 |
| Ho-Ping Power Company | 40.0% | 40.0% |

Refer to Table for the information on the places of incorporation and principal places of business.

The summarized financial information below represents amounts before intragroup eliminations.

Ho-Ping Power Company

| | December 31 | |
|--|---------------------------------------|-----------------------|
| | 2022 | 2021 |
| Current assets | \$ 14,494,105 | \$ 7,780,140 |
| Non-current assets | 23,740,225 | 25,636,219 |
| Current liabilities | (6,655,281) | (2,876,141) |
| Non-current liabilities | <u>(7,497,223)</u> | <u>(2,971,023)</u> |
| Equity | <u>\$ 24,081,826</u> | <u>\$ 27,569,195</u> |
| Equity attributable to: | | |
| Owners of Ho-Ping Power Company | \$ 14,445,628 | \$ 16,538,050 |
| Non-controlling interests of Ho-Ping Power Company | <u>9,636,198</u> | <u>11,031,145</u> |
| | <u>\$ 24,081,826</u> | <u>\$ 27,569,195</u> |
| | For the Year Ended December 31 | |
| | 2022 | 2021 |
| Operating revenue | <u>\$ 22,985,566</u> | <u>\$ 10,202,413</u> |
| Net profit (loss) for the year | \$ (1,488,561) | \$ 1,492,151 |
| Other comprehensive income (loss) for the year | <u>1,192</u> | <u>(1,269)</u> |
| Total comprehensive income (loss) for the year | <u>\$ (1,487,369)</u> | <u>\$ 1,490,882</u> |
| Net profit (loss) attributable to: | | |
| Owners of Ho-Ping Power Company | \$ (893,137) | \$ 895,291 |
| Non-controlling interests of Ho-Ping Power Company | <u>(595,424)</u> | <u>596,860</u> |
| | <u>\$ (1,488,561)</u> | <u>\$ 1,492,151</u> |
| Total comprehensive income (loss) attributable to: | | |
| Owners of Ho-Ping Power Company | \$ (892,422) | \$ 894,530 |
| Non-controlling interests of Ho-Ping Power Company | <u>(594,947)</u> | <u>596,352</u> |
| | <u>\$ (1,487,369)</u> | <u>\$ 1,490,882</u> |
| Net cash inflow (outflow) from: | | |
| Operating activities | \$ (3,486,510) | \$ 3,150,755 |
| Investing activities | (1,449,849) | 402,821 |
| Financing activities | <u>6,585,300</u> | <u>(4,653,460)</u> |
| Net cash inflow (outflow) | <u>\$ 1,648,941</u> | <u>\$ (1,099,884)</u> |
| Dividends paid to non-controlling interests of Ho-Ping Power Company | <u>\$ 800,000</u> | <u>\$ 1,857,420</u> |

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

| | December 31 | |
|---|-----------------------------|-----------------------------|
| | 2022 | 2021 |
| Investments in associates | \$ 53,574,544 | \$ 46,781,575 |
| Investments in joint ventures | <u>12,129</u> | <u>-</u> |
| | <u>\$ 53,586,673</u> | <u>\$ 46,781,575</u> |
| Material associates | | |
| Cimpor Global Holdings B.V. | \$ 30,866,698 | \$ 25,112,660 |
| Associates that are not individually material | | |
| Prosperity Conch Cement Company Limited | 8,198,939 | 7,680,842 |
| International CSRC Investment Holdings Co., Ltd. | 6,971,331 | 6,938,448 |
| CCC USA Corp. | 1,899,822 | 1,731,743 |
| Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd. | 1,536,535 | 1,635,580 |
| ONYX Ta-Ho Environmental Services Co., Ltd. | 1,391,240 | 1,220,989 |
| Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd. | 929,214 | 866,291 |
| Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd. | 604,483 | 670,734 |
| Sichuan Taichang Building Material Group Company Limited | 565,573 | 557,605 |
| Quon Hing Concrete Co., Ltd. | 233,343 | 149,229 |
| Hong Kong Concrete Co., Ltd. | 190,844 | 142,636 |
| Guigang Conch-TCC New Material Technology Co., Ltd. | 90,781 | 35,376 |
| Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd. | 88,687 | 33,114 |
| Synpac Ltd. | 7,054 | 6,328 |
| Joint ventures that are not individually material | | |
| TCC Zhongrun (Anshun) Environmental Technology Co., Ltd. | <u>12,129</u> | <u>-</u> |
| | <u>\$ 53,586,673</u> | <u>\$ 46,781,575</u> |

For the amounts of the Group's investments accounted for using the equity method provided as loan guarantees, refer to Note 36.

a. Material associates

| | Proportion of Ownership | |
|-----------------------------|--------------------------------|-------------|
| | December 31 | |
| | 2022 | 2021 |
| Cimpor Global Holdings B.V. | 40.0% | 40.0% |

Refer to Table for information on the nature of activities, principal place of business and country of incorporation of Cimpor Global Holdings B.V. and other investees.

The financial information of material associates, which reflected the adjustments made when adopting the equity method of accounting, was summarized as follows:

Cimpor Global Holdings B.V.

| | December 31 | |
|--|---------------------------------------|-----------------------|
| | 2022 | 2021 |
| Current assets | \$ 22,714,456 | \$ 16,828,990 |
| Non-current assets | 68,009,154 | 53,046,441 |
| Current liabilities | (15,231,225) | (12,938,762) |
| Non-current liabilities | (12,938,960) | (9,283,937) |
| Non-controlling interests | <u>(9,147,080)</u> | <u>(7,614,841)</u> |
| Equity attributable to the Group | <u>\$ 53,406,345</u> | <u>\$ 40,037,891</u> |
| Proportion of the Group's ownership | 40% | 40% |
| Equity attributable to the Group | \$ 21,362,538 | \$ 16,015,156 |
| Goodwill | <u>9,504,160</u> | <u>9,097,504</u> |
| Carrying amounts | <u>\$ 30,866,698</u> | <u>\$ 25,112,660</u> |
| | For the Year Ended December 31 | |
| | 2022 | 2021 |
| Operating revenue | <u>\$ 42,893,926</u> | <u>\$ 28,295,693</u> |
| Net profit for the year | \$ 7,066,885 | \$ 3,400,061 |
| Other comprehensive income (loss) | <u>4,323,558</u> | <u>(4,794,273)</u> |
| Total comprehensive income (loss) for the year | <u>\$ 11,390,443</u> | <u>\$ (1,394,212)</u> |

On December 31, 2022, Oyak Cimento A.S., a subsidiary of Cimpor Global Holdings B.V., is located in Turkey and is an economic entity under high inflation. On December 31, 2022, according to the CPI announced by the Turkish Statistical Institute, the cumulative inflation rate in the past three years exceeded 100%. According to IAS 29 Financial Reporting in Hyperinflationary Economies, the financial statements should be stated in terms of the measuring unit current at the balance sheet date, the profit or loss of the net currency position shall be included in the current profit and loss. When Cimpor Global Holdings B.V. prepares the consolidated financial statements, it shall convert the individual financial statements of the Turkish region based on the closing exchange rate at the reporting period, and adjust the translation effects of high inflation under other comprehensive profit and loss items, and the Group accounted for its shares by using the equity method.

b. Aggregate information of associates that are not individually material

| | Proportion of Ownership | |
|--|--------------------------------|-------------|
| | December 31 | |
| | 2022 | 2021 |
| Prosperity Conch Cement Company Limited | 25.0% | 25.0% |
| International CSRC Investment Holdings Co., Ltd. (Note 1) | 19.2% | 19.2% |
| CCC USA Corp. | 33.3% | 33.3% |
| Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd. | 30.0% | 30.0% |
| ONYX Ta-Ho Environmental Services Co., Ltd. | 50.0% | 50.0% |
| Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd. | 30.0% | 30.0% |
| Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd. (Note 5) | 40.0% | 40.0% |
| Sichuan Taichang Building Material Group Company Limited | 30.0% | 30.0% |
| Quon Hing Concrete Co., Ltd. | 50.0% | 50.0% |
| Hong Kong Concrete Co., Ltd. | 31.5% | 31.5% |
| Guigang Conch-TCC New Material Technology Co., Ltd. (Note 2) | 40.0% | 40.0% |
| Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd. (Note 3) | 45.0% | 45.0% |
| Synpac Ltd. | 25.0% | 25.0% |
| Yingjing Xinan New Material Co., Ltd. (Note 4) | 30.0% | 30.0% |

| | For the Year Ended December 31 | |
|---|---------------------------------------|---------------------|
| | 2022 | 2021 |
| The Group's share of: | | |
| Net income for the year | \$ 1,160,331 | \$ 2,884,277 |
| Other comprehensive income (loss) | <u>404,635</u> | <u>(145,655)</u> |
| Total comprehensive income for the year | <u>\$ 1,564,966</u> | <u>\$ 2,738,622</u> |

Note 1: The Group's ownership percentage in International CSRC Investment Holdings Co., Ltd. is less than 20%; however, the Group has significant influence and therefore accounts for the investment by using the equity method.

Note 2: The Group increased its investment in \$36,442 thousand in Guigang Conch-TCC New Material Technology Co., Ltd. in the year of 2021. The proportion of the Group's ownership was 40%.

Note 3: The Group increased its investment in \$53,721 thousand and \$29,375 thousand in Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd. in the year of 2022 and 2021. The proportion of the Group's ownership was 45%.

Note 4: Sichuan Taichang Building Material Group Company Limited has adjusted its internal organizational structure and transferred its 30% equity interest in Yingjing Company to the Group. The Group generated a credit balance for the equity method of investment due to the recognition of the investment loss of Yingjing Company. As of December 31, 2022 and 2021, the credit balance recognized in other non-current liabilities by the Group was \$168,966 thousand and \$165,871 thousand, respectively.

Note 5: The Group invested in Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd. for the year ended December 31, 2021. The Group invested \$699,477 thousand and owned 40% shares of Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.

The Group holds less than 50% of the issued share capital of some associates, but it is the single largest shareholder. Considering the voting rights of the other shareholders, the shareholding spread is not significant. Therefore, the Group is not in a position to dominate certain company-related activities and therefore has no control over them. The Group's management considers that it does exercise significant influence over those companies; thus, the Group accounts for them as associates and adopts equity method of accounting.

c. Aggregate information of joint ventures that are not individually material

| | Proportion of Ownership | |
|--|---------------------------------------|-------------|
| | December 31 | |
| | 2022 | 2021 |
| TCC Zhongrun (Anshun) Environmental Technology Co., Ltd. (Note 6) | 65.0% | - |
| | For the Year Ended December 31 | |
| | 2022 | 2021 |
| The Group's share of: | | |
| Net income for the year | \$ - | \$ - |
| Other comprehensive income | <u>407</u> | <u>-</u> |
| Total comprehensive income for the year | <u>\$ 407</u> | <u>\$ -</u> |

Note 6: The Group invested in TCC Zhongrun (Anshun) Environmental Technology Co., Ltd. for the year ended December 31, 2022. The Group invested \$11,722 thousand and owned 65% shares of TCC Zhongrun (Anshun) Environmental Technology Co., Ltd. According to contents of joint venture agreement, the Corporation's actual operation management authority specification, check events of material and decision-making of material are jointly led by two capital contributors, and the Group has no control over them.

All associates and joint ventures are accounted for using the equity method by the Group.

The investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2022 and 2021 were based on the associates' audited financial statements for the same years then ended except Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd., Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd. and TCC Zhongrun (Anshun) Environmental Technology Co., Ltd. The Group considered that there would be no significant adjustments if such financial statements were to be audited.

15. PROPERTY, PLANT AND EQUIPMENT

| | Land | Buildings | Machinery and Equipment | Miscellaneous Equipment | Property in Construction | Total |
|--|----------------------|----------------------|-------------------------|-------------------------|--------------------------|-----------------------|
| <u>Cost</u> | | | | | | |
| Balance at January 1, 2022 | \$ 25,912,225 | \$ 51,746,756 | \$ 80,969,973 | \$ 15,474,043 | \$ 11,884,990 | \$ 185,987,987 |
| Additions | 1,856 | 420,271 | 1,061,501 | 370,877 | 17,171,965 | 19,026,470 |
| Disposals | - | (81,582) | (469,656) | (1,023,993) | - | (1,575,231) |
| Reclassification | 45,783 | 2,451,340 | 7,773,232 | 4,591,488 | (12,014,050) | 2,847,793 |
| Effects of foreign currency exchange differences | 2,195 | 606,394 | 880,785 | 457,679 | 66,989 | 2,014,042 |
| Balance at December 31, 2022 | <u>\$ 25,962,059</u> | <u>\$ 55,143,179</u> | <u>\$ 90,215,835</u> | <u>\$ 19,870,094</u> | <u>\$ 17,109,894</u> | <u>\$ 208,301,061</u> |
| <u>Accumulated depreciation and impairment</u> | | | | | | |
| Balance at January 1, 2022 | \$ 808,904 | \$ 21,210,406 | \$ 57,214,150 | \$ 8,479,352 | \$ 79,143 | \$ 87,791,955 |
| Disposals | - | (54,221) | (403,655) | (998,624) | - | (1,456,500) |
| Depreciation expenses | - | 1,490,880 | 4,018,850 | 988,560 | - | 6,498,290 |
| Reclassification | - | 29,822 | (20,321) | 9 | - | 9,510 |
| Effects of foreign currency exchange differences | - | 142,949 | 488,657 | 84,741 | 1,476 | 717,823 |
| Balance at December 31, 2022 | <u>\$ 808,904</u> | <u>\$ 22,819,836</u> | <u>\$ 61,297,681</u> | <u>\$ 8,554,038</u> | <u>\$ 80,619</u> | <u>\$ 93,561,078</u> |
| Carrying amount at December 31, 2022 | <u>\$ 25,153,155</u> | <u>\$ 32,323,343</u> | <u>\$ 28,918,154</u> | <u>\$ 11,316,056</u> | <u>\$ 17,029,275</u> | <u>\$ 114,739,983</u> |
| <u>Cost</u> | | | | | | |
| Balance at January 1, 2021 | \$ 24,111,549 | \$ 49,391,149 | \$ 95,772,602 | \$ 15,070,836 | \$ 7,743,182 | \$ 192,089,318 |
| Additions | 1,861,979 | 113,190 | 1,013,009 | 606,674 | 11,275,586 | 14,870,438 |
| Disposals | (310,481) | (359,691) | (1,926,214) | (521,637) | (2,530,920) | (5,648,943) |
| Acquisitions through business combinations (Note 29) | 811,145 | 2,404,772 | 4,183,676 | 413,563 | 225,197 | 8,038,353 |
| Reclassification | (560,204) | 499,968 | (17,593,376) | 14,278 | (4,780,199) | (22,419,533) |
| Effects of foreign currency exchange differences | (1,763) | (302,632) | (479,724) | (109,671) | (47,856) | (941,646) |
| Balance at December 31, 2021 | <u>\$ 25,912,225</u> | <u>\$ 51,746,756</u> | <u>\$ 80,969,973</u> | <u>\$ 15,474,043</u> | <u>\$ 11,884,990</u> | <u>\$ 185,987,987</u> |
| <u>Accumulated depreciation and impairment</u> | | | | | | |
| Balance at January 1, 2021 | \$ 808,904 | \$ 19,401,738 | \$ 71,362,067 | \$ 8,327,743 | \$ 79,894 | \$ 99,980,346 |
| Disposals | - | (329,387) | (1,806,054) | (374,023) | - | (2,509,464) |
| Depreciation expenses | - | 1,366,918 | 3,647,889 | 712,514 | - | 5,727,321 |
| Impairment losses | - | 558 | 6,198 | - | - | 6,756 |
| Acquisitions through business combinations (Note 29) | - | 999,335 | 2,886,929 | 326,820 | - | 4,213,084 |
| Reclassification | - | (127,223) | (18,601,738) | (488,468) | - | (19,217,429) |
| Effects of foreign currency exchange differences | - | (101,533) | (281,141) | (25,234) | (751) | (408,659) |
| Balance at December 31, 2021 | <u>\$ 808,904</u> | <u>\$ 21,210,406</u> | <u>\$ 57,214,150</u> | <u>\$ 8,479,352</u> | <u>\$ 79,143</u> | <u>\$ 87,791,955</u> |
| Carrying amount at December 31, 2021 | <u>\$ 25,103,321</u> | <u>\$ 30,536,350</u> | <u>\$ 23,755,823</u> | <u>\$ 6,994,691</u> | <u>\$ 11,805,847</u> | <u>\$ 98,196,032</u> |

The related assets and liabilities of Taiwan Prosperity Chemical Corporation were reclassified as disposal groups held for sale in the first quarter of 2021 and disposed in August 2021. For further information, refer to Notes 11 and 30.

Ta-Ho RSEA Environment Co., Ltd. and the Yunlin County Government signed the “Build-Own-Operate Agreement for Waste Incineration Plant” (the “BOO Agreement”) on February 2002 and the Yunlin County Government unilaterally terminated the BOO Agreement in 2006. Ta-Ho RSEA Environment Co., Ltd. filed the application for arbitration and received arbitration award and payment from the Yunlin County Government about \$3,382,519 thousand (included principal and interest of compensation decided by arbitration). Ta-Ho RSEA Environment Co., Ltd. received notification from the Yunlin County Government on March 18, 2021 to conduct the registration of changes in land rights of the Linnei Incinerator on April 2021 and therefore recognized gain on disposal of real property, plant and equipment in the amount of \$452,044 thousand.

For the years ended December 31, 2021, the Group recognized impairment losses of \$6,756 thousand, after assessing that the recoverable amounts of part of its property, plant and equipment of cement segment were zero due to factors such as idling as a result of decrease in market demand or natural disasters.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

| | |
|-------------------------|-------------|
| Buildings | |
| Main buildings | 30-60 years |
| Main plants | 15-50 years |
| Storage units | 10-50 years |
| Others | 20-50 years |
| Machinery and equipment | 2-28 years |
| Miscellaneous equipment | 2-20 years |

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 36.

Acquisitions of property, plant and equipment included non-cash items which were reconciled as follows:

| | For the Year Ended December 31 | |
|---|---------------------------------------|-----------------------------|
| | 2022 | 2021 |
| Acquisitions of property, plant and equipment | \$ 19,026,470 | \$ 14,870,438 |
| Increase in prepayments for equipment | 4,244,054 | 1,949,584 |
| Decrease (increase) in payables for equipment | 242,687 | (260,515) |
| Increase in other non-current liabilities | <u>(54,758)</u> | <u>(6,719)</u> |
| | <u>\$ 23,458,453</u> | <u>\$ 16,552,788</u> |

16. LEASE ARRANGEMENTS

a. Right-of-use assets

| | December 31 | |
|------------------------|-----------------------------|-----------------------------|
| | 2022 | 2021 |
| <u>Carrying amount</u> | | |
| Land | \$ 13,525,477 | \$ 13,023,670 |
| Buildings | 1,531,828 | 1,484,025 |
| Machinery | 354,777 | 421,625 |
| Others | <u>91,693</u> | <u>63,464</u> |
| | <u>\$ 15,503,775</u> | <u>\$ 14,992,784</u> |

| | For the Year Ended December 31 | |
|---|---------------------------------------|---------------------|
| | 2022 | 2021 |
| Additions to right-of-use assets | <u>\$ 1,268,727</u> | <u>\$ 2,178,217</u> |
| Depreciation charge for right-of-use assets | | |
| Land | \$ 645,079 | \$ 573,152 |
| Buildings | 182,940 | 160,280 |
| Machinery | 84,383 | 99,079 |
| Others | <u>41,649</u> | <u>23,053</u> |
| | <u>\$ 954,051</u> | <u>\$ 855,564</u> |

Except for the aforementioned additions and recognized depreciation (including continuing operations and discontinued operations), the Group did not have significant sublease or impairment of right-of-use assets during the years ended December 31, 2022 and 2021.

b. Lease liabilities

| | December 31 | |
|------------------------|---------------------|---------------------|
| | 2022 | 2021 |
| <u>Carrying amount</u> | | |
| Current | <u>\$ 400,136</u> | <u>\$ 407,652</u> |
| Non-current | <u>\$ 3,550,048</u> | <u>\$ 3,261,791</u> |

Range of discount rate for lease liabilities was as follows:

| | December 31 | |
|-----------|--------------------|-------------|
| | 2022 | 2021 |
| Land | 1.79%-4.90% | 1.79%-4.90% |
| Buildings | 0.71%-4.75% | 0.71%-4.75% |
| Machinery | 1.85%-2.20% | 1.85%-2.20% |
| Others | 0.85%-4.75% | 1.76%-4.75% |

c. Material lease-in activities and terms

The Group leases certain land and buildings for use as plants and offices. The Group does not have bargain purchase options to acquire the leased premises at the end of the lease terms.

d. Other lease information

| | For the Year Ended December 31 | |
|---|---------------------------------------|-----------------------|
| | 2022 | 2021 |
| Expenses relating to short-term leases | <u>\$ 808,485</u> | <u>\$ 1,238,816</u> |
| Expenses relating to low-value asset leases | <u>\$ 2,897</u> | <u>\$ 2,512</u> |
| Expenses relating to variable lease payments not included in the measurement of lease liabilities | <u>\$ 329,326</u> | <u>\$ 283,132</u> |
| Total cash outflow for leases | <u>\$ (1,624,278)</u> | <u>\$ (2,016,924)</u> |

The Group's leases of certain assets which qualify as short-term leases and low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

17. INVESTMENT PROPERTIES

| | Land | Buildings | Total |
|--|---------------------|---------------------|---------------------|
| <u>Cost</u> | | | |
| Balance at January 1, 2022 | \$ 5,422,848 | \$ 1,269,795 | \$ 6,692,643 |
| Additions | - | 1,255 | 1,255 |
| Disposals | (58,417) | - | (58,417) |
| Reclassification | (20,860) | (14,485) | (35,345) |
| Effects of foreign currency exchange differences | - | 2,654 | 2,654 |
| Balance at December 31, 2022 | <u>\$ 5,343,571</u> | <u>\$ 1,259,219</u> | <u>\$ 6,602,790</u> |
| <u>Accumulated depreciation and impairment</u> | | | |
| Balance at January 1, 2022 | \$ 546,871 | \$ 720,092 | \$ 1,266,963 |
| Depreciation expenses | - | 21,190 | 21,190 |
| Reclassification | - | (9,510) | (9,510) |
| Effects of foreign currency exchange differences | - | 1,131 | 1,131 |
| Balance at December 31, 2022 | <u>\$ 546,871</u> | <u>\$ 732,903</u> | <u>\$ 1,279,774</u> |
| Carrying amount at December 31, 2022 | <u>\$ 4,796,700</u> | <u>\$ 526,316</u> | <u>\$ 5,323,016</u> |
| <u>Cost</u> | | | |
| Balance at January 1, 2021 | \$ 5,422,848 | \$ 1,360,858 | \$ 6,783,706 |
| Additions | - | 3,334 | 3,334 |
| Disposals | - | (93,565) | (93,565) |
| Reclassification | - | 13 | 13 |
| Effects of foreign currency exchange differences | - | (845) | (845) |
| Balance at December 31, 2021 | <u>\$ 5,422,848</u> | <u>\$ 1,269,795</u> | <u>\$ 6,692,643</u> |
| <u>Accumulated depreciation and impairment</u> | | | |
| Balance at January 1, 2021 | \$ 546,871 | \$ 785,401 | \$ 1,332,272 |
| Depreciation expenses | - | 20,507 | 20,507 |
| Disposals | - | (89,267) | (89,267) |
| Reclassification | - | 3,791 | 3,791 |
| Effects of foreign currency exchange differences | - | (340) | (340) |
| Balance at December 31, 2021 | <u>\$ 546,871</u> | <u>\$ 720,092</u> | <u>\$ 1,266,963</u> |
| Carrying amount at December 31, 2021 | <u>\$ 4,875,977</u> | <u>\$ 549,703</u> | <u>\$ 5,425,680</u> |

The Corporation disposed of land classified as investment property in the year ended December 31, 2022. The transaction amount was \$560,763 thousand, and the Corporation recognized gain on disposal of investment properties in the amount of \$502,346 thousand

The buildings of the investment properties are depreciated using the straight-line method over their estimated useful lives of 50 years.

The fair values of the investment properties were determined by independent qualified professional valuers or the Group's management using market prices of similar properties. As of December 31, 2022 and 2021, the fair values of investment properties were \$13,242,491 thousand and \$13,566,958 thousand, respectively.

The investment properties pledged as collateral for bank borrowings are set out in Note 36.

18. INTANGIBLE ASSETS

| | Goodwill | Operational Concession | Mining Rights | Technical Expertise | Others | Total |
|--|----------------------|---------------------------|---------------------|------------------------|---------------------|----------------------|
| <u>Cost</u> | | | | | | |
| Balance at January 1, 2022 | \$ 16,138,810 | \$ 7,681,476 | \$ 5,772,594 | \$ 1,220,651 | \$ 1,891,679 | \$ 32,705,210 |
| Additions | - | - | 579,758 | - | 321,241 | 900,999 |
| Reclassification | - | - | - | (63,094) | 90,150 | 27,056 |
| Effects of foreign currency exchange differences | 350,161 | - | 107,978 | 51,742 | 45,900 | 555,781 |
| Balance at December 31, 2022 | <u>\$ 16,488,971</u> | <u>\$ 7,681,476</u> | <u>\$ 6,460,330</u> | <u>\$ 1,209,299</u> | <u>\$ 2,348,970</u> | <u>\$ 34,189,046</u> |
| <u>Accumulated amortization and impairment</u> | | | | | | |
| Balance at January 1, 2022 | \$ 156,000 | \$ 1,511,110 | \$ 1,904,654 | \$ - | \$ 1,482,585 | \$ 5,054,349 |
| Amortization expenses | - | 151,111 | 343,595 | 328,393 | 219,405 | 1,042,504 |
| Impairment losses | - | - | - | - | 89,923 | 89,923 |
| Reclassification | - | - | - | - | 44,971 | 44,971 |
| Effects of foreign currency exchange differences | - | - | 32,192 | 14,243 | 30,448 | 76,883 |
| Balance at December 31, 2022 | <u>\$ 156,000</u> | <u>\$ 1,662,221</u> | <u>\$ 2,280,441</u> | <u>\$ 342,636</u> | <u>\$ 1,867,332</u> | <u>\$ 6,308,630</u> |
| Carrying amount at December 31, 2022 | <u>\$ 16,332,971</u> | <u>\$ 6,019,255</u> | <u>\$ 4,179,889</u> | <u>\$ 866,663</u> | <u>\$ 481,638</u> | <u>\$ 27,880,416</u> |
| <u>Cost</u> | | | | | | |
| Balance at January 1, 2021 | \$ 11,784,778 | \$ 7,681,476 | \$ 3,335,578 | \$ - | \$ 1,203,169 | \$ 24,005,001 |
| Additions | - | - | 1,801,497 | - | 376,576 | 2,178,073 |
| Disposals | - | - | (47,411) | - | - | (47,411) |
| Acquisitions through business combinations (Note 29) | 4,708,627 | - | - | 1,296,259 | 346,823 | 6,351,709 |
| Reclassification | - | - | 719,959 | - | - | 719,959 |
| Effects of foreign currency exchange differences | (354,595) | - | (37,029) | (75,608) | (34,889) | (502,121) |
| Balance at December 31, 2021 | <u>\$ 16,138,810</u> | <u>\$ 7,681,476</u> | <u>\$ 5,772,594</u> | <u>\$ 1,220,651</u> | <u>\$ 1,891,679</u> | <u>\$ 32,705,210</u> |
| <u>Accumulated amortization and impairment</u> | | | | | | |
| Balance at January 1, 2021 | \$ 156,000 | \$ 1,359,999 | \$ 1,763,855 | \$ - | \$ 1,161,187 | \$ 4,441,041 |
| Amortization expenses | - | 151,111 | 204,365 | - | 104,813 | 460,289 |
| Disposals | - | - | (47,365) | - | - | (47,365) |
| Acquisitions through business combinations (Note 29) | - | - | - | - | 236,766 | 236,766 |
| Effects of foreign currency exchange differences | - | - | (16,201) | - | (20,181) | (36,382) |
| Balance at December 31, 2021 | <u>\$ 156,000</u> | <u>\$ 1,511,110</u> | <u>\$ 1,904,654</u> | <u>\$ -</u> | <u>\$ 1,482,585</u> | <u>\$ 5,054,349</u> |
| Carrying amount at December 31, 2021 | <u>\$ 15,982,810</u> | <u>\$ 6,170,366</u> | <u>\$ 3,867,940</u> | <u>\$ 1,220,651</u> | <u>\$ 409,094</u> | <u>\$ 27,650,861</u> |

For the year ended December 31 2022, the Group recognized impairment losses of \$89,923 thousand, after assessing there were no estimated future cash flows expected to arise from some intangible assets.

The above items of intangible assets with finite useful lives are amortized on a straight-line basis, over their useful lives as follows:

| | |
|------------------------|-------------|
| Operational concession | 50 years |
| Mining rights | 30-50 years |
| Technical expertise | 5 years |
| Others | 3-17 years |

19. BORROWINGS

a. Short-term loans

| | December 31 | |
|--------------------------------|--------------------|-------------------|
| | 2022 | 2021 |
| Secured borrowings | | |
| Bank loans | \$ 420,000 | \$ 25,000 |
| Unsecured borrowings | | |
| Bank loans - unsecured | 20,912,856 | 47,727,752 |
| Bank loans - letters of credit | <u>1,083,956</u> | <u>687,762</u> |
| | <u>21,996,812</u> | <u>48,415,514</u> |
| | \$ 22,416,812 | \$ 48,440,514 |
| Interest rate | 1.29%-5.60% | 0.56%-1.30% |

b. Short-term bills payable

| | December 31 | |
|---|---------------------|---------------------|
| | 2022 | 2021 |
| Commercial paper | \$ 3,078,000 | \$ 6,775,000 |
| Less: Unamortized discount on bills payable | <u>12,039</u> | <u>5,954</u> |
| | <u>\$ 3,065,961</u> | <u>\$ 6,769,046</u> |
| Interest rate | 1.94%-2.79% | 0.83%-1.11% |

c. Long-term loans and long-term bills payable

| | December 31 | |
|---------------------------------|----------------------|----------------------|
| | 2022 | 2021 |
| Secured borrowings | \$ 2,202,828 | \$ 2,162,800 |
| Unsecured borrowings | <u>41,388,300</u> | <u>21,624,453</u> |
| | 43,591,128 | 23,787,253 |
| Less: Current portion | <u>726,392</u> | <u>7,091,417</u> |
| | <u>\$ 42,864,736</u> | <u>\$ 16,695,836</u> |
| Long-term bills payable | \$ 15,100,000 | \$ 12,700,000 |
| Less: Discount on bills payable | <u>109,411</u> | <u>19,914</u> |
| | <u>\$ 14,990,589</u> | <u>\$ 12,680,086</u> |

(Continued)

| | December 31 | |
|-------------------------|--------------------|-------------|
| | 2022 | 2021 |
| Interest rate | | |
| Long-term loans | 1.58%-6.17% | 0.68%-3.75% |
| Long-term bills payable | 1.92%-2.09% | 1.19%-1.25% |
| | | (Concluded) |

Long-term loans consist of unsecured borrowings, secured borrowings. The principals of long-term unsecured and secured borrowings are due in September 2028, and the interests are paid monthly.

The Group has entered into 5-year and 7-year syndicated loan agreements in 2018 with certain bank consortium, and a 5-year syndicated loan agreement with certain bank consortium in 2022, with an expiry date of May 2027. The credit line is divided into two tranches: A and B. The long-term credit line of Tranche A will be repaid in May 2027. The credit facility of Tranche B, which is a long-term revolving credit line, is divided into Tranche B-1 and Tranche B-2. The Group has the right to decide whether to utilize the long-term loans Tranche B-1 or the long-term notes payable Tranche B-2 at its sole discretion. When each utilized amount expires, it can be directly reimbursed by the newly allocated funds. For the same amount, the Group does not need to remit funds in and out.

The Group did not violate the financial covenants of other long-term loans and long-term bills payable.

20. BONDS PAYABLE

| | December 31 | |
|--------------------------------------|----------------------|----------------------|
| | 2022 | 2021 |
| Domestic unsecured bonds | | |
| 1 st issued in 2018 | \$ 12,000,000 | \$ 12,000,000 |
| 1 st issued in 2019 | 12,600,000 | 12,600,000 |
| 1 st issued in 2020 | 20,000,000 | 20,000,000 |
| 1 st issued in 2021 | 16,600,000 | 16,600,000 |
| 1 st issued in 2022 | 7,750,000 | - |
| 2 nd issued in 2022 | 3,300,000 | - |
| | <u>72,250,000</u> | <u>61,200,000</u> |
| Less: Discount on bonds payable | <u>(113,426)</u> | <u>(110,690)</u> |
| | <u>72,136,574</u> | <u>61,089,310</u> |
| Overseas unsecured convertible bonds | | |
| 1 st issued in 2021 | 22,200,000 | 22,200,000 |
| Less: Discount on bonds payable | <u>(1,414,553)</u> | <u>(1,762,865)</u> |
| | <u>20,785,447</u> | <u>20,437,135</u> |
| Less: Current portion | <u>(20,785,447)</u> | <u>-</u> |
| | <u>\$ 72,136,574</u> | <u>\$ 81,526,445</u> |

On April 11, 2022, the Board of Directors of the Corporation resolved to issue domestic sustainable bond or normal unsecured bonds at the price not exceeding NT\$20,000,000 thousand (or its equivalent in US dollars) denominated in NTD or USD; issue overseas green bonds or social responsibility bonds or normal unsecured bonds denominated in USD. The above plans can be executed alternatively or all at the same time. As of December 31, 2022, the Corporation has issued a portion of the abovementioned bonds.

a. Domestic unsecured bonds

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$12,000,000 thousand on June 21, 2018, with a fixed coupon rate of 1.7% per annum. The bonds have a maturity period of 15 years, and a one-off payment of principal should be made in full on June 21, 2033 and with interest paid annually.

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$12,600,000 thousand on June 14, 2019, with a fixed coupon rate of 0.85% per annum. The bonds have a maturity period of 5 years, and a one-off payment of principal should be made in full on June 14, 2024 and with interest paid annually.

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$20,000,000 thousand on April 15, 2020. According to the issuance conditions, the unsecured bonds are classified into bonds A and bonds B, with a fixed coupon rate of 0.69% and 0.93% per annum, and with the issuance amounts of NT\$5,200,000 thousand and NT\$14,800,000 thousand, respectively. The bonds will be repaid in a one-off payment on April 15, 2027 and April 15, 2035, respectively, while the interests will be paid annually.

The Corporation issued domestic unsecured bonds at par value in the total amount of NT\$16,600,000 thousand on August 31, 2021. According to the issuance conditions, the unsecured bonds are classified into bonds A, bonds B, bonds C and bonds D, with a fixed coupon rate of 0.59%, 0.68%, 0.78% and 0.95% per annum, and with the issuance amounts of NT\$5,800,000 thousand, NT\$3,100,000 thousand, NT\$1,200,000 thousand and NT\$6,500,000 thousand, respectively. The bonds will be repaid in a one-off payment on August 31, 2026, August 31, 2028, August 31, 2031 and August 31, 2036, respectively, while the interests will be paid annually.

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$7,750,000 thousand on June 8, 2022. According to the issuance conditions, the unsecured bonds are classified into bonds A and bonds B with a fixed coupon rate of 1.90% and 2.15% per annum, and with the issuance amounts of NT\$4,950,000 thousand and NT\$2,800,000 thousand, respectively. The bonds will be repaid in a one-off payment on June 8, 2028 and June 8, 2032, respectively, while the interests will be paid annually.

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$3,300,000 thousand on November 25, 2022. According to the issuance conditions, the unsecured bonds are classified into bonds A and bonds B with a fixed coupon rate of 2.10% and 2.65% per annum, and with the issuance amounts of NT\$2,100,000 thousand and NT\$1,200,000 thousand, respectively. The bonds will be repaid in a one-off payment on November 25, 2027 and November 25, 2032, respectively, while the interests will be paid annually.

b. Overseas unsecured convertible bonds

Overseas unsecured convertible bonds 1st issued in 2021

In September 2021, the Corporation's Board of Directors resolved to issue overseas unsecured convertible bonds for the first time. This proposal was approved and became effective under the letter issued by the Financial Supervisory Commission ("FSC") dated November 26, 2021 (Ref. No. Jin-Guan-Zheng-Fa-Zi 1100373764). The bonds, which have a zero-coupon rate and a duration of 5 years, were listed on the Singapore Stock Exchange on December 7, 2021, and have a face value of US\$800,000 thousand.

Bondholders may request the Corporation to convert the bonds into the Corporation's ordinary shares at the price of NT\$59.8 per share at any time within the period from the following day after three months from the issuance date to 10 days prior to maturity date. The conversion price after the issuance of convertible corporate bonds will be adjusted according to the anti-dilution clause of the 2021 First Overseas Unsecured Convertible Bonds Issuance and Conversion Rules of the Corporation. As of December 31, 2022, the adjusted conversion price was NT\$52.53 per share. Bondholders can request the Corporation to convert the bonds at the fixed exchange rate of US\$1=NT\$27.75, which is to be divided by the conversion price per share on the conversion date. As of December 31, 2022, no conversion had been requested.

From the second anniversary of the issue date of the convertible bonds to the maturity date, the Corporation may redeem all the outstanding convertible bonds at the early redemption amount, provided that the closing price of issuer's ordinary shares on TWSE, for a total of 20 days out of 30 consecutive trading days, has reached at least 130% of the total amount of the early redemption amount that multiplied by the conversion price, and divided by the par value, or provided that at least 90% of the convertible bonds have been redeemed, converted, repurchased and cancelled.

Unless the convertible bonds have been early redeemed, repurchased and cancelled or converted, the bondholders shall have the right to request the Corporation to redeem the convertible bonds, in whole or in part, at the early redemption amount on the second anniversary of the issue date. Therefore, on December 31, 2022, the overseas unsecured convertible bonds were converted to convertible bonds expired within a year.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 1.69% per annum on initial recognition.

| | Convertible Bonds |
|--|------------------------------|
| Proceeds from issuance at December 2021 (less transaction costs of \$232,461 thousand) | \$ 21,967,539 |
| Redemption of option derivatives (accounting for financial liabilities measured at FVTPL) and transaction costs | (215,282) |
| Equity component (less transaction costs allocated to the equity component of \$14,157 thousand) | <u>(1,337,823)</u> |
| Liability component at the date of issue (less transaction costs allocated to the liability component of \$216,026 thousand) | 20,414,434 |
| Interest charged at an effective interest rate | <u>22,701</u> |
| Liability component at December 31, 2021 | 20,437,135 |
| Interest charged at an effective interest rate | <u>348,312</u> |
| Liability component at December 31, 2022 | <u>\$ 20,785,447</u> |

21. OTHER PAYABLES

| | <u>December 31</u> | |
|------------------------------|---------------------|----------------------|
| | <u>2022</u> | <u>2021</u> |
| Salaries and bonuses payable | \$ 2,077,884 | \$ 2,392,053 |
| Deposits and retention money | 1,248,255 | 1,272,813 |
| Payables for equipment | 866,737 | 1,081,568 |
| Interest payable | 584,850 | 380,429 |
| Taxes payable | 528,094 | 562,434 |
| Payables for electricity | 252,828 | 290,708 |
| Freight payable | 39,988 | 170,245 |
| Others | <u>4,172,955</u> | <u>4,087,946</u> |
| | <u>\$ 9,771,591</u> | <u>\$ 10,238,196</u> |

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation and its subsidiaries in the Republic of China adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiaries in China are members of a state-managed retirement benefit plan operated by the government of China. These subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plan

The defined benefit plan adopted by the Corporation and its subsidiaries in the Republic of China, which is in accordance with the Labor Standards Act, is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Group contributes amounts equal to a specified percentage of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plan were as follows:

| | <u>December 31</u> | |
|---|---------------------|---------------------|
| | <u>2022</u> | <u>2021</u> |
| Present value of defined benefit obligation | \$ (933,990) | \$ (1,008,358) |
| Fair value of plan assets | <u>2,381,898</u> | <u>2,715,472</u> |
| | <u>\$ 1,447,908</u> | <u>\$ 1,707,114</u> |
| Net defined benefit assets | <u>\$ 1,567,531</u> | <u>\$ 1,850,315</u> |
| Net defined benefit liabilities | <u>\$ 119,623</u> | <u>\$ 143,201</u> |

Movements in net defined benefit assets were as follows:

| | Present Value of Defined Benefit Obligation | Fair Value of the Plan Assets | Net Defined Benefit Assets |
|---|--|--|---------------------------------------|
| Balance at January 1, 2022 | \$ (1,008,358) | \$ 2,715,472 | \$ 1,707,114 |
| Service costs | | | |
| Current service costs | (9,992) | - | (9,992) |
| Net interest income (expense) | (5,148) | 13,617 | 8,469 |
| Recognized in profit or loss | (15,140) | 13,617 | (1,523) |
| Remeasurement | | | |
| Return on plan assets (excluding amounts included in net interest) | - | (279,606) | (279,606) |
| Actuarial gain - changes in financial assumptions | 40,802 | - | 40,802 |
| Actuarial loss - experience adjustments | (43,448) | - | (43,448) |
| Recognized in other comprehensive loss | (2,646) | (279,606) | (282,252) |
| Contributions from the employer | - | 12,321 | 12,321 |
| Benefits paid | 92,144 | (79,906) | 12,238 |
| Others | 10 | - | 10 |
| Balance at December 31, 2022 | \$ (933,990) | \$ 2,381,898 | \$ 1,447,908 |
| Balance at January 1, 2021 | \$ (1,065,946) | \$ 2,565,126 | \$ 1,499,180 |
| Service costs | | | |
| Current service costs | (14,724) | - | (14,724) |
| Net interest income (expense) | (4,504) | 9,404 | 4,900 |
| Recognized in profit or loss | (19,228) | 9,404 | (9,824) |
| Remeasurement | | | |
| Return on plan assets (excluding amounts included in net interest) | - | 282,466 | 282,466 |
| Actuarial loss - changes in demographic assumptions | (24,188) | - | (24,188) |
| Actuarial gain - changes in financial assumptions | 5,747 | - | 5,747 |
| Actuarial gain - experience adjustments | 2,264 | - | 2,264 |
| Recognized in other comprehensive income (loss) | (16,177) | 282,466 | 266,289 |
| Contributions from the employer | - | 12,959 | 12,959 |
| Benefits paid | 61,871 | (54,572) | 7,299 |
| Disposal of subsidiary | 109,475 | (114,319) | (4,844) |
| Business combinations | (90,099) | 14,408 | (75,691) |
| Others | 11,746 | - | 11,746 |
| Balance at December 31, 2021 | \$ (1,008,358) | \$ 2,715,472 | \$ 1,707,114 |

Through the defined benefit plan under the Labor Standards Act, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

| | December 31 | |
|--|--------------------|-------------|
| | 2022 | 2021 |
| Discount rates | 1.13%-1.50% | 0.50%-0.63% |
| Long-term average rates of salary increase | 1.50%-3.00% | 1.50%-2.25% |

If possible reasonable change in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

| | December 31 | |
|-----------------------------------|--------------------|--------------------|
| | 2022 | 2021 |
| Discount rates | | |
| 0.25% increase | <u>\$ (15,253)</u> | <u>\$ (18,152)</u> |
| 0.25% decrease | <u>\$ 15,690</u> | <u>\$ 18,709</u> |
| Expected rates of salary increase | | |
| 0.25% increase | <u>\$ 15,256</u> | <u>\$ 18,807</u> |
| 0.25% decrease | <u>\$ (14,908)</u> | <u>\$ (17,643)</u> |

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

| | December 31 | |
|--|--------------------|------------------|
| | 2022 | 2021 |
| The expected contributions to the plan for the next year | <u>\$ 13,005</u> | <u>\$ 10,370</u> |
| The average duration of the defined benefit obligation | 6-12 years | 7-13 years |

23. EQUITY

a. Share capital

1) Ordinary shares

| | <u>December 31</u> | |
|---|----------------------|----------------------|
| | <u>2022</u> | <u>2021</u> |
| Number of shares authorized (in thousands) | <u>8,500,000</u> | <u>7,000,000</u> |
| Shares authorized | <u>\$ 85,000,000</u> | <u>\$ 70,000,000</u> |
| Number of shares issued and fully paid (in thousands) | <u>7,156,182</u> | <u>6,125,234</u> |
| Shares issued | <u>\$ 71,561,817</u> | <u>\$ 61,252,340</u> |

A holder of issued ordinary shares with par value of \$10 is entitled to the proportional rights to vote and to receive dividends. The authorized shares include ordinary shares and preference shares containing 60,000 thousand units retained for the exercise of employee share options.

In May 2022, the Corporation's shareholders meeting resolved to amend the Articles of Incorporation to increase the authorized share capital and the number of shares to \$85,000,000 thousand and 8,500,000 thousand of shares, respectively.

The Corporation's shareholders meeting resolved to distribute share dividends of \$6,116,173 thousand in May 2022, which was approved by the Financial Supervisory Commission ("FSC"). The ex-dividend date was July 27, 2022 as determined by the Board of Directors of the Corporation.

The changes in the number of issued shares included the conversion of convertible bonds, the distribution of share dividends, the cancelation of treasury stocks and the issuance of global depositary receipt.

2) Preference shares

In June 2018, the Corporation's Board of Directors resolved to increase cash capital by issuing preference shares for the second time, which was approved by the FSC under letter dated July 25, 2018 (Ref. No. Jin-Guan-Zheng-Fa-Zi 1070325853), and the record date of capital increase was determined as of December 13, 2018, it was expected to issue 200,000 thousand shares with a face value of \$10 per share at the issue price of NT\$50 per share, with 3.5% coupon per annum (based on a five-year term 0.9375% IRS interest rate + 2.5625% fixed interest rate). Five-year term IRS interest rate will be reset on the next business day of the expiry of the five-year period from the date of issue and every five years thereafter. The shareholders of the second preference shares do not have the right to vote and to elect in the shareholders meeting but can be elected as directors. The Corporation has full discretion on the dividend distribution of the second preference shares. If there is no surplus or insufficient surplus to pay the preference share dividends upon the close of current fiscal year, the Corporation's resolution to cancel the distribution of preference share dividends will not constitute an event of default or a termination event in a contract. Preference share dividends are non-accumulative, and dividends that are not distributed or distributed in excess are not accumulated in the future year with deferred annual repayment. There is no maturity of the Corporation's second preference shares, but the Corporation may recover whole or part of the second preference shares at the actual issue price from the day following the five-year period from the issue date. The preference shares may not be converted to ordinary shares, and the preference shareholders do not have the rights to require the Corporation to redeem the preference shares they hold.

3) Issuance of global depository receipt

In May 2022, the shareholders meeting of the Corporation resolved the issuance of new ordinary shares for sponsoring issuance of global depository receipts to increase working capital for future development, repaying bank loans, and purchasing materials overseas. This proposal was approved and took effect upon receipt of the letter issued by the FSC dated September 27, 2022 (Ref. No. Jin-Guan-Zheng-Fa-Zi 1110356873). The Corporation has issued 84,000 thousand of units at the offer price of US\$5.06 each on the Luxembourg Stock Exchange in October 2022. The total issue price is US\$425,040 thousand. Each unit of the global depository receipts represents five ordinary shares of the Corporation with the total number of 420,000 thousand of shares. As of December 31, 2022, 83,006 thousand of units were converted into ordinary shares.

b. Capital surplus

| | December 31 | |
|---|----------------------|----------------------|
| | 2022 | 2021 |
| <u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)</u> | | |
| Issuance of ordinary shares | \$ 53,366,704 | \$ 44,176,367 |
| Conversion of bonds | 10,539,771 | 10,540,825 |
| Treasury share transactions | 186,289 | 204,127 |
| Donations | 31,537 | 31,537 |
| Forfeited share options | 36,879 | 16,456 |
| Exercised employee share options | 22,347 | 7,652 |
| <u>May be used to offset a deficit only (Note 2)</u> | | |
| Changes in percentage of ownership interests in subsidiaries | 179,578 | 114,834 |
| Dividends distributed by subsidiaries not yet received by shareholders | 2,510 | 2,510 |
| <u>May not be used for any purpose</u> | | |
| Equity component of convertible bond | 1,337,823 | 1,337,823 |
| Changes in interests in associates accounted for using the equity method | <u>282,427</u> | <u>325,339</u> |
| | <u>\$ 65,985,865</u> | <u>\$ 56,757,470</u> |

Note 1: Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus).

Note 2: Such capital surplus arises from the effect of changes in ownership interest in a subsidiary resulting from equity transactions, other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the dividend policy as set in the amended Articles, where the Corporation made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's Board of Directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' general meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors, refer to Note 25(c): Net profit from continuing operations - compensation of employees and remuneration of directors.

In addition to the capital-intensive, mature and stable production and marketing of cement and cement-related products, the Corporation aggressively pursues diversification. For the development of diversified investments or other important capital budgeting plans, the Corporation decided that the payout ratio of cash dividend is to be at least 20% of the total dividends to be distributed to ordinary shareholders; the rest will be paid in share dividends.

An appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Corporation's share capital. The legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's share capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2021 and 2020, which were approved in the shareholders' general meetings in May 2022 and July 2021, respectively, were as follows:

| | Appropriation of Earnings | | Dividends Per Share (NT\$) | |
|-------------------------------------|---------------------------------------|--------------|---------------------------------------|-------------------------|
| | For the Year Ended December 31 | | For the Year Ended December 31 | |
| | 2021 | 2020 | 2021 | 2020 |
| Legal reserve | \$ 2,068,477 | \$ 2,530,554 | | |
| Cash dividends on preference shares | 350,000 | 350,000 | <u>\$ 1.75</u> | <u>\$ 1.75</u> |
| Cash dividends on ordinary shares | 6,116,173 | 20,594,434 | <u>\$ 1.00</u> (Note 2) | <u>\$ 3.50</u> (Note 1) |
| Share dividends on ordinary shares | 6,116,173 | - | <u>\$ 1.00</u> (Note 2) | <u>\$ -</u> |

Note 1: Given the transfer of treasury shares to employees has not been implemented and the registration amendment to the number of ordinary shares converted from outstanding overseas unsecured convertible bonds has not been completed, the total number of issued and outstanding shares does not reflect the actual situation. Therefore, the cash dividend was adjusted to \$3.36811984 per ordinary share.

Note 2: The number of ordinary shares outstanding was affected by the Corporation's purchase of treasury shares which has not been transferred to employees. Therefore, the cash dividend was adjusted to \$0.99928258 per ordinary share and the share dividend was adjusted to \$0.99928258 per ordinary share.

As of February 24, 2023, the appropriation of earnings for 2022 had not yet been proposed by the Corporation's board of directors. Information on the appropriation of the earnings proposed by the Corporation's board of directors and approved by shareholder's general meeting is available at the Market Observation Post System website of the Taiwan Stock Exchange.

d. Special reserve

The Corporation appropriated to special reserve the amounts that were the same as the unrealized revaluation increment and cumulative translation adjustments transferred to retained earnings at the first-time adoption of IFRSs, which were \$10,454,422 thousand and \$2,709,369 thousand, respectively.

The special reserve appropriated at the first-time adoption of IFRSs relating to investment in properties other than land may be reversed according to the period of use. The special reserve relating to land may be reversed upon disposal or reclassification, and such special reserve of \$35,459 thousand and \$0 thousand was reversed for the years ended December 31, 2022 and 2021, respectively. The special reserve appropriated, due to currency translation adjustments for financial statements of foreign operations (including subsidiaries), shall be reversed based on the Corporation's disposal percentage, and all of the special reserve shall be reversed when the Corporation loses significant influence.

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

| | <u>For the Year Ended December 31</u> | |
|---|--|------------------------|
| | 2022 | 2021 |
| Balance at January 1 | \$ (16,068,895) | \$ (9,523,576) |
| Recognized for the year | | |
| Exchange differences on the translation of the financial statements of foreign operations | 3,973,221 | (1,313,568) |
| Share from associates and joint ventures accounted for using the equity method | <u>3,801,499</u> | <u>(5,231,751)</u> |
| Balance at December 31 | <u>\$ (8,294,175)</u> | <u>\$ (16,068,895)</u> |

2) Unrealized gain (loss) on financial assets at FVTOCI

| | <u>For the Year Ended December 31</u> | |
|---|--|----------------------|
| | 2022 | 2021 |
| Balance at January 1 | \$ 26,988,909 | \$ 30,670,817 |
| Recognized for the year | | |
| Unrealized loss - equity instruments | (6,343,964) | (2,820,559) |
| Share from associates and joint ventures accounted for using the equity method | <u>(358,029)</u> | <u>168,531</u> |
| Other comprehensive loss recognized for the year | <u>(6,701,993)</u> | <u>(2,652,028)</u> |
| Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal | <u>-</u> | <u>(1,029,880)</u> |
| Balance at December 31 | <u>\$ 20,286,916</u> | <u>\$ 26,988,909</u> |

3) Cash flow hedges

| | For the Year Ended December 31 | |
|---|---------------------------------------|-------------|
| | 2022 | 2021 |
| Balance at January 1 | \$ - | \$ (250) |
| Recognized for the year | | |
| Share from associates accounted for using the equity method | <u>(1,651)</u> | <u>250</u> |
| Balance at December 31 | <u>\$ (1,651)</u> | <u>\$ -</u> |

f. Non-controlling interests

| | For the Year Ended December 31 | |
|---|---------------------------------------|----------------------|
| | 2022 | 2021 |
| Balance at January 1 | \$ 21,177,340 | \$ 14,758,236 |
| Net income (loss) | (1,247,899) | 944,890 |
| Other comprehensive income (loss) during the year | | |
| Exchange differences on translating of the financial statements of foreign operations | 315,025 | (100,746) |
| Unrealized gain (loss) on financial assets at FVTOCI | (22,840) | 10,162 |
| Remeasurement of defined benefit plans | 4,143 | (502) |
| Changes in ownership interests of subsidiaries | (212,724) | (31,361) |
| Dividends paid by subsidiaries | (1,161,092) | (2,069,608) |
| Non-controlling interests from acquisition of subsidiaries (Note 29) | - | 6,385,908 |
| Increase cash capital by subsidiaries | 1,535,612 | 1,483,509 |
| Acquisition of non-controlling interests in subsidiaries (Note 31) | <u>(6,551)</u> | <u>(203,148)</u> |
| Balance at December 31 | <u>\$ 20,381,014</u> | <u>\$ 21,177,340</u> |

g. Treasury shares

(In Thousands of Shares)

| | For the Year Ended December 31 | |
|---------------------------------|---------------------------------------|--------------|
| | 2022 | 2021 |
| Number of shares at January 1 | 9,061 | 11,522 |
| Transferred to employees | (4,391) | (2,461) |
| Cancelled during the year | <u>(670)</u> | <u>-</u> |
| Number of shares at December 31 | <u>4,000</u> | <u>9,061</u> |

The Corporation's Board of Directors resolved to buy back treasury shares mainly for transferring to employees. The compensation costs recognized for transferring treasury shares to employees were \$66,820 thousand and \$24,325 thousand for the year ended December 31, 2022 and 2021, respectively.

The Corporation cancelled the treasury stocks overdue which had not yet been transferred to employees pursuant to the law, and the Board of Directors of the Corporation resolved to decrease its capital by \$6,696 thousand in August 2022, cancelled 670 thousand issued shares, and scheduled the record date for capital reduction of August 10, 2022.

The Corporation's board of directors resolved in January 2023 to buy back 20,000 thousand shares mainly for transferring to employees. The scheduled buy-back period was from January 5, 2023 to March 3, 2023. As of the date the consolidated financial statements were authorized for issue, 20,000 thousand shares have already been bought back and the total amount was \$732,459 thousand.

Under the Securities Exchange Act, the Corporation shall neither pledge treasury shares nor exercise shareholder's rights on these shares, such as rights to dividends and to vote.

24. REVENUE

- a. Revenue from contracts with customers

| | For the Year Ended December 31 | |
|-------------------|---------------------------------------|-----------------------|
| | 2022 | 2021 |
| Operating revenue | <u>\$ 113,929,706</u> | <u>\$ 107,041,452</u> |

- b. Contract balances

| | December 31, 2022 | December 31, 2021 | January 1, 2021 |
|--|------------------------------|------------------------------|----------------------------|
| Notes and accounts receivable (Note 9) | <u>\$ 34,599,483</u> | <u>\$ 35,483,726</u> | <u>\$ 39,041,499</u> |
| Contract assets (included in other current assets) | <u>\$ 548,725</u> | <u>\$ 179,035</u> | <u>\$ -</u> |
| Contract liabilities | <u>\$ 1,774,714</u> | <u>\$ 1,439,222</u> | <u>\$ 5,226,637</u> |

The changes in the balance of contract liabilities primarily resulted from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment.

25. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations includes the following items:

- a. Depreciation and amortization

| | For the Year Ended December 31 | |
|---|---------------------------------------|---------------------|
| | 2022 | 2021 |
| An analysis of depreciation by item | | |
| Property, plant and equipment | \$ 6,498,290 | \$ 5,599,019 |
| Right-of-use assets | 954,051 | 829,916 |
| Investment properties | <u>21,190</u> | <u>20,507</u> |
| | <u>\$ 7,473,531</u> | <u>\$ 6,449,442</u> |
| An analysis of depreciation by function | | |
| Operating costs | \$ 6,856,441 | \$ 6,021,621 |
| Operating expenses | 617,090 | 425,757 |
| Non-operating expenses | <u>-</u> | <u>2,064</u> |
| | <u>\$ 7,473,531</u> | <u>\$ 6,449,442</u> |

(Continued)

| | For the Year Ended December 31 | |
|--|---------------------------------------|-------------------|
| | 2022 | 2021 |
| An analysis of amortization of intangible assets by function | | |
| Operating costs | \$ 968,878 | \$ 389,346 |
| Operating expenses | <u>73,626</u> | <u>70,943</u> |
| | <u>\$ 1,042,504</u> | <u>\$ 460,289</u> |
| | | (Concluded) |

b. Employee benefits expense

| | For the Year Ended December 31 | |
|--|---------------------------------------|---------------------|
| | 2022 | 2021 |
| Retirement benefit plans | | |
| Defined contribution plans | \$ 679,120 | \$ 544,852 |
| Defined benefit plans | <u>1,523</u> | <u>9,456</u> |
| | <u>680,643</u> | <u>554,308</u> |
| Share-based payments | | |
| Equity-settled (Notes 23 and 28) | 103,396 | 24,325 |
| Cash-settled | <u>-</u> | <u>105,960</u> |
| | <u>103,396</u> | <u>130,285</u> |
| Other employee benefits | <u>8,985,521</u> | <u>7,877,215</u> |
| Total employee benefits expense | <u>\$ 9,769,560</u> | <u>\$ 8,561,808</u> |
| An analysis of employee benefits expense by function | | |
| Operating costs | \$ 6,191,094 | \$ 5,745,436 |
| Operating expenses | <u>3,578,466</u> | <u>2,816,372</u> |
| | <u>\$ 9,769,560</u> | <u>\$ 8,561,808</u> |

c. Compensation of employees and remuneration of directors

The Corporation accrued compensation of employees and remuneration of directors at the rates of 0.01%-3% and no higher than 1%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The total amount of compensation of employees and remuneration of directors were \$79,123 thousand and \$61,622 thousand for the year ended December 31, 2022. The Corporation may settle compensation of employees and remuneration of directors in cash were \$106,914 thousand and \$210,453 thousand for the year ended December 31, 2021, which was approved by the Corporation's board of directors in April 2022.

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020.

Information on the compensation of employees and remuneration of directors resolved by the Corporation's Board of Directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

d. Finance costs

| | For the Year Ended December 31 | |
|-------------------------------|---------------------------------------|---------------------|
| | 2022 | 2021 |
| Interest on bank borrowings | \$ 1,532,208 | \$ 805,611 |
| Interest on corporate bonds | 1,054,515 | 627,393 |
| Interest on lease liabilities | 97,542 | 55,481 |
| Other finance costs | <u>185,623</u> | <u>181,978</u> |
| | <u>\$ 2,869,888</u> | <u>\$ 1,670,463</u> |

e. Interest income

| | For the Year Ended December 31 | |
|---------------------------|---------------------------------------|---------------------|
| | 2022 | 2021 |
| Interest on bank deposits | \$ 2,093,718 | \$ 1,527,381 |
| Others | <u>8,777</u> | <u>8,599</u> |
| | <u>\$ 2,102,495</u> | <u>\$ 1,535,980</u> |

f. Other income

| | For the Year Ended December 31 | |
|--------------------------------|---------------------------------------|---------------------|
| | 2022 | 2021 |
| Government grants | \$ 96,751 | \$ 118,848 |
| Rental income | 21,007 | 16,367 |
| Gain on disposal of investment | - | 233,756 |
| Others | <u>465,354</u> | <u>698,878</u> |
| | <u>\$ 583,112</u> | <u>\$ 1,067,849</u> |

g. Other expenses

| | For the Year Ended December 31 | |
|------------------------|---------------------------------------|-------------------|
| | 2022 | 2021 |
| Loss on work stoppages | \$ 120,647 | \$ 130,285 |
| Others | <u>708,666</u> | <u>656,434</u> |
| | <u>\$ 829,313</u> | <u>\$ 786,719</u> |

26. INCOME TAX RELATING TO CONTINUING OPERATIONS

a. Major components of tax expense recognized in profit or loss

| | For the Year Ended December 31 | |
|---|---------------------------------------|---------------------|
| | 2022 | 2021 |
| Current tax | | |
| In respect of the current year | \$ 2,110,889 | \$ 5,527,508 |
| Income tax on unappropriated earnings | 303,239 | 94,120 |
| Adjustments for prior years | <u>(232,472)</u> | <u>(112,501)</u> |
| | <u>2,181,656</u> | <u>5,509,127</u> |
| Deferred tax | | |
| In respect of the current year | <u>307,356</u> | <u>421,260</u> |
| Income tax expense recognized in profit or loss | <u>\$ 2,489,012</u> | <u>\$ 5,930,387</u> |

A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

| | For the Year Ended December 31 | |
|--|---------------------------------------|----------------------|
| | 2022 | 2021 |
| Income before income tax | <u>\$ 6,646,097</u> | <u>\$ 26,078,084</u> |
| Income tax expense at the statutory rate | \$ 1,329,219 | \$ 5,215,616 |
| Non-deductible expenses in determining taxable income | 1,016,445 | 669,573 |
| Tax-exempt income | (472,158) | (760,854) |
| Unrecognized loss carryforwards and deductible temporary differences | (301,193) | (271,482) |
| Loss carryforwards utilized in the current year | (6,074) | (134,387) |
| Effects of different tax rate of subsidiaries operating in other jurisdictions | 228,374 | 786,563 |
| Income tax on unappropriated earnings | 303,239 | 94,120 |
| Adjustments for prior years | (232,472) | (112,501) |
| Others | <u>623,632</u> | <u>443,739</u> |
| Income tax expense recognized in profit or loss | <u>\$ 2,489,012</u> | <u>\$ 5,930,387</u> |

b. Income tax recognized in other comprehensive income

| | For the Year Ended December 31 | |
|---------------------------------------|---------------------------------------|------------------|
| | 2022 | 2021 |
| <u>Deferred tax</u> | | |
| Deferred tax in the current year | | |
| Remeasurement on defined benefit plan | <u>\$ (57,170)</u> | <u>\$ 53,780</u> |

c. Current tax assets and liabilities

| | December 31 | |
|---|---------------------|---------------------|
| | 2022 | 2021 |
| Current tax assets | | |
| Tax refund receivable (included in other receivables) | <u>\$ 277,067</u> | <u>\$ 130,898</u> |
| Current tax liabilities | | |
| Current income tax liabilities | <u>\$ 1,063,356</u> | <u>\$ 2,490,823</u> |

d. Deferred income tax assets and liabilities

The movements of deferred income tax assets (included in other non-current assets) and deferred income tax liabilities were as follows:

For the year ended December 31, 2022

| | Opening Balance | Recognized in Profit or Loss | Recognized in Other Comprehensive Income | Acquisitions Through Business Combinations | Disposal of Subsidiary | Others | Closing Balance |
|---|----------------------|------------------------------|--|--|------------------------|-------------------|----------------------|
| <u>Deferred income tax assets</u> | | | | | | | |
| Loss carryforwards | \$ 5,151 | \$ 17,881 | \$ - | \$ - | \$ - | \$ 39 | \$ 23,071 |
| Defined benefit plan | 22,288 | 3,271 | (3,589) | - | - | - | 21,970 |
| Inventories | 116,746 | 7,211 | - | - | - | 1,149 | 125,106 |
| Others | <u>228,982</u> | <u>170,472</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>17,325</u> | <u>416,779</u> |
| | <u>\$ 373,167</u> | <u>\$ 198,835</u> | <u>\$ (3,589)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 18,513</u> | <u>\$ 586,926</u> |
| <u>Deferred income tax liabilities</u> | | | | | | | |
| Land value increment tax | \$ 5,083,375 | \$ (6,411) | \$ - | \$ - | \$ - | \$ (18,594) | \$ 5,058,370 |
| Finance leases | 2,874,168 | (354,944) | - | - | - | - | 2,519,224 |
| Property, plant and equipment | 1,590,513 | (304,072) | - | - | - | 41,378 | 1,327,819 |
| Retained earnings from foreign subsidiaries | 1,823,529 | 236,722 | - | - | - | (56,291) | 2,003,960 |
| Defined benefit plan | 345,634 | 1,601 | (60,759) | - | - | - | 286,476 |
| Others | <u>205,646</u> | <u>933,295</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>24,629</u> | <u>1,163,570</u> |
| | <u>\$ 11,922,865</u> | <u>\$ 506,191</u> | <u>\$ (60,759)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (8,878)</u> | <u>\$ 12,359,419</u> |

For the year ended December 31, 2021

| | Opening Balance | Recognized in Profit or Loss | Recognized in Other Comprehensive Income | Acquisitions Through Business Combinations | Disposal of Subsidiary | Others | Closing Balance |
|---|----------------------|------------------------------|--|--|------------------------|---------------------|----------------------|
| <u>Deferred income tax assets</u> | | | | | | | |
| Loss carryforwards | \$ 206,678 | \$ 2,039 | \$ - | \$ - | \$ (203,566) | \$ - | \$ 5,151 |
| Defined benefit plan | 27,371 | (2,515) | 260 | - | (2,828) | - | 22,288 |
| Inventories | 122,133 | (4,809) | - | - | - | (578) | 116,746 |
| Others | <u>280,025</u> | <u>(34,042)</u> | <u>-</u> | <u>-</u> | <u>(20,708)</u> | <u>3,707</u> | <u>228,982</u> |
| | <u>\$ 636,207</u> | <u>\$ (39,327)</u> | <u>\$ 260</u> | <u>\$ -</u> | <u>\$ (227,102)</u> | <u>\$ 3,129</u> | <u>\$ 373,167</u> |
| <u>Deferred income tax liabilities</u> | | | | | | | |
| Land value increment tax | \$ 5,083,375 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,083,375 |
| Finance leases | 3,093,646 | (219,478) | - | - | - | - | 2,874,168 |
| Property, plant and equipment | 1,503,371 | 92,244 | - | - | - | (5,102) | 1,590,513 |
| Retained earnings from foreign subsidiaries | 1,771,373 | 314,498 | - | - | - | (262,342) | 1,823,529 |
| Defined benefit plan | 291,309 | 285 | 54,040 | - | - | - | 345,634 |
| Others | <u>11,196</u> | <u>194,384</u> | <u>-</u> | <u>920</u> | <u>(248)</u> | <u>(606)</u> | <u>205,646</u> |
| | <u>\$ 11,754,270</u> | <u>\$ 381,933</u> | <u>\$ 54,040</u> | <u>\$ 920</u> | <u>\$ (248)</u> | <u>\$ (268,050)</u> | <u>\$ 11,922,865</u> |

e. Unrecognized deferred income tax assets in respect of loss carryforwards

| | December 31 | |
|--------------------|---------------------|---------------------|
| | 2022 | 2021 |
| Loss carryforwards | | |
| Expire in 2022 | \$ - | \$ 1,333,520 |
| Expire in 2023 | 639,948 | 873,426 |
| Expire in 2024 | 631,499 | 865,142 |
| Expire in 2025 | 679,251 | 990,779 |
| Expire in 2026 | 787,448 | 1,281,534 |
| Expire in 2027 | 1,947,808 | 435,584 |
| Expire in 2028 | 830 | 37,706 |
| Expire in 2029 | 144,802 | 192,615 |
| Expire in 2030 | 374,735 | 392,916 |
| Expire in 2031 | 1,279,008 | 1,279,008 |
| Expire in 2032 | <u>108,182</u> | <u>-</u> |
| | <u>\$ 6,593,511</u> | <u>\$ 7,682,230</u> |

f. Unused loss carryforwards information

Loss carryforwards as of December 31, 2022 were comprised of:

| Unused Amount | Expiry Year |
|--------------------------|--------------------|
| \$ 639,948 | 2023 |
| 631,499 | 2024 |
| 679,251 | 2025 |
| 787,448 | 2026 |
| 1,947,808 | 2027 |
| 830 | 2028 |
| 144,802 | 2029 |
| 374,735 | 2030 |
| 1,279,008 | 2031 |
| <u>132,015</u> | 2032 |
| <u>\$ 6,617,344</u> | |

g. Unrecognized deferred income tax liabilities in respect of investments

As of December 31, 2022 and 2021, the taxable temporary differences in respect of investments in subsidiaries and associates for which no deferred income tax liabilities have been recognized were \$96,366,824 thousand and \$97,109,400 thousand, respectively.

h. Income tax return assessments

The information of income tax assessments for the Group is as follows:

| Year | Company |
|------|---|
| 2019 | E-One Moli Energy Corp. |
| 2020 | Taiwan Cement Corporation (2019 not yet assessed), TCC Investment Corporation, Ho Sheng Mining Co., Ltd., Union Cement Traders Inc., TCC Information Systems Corporation, Taiwan Cement Engineering Corporation, Tung Chen Mineral Corporation, Jin Chang Minerals Corporation, Hoping Industrial Port Corporation, HPC Power Service Corporation, Ho-Ping Power Company, E.G.C. Cement Corporation, Kuan-Ho Refractories Industry Corporation, Taiwan Transport & Storage Corporation, TCC Chemical Corporation, Ta-Ho RSEA Environment Co., Ltd., TCC Recycle Energy Technology Company, TCC Green Energy Corporation, Ta-Ho Maritime Corporation, TCC Sustainable Energy Investment Corporation, TCC Energy Storage Technology Corporation, Chang-Wang Wind Power Co., Ltd., TCC Chia-Chien Green Energy Corporation, TCC Yun-Kai Green Energy Corporation, TCC Lien-Hsin Green Energy Corporation, TCC Chang-Ho Green Energy Corporation, TCC Kao-Cheng Green Energy Corporation, TCC Nan-Chung Green Energy Corporation, Chia-Ho Green Energy Corporation, TCC Ping-Chih Green Energy Corporation, Feng Sheng Enterprise Company Limited |

27. EARNINGS PER SHARE

| | Unit: NT\$ Per Share | |
|------------------------------|---------------------------------------|----------------|
| | <u>For the Year Ended December 31</u> | |
| | 2022 | 2021 |
| Basic earnings per share | | |
| From continuing operations | \$ 0.74 | \$ 2.84 |
| From discontinued operations | <u>-</u> | <u>0.16</u> |
| | <u>\$ 0.74</u> | <u>\$ 3.00</u> |
| Diluted earnings per share | | |
| From continuing operations | \$ 0.73 | \$ 2.81 |
| From discontinued operations | <u>-</u> | <u>0.16</u> |
| | <u>\$ 0.73</u> | <u>\$ 2.97</u> |

The weighted average number of shares outstanding used in the earnings per share computation was adjusted retrospectively. The basic and diluted earnings per share adjusted retrospectively for the year ended December 31, 2021 were as follows:

| | Unit: NT\$ Per Share | |
|------------------------------|--|---|
| | Before Retrospective Adjustment | After Retrospective Adjustment |
| Basic earnings per share | | |
| From continuing operations | \$ 3.12 | \$ 2.84 |
| From discontinued operations | <u>0.18</u> | <u>0.16</u> |
| | <u>\$ 3.30</u> | <u>\$ 3.00</u> |
| Diluted earnings per share | | |
| From continuing operations | \$ 3.09 | \$ 2.81 |
| From discontinued operations | <u>0.18</u> | <u>0.16</u> |
| | <u>\$ 3.27</u> | <u>\$ 2.97</u> |

The earnings and weighted average number of ordinary shares (in thousands) outstanding in the computation of earnings per share were as follows:

| | For the Year Ended December 31 | |
|--|---------------------------------------|----------------------|
| | 2022 | 2021 |
| Profit for the year attributable to owners of the Corporation (Note) | \$ 5,054,984 | \$ 19,906,366 |
| Profit for the period used in the computation of basic earnings per share from discontinued operations | <u>-</u> | <u>(1,073,939)</u> |
| Profit used in the computation of basic earnings per share from continuing operations | 5,054,984 | 18,832,427 |
| Effect of potentially dilutive ordinary shares: | | |
| Interest on convertible bonds | <u>230,158</u> | <u>67,416</u> |
| Profit used in the computation of diluted earnings per share from continuing operations | <u>\$ 5,285,142</u> | <u>\$ 18,899,843</u> |
| <u>Number of shares (in thousands)</u> | | |
| Weighted average number of ordinary shares in computation of basic earnings per share | 6,835,603 | 6,646,406 |
| Effect of potentially dilutive ordinary shares: | | |
| Compensation of employees | 2,948 | 2,784 |
| Convertible bonds | <u>354,302</u> | <u>79,950</u> |
| Weighted average number of ordinary shares used in the computation of diluted earnings per share | <u>7,192,853</u> | <u>6,729,140</u> |

Note: Preference share dividends of \$350,000 thousand were deducted in 2022 and 2021, respectively.

The Corporation may settle compensation paid to employees in cash or shares; therefore, the Corporation assumes that the entire amount of the compensation or bonus will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

28. SHARE-BASED PAYMENT ARRANGEMENTS

NHOA S.A., the Corporation's subsidiary, granted 542 thousand employee stock options in July 2022. Each unit of the employee stock option entitles the holder with the right to subscribe for one ordinary share of the NHOA S.A. Those who are granted with employee stock options include employees who meet specific condition, i.e., the employee must serve for 2 years or more.

Relevant information on employee share options was as follows:

| | <u>For the Year Ended December 31</u> <u>2022</u> | |
|--|--|--|
| | Number of Options (In Thousands of Units) | Weighted- average Exercise Price (\$) |
| Balance at January 1 | - | \$ - |
| Options granted | <u>542</u> | - |
| Balance at December 31 | <u>542</u> | - |
| Options exercisable, end of the year | <u>-</u> | - |
| Weighted-average fair value of options granted (NTD) | <u>\$ 329.82</u> | |

Relevant information on outstanding employee share options was as follows:

| | <u>December 31,</u> <u>2022</u> |
|---------------------------------------|------------------------------------|
| Remaining contractual life (in years) | 1.5 years |

The employee stock options granted by NHOA S.A. in July 2022 are priced by using the dividend discount evaluation model, and the inputs to the model are as follows:

| | Employee Stock Options Granted for the Year Ended December 31, 2022 |
|----------------------------------|--|
| Share price on grant date (NTD) | \$343.56 |
| Discount rate of forfeiture risk | 2% |

The compensation cost was recognized in the amount of \$36,576 thousand for the year ended December 31, 2022.

29. BUSINESS COMBINATIONS

a. Subsidiaries acquired

| Subsidiary | Principal Activity | Date of Acquisition | Proportion of Voting Equity Interests Acquired (%) | Consideration Transferred |
|---------------------------------------|---|---------------------|--|---------------------------|
| NHOA S.A. | Investment, construction of renewable energy storage system | July 20, 2021 | 60.5 | <u>\$ 4,391,545</u> |
| TCC Recycle Energy Technology Company | Investment, manufacture of Lithium batteries | August 12, 2021 | 38.1 | <u>\$ 9,232,894</u> |

On April 19, 2021, the Board of Directors of the Corporation resolved to acquire 60.5% of the ordinary shares of Engie EPS in order to expand the Group's energy storage business. The Group acquired 7,721,453 shares of Engie EPS from Engie SA group for a cash payment of EUR17.10 per share on July 20, 2021, and Engie EPS changed its name to NHOA S.A. on the same day.

The Group subscribed TCC Recycle Energy Technology Company with \$9,232,894 thousand, leading to an increase of the percentage of ownership in TCC Recycle Energy Technology Company from 29.7% to 67.8% with non-subscription by other shareholders and subsequently gaining control of it.

b. Consideration transferred

| | NHOA S.A. | TCC Recycle Energy Technology Company |
|------|---------------------|---------------------------------------|
| Cash | <u>\$ 4,391,545</u> | <u>\$ 9,232,894</u> |

c. Assets acquired and liabilities assumed at the date of acquisition

| | NHOA S.A. | TCC Recycle Energy Technology Company |
|-------------------------------|------------|---------------------------------------|
| Current assets | | |
| Cash and cash equivalents | \$ 354,778 | \$ 11,624,517 |
| Trade and other receivables | 157,970 | 539,584 |
| Inventories | 99,534 | 1,237,632 |
| Other current assets | 410,460 | 258,499 |
| Non-current assets | | |
| Property, plant and equipment | 215,757 | 3,609,512 |
| Intangible assets | 1,339,905 | - |
| Other non-current assets | 526,800 | 689,442 |

(Continued)

| | NHOA S.A. | TCC Recycle Energy Technology Company |
|--|-------------------|--|
| Current liabilities | | |
| Short-term borrowings | \$ (132,667) | \$ (11,129) |
| Trade and other payables | (325,981) | (694,593) |
| Long-term borrowings (expired within a year) | (332,600) | (300,000) |
| Other current liabilities | (432,490) | (398,269) |
| Non-current liabilities | | |
| Long-term borrowings | (758,169) | - |
| Other non-current liabilities | <u>(404,164)</u> | <u>(123,469)</u> |
| Net assets acquired | <u>\$ 719,133</u> | <u>\$ 16,431,726</u> (Concluded) |

d. Non-controlling interests

The non-controlling interests recognized at the acquisition date were measured by the proportion of identifiable net assets owned.

e. Goodwill recognized on acquisitions

| | NHOA S.A. | TCC Recycle Energy Technology Company |
|--|---------------------|--|
| Consideration transferred | \$ 4,391,545 | \$ 9,232,894 |
| Fair value of equity at acquisition date | - | 1,915,550 |
| Non-controlling interests | 1,043,877 | 5,295,660 |
| Fair value of identifiable net assets acquired | <u>(719,133)</u> | <u>(16,431,726)</u> |
| Goodwill recognized on acquisitions | <u>\$ 4,716,289</u> | <u>\$ 12,378</u> |

The goodwill from acquisitions of NHOA S.A. mainly represents the control premium included in the cost of the combination. In addition, the consideration paid for the combination effectively included amounts attributed to the benefits of expected revenue growth and future market development of acquired companies. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

The total amount of acquired goodwill is not tax-deductible.

As of December 31, 2022, the Group had finished identifying the difference between the investment cost and net fair value of identifiable assets acquired and liabilities assumed of NHOA S.A.

- f. Net cash outflow (inflow) on the acquisition of subsidiaries

| | NHOA S.A. | TCC Recycle Energy Technology Company |
|--|---------------------|--|
| Consideration paid in cash | \$ 4,391,545 | \$ 9,232,894 |
| Less: Cash and cash equivalent balances acquired | <u>(354,778)</u> | <u>(11,624,517)</u> |
| | <u>\$ 4,036,767</u> | <u>\$ (2,391,623)</u> |

- g. Refer to Note 27 in the consolidated financial statements for the year ended December 31, 2021 for detailed information relating to the impact of acquisitions on the results of the Group.

30. DISPOSAL OF SUBSIDIARY

On March 19, 2021, the Corporation's Board of Directors resolved to enter into a sale agreement to dispose of all its interests in Taiwan Prosperity Chemical Corporation for Chang Chun Plastic Co., Ltd. by receiving 2,400,000 thousand in cash. According to the agreement, Taiwan Prosperity Chemical Corporation should pay \$400,000 thousand to TCC Chemical Corporation as the consideration of ending the machinery lease agreement before the acquisition date. The disposal was completed on August 17, 2021, the date the control of Taiwan Prosperity Chemical Corporation passed to the acquirer.

- a. Consideration received from disposal

| | |
|---|---------------------|
| Consideration received in cash and cash equivalents | <u>\$ 2,800,000</u> |
|---|---------------------|

- b. Analysis of assets and liabilities on the date control was lost

| | |
|--|---------------------|
| Current assets | |
| Cash and cash equivalents | \$ 2,926,538 |
| Trade receivables | 2,112,486 |
| Other receivables | 1,065,671 |
| Inventories | 779,911 |
| Other current assets | 88,596 |
| Non-current assets | |
| Property, plant and equipment | 2,429,783 |
| Other non-current assets | 461,935 |
| Current liabilities | |
| Short-term borrowings | (3,179,197) |
| Trade payables | (569,283) |
| Other payables | (775,303) |
| Other current liabilities | (32,872) |
| Non-current liabilities | |
| Long-term borrowings (including expired within a year) | (2,995,760) |
| Other non-current liabilities | <u>(33,919)</u> |
| Net assets disposed of | <u>\$ 2,278,586</u> |

| | |
|---|---------------------|
| c. Gain on disposal of subsidiary | |
| Consideration received | \$ 2,800,000 |
| Net assets disposed of | <u>(2,278,586)</u> |
| Gain on disposals | <u>\$ 521,414</u> |
| d. Net cash outflow on disposals of subsidiary | |
| Consideration received in cash and cash equivalents | \$ 2,800,000 |
| Less: Cash and cash equivalent balances disposed of | <u>(2,926,538)</u> |
| | <u>\$ (126,538)</u> |

31. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

For the year ended December 31, 2022

- a. During 2022, the Group acquired a portion of the shares of Taiwan Transport & Storage Corporation, and the proportion of ownership was 83.9%.

| <u>Acquirer</u> | <u>Taiwan Cement Corporation</u> |
|--|---|
| | <u>Taiwan Transport & Storage Corporation</u> |
| Acquiree | Corporation |
| Cash consideration paid | \$ (840) |
| The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests | <u>916</u> |
| Differences from equity transactions | <u>\$ 76</u> |
| | Taiwan Cement Corporation |
| Acquirer | Corporation |
| | Taiwan Transport & Storage Corporation |
| Acquiree | Corporation |
| <u>Line items adjusted for equity transactions</u> | |
| Capital surplus - difference between the consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals | <u>\$ 76</u> |

- b. During 2022, the Group acquired a portion of the shares of TCC Recycle Energy Technology Company, and the proportion of ownership was 77.9%.

| Acquirer | Taiwan Cement Corporation |
|--|--|
| Acquiree | TCC Recycle Energy Technology Company |
| Cash consideration paid | \$ (8,533) |
| The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests | <u>8,321</u> |
| Differences from equity transactions | <u>\$ (212)</u> |

| Acquirer | Taiwan Cement Corporation |
|--|--|
| Acquiree | TCC Recycle Energy Technology Company |
| <u>Line items adjusted for equity transactions</u> | |
| Capital surplus - difference between the consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals | \$ (76) |
| Unappropriated earnings | <u>(136)</u> |
| | <u>\$ (212)</u> |

- c. During 2022, the Group acquired a portion of the shares of Comores Énergie Nouvelles S.A.R.L., and the proportion of ownership was increased from 60.0% to 100.0%.

| Acquirer | NHOA S.A. |
|--|---|
| Acquiree | Comores Énergie Nouvelles S.A.R.L. |
| Cash consideration paid | \$ (9,593) |
| The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests | <u>(2,686)</u> |
| Differences from equity transactions | <u>\$ (12,279)</u> |

| <u>Acquirer</u> | <u>NHOA S.A.</u> |
|-----------------|---|
| Acquiree | Comores Énergie Nouvelles S.A.R.L. |

Line items adjusted for equity transactions

| | |
|-------------------------|-------------|
| Unappropriated earnings | \$ (12,279) |
|-------------------------|-------------|

The above transactions were accounted for as equity transactions since there was no change in the Group's control over these subsidiaries.

For the year ended December 31, 2021

- a. During 2021, the Group acquired 26.4% of the shares of Taiwan Prosperity Chemical Corporation, and the proportion of ownership was from 73.6% to 100.0%.

| <u>Acquirer</u> | <u>Taiwan Cement Corporation</u> |
|-----------------|---|
| Acquiree | Taiwan Prosperity Chemical Corporation |

| | |
|--|---------------------|
| Cash consideration paid | \$ (626,345) |
| The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests | <u>252,150</u> |
| Differences from equity transactions | <u>\$ (374,195)</u> |

| <u>Acquirer</u> | <u>Taiwan Cement Corporation</u> |
|-----------------|---|
| Acquiree | Taiwan Prosperity Chemical Corporation |

Line items adjusted for equity transactions

| | |
|--|---------------------|
| Capital surplus - difference between the consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals | \$ (22,402) |
| Unappropriated earnings | <u>(351,793)</u> |
| | <u>\$ (374,195)</u> |

- b. During 2021, the Group acquired a portion of the shares of Taiwan Cement Engineering Corporation, and the proportion of ownership was 99.2%.

| Acquirer | Taiwan Cement Corporation |
|--|--|
| Acquiree | Taiwan Cement Engineering Corporation |
| Cash consideration paid | \$ (141) |
| The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests | <u>141</u> |
| Differences from equity transactions | <u>\$ -</u> |

- c. During 2021, the Group acquired a portion of the shares of Ta-Ho Maritime Corporation, and the proportion of ownership was 94.0%.

| Acquirer | Taiwan Transport and Storage Corporation |
|--|---|
| Acquiree | Ta-Ho Maritime Corporation |
| Cash consideration paid | \$ (1,908) |
| The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests | <u>1,900</u> |
| Differences from equity transactions | <u>\$ (8)</u> |

| Acquirer | Taiwan Transport and Storage Corporation |
|--|---|
| Acquiree | Ta-Ho Maritime Corporation |
| <u>Line items adjusted for equity transactions</u> | |
| Unappropriated earnings | <u>\$ (8)</u> |

- d. During 2021, the Group acquired a portion of the shares of NHOA S.A., and the proportion of ownership was increased from 60.5% to 65.2%.

| Acquirer | TCEH |
|--|---------------------|
| Acquiree | NHOA S.A. |
| Cash consideration paid | \$ (329,447) |
| The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests | <u>(51,045)</u> |
| Differences from equity transactions | <u>\$ (380,492)</u> |

| Acquirer | TCEH |
|--|---------------------|
| Acquiree | NHOA S.A. |
| <u>Line items adjusted for equity transactions</u> | |
| Unappropriated earnings | <u>\$ (380,492)</u> |

- e. During 2021, the Group acquired a portion of the shares of Taiwan Transport & Storage Corporation, and the proportion of ownership was 84.5%.

| Acquirer | Taiwan Cement Corporation |
|--|---|
| Acquiree | Taiwan Transport and Storage Corporation |
| Cash consideration paid | \$ - |
| The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests | <u>2</u> |
| Differences from equity transactions | <u>\$ 2</u> |

| Acquirer | Taiwan Cement Corporation |
|--|---|
| Acquiree | Taiwan Transport and Storage Corporation |
| <u>Line items adjusted for equity transactions</u> | |
| Capital surplus - difference between the consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals | <u>\$ 2</u> |

The above transactions were accounted for as equity transactions since there was no change in the Group's control over these subsidiaries.

32. CASH FLOWS INFORMATION

Changes in liabilities arising from financing activities:

For the year ended December 31, 2022

| | Opening Balance | Cash Flows | Effect of Exchange Rate | Closing Balance |
|--|------------------------|-----------------------|--------------------------------|------------------------|
| Short-term borrowings | \$ 48,440,514 | \$ (27,377,773) | \$ 1,354,071 | \$ 22,416,812 |
| Long-term borrowings (including expired within a year) | <u>23,787,253</u> | <u>19,561,425</u> | <u>242,450</u> | <u>43,591,128</u> |
| | <u>\$ 72,227,767</u> | <u>\$ (7,816,348)</u> | <u>\$ 1,596,521</u> | <u>\$ 66,007,940</u> |

For the year ended December 31, 2021

| | Opening Balance | Cash Flows | Acquisition of Subsidiaries | Disposal of Subsidiary | Effect of Exchange Rate | Closing Balance |
|--|----------------------------|----------------------|--|-----------------------------------|------------------------------------|----------------------------|
| Short-term borrowings | \$ 34,675,454 | \$ 17,043,656 | \$ 143,796 | \$ (3,179,197) | \$ (243,195) | \$ 48,440,514 |
| Long-term borrowings (including expired within a year) | <u>29,803,481</u> | <u>(4,366,854)</u> | <u>1,390,769</u> | <u>(2,995,760)</u> | <u>(44,383)</u> | <u>23,787,253</u> |
| | <u>\$ 64,478,935</u> | <u>\$ 12,676,802</u> | <u>\$ 1,534,565</u> | <u>\$ (6,174,957)</u> | <u>\$ (287,578)</u> | <u>\$ 72,227,767</u> |

33. CAPITAL MANAGEMENT

The Group needs to maintain sufficient capital to fulfill the Group's requirements of business expansion and construction. Therefore, the capital management of the Group shall focus on a comprehensive operational plan to ensure sound profitability and financial structure so as to fulfill the mid and long-term demand of working capital, capital expenditures, debts repayment and dividend distributions.

34. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

Except for those listed in the table below, the Group considers that the carrying amount of financial instruments not measured at fair value in the consolidated financial statements approximates fair value.

December 31, 2022

| | Carrying Amount | Fair Value | | | Total |
|---|----------------------------|-------------------|----------------|----------------------|----------------------|
| | | Level 1 | Level 2 | Level 3 | |
| <u>Financial liabilities</u> | | | | | |
| Financial liabilities at amortized cost | | | | | |
| Convertible bonds payable | <u>\$ 20,785,447</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 20,734,800</u> | <u>\$ 20,734,800</u> |

December 31, 2021

| | Carrying Amount | Fair Value | | | Total |
|---|----------------------------|-------------------|----------------|----------------------|----------------------|
| | | Level 1 | Level 2 | Level 3 | |
| <u>Financial liabilities</u> | | | | | |
| Financial liabilities at amortized cost | | | | | |
| Convertible bonds payable | <u>\$ 20,437,135</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 20,599,380</u> | <u>\$ 20,599,380</u> |

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2022

| | Level 1 | Level 2 | Level 3 | Total |
|--|----------------------|---------------------|---------------------|----------------------|
| Financial assets mandatorily classified as at FVTPL | | | | |
| Domestic listed shares | \$ 197,210 | \$ - | \$ - | \$ 197,210 |
| Domestic emerging market shares | 95,145 | - | - | 95,145 |
| Foreign government bonds | 562,648 | - | - | 562,648 |
| Foreign corporate bonds | <u>41,675</u> | <u>-</u> | <u>-</u> | <u>41,675</u> |
| | <u>\$ 896,678</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 896,678</u> |
| Financial assets at FVTOCI | | | | |
| Equity instrument investment | | | | |
| Domestic listed shares | \$ 5,883,584 | \$ - | \$ - | \$ 5,883,584 |
| Foreign listed shares | 13,412,634 | - | - | 13,412,634 |
| Domestic privately placed listed shares | - | 1,030,300 | - | 1,030,300 |
| Domestic unlisted shares | - | - | 8,032,322 | 8,032,322 |
| Domestic unlisted preferred shares | - | - | 276,390 | 276,390 |
| Domestic convertible preference shares | <u>51,169</u> | <u>-</u> | <u>-</u> | <u>51,169</u> |
| | <u>\$ 19,347,387</u> | <u>\$ 1,030,300</u> | <u>\$ 8,308,712</u> | <u>\$ 28,686,399</u> |
| Financial liabilities at FVTPL | | | | |
| Derivative instrument - redemption options and put options of convertible bond | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 641,522</u> | <u>\$ 641,522</u> |

December 31, 2021

| | Level 1 | Level 2 | Level 3 | Total |
|--|----------------------|---------------------|---------------------|----------------------|
| Financial assets mandatorily classified as at FVTPL | | | | |
| Domestic listed shares | \$ 256,588 | \$ - | \$ - | \$ 256,588 |
| Domestic emerging market shares | <u>107,225</u> | <u>-</u> | <u>-</u> | <u>107,225</u> |
| | <u>\$ 363,813</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 363,813</u> |
| Financial assets at FVTOCI | | | | |
| Equity instrument investment | | | | |
| Domestic listed shares | \$ 6,335,655 | \$ - | \$ - | \$ 6,335,655 |
| Foreign listed shares | 17,615,868 | - | - | 17,615,868 |
| Domestic privately placed listed shares | - | 1,255,794 | - | 1,255,794 |
| Domestic unlisted shares | - | - | 8,964,202 | 8,964,202 |
| Domestic convertible preference shares | <u>51,888</u> | <u>-</u> | <u>-</u> | <u>51,888</u> |
| | <u>\$ 24,003,411</u> | <u>\$ 1,255,794</u> | <u>\$ 8,964,202</u> | <u>\$ 34,223,407</u> |
| Financial liabilities at FVTPL | | | | |
| Derivative instrument - redemption options and put options of convertible bond | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 213,062</u> | <u>\$ 213,062</u> |

There were no transfers between Levels 1 and 2 for the years ended December 31, 2022 and 2021.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

For domestic listed privately placed listed shares with no market price available as reference, their fair values are estimated using the evaluation method. The estimations and assumptions used by the Group in the evaluation method are consistent with those used by market participants in pricing the financial instruments. The relevant information is available to the Group.

The valuation method adopted by the Group is the Black-Scholes valuation model, which calculates the fair value based on the observable share price, share price volatility, risk-free interest rate and liquidity discount at the end of the year.

3) Reconciliation of Level 3 fair value measurements of financial instruments

| | For the Year Ended December 31, 2022 |
|--|---|
| Financial assets at FVTOCI | |
| Equity instrument investment | |
| Balance at January 1, 2022 | \$ 8,964,202 |
| Recognized in other comprehensive loss | (941,717) |
| Additions | <u>286,227</u> |
| Balance at December 31, 2022 | <u>\$ 8,308,712</u> |
| Financial liabilities at FVTPL | |
| Derivative instrument investment | |
| Balance at January 1, 2022 | \$ 213,062 |
| Recognized in loss | <u>428,460</u> |
| Balance at December 31, 2022 | <u>\$ 641,522</u> |
| | For the Year Ended December 31, 2021 |
| Financial assets at FVTOCI | |
| Equity instrument investment | |
| Balance at January 1, 2021 | \$ 7,239,178 |
| Recognized in other comprehensive income | <u>1,725,024</u> |
| Balance at December 31, 2021 | <u>\$ 8,964,202</u> |
| Financial assets at FVTPL | |
| Derivative instrument investment | |
| Balance at January 1, 2021 | \$ 17,092 |
| Recognized in loss | (10,114) |
| Convertible bonds converted into ordinary shares | <u>(6,978)</u> |
| Balance at December 31, 2021 | <u>\$ -</u> |

(Continued)

| | For the Year Ended December 31, 2021 |
|----------------------------------|---|
| Financial liabilities at FVTPL | |
| Derivative instrument investment | |
| Balance at January 1, 2021 | \$ - |
| Additions | 215,282 |
| Recognized in profit | <u>(2,220)</u> |
| Balance at December 31, 2021 | <u>\$ 213,062</u> (Concluded) |

4) Valuation techniques and inputs applied for Level 3 fair value measurement

- a) There were no quoted prices in active markets for put options and redemption options of ECB issued by the Corporation. Hence, the fair values of options are determined using the binomial option pricing model where the unobservable input is historical volatility. An increase in historical volatility used in isolation would result in a change in an increase in the fair value. The historical volatility used were 19.41% and 21.37% on December 31, 2022 and 2021, respectively.
- b) The Group measures the fair value of its investments on domestic and foreign unlisted shares by using the asset-based approach, the market approach, and the dividend discount model.

Under the asset-based approach, the total value of an investment is based on the fair value of its assets and liabilities. The significant unobservable inputs used are listed in the table below.

| | <u>December 31</u> | |
|--|--------------------|-------------|
| | 2022 | 2021 |
| Comprehensive discount for lack of marketability and non-controlling interests | 10% | 10% |

If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair value of the shares would increase (decrease) as follows:

| | <u>December 31</u> | |
|--|--------------------|--------------------|
| | 2022 | 2021 |
| Comprehensive discount for lack of marketability and non-controlling interests | | |
| 1% increase | <u>\$ (18,973)</u> | <u>\$ (25,297)</u> |
| 1% decrease | <u>\$ 18,973</u> | <u>\$ 25,297</u> |

The market approach involves comparing a target company with companies that have similar business models in the open market, similar selling prices of similar items, or similar past share prices to that of the target company. The significant unobservable inputs used are listed in the table below.

| | <u>December 31</u> | |
|------------------------------------|--------------------|-------------|
| | 2022 | 2021 |
| Discount for lack of marketability | 20% | 20% |

If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair value of the shares would increase (decrease) as follows:

| | <u>December 31</u> | |
|------------------------------------|--------------------|-------------------|
| | 2022 | 2021 |
| Discount for lack of marketability | | |
| 1% increase | <u>\$ (3,476)</u> | <u>\$ (3,798)</u> |
| 1% decrease | <u>\$ 3,476</u> | <u>\$ 3,798</u> |

The dividend discount model values a target company based on its stability of dividend payments in the past.

| | <u>December 31</u> | |
|------------------------------------|--------------------|-------------|
| | 2022 | 2021 |
| Discount rate | 9.1% | 5.4% |
| Dividend growth rate | 1.6% | 1.4% |
| Discount for lack of marketability | 10.0% | 10.0% |

If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair value of the shares would increase (decrease) as follows:

| | <u>December 31</u> | |
|------------------------------------|--------------------|--------------------|
| | 2022 | 2021 |
| Discount for lack of marketability | | |
| 1% increase | <u>\$ (67,522)</u> | <u>\$ (70,428)</u> |
| 1% decrease | <u>\$ 67,522</u> | <u>\$ 70,428</u> |

c. Categories of financial instruments

| | <u>December 31</u> | |
|---|--------------------|-------------|
| | 2022 | 2021 |
| <u>Financial assets</u> | | |
| Financial assets at FVTPL | | |
| Financial assets mandatorily classified as at FVTPL | \$ 896,678 | \$ 363,813 |
| Financial assets measured at amortized cost (1) | 178,584,630 | 184,263,079 |

(Continued)

| | December 31 | |
|--|--------------------|----------------------------|
| | 2022 | 2021 |
| Financial assets at FVTOCI | | |
| Equity instruments investment | \$ 28,686,399 | \$ 34,223,407 |
| <u>Financial liabilities</u> | | |
| Financial liabilities at FVTPL | | |
| Held for trading | 641,522 | 213,062 |
| Financial liabilities measured at amortized cost (2) | 201,199,749 | 194,855,668 (Concluded) |

- 1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable (including related parties transactions), other receivables, other receivables from related parties, and finance lease receivables.
- 2) The balances include financial liabilities measured at amortized cost, which comprise short-term loans, short-term bills payables, notes and accounts payable, other payables (including related parties transactions), bonds payable (including current portion), long-term loans (including current portion), and long-term bills payable.

d. Financial risk management objectives and policies

The risk control and hedging strategy performed by the Group were affected by operation environments, and the Group adopted appropriate risk controls and hedging strategies according to its nature of business and risk diversification principles. These risks include market risk, credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The Group did not enter into or trade financial instruments for speculation.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The Group did not enter into or trade financial instruments for speculation.

1) Market risk

The Group's financial instruments were mainly comprised of listed shares and foreign government bonds, and these investments was subject to fluctuations in market prices. The Group periodically evaluated the investment's performance, and no significant market risk was anticipated.

The Group signed coal purchasing contracts with the suppliers, and also purchased foreign currency bank deposit at the spot rate to avoid exchange rate exposure to its forecasted purchases. When the forecasted purchases take place, the amounts originally deferred and recognized in equity will be reclassified to the carrying amount of the materials purchased.

The Group entered into foreign exchange forward contracts to manage exposure to exchange rate fluctuations, including foreign currency risks of foreign-currency assets and liabilities and price fluctuation risks of forecasted transactions. Since the gain or loss generated from exchange rate fluctuations was mostly offset by the gains or losses of hedged items, the market price risk is expected to be insignificant.

a) Foreign currency risk

The foreign financial assets and liabilities were exposed to risk of foreign currency fluctuations. To lower foreign currency risk, the Group has established control mechanisms to immediately monitor its foreign currency position and exchange rate fluctuations.

To maximize the hedging effectiveness, the Group matched up the conditions of derivative instruments with those in the contracts of hedged items.

The carrying amounts of the significant monetary assets and liabilities not denominated in the functional currency (including those eliminated upon consolidation) at the end of the reporting period are set out in Note 39.

The Group was mainly exposed to the USD.

The following table details the Group's sensitivity to a 1% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive/negative number below indicates an increase/decrease in after-tax profit or equity associated with the NTD/HKD/EUR strengthening 1% against the relevant currency.

| | USD Impact | |
|-----|---------------------------------------|---------------------|
| | For the Year Ended December 31 | |
| | 2022 | 2021 |
| NTD | <u>\$ (11,359)</u> | <u>\$ (168,048)</u> |
| HKD | <u>\$ (130,475)</u> | <u>\$ 15,367</u> |
| EUR | <u>\$ (12,020)</u> | <u>\$ (1,358)</u> |

b) Interest rate risk

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

| | December 31 | |
|------------------------------|--------------------|---------------|
| | 2022 | 2021 |
| Cash flow interest rate risk | | |
| Financial assets | \$ 27,747,698 | \$ 38,476,321 |
| Financial liabilities | 66,007,940 | 72,227,767 |

The interest risk was evaluated based on the position of financial assets and liabilities. The sensitivity analysis below was determined based on the Group's floating interest rate financial assets and liabilities at the end of the reporting period, and an increase or decrease of 50-basis points was used, which represented management's assessment of reasonably possible change in interest rates. The fair values of fixed interest rate financial assets and liabilities will change due to variances in market interest rates; the future cash flows of floating interest rate financial assets and financial liabilities will change due to variances in effective interest rates, which vary with market interest rates.

For the Group's position of floating interest rate financial assets, if interest rates had been 50 basis points higher/lower, the cash inflows from floating interest rate financial assets for the years ended December 31, 2022 and 2021 would increased/decreased by \$110,991 thousand and \$153,905 thousand, respectively.

For the Group's position of floating interest rate financial liabilities, if interest rates had been 50 basis points higher/lower, the cash outflows from floating interest rate financial liabilities for the years ended December 31, 2022 and 2021 would increased/decreased by \$264,032 thousand and \$288,911 thousand, respectively.

c) Other price risk

The Group was exposed to equity instruments and commodities price risk through its investments in equity securities and bonds. The Group manages this exposure by maintaining a portfolio of investments with different risks.

The sensitivity analyses were based on the exposure of equity instruments/commodity price at the end of reporting period. If equity instruments/commodity prices of financial assets at FVTPL had been 5% higher/lower, profit or loss for the years ended December 31, 2022 and 2021 would increased/decreased by \$44,834 thousand and \$18,191 thousand, respectively. If equity prices of financial assets at FVTOCI had been 5% higher/lower, other comprehensive income (loss) for the years ended December 31, 2022 and 2021 would increased/decreased by \$1,434,320 thousand and \$1,711,170 thousand, respectively.

2) Credit risk

Potential impacts on financial assets would occur if the Group's counterparties breach financial instrument contracts, including impacts to the concentration of credit risk, components, contractual amounts and other receivables.

As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of counterparties to discharge an obligation, could arise from the carrying amounts of the respective recognized financial assets as stated in the balance sheets.

The Group transacted with a large number of customers from various industries and geographical locations. The Group continuously assesses the operations and financial positions of customers and monitors the collectability of accounts receivable. The Group also required credit enhancements by bank guarantees or collateral for certain customers or in certain geographical locations.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings which were assigned by international credit-rating agencies.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank facilities and ensures compliance with loan covenants. As of December 31, 2022 and 2021, the amount of unused financing facilities was \$136,077,349 thousand and \$84,194,479 thousand, respectively.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

December 31, 2022

| | On Demand or Less than 1 Month | 1-3 Months | 3 Months to 1 Year | 1-5 Years | 5+ Years |
|---|---|----------------------|-------------------------------|----------------------|----------------------|
| <u>Non-derivative financial liabilities</u> | | | | | |
| Non-interest bearing | \$ 1,094,433 | \$ 21,663,628 | \$ 2,402,019 | \$ 246,203 | \$ 3,515 |
| Lease liabilities | 104,094 | 55,628 | 374,835 | 1,855,313 | 4,463,368 |
| Variable interest rate liabilities | 185,652 | 17,008,856 | 8,209,921 | 42,801,221 | 32,720 |
| Fixed interest rate liabilities | <u>-</u> | <u>3,029,921</u> | <u>24,689,180</u> | <u>42,209,200</u> | <u>50,795,840</u> |
| | <u>\$ 1,384,179</u> | <u>\$ 41,758,033</u> | <u>\$ 35,675,955</u> | <u>\$ 87,111,937</u> | <u>\$ 55,295,443</u> |

Additional information about the maturity analysis for lease liabilities after eliminating transactions in the Group:

| | Less than 1 Year | 1-5 Years | 5-10 Years | 10-15 Years | 15-20 Years | 20+ Years |
|------------------------------------|-------------------------|----------------------|----------------------|----------------------|--------------------|---------------------|
| Non-interest bearing | \$ 25,160,080 | \$ 246,203 | \$ 3,450 | \$ 20 | \$ 45 | \$ - |
| Lease liabilities | 534,557 | 1,855,313 | 1,315,258 | 896,959 | 493,050 | 1,758,101 |
| Variable interest rate liabilities | 25,404,429 | 42,801,221 | 32,720 | - | - | - |
| Fixed interest rate liabilities | <u>27,719,101</u> | <u>42,209,200</u> | <u>11,305,720</u> | <u>39,490,120</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 78,818,167</u> | <u>\$ 87,111,937</u> | <u>\$ 12,657,148</u> | <u>\$ 40,387,099</u> | <u>\$ 493,095</u> | <u>\$ 1,758,101</u> |

December 31, 2021

| | On Demand or Less than 1 Month | 1-3 Months | 3 Months to 1 Year | 1-5 Years | 5+ Years |
|---|---|----------------------|-------------------------------|----------------------|----------------------|
| <u>Non-derivative financial liabilities</u> | | | | | |
| Non-interest bearing | \$ 700,853 | \$ 18,618,235 | \$ 4,428,778 | \$ 146,445 | \$ 3,560 |
| Lease liabilities | 84,059 | 71,114 | 395,217 | 1,778,707 | 3,249,186 |
| Variable interest rate liabilities | 12,203,957 | 29,138,877 | 17,063,801 | 16,824,248 | 65,230 |
| Fixed interest rate liabilities | <u>600,000</u> | <u>6,875,000</u> | <u>12,576,844</u> | <u>40,716,112</u> | <u>46,209,100</u> |
| | <u>\$ 13,588,869</u> | <u>\$ 54,703,226</u> | <u>\$ 34,464,640</u> | <u>\$ 59,465,512</u> | <u>\$ 49,527,076</u> |

Additional information about the maturity analysis for lease liabilities after eliminating transactions in the Group:

| | Less than 1 Year | 1-5 Years | 5-10 Years | 10-15 Years | 15-20 Years | 20+ Years |
|------------------------------------|-------------------------|----------------------|----------------------|----------------------|--------------------|-------------------|
| Non-interest bearing | \$ 23,747,866 | \$ 146,445 | \$ 3,495 | \$ 20 | \$ 45 | \$ - |
| Lease liabilities | 550,390 | 1,778,707 | 1,330,736 | 839,092 | 411,392 | 667,966 |
| Variable interest rate liabilities | 58,406,635 | 16,824,248 | 65,230 | - | - | - |
| Fixed interest rate liabilities | <u>20,051,844</u> | <u>40,716,112</u> | <u>11,641,790</u> | <u>34,567,310</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 102,756,735</u> | <u>\$ 59,465,512</u> | <u>\$ 13,041,251</u> | <u>\$ 35,406,422</u> | <u>\$ 411,437</u> | <u>\$ 667,966</u> |

e. Transfers of financial assets

The Group transferred a portion of its banker's acceptance bills in mainland China to some of its suppliers in order to settle the trade payables to these suppliers. As the Group had transferred substantially all risks and rewards relating to these bills receivable, it derecognized the full carrying amount of the bills receivable and the associated trade payables. However, if the derecognized bills receivable are not paid at maturity, the suppliers have the right to request that the Group pays the unsettled balance; therefore, the Group still has continuing involvement in these bills receivable.

The maximum exposure to loss from the Group's continuing involvement in the derecognized bills receivable is equal to the face values of the transferred but unsettled bills receivable, and as of December 31, 2022 and 2021, the face amounts of these unsettled bills receivable were \$842,874 thousand and \$2,342,843 thousand, respectively. The unsettled bills receivable will be due in 11 months and 12 months, after December 31, 2022 and 2021, respectively. Taking into consideration the credit risk of these derecognized bills receivable, the Group estimates that the fair values of its continuing involvement are not significant.

During the year ended December 31, 2022 and 2021, the Group did not recognize gains or losses upon the transfer of the banker's acceptance bills. No gains or losses were recognized from the continuing involvement, both during the period or cumulatively.

35. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are as follows:

a. Name of the related parties and relationships

| Related Party | Relationship with the Group |
|--|--|
| Onyx Ta-Ho Waste Clearance Co., Ltd. | Subsidiary of associate |
| Onyx Ta-Ho Lu-Tsao Environment Co., Ltd. | Subsidiary of associate |
| ULPU International Co., Ltd. | Subsidiary of associate |
| E-ONE Moli Energy Corporation | Subsidiary of associate (classified as subsidiary of associate until August 2021 and has been reported as in the Group entity ever since.) |
| E-ONE Moli Energy (Canada) Ltd. | Subsidiary of associate (classified as subsidiary of associate until August 2021 and has been reported as in the Group entity ever since.) |
| Onyx Ta-Ho Environmental Services Co., Ltd. | Associate |
| Quon Hing Concrete Co., Ltd. (Quon Hing) | Associate |
| Prosperity Conch Cement Company Limited | Associate |
| Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd. | Associate |
| Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd. (Baoshan Kungang) | Associate |
| Hong Kong Concrete Co., Ltd. | Associate |
| International CSRC Investment Holdings Co., Ltd. | Associate |
| TCC Recycle Energy Technology Company | Associate (classified as associate until August 2021 and has been reported as in the Group entity ever since.) |

(Continued)

| Related Party | Relationship with the Group |
|---|--|
| Cimpor Global Holdings B.V. | Associate |
| Guigang Conch-TCC New Material Technology Co., Ltd. | Associate |
| Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd. (Guangan TCC Jiuyuan) | Associate |
| Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd. | Associate |
| Chia Hsin R.M.C. Corp. (Chia Hsin R.M.C.) | Management personnel in substance |
| The Koo Foundation | Management personnel in substance |
| Chia Hsin Cement Corporation (Chia Hsin Cement) | Management personnel in substance |
| L'Hotel de Chine Corporation | Management personnel in substance |
| FDC International Hotels Corporation | Management personnel in substance |
| China Hi-Ment Corporation (China Hi-Ment) | The Group acts as key management personnel |
| O-Bank Co., Ltd. | The Group acts as key management personnel |
| Pan Asia Corporation | The Group acts as key management personnel |
| CTCI Corporation | The Group acts as key management personnel |
| Phihong Technology Co., Ltd. (became related parties since June 2022) | The Group acts as key management personnel |
| Union Steel Development Corporation | The Group acts as key management of its parent company |
| CTCI Resources Engineering Inc. | The Group acts as key management of its parent company |
| CTCI Smart Engineering Inc. | The Group acts as key management of its parent company |
| Chinatrust Investment Co., Ltd. | Same key management personnel |
| Consolidated Resource Company | Same key management personnel |
| CSRC China (Maanshan) Corporation | Same key management personnel |
| CSRC China (Anshan) Corporation | Same key management personnel |
| Chienten Temple | Same key management personnel |
| China (Chongqing) Synthetic Rubber Corporation | Same key management personnel |
| Dr. Cecilia Koo Botanic Conservation and Environmental Protection Foundation | Same key management personnel |
| Hualien County Private Hoping Sustainability Charity Foundation | Same key management personnel |
| Continental Carbon India Ltd. | Same key management personnel |
| Continental Carbon Eco Technology Private Limited | Same key management personnel |
| Linyuan Advanced Materials Technology Co., Ltd. | Same key management personnel |
| Fortune Quality investment Limited | Same key management personnel |
| Sing Cheng Investment Co., Ltd. | Same key management personnel |
| Circular Commitment Company | Same key management personnel |
| Tangshan Jidong Cement Co., Ltd. | Related party in substance |
| Yantai Jinyu Jidong Cement Co., Ltd. | Related party in substance |
| Shenyang Jingdong Cement Co., Ltd. | Related party in substance |
| Dachang Jinyu Paint Co., Ltd. | Related party in substance |
| Tangshan Caofeidian Jidong Equipment Machinery Thermal Processing Co., Ltd. | Related party in substance |
| Tangshan Dunshi Constructional Engineering Co., Ltd. | Related party in substance |
| Jilin Jidong Development Shield Engineering Co., Ltd. | Related party in substance |

(Continued)

| <u>Related Party</u> | <u>Relationship with the Group</u> |
|--|------------------------------------|
| FCA AUSTRIA GMBH | Related party in substance |
| FCA BELGIUM S.A. | Related party in substance |
| FCA GERMANY A.G. | Related party in substance |
| FCA SWITZERLAND S.A. | Related party in substance |
| GROUPE PSA ITALIA S.P.A. | Related party in substance |
| LEASYS RENT S.P.A. | Related party in substance |
| FIAT CHRYSLER AUTOMOBILES ITALY S.P.A. | Related party in substance |
| Fiat Chrysler Automobiles N.V. | Related party in substance |
| LEASYS S.P.A. | Related party in substance |
| PSA AUTOMOBILES S.A. | Related party in substance |
| MASERATI S.P.A. | Related party in substance |
| OPEL BANK S.A., SUCCURSALE ITALIANA | Related party in substance |
| OPEL FRANCE | Related party in substance |
| ORIENTE S.P.A. | Related party in substance |
| LEASYS S.P.A. SUCURSAL EN ESPAÑA | Related party in substance |
| OPEL Automobile GmbH | Related party in substance |
| Stellantis & You Italia S.P.A. | Related party in substance |
| Stellantis & You, Sales And Services | Related party in substance |
| Winbond Electronics Corporation | Related party in substance |

(Concluded)

b. Operating transactions

Continuing operations

| | <u>For the Year Ended December 31</u> | |
|--|---------------------------------------|---------------------|
| | <u>2022</u> | <u>2021</u> |
| <u>Sales</u> | | |
| Management personnel in substance | \$ 581,509 | \$ 698,337 |
| Associates | 522,791 | 496,518 |
| The Group acts as key management personnel | 464,785 | 257,875 |
| Same key management personnel | 239,641 | 213,373 |
| Related party in substance | 197,727 | 577,550 |
| The Group acts as key management of its parent company | <u>21,261</u> | <u>39</u> |
| | <u>\$ 2,027,714</u> | <u>\$ 2,243,692</u> |
| <u>Purchases of goods</u> | | |
| The Group acts as key management personnel | \$ 819,698 | \$ 788,935 |
| Management personnel in substance | 38,122 | 40,963 |
| Associates | 34,134 | 58,560 |
| Same key management personnel | 467 | 3,110 |
| Related party in substance | 1,981 | 13,822 |
| The Group acts as key management of its parent company | <u>75</u> | <u>72</u> |
| | <u>\$ 894,477</u> | <u>\$ 905,462</u> |

(Continued)

For the Year Ended December 31

| | 2022 | 2021 |
|--|-------------------|-------------------|
| <u>Operating expenses</u> | | |
| The Group acts as key management personnel | \$ 62,837 | \$ 74,190 |
| Management personnel in substance | 29,150 | 36,103 |
| Associates | 1,234 | - |
| Same key management personnel | <u>14,311</u> | <u>7,000</u> |
| | <u>\$ 107,532</u> | <u>\$ 117,293</u> |
| | | (Concluded) |

Notes receivable and accounts receivable from related parties were as follows:

| | December 31 | |
|--|--------------------|-------------------|
| | 2022 | 2021 |
| <u>Associates</u> | | |
| Quon Hing | \$ 137,255 | \$ 126,567 |
| Others | <u>24,044</u> | <u>14,186</u> |
| | <u>161,299</u> | <u>140,753</u> |
| <u>Management personnel in substance</u> | | |
| Chia Hsin Cement | 110,880 | 123,932 |
| Others | <u>3,136</u> | <u>2,572</u> |
| | <u>114,016</u> | <u>126,504</u> |
| <u>Related party in substance</u> | | |
| PSA AUTOMOBILES S.A. | 47,698 | - |
| LEASYS RENT S.P.A. | 693 | 50,414 |
| Others | <u>20,431</u> | <u>42,385</u> |
| | <u>68,822</u> | <u>92,799</u> |
| <u>The Group acts as key management personnel</u> | | |
| CTCI Corporation | 88,653 | 15,570 |
| China Hi-Ment | 42,072 | 46,333 |
| Others | <u>16,271</u> | <u>13,197</u> |
| | <u>146,996</u> | <u>75,100</u> |
| Same key management personnel | <u>12,838</u> | <u>22,047</u> |
| The Group acts as key management of its parent company | <u>10,004</u> | <u>-</u> |
| | <u>\$ 513,975</u> | <u>\$ 457,203</u> |

Accounts payable to related parties (included in notes and accounts payable) were as follows:

| | December 31 | |
|--|--------------------|-------------------|
| | 2022 | 2021 |
| The Group acts as key management personnel | \$ 215,810 | \$ 242,055 |
| Management personnel in substance | 3,730 | 10,064 |
| Associates | 49,131 | 1,404 |
| Others | <u>208</u> | <u>44</u> |
| | <u>\$ 268,879</u> | <u>\$ 253,567</u> |

The price and terms of the above transactions were by contracts.

Discontinued operations

| | For the Year Ended December 31 | |
|--|---------------------------------------|---------------------|
| | 2022 | 2021 |
| <u>Purchases of goods and operating expenses</u> | | |
| Same key management personnel | \$ <u> -</u> | \$ <u> 2,560</u> |
| c. <u>Other receivables</u> | | |
| | December 31 | |
| | 2022 | 2021 |
| <u>Included in other receivables from related parties</u> | | |
| Related party in substance | | |
| Fiat Chrysler Automobiles N.V. | \$ <u> 153,784</u> | \$ <u> 238,032</u> |
| Associates | | |
| Baoshan Kungang | 155,007 | 139,695 |
| Guangan TCC Jiuyuan | 93,477 | 49 |
| Others | <u>8,293</u> | <u>8,836</u> |
| | <u>256,777</u> | <u>148,580</u> |
| The Group acts as key management personnel | <u>828</u> | <u>1,745</u> |
| Management personnel in substance | <u>3,653</u> | <u>150</u> |
| Others | <u>564</u> | <u>461</u> |
| | <u>\$ 415,606</u> | <u>\$ 388,968</u> |
| <u>Included in other non-current assets</u> | | |
| Related party in substance | | |
| Fiat Chrysler Automobiles N.V. | \$ <u> -</u> | \$ <u> 147,204</u> |
| Other receivables from related parties above included share subscriptions receivable, dividend receivables and interest receivables. | | |
| d. <u>Other payables to related parties</u> | | |
| | December 31 | |
| | 2022 | 2021 |
| The Group act as key management personnel | | |
| CTCI Corporation | \$ <u> 334,896</u> | \$ <u> 706,635</u> |
| The Group acts as key management of its parent company | | |
| CTCI Resources Engineering Inc. | 151,160 | 61,398 |
| CTCI Smart Engineering Inc. | <u>-</u> | <u>614,250</u> |
| | <u>151,160</u> | <u>675,648</u> |
| Related party in substance | | |
| Fiat Chrysler Automobiles ITALY S.P.A. | <u>249,375</u> | <u>-</u> |
| Associates | <u>4,018</u> | <u>4,614</u> |
| Management personnel in substance | <u>10,720</u> | <u>4,160</u> |
| Same key management personnel | <u>67</u> | <u>-</u> |
| | <u>\$ 750,236</u> | <u>\$ 1,391,057</u> |

e. Acquisitions of property, plant and equipment

| Related Party Category/Name | Purchase Price | |
|--|--------------------------------|---------------------|
| | For the Year Ended December 31 | |
| | 2022 | 2021 |
| The Group acts as key management of its parent company | | |
| CTCI Smart Engineering Inc. | \$ 1,598,993 | \$ 585,000 |
| CTCI Resources Engineering Inc. | <u>666,260</u> | <u>559,777</u> |
| | <u>2,265,253</u> | <u>1,144,777</u> |
| The Group acts as key management personnel | | |
| CTCI Corporation | <u>968,603</u> | <u>752,675</u> |
| Associates | | |
| E-One Moli Energy Corporation | <u>-</u> | <u>65,000</u> |
| Management personnel in substance | <u>438</u> | <u>-</u> |
| Related party in substance | | |
| Phihong Technology Co., Ltd. | <u>21,886</u> | <u>-</u> |
| | <u>\$ 3,256,180</u> | <u>\$ 1,962,452</u> |

f. Lease arrangements

| Related Party Category/Name | For the Year Ended December 31 | |
|---|--------------------------------|------------------|
| | 2022 | 2021 |
| <u>Acquisition of right-of-use assets</u> | | |
| Management personnel in substance | | |
| Chia Hsin R.M.C. | <u>\$ 23,501</u> | <u>\$ 23,313</u> |

| Line Item | Related Party Category/Name | December 31 | |
|-------------------|---|------------------|------------------|
| | | 2022 | 2021 |
| Lease liabilities | Management personnel in substance Chia Hsin R.M.C. | <u>\$ 16,317</u> | <u>\$ 20,699</u> |

| Related Party Category | For the Year Ended December 31 | |
|-----------------------------------|--------------------------------|---------------|
| | 2022 | 2021 |
| <u>Interest expense</u> | | |
| Management personnel in substance | <u>\$ 328</u> | <u>\$ 308</u> |

The lease contracts between the Group and related parties were based on market price and general terms of payment.

g. Compensation of key management personnel (including discontinued operations)

| | For the Year Ended December 31 | |
|-----------------------------------|---------------------------------------|-------------------|
| | 2022 | 2021 |
| Short-term employee benefits | \$ 467,309 | \$ 552,490 |
| Post-employment benefits | 12,775 | 6,191 |
| Share-based payment | | |
| Equity - settled | 41,970 | 8,187 |
| Cash - settled | - | 105,960 |
| Other long-term employee benefits | <u>16,985</u> | <u>5,983</u> |
| | <u>\$ 539,039</u> | <u>\$ 678,811</u> |

36. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were pledged or mortgaged as collateral for certain short-term loans, long-term loans, performance bonds and other credit accommodations:

| | December 31 | |
|---|--------------------|-------------|
| | 2022 | 2021 |
| Financial assets at FVTPL - non-current | \$ 284,876 | \$ - |
| Financial assets at FVTOCI (including current and non-current portion) | 297,990 | 313,250 |
| Property, plant and equipment | 3,014,199 | 3,134,392 |
| Investment accounted for using the equity method | 37,618 | 54,541 |
| Investment properties | 815,814 | 837,936 |
| Guarantee deposits (included in other non-current assets) | 1,081,564 | 1,034,520 |
| Pledged bank deposits (included in financial assets measured at amortized cost) | | |
| Current | 1,453,836 | 471,859 |
| Non-current | 2,101,228 | 1,821,134 |

37. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. The balances of the unused letters of credit for purchase of raw material were as follows:

| | December 31 | |
|---|--------------------|-------------|
| Name | 2022 | 2021 |
| The Corporation | \$ 71,368 | \$ 437,292 |
| Ho-Ping Power Company | 2,832,947 | 635,545 |
| TCC Recycle Energy Technology Company | 1,517,946 | 40,867 |
| Kuan-Ho Refractories Industry Corporation | 2,056 | 13,766 |

- b. The amounts of letters of guarantee granted and issued by the banks for the Group are as follows:

| Name | December 31 | |
|---|-------------|-----------|
| | 2022 | 2021 |
| The Corporation | \$ 22,120 | \$ 22,120 |
| Ho-Ping Power Company | 1,148,000 | 1,148,000 |
| TCCI (Group) | 2,294,828 | 987,479 |
| Taiwan Transport & Storage Corporation | 28,502 | 28,502 |
| TCC Recycle Energy Technology Company | 94,857 | 12,863 |
| TCC Dutch (Group) | 1,262,893 | - |
| TCC Energy Storage Technology Corporation | 2,000 | - |

- c. Ho-Ping Power Company

| Company Name | Ta-Ho RSEA Environment Co., Ltd. |
|---------------------------------|--|
| Factual background | The Fair Trade Commission fined Ho-Ping Power Company for an alleged violation of Article 14 of the Fair Trade Act. |
| Amount in dispute (NT\$) | \$1,350,000 thousand |
| Commencement date of litigation | March 2013 |
| Parties | Ho-Ping Power Company and the Fair Trade Commission |
| Status | <p>1) The Fair Trade Commission made a second administrative disposition in November 2013, which reduced the amount of the fine imposed on Ho-Ping Power Company to \$1,320,000 thousand.</p> <p>2) On June 30, 2015 and September 6, 2018, the Supreme Administrative Court overruled the original judgment in favor of Ho-Ping Power Company and remanded the case for retrial to the Taipei High Administrative Court. On May 13, 2020, the Taipei High Administrative Court in second instance also ruled that “the administrative disposition made by the Fair Trade Commission shall be dismissed” (Ref. No. 107 Nian-Du-Su-Geng-Er-Zi 116). However, the Fair Trade Commission still appealed and expressed dissatisfaction. The Supreme Administrative Court ruled on August 11, 2022 (Ref. No. 109 Nian-Du-Shang-Zi 864) that the Ho-Ping Power Company’s litigation was dismissed, to which Ho-Ping Power Company has filed to Supreme Administrative Court for retrial, and has also filed to Constitutional Court for constitutional complaint against the final court decisions and review of the constitutionality of statutes and regulations.</p> <p>3) With regard to the violation of the Fair Trade Act matter in 2014, Ho-Ping Power Company filed an administrative appeal against the Fair Trade Commission’s disposition No. 103090 of July 10, 2014, and the administrative appeal process was temporarily suspended. Now since the aforementioned administrative litigation has been determined by the Supreme Administrative Court in its judgment No. 109 Nian-Du-Shang-Zi 864, the Executive Yuan will continue the process for this administrative appeal, and Ho-Ping Power Company has also filed supplementary statement of reasons against the fine amount for the administrative appeal.</p> <p>4) In accordance with the accounting conservatism principle, Ho-Ping Power Company recognized relevant losses in 2012 and paid the total fine as of June 30, 2019.</p> |

| Company Name | Ho-Ping Power Company |
|---------------------------------|---|
| Factual Background | Taiwan Power Company filed a civil litigation at the Taipei District Court. |
| Amount in Dispute (NT\$) | About \$1,755,216 thousand in total. |
| Commencement Date of Litigation | November 2015 |
| Parties | Ho-Ping Power Company and Taiwan Power Company |
| Status | In November 2015, Ho-Ping Power Company received a complaint of civil litigation brought by Taiwan Power Company at the Taiwan Taipei District Court based on the same ground of the aforementioned administrative litigation, and the claim amount of this case was reduced from \$5,268,000 thousand to \$1,755,216 thousand in May 2020. Taiwan Taipei District Court ruled on May 12, 2021 that the plaintiff's litigation was dismissed, to which Taiwan Power Company has filed an appeal (Ref. No. 110 Nian-Du-Chong-Su-Zi 605). Given such situations, Ho-Ping Power Company considered the chance of losing the litigations is remote and, therefore, it did not recognize relevant losses. |

- d. The Board of Directors of Ta-Ho Maritime Corporation resolved to purchase one cement carrier from Marubeni Corporation on April 11, 2022. The aggregate estimated purchase amount is up to US\$50,000 thousand.
- e. On May 12, 2020, the Board of Directors of TCC (Hangzhou) Environment Co., Ltd., the Group's subsidiary, resolved to outsource the construction project and invite tender. The contract was signed on October 30, 2020, and the total amount was RMB566,888 thousand. On September 15, 2022, the Board of Directors of TCC (Hangzhou) Environment Technology Co., Ltd. resolved on the headquarters curtain wall construction with the total amount of RMB256,000 thousand.
- f. The Board of Directors of Chia-Chien Green Energy Corporation, the Group's subsidiary, resolved on November 6, 2020 to build a fish-electricity symbiosis solar photovoltaic power generation system in order to enhance power generation, and contracted the fishery-electricity symbiosis EPC turnkey project to Taiyen Green Energy Co., Ltd. in the total amount of \$1,398,000 thousand. The Board of Directors of Chia-Chien Green Energy Corporation resolved on April 11, 2022, to approve the Group's energy policy investment plan, planning to invest in the construction of energy storage systems in the central region of Taiwan, with the total amount of investment of \$1,450,000 thousand.
- g. On September 27, 2021, the Board of Directors of the Corporation resolved the expansion of the DAKA Regeneration Resource Utilization Center, the original factory of the Company's local Commission, and entered into a contract with CTCI Resources Engineering Inc. to use the cement kiln heat to jointly dispose of the waste living in Hualien County, with a total amount of not exceeding \$3,450,000 thousand. On February 25, 2022, the Board of Directors of the Corporation approved the plan to build energy storage systems in the Corporation's Hoping factory with the aggregate investment amount of \$657,300 thousand. On May 10, 2022, the Board of Directors of the Corporation resolved to increase the capital of \$5,500,000 thousand to TCC Green Energy Corporation. As of December 31, 2022, part of the investment has been completed.

- h. The Board of Directors of TCC Energy Storage Technology Corporation, the Group's subsidiary, resolved on September 27, 2021, to actively participate in the power trading platform and complementary services market merchandise transactions. It intended to build the large-scale energy storage systems in the Corporation's Su'ao factory, the total amount of investment is approximately \$1,500,000 thousand. Technology Corporation plans to build large-scale energy storage systems in the Corporation's Su'ao factory. TCC Energy Storage Technology Corporation signed a procuring equipment contract, including energy storage systems and maintenance services afterward for a total amount of US\$29,415 thousand with NHOA ENERGY S.R.L. on October 26, 2021. On December 2, 2022, the total amount of the contract was raised to US\$43,832 thousand. The Board of Directors of TCC Energy Storage Technology Corporation resolved on April 11, 2022 and August 10, 2022, to sign a procuring equipment contract with Samsung SDI CO., Ltd. for the construction of energy storage systems, with the total accumulated amount of approximately \$3,650,000 thousand.
- i. The Board of Directors of TCC Green Energy Corporation, the Group's subsidiary, resolved on September 27, 2021, to invest via an investment plan of its subsidiary, TCC Lien-Hsin Green Energy Corporation, to actively participate in the power trading platform and complementary services market merchandise transactions. It intended to build the large-scale energy storage systems in the Corporation's Ho-Ping factory, the total amount of investment is approximately \$4,000,000 thousand.
- j. The Board of Directors of Molie Quantum Energy Corporation, the Group's subsidiary, resolved on September 27, 2021 to build the plant and purchase production line equipment on the leased land in Kaohsiung Linhai Industrial Park, the total amount of investment is approximately \$12,000,000 thousand. On February 25, 2022, the total amount of investment was raised to \$18,650,000 thousand. On June 21, 2022, the total amount of investment was raised to \$19,750,000 thousand. On October 20, 2021, Molie Quantum Energy Corporation signed contracts with Ruentex Engineering & Construction Co., Ltd. for the construction of land at the Lithium battery factory site for a total amount of \$4,800,000 thousand, and signed with CTCI Smart Engineering Corporation the electrical and mechanical works of the lithium battery factory with a total amount of \$3,900,000 thousand. On April 15, 2022, Molie Quantum Energy Corporation signed contracts with KATAOKA CORPORATION for machinery and equipment with a total amount of JPY6,870,000 thousand and JPY5,900,000 thousand, respectively.
- k. TCC Lien-Hsin Green Energy Corporation plans to build a large-scale energy storage system in Hualien Hoping Industrial Park. TCC Lien-Hsin Green Energy Corporation signed a procuring equipment contract, including energy storage systems and maintenance services afterward for a total amount of US\$93,205 thousand with NHOA ENERGY S.R.L. on October 26, 2021.
- l. In order to enlarge the group's electric vehicle infrastructure deployment in Portugal, ATLANTE S.R.L. announced on December 15, 2022 that it intends to acquire 100% equity of the charging station construction department of Kilometer Low Cost, S.A., divided into two phases: (i) 60% of the equity of Kilometer Low Cost, S.A. will be acquired for the consideration of EUR4,500 thousand, and (ii) as for the remaining 40% equity, ATLANTE S.R.L. is entitled under the contract to acquire in 2024 for the consideration ranging from EUR1,700 thousand to EUR6,700 thousand, depending on the operation performance of Kilometer Low Cost, S.A. for 2023. The closing of 60% equity is pending the approval of Portugal Fair Trade Commission and other competent authorities in accordance with the contract.
- m. On December 28, 2022, the Board of Directors of TCCI (HK) resolved to increase the capital of RMB1,100,000 thousand to TCC (Hangzhou) Environment Co., Ltd.

38. OTHER ITEMS

Due to the impact of the COVID-19 pandemic since January 2020, governments all over the world have successively implemented various epidemic prevention measures, which slightly affected the business of the Group. Although the domestic pandemic has slowed down and the government regulations have been loosened, which could result in global recession and cause turbulence to the international relations, impacting the energy price rising. The Group has adopted relevant measures, including maintained close contact with customers and manufacturers, and committed to strengthen employee health management and cost management to mitigate the COVID-19 pandemic impact on the Company's operations. However, the actual impact on the Corporation still depends on the subsequent development of the pandemic.

39. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the group entities and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2022

| | Foreign Currency (In Thousands) | Exchange Rate | Carrying Amount (In Thousands) |
|------------------------------|--|----------------------|---|
| <u>Financial assets</u> | | | |
| Monetary items | | | |
| USD | \$ 141,752 | 30.710 (USD:NTD) | \$ 4,353,204 |
| USD | 843,580 | 7.800 (USD:HKD) | 25,911,726 |
| USD | 44,938 | 1.065 (USD:EUR) | 1,566,609 |
| Non-monetary items | | | |
| EUR | 943,359 | 32.720 (EUR:NTD) | 30,866,698 |
| USD | 62,093 | 30.710 (USD:NTD) | 1,906,876 |
| <u>Financial liabilities</u> | | | |
| Monetary items | | | |
| USD | 312,614 | 7.800 (USD:HKD) | 9,602,377 |
| USD | 95,516 | 30.710 (USD:NTD) | 2,933,283 |

December 31, 2021

| | Foreign Currency (In Thousands) | Exchange Rate | Carrying Amount (In Thousands) |
|-------------------------|--|----------------------|---|
| <u>Financial assets</u> | | | |
| Monetary items | | | |
| USD | \$ 811,337 | 27.680 (USD:NTD) | \$ 22,457,808 |
| USD | 294,855 | 7.800 (USD:HKD) | 8,162,222 |
| EUR | 33,500 | 8.820 (EUR:HKD) | 1,048,623 |

(Continued)

| | Foreign Currency (In Thousands) | Exchange Rate | Carrying Amount (In Thousands) |
|------------------------------|--|----------------------|---|
| Non-monetary items | | | |
| EUR | \$ 801,809 | 31.320 (EUR:NTD) | \$ 25,112,660 |
| USD | 62,792 | 27.680 (USD:NTD) | 1,738,071 |
| <u>Financial liabilities</u> | | | |
| Monetary items | | | |
| USD | 364,245 | 7.800 (USD:HKD) | 10,083,103 |
| USD | 52,449 | 27.680 (USD:NTD) | 1,451,795 |
| EUR | 33,500 | 8.820 (EUR:HKD) | 1,048,623 |
| | | | (Concluded) |

The realized and unrealized foreign exchange gains (losses) were \$201,611 thousand and \$(87,583) thousand for the years ended December 31, 2022 and 2021, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of foreign currency transactions and functional currencies of the group entities.

40. SEPARATELY DISCLOSED ITEMS

- a. Information about significant transactions and investees
 - 1) Financing provided to others (Table 1)
 - 2) Endorsements/guarantees provided (Table 2)
 - 3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures) (Table 3)
 - 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the share capital (Table 4)
 - 5) Acquisitions of individual real estate at costs of at least NT\$300 million or 20% of the share capital (None)
 - 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the share capital (Table 5)
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the share capital (Table 6)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the share capital (Table 7)
 - 9) Trading in derivative instruments (Notes 7, 20 and 34)
 - 10) Intercompany relationships and significant intercompany transactions (Table 10)
 - 11) Information on investees (Table 8)

- b. Information on investments in mainland China (Table 9)
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area.
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.
 - e) The highest balance during the year, the end of year balance, the interest rate range, and total current year interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
 - c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (None)

41. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of segment. Specifically, the Group's reportable segments under IFRS 8 "Operating Segments" were as follows:

- a. Cement segment - production, processing and sale of cement goods.
- b. Electricity and energy segment - power generation, energy storage and power business - related development, etc.
- c. Other segments - land and marine transportation.
 - production and sale of refractory materials.
 - others.

The Group uses the profit from operations as the measure for segment income and the basis of performance assessment. There was no material difference between the accounting policies of the operating segments and the accounting policies described in Note 4.

One business unit (Taiwan Prosperity Chemical Corporation) was discontinued in 2021. The segment information reported on the following pages does not include any amounts for this discontinued operation, which is described in more details in Note 11.

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments:

a. Segments revenue and results

| | Segment Revenue | | Segment Income | |
|---|---------------------------------------|-----------------------|---------------------------------------|----------------------|
| | For the Year Ended December 31 | | For the Year Ended December 31 | |
| | 2022 | 2021 | 2022 | 2021 |
| Cement segment | \$ 77,353,929 | \$ 89,891,395 | \$ 3,745,425 | \$ 16,751,926 |
| Electricity and energy segment | 33,370,795 | 13,541,229 | (3,102,137) | 2,764,937 |
| Other segments | <u>3,204,982</u> | <u>3,608,828</u> | <u>580,472</u> | <u>480,065</u> |
| | <u>\$ 113,929,706</u> | <u>\$ 107,041,452</u> | 1,223,760 | 19,996,928 |
| Share of profit of associates and joint ventures | | | 3,919,856 | 4,149,749 |
| Dividend income | | | 2,498,353 | 1,747,166 |
| Interest income | | | 2,102,495 | 1,535,980 |
| Net gain (loss) on disposal of investment properties | | | 502,346 | (4,298) |
| Net gain (loss) on disposal of property, plant and equipment | | | (20,296) | 327,659 |
| Impairment loss recognized on non-financial assets | | | (89,923) | (6,756) |
| Administrative expenses and director's remuneration | | | (61,622) | (210,453) |
| Finance costs | | | (2,869,888) | (1,670,463) |
| Foreign exchange gains (losses), net | | | 201,611 | (87,583) |
| Net gain (loss) on financial assets and liabilities at fair value through profit and loss | | | (514,394) | 19,025 |
| Other income and expenses, net | | | <u>(246,201)</u> | <u>281,130</u> |
| Continuing operations income before tax | | | <u>\$ 6,646,097</u> | <u>\$ 26,078,084</u> |

Segment income represented profit before tax earned by each segment without an allocation of central administration expenses, director's remuneration, the share of profits of associates and joint ventures accounted for using the equity method, dividend income, interest income, net gain (loss) on disposal of property, plant and equipment, net gain (loss) on disposal of investment properties, impairment loss recognized on non-financial assets, finance costs, net foreign exchange gains (losses), net gain (loss) on financial assets and liabilities at fair value through profit and loss and income tax expense.

b. Geographical information

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

| | Revenue from External Customers | | Non-current Assets | |
|--------|--|-----------------------|---------------------------|-----------------------|
| | For the Year Ended December 31 | | December 31 | |
| | 2022 | 2021 | 2022 | 2021 |
| Taiwan | \$ 60,022,631 | \$ 41,785,030 | \$ 84,155,132 | \$ 69,952,935 |
| Asia | 50,147,738 | 64,439,782 | 82,416,588 | 78,116,100 |
| Europe | <u>3,759,337</u> | <u>816,640</u> | <u>7,512,274</u> | <u>6,695,803</u> |
| | <u>\$ 113,929,706</u> | <u>\$ 107,041,452</u> | <u>\$ 174,083,994</u> | <u>\$ 154,764,838</u> |

Non-current assets exclude financial instruments, deferred income tax assets, and net defined benefit asset.

c. Information about major customers

The only single customer who contributed 10% or more to the Group's revenue was as follows:

| | For the Year Ended December 31 | |
|----------------------|---------------------------------------|----------------------|
| | 2022 | 2021 |
| Taiwan Power Company | <u>\$ 23,605,027</u> | <u>\$ 11,183,628</u> |

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

FINANCINGS PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

| No. | Lender | Borrower (Note 2) | Financial Statement Account | Related Parties | Highest Balance for the Period | Ending Balance | Actual Borrowing Amount | Interest Rate (%) | Nature of Financing | Business Transaction Amount | Reason for Short-term Financing | Allowance for Impairment Loss | Collateral | | Financing Limit for Each Borrower (Note 1) | Aggregate Financing Limit (Note 1) | Note |
|----------------------------------|---|---|--|-----------------|--------------------------------|----------------|-----------------------------------|-------------------|-----------------------------------|-----------------------------|---------------------------------|-------------------------------|------------|------------|--|------------------------------------|------|
| | | | | | | | | | | | | | Item | Value | | | |
| 1 | Taiwan Transport & Storage Corporation | Tai-Jie Transport & Storage Corporation | Other receivables from related parties | Yes | \$ 100,000 | \$ 100,000 | \$ 70,000 | 1.95 | The need for short-term financing | \$ - | Operating capital | \$ - | - | \$ - | \$ 1,118,539 | \$ 1,118,539 | |
| 2 | Hong Kong Cement Co., Ltd. | TCCIH | Other receivables from related parties | Yes | 533,674 | 508,742 | 508,742 | 3.745 | The need for short-term financing | - | Operating capital | - | - | - | 1,304,703 | 2,609,406 | |
| 3 | TCC Investment Corporation | Tai-Jie Transport & Storage Corporation | Other receivables from related parties | Yes | 40,000 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 1,675,548 | 1,675,548 | |
| 4 | TCC Development Ltd. | TCCIH | Other receivables from related parties | Yes | 299,592 | 287,474 | 287,474 | 3.075 | The need for short-term financing | - | Operating capital | - | - | - | 1,116,428 | 1,116,428 | |
| 5 | TCCI | TCCIH | Other receivables from related parties | Yes | 3,865,800 | 3,685,200 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 113,099,217 | 226,198,434 | |
| | | TCC Dutch | Other receivables from related parties | Yes | 1,636,000 | 1,636,000 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 113,099,217 | 226,198,434 | |
| | | TCEH | Other receivables from related parties | Yes | 654,400 | 654,400 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 113,099,217 | 226,198,434 | |
| 6 | TCEH | TCC Dutch | Other receivables from related parties | Yes | 1,308,800 | 1,308,800 | 1,145,200 | 2.931 | The need for short-term financing | - | Operating capital | - | - | - | 8,980,951 | 17,961,902 | |
| 7 | Yingde Dragon Mountain Cement Co., Ltd. | TCC Yingde Cement Co., Ltd. | Other receivables from related parties | Yes | 931,488 | 882,112 | 882,112 | 3.045 | The need for short-term financing | - | Operating capital | - | - | - | 15,707,514 | 31,415,028 | |
| | | TCC Liaoning Cement Company Limited | Other receivables from related parties | Yes | 1,061,896 | 1,005,608 | 793,901 | 3.045 | The need for short-term financing | - | Operating capital | - | - | - | 15,707,514 | 31,415,028 | |
| | | TCC (Guigang) Cement Ltd. | Other receivables from related parties | Yes | 7,917,648 | 7,497,952 | 5,954,256 | 3.045 | The need for short-term financing | - | Operating capital | - | - | - | 15,707,514 | 31,415,028 | |
| 8 | TCC (Guigang) Cement Ltd. | Guigang TCC DongYuan Environmental Technology Company Limited | Other receivables from related parties | Yes | 139,723 | 132,317 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 22,938,444 | 45,876,888 | |
| | | TCC Huaying Cement Company Limited | Other receivables from related parties | Yes | 1,341,343 | 1,270,241 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 22,938,444 | 45,876,888 | |
| | | TCC (Hangzhou) Recycle Resource Technology Limited | Other receivables from related parties | Yes | 46,574 | 44,106 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 22,938,444 | 45,876,888 | |
| | | TCC Anshun Cement Company Limited | Other receivables from related parties | Yes | 465,744 | 441,056 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 22,938,444 | 45,876,888 | |
| | | TCC Huaihua Cement Company Limited | Other receivables from related parties | Yes | 931,488 | 882,112 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 22,938,444 | 45,876,888 | |
| | | TCC Jingzhou Cement Company Limited | Other receivables from related parties | Yes | 698,616 | 661,584 | 441,056 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 22,938,444 | 45,876,888 | |
| | | Guizhou Kong On Cement Company Limited | Other receivables from related parties | Yes | 302,734 | 286,686 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 22,938,444 | 45,876,888 | |
| | | Scitus Luzhou Cement Co., Ltd. | Other receivables from related parties | Yes | 1,304,083 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 22,938,444 | 45,876,888 | |
| | | Scitus Naxi Cement Co., Ltd. | Other receivables from related parties | Yes | 465,744 | 441,056 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 22,938,444 | 45,876,888 | |
| | | TCC Yingde Cement Co., Ltd. | Other receivables from related parties | Yes | 1,397,232 | 1,323,168 | 1,323,168 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 22,938,444 | 45,876,888 | |
| Scitus Luzhou Concrete Co., Ltd. | Other receivables from related parties | Yes | 93,149 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 22,938,444 | 45,876,888 | | | |

(Continued)

| No. | Lender | Borrower (Note 2) | Financial Statement Account | Related Parties | Highest Balance for the Period | Ending Balance | Actual Borrowing Amount | Interest Rate (%) | Nature of Financing | Business Transaction Amount | Reason for Short-term Financing | Allowance for Impairment Loss | Collateral | | Financing Limit for Each Borrower (Note 1) | Aggregate Financing Limit (Note 1) | Note |
|---|--|--|--|-----------------|--------------------------------|----------------|-----------------------------------|-------------------|-----------------------------------|-----------------------------|---------------------------------|-------------------------------|------------|------------|--|------------------------------------|------|
| | | | | | | | | | | | | | Item | Value | | | |
| 9 | TCC Yingde Cement Co., Ltd. | TCC Yongren (Hangzhou) Environmental Protection Technology Co., Ltd. | Other receivables from related parties | Yes | \$ 93,149 | \$ 88,211 | \$ 15,437 | 3.48 | The need for short-term financing | \$ - | Operating capital | \$ - | - | \$ - | \$ 30,521,659 | \$ 61,043,318 | |
| | | TCC Yongren (Hangzhou) Renewable Resources Development Co., Ltd. | Other receivables from related parties | Yes | 53,554 | 44,106 | 2,205 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | |
| | | Beijing TCC Environment Technology Co., Ltd. | Other receivables from related parties | Yes | 179,554 | 176,422 | 99,238 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | |
| | | TCC (Hangzhou) Environmental Protection Technology Co., Ltd | Other receivables from related parties | Yes | 3,185,689 | 3,016,823 | 2,884,506 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | |
| | | Scitus Luzhou Cement Co., Ltd. | Other receivables from related parties | Yes | 838,339 | 793,901 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | |
| | | Scitus Naxi Cement Co., Ltd. | Other receivables from related parties | Yes | 232,872 | 220,528 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | |
| | | Guizhou Kong On Cement Company Limited | Other receivables from related parties | Yes | 465,744 | 441,056 | 44,106 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | |
| | | TCC Liaoning Cement Company Limited | Other receivables from related parties | Yes | 232,872 | 220,528 | 220,528 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | |
| | | TCC Shaoguan Cement Co., Limited | Other receivables from related parties | Yes | 5,468,255 | 5,178,396 | 4,851,616 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | |
| | | TCC (Dong Guan) Cement Co., Limited | Other receivables from related parties | Yes | 465,744 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | |
| | | TCC Anshun Cement Company Limited | Other receivables from related parties | Yes | 931,488 | 882,112 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | |
| | | Guangan Changxing Cement Company Ltd. | Other receivables from related parties | Yes | 931,488 | 882,112 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | |
| | | TCC Huaihua Cement Company Limited | Other receivables from related parties | Yes | 931,488 | 882,112 | 529,267 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | |
| | | TCC Jingzhou Cement Company Limited | Other receivables from related parties | Yes | 232,872 | 220,528 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | |
| TCC Chongqing Cement Company Limited | Other receivables from related parties | Yes | 465,744 | 441,056 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | | | |
| Guizhou Kaili Rui An Jian Cai Co., Ltd. | Other receivables from related parties | Yes | 698,616 | 661,584 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | | | |
| 10 | TCC Fuzhou Cement Co., Ltd. | TCC Liaoning Cement Company Limited | Other receivables from related parties | Yes | 326,021 | 308,739 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 898,783 | 2,696,349 | |
| | | TCC New (Hangzhou) Management Company Limited | Other receivables from related parties | Yes | 465,744 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 898,783 | 2,696,349 | |
| | | Guizhou Kaili Rui An Jian Cai Co., Ltd. | Other receivables from related parties | Yes | 232,872 | 220,528 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 898,783 | 2,696,349 | |
| 11 | TCCIH | TCC Yingde Cement Co., Ltd. | Other receivables from related parties | Yes | 226,745 | 214,726 | 209,387 | - | The need for short-term financing | - | Operating capital | - | - | - | 180,319,072 | 360,638,144 | |
| 12 | Prime York Ltd. | Upper Value Investment Limited | Other receivables from related parties | Yes | 209,304 | 200,838 | 200,838 | - | The need for short-term financing | - | Operating capital | - | - | - | 2,956,046 | 5,912,092 | |
| 13 | Jurong TCC Cement Co., Ltd. | TCC Huaihua Cement Company Limited | Other receivables from related parties | Yes | 1,397,232 | 1,323,168 | 520,446 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 19,145,704 | 38,291,408 | |
| | | TCC Huaihua Concrete Company Limited | Other receivables from related parties | Yes | 139,723 | 132,317 | 61,307 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 19,145,704 | 38,291,408 | |
| | | Guizhou Kong On Cement Company Limited | Other receivables from related parties | Yes | 326,021 | 308,739 | 176,422 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 19,145,704 | 38,291,408 | |
| | | Kaili TCC Environment Technology Co., Ltd. | Other receivables from related parties | Yes | 396,950 | 396,950 | 246,991 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 19,145,704 | 38,291,408 | |
| | | TCC Anshun Cement Company Limited | Other receivables from related parties | Yes | 931,488 | 882,112 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 19,145,704 | 38,291,408 | |
| | | TCC Chongqing Cement Company Limited | Other receivables from related parties | Yes | 931,488 | 882,112 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 19,145,704 | 38,291,408 | |
| | | Guangan Changxing Cement Company Ltd. | Other receivables from related parties | Yes | 465,744 | 441,056 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 19,145,704 | 38,291,408 | |
| | | TCC Liaoning Cement Company Limited | Other receivables from related parties | Yes | 326,021 | 308,739 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 19,145,704 | 38,291,408 | |
| | | TCC Yingde Cement Co., Ltd. | Other receivables from related parties | Yes | 465,744 | 441,056 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 19,145,704 | 38,291,408 | |
| | | Scitus Luzhou Cement Co., Ltd. | Other receivables from related parties | Yes | 698,616 | 661,584 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 19,145,704 | 38,291,408 | |

(Continued)

| No. | Lender | Borrower (Note 2) | Financial Statement Account | Related Parties | Highest Balance for the Period | Ending Balance | Actual Borrowing Amount | Interest Rate (%) | Nature of Financing | Business Transaction Amount | Reason for Short-term Financing | Allowance for Impairment Loss | Collateral | | Financing Limit for Each Borrower (Note 1) | Aggregate Financing Limit (Note 1) | Note |
|-----|---|---|--|-----------------|--------------------------------|----------------|-------------------------|-------------------|-----------------------------------|-----------------------------|---------------------------------|-------------------------------|------------|-------|--|------------------------------------|------|
| | | | | | | | | | | | | | Item | Value | | | |
| 14 | TCC Anshun Cement Company Limited | Anshun Xin Tai Construction Materials Company Limited | Other receivables from related parties | Yes | \$ 93,149 | \$ 88,211 | \$ - | - | The need for short-term financing | \$ - | Operating capital | \$ - | - | \$ - | \$ 7,294,241 | \$ 14,588,482 | |
| | | Guizhou Kong On Cement Company Limited | Other receivables from related parties | Yes | 279,446 | 264,634 | 264,634 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 7,294,241 | 14,588,482 | |
| | | Scitus Luzhou Concrete Co., Ltd. | Other receivables from related parties | Yes | 139,723 | 132,317 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 7,294,241 | 14,588,482 | |
| | | Guizhou Kaili Rui An Jian Cai Co., Ltd. | Other receivables from related parties | Yes | 139,723 | 132,317 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 7,294,241 | 14,588,482 | |
| | | Scitus Luzhou Cement Co., Ltd. | Other receivables from related parties | Yes | 139,723 | 132,317 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 7,294,241 | 14,588,482 | |
| | | TCC Chongqing Cement Company Limited | Other receivables from related parties | Yes | 931,488 | 882,112 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 7,294,241 | 14,588,482 | |
| | | TCC Huaihua Cement Company Limited | Other receivables from related parties | Yes | 698,616 | 661,584 | 176,422 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 7,294,241 | 14,588,482 | |
| | | TCC Zhongrun (Anshun) Cement Company Limited | Other receivables from related parties | Yes | 88,211 | 88,211 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 2,917,696 | 2,917,696 | |
| 15 | Guangan Changxing Cement Company Ltd. | Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd. | Other receivables from related parties | Yes | 265,939 | 264,634 | 92,622 | 3.65 | The need for short-term financing | - | Operating capital | - | - | - | 6,280,442 | 12,560,884 | |
| | | TCC Huaying Cement Company Limited | Other receivables from related parties | Yes | 465,744 | 441,056 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 6,280,442 | 12,560,884 | |
| | | Scitus Luzhou Cement Co., Ltd. | Other receivables from related parties | Yes | 139,723 | 132,317 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 6,280,442 | 12,560,884 | |
| | | TCC Huaihua Cement Company Limited | Other receivables from related parties | Yes | 698,616 | 661,584 | 507,214 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 6,280,442 | 12,560,884 | |
| | | Kaili TCC Environment Technology Co., Ltd. | Other receivables from related parties | Yes | 134,665 | 132,317 | 18,745 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 6,280,442 | 12,560,884 | |
| | | Guizhou Kaili Rui An Jian Cai Co., Ltd. | Other receivables from related parties | Yes | 93,149 | 88,211 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 6,280,442 | 12,560,884 | |
| 16 | Wayly Holdings Ltd. | Guizhou Kaili Rui An Jian Cai Co., Ltd. | Other receivables from related parties | Yes | 63,418 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 1,854,555 | 3,709,110 | |
| 17 | TCC Chongqing Cement Company Limited | Guangan Changxing Cement Company Ltd. | Other receivables from related parties | Yes | 465,744 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 9,672,136 | 19,344,272 | |
| | | Guizhou Kaili Rui An Jian Cai Co., Ltd. | Other receivables from related parties | Yes | 232,872 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 9,672,136 | 19,344,272 | |
| | | Scitus Naxi Cement Co., Ltd. | Other receivables from related parties | Yes | 139,723 | 132,317 | 44,106 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 9,672,136 | 19,344,272 | |
| | | Scitus Luzhou Cement Co., Ltd. | Other receivables from related parties | Yes | 232,872 | 220,528 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 9,672,136 | 19,344,272 | |
| | | TCC Huaying Cement Company Limited | Other receivables from related parties | Yes | 116,436 | 110,264 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 9,672,136 | 19,344,272 | |
| | | TCC Huaihua Cement Company Limited | Other receivables from related parties | Yes | 931,488 | 882,112 | 872,850 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 9,672,136 | 19,344,272 | |
| | | TCC Jingzhou Cement Company Limited | Other receivables from related parties | Yes | 93,149 | 88,211 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 9,672,136 | 19,344,272 | |
| | | Guizhou Kong On Cement Company Limited | Other receivables from related parties | Yes | 139,723 | 132,317 | 132,317 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 9,672,136 | 19,344,272 | |
| 18 | TCC New (Hangzhou) Management Company Limited | Scitus Luzhou Cement Co., Ltd. | Other receivables from related parties | Yes | 288,761 | 88,211 | 88,211 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 389,088 | 778,176 | |
| | | Scitus Naxi Cement Co., Ltd. | Other receivables from related parties | Yes | 256,159 | 194,065 | 194,065 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 389,088 | 778,176 | |
| | | Scitus Luzhou Concrete Co., Ltd. | Other receivables from related parties | Yes | 37,260 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 389,088 | 778,176 | |
| 19 | Prosperity Minerals (China) Ltd. | TCC New (Hangzhou) Management Company Limited | Other receivables from related parties | Yes | 371,416 | 351,728 | 348,434 | - | The need for short-term financing | - | Operating capital | - | - | - | 947,400 | 1,894,800 | |
| 20 | Da Tong (Guigang) International Logistics Co., Ltd. | Guigang Da-Ho Shipping Co., Ltd. | Other receivables from related parties | Yes | 139,723 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 1,009,376 | 2,018,753 | |

(Continued)

| No. | Lender | Borrower (Note 2) | Financial Statement Account | Related Parties | Highest Balance for the Period | Ending Balance | Actual Borrowing Amount | Interest Rate (%) | Nature of Financing | Business Transaction Amount | Reason for Short-term Financing | Allowance for Impairment Loss | Collateral | | Financing Limit for Each Borrower (Note 1) | Aggregate Financing Limit (Note 1) | Note |
|----------------------|--|---|--|-----------------|--------------------------------|----------------|-----------------------------------|-------------------|-----------------------------------|-----------------------------|---------------------------------|-------------------------------|------------|---------|--|------------------------------------|------|
| | | | | | | | | | | | | | Item | Value | | | |
| 21 | TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | TCC Yongren (Hangzhou) Renewable Resources Technology Co., Ltd. | Other receivables from related parties | Yes | \$ 49,377 | \$ 48,516 | \$ 8,821 | 3.48 | The need for short-term financing | \$ - | Operating capital | \$ - | - | \$ - | \$ 6,837,726 | \$ 13,675,452 | |
| 22 | Guizhou Kaili Rui An Jian Cai Co., Ltd. | Scitus Naxi Cement Co., Ltd. | Other receivables from related parties | Yes | 139,723 | 132,317 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 3,690,907 | 3,690,907 | |
| | | Kaili TCC Environment Technology Co., Ltd. | Other receivables from related parties | Yes | 186,298 | 176,422 | 176,422 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 3,690,907 | 3,690,907 | |
| 23 | TCC Huaihua Cement Company Limited | TCC Jingzhou Cement Company Limited | Other receivables from related parties | Yes | 93,149 | 88,211 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 3,294,583 | 6,589,166 | |
| 24 | Scitus Luzhou Cement Co., Ltd. | Guizhou Kaili Rui An Jian Cai Co., Ltd. | Other receivables from related parties | Yes | 93,149 | 88,211 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 3,579,624 | 7,159,248 | |
| 25 | E-One Moli Energy Corp. | E-One Moli Energy (Canada) Ltd. | Other receivables from related parties | Yes | 433,166 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 5,428,301 | 10,856,602 | |
| 26 | E-One Moli Energy (Canada) Ltd. | E-One Moli Energy Corp. | Other receivables from related parties | Yes | 196,134 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 1,609,430 | 3,218,859 | |
| 27 | NHOA S.A. | NHOA ENERGY S.R.L. | Other receivables from related parties | Yes | 304,000 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 861,659 | 861,659 | |
| | | NHOA ENERGY S.R.L. | Other receivables from related parties | Yes | 304,000 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 861,659 | 861,659 | |
| | | NHOA AUSTRALIA PTY LTD. | Other receivables from related parties | Yes | 274,300 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 861,659 | 861,659 | |
| | | NHOA AUSTRALIA PTY LTD. | Other receivables from related parties | Yes | 274,300 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 861,659 | 861,659 | |
| | | ATLANTE S.R.L. | Other receivables from related parties | Yes | 304,000 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 861,659 | 861,659 | |
| | | ATLANTE S.R.L. | Other receivables from related parties | Yes | 160,000 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 861,659 | 861,659 | |
| | | ATLANTE FRANCE S.A.S. | Other receivables from related parties | Yes | 144,000 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 861,659 | 861,659 | |
| | | NHOA CORPORATE S.R.L. | Other receivables from related parties | Yes | 248,770 | 248,770 | 248,770 | 3.968 | The need for short-term financing | - | Operating capital | - | - | - | 861,659 | 861,659 | |
| ATLANTE TOPCO S.R.L. | Other receivables from related parties | Yes | 674,032 | 674,032 | 549,696 | 3.968 | The need for short-term financing | - | Operating capital | - | - | - | 861,659 | 861,659 | | | |
| 28 | NHOA ENERGY S.R.L. | NHOA AMERICAS LLC | Other receivables from related parties | Yes | 32,215 | 30,710 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 1,683,984 | 3,367,968 | |
| | | ATLANTE S.R.L. | Other receivables from related parties | Yes | 256,000 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 1,683,984 | 3,367,968 | |
| | | FREE2MOVE ESOLUTIONS S.P.A. | Other receivables from related parties | Yes | 159,950 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 673,594 | 673,594 | |
| 29 | NHOA AUSTRALIA PTY LTD. | NHOA ENERGY S.R.L. | Other receivables from related parties | Yes | 320,000 | 163,600 | 98,160 | 4.088 | The need for short-term financing | - | Operating capital | - | - | - | 527,944 | 1,055,888 | |
| | | NHOA ENERGY S.R.L. | Other receivables from related parties | Yes | 307,100 | 307,100 | 276,390 | 4.088 | The need for short-term financing | - | Operating capital | - | - | - | 527,944 | 1,055,888 | |
| 30 | NHOA CORPORATE S.R.L. | FREE2MOVE ESOLUTIONS S.P.A. | Other receivables from related parties | Yes | 245,400 | 245,400 | 245,400 | 2.75-2.762 | The need for short-term financing | - | Operating capital | - | - | - | 268,778 | 268,778 | |
| 31 | ATLANTE TOPCO S.R.L. | ATLANTE S.R.L. | Other receivables from related parties | Yes | 327,200 | 327,200 | 152,083 | 3.968 | The need for short-term financing | - | Operating capital | - | - | - | 489,294 | 978,588 | |
| 32 | ATLANTE S.R.L. | ATLANTE FRANCE S.A.S. | Other receivables from related parties | Yes | 147,240 | 147,240 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 828,207 | 1,656,414 | |

Note 1: "Financing Limits for Each Borrower" and "Aggregate Financing Limits":

A. For Taiwan Cement Corporation, financing limits are as follows:

- Where a business relationship exists, the individual financing limits were the total transaction amounts with the borrower and 20% of Taiwan Cement Corporation's net equity in the recent year.
- Where there is a need for a short-term financing facility, the individual financing limits were 20% of Taiwan Cement Corporation's net equity as stated in its latest financial statements.
- For the above items a and b, the aggregate financing limits were 40% of Taiwan Cement Corporation's net equity as stated in its latest financial statements.

(Continued)

B. The restrictions above in paragraph A, subparagraphs b and c shall not apply to inter-company loans of funds between foreign companies of which Taiwan Cement Corporation holds, directly or indirectly, 100% of the voting shares. The aggregate and individual financing limits for the companies were 200% and 100%, respectively, of the net equity of each company as stated in their respective latest financial statements. In addition, the aggregate and individual financing limits for TCC International Ltd. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for TCC Fuzhou Cement Co., Ltd. were 300% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for TCC New (Hangzhou) Management Company Limited were 1,200% and 600%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for Prosperity Minerals (China) Ltd. were 400% and 200%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for TCC Development Ltd. were 200% and 200%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for E-One Moli Energy (Canada) Ltd. were 600% and 300%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for NHOA S.A. were 40% and 40%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for NHOA ENERGY S.R.L. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for NHOA AUSTRALIA PTY LTD. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for ATLANTE TOPCO S.R.L. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for ATLANTE S.R.L. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for Taiwan Cement Europe Holdings BV were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for NHOA CORPORATE S.R.L. were 40% and 40%, respectively, of its net equity as stated in its latest financial statements.

Note 2: All intercompany transactions have been eliminated upon consolidation.

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

| No. | Endorser/Guarantor | Endorsee/Guarantee | | Limits on Endorsement/Guarantee Given on Behalf of Each Party (Note 1) | Maximum Amount Endorsed/Guaranteed During the Period | Outstanding Endorsement/Guarantee at the End of the Period | Actual Borrowing Amount | Amount Endorsed/Guaranteed by Collaterals | Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%) | Aggregate Endorsement/Guarantee Limit (Note 2) | Endorsement/Guarantee Given by Parent on Behalf of Subsidiaries | Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent | Endorsement/Guarantee Given on Behalf of Companies in Mainland China | Note | |
|-------------------------------------|------------------------------|---|-----------------------|--|--|--|-------------------------|---|---|--|---|---|--|------|--|
| | | Name | Relationship (Note 3) | | | | | | | | | | | | |
| 0 | Taiwan Cement Corporation | Union Cement Traders Inc. | b | \$ 108,947,383 | \$ 1,420,000 | \$ 1,420,000 | \$ 750,000 | \$ - | 0.65 | \$ 217,894,766 | Y | N | N | | |
| | | TCC Investment Corporation | b | 108,947,383 | 2,570,000 | 2,370,000 | 1,630,000 | - | 1.09 | 217,894,766 | Y | N | N | | |
| | | TCC Chemical Corporation | b | 108,947,383 | 1,499,117 | 1,299,117 | 359,117 | - | 0.60 | 217,894,766 | Y | N | N | | |
| | | Jin Chang Minerals Corporation | b | 108,947,383 | 31,257 | 31,257 | 31,257 | 31,257 | 0.01 | 217,894,766 | Y | N | N | | |
| | | Ho Sheng Mining Co., Ltd. | b | 108,947,383 | 99,884 | 99,884 | 99,884 | 99,884 | 0.05 | 217,894,766 | Y | N | N | | |
| | | TCC Energy Storage Technology Corporation | b | 108,947,383 | 1,288,600 | 1,228,400 | 1,102,190 | - | 0.56 | 217,894,766 | Y | N | N | | |
| | | TCCI | b | 108,947,383 | 6,797,365 | 6,479,810 | 3,285,970 | - | 2.97 | 217,894,766 | Y | N | N | | |
| 1 | Ho Sheng Mining Co., Ltd. | Taiwan Cement Corporation | c | 1,005,298 | 137,964 | 137,964 | 137,964 | - | 41.17 | 1,005,298 | N | Y | N | | |
| 2 | TCC Green Energy Corporation | TCC Chemical Corporation | a | 13,437,112 | 6,117 | 6,117 | 6,117 | - | 0.05 | 13,437,112 | N | N | N | | |
| 3 | TCCIH | TCC Yingde Cement Co., Ltd. | b | 90,159,536 | 1,949,738 | 545,598 | - | - | 0.30 | 180,319,072 | Y | N | Y | | |
| | | Jurong TCC Cement Co., Ltd. | b | 90,159,536 | 2,247,184 | 1,847,702 | - | - | 1.02 | 180,319,072 | Y | N | Y | | |
| | | TCC Fuzhou Cement Co., Ltd. | b | 90,159,536 | 1,215,393 | 735,088 | - | - | 0.41 | 180,319,072 | Y | N | Y | | |
| | | TCC Liaoning Cement Company Limited | b | 90,159,536 | 919,679 | 561,117 | - | - | 0.31 | 180,319,072 | Y | N | Y | | |
| | | TCC (Guigang) Cement Ltd. | b | 90,159,536 | 4,510,560 | 1,374,768 | - | - | 0.76 | 180,319,072 | Y | N | Y | | |
| | | TCC Chongqing Cement Co., Limited | b | 90,159,536 | 1,313,037 | 963,126 | - | - | 0.53 | 180,319,072 | Y | N | Y | | |
| | | Guizhou Kong On Cement Company Limited | b | 90,159,536 | 325,372 | 310,171 | - | - | 0.17 | 180,319,072 | Y | N | Y | | |
| | | Guizhou Kaili Rui An Jian Cai Co., Ltd. | b | 90,159,536 | 322,150 | 307,100 | - | - | 0.17 | 180,319,072 | Y | N | Y | | |
| | | Guangan Changxing Cement Company Ltd. | b | 90,159,536 | 326,021 | - | - | - | - | - | 180,319,072 | Y | N | Y | |
| | | TCC Anshun Cement Company Limited | b | 90,159,536 | 698,616 | 661,584 | - | - | 0.37 | 180,319,072 | Y | N | Y | | |
| TCC Huaihua Cement Company Limited | b | 90,159,536 | 884,914 | - | - | - | - | - | 180,319,072 | Y | N | Y | | | |
| TCC Jingzhou Cement Company Limited | b | 90,159,536 | 279,446 | - | - | - | - | - | 180,319,072 | Y | N | Y | | | |
| 4 | TCC (Guigang) Cement Ltd. | Guigang Conch - TCC New Material Technology Co., Ltd. | f | 11,469,222 | 139,723 | 132,317 | - | - | 0.58 | 22,938,444 | N | N | Y | | |
| | | | | | | | | | | | | | | | |
| 5 | TCC Dutch | NHOA S. A. | b | 19,944,633 | 1,081,564 | 1,081,564 | 1,081,564 | 1,081,564 | 2.71 | 39,889,267 | Y | N | N | | |
| | | NHOA AUSTRALIA PTY LTD | b | 19,944,633 | 2,677,747 | - | - | - | - | - | 39,889,267 | Y | N | N | |
| 6 | NHOA S. A. | NHOA AUSTRALIA PTY LTD | b | 4,308,294 | 3,589,098 | 3,037,989 | 2,893,323 | - | 141.03 | 8,616,587 | Y | N | N | | |
| | | NHOA ENERGY S.R.L. | b | 4,308,294 | 484,834 | 462,183 | 462,183 | - | 21.46 | 8,616,587 | Y | N | N | | |
| | | ATLANTE S.R.L. | b | 4,308,294 | 20,540 | 20,540 | 6,609 | - | 0.95 | 8,616,587 | Y | N | N | | |
| | | ATLANTE IBERIA S.L. | b | 4,308,294 | 492,741 | 492,741 | - | - | 22.87 | 8,616,587 | Y | N | N | | |
| 7 | NHOA ENERGY S.R.L. | NHOA AMERICAS LLC | b | 3,367,968 | 118,818 | 113,267 | 113,267 | - | 6.73 | 6,735,936 | Y | N | N | | |

Note 1: Limits on endorsement/guarantee given on behalf of each party were as follows:

- a. i For endorsements/guarantees given by Taiwan Cement Corporation due to business transactions, 50% of the business transaction amounts in the previous year.
- ii Except for i, the aggregate and individual endorsements/guarantees given by Taiwan Cement Corporation were the net equity in its respective latest financial statements and 50% of the net equity in its respective latest financial statements.

(Continued)

- b. Ho Sheng Mining Co., Ltd. guaranteed by land use lease agreement.
- c. Jin Chang Minerals Corporation guaranteed by deposit contract.
- d. NHOA S.A. guaranteed by deposit.

Note 2: Aggregate endorsement/guarantee limit was 300% of its net equity in its latest financial statements for Ho Sheng Mining Co., Ltd., and 400% of its net equity in its latest financial statements for NHOA S.A., and 400% of its net equity in its latest financial statements for NHOA ENERGY S.R.L., and the limit for other the endorsers/guarantors was the net equity in their respective latest financial statements.

Note 3: Relationship between the endorser/guarantor and the endorsee/guarantee is classified as follows:

- a. Having a business relationship.
- b. The endorser/guarantor directly or indirectly owns more than 50% of the ordinary shares of the endorsee/guarantee.
- c. The endorsee/guarantee directly or indirectly owns more than 50% of the ordinary shares of the endorser/guarantor.
- d. Company in which the public company directly or indirectly holds 90% or more of the voting shares may make endorsements/guarantees for each other.
- e. Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or joint builders for the purposes of undertaking a construction project.
- f. Due to joint venture, all shareholders provide endorsements/guarantees to the endorsee/guarantee in proportion to its ownership.
- g. Where companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

| Holding Company Name | Type and Name of Marketable Securities | Relationship with the Holding Company | Financial Statement Account | December 31, 2022 | | | | Note |
|--|---|---------------------------------------|-----------------------------|--------------------------------|-----------------|--------------------------------|------------|-------------------------------------|
| | | | | Shares/Units (In Thousands) | Carrying Amount | Percentage of Ownership (%) | Fair Value | |
| Taiwan Cement Corporation | <u>Ordinary shares</u> | | | | | | | |
| | Chien Kuo Construction Co., Ltd. | - | FVTPL - current | 7,522 | \$ 85,753 | - | \$ 85,753 | |
| | Taiwan Television Enterprise, Ltd. | The Corporation serves as supervisor | FVTPL - current | 13,573 | 95,145 | - | 95,145 | |
| | Chinatrust Financial Holding Co., Ltd. | - | FVTPL - current | 3,576 | 79,021 | - | 79,021 | |
| | China Hi-Ment Corporation | The Corporation serves as director | FVTOCI - current | 30,196 | 1,389,023 | - | 1,389,023 | |
| | Taishin Financial Holding Co., Ltd. | - | FVTOCI - current | 70,071 | 1,058,067 | - | 1,058,067 | |
| | CTCI Corporation | The Corporation serves as director | FVTOCI - current | 9,054 | 378,925 | - | 378,925 | |
| | Chia Hsin Cement Corporation | Directors | FVTOCI - current | 27,419 | 477,098 | - | 477,098 | |
| | O-Bank | The Corporation serves as director | FVTOCI - current | 32,809 | 275,265 | - | 275,265 | |
| | IBT II Venture Capital Corporation | - | FVTOCI - non-current | 2,626 | - | 8.3 | - | |
| | Chinatrust Investment Co., Ltd. | The Corporation serves as director | FVTOCI - non-current | 29,553 | 872,097 | 9.4 | 872,097 | |
| | Pan Asia Corporation | The Corporation serves as supervisor | FVTOCI - non-current | 6,204 | 8,996 | 5.4 | 8,996 | |
| | Taiwan Stock Exchange Corporation | The Corporation serves as director | FVTOCI - non-current | 67,952 | 5,722,211 | 6.6 | 5,722,211 | |
| | Excel Corporation | - | FVTOCI - non-current | 600 | - | 9.5 | - | |
| | Privately placed shares - Pihong Technology Co., Ltd. | The Corporation serves as director | FVTOCI - non-current | 37,520 | 1,030,300 | 9.998 | 1,030,300 | |
| | | <u>Convertible preference shares</u> | | | | | | |
| | O-Bank | The Corporation serves as director | FVTOCI - current | 2,956 | 29,441 | - | 29,441 | |
| Taiwan Transport & Storage Corporation | <u>Ordinary shares</u> | | | | | | | |
| | Chia Hsin Cement Corporation | Director of parent company | FVTOCI - current | 8,632 | 150,189 | - | 150,189 | |
| TCC Investment Corporation | <u>Ordinary shares</u> | | | | | | | |
| | O-Bank | The Corporation serves as director | FVTOCI - current | 24,214 | 203,158 | - | 203,158 | 21,000 thousand shares were pledged |
| | Taishin Financial Holding Co., Ltd. | - | FVTOCI - current | 13,404 | 202,400 | - | 202,400 | |
| | Chia Hsin Cement Corporation | Director of parent company | FVTOCI - current | 8,334 | 145,010 | - | 145,010 | 7,000 thousand shares were pledged |
| | China Conch Venture Holdings Limited | - | FVTOCI - non-current | 11,110 | 742,020 | - | 742,020 | |
| | China Conch Environment Protection Holdings Limited | - | FVTOCI - non-current | 11,110 | 138,691 | - | 138,691 | |
| | Chinatrust Investment Co., Ltd. | The Corporation serves as director | FVTOCI - non-current | 10,884 | 321,183 | 3.5 | 321,183 | |
| | Pan Asia Corporation | The Corporation serves as supervisor | FVTOCI - non-current | 1 | 14 | - | 14 | |
| | <u>Convertible preference shares</u> | | | | | | | |
| | O-Bank | The Corporation serves as director | FVTOCI - current | 2,182 | 21,728 | - | 21,728 | |
| Ta-Ho Maritime Corporation | <u>Ordinary shares</u> | | | | | | | |
| | Prosperity Dielectrics Co., Ltd. | - | FVTPL - current | 951 | 32,436 | - | 32,436 | |
| | Chia Hsin Cement Corporation | Director of parent company | FVTOCI - current | 25,761 | 448,246 | - | 448,246 | |
| | Chinatrust Investment Co., Ltd. | The Corporation serves as director | FVTOCI - non-current | 6,612 | 195,110 | 2.1 | 195,110 | |
| TCC Chemical Corporation | <u>Ordinary shares</u> | | | | | | | |
| | Taiwan Stock Exchange Corporation | The Corporation serves as director | FVTOCI - non-current | 3,880 | 326,741 | - | 326,741 | |
| Hoping Industrial Port Corporation | <u>Ordinary shares</u> | | | | | | | |
| | Chinatrust Investment Co., Ltd. | The Corporation serves as director | FVTOCI - non-current | 10,444 | 308,194 | 3.3 | 308,194 | |
| E.G.C. Cement Corporation | <u>Ordinary shares</u> | | | | | | | |
| | Feng Yu United Engineering Company | - | FVTPL - current | 119 | - | 0.1 | - | |

(Continued)

| Holding Company Name | Type and Name of Marketable Securities | Relationship with the Holding Company | Financial Statement Account | December 31, 2022 | | | | Note |
|---------------------------------------|--|---------------------------------------|-----------------------------|-----------------------------|-----------------|-----------------------------|------------|---------------------------------|
| | | | | Shares/Units (In Thousands) | Carrying Amount | Percentage of Ownership (%) | Fair Value | |
| Union Cement Traders Inc. | <u>Ordinary shares</u> | | | | | | | |
| | Taishin Financial Holding Co., Ltd. | - | FVTOCI - current | 30,953 | \$ 467,391 | - | \$ 467,391 | |
| | CTCI Corporation | The Corporation serve as director | FVTOCI - current | 13,365 | 559,339 | - | 559,339 | |
| | Chia Hsin Cement Corporation | Director of parent company | FVTOCI - current | 7,441 | 129,473 | - | 129,473 | |
| | Videoland Inc. | - | FVTOCI - non-current | 6,437 | 277,776 | 5.6 | 277,776 | |
| TCCI (Group) | <u>Ordinary shares</u> | | | | | | | |
| | Anhui Conch Cement Co., Ltd. | - | FVTOCI - non-current | 116,568 | 12,531,923 | - | 12,531,923 | |
| | Yargoan Co., Ltd. | - | FVTOCI - non-current | 19 | - | 12.5 | - | |
| NHOA ENERGY S.R.L. | <u>Government bonds</u> | | | | | | | |
| | Bonos Y Oblig Del Estado | - | FVTPL - current | - | 14,636 | - | 14,636 | |
| | Buoni Ordinari Del Tes | - | FVTPL - current | - | 22,275 | - | 22,275 | |
| | Buoni Poliennali Del Tes | - | FVTPL - current | - | 53,701 | - | 53,701 | |
| | Obrigacoes Do Trsouro | - | FVTPL - current | - | 19,136 | - | 19,136 | |
| | France (GOVT OF) | - | FVTPL - current | - | 76,965 | - | 76,965 | |
| | Deutschland I/L Bond | - | FVTPL - current | - | 35,397 | - | 35,397 | |
| | Italien, Republik | - | FVTPL - current | - | 55,662 | - | 55,662 | |
| | <u>Corporate bonds</u> | | | | | | | |
| | RCI BANQUE SA | - | FVTPL - current | - | 16,831 | - | 16,831 | |
| | Goldman Sachs Group Inc. | - | FVTPL - current | - | 6,311 | - | 6,311 | |
| | STELLANTIS NV | - | FVTPL - current | - | 6,266 | - | 6,266 | |
| | Mercedes-Benz | - | FVTPL - current | - | 12,267 | - | 12,267 | |
| | ATLANTE S.R.L. | <u>Government bonds</u> | | | | | | |
| Buoni Poliennali Del Tes | | - | FVTPL - non-current | - | 284,876 | - | 284,876 | \$284,876 thousand were pledged |
| TCC Recycle Energy Technology Company | <u>Preference shares</u> | | | | | | | |
| | GROUP 14 TECHNOLOGIES, INC. | - | FVTOCI - non-current | 353 | 276,390 | 0.3 | 276,390 | |

Note 1: Marketable securities in the table refer to shares, bonds, beneficiary certificates and other related securities within the scope of IFRS 9 "Financial Instruments".

Note 2: See Tables 8 and 9 for the information on investments in subsidiaries, associates and joint ventures.

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED AT COSTS OR PRICES OF AT LEAST NTS300 MILLION OR 20% OF THE SHARE CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

| Company Name | Type and Name of Marketable Securities | Financial Statement Account | Counterparty | Relationship | Beginning Balance | | Acquisition | | Disposal | | | | Other Adjustment (Note 1) | Ending Balance (Note 2) | |
|---------------------------------------|--|---|--------------|--------------|-----------------------------|---------------|-----------------------------|---------------|-----------------------------|--------|-----------------|------------------|---------------------------|-----------------------------|---------------|
| | | | | | Shares/Units (In Thousands) | Amount | Shares/Units (In Thousands) | Amount | Shares/Units (In Thousands) | Amount | Carrying Amount | Gain on Disposal | | Shares/Units (In Thousands) | Amount |
| Taiwan Cement Corporation | Shares TCCIH | Investments accounted for using the equity method | - | Subsidiary | 2,581,832 | \$ 60,257,962 | 889,386 | \$ 21,466,100 | - | \$ - | \$ - | \$ - | \$ 267,020 | 3,471,218 | \$ 81,991,082 |
| | TCC Dutch | Investments accounted for using the equity method | - | Subsidiary | 838 | 24,496,751 | 341 | 10,869,300 | - | - | - | - | 4,619,228 | 1,179 | 39,985,279 |
| | TCC Green Energy Corporation | Investments accounted for using the equity method | - | Subsidiary | 950,899 | 9,379,579 | 400,000 | 4,000,000 | - | - | - | - | 108,686 | 1,350,899 | 13,488,265 |
| | TCC Energy Storage Technology Corporation | Investments accounted for using the equity method | - | Subsidiary | 200,600 | 1,979,067 | 50,000 | 500,000 | - | - | - | - | (149,021) | 250,600 | 2,330,046 |
| TCC Green Energy Corporation | Chia-Ho Green Energy Corporation | Investments accounted for using the equity method | - | Subsidiary | 10,000 | 67,292 | 304,500 | 3,045,000 | - | - | - | - | (3,707) | 314,500 | 3,108,585 |
| | TCC Chia-Chien Green Energy Corporation | Investments accounted for using the equity method | - | Subsidiary | 230,200 | 2,302,000 | 90,000 | 900,000 | - | - | - | - | (77,168) | 320,200 | 3,124,832 |
| TCCI (HK) | TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | Investments accounted for using the equity method | - | Subsidiary | - | - | - | 4,379,161 | - | - | - | - | (398,004) | - | 3,981,157 |
| TCCIH | TCC Recycle Energy Technology Company | Investments accounted for using the equity method | - | Subsidiary | - | - | 1,101,939 | 11,019,388 | - | - | - | - | 113,768 | 1,101,939 | 11,133,156 |
| TCC Recycle Energy Technology Company | E-One Moli Energy Corp. | Investments accounted for using the equity method | - | Subsidiary | 1,566,311 | 14,764,695 | 1,200,000 | 12,000,000 | - | - | - | - | 376,810 | 2,766,311 | 27,141,505 |
| E-One Moli Energy Corp. | Molie Quantum Energy Corporation | Investments accounted for using the equity method | - | Subsidiary | 1,000,100 | 9,921,156 | 1,200,000 | 12,000,000 | - | - | - | - | (97,033) | 2,200,100 | 21,824,123 |
| NHOA S.A. | NHOA ENERGY S.R.L. | Investments accounted for using the equity method | - | Subsidiary | 1,000 | 2,328,829 | 1,000 | 961,052 | - | - | - | - | (1,655,610) | 2,000 | 1,634,271 |
| | ATLANTE TOPCO S.R.L. | Investments accounted for using the equity method | - | Subsidiary | - | - | 1,000 | 420,706 | - | - | - | - | (329,303) | 1,000 | 91,403 |
| | NHOA CORPORATE S.R.L. | Investments accounted for using the equity method | - | Subsidiary | - | - | 1,000 | 671,676 | - | - | - | - | (493,960) | 1,000 | 177,716 |
| ATLANTE TOPCO S.R.L. | ATLANTE S.R.L. | Investments accounted for using the equity method | - | Subsidiary | - | - | 5,000 | 896,136 | - | - | - | - | (406,988) | 5,000 | 489,148 |
| Ta-Ho Maritime Corporation | Ta-Ho Maritime Holdings Ltd. | Investments accounted for using the equity method | - | Subsidiary | 44,300 | 5,451,392 | 30,000 | 884,250 | - | - | - | - | 863,938 | 74,300 | 7,199,580 |
| Ta-Ho Maritime Holdings Ltd. | THC International S.A. | Investments accounted for using the equity method | - | Subsidiary | 64,310 | 4,428,772 | 30,000 | 884,250 | - | - | - | - | 777,662 | 94,310 | 6,090,684 |

Note 1: Including the profit and loss parts of subsidiaries recognized under the equity method and adjustments to shareholder's equity.

Note 2: All intercompany transactions have been eliminated upon consolidation.

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (In Thousands of New Taiwan Dollars)

| Seller | Property | Event Date | Original Acquisition Date | Carrying Amount | Transaction Amount | Collection | Gain (Loss) on Disposal | Counterparty | Relationship | Purpose of Disposal | Price Reference | Other Terms |
|---------------------------|---|------------|---------------------------|-----------------|--------------------|------------------|-------------------------|-------------------|-------------------|---|------------------|-------------|
| Taiwan Cement Corporation | Taichung Business Office Located in six parcels of land and located in Six Subsection, Fuxing Section, East District, Taichung City, and the building thereon. | 2022/09/15 | 1968/12/31 | \$ 56,230 | \$ 563,250 | Received in full | \$ 506,247 | Enlit Real Estate | Non-related party | Revitalize the company's underused assets | Appraisal report | - |

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NTS100 MILLION OR 20% OF THE SHARE CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

| Buyer | Related Party | Relationship | Transaction Details | | | | Abnormal Transaction | | Notes/Accounts Receivable (Payable) | | Note |
|---|--|------------------------------------|---------------------|--------------|------------|---|----------------------|---------------|-------------------------------------|---------------------|--------|
| | | | Purchases/Sales | Amount | % of Total | Payment Terms | Unit Price | Payment Terms | Ending Balance | % of Total (Note 1) | |
| Taiwan Cement Corporation | Feng Sheng Enterprise Company Limited | Subsidiary | Sales | \$ (724,389) | (3) | 30 days | \$ - | - | \$ 195,623 | 29 | Note 2 |
| | | | Purchases | 220,213 | 1 | 30 days | - | - | (25,579) | (2) | Note 2 |
| | TCCIH | Subsidiary | Service revenue | (441,949) | (2) | By contract | - | - | 37,423 | 5 | Note 2 |
| | HKCCL | Subsidiary | Sales | (820,408) | (3) | 65 days counting from the completion of shipment | - | - | 64,921 | 10 | Note 2 |
| | E.G.C. Cement Corporation | Subsidiary | Sales | (739,495) | (3) | 50 days after the end of the day when delivery was made | - | - | 105,628 | 15 | Note 2 |
| | Taiwan Transport & Storage Corporation | Subsidiary | Purchases | 666,070 | 3 | 30 days | - | - | (148,407) | (13) | Note 2 |
| | Hoping Industrial Port Corporation | Subsidiary | Purchases | 483,438 | 2 | 20 days | - | - | (23,857) | (2) | Note 2 |
| | Ta-Ho Maritime Corporation | Subsidiary | Purchases | 2,181,766 | 11 | 30 days | - | - | (565,708) | (49) | Note 2 |
| | Ho Sheng Mining Co., Ltd. | Subsidiary | Purchases | 106,198 | 1 | 30 days | - | - | (8,975) | (1) | Note 2 |
| | Jin Chang Minerals Corporation | Subsidiary | Purchases | 288,053 | 1 | 30 days | - | - | (91,901) | (8) | Note 2 |
| | Kuan-Ho Refractories Industry Corporation | Subsidiary | Purchases | 242,147 | 1 | By contract | - | - | (58,104) | (5) | Note 2 |
| | Chia Hsin Cement Corporation | Directors of the corporation | Sales | (574,787) | (2) | 65 days after the end of the day when delivery was made | - | - | 110,880 | 16 | |
| | China Hi-Ment Corporation | The Corporation serves as director | Purchases | 819,521 | 4 | 60 days | - | - | (215,633) | (19) | |
| | | | Sales | (157,475) | (1) | 60 days | - | - | 37,338 | 5 | |
| CTCI Corporation | The Corporation serves as director | Sales | (186,326) | (1) | 110 days | - | - | 88,653 | 8 | | |
| Ho-Ping Power Company | Hoping Industrial Port Corporation | The same parent company | Purchases | 1,062,754 | 4 | 20 days | - | - | (28,071) | (33) | Note 2 |
| | HPC Power Service Corporation | The same parent company | Purchases | 505,973 | 2 | By contract | - | - | (48,331) | (56) | Note 2 |
| Hoping Industrial Port Corporation | Taiwan Cement Corporation | Parent company | Sales | (483,438) | (30) | 20 days | - | - | 23,857 | 44 | Note 2 |
| | Ho-Ping Power Company | The same parent company | Sales | (1,062,754) | (65) | 20 days | - | - | 28,071 | 52 | Note 2 |
| | Taiwan Transport & Storage Corporation | The same parent company | Purchases | 241,701 | 35 | 30 days | - | - | (21,298) | (89) | Note 2 |
| Feng Sheng Enterprise Company Limited | Taiwan Cement Corporation | Parent company | Sales | (220,213) | (5) | 30 days | - | - | 25,579 | 100 | Note 2 |
| | | | Purchases | 724,389 | 20 | 30 days | - | - | (195,623) | (100) | Note 2 |
| Taiwan Transport & Storage Corporation | Taiwan Cement Corporation | Parent company | Sales | (666,070) | (42) | 30 days | - | - | 148,407 | 89 | Note 2 |
| | Hoping Industrial Port Corporation | The same parent company | Sales | (241,701) | (15) | 30 days | - | - | 21,298 | 13 | Note 2 |
| | Linyuan Advanced Materials Technology Co., Ltd. | The same chairman | Sales | (183,787) | (12) | 30 days | - | - | 11,232 | 7 | |
| Ta-Ho Maritime Corporation | Taiwan Cement Corporation | Parent company | Freight revenue | (2,181,766) | (84) | 30 days | - | - | 565,708 | 100 | Note 2 |
| TCCIH | Taiwan Cement Corporation | Parent company | Service expense | 441,949 | 100 | By contract | - | - | (37,423) | (68) | Note 2 |
| Ho Sheng Mining Co., Ltd. | Taiwan Cement Corporation | Parent company | Sales | (106,198) | (46) | 30 days | - | - | 8,975 | 30 | Note 2 |
| | Jin Chang Minerals Corporation | The same parent company | Sales | (123,656) | (54) | 30 days | - | - | 20,552 | 70 | Note 2 |
| HPC Power Service Corporation | Ho-Ping Power Company | The same parent company | Sales | (505,973) | (100) | By contract | - | - | 48,331 | 100 | Note 2 |
| Da Tong (Guigang) International Logistics Co., Ltd. | TCC (Guigang) Cement Ltd. | The same ultimate parent company | Freight revenue | (336,318) | (86) | By negotiation | - | - | 39,780 | 66 | Note 2 |
| Guigang Da-Ho Shipping Co., Ltd. | TCC Yingde Cement Co., Ltd. | The same ultimate parent company | Freight revenue | (173,952) | (19) | By negotiation | - | - | 76,582 | 39 | Note 2 |
| | TCC (Guigang) Cement Ltd. | The same ultimate parent company | Freight revenue | (238,680) | (27) | By negotiation | - | - | 93,657 | 48 | Note 2 |
| | TCC (Hangzhou) Environment Protection Technology Co., Ltd. | The same ultimate parent company | Freight revenue | (175,179) | (19) | By negotiation | - | - | 24,826 | 13 | Note 2 |

(Continued)

| Buyer | Related Party | Relationship | Transaction Details | | | | Abnormal Transaction | | Notes/Accounts Receivable (Payable) | | Note |
|---|--|----------------------------------|---------------------|-------------|------------|---|----------------------|---------------|-------------------------------------|---------------------|--------|
| | | | Purchases/Sales | Amount | % of Total | Payment Terms | Unit Price | Payment Terms | Ending Balance | % of Total (Note 1) | |
| TCC (Guigang) Cement Ltd. | Da Tong (Guigang) International Logistics Co., Ltd. | The same ultimate parent company | Purchases | \$ 336,318 | 5 | By negotiation | \$ - | - | \$ (39,780) | (1) | Note 2 |
| | Guigang Da-Ho Shipping Co., Ltd. | The same ultimate parent company | Purchases | 238,680 | 3 | By negotiation | - | - | (93,657) | (1) | Note 2 |
| | TCC (Hangzhou) Environment Protection Technology Co., Ltd. | The same ultimate parent company | Purchases | 2,352,837 | 33 | By negotiation | - | - | (360,387) | (5) | Note 2 |
| TCC Yingde Cement Co., Ltd. | Guigang Da-Ho Shipping Co., Ltd. | The same ultimate parent company | Purchases | 173,952 | 1 | By negotiation | - | - | (76,582) | (1) | Note 2 |
| | TCC (Hangzhou) Environment Protection Technology Co., Ltd. | The same ultimate parent company | Purchases | 4,753,837 | 38 | By negotiation | - | - | (544,709) | (9) | Note 2 |
| TCC (Hangzhou) Environment Protection Technology Co., Ltd | Guigang Da-Ho Shipping Co., Ltd. | The same ultimate parent company | Purchases | 175,179 | 2 | By negotiation | - | - | (24,826) | (100) | Note 2 |
| | TCC Yingde Cement Co., Ltd. | The same ultimate parent company | Sales | (4,753,837) | (56) | By negotiation | - | - | 544,709 | 52 | Note 2 |
| | TCC (Guigang) Cement Ltd. | The same ultimate parent company | Sales | (2,352,837) | (28) | By negotiation | - | - | 360,387 | 34 | Note 2 |
| | TCC Shaoguan Cement Co., Ltd. | The same ultimate parent company | Sales | (1,365,104) | (16) | By negotiation | - | - | 148,766 | 14 | Note 2 |
| HKCCL | Taiwan Cement Corporation | Parent company | Purchases | 820,408 | 88 | 65 days counting from the completion of shipment | - | - | (64,921) | (97) | Note 2 |
| | Quon Hing Concrete Co., Ltd. | Associate | Sales | (383,973) | (31) | By negotiation | - | - | 137,255 | 38 | |
| E.G.C. Cement Corporation | Taiwan Cement Corporation | Parent company | Purchases | 739,495 | 100 | 50 days after the end of the day when delivery was made | - | - | (105,628) | (100) | Note 2 |
| Jin Chang Minerals Corporation | Taiwan Cement Corporation | Parent company | Sales | (288,053) | (100) | 30 days | - | - | 91,901 | 100 | Note 2 |
| | Ho Sheng Mining Co., Ltd. | The same parent company | Purchases | 123,656 | 84 | 30 days | - | - | (20,552) | (100) | Note 2 |
| Kuan-Ho Refractories Industry Corporation | Taiwan Cement Corporation | Parent company | Sales | (242,147) | (24) | By contract | - | - | 58,104 | 73 | Note 2 |
| E-One Moli Energy Corp. | E-One Moli Energy (Canada) Ltd. | The same ultimate parent company | Sales | (1,674,851) | (29) | 90 days | - | - | 559,791 | 35 | Note 2 |
| E-One Moli Energy (Canada) Ltd. | E-One Moli Energy Corp. | The same ultimate parent company | Purchases | 1,674,851 | 100 | 90 days | - | - | (559,791) | (99) | Note 2 |
| | | | Service revenue | (126,584) | (37) | 90 days | - | - | 32,141 | 7 | Note 2 |
| NHOA ENERGY S.R.L. | Taiwan Cement Corporation | Parent company | Sales | (334,350) | (14) | By negotiation | - | - | 9,772 | 1 | Note 2 |
| | TCC Yingde Cement Co., Ltd. | The same ultimate parent company | Sales | (714,544) | (29) | By negotiation | - | - | 345,902 | 25 | Note 2 |
| | TCC Lien-Hsin Green Energy Corporation | The same ultimate parent company | Sales | (261,673) | (11) | By negotiation | - | - | 270,969 | 19 | Note 2 |
| TCC Shaoguan Cement Co., Ltd. | TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | The same ultimate parent company | Purchases | 1,365,104 | 81 | By negotiation | - | - | (148,766) | 3 | Note 2 |

Note 1: The percentage to total accounts receivable from (payable to) related parties.

Note 2: All intercompany transactions have been eliminated upon consolidation.

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NTS100 MILLION OR 20% OF THE SHARE CAPITAL

DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars)

| Related Party | Company Name | Relationship | Ending Balance | Turnover Rate (%) | Overdue | | Amounts Received in Subsequent Period | Allowance for Impairment Loss |
|--|---|----------------------------------|----------------|-------------------|---------|---------------|---------------------------------------|-------------------------------|
| | | | | | Amount | Actions Taken | | |
| Taiwan Cement Corporation | Feng Sheng Enterprise Company (Note) | Subsidiary | \$ 195,623 | 4.2 | \$ - | - | \$ 138,608 | \$ - |
| | E.G.C. Cement Corporation (Note) | Subsidiary | 105,628 | 5.4 | - | - | 90,485 | - |
| | Chia Hsin Cement Corporation (Note) | Directors | 110,880 | 4.9 | - | - | 69,300 | - |
| HKCCL | Quon Hing Concrete Co., Ltd. | Associates | 137,255 | 2.9 | - | - | 71,193 | - |
| E-One Moli Energy Corp. | E-One Moli Energy (Canada) Ltd. (Note) | The same ultimate parent company | 559,791 | 2.8 | - | - | 310,500 | - |
| Ta-Ho Maritime Corporation | Taiwan Cement Corporation (Note) | Parent company | 565,708 | 3.9 | - | - | 369,614 | - |
| Taiwan Transport & Storage Corporation | Taiwan Cement Corporation (Note) | Parent company | 148,407 | 4.6 | - | - | 148,407 | - |
| NHOA ENERGY S.R.L. | TCC Yingde Cement Co., Ltd. (Note) | The same ultimate parent company | 345,902 | 4.1 | - | - | 345,902 | - |
| | TCC Lien-Hsin Green Energy Corporation (Note) | The same ultimate parent company | 270,969 | 1.9 | - | - | 270,969 | - |
| TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | TCC Yingde Cement Co., Ltd. (Note) | The same ultimate parent company | 544,709 | 17.5 | - | - | 301,321 | - |
| | TCC (Gui Gang) Cement Ltd. (Note) | The same ultimate parent company | 360,387 | 13.1 | - | - | 180,924 | - |
| | TCC Shaoguan Cement Co., Ltd. (Note) | The same ultimate parent company | 148,766 | 18.4 | - | - | - | - |

Note: All intercompany transactions have been eliminated upon consolidation.

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

| Investor Company | Investee Company | Location | Main Businesses and Products | Original Investment Amount | | As of December 31, 2022 | | | Net Income (Loss) of the Investee | Share of Profit (Loss) | Note |
|--|--|------------------------|--|----------------------------|-------------------|-----------------------------|--------|-----------------|-----------------------------------|------------------------|--------|
| | | | | December 31, 2022 | December 31, 2021 | Shares/Units (In Thousands) | % | Carrying Amount | | | |
| Taiwan Cement Corporation | TCCI | British Virgin Islands | Investment holding | \$ 33,774,761 | \$ 33,774,761 | 1,100,875,900 | 100.00 | \$ 113,099,217 | \$ 23,196 | \$ 23,196 | Note 1 |
| | Ho-Ping Power Company | Taiwan | Thermal power generation | 6,037,720 | 6,037,720 | 805,940,306 | 59.50 | 14,328,687 | (1,488,561) | (885,694) | Note 1 |
| | Hoping Industrial Port Corporation | Taiwan | Hoping Industrial Port management | 3,198,500 | 3,198,500 | 319,990,000 | 100.00 | 5,722,337 | 700,877 | 700,855 | Note 1 |
| | Ta-Ho Maritime Corporation | Taiwan | Marine transportation | 528,506 | 528,506 | 175,078,520 | 64.79 | 3,579,298 | 803,053 | 520,277 | Note 1 |
| | Taiwan Transport & Storage Corporation | Taiwan | Warehousing, transportation and sale of sand and gravel | 91,703 | 90,863 | 52,410,366 | 83.88 | 2,345,525 | 311,453 | 261,170 | Note 1 |
| | TCC Investment Corporation | Taiwan | Investment | 190,000 | 190,000 | 239,800,000 | 100.00 | 4,374,356 | 671,787 | 671,787 | Note 1 |
| | Ho Sheng Mining Co., Ltd. | Taiwan | Mining excavation | 1,414,358 | 1,414,358 | 30,100,000 | 100.00 | 1,279,400 | 8,689 | 8,689 | Note 1 |
| | CCC USA Corp. | U.S.A. | Rubber raw materials | 1,284,421 | 1,284,421 | 79,166 | 33.33 | 1,899,822 | (61,993) | (20,664) | |
| | Taiwan Cement Engineering Corporation | Taiwan | Engineering services | 320,514 | 320,514 | 59,681,501 | 99.20 | 722,448 | 1,993 | 3,357 | Note 1 |
| | ONYX Ta-Ho Environmental Services Co., Ltd. | Taiwan | Waste collection and treatment | 72,000 | 72,000 | 58,828,112 | 50.00 | 1,391,240 | 1,120,881 | 560,440 | |
| | Kuan-Ho Refractories Industry Corporation | Taiwan | Production and sale of refractory materials | 181,050 | 181,050 | 46,710,900 | 95.29 | 658,767 | 55,017 | 52,426 | Note 1 |
| | Feng Sheng Enterprise Company | Taiwan | Sale of ready-mixed concrete | 250,000 | 250,000 | 27,260,611 | 45.43 | 486,573 | 285,905 | 129,899 | Note 1 |
| | TCC Chemical Corporation | Taiwan | Leasing property and energy technology services | 1,510,842 | 1,510,842 | 140,000,000 | 100.00 | 1,324,924 | 94,359 | 94,359 | Note 1 |
| | TCC Information Systems Corporation | Taiwan | Information software design | 71,000 | 71,000 | 14,904,000 | 99.36 | 333,143 | 66,187 | 65,764 | Note 1 |
| | Ta-Ho RSEA Environment Co., Ltd. | Taiwan | Waste collection and treatment | 666,000 | 666,000 | 39,960,000 | 66.60 | 419,001 | (943) | (628) | Note 1 |
| | HKCMCL | Hong Kong | Investment holding | 72,005 | 72,005 | 38,094 | 84.65 | 577,559 | 76,932 | 65,125 | Note 1 |
| | TCC Green Energy Corporation | Taiwan | Renewable energy generation | 13,446,046 | 9,446,046 | 1,350,898,696 | 100.00 | 13,488,265 | 102,848 | 102,848 | Note 1 |
| | Jin Chang Minerals Corporation | Taiwan | Afforestation and sale of limestone | 108,042 | 108,042 | 9,100,000 | 100.00 | 307,783 | 131,898 | 131,898 | Note 1 |
| | HPC Power Service Corporation | Taiwan | Business consulting | 1,861 | 1,861 | 6,000 | 60.00 | 127,215 | 207,958 | 124,775 | Note 1 |
| | E.G.C. Cement Corporation | Taiwan | Sale of cement | 184,359 | 184,359 | 8,062,600 | 50.64 | 122,655 | 34,973 | 17,712 | Note 1 |
| | Synpac Ltd. | British Virgin Islands | Investment | 70,367 | 70,367 | 2,700,000 | 25.00 | 7,054 | 131 | 32 | |
| | Tung Chen Mineral Corporation | Taiwan | Afforestation and sale of limestone | 1,989 | 1,989 | 19,890 | 99.45 | 977 | (249) | (249) | Note 1 |
| | TMC | Philippines | Mining excavation | 11,880 | 11,880 | 119,997 | 72.70 | - | - | - | Note 1 |
| | TPMC | Philippines | Mining excavation | 2,105 | 2,105 | 19,996 | 40.00 | - | - | - | Note 1 |
| | TCCIH | Cayman Islands | Investment holding | 62,167,771 | 40,701,671 | 3,471,217,785 | 45.47 | 81,991,082 | (1,783,461) | (745,927) | Note 1 |
| | International CSRC Investment Holdings Co., Ltd. | Taiwan | Investment | 3,563,397 | 3,563,397 | 153,476,855 | 15.59 | 5,669,050 | 691,602 | 107,790 | |
| | TCC Dutch | Netherlands | Investment holding | 40,565,030 | 29,695,730 | 1,179,219 | 100.00 | 39,985,279 | 1,524,589 | 1,398,800 | Note 1 |
| | TCC Recycle Energy Technology Company | Taiwan | Manufacturing and sale of batteries, power generation machinery, electronic components, etc. | 10,431,652 | 10,423,119 | 1,041,502,886 | 36.61 | 10,528,163 | 419,262 | 254,774 | Note 1 |
| | TCC Sustainable Energy Investment Corporation | Taiwan | Investment holding | 1,000 | 1,000 | 100,000 | 100.00 | 899 | (13) | (13) | Note 1 |
| | TCC Energy Storage Technology Corporation | Taiwan | Energy storage equipment manufacturing production and sales | 2,506,000 | 2,006,000 | 250,600,000 | 100.00 | 2,330,046 | (149,021) | (149,021) | Note 1 |
| | Tuo Shan Recycle Technology Company | Taiwan | Waste collection and treatment | 1,000 | 1,000 | 100,000 | 100.00 | 944 | (11) | (11) | Note 1 |
| Taiwan Transport & Storage Corporation | Ta-Ho Maritime Corporation | Taiwan | Marine transportation | 303,435 | 303,432 | 79,050,904 | 29.25 | 1,616,113 | 803,053 | 234,914 | Note 1 |
| | E.G.C. Cement Corporation | Taiwan | Sale of cement | 136,476 | 136,476 | 7,857,400 | 49.36 | 148,914 | 34,973 | 17,261 | Note 1 |
| | Tai-Jie Transport & Storage Corporation | Taiwan | Transportation | 25,000 | 25,000 | 2,500,000 | 100.00 | 36,822 | 8,473 | 8,473 | Note 1 |
| TCC Investment Corporation | Union Cement Traders Inc. | Taiwan | Import and export trading | 219,450 | 219,450 | 34,200,000 | 100.00 | 1,112,110 | 67,083 | 67,083 | Note 1 |
| | Ho-Ping Power Company | Taiwan | Thermal power generation | 68,911 | 68,911 | 6,772,608 | 0.50 | 116,941 | (1,488,561) | (7,443) | Note 1 |
| | Ta-Ho Maritime Corporation | Taiwan | Marine transportation | 343 | 343 | 50,634 | 0.02 | 1,035 | 803,053 | 150 | Note 1 |
| | International CSRC Investment Holdings Co., Ltd. | Taiwan | Investment | 388,079 | 388,079 | 22,008,505 | 2.23 | 806,566 | 691,602 | 15,458 | |
| | TCC Recycle Energy Technology Company | Taiwan | Manufacturing and sale of batteries, power generation machinery, electronic components, etc. | 312,833 | 312,833 | 31,859,829 | 1.12 | 227,617 | 419,262 | 8,115 | Note 1 |
| Ta-Ho Maritime Corporation | Ta-Ho Maritime Holdings Ltd. | Samoa | Investment | 2,129,164 | 1,244,914 | 74,300,000 | 100.00 | 7,199,580 | 311,776 | 311,776 | Note 1 |

(Continued)

| Investor Company | Investee Company | Location | Main Businesses and Products | Original Investment Amount | | As of December 31, 2022 | | | Net Income (Loss) of the Investee | Share of Profit (Loss) | Note |
|---|---|------------------------|--|----------------------------|-------------------|-----------------------------|--------|-----------------|-----------------------------------|------------------------|--------|
| | | | | December 31, 2022 | December 31, 2021 | Shares/Units (In Thousands) | % | Carrying Amount | | | |
| TCC Information Systems Corporation | Taicem Information (Samoa) Pte., Ltd. International CSRC Investment Holdings Co., Ltd. | Samoa | Investment | \$ 3,042 | \$ 3,042 | 100,000 | 100.00 | \$ 65,190 | \$ 13,412 | \$ 13,412 | Note 1 |
| | | Taiwan | Investment | 49,882 | 49,882 | 2,055,473 | 0.21 | 75,370 | 691,602 | 1,444 | |
| Hoping Industrial Port Corporation | TCC Recycle Energy Technology Company | Taiwan | Manufacturing and sale of batteries, power generation machinery, electronic components, etc. | 112,898 | 112,898 | 11,695,699 | 0.41 | 83,558 | 419,262 | 2,979 | Note 1 |
| Union Cement Traders Inc. | Taiwan Transport & Storage Corporation | Taiwan | Warehousing, transportation and sale of sand and gravel | 2,612 | 2,612 | 419,013 | 0.67 | 18,752 | 311,453 | 2,088 | Note 1 |
| | International CSRC Investment Holdings Co., Ltd. | Taiwan | Investment | 281,806 | 281,806 | 11,463,551 | 1.16 | 420,345 | 691,602 | 8,052 | |
| | TCC Recycle Energy Technology Company | Taiwan | Manufacturing and sale of batteries, power generation machinery, electronic components, etc. | 298,046 | 298,046 | 30,702,994 | 1.08 | 219,352 | 419,262 | 7,820 | Note 1 |
| Ho-Ping Power Company | Ho-Ping Renewable Energy Company | Taiwan | Renewable energy generation | 1,000 | 1,000 | 100,000 | 100.00 | 991 | (3) | (3) | Note 1 |
| TCC Green Energy Corporation | TCC Chia-Chien Green Energy Corporation | Taiwan | Renewable energy generation | 3,202,000 | 2,302,000 | 320,200,000 | 100.00 | 3,124,832 | 43,528 | 43,528 | Note 1 |
| | TCC Yun-Kai Green Energy Corporation | Taiwan | Renewable energy generation | 25,000 | 25,000 | 2,500,000 | 100.00 | 22,148 | 65 | 65 | Note 1 |
| | TCC Lien-Hsin Green Energy Corporation | Taiwan | Renewable energy generation | 4,012,000 | 4,012,000 | 401,200,000 | 100.00 | 4,025,239 | 17,895 | 17,895 | Note 1 |
| | TCC Chang-Ho Green Energy Corporation | Taiwan | Renewable energy generation | 2,456 | 2,456 | 245,635 | 100.00 | 2,346 | (30) | (30) | Note 1 |
| | TCC Kao Cheng Green Energy Corporation | Taiwan | Renewable energy generation | 82,000 | 82,000 | 8,200,000 | 100.00 | 83,784 | 1,562 | 1,562 | Note 1 |
| | TCC Nan Chung Green Energy Corporation | Taiwan | Renewable energy generation | 170,000 | 170,000 | 17,000,000 | 100.00 | 170,075 | 625 | 625 | Note 1 |
| | Chang-Wang Wind Power Co, Ltd. | Taiwan | Renewable energy generation | 720,000 | 720,000 | 72,000,000 | 100.00 | 740,347 | 43,743 | 43,743 | Note 1 |
| | TCC Ping-Zhi Green Energy Corporation | Taiwan | Renewable energy generation | 2,000 | 2,000 | 200,000 | 100.00 | 1,852 | (31) | (31) | Note 1 |
| | Chia-Ho Green Energy Corporation | Taiwan | Renewable energy generation | 3,145,000 | 100,000 | 314,500,000 | 85.00 | 3,108,585 | (10,134) | (9,545) | Note 1 |
| | TCC Tung-Li Green Energy Corporation | Taiwan | Renewable energy generation | 270,000 | 150,000 | 27,000,000 | 100.00 | 242,952 | (21,013) | (21,013) | Note 1 |
| Ta-Ho Maritime Holdings Ltd. | THC International S.A. | Panama | Marine transportation | 2,699,049 | 1,814,799 | 94,310,000 | 100.00 | 6,090,684 | 248,276 | 248,276 | Note 1 |
| | Ta-Ho Maritime (Hong Kong) Limited | Hong Kong | Marine transportation | 141,168 | 141,168 | 5,100,000 | 100.00 | 1,025,345 | 63,783 | 63,783 | Note 1 |
| | Ta-Ho Maritime (Singapore) Pte. Ltd. | Singapore | Marine transportation | 2,768 | 2,768 | 100,000 | 100.00 | 73,028 | (30) | (30) | Note 1 |
| TCC International Ltd. (Group) | Quon Hing Concrete Co., Ltd. | Hong Kong | Investment holding | 157,899 | 157,899 | 100,000 | 50.00 | 233,343 | 135,570 | 67,785 | |
| | Hong Kong Concrete Co., Ltd. | Hong Kong | Cement processing services | 24,211 | 24,211 | 129,150 | 31.50 | 190,844 | 99,941 | 31,481 | |
| | TCC Recycle Energy Technology Company | Taiwan | Manufacturing and sale of batteries, power generation machinery, electronic components, etc. | 11,019,388 | - | 1,101,938,824 | 38.73 | 11,133,156 | 419,262 | 15,195 | Note 1 |
| TCC Recycle Energy Technology Company | E-One Moli Energy Corp. | Taiwan | Manufacturing and sales of Lithium battery | 27,683,427 | 15,683,427 | 2,766,310,703 | 100.00 | 27,141,505 | 418,013 | 418,013 | Note 1 |
| E-One Moli Energy Corp. | E-One Holdings Ltd. | British Virgin Islands | Investment holding | 2,050,040 | 2,050,040 | 65,344,940 | 100.00 | 536,510 | 74,751 | 74,751 | Note 1 |
| | Molie Quantum Energy Corporation | Taiwan | Manufacturing and sale of batteries, power generation machinery, electronic components, etc. | 22,001,000 | 10,001,000 | 2,200,100,000 | 100.00 | 21,824,123 | (94,224) | (94,224) | Note 1 |
| E-One Holdings Ltd. | E-One Moli Holdings (Canada) Ltd. | Canada | Investment holding | 2,430,170 | 2,430,170 | 23,800 | 100.00 | 536,473 | 74,751 | 74,751 | Note 1 |
| E-One Moli Holdings (Canada) Ltd. | E-One Moli Energy (Canada) Ltd. | Canada | Battery research and development and sales | 1,917,161 | 1,917,161 | 6,649,200 | 100.00 | 533,765 | 74,746 | 74,746 | Note 1 |
| TCC Energy Storage Technology Corporation | Energy Helper TCC Corporation | Taiwan | Renewable energy retail and energy technology services | 10,000 | - | 1,000,000 | 100.00 | 9,599 | (401) | (401) | Note 1 |
| TCC Dutch | Cimpor Global Holdings B.V. TCEH | Netherlands | Holding company | 26,255,753 | 26,255,753 | 100,000 | 40.00 | 30,866,698 | 7,066,885 | 2,759,525 | |
| | | Netherlands | Investment holding | 10,627,883 | 10,627,883 | 75,001,000 | 100.00 | 8,980,951 | (933,161) | (933,161) | Note 1 |
| TCEH | NHOA S.A. | France | Investment holding | 7,595,278 | 7,595,278 | 16,635,102 | 65.15 | 6,043,134 | (1,240,776) | (923,167) | Note 1 |

(Continued)

| Investor Company | Investee Company | Location | Main Businesses and Products | Original Investment Amount | | As of December 31, 2022 | | | Net Income (Loss) of the Investee | Share of Profit (Loss) | Note |
|-----------------------------|--|----------------------|---|----------------------------|-------------------|-----------------------------|--------|-----------------|-----------------------------------|------------------------|---------------|
| | | | | December 31, 2022 | December 31, 2021 | Shares/Units (In Thousands) | % | Carrying Amount | | | |
| NHOA S.A. | NHOA ENERGY S.R.L. | Italy | Renewable energy and energy storage system construction | \$ 1,963,292 | \$ 1,002,240 | 2,000,000 | 100.00 | \$ 1,634,271 | \$ (257,067) | \$ (257,067) | Note 1 |
| | ELECTRO POWER SYSTEM MANUFACTURING | Italy | Intellectual property | 664,059 | 664,059 | 1,004,255 | 100.00 | 227,365 | 90,713 | 90,713 | Note 1 |
| | Comores Energie Nouvelles S.A.R.L. | Union of the Comoros | Independent power plants | 18,719 | 305 | 100 | 100.00 | (21,847) | (9,634) | (6,909) | Note 1 |
| | ATLANTE TOPCO S.R.L. | Italy | Investment holding | 420,706 | - | 1,000,000 | 100.00 | 91,403 | (378,005) | (378,005) | Note 1 |
| | NHOA CORPORATE S.R.L. | Italy | Investment holding | 671,676 | - | 1,000,000 | 100.00 | 177,716 | (417,828) | (417,828) | Note 1 |
| NHOA AMERICAS LLC | NHOA LATAM S.A.C. | Peru | Renewable energy and energy storage system construction | 3 | - | 300 | 10.00 | 256 | 2,474 | 247 | Note 1 |
| NHOA CORPORATE S.R.L. | FREE2MOVE ESOLUTIONS S.P.A. | Italy | Electric vehicle charging equipment | 528,255 | - | 16,344,531 | 49.90 | 177,440 | (837,233) | (417,779) | Notes 1 and 2 |
| NHOA ENERGY S.R.L. | FREE2MOVE ESOLUTIONS S.P.A. | Italy | Electric vehicle charging equipment | - | 528,255 | - | - | - | (837,233) | - | Notes 1 and 2 |
| | NHOA AMERICAS LLC | U.S.A. | Renewable energy and energy storage system construction | 274 | 274 | 10,000 | 100.00 | (1,708) | (38,719) | (38,719) | Note 1 |
| | NHOA AUSTRALIA PTY LTD | Australia | Renewable energy and energy storage system construction | 505,225 | 505,225 | 25,210,000 | 100.00 | 527,944 | 22 | 22 | Note 1 |
| | NHOA LATAM S.A.C. | Peru | Renewable energy and energy storage system construction | 23 | - | 2,700 | 90.00 | 2,556 | 2,474 | 2,226 | Note 1 |
| | ATLANTE S.R.L. | Italy | Renewable energy and charging equipment | - | 78,136 | - | - | - | - | - | Notes 1 and 2 |
| ATLANTE TOPCO S.R.L. | ATLANTE S.R.L. | Italy | Renewable energy and charging equipment | 896,136 | - | 5,000,000 | 100.00 | 489,148 | (377,550) | (377,550) | Notes 1 and 2 |
| ATLANTE S.R.L. | ATLANTE IBERIA S.L. | Spain | Renewable energy and charging equipment | 128 | - | 4,000 | 100.00 | (2,510) | (45,087) | (45,087) | Note 1 |
| | ATLANTE FRANCE S.A.S. | France | Renewable energy and charging equipment | 3,192 | - | 100,000 | 100.00 | 23,982 | (72,782) | (72,782) | Note 1 |
| | ATLANTE Fast Charging Portugal LDA | Portugal | Renewable energy and charging equipment | 4,000 | - | 1,000 | 100.00 | (1,586) | (1,646) | (1,646) | Note 1 |
| FREE2MOVE ESOLUTIONS S.P.A. | FREE2MOVE ESOLUTIONS FRANCE S.A.S. | France | Electric vehicle charging equipment | 1,553 | - | 100,000 | 100.00 | (2,698) | (4,154) | (4,154) | Note 1 |
| | FREE2MOVE ESOLUTIONS SPAIN S.L.U. | Spain | Electric vehicle charging equipment | 3,126 | - | 100,000 | 100.00 | (3,102) | (6,109) | (6,109) | Note 1 |
| | FREE2MOVE ESOLUTIONS NORTH AMERICA LLC | U.S.A. | Electric vehicle charging equipment | 3,071 | - | 100,000 | 100.00 | (50,646) | (50,504) | (50,504) | Note 1 |
| | FREE2MOVE ESOLUTIONS UK LTD | UK | Electric vehicle charging equipment | 3,709 | - | 100,000 | 100.00 | (863) | (851) | (851) | Note 1 |

Note 1: All intercompany transactions have been eliminated upon consolidation.

Note 2: Due to the Group strategic development and operating arrangement, the Group proceeded an organizational restructuring by transferring the equity interest of ATLANTE S.R.L. held by NHOA ENERGY S.R.L. to ATLANTE TOPCO S.R.L. and FREE2MOVE ESOLUTIONS S.P.A. held by NHOA ENERGY S.R.L. to NHOA CORPORATE S.R.L. in 2022.

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

A.

| Investee Company | Main Businesses and Products | Share Capital | Method of Investment (Note 1) | Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022 (Note 2) | Investment Flow (Note 2) | | Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022 (Note 2) | Net Income (Loss) of the Investee | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) (Note 3) | Carrying Amount as of December 31, 2022 (Note 3) | Accumulated Repatriation of Investment Income as of December 31, 2022 | Note |
|--|---|---------------|-------------------------------|--|--------------------------|--------|--|-----------------------------------|--|---------------------------------|--|---|--------|
| | | | | | Outflow | Inflow | | | | | | | |
| TCC Fuzhou Cement Co., Ltd. | Manufacturing and sale of cement | \$ 499,038 | (b) | \$ 281,956 | \$ - | \$ - | \$ 281,956 | \$ (124,393) | 100.00 | \$ (124,393) | \$ 898,783 | \$ - | Note 6 |
| TCC Fuzhou Yangyu Port Co., Ltd. | Service of port facility | 153,550 | (b) | 86,756 | - | - | 86,756 | 7,315 | 100.00 | 7,315 | 313,905 | - | Note 6 |
| TCC Liuzhou Construction Materials Company Limited | Manufacturing and sale of slag powder | 414,585 | (b) | 99,500 | - | - | 99,500 | (27,389) | 42.00 | (11,504) | 353,766 | - | Note 6 |
| TCC Yingde Cement Co., Ltd. | Manufacturing and sale of cement | 7,812,624 | (b) | 4,881,692 | - | - | 4,881,692 | 362,692 | 100.00 | 362,692 | 30,512,659 | - | Note 6 |
| Jurong TCC Cement Co., Ltd. | Manufacturing and sale of cement | 7,155,430 | (b) | 4,176,406 | - | - | 4,176,406 | 241,523 | 100.00 | 241,523 | 18,130,163 | - | Note 6 |
| TCC (Gui Gang) Cement Ltd. | Manufacturing and sale of cement | 10,222,619 | (b) | 7,312,047 | - | - | 7,312,047 | (1,678,662) | 100.00 | (1,678,662) | 22,938,444 | - | Note 6 |
| Jiangsu TCC Investment Co., Ltd. | Investment holding | 1,535,500 | (b) | 867,558 | - | - | 867,558 | 22,628 | 100.00 | 22,628 | 4,032,381 | - | Note 6 |
| Yingde Dragon Mountain Cement Co., Ltd. | Manufacturing and sale of cement | 1,887,109 | (b) | 3,336,123 | - | - | 3,336,123 | 412,526 | 100.00 | 412,526 | 15,707,514 | - | Note 6 |
| TCC Liaoning Cement Company Limited | Manufacturing and sale of cement | 1,635,368 | (b) | 1,369,098 | - | - | 1,369,098 | (90,447) | 100.00 | (90,447) | 1,795,063 | - | Note 6 |
| TCC Anshun Cement Company Limited | Manufacturing and sale of cement | 4,713,678 | (b) | 3,434,176 | - | - | 3,434,176 | (68,328) | 100.00 | (68,328) | 7,296,107 | - | Note 6 |
| TCC Chongqing Cement Company Limited | Manufacturing and sale of cement | 3,623,780 | (b) | 2,620,219 | - | - | 2,620,219 | 120,471 | 100.00 | 120,471 | 9,672,136 | - | Note 6 |
| Guangan Changxing Cement Company Ltd. | Manufacturing and sale of cement | 2,364,363 | (b) | 1,716,547 | - | - | 1,716,547 | 216,775 | 100.00 | 216,775 | 6,280,442 | - | Note 6 |
| TCC (Dong Guan) Cement Company Ltd. | Manufacturing and sale of cement | 614,200 | (b) | 347,023 | - | - | 347,023 | 21,576 | 100.00 | 21,576 | 3,544 | - | Note 6 |
| Guizhou Kong On Cement Company Limited | Manufacturing and sale of cement | 623,413 | (b) | 281,002 | - | - | 281,002 | (116,499) | 65.00 | (75,725) | 349,159 | - | Note 6 |
| TCC New (Hangzhou) Management Company Limited | Operation management | 245,680 | (b) | 138,809 | - | - | 138,809 | (4,195) | 100.00 | (4,195) | 64,848 | - | Note 6 |
| Guizhou Kaili Rui An Jian Cai Co., Ltd. | Manufacturing and sale of cement | 1,717,623 | (b) | 1,098,632 | - | - | 1,098,632 | (89,289) | 100.00 | (89,289) | 3,690,907 | - | Note 6 |
| TCC Shaoguan Cement Co., Limited | Manufacturing and sale of cement | 2,122,061 | (b) | 1,988,473 | - | - | 1,988,473 | (255,685) | 100.00 | (255,685) | 1,576,446 | - | Note 6 |
| TCC Huaying Cement Company Limited | Manufacturing and sale of cement | 4,187,071 | (b) | 3,152,936 | - | - | 3,152,936 | (415,140) | 100.00 | (415,140) | 3,294,583 | - | Note 6 |
| TCC Huaihua Cement Company Limited (Note 4) | Manufacturing and sale of cement | 1,322,400 | (b) | 5,771,739 | - | - | 5,771,739 | (443,837) | 100.00 | (443,837) | 4,563,663 | - | Note 6 |
| TCC Jingzhou Cement Company Limited (Note 4) | Manufacturing and sale of cement | 661,200 | (b) | - | - | - | - | (122,645) | 100.00 | (122,645) | 2,152,452 | - | Note 6 |
| TCC Huaihua Concrete Company Limited (Note 4) | Sale of ready-mixed concrete | 44,080 | (b) | - | - | - | - | (14,562) | 100.00 | (14,562) | 18,345 | - | Note 6 |
| TCC Jiangsu Mining Industrial Company Limited | Mining excavation | 122,840 | (b) | 384,087 | - | - | 384,087 | 51,862 | 100.00 | 51,862 | 401,336 | - | Note 6 |
| TCC Yingde Mining Industrial Company Limited | Mining excavation | 353,165 | (b) | 277,854 | - | - | 277,854 | (5,545) | 100.00 | (5,545) | 360,789 | - | Note 6 |
| TCC Guigang Mining Industrial Company Limited | Mining excavation | 153,550 | (b) | 132,625 | - | - | 132,625 | 4,652 | 100.00 | 4,652 | 397,997 | - | Note 6 |
| Scitus Naxi Cement Co., Ltd. | Manufacturing and sale of cement | 645,816 | (b) | - | - | - | - | (111,179) | 100.00 | (111,179) | 482,341 | - | Note 6 |
| Scitus Luzhou Cement Co., Ltd. | Manufacturing and sale of cement | 1,741,160 | (b) | - | - | - | - | 126,153 | 100.00 | 126,153 | 3,579,624 | - | Note 6 |
| Scitus Hejiang Cement Co., Ltd. | Manufacturing and sale of cement | 102,486 | (b) | - | - | - | - | 4,608 | 100.00 | 4,608 | 8,850 | - | Note 6 |
| Scitus Luzhou Concrete Co., Ltd. | Sale of ready-mixed concrete | 110,200 | (b) | - | - | - | - | (15,358) | 100.00 | (15,358) | 81,455 | - | Note 6 |
| Anshun Xin Tai Construction Materials Company Limited | Filtering of sand and gravel and sale of ready-mixed concrete | 66,120 | (b) | 93,843 | - | - | 93,843 | (8,227) | 100.00 | (8,227) | 56,289 | - | Note 6 |
| Fuzhou TCC Information Technology Co., Ltd. (Note 5) | Software product and equipment maintenance | 2,955 | (b) | 2,955 | - | - | 2,955 | 9,717 | 100.00 | 9,717 | 27,049 | 39,372 | Note 6 |
| Da Tong (Guigang) International Logistics Co., Ltd. (Note 5) | Logistics and transportation | 153,550 | (b) | - | - | - | - | 64,081 | 100.00 | 64,081 | 1,009,376 | - | Note 6 |
| Da Tong (Ying De) Logistics Co., Ltd. (Note 5) | Logistics and transportation | 22,040 | (b) | - | - | - | - | 12,757 | 100.00 | 12,757 | 146,297 | - | Note 6 |
| Guigang Da-Ho Shipping Co., Ltd. (Note 5) | Marine transportation | 17,632 | (b) | - | - | - | - | 39,263 | 100.00 | 39,263 | 574,843 | - | Note 6 |
| Prosperity Conch Cement Co., Ltd. | Manufacturing and sale of cement | 2,556,640 | (b) | 2,248,152 | - | - | 2,248,152 | 1,354,080 | 25.00 | 338,520 | 8,198,939 | - | Note 3 |
| Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd. | Manufacturing and sale of cement | 3,636,600 | (b) | 1,465,697 | - | - | 1,465,697 | 66,909 | 30.00 | 22,426 | 1,536,535 | - | Note 3 |
| Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd. | Manufacturing and sale of cement | 1,818,653 | (b) | 709,757 | - | - | 709,757 | 152,030 | 30.00 | 40,931 | 929,214 | - | Note 3 |
| Sichuan Taichang Building Material Group Company Limited | Manufacturing and sale of cement | 881,600 | (b) | 354,801 | - | - | 354,801 | 34,426 | 30.00 | 10,328 | 565,573 | - | Note 6 |
| Yingjing Xinan New material Co., Ltd. | Manufacturing and sale of cement | 88,160 | (b) | - | - | - | - | - | 30.00 | - | (168,966) | - | Note 6 |
| Guangan Xin Tai Construction Materials Company Limited | Manufacturing and sale of concrete aggregate | 68,324 | (b) | 48,437 | - | - | 48,437 | - | 50.00 | - | - | - | Note 6 |
| Guigang TCC Dong Yuan Environmental Technology Company Limited | Dangerous waste treatment | 881,600 | (b) | 515,736 | - | - | 515,736 | 91,439 | 100.00 | 91,439 | 1,015,695 | - | Note 6 |
| Beijing TCC Environmental Technology Co., Ltd. | Technology development, enterprise management and sales | 26,448 | (b) | 26,448 | - | - | 26,448 | (42,124) | 100.00 | (42,124) | (106,096) | - | Note 6 |
| TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | Environment, cement, business management consulting | 7,449,520 | (b) | 3,085,600 | 4,379,161 | - | 7,464,761 | (11,949) | 100.00 | (11,949) | 6,796,117 | - | Note 6 |
| Kaili TCC Environment Technology Co., Ltd. | Waste collection and treatment | 35,264 | (b) | 13,224 | - | - | 13,224 | (6,136) | 100.00 | (6,136) | (72,866) | - | Note 6 |
| TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd. | Technology development, enterprise management and sales | 17,632 | (b) | 9,698 | - | - | 9,698 | 139 | 55.00 | 77 | 8,981 | - | Note 6 |

(Continued)

| Investee Company | Main Businesses and Products | Share Capital | Method of Investment (Note 1) | Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022 (Note 2) | Investment Flow (Note 2) | | Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022 (Note 2) | Net Income (Loss) of the Investee | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) (Note 3) | Carrying Amount as of December 31, 2022 (Note 3) | Accumulated Repatriation of Investment Income as of December 31, 2022 | Note |
|--|---|---------------|-------------------------------|--|--------------------------|--------|--|-----------------------------------|--|---------------------------------|--|---|--------|
| | | | | | Outflow | Inflow | | | | | | | |
| Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd. | Technology development, enterprise management consulting | \$ 132,240 | (b) | \$ - | \$ - | \$ - | \$ - | \$ (4,288) | 45.00 | \$ (1,740) | \$ 88,687 | \$ - | |
| TCC (Hangzhou) Recycle Resource Technology Environmental Limited | Resource recycling technology development, business management and sales | 2,468,480 | (b) | - | - | - | - | 28,786 | 100.00 | 28,786 | 2,532,021 | - | Note 6 |
| Guigang Conch-TCC New Material Technology Co., Ltd | Technology development and service, Manufacturing and sale of dedicated chemical production | 105,792 | (b) | - | - | - | - | 138,332 | 40.00 | 55,333 | 90,781 | - | |
| Jurong TCC Environmental Co., Ltd. | Dangerous waste treatment | 661,200 | (b) | - | - | - | - | 1,500 | 100.00 | 1,500 | 656,578 | - | Note 6 |
| Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd. | Manufacturing and sale of cement, technology development, enterprise management and sales | 1,763,200 | (b) | - | - | - | - | (199,029) | 40.00 | (79,612) | 604,483 | - | |
| TCC Yongren (Hangzhou) Renewable Resources Technology Co., Ltd. | Resource recycling technology consultation, biomass energy technology and fuel sales, solid waste treatment | 4,408 | (b) | - | - | - | - | (126) | 100.00 | (126) | 2,420 | - | Note 6 |
| TCC Yongren (Hangzhou) Renewable Resources Development Co., Ltd. | Resource recycling technology consultation, solid waste treatment, biomass fuel sales | 26,448 | (b) | - | - | - | - | 86 | 100.00 | 86 | 26,548 | - | Note 6 |
| TCC Yongren (Hangzhou) Environmental Protection Technology Co., Ltd. | Resource reusing technology and development, solid waste treatment, biomass fuel processing and sales | 4,408 | (b) | - | - | - | - | (65) | 100.00 | (65) | 4,346 | - | Note 6 |
| TCC Yongren (Hangzhou) Environmental Technology Co., Ltd. | Resource regeneration technology research and development, solid waste treatment, biomass fuel processing and sales | 4,408 | (b) | - | - | - | - | (1) | 100.00 | (1) | 4,410 | - | Note 6 |
| TCC (Shaoguan) Environment Technology Co., Ltd. | Biomass fuel processing and sales, solid waste treatment, urban and kitchen waste treatment | 4,408 | (b) | - | - | - | - | 13 | 100.00 | 13 | 4,423 | - | Note 6 |
| TCC Zhongrun (Anshun) Environmental Technology Co., Ltd. | Co-processing fly ash disposal and domestic waste fly ash in Cement Kiln | 22,040 | (b) | - | - | - | - | 88 | 65.00 | - | 12,129 | - | |

| Accumulated Investment in Mainland China as of December 31, 2022 | Investment Amounts Authorized by Investment Commission, MOEA | Upper Limit on Investment |
|--|--|---------------------------|
| \$80,519,806 | \$81,212,007 | (Note 7) |

Note 1: The method of investments were as follows:

- a. Direct investment in mainland companies.
- b. Investments in mainland China companies were through a company invested and established in a third region.

Note 2: Including outward remittance from offshore subsidiaries.

Note 3: Investment gain (loss) was based on the associates' audited financial statements except Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd., Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd. and TCC Zhongrun (Anshun) Environmental Technology Co., Ltd. The Group considers that there would be no significant adjustments if such financial statements were to be audited.

Note 4: As of December 31, 2022, the accumulated outward remittance for investments was a total of those from TCC Huaihua Cement Company Limited, TCC Jingzhou Cement Company Limited and TCC Huaihua Concrete Company Limited.

Note 5: Including the amounts attributable to non-controlling interests.

Note 6: All intercompany transactions have been eliminated upon consolidation.

Note 7: The Corporation received a confirmation letter of Operation Headquarter from the Industrial Development Bureau of the MOEA in March 2020 stating that the Corporation is not limited by the restriction on the accumulated percentage or amount of investment in mainland China.

B. Refer to Tables 1, 2, 4, 6, 7 and 10 for the information about significant transactions with investees in the mainland China either directly or indirectly through a third area.

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars)

| No. | Investee Company | Counterparty | Relationship (Note 1) | Transactions Details | | | % of Total Sales or Assets |
|---------------------------|---|--|--------------------------|---|------------|---|-------------------------------|
| | | | | Financial Statement Account | Amount | Payment Terms | |
| 0 | Taiwan Cement Corporation | Feng Sheng Enterprise Company | 1 | Operating revenue | \$ 724,389 | 30 days | 0.6 |
| | | | | Operating costs and expenses | 220,213 | 30 days | 0.2 |
| | | | | Accounts receivable from related parties | 195,623 | 30 days | - |
| | | Taiwan Transport & Storage Corporation | 1 | Operating costs and expenses | 666,070 | 30 days | 0.6 |
| | | | | Accounts payable to related parties | 148,407 | 30 days | - |
| | | | | Operating costs and expenses | 483,438 | 20 days | 0.4 |
| | | Hoping Industrial Port Corporation | 1 | Operating costs and expenses | 106,198 | 30 days | 0.1 |
| | | Ho Sheng Mining Co., Ltd. | 1 | Operating costs and expenses | 288,053 | 30 days | 0.3 |
| | | Jin Chang Minerals Corporation | 1 | Operating costs and expenses | 242,147 | By contract | 0.2 |
| | | Kuan-Ho Refractories Industry Corporation | 1 | Operating revenue | 441,949 | By contract | 0.4 |
| | | TCCIH | 1 | Operating revenue | 820,408 | 65 days after the end of the day when shipment was made | 0.7 |
| | | HKCCL | 1 | Operating costs and expenses | 2,181,766 | 30 days | 1.9 |
| | | Ta-Ho Maritime Corporation | 1 | Accounts payable to related parties | 565,708 | 30 days | 0.1 |
| E.G.C. Cement Corporation | 1 | Operating revenue | 739,495 | 50 days after the end of the day when delivery was made | 0.6 | | |
| | | Accounts receivable from related parties | 105,628 | 50 days after the end of the day when delivery was made | - | | |
| | | Lease liabilities - non-current | 220,992 | By contract | - | | |
| | | NHOA ENERGY S.R.L. | 1 | Property in Construction | 314,717 | By contract | 0.1 |
| 1 | Ho-Ping Power Company | Hoping Industrial Port Corporation | 3 | Operating costs and expenses | 1,062,754 | 20 days | 0.9 |
| | | HPC Power Service Corporation | 3 | Operating costs and expenses | 505,973 | By contract | 0.4 |
| 2 | Taiwan Transport & Storage Corporation | Hoping Industrial Port Corporation | 3 | Operating revenue | 241,701 | 30 days | 0.2 |
| 3 | Da Tong (Guigang) International Logistics Co., Ltd. | TCC (Guigang) Cement Ltd. | 3 | Operating revenue | 336,318 | By negotiation | 0.3 |
| 4 | Guigang Da-Ho Shipping Co., Ltd. | TCC (Guigang) Cement Ltd. | 3 | Operating revenue | 238,680 | By negotiation | 0.2 |
| | | TCC Yingde Cement Co., Ltd. | 3 | Operating revenue | 173,952 | By negotiation | 0.2 |
| | | TCC (Hangzhou) Environment Protection Technology Co., Ltd. | 3 | Operating revenue | 175,179 | By negotiation | 0.2 |
| 5 | E-One Moli Energy Corp. | E-One Moli Energy (Canada) Ltd. | 3 | Operating revenue | 1,674,851 | By negotiation | 1.5 |
| | | | | Accounts receivable from related parties | 559,791 | By negotiation | 0.1 |
| 6 | Molie Quantum Energy Corporation | Taiwan Cement Corporation | 2 | Lease liabilities - non-current | 1,122,149 | By contract | 0.2 |

(Continued)

| No. | Investee Company | Counterparty | Relationship (Note 1) | Transactions Details | | | |
|-----|---|--|--------------------------|--|------------|----------------|-------------------------------|
| | | | | Financial Statement Account | Amount | Payment Terms | % of Total Sales or Assets |
| 7 | NHOA ENERGY S.R.L. | Taiwan Cement Corporation TCC Yingde Cement Co., Ltd. | 2 | Operating revenue | \$ 334,350 | By negotiation | 0.3 |
| | | | 3 | Operating revenue | 714,544 | By negotiation | 0.6 |
| | | | | Accounts receivable from related parties | 345,902 | By negotiation | 0.1 |
| | | TCC Lien-Hsin Green Energy Corporation | 3 | Contract liabilities | 122,301 | By negotiation | - |
| | | | | Operating revenue | 261,673 | By negotiation | 0.2 |
| | | | | Accounts receivable from related parties | 270,969 | By negotiation | 0.1 |
| | | TCC Energy Storage Technology Corporation | 3 | Contract liabilities | 160,828 | By negotiation | - |
| | | | | Contract liabilities | 134,464 | By negotiation | - |
| | | | | | | | |
| 8 | TCC (Hangzhou) Environment Protection Technology Co., Ltd. | TCC Yingde Cement Co., Ltd. | 3 | Operating revenue | 4,753,837 | By negotiation | 4.2 |
| | | | | Accounts receivable from related parties | 544,709 | By negotiation | 0.1 |
| | | TCC (Guigang) Cement Ltd. | 3 | Operating revenue | 2,352,837 | By negotiation | 2.1 |
| | | | | Accounts receivable from related parties | 360,387 | By negotiation | 0.1 |
| | | TCC Shaoguan Cement Co., Limited | 3 | Operating revenue | 1,365,104 | By negotiation | 1.2 |
| | | | | Accounts receivable from related parties | 148,766 | By negotiation | - |
| 9 | E-One Moli Energy (Canada) Ltd. | E-One Moli Energy Corp. | 3 | Service revenue | 126,584 | By negotiation | 0.1 |
| 10 | TCC Yingde Cement Co., Ltd. | NHOA ENERGY S.R.L. | 3 | Prepayments for property, plant and equipment | 275,740 | By contract | 0.1 |
| 11 | TCC Lien-Hsin Green Energy Corporation | NHOA ENERGY S.R.L. | 3 | Property in Construction | 517,481 | By contract | 0.1 |
| 12 | TCC Energy Storage Technology Corporation | NHOA ENERGY S.R.L. | 3 | Property in Construction | 126,758 | By contract | - |

Note 1: All intercompany transactions have been eliminated upon consolidation. The directional flow of the investment relationship is represented by the following numerals:

- a. From parent to subsidiary: 1
- b. From subsidiary to parent: 2
- c. Between subsidiaries: 3

Note 2: This table includes transactions for amounts exceeding \$100 million.

(Concluded)

Taiwan Cement Corporation

**Financial Statements for the
Years Ended December 31, 2022 and 2021 and
Independent Auditors' Report**

TAIWAN CEMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Taiwan Cement Corporation (the “Corporation”) was incorporated in 1946 and restructured as a corporation in 1951, which was jointly operated by the Ministry of Economics Resource Committee and the Taiwan Provincial Government. In 1954, the Corporation was privatized as a result of the Taiwan government’s land reform program, land-to-the-tiller policy. The Corporation engages in the manufacturing and marketing of cement, cement-related products and ready-mixed concrete. The Corporation’s shares have been listed on the Taiwan Stock Exchange since February 1962.

The financial statements are presented in New Taiwan dollars, the functional currency of the Corporation.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Corporation’s board of directors on February 24, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Corporation’s accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2023

| New IFRSs | Effective Date Announced by IASB |
|---|-------------------------------------|
| Amendments to IAS 1 “Disclosure of Accounting Policies” | January 1, 2023 (Note 1) |
| Amendments to IAS 8 “Definition of Accounting Estimates” | January 1, 2023 (Note 2) |
| Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction” | January 1, 2023 (Note 3) |

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the financial statements were authorized for issue, the Corporation has assessed that the application of other standards and interpretations will not have a material impact on the Corporation's financial position and financial performance.

- c. The New IFRSs issued by International Accounting Standards Board (IASB) but not yet endorsed and issued into effect by the FSC

| New IFRSs | Effective Date Announced by IASB (Note 1) |
|--|--|
| Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" | To be determined by IASB |
| Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback" | January 1, 2024 (Note 2) |
| IFRS 17 "Insurance Contracts" | January 1, 2023 |
| Amendments to IFRS 17 | January 1, 2023 |
| Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information" | January 1, 2023 |
| Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" | January 1, 2024 |
| Amendments to IAS 1 "Non-current Liabilities with Covenants" | January 1, 2024 |

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date the financial statements were authorized for issue, the Corporation is continuously assessing the possible impact that the application of other standards and interpretations will have on the Corporation's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

- b. Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit asset which are measured at the present value of the defined benefit obligation less the fair value of the plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 on the basis of the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs on an asset or liability.

When preparing its financial statements, the Corporation used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in its financial statements to be the same as the amounts attributable to the owners of the Corporation in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, share of profit or loss of subsidiaries and associates, share of other comprehensive income of subsidiaries and associates and related equity items, as appropriate, in these financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Corporation does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

In preparing the Corporation's financial statements, transactions in currencies other than the Corporation's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purpose of presenting the financial statements, the functional currencies of the Corporation and its foreign operations (including subsidiaries and associates in other countries that use currencies that are different from the currency of the Corporation) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., a disposal of the Corporation's entire interest in a foreign operation or a disposal involving the loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Corporation losing control over the subsidiary, the proportionate share of accumulated exchange differences is included in the calculations involved in the equity-method transaction but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

Inventories consist of raw materials, supplies, finished goods and work in process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost at the end of the reporting period.

f. Investments in subsidiaries

The Corporation uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Corporation.

Under the equity method, investments in a subsidiary are initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the subsidiary. The Corporation also recognizes the changes in the Corporation's share of the equity of its subsidiaries.

Changes in the Corporation's ownership interest in a subsidiary that do not result in the Corporation losing control of the subsidiary are equity accounted for as transactions. The Corporation recognizes directly in equity any difference between the carrying amount of such investments and the fair value of the consideration paid or received.

When the Corporation's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Corporation's net investment in the subsidiary), the Corporation continues recognizing its share of further losses.

Any excess of the cost of an acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of the acquisition is recognized immediately in profit or loss. When the Corporation acquires a subsidiary that does not constitute a business, the Corporation appropriately allocates the cost of acquisition to the Corporation's share of the amounts of the identifiable assets acquired (including intangible assets) and liabilities assumed, and the transaction does not give rise to goodwill nor gains.

The Corporation assesses its investments for any impairment by comparing the respective carrying amounts with the estimated recoverable amounts as assessed based on the entire financial statements of its investee companies. Impairment loss is recognized when the carrying amount of any such investment exceeds the recoverable amount. If the recoverable amount of an investment subsequently increases, the Corporation recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Corporation loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, the Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Corporation had directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full only in the Corporation's parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the Corporation's financial statements only to the extent of interests in the subsidiaries that are not related to the Corporation.

g. Investments in associates

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The Corporation uses the equity method to account for its investments in associates. Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the associate. The Corporation also recognizes the changes in the Corporation's share of the equity of associates.

Any excess of the cost of an acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of the acquisition, after reassessment, is recognized immediately in profit or loss.

When the Corporation subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Corporation's proportionate interest in that associate. The Corporation records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus - changes in the Corporation's share of equity of associates. If the Corporation's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Corporation's share of losses of an associate equals or exceeds its interest in that associate, the Corporation discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Corporation has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any assets, including goodwill, that form part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Corporation discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on its initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture, the Corporation continues to apply the equity method and does not remeasure the retained interest.

When the Corporation transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Corporation's financial statements only to the extent that interests in the associate are related to the Corporation.

h. Property, plant and equipment

Property, plant and equipment are initially stated and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rentals or for capital appreciation and land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

For a transfer of classification from investment properties to property, plant and equipment, the deemed cost of an item of property for subsequent accounting is its carrying amount at the commencement of owner-occupation. On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property, plant and equipment, right-of-use assets, intangible assets other than goodwill

At the end of each reporting period, the Corporation reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets, excluding goodwill, in order to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of an asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount (less amortization expenses or depreciation expenses) that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Financial instruments

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI.

Financial assets at FVTPL are subsequently measured at fair value, and dividends, interest earned and remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 27.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents and trade receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties

Cash equivalents include time deposits and bonds with repurchase agreements with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Corporation may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Corporation's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investments.

b) Impairment of financial assets

The Corporation recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Corporation always recognizes lifetime expected credit losses (ECLs) for accounts receivable. For all other financial instruments, the Corporation recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Corporation measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, without considering the collateral held, the Corporation determines that a financial asset is in default when internal or external information show that the debtor is unlikely to pay its creditors, unless there is reasonable and corroborative information to support a more lagged default criterion.

The Corporation recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Corporation are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Corporation are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Corporation's own equity instruments is recognized in and deducted directly from equity, the carrying amount of equity instruments should be calculated using the weighted-average method of stock type. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Corporation's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except for financial liabilities at FVTPL, all financial liabilities are carried at amortized cost using the effective interest method.

Financial liabilities are classified as at fair value through profit or loss when any such financial liability is held for trading. Financial liabilities held for trading are stated at fair value, with any gains or losses arising on remeasurement recognized in other gains or losses. Fair value is determined in the manner described in Note 27.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in other profit or loss.

4) Convertible bonds

The component parts of compound instruments (i.e. convertible bonds) issued by the Corporation are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

5) Derivative financial instruments

The Corporation enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

m. Revenue recognition

The Corporation identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

- 1) Revenue from the sale of goods is recognized when the goods are delivered to customer' specific location and the ownership of the goods is transferred to customer.
- 2) Service income is recognized by reference to the stage of completion of the contract or when services are provided.

n. Leases

At the inception of a contract, the Corporation assesses whether the contract is, or contains, a lease.

For a contract that contains a lease component and non-lease components, the Corporation allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

1) The Corporation as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under finance leases, the lease payments comprise in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives payable. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Corporation's net investment outstanding in respect of leases.

Lease payments less any lease incentives payable from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

2) The Corporation as lessee

The Corporation recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, and variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Corporation uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Corporation remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Corporation accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decrease the scope of the lease, and recognizes in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

o. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than the above-stated, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

p. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service costs and net interest on the net defined benefit assets are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit assets represent the actual deficit (surplus) in the Corporation's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for a defined benefit plan except that remeasurement is recognized in profit or loss.

q. Share-based payment arrangements

The fair value at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Corporation's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. It is recognized as an expense in full at the grant date if vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees and treasury shares transferred to employees is the date on which the number of shares that the employees purchase is confirmed.

r. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards and unused tax credits for research and development expenditures to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and joint ventures, except where the Corporation is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. For deferred tax assets arising from deductible temporary differences associated with such investments and equity, the interests are only recognized to the extent that it is probable that there will be sufficient taxable profit against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, and in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for the acquisition of a subsidiary, the tax effect is included in the accounting for the acquisition of a subsidiary.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Corporation's accounting policies, management is required to make judgments, estimations and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Corporation considers the possible impact of the recent development of the COVID-19 pandemic and the volatility in energy market when making its critical accounting estimations on cash flow, growth rate, discount rate, profitability, etc. The estimations and the underlying assumptions will be continuously reviewed by the management. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Investments Accounted for Using the Equity Method

The Corporation immediately recognizes impairment loss on its net investments in subsidiaries and associates when there is any indication that an investment may be impaired and the carrying amount may not be recoverable. The Corporation's management evaluates such impairment based on the estimated future cash flow expected to be generated by the investments accounted for using the equity method. The Corporation also takes into consideration the market conditions and industry developments to evaluate the appropriateness of the relevant assumptions.

6. CASH AND CASH EQUIVALENTS

| | <u>December 31</u> | |
|--|---------------------|----------------------|
| | 2022 | 2021 |
| Cash on hand | \$ 1,236 | \$ 1,256 |
| Checking accounts and demand deposits | 3,044,369 | 12,884,624 |
| Cash equivalents | | |
| Time deposits with original maturities of less than 3 months | 1,197,690 | 13,923,040 |
| Bonds with repurchase agreements | <u>-</u> | <u>110,735</u> |
| | <u>\$ 4,243,295</u> | <u>\$ 26,919,655</u> |

The market rate intervals of cash in banks and bonds with repurchase agreements at the end of the reporting period were as follows:

| | <u>December 31</u> | |
|----------------------------------|--------------------|-------------|
| | 2022 | 2021 |
| Cash in banks | 0.01%-4.05% | 0.01%-0.25% |
| Bonds with repurchase agreements | - | 0.30% |

Financial assets at amortized cost are mainly pledged time deposits with original maturities of more than 3 months:

| | <u>December 31</u> | |
|--|--------------------|-------------------|
| | 2022 | 2021 |
| Non-current (included in other non-current assets) | <u>\$ 499,905</u> | <u>\$ 515,375</u> |

The market rate intervals of time deposits with original maturities of more than 3 months at the end of the reporting period were as follows:

| | <u>December 31</u> | |
|--|--------------------|-------------|
| | 2022 | 2021 |
| | 0.10%-1.47% | 0.10%-0.84% |

Refer to Note 29 for information relating to pledged financial assets at amortized cost.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | <u>December 31</u> | |
|---|--------------------|-------------------|
| | 2022 | 2021 |
| <u>Financial assets at FVTPL - current</u> | | |
| Financial assets mandatorily classified as at FVTPL | | |
| Non-derivative financial assets | | |
| Domestic listed shares | \$ 164,774 | \$ 198,850 |
| Domestic emerging market shares | <u>95,145</u> | <u>107,225</u> |
| | <u>\$ 259,919</u> | <u>\$ 306,075</u> |
| <u>Financial liabilities at FVTPL - current</u> | | |
| Held for trading | | |
| Derivative instruments (not under hedge accounting) | | |
| Redemption options and put options of convertible bonds | <u>\$ 641,522</u> | <u>\$ 213,062</u> |

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | <u>December 31</u> | |
|--------------------------------|---------------------|---------------------|
| | 2022 | 2021 |
| <u>Current</u> | | |
| Domestic investments | | |
| Listed shares | \$ 3,578,378 | \$ 3,802,852 |
| Convertible preference shares | <u>29,441</u> | <u>29,854</u> |
| | <u>\$ 3,607,819</u> | <u>\$ 3,832,706</u> |
| <u>Non-current</u> | | |
| Domestic investments | | |
| Unlisted shares | \$ 6,603,304 | \$ 7,203,461 |
| Privately placed listed shares | <u>1,030,299</u> | <u>1,255,794</u> |
| | <u>\$ 7,633,603</u> | <u>\$ 8,459,255</u> |

The Corporation subscribed 37,520 thousand privately placed ordinary shares of Phihong Technology Co., Ltd. via private placement in consideration of \$1,510,555 thousand in December 2021. After the private placement, the Corporation owns 9.9998% of shares in Phihong Technology Co., Ltd. The privately placed ordinary shares may not be transferred to others within 3 years under the relevant laws and regulations.

The Corporation recognized subsidiary's disposal of foreign listed shares of China Conch Venture Holdings Limited in the year of 2021. The gain on disposal in the amount of \$1,029,880 thousand was reclassified from unrealized gain on financial assets at FVTOCI to retained earnings.

9. NOTES AND ACCOUNTS RECEIVABLE

| | December 31 | |
|-------------------------------------|---------------------|---------------------|
| | 2022 | 2021 |
| Notes receivable | \$ 1,201,876 | \$ 1,131,803 |
| Less: Allowance for impairment loss | <u>(9,249)</u> | <u>(10,938)</u> |
| | <u>1,192,627</u> | <u>1,120,865</u> |
| Accounts receivable | 4,156,152 | 4,079,649 |
| Less: Allowance for impairment loss | <u>(29,411)</u> | <u>(34,652)</u> |
| | <u>4,126,741</u> | <u>4,044,997</u> |
| | <u>\$ 5,319,368</u> | <u>\$ 5,165,862</u> |

The Corporation recognizes allowance for impairment loss on account receivable on the basis of individual customers for which credit losses have actually taken place. Moreover, the Corporation separates all customers into different segments based on their risks and determines their expected credit loss rates by reference to past default experience with the counterparties, on analysis of their current financial positions and observable economic condition of the industry in which the customer operates. The Corporation recognizes an allowance for impairment loss of 100% against past due receivables which have indication of impairment.

The Corporation writes off an account receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect for recovery of the receivable. For accounts receivable that have been written off, the Corporation continues to engage in enforcement activity to attempt to recover the receivable which are due. Where recoveries are made, these are recognized in profit or loss.

The aging analysis of receivables was as follows:

| | December 31 | |
|---------------|---------------------|---------------------|
| | 2022 | 2021 |
| Up to 90 days | \$ 5,274,672 | \$ 5,108,039 |
| 91-180 days | 43,915 | 35,521 |
| 181-365 days | 495 | 11,077 |
| Over 365 days | <u>286</u> | <u>11,225</u> |
| | <u>\$ 5,319,368</u> | <u>\$ 5,165,862</u> |

The above aging schedule was based on the number of days past due from the invoice date.

The movements of the allowance for doubtful notes and accounts receivable were as follows:

| | For the Year Ended December 31 | |
|---|---------------------------------------|------------------|
| | 2022 | 2021 |
| Balance at January 1 | \$ 45,590 | \$ 46,730 |
| Less: Net remeasurement of loss allowance | (6,930) | - |
| Less: Amounts written off | <u>-</u> | <u>(1,140)</u> |
| Balance at December 31 | <u>\$ 38,660</u> | <u>\$ 45,590</u> |

10. DISCONTINUED OPERATIONS

On March 19, 2021, the Board of Directors of the Corporation approved to sell all its issued shares of Taiwan Prosperity Chemical Corporation for the total consideration of \$2,400,000 thousand to Chang Chun Plastics Co., Ltd. According to the Share Purchase Agreement, the Corporation planned to assist the termination of Equipment Lease Agreement between Taiwan Prosperity Chemical Corporation and TCC Chemical Corporation before the closing. Taiwan Prosperity Chemical Corporation planned to pay \$400,000 thousand to TCC Chemical Corporation as the consideration of the termination. The Corporation has completed the share transaction on August 17, 2021. Refer to consolidated financial statements for the year ended December 31, 2021 for detailed information relating to the disposal.

The above transactions met the criteria of IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”. Therefore, gain (loss) on disposal of Taiwan Prosperity Chemical Corporation was presented as income (loss) from discontinued operations. The profit from discontinued operations for the year ended December 31, 2021 was \$1,073,939 thousand.

The carrying amounts of assets and liabilities and information relating to the disposal of Taiwan Prosperity Chemical Corporation at the date of disposal are disclosed in consolidated financial statements for the year ended December 31, 2021.

11. INVENTORIES

| | December 31 | |
|-----------------|---------------------|---------------------|
| | 2022 | 2021 |
| Finished goods | \$ 733,303 | \$ 288,019 |
| Work in process | 377,157 | 379,555 |
| Raw materials | 725,455 | 610,786 |
| Supplies | <u>485,935</u> | <u>362,177</u> |
| | <u>\$ 2,321,850</u> | <u>\$ 1,640,537</u> |

The costs of inventories recognized as cost of goods sold for the years ended December 31, 2022 and 2021 were \$19,825,473 thousand and \$18,823,716 thousand, respectively. The cost of goods sold included (reversal) of write-downs of inventory \$19,604 thousand and \$(26,213) thousand for the years ended December 31, 2022 and 2021, respectively.

Previous write-downs were reversed because slow moving inventories were sold.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

| | <u>December 31</u> | |
|-----------------------------|-----------------------|-----------------------|
| | <u>2022</u> | <u>2021</u> |
| Investments in subsidiaries | \$ 298,134,543 | \$ 258,933,969 |
| Investments in associates | <u>8,967,166</u> | <u>8,601,409</u> |
| | <u>\$ 307,101,709</u> | <u>\$ 267,535,378</u> |

a. Investments in subsidiaries

| | <u>December 31</u> | |
|---|-----------------------|-----------------------|
| | <u>2022</u> | <u>2021</u> |
| Listed company | | |
| Taiwan Prosperity Chemical Corporation | \$ - | \$ - |
| Unlisted companies | | |
| TCC International Ltd. (“TCCI”) | 113,099,217 | 114,241,779 |
| TCC International Holdings Ltd. (“TCCIH”) | 81,991,082 | 60,257,962 |
| Taiwan Cement (Dutch) Holdings B.V. (TCC Dutch) | 39,985,279 | 24,496,751 |
| Ho-Ping Power Company | 14,328,687 | 16,403,671 |
| TCC Recycle Energy Technology Company | 10,528,163 | 10,333,631 |
| TCC Green Energy Corporation | 13,488,265 | 9,379,579 |
| Hoping Industrial Port Corporation | 5,722,337 | 5,865,242 |
| TCC Investment Corporation | 4,374,356 | 4,976,399 |
| Ta-Ho Maritime Corporation | 3,579,298 | 2,831,185 |
| Taiwan Transport & Storage Corporation | 2,345,525 | 2,093,912 |
| TCC Energy Storage Technology Corporation | 2,330,046 | 1,979,067 |
| Ho Sheng Mining Co., Ltd. | 1,279,400 | 1,326,807 |
| TCC Chemical Corporation | 1,324,924 | 1,246,575 |
| Taiwan Cement Engineering Corporation | 722,448 | 719,091 |
| Kuan-Ho Refractories Industry Corporation | 658,767 | 599,906 |
| Ta-Ho Onyx RSEA Environment Co., Ltd. | 419,001 | 599,889 |
| Hong Kong Cement Manufacturing Co., Ltd. (“HKCMCL”) | 577,559 | 459,780 |
| Feng Sheng Enterprise Company | 486,573 | 432,661 |
| TCC Information Systems Corporation | 333,143 | 265,911 |
| Jin Chang Minerals Corporation | 307,783 | 175,885 |
| E.G.C. Cement Corporation | 122,655 | 124,088 |
| HPC Power Service Corporation | 127,215 | 121,105 |
| Tung Chen Mineral Corporation | 977 | 1,226 |
| Tuo Shan Recycle Technology Company | 944 | 955 |
| TCC Sustainable Energy Investment Corporation | 899 | 912 |
| TCCMOLI Holdings (Singapore) Pte. Ltd. (“TCCMOLI”) | <u>-</u> | <u>-</u> |
| | <u>\$ 298,134,543</u> | <u>\$ 258,933,969</u> |

| | Proportion of Ownership and Voting Rights | |
|---|--|-------------|
| | December 31 | |
| | 2022 | 2021 |
| Listed company | | |
| Taiwan Prosperity Chemical Corporation (Note 1) | - | - |
| Unlisted companies | | |
| TCCI | 100.0% | 100.0% |
| TCCIH (Note 2) | 45.5% | 38.3% |
| TCC Dutch (Note 2) | 100.0% | 100.0% |
| Ho-Ping Power Company | 59.5% | 59.5% |
| TCC Recycle Energy Technology Company (Notes 4 and 5) | 36.6% | 63.3% |
| TCC Green Energy Corporation (Note 2) | 100.0% | 100.0% |
| Hoping Industrial Port Corporation | 100.0% | 100.0% |
| TCC Investment Corporation | 100.0% | 100.0% |
| Ta-Ho Maritime Corporation | 64.8% | 64.8% |
| Taiwan Transport & Storage Corporation (Note 1) | 83.9% | 83.9% |
| TCC Energy Storage Technology Corporation (Note 2) | 100.0% | 100.0% |
| Ho Sheng Mining Co., Ltd. | 100.0% | 100.0% |
| TCC Chemical Corporation | 100.0% | 100.0% |
| Taiwan Cement Engineering Corporation (Note 1) | 99.2% | 99.2% |
| Kuan-Ho Refractories Industry Corporation | 95.3% | 95.3% |
| Ta-Ho Onyx RSEA Environment Co., Ltd. | 66.6% | 66.6% |
| HKCMCL | 84.7% | 84.7% |
| Feng Sheng Enterprise Company (Note 5) | 45.4% | 45.4% |
| TCC Information Systems Corporation | 99.4% | 99.4% |
| Jin Chang Minerals Corporation (Note 2) | 100.0% | 100.0% |
| E.G.C. Cement Corporation | 50.6% | 50.6% |
| HPC Power Service Corporation | 60.0% | 60.0% |
| Tung Chen Mineral Corporation | 99.5% | 99.5% |
| Tuo Shan Recycle Technology Company (Note 3) | 100.0% | 100.0% |
| TCC Sustainable Energy Investment Corporation | 100.0% | 100.0% |
| TCCMOLI (Note 3) | - | 100.0% |
| TMC (Note 6) | 72.7% | 72.7% |
| TPMC (Notes 5 and 6) | 40.0% | 40.0% |

Note 1: The Corporation conducted a tender offer of 28.9% of the ordinary shares of Taiwan Prosperity Chemical Corporation in the first quarter of 2021, including 0.2% of the ordinary shares for \$5,335 thousand from TCC Investment Corporation and 2.3% of the ordinary shares for \$54,165 thousand from Hoping Industrial Port Corporation. In March 2021, the Board of Directors of the Corporation approved to sell all issued shares of Taiwan Prosperity Chemical Corporation. The Corporation completed the transaction and lost the control of Taiwan Prosperity Chemical Corporation in August 2021. The Corporation purchased a portion of shares of Taiwan Transport & Storage Corporation with \$840 thousand and \$141 thousand in 2022 and 2021, respectively.

Note 2: The Corporation increased \$4,000,000 thousand in the capital of TCC Green Energy Corporation, \$10,869,300 thousand in the capital of TCC Dutch, \$500,000 thousand in the capital of TCC Energy Storage Technology Corporation and the Corporation increased \$21,466,100 thousand in the capital of TCCIH, and its percentage of ownership was increased to 45.5% in 2022. The Corporation increased \$90,000 thousand in the capital of Jin Chang Minerals Corporation, \$6,300,000 thousand in the capital of TCC Green Energy Corporation and \$2,005,000 thousand in the capital of TCC Energy Storage Technology Corporation for the years ended December 31, 2021.

Note 3: The Corporation invested \$1,000 thousand in the establishments of Tuo Shan Recycle Technology Company in 2021. TCCMOLI was in the process of liquidation at the end of December 2021, and has completed liquidation in 2022.

Note 4: TCC Recycle Energy Technology Company increased its capital by \$10,000,000 thousand by cash in August 2021. The Corporation invested \$9,232,894 thousand in TCC Recycle Energy Technology Company. Due to the non-subscription by other shareholders, the shares held by the Corporation increased from 18.2% to 63.3% and the Corporation obtained the right to control TCC Recycle Energy Technology Company and its subsidiaries. Thus TCC Recycle Energy Technology Company was included in the consolidated entities from August 2021 and the Corporation recognized loss on disposal of investments for 43,718. Please refer to the notes of the consolidated financial statements for the year ended December 31, 2021. The Corporation purchased \$8,533 thousand of TCC Recycle Energy Technology Company, and non-subscription in its capital increase in 2022, causing the percentage of ownership by the Corporation decreased to 36.6%.

Note 5: Although the Corporation's percentages of ownership in Feng Sheng Enterprise Company and TPMC and TCC Recycle Energy Technology Company were all less than 50%, the Corporation still has control over those entities. Thus, Feng Sheng Enterprise Company, TPMC and TCC Recycle Energy Technology Company are considered as subsidiaries of the Corporation.

Note 6: Due to the recognition of investment losses in TMC and TPMC, credit balances of \$18,658 thousand and \$18,251 thousand were generated, which were recorded in other non-current liabilities as of December 31, 2022 and 2021, respectively.

The investments accounted for using the equity method and the Corporation's share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2022 and 2021 were based on the subsidiaries' audited financial statements for the same years except for the financial statements of TMC and TPMC, which were based on financial statements which were not audited. The Corporation considered that there would be no significant adjustments if such financial statements were to be audited.

b. Investments in associates

| | December 31 | |
|--|---------------------|---------------------|
| | 2022 | 2021 |
| Associates that are not individually material | | |
| International CSRC Investment Holdings Co., Ltd. | \$ 5,669,050 | \$ 5,642,349 |
| CCC USA Corp. | 1,899,822 | 1,731,743 |
| ONYX Ta-Ho Environmental Services Co., Ltd. | 1,391,240 | 1,220,989 |
| Synpac Ltd. | <u>7,054</u> | <u>6,328</u> |
| | <u>\$ 8,967,166</u> | <u>\$ 8,601,409</u> |

c. Aggregate information of associates that are not individually material

| | December 31 | |
|---|--------------------|-------------|
| Corporation Name | 2022 | 2021 |
| International CSRC Investment Holdings Co., Ltd. (Note) | 15.6% | 15.6% |
| CCC USA Corp. | 33.3% | 33.3% |
| ONYX Ta-Ho Environmental Services Co., Ltd. | 50.0% | 50.0% |
| Synpac Ltd. | 25.0% | 25.0% |

For the Year Ended December 31
2022 **2021**

| | | |
|---|-----------------------|-------------------------|
| The Corporation's share of: | | |
| Net income for the period | \$ 647,598 | \$ 1,034,362 |
| Other comprehensive income (loss) | <u>135,538</u> | <u>(847)</u> |
| Total comprehensive income for the period | <u>\$ 783,136</u> | <u>\$ 1,033,515</u> |

Note: The Corporation's ownership percentage in International CSRC Investment Holdings Co., Ltd. is less than 20%; however, the Corporation has significant influence and therefore accounts for the investment by using the equity method.

The aforementioned investments in associates accounted for using the equity method and the share of profit or loss and other comprehensive income of these associates for the years ended December 31, 2022 and 2021 were based on the associates' audited financial statements for the same periods.

13. PROPERTY, PLANT AND EQUIPMENT

| | Land | Buildings | Machinery and Equipment | Miscellaneous Equipment | Property in Construction | Total |
|--|----------------------|----------------------|----------------------------|----------------------------|-----------------------------|----------------------|
| <u>Cost</u> | | | | | | |
| Balance at January 1, 2022 | \$ 23,758,746 | \$ 16,371,031 | \$ 19,950,814 | \$ 4,031,590 | \$ 1,025,314 | \$ 65,137,495 |
| Additions | 914 | 52,980 | 78,863 | 95,369 | 2,245,921 | 2,474,047 |
| Disposals | - | (10,038) | (135,188) | (43,579) | - | (188,805) |
| Reclassification | <u>-</u> | <u>58,820</u> | <u>78,056</u> | <u>102,920</u> | <u>(265,045)</u> | <u>(25,249)</u> |
| Balance at December 31, 2022 | <u>\$ 23,759,660</u> | <u>\$ 16,472,793</u> | <u>\$ 19,972,545</u> | <u>\$ 4,186,300</u> | <u>\$ 3,006,190</u> | <u>\$ 67,397,488</u> |
| <u>Accumulated depreciation and impairment</u> | | | | | | |
| Balance at January 1, 2022 | \$ 808,904 | \$ 8,725,799 | \$ 18,423,553 | \$ 3,358,585 | \$ - | \$ 31,316,841 |
| Depreciation expenses | - | 317,732 | 243,591 | 124,329 | - | 685,652 |
| Disposals | - | (10,038) | (135,178) | (43,385) | - | (188,601) |
| Reclassification | <u>-</u> | <u>1,308</u> | <u>(1,308)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Balance at December 31, 2022 | <u>\$ 808,904</u> | <u>\$ 9,034,801</u> | <u>\$ 18,530,658</u> | <u>\$ 3,439,529</u> | <u>\$ -</u> | <u>\$ 31,813,892</u> |
| Carrying amount at December 31, 2022 | <u>\$ 22,950,756</u> | <u>\$ 7,437,992</u> | <u>\$ 1,441,887</u> | <u>\$ 746,771</u> | <u>\$ 3,006,190</u> | <u>\$ 35,583,596</u> |
| <u>Cost</u> | | | | | | |
| Balance at January 1, 2021 | \$ 21,560,146 | \$ 16,100,926 | \$ 20,722,946 | \$ 3,891,120 | \$ 280,243 | \$ 62,555,381 |
| Additions | 1,861,979 | 77,760 | 256,889 | 180,255 | 1,499,045 | 3,875,928 |
| Disposals | - | (67,301) | (1,141,603) | (113,567) | - | (1,322,471) |
| Reclassification | <u>336,621</u> | <u>259,646</u> | <u>112,582</u> | <u>73,782</u> | <u>(753,974)</u> | <u>28,657</u> |
| Balance at December 31, 2021 | <u>\$ 23,758,746</u> | <u>\$ 16,371,031</u> | <u>\$ 19,950,814</u> | <u>\$ 4,031,590</u> | <u>\$ 1,025,314</u> | <u>\$ 65,137,495</u> |
| <u>Accumulated depreciation and impairment</u> | | | | | | |
| Balance at January 1, 2021 | \$ 808,904 | \$ 8,452,463 | \$ 19,327,195 | \$ 3,376,260 | \$ - | \$ 31,964,822 |
| Depreciation expenses | - | 316,693 | 234,227 | 103,603 | - | 654,523 |
| Disposals | - | (51,823) | (1,133,771) | (113,079) | - | (1,298,673) |
| Reclassification | <u>-</u> | <u>8,466</u> | <u>(4,098)</u> | <u>(8,199)</u> | <u>-</u> | <u>(3,831)</u> |
| Balance at December 31, 2021 | <u>\$ 808,904</u> | <u>\$ 8,725,799</u> | <u>\$ 18,423,553</u> | <u>\$ 3,358,585</u> | <u>\$ -</u> | <u>\$ 31,316,841</u> |
| Carrying amount at December 31, 2021 | <u>\$ 22,949,842</u> | <u>\$ 7,645,232</u> | <u>\$ 1,527,261</u> | <u>\$ 673,005</u> | <u>\$ 1,025,314</u> | <u>\$ 33,820,654</u> |

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

| | |
|-------------------------|-------------|
| Buildings | |
| Main buildings | 50 years |
| Main plants | 15-50 years |
| Storage units | 35-50 years |
| Others | 20-50 years |
| Machinery and equipment | 8-28 years |
| Miscellaneous equipment | 2-20 years |

Property, plant and equipment pledged as collateral for performance bonds are set out in Note 29.

Acquisitions of property, plant and equipment included non-cash items which were reconciled as follows:

| | For the Year Ended December 31 | |
|--|---------------------------------------|---------------------|
| | 2022 | 2021 |
| Acquisitions of property, plant and equipment | \$ 2,474,047 | \$ 3,875,928 |
| Increase (decrease) in prepayments for equipment | 308,638 | (364,453) |
| Decrease (increase) in payables for equipment | <u>32,457</u> | <u>(142,893)</u> |
| | <u>\$ 2,815,142</u> | <u>\$ 3,368,582</u> |

14. LEASE ARRANGEMENTS

a. Right-of-use assets

| | December 31 | |
|---|---------------------------------------|---------------------|
| | 2022 | 2021 |
| <u>Carrying amount</u> | | |
| Land | \$ 246,235 | \$ 328,930 |
| Buildings | 1,133,664 | 1,271,720 |
| Machinery | 366,764 | 450,559 |
| Others | <u>42,309</u> | <u>40,896</u> |
| | <u>\$ 1,788,972</u> | <u>\$ 2,092,105</u> |
| | For the Year Ended December 31 | |
| | 2022 | 2021 |
| Additions to right-of-use assets | <u>\$ 21,477</u> | <u>\$ 1,230,626</u> |
| Depreciation charge for right-of-use assets | | |
| Land | \$ 86,897 | \$ 83,449 |
| Buildings | 138,056 | 138,225 |
| Machinery | 83,795 | 96,435 |
| Others | <u>17,166</u> | <u>16,595</u> |
| | <u>\$ 325,914</u> | <u>\$ 334,704</u> |

b. Lease liabilities

| | December 31 | |
|------------------------|---------------------|---------------------|
| | 2022 | 2021 |
| <u>Carrying amount</u> | | |
| Current | <u>\$ 275,841</u> | <u>\$ 314,565</u> |
| Non-current | <u>\$ 1,551,162</u> | <u>\$ 1,806,283</u> |

Range of discount rate for lease liabilities was as follows:

| | December 31 | |
|-----------|--------------------|-------------|
| | 2022 | 2021 |
| Land | 1.79%-1.85% | 1.79%-1.85% |
| Buildings | 1.79%-1.85% | 1.79%-1.85% |
| Machinery | 1.85%-1.90% | 1.85%-1.90% |
| Others | 1.85%-2.20% | 1.85%-1.90% |

c. Important tenancy activities and terms

The Corporation leases certain land and buildings for use as plants and offices. The Corporation does not have bargain purchase options to acquire the leased premises at the end of the lease terms.

d. Other lease information

| | For the Year Ended December 31 | |
|---|---------------------------------------|---------------------|
| | 2022 | 2021 |
| Expenses relating to short-term leases | <u>\$ 15,061</u> | <u>\$ 17,081</u> |
| Expenses relating to low-value asset leases | <u>\$ 56</u> | <u>\$ 1,375</u> |
| Expenses relating to variable lease payments not included in the measurement of lease liabilities | <u>\$ 53,721</u> | <u>\$ 36,298</u> |
| Total cash outflow for leases | <u>\$ (436,860)</u> | <u>\$ (417,958)</u> |

The Corporation's leases of certain assets which qualify as short-term leases and low-value asset leases. The Corporation has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. INVESTMENT PROPERTIES

| | December 31 | |
|-----------|---------------------|---------------------|
| | 2022 | 2021 |
| Land | \$ 2,435,824 | \$ 2,494,241 |
| Buildings | <u>851</u> | <u>910</u> |
| | <u>\$ 2,436,675</u> | <u>\$ 2,495,151</u> |

The buildings of the investment properties are depreciated using the straight-line method over their estimated useful lives of 50 years.

The Corporation disposed of land classified as investment property in the year ended December 31, 2022. The transaction amount was \$560,763 thousand, and the Corporation recognized gain on disposal of investment properties in the amount of \$502,346 thousand.

The fair values of the investment properties were determined by independent qualified professional valuers or the Corporation's management using market prices of similar properties. As of December 31, 2022 and 2021, the fair values of investment properties were \$5,868,607 thousand and \$6,268,832 thousand, respectively.

16. BORROWINGS

a. Short-term loans

| | December 31 | |
|--------------------------------|---------------------|----------------------|
| | 2022 | 2021 |
| Unsecured borrowings | | |
| Bank loans - unsecured | \$ 5,900,000 | \$ 24,748,000 |
| Bank loans - letters of credit | <u>126,632</u> | <u>678,775</u> |
| | <u>\$ 6,026,632</u> | <u>\$ 25,426,775</u> |
| Interest rate | 1.29%-2.53% | 0.56%-0.95% |

b. Short-term bills payable

| | December 31 | |
|---|--------------------|---------------------|
| | 2022 | 2021 |
| Commercial paper | \$ - | \$ 1,900,000 |
| Less: Unamortized discount on bills payable | <u>-</u> | <u>2,292</u> |
| | <u>\$ -</u> | <u>\$ 1,897,708</u> |
| Interest rate | - | 0.88%-0.93% |

c. Long-term loans and long-term bills payable

| | December 31 | |
|---------------------------------|----------------------|----------------------|
| | 2022 | 2021 |
| Unsecured borrowings | \$ 29,825,090 | \$ 17,174,917 |
| Less: Current portions | <u>-</u> | <u>6,450,000</u> |
| | <u>\$ 29,825,090</u> | <u>\$ 10,724,917</u> |
| Long-term bills payable | \$ 13,500,000 | \$ 12,000,000 |
| Less: Discount of bills payable | <u>102,253</u> | <u>17,921</u> |
| | <u>\$ 13,397,747</u> | <u>\$ 11,982,079</u> |
| Interest rate | | |
| Long-term loans | 1.58%-2.19% | 1.80% |
| Long-term bills payable | 1.92%-1.97% | 1.19% |

Long-term loans and long-term bills payable are due in May 2027, interest will be paid once a month.

The Corporation entered into a 5-year syndicated loan agreement with a bank consortium with a credit line of \$43 billion in March 2018, which was divided into two tranches, A and B. As of December 31, 2022, total amount has been repaid.

The Corporation has entered into 5-year syndicated loan agreements in 2022 with certain bank consortium, with an expiry date of May 2027. The credit line is divided into two tranches: A and B. The long-term credit line of Tranche A will be repaid in May 2027. The credit facility of Tranche B, which is a long-term revolving credit line, is divided into Tranche B-1 and Tranche B-2. The Corporation has the right to decide whether to utilize the long-term loans Tranche B-1 or the long-term notes payable Tranche B-2 at its sole discretion. When each utilized amount expires, it can be directly reimbursed by the newly allocated funds. For the same amount, the Corporation does not need to remit funds in and out.

The Corporation did not violate the financial covenants of other long-term loans and long-term bills payable.

17. BONDS PAYABLE

| | <u>December 31</u> | |
|--------------------------------------|----------------------|----------------------|
| | <u>2022</u> | <u>2021</u> |
| Domestic unsecured bonds | | |
| 1 st issued in 2018 | \$ 12,000,000 | \$ 12,000,000 |
| 1 st issued in 2019 | 12,600,000 | 12,600,000 |
| 1 st issued in 2020 | 20,000,000 | 20,000,000 |
| 1 st issued in 2021 | 16,600,000 | 16,600,000 |
| 1 st issued in 2022 | 7,750,000 | - |
| 2 nd issued in 2022 | <u>3,300,000</u> | <u>-</u> |
| | 72,250,000 | 61,200,000 |
| Less: Discount on bonds payable | <u>(113,426)</u> | <u>(110,690)</u> |
| | <u>72,136,574</u> | <u>61,089,310</u> |
| Overseas unsecured convertible bonds | | |
| 1 st issued in 2021 | 22,200,000 | 22,200,000 |
| Less: Discount on bonds payable | <u>(1,414,553)</u> | <u>(1,762,865)</u> |
| | <u>20,785,447</u> | <u>20,437,135</u> |
| Less: Current portion | <u>(20,785,447)</u> | <u>-</u> |
| | <u>\$ 72,136,574</u> | <u>\$ 81,526,445</u> |

On April 11, 2022, the Board of Directors of the Corporation resolved to issue domestic sustainable bond or normal unsecured bonds at the price not exceeding NT\$20,000,000 thousand (or its equivalent in US dollars) denominated in NTD or USD; issue overseas green bonds or social responsibility bonds or normal unsecured bonds denominated in USD. The above plans can be executed alternatively or all at the same time. As of December 31, 2022, the Corporation has issued a portion of the abovementioned bonds.

a. Domestic unsecured bonds

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$12,000,000 thousand on June 21, 2018, with a fixed coupon rate of 1.7% per annum. The bonds have a maturity period of 15 years, and a one-off payment of principal should be made in full on June 21, 2033 and with interest paid annually.

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$12,600,000 thousand on June 14, 2019, with a fixed coupon rate of 0.85% per annum. The bonds have a maturity period of 5 years, and a one-off payment of principal should be made in full on June 14, 2024 and with interest paid annually.

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$20,000,000 thousand on April 15, 2020. According to the issuance conditions, the unsecured bonds are classified into bonds A and bonds B, with a fixed coupon rate of 0.69% and 0.93% per annum, and with the issuance amounts of NT\$5,200,000 thousand and NT\$14,800,000 thousand, respectively. The bonds will be repaid in a one-off payment on April 15, 2027 and April 15, 2035, respectively, while the interests will be paid annually.

The Corporation issued domestic unsecured bonds at par value in the total amount of NT\$16,600,000 thousand on August 31, 2021. According to the issuance conditions, the unsecured bonds are classified into bonds A, bonds B, bonds C and bonds D, with a fixed coupon rate of 0.59%, 0.68%, 0.78% and 0.95% per annum, and with the issuance amounts of NT\$5,800,000 thousand, NT\$3,100,000 thousand, NT\$1,200,000 thousand and NT\$6,500,000 thousand, respectively. The bonds will be repaid in a one-off payment on August 31, 2026, August 31, 2028, August 31, 2031 and August 31, 2036, respectively, while the interests will be paid annually.

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$7,750,000 thousand on June 8, 2022. According to the issuance conditions, the unsecured bonds are classified into bonds A and bonds B with a fixed coupon rate of 1.90% and 2.15% per annum, and with the issuance amounts of NT\$4,950,000 thousand and NT\$2,800,000 thousand, respectively. The bonds will be repaid in a one-off payment on June 8, 2028 and June 8, 2032, respectively, while the interests will be paid annually.

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$3,300,000 thousand on November 25, 2022. According to the issuance conditions, the unsecured bonds are classified into bonds A and bonds B with a fixed coupon rate of 2.10% and 2.65% per annum, and with the issuance amounts of NT\$2,100,000 thousand and NT\$1,200,000 thousand, respectively. The bonds will be repaid in a one-off payment on November 25, 2027 and November 25, 2032, respectively, while the interests will be paid annually.

b. Overseas unsecured convertible bonds

Overseas unsecured convertible bonds 1st issued in 2021

In September 2021, the Corporation's Board of Directors resolved to issue overseas unsecured convertible bonds for the first time. This proposal was approved and became effective under the letter issued by the Financial Supervisory Commission ("FSC") dated November 26, 2021 (Ref. No. Jin-Guan-Zheng-Fa-Zi 1100373764). The bonds, which have a zero-coupon rate and a duration of 5 years, were listed on the Singapore Stock Exchange on December 7, 2021, and have a face value of US\$800,000 thousand.

Bondholders may request the Corporation to convert the bonds into the Corporation's ordinary shares at the price of NT\$59.8 per share at any time within the period from the following day after three months from the issuance date to 10 days prior to maturity date. The conversion price after the issuance of convertible corporate bonds will be adjusted according to the anti-dilution clause of the 2021 First Overseas Unsecured Convertible Bonds Issuance and Conversion Rules of the Corporation. As of December 31, 2022, the adjusted conversion price was NT\$52.53 per share. Bondholders can request the Corporation to convert the bonds at the fixed exchange rate of US\$1=NT\$27.75, which is to be divided by the conversion price per share on the conversion date. As of December 31, 2022, no conversion had been requested.

From the second anniversary of the issue date of the convertible bonds to the maturity date, The Corporation may redeem all the outstanding convertible bonds at the early redemption amount, provided that the closing price of issuer's ordinary shares on TWSE, for a total of 20 days out of 30 consecutive trading days, has reached at least 130% of the total amount of the early redemption amount that multiplied by the conversion price, and divided by the par value, or provided that at least 90% of the convertible bonds have been redeemed, converted, repurchased and cancelled.

Unless the convertible bonds have been early redeemed, repurchased and cancelled or converted, the bondholders shall have the right to request the Corporation to redeem the convertible bonds, in whole or in part, at the early redemption amount on the second anniversary of the issue date. Therefore, on December 31, 2022, the overseas unsecured convertible bonds were converted to convertible bonds expired within a year.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 1.69% per annum on initial recognition.

| | Convertible Bonds |
|--|------------------------------|
| Proceeds from issuance at December 2021 (less transaction costs of \$232,461 thousand) | \$ 21,967,539 |
| Redemption of option derivatives (accounting for financial liabilities measured at FVTPL) and transaction costs | (215,282) |
| Equity component (less transaction costs allocated to the equity component of \$14,157 thousand) | <u>(1,337,823)</u> |
| Liability component at the date of issue (less transaction costs allocated to the liability component of \$216,026 thousand) | 20,414,434 |
| Interest charged at an effective interest rate | <u>22,701</u> |
| Liability component at December 31, 2021 | 20,437,135 |
| Interest charged at an effective interest rate | <u>348,312</u> |
| Liability component at December 31, 2022 | <u>\$ 20,785,447</u> |

18. OTHER PAYABLES

| | December 31 | |
|------------------------------|---------------------|---------------------|
| | 2022 | 2021 |
| Salaries and bonuses payable | \$ 488,679 | \$ 704,276 |
| Payables for repairs | 361,590 | 396,926 |
| Interest payable | 528,957 | 373,961 |
| Payables for equipment | 285,421 | 318,323 |
| Freight payables | 133,994 | 126,578 |
| Taxes payable | 120,227 | 111,633 |
| Payables for electricity | 91,112 | 87,330 |
| Payables for rentals | 13,997 | 28,128 |
| Others | <u>287,032</u> | <u>406,490</u> |
| | <u>\$ 2,311,009</u> | <u>\$ 2,553,645</u> |

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plan

The defined benefit plan adopted by the Corporation, which is in accordance with the Labor Standards Act, is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Corporation contributes amounts equal to a specified percentage of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Corporation has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Corporation's defined benefit plan were as follows:

| | December 31 | |
|---|---------------------|---------------------|
| | 2022 | 2021 |
| Present value of defined benefit obligation | \$ (596,091) | \$ (650,977) |
| Fair value of plan assets | <u>2,122,637</u> | <u>2,474,245</u> |
| Net defined benefit assets | <u>\$ 1,526,546</u> | <u>\$ 1,823,268</u> |

Movements in net defined benefit assets were as follows:

| | Present Value of Defined Benefit Obligation | Fair Value of the Plan Assets | Net Defined Benefit Assets |
|---|--|--|---------------------------------------|
| Balance at January 1, 2022 | \$ (650,977) | \$ 2,474,245 | \$ 1,823,268 |
| Service costs | | | |
| Current service costs | (951) | - | (951) |
| Net interest income (expense) | <u>(3,248)</u> | <u>12,364</u> | <u>9,116</u> |
| Recognized in profit or loss | <u>(4,199)</u> | <u>12,364</u> | <u>8,165</u> |
| Remeasurement | | | |
| Return on plan assets (excluding amounts included in net interest) | - | (298,398) | (298,398) |
| Actuarial gain - changes in financial assumptions | 29,321 | - | 29,321 |
| Actuarial loss - experience adjustments | <u>(35,810)</u> | <u>-</u> | <u>(35,810)</u> |
| Recognized in other comprehensive loss | <u>(6,489)</u> | <u>(298,398)</u> | <u>(304,887)</u> |
| Benefits paid | <u>65,574</u> | <u>(65,574)</u> | <u>-</u> |
| Balance at December 31, 2022 | <u>\$ (596,091)</u> | <u>\$ 2,122,637</u> | <u>\$ 1,526,546</u> |

(Continued)

| | Present Value of Defined Benefit Obligation | Fair Value of the Plan Assets | Net Defined Benefit Assets |
|---|--|--|---------------------------------------|
| Balance at January 1, 2021 | \$ (679,318) | \$ 2,228,366 | \$ 1,549,048 |
| Service costs | | | |
| Current service costs | (2,085) | - | (2,085) |
| Net interest income (expense) | (2,547) | 8,356 | 5,809 |
| Recognized in profit or loss | (4,632) | 8,356 | 3,724 |
| Remeasurement | | | |
| Return on plan assets (excluding amounts included in net interest) | - | 279,263 | 279,263 |
| Actuarial loss - changes in demographic assumptions | (16,466) | - | (16,466) |
| Actuarial gain - changes in financial assumptions | 5,616 | - | 5,616 |
| Actuarial gain - experience adjustments | 2,083 | - | 2,083 |
| Recognized in other comprehensive income (loss) | (8,767) | 279,263 | 270,496 |
| Benefits paid | 41,740 | (41,740) | - |
| Balance at December 31, 2021 | \$ (650,977) | \$ 2,474,245 | \$ 1,823,268 (Concluded) |

Through the defined benefit plan under the Labor Standards Act, the Corporation is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

| | December 31 | |
|-----------------------------------|--------------------|-------------|
| | 2022 | 2021 |
| Discount rates | 1.25% | 0.50% |
| Expected rates of salary increase | 2.25% | 2.25% |

If possible reasonable change in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

| | December 31 | |
|-----------------------------------|--------------------|--------------------|
| | 2022 | 2021 |
| Discount rates | | |
| 0.25% increase | <u>\$ (9,291)</u> | <u>\$ (11,281)</u> |
| 0.25% decrease | <u>\$ 9,527</u> | <u>\$ 11,592</u> |
| Expected rates of salary increase | | |
| 0.25% increase | <u>\$ 9,269</u> | <u>\$ 11,200</u> |
| 0.25% decrease | <u>\$ (9,086)</u> | <u>\$ (10,958)</u> |

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

| | December 31 | |
|--|--------------------|-------------|
| | 2022 | 2021 |
| The expected contributions to the plan for the next year | <u>\$ -</u> | <u>\$ -</u> |
| The average duration of the defined benefit obligation | 6.6 years | 7.3 years |

20. EQUITY

a. Share capital

1) Ordinary shares

| | December 31 | |
|---|----------------------|----------------------|
| | 2022 | 2021 |
| Number of shares authorized (in thousands) | <u>8,500,000</u> | <u>7,000,000</u> |
| Shares authorized | <u>\$ 85,000,000</u> | <u>\$ 70,000,000</u> |
| Number of shares issued and fully paid (in thousands) | <u>7,156,182</u> | <u>6,125,234</u> |
| Shares issued | <u>\$ 71,561,817</u> | <u>\$ 61,252,340</u> |

A holder of issued ordinary shares with par value of \$10 is entitled to the proportional rights to vote and to receive dividends. The authorized shares include ordinary shares and preference shares containing 60,000 thousand units retained for the exercise of employee share options.

In May 2022, the Corporation's shareholders meeting resolved to amend the Articles of Incorporation to increase the authorized share capital and the number of shares to \$85,000,000 thousand and 8,500,000 thousand of shares, respectively.

The Corporation's shareholders meeting resolved to distribute share dividends of \$6,116,173 thousand in May 2022, which was approved by the Financial Supervisory Commission ("FSC"). The ex-dividend date was July 27, 2022 as determined by the Board of Directors of the Corporation.

The changes in the number of issued shares included the conversion of convertible bonds, the distribution of share dividends, the cancelation of treasury stocks and the issuance of global depositary receipt.

2) Preference shares

In June 2018, the Corporation's Board of Directors resolved to increase cash capital by issuing preference shares for the second time, which was approved by the FSC under letter dated July 25, 2018 (Ref. No. Jin-Guan-Zheng-Fa-Zi 1070325853), and the record date of capital increase was determined as of December 13, 2018, it was expected to issue 200,000 thousand shares with a face value of \$10 per share at the issue price of NT\$50 per share, with 3.5% coupon per annum (based on a five-year term 0.9375% IRS interest rate + 2.5625% fixed interest rate). Five-year term IRS interest rate will be reset on the next business day of the expiry of the five-year period from the date of issue and every five years thereafter. The shareholders of the second preference shares do not have the right to vote and to elect in the shareholders meeting but can be elected as directors. The Corporation has full discretion on the dividend distribution of the second preference shares. If there is no surplus or insufficient surplus to pay the preference share dividends upon the close of current fiscal year, the Corporation's resolution to cancel the distribution of preference share dividends will not constitute an event of default or a termination event in a contract. Preference share dividends are non-accumulative, and dividends that are not distributed or distributed in excess are not accumulated in the future year with deferred annual repayment. There is no maturity of the Corporation's second preference shares, but the Corporation may recover whole or part of the second preference shares at the actual issue price from the day following the five-year period from the issue date. The preference shares may not be converted to ordinary shares, and the preference shareholders do not have the rights to require the Corporation to redeem the preference shares they hold.

3) Issuance of global depository receipt

In May 2022, the shareholders meeting of the Corporation resolved the issuance of new ordinary shares for sponsoring issuance of global depository receipts to increase working capital for future development, repaying bank loans, and purchasing materials overseas. This proposal was approved and took effect upon receipt of the letter issued by the FSC dated September 27, 2022 (Ref. No. Jin-Guan-Zheng-Fa-Zi 1110356873). The Corporation has issued 84,000 thousand of units at the offer price of US\$5.06 each on the Luxembourg Stock Exchange in October 2022. The total issue price is US\$425,040 thousand. Each unit of the global depository receipts represents five ordinary shares of the Corporation with the total number of 420,000 thousand of shares. As of December 31, 2022, 83,006 thousand of units were converted into ordinary shares.

b. Capital surplus

| | December 31 | |
|---|--------------------|---------------|
| | 2022 | 2021 |
| <u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)</u> | | |
| Issuance of ordinary shares | \$ 53,366,704 | \$ 44,176,367 |
| Conversion of bonds | 10,539,771 | 10,540,825 |
| Treasury share transactions | 186,289 | 204,127 |
| Donations | 31,537 | 31,537 |
| Forfeited share options | 36,879 | 16,456 |
| Exercised employee share options | 22,347 | 7,652 |
| <u>May be used to offset a deficit only (Note 2)</u> | | |
| Changes in percentage of ownership interests in subsidiaries | 179,578 | 114,834 |
| Dividends distributed by subsidiaries not yet received by shareholders | 2,510 | 2,510 |

(Continued)

| | December 31 | |
|--|----------------------|-------------------------------------|
| | 2022 | 2021 |
| <u>May not be used for any purpose</u> | | |
| Equity component of convertible bond | \$ 1,337,823 | \$ 1,337,823 |
| Changes in interests in associates accounted for using the equity method | <u>282,427</u> | <u>325,339</u> |
| | <u>\$ 65,985,865</u> | <u>\$ 56,757,470</u> (Concluded) |

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus).
- 2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary resulting from equity transactions, other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the dividend policy as set in the amended Articles, where the Corporation made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's Board of Directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' general meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors, refer to Note 21(c): Net profit from continuing operations - compensation of employees and remuneration of directors.

In addition to the capital-intensive, mature and stable production and marketing of cement and cement-related products, the Corporation aggressively pursues diversification. For the development of diversified investments or other important capital budgeting plans, the Corporation decided that the payout ratio of cash dividend is to be at least 20% of the total dividends to be distributed to ordinary shareholders; the rest will be paid in share dividends.

An appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Corporation's share capital. The legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's share capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2021 and 2020 approved in the shareholders' general meetings in May 2022 and July 2021, respectively, were as follows:

| | Appropriation of Earnings | | Dividends Per Share (NT\$) | |
|-------------------------------------|---------------------------------------|--------------|---------------------------------------|-------------------------|
| | For the Year Ended December 31 | | For the Year Ended December 31 | |
| | 2021 | 2020 | 2021 | 2020 |
| Legal reserve | \$ 2,068,477 | \$ 2,530,554 | | |
| Cash dividends on preference shares | 350,000 | 350,000 | <u>\$ 1.75</u> | <u>\$ 1.75</u> |
| Cash dividends on ordinary shares | 6,116,173 | 20,594,434 | <u>\$ 1.00</u> (Note 2) | <u>\$ 3.50</u> (Note 1) |
| Share dividends on ordinary shares | 6,116,173 | - | <u>\$ 1.00</u> (Note 2) | <u>\$ -</u> |

Note 1: Given the transfer of treasury shares to employees has not been implemented and the registration amendment to the number of ordinary shares converted from outstanding overseas unsecured convertible bonds has not been completed, the total number of issued and outstanding shares does not reflect the actual situation. Therefore, the cash dividend was adjusted to \$3.36811984 per ordinary share.

Note 2: The number of ordinary shares outstanding was affected by the Corporation's purchase of treasury shares which has not been transferred to employees. Therefore, the cash dividend was adjusted to \$0.99928258 per ordinary share and the share dividend was adjusted to \$0.99928258 per ordinary share.

As of February 24, 2023, the appropriation of earnings for 2022 had not yet been proposed by the Corporation's board of directors. Information on the appropriation of the earnings proposed by the Corporation's board of directors and approved by shareholder's general meeting is available at the Market Observation Post System website of the Taiwan Stock Exchange.

d. Special reserve

The Corporation appropriated to special reserve the amounts that were the same as the unrealized revaluation increment and cumulative translation adjustments transferred to retained earnings at the first-time adoption of IFRSs, which were \$10,454,422 thousand and \$2,709,369 thousand, respectively.

The special reserve appropriated at the first-time adoption of IFRSs relating to investment in properties other than land may be reversed according to the period of use. The special reserve relating to land may be reversed upon disposal or reclassification, and such special reserve of \$35,459 thousand and \$0 thousand was reversed for the years ended December 31, 2022 and 2021, respectively. The special reserve appropriated, due to currency translation adjustments for financial statements of foreign operations (including subsidiaries), shall be reversed based on the Corporation's disposal percentage, and all of the special reserve shall be reversed when the Corporation loses significant influence.

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

| | <u>For the Year Ended December 31</u> | |
|--|--|------------------------|
| | 2022 | 2021 |
| Balance at January 1 | \$ (16,068,895) | \$ (9,523,576) |
| Share from subsidiaries and associates accounted for using the equity method | <u>7,774,720</u> | <u>(6,545,319)</u> |
| Balance at December 31 | <u>\$ (8,294,175)</u> | <u>\$ (16,068,895)</u> |

2) Unrealized gain (loss) on financial assets at FVTOCI

| | For the Year Ended December 31 | |
|---|---------------------------------------|----------------------|
| | 2022 | 2021 |
| Balance at January 1 | \$ 26,988,909 | \$ 30,670,817 |
| Recognized for the year | | |
| Unrealized gain - equity instruments | (1,050,539) | 1,723,801 |
| Share from subsidiaries and associates accounted for using the equity method | <u>(5,651,454)</u> | <u>(4,375,829)</u> |
| Other comprehensive loss recognized for the year | <u>(6,701,993)</u> | <u>(2,652,028)</u> |
| Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal | <u>-</u> | <u>(1,029,880)</u> |
| Balance at December 31 | <u>\$ 20,286,916</u> | <u>\$ 26,988,909</u> |

3) Cash flow hedges

| | For the Year Ended December 31 | |
|--|---------------------------------------|-------------|
| | 2022 | 2021 |
| Balance at January 1 | \$ - | \$ (250) |
| Recognized for the year | | |
| Share from subsidiaries and associates accounted for using the equity method | <u>(1,651)</u> | <u>250</u> |
| Balance at December 31 | <u>\$ (1,651)</u> | <u>\$ -</u> |

f. Treasury shares

(In Thousands of Shares)

| | For the Year Ended December 31 | |
|---------------------------------|---------------------------------------|--------------|
| | 2022 | 2021 |
| Number of shares at January 1 | 9,061 | 11,522 |
| Transferred to employees | (4,391) | (2,461) |
| Cancelled during the year | <u>(670)</u> | <u>-</u> |
| Number of shares at December 31 | <u>4,000</u> | <u>9,061</u> |

The Corporation's Board of Directors resolved to buy back treasury shares mainly for transferring to employees. The compensation costs recognized for transferring treasury shares to employees were \$66,820 thousand and \$24,325 thousand for the years ended December 31, 2022 and 2021, respectively.

The Corporation cancelled the treasury stocks overdue which had not yet been transferred to employees pursuant to the law, and the Board of Directors of the Corporation resolved to decrease its capital by \$6,696 thousand in August 2022, cancelled 670 thousand issued shares, and scheduled the record date for capital reduction of August 10, 2022.

The Corporation's board of directors resolved in January 2023 to buy back 20,000 thousand shares mainly for transferring to employees. The scheduled buy-back period was from January 5, 2023 to March 3, 2023. As of the date the consolidated financial statements were authorized for issue, 20,000 thousand shares have already been bought back and the total amount was \$732,459 thousand.

Under the Securities Exchange Act, the Corporation shall neither pledge treasury shares nor exercise shareholder's rights on these shares, such as rights to dividends and to vote.

21. NET PROFIT FROM CONTINUING OPERATIONS

a. Depreciation and amortization

| | For the Year Ended December 31 | |
|---|---------------------------------------|-------------------|
| | 2022 | 2021 |
| An analysis of depreciation by item | | |
| Property, plant and equipment | \$ 685,652 | \$ 654,523 |
| Right-of-use assets | 325,914 | 334,704 |
| Investment properties | <u>59</u> | <u>122</u> |
| | <u>\$ 1,011,625</u> | <u>\$ 989,349</u> |
| An analysis of depreciation by function | | |
| Operating costs | \$ 875,368 | \$ 857,953 |
| Operating expenses | 136,257 | 129,331 |
| Non-operating expenses | <u>-</u> | <u>2,065</u> |
| | <u>\$ 1,011,625</u> | <u>\$ 989,349</u> |
| An analysis of amortization by function | | |
| Operating costs | <u>\$ -</u> | <u>\$ 1</u> |

b. Employee benefits expense

| | For the Year Ended December 31 | |
|--|---------------------------------------|---------------------|
| | 2022 | 2021 |
| Retirement benefit plans | | |
| Defined contribution plans | \$ 38,526 | \$ 35,467 |
| Defined benefit plans | <u>(8,165)</u> | <u>(3,724)</u> |
| | <u>30,361</u> | <u>31,743</u> |
| Share-based payments | | |
| Equity-settled | 66,820 | 24,325 |
| Other employee benefits | <u>1,343,393</u> | <u>1,488,170</u> |
| Total employee benefits expense | <u>\$ 1,440,574</u> | <u>\$ 1,544,238</u> |
| An analysis of employee benefits expense by function | | |
| Operating costs | \$ 709,779 | \$ 632,667 |
| Operating expenses | <u>730,795</u> | <u>911,571</u> |
| | <u>\$ 1,440,574</u> | <u>\$ 1,544,238</u> |

c. Compensation of employees and remuneration of directors

The Corporation accrued compensation of employees and remuneration of directors at the rates of 0.01%-3% and no higher than 1%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The total amount of compensation of employees and remuneration of directors were \$79,123 thousand and \$61,622 thousand for the year ended December 31, 2022. The Corporation may settle compensation of employees and remuneration of directors in cash were \$106,914 thousand and \$210,453 thousand for the year ended December 31, 2021, which was approved by the Corporation's board of directors in April 2022.

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2021 and 2020.

Information on the compensation of employees and remuneration of directors resolved by the Corporation's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

d. Other income

| | For the Year Ended December 31 | |
|------------------|---------------------------------------|-------------------|
| | 2022 | 2021 |
| Financial income | \$ 32,113 | \$ 14,735 |
| Others | <u>93,046</u> | <u>92,846</u> |
| | <u>\$ 125,159</u> | <u>\$ 107,581</u> |

e. Finance costs

| | For the Year Ended December 31 | |
|-------------------------------|---------------------------------------|---------------------|
| | 2022 | 2021 |
| Interest on corporate bonds | \$ 1,054,515 | \$ 627,393 |
| Interest on bank borrowings | 699,732 | 588,969 |
| Interest on lease liabilities | 35,403 | 33,015 |
| Other finance costs | <u>146,506</u> | <u>101,632</u> |
| | <u>\$ 1,936,156</u> | <u>\$ 1,351,009</u> |

f. Other expenses

| | For the Year Ended December 31 | |
|---------------------------------|---------------------------------------|-------------------|
| | 2022 | 2021 |
| Loss on work stoppages | \$ 120,647 | \$ 130,285 |
| Loss on disposal of investments | 16 | 43,772 |
| Others | <u>18,062</u> | <u>73,321</u> |
| | <u>\$ 138,725</u> | <u>\$ 247,378</u> |

22. INCOME TAX

- a. Major components of tax expense recognized in profit or loss

| | For the Year Ended December 31 | |
|---|---------------------------------------|-------------------|
| | 2022 | 2021 |
| Current tax | | |
| In respect of the current year | \$ 292,148 | \$ 337,647 |
| Income tax on unappropriated earnings | 301,697 | 91,068 |
| Adjustments for prior years | <u>5,278</u> | <u>25,875</u> |
| | <u>599,123</u> | <u>454,590</u> |
| Deferred tax | | |
| In respect of the current year | <u>17,363</u> | <u>16,945</u> |
| Income tax expense recognized in profit or loss | <u>\$ 616,486</u> | <u>\$ 471,535</u> |

A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

| | For the Year Ended December 31 | |
|---|---------------------------------------|----------------------|
| | 2022 | 2021 |
| Income before income tax | <u>\$ 6,021,470</u> | <u>\$ 20,727,901</u> |
| Income tax expense at the statutory rate | \$ 1,204,294 | \$ 4,145,580 |
| Tax-exempt income | (546,586) | (878,808) |
| Unrecognized deductible temporary differences | (149,682) | (2,944,490) |
| Realized investment loss | (199,997) | (10,608) |
| Adjustments for prior years | 5,278 | 25,875 |
| Income tax on unappropriated earnings | 301,697 | 91,068 |
| Others | <u>1,482</u> | <u>42,918</u> |
| Income tax expense recognized in profit or loss | <u>\$ 616,486</u> | <u>\$ 471,535</u> |

- b. Income tax recognized in other comprehensive income

| | For the Year Ended December 31 | |
|---------------------------------------|---------------------------------------|------------------|
| | 2022 | 2021 |
| Deferred tax in the current year | | |
| Remeasurement on defined benefit plan | <u>\$ (60,977)</u> | <u>\$ 54,099</u> |

- c. Current tax assets and liabilities

| | December 31 | |
|--|--------------------|-------------------|
| | 2022 | 2021 |
| Current income tax assets (included in other current assets) | <u>\$ 16,310</u> | <u>\$ 16,310</u> |
| Current income tax liabilities | <u>\$ 411,503</u> | <u>\$ 423,152</u> |

d. Deferred income tax assets and liabilities

The movements of deferred income tax assets (included in other non-current assets) and deferred income tax liabilities were as follows:

For the year ended December 31, 2022

| | Opening Balance | Recognized in Profit or Loss | Recognized in Other Comprehen- sive Income | Others | Closing Balance |
|--|----------------------------|---|---|--------------------|----------------------------|
| <u>Deferred income tax assets</u> | | | | | |
| Inventories | \$ 42,846 | \$ 3,921 | \$ - | \$ - | \$ 46,767 |
| Property, plant and equipment | 16,750 | (1,114) | - | - | 15,636 |
| Long-term employee benefits plan | 12,207 | 993 | - | - | 13,200 |
| Deferred revenue | 4,160 | (246) | - | - | 3,914 |
| Others | <u>11,376</u> | <u>(5,153)</u> | <u>-</u> | <u>-</u> | <u>6,223</u> |
| | <u>\$ 87,339</u> | <u>\$ (1,599)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 85,740</u> |
| <u>Deferred income tax liabilities</u> | | | | | |
| Land value increment tax | \$ 4,883,412 | \$ - | \$ - | \$ (18,594) | \$ 4,864,818 |
| Defined benefit plan | 343,175 | 1,633 | (60,977) | - | 283,831 |
| Unappropriated earnings from foreign subsidiaries | <u>207,419</u> | <u>14,131</u> | <u>-</u> | <u>-</u> | <u>221,550</u> |
| | <u>\$ 5,434,006</u> | <u>\$ 15,764</u> | <u>\$ (60,977)</u> | <u>\$ (18,594)</u> | <u>\$ 5,370,199</u> |

For the year ended December 31, 2021

| | Opening Balance | Recognized in Profit or Loss | Recognized in Other Comprehen- sive Income | Closing Balance |
|--|----------------------------|---|---|----------------------------|
| <u>Deferred income tax assets</u> | | | | |
| Inventories | \$ 48,088 | \$ (5,242) | \$ - | \$ 42,846 |
| Property, plant and equipment | 19,694 | (2,944) | - | 16,750 |
| Long-term employee benefits plan | 15,145 | (2,938) | - | 12,207 |
| Deferred revenue | 4,406 | (246) | - | 4,160 |
| Others | <u>5,568</u> | <u>5,808</u> | <u>-</u> | <u>11,376</u> |
| | <u>\$ 92,901</u> | <u>\$ (5,562)</u> | <u>\$ -</u> | <u>\$ 87,339</u> |
| <u>Deferred income tax liabilities</u> | | | | |
| Land value increment tax | \$ 4,883,412 | \$ - | \$ - | \$ 4,883,412 |
| Defined benefit plan | 288,331 | 745 | 54,099 | 343,175 |
| Unappropriated earnings from foreign subsidiaries | 195,732 | 11,687 | - | 207,419 |
| Others | <u>1,049</u> | <u>(1,049)</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 5,368,524</u> | <u>\$ 11,383</u> | <u>\$ 54,099</u> | <u>\$ 5,434,006</u> |

- e. Aggregate temporary differences associated with investments for which deferred income tax liabilities have not been recognized

As of December 31, 2022 and 2021, the taxable temporary differences in respect of investments in subsidiaries and associates for which no deferred income tax liabilities have been recognized were \$96,366,824 thousand and \$97,109,400 thousand, respectively.

- f. Income tax assessments

The tax returns of the Corporation through 2018 and 2020 have been assessed by the tax authorities.

23. EARNINGS PER SHARE

| | Unit: NT\$ Per Share | |
|------------------------------|---------------------------------------|----------------|
| | For the Year Ended December 31 | |
| | 2022 | 2021 |
| Basic earnings per share | | |
| From continuing operations | \$ 0.74 | \$ 2.84 |
| From discontinued operations | <u>-</u> | <u>0.16</u> |
| | <u>\$ 0.74</u> | <u>\$ 3.00</u> |
| Diluted earnings per share | | |
| From continuing operations | \$ 0.73 | \$ 2.81 |
| From discontinued operations | <u>-</u> | <u>0.16</u> |
| | <u>\$ 0.73</u> | <u>\$ 2.97</u> |

The weighted average number of shares outstanding used in the earnings per share computation was adjusted retrospectively. The basic and diluted earnings per share adjusted retrospectively for the year ended December 31, 2021 were as follows:

| | Unit: NT\$ Per Share | |
|------------------------------|--|---|
| | Before Retrospective Adjustment | After Retrospective Adjustment |
| Basic earnings per share | | |
| From continuing operations | \$ 3.12 | \$ 2.84 |
| From discontinued operations | <u>0.18</u> | <u>0.16</u> |
| | <u>\$ 3.30</u> | <u>\$ 3.00</u> |
| Diluted earnings per share | | |
| From continuing operations | \$ 3.09 | \$ 2.81 |
| From discontinued operations | <u>0.18</u> | <u>0.16</u> |
| | <u>\$ 3.27</u> | <u>\$ 2.97</u> |

The earnings and weighted average number of ordinary shares (in thousands) outstanding in the computation of earnings per share were as follows:

| | For the Year Ended December 31 | |
|--|---------------------------------------|----------------------|
| | 2022 | 2021 |
| Profit for the year attributable to owners of the Corporation (Note) | \$ 5,054,984 | \$ 19,906,366 |
| Profit for the period used in the computation of basic earnings per share from discontinued operations | <u>-</u> | <u>(1,073,939)</u> |
| Profit used in the computation of basic earnings per share from continuing operations | 5,054,984 | 18,832,427 |
| Effect of potentially dilutive ordinary shares: | | |
| Interest on convertible bonds | <u>230,158</u> | <u>67,416</u> |
| Profit used in the computation of diluted earnings per share from continuing operations | <u>\$ 5,285,142</u> | <u>\$ 18,899,843</u> |
| <u>Number of shares (in thousands)</u> | | |
| Weighted average number of ordinary shares in computation of basic earnings per share | 6,835,603 | 6,646,406 |
| Effect of potentially dilutive ordinary shares: | | |
| Compensation of employees | 2,948 | 2,784 |
| Convertible bonds | <u>354,302</u> | <u>79,950</u> |
| Weighted average number of ordinary shares used in the computation of diluted earnings per share | <u>7,192,853</u> | <u>6,729,140</u> |

Note: Preference share dividends of \$350,000 thousand were deducted in 2022 and 2021, respectively.

The Corporation may settle compensation paid to employees in cash or shares; therefore, the Corporation assumes that the entire amount of the compensation or bonus will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

24. ACQUISITION OR DISPOSAL OF SUBSIDIARIES

Refer to the notes of the consolidated financial statements for the year ended December 31, 2022 for the following disclosures of equity movements of subsidiaries.

Partial acquisition or disposal of subsidiaries without change of control

In 2022, the Corporation acquired a portion of the shares of Taiwan Transport & Storage Corporation and TCC Recycle Energy Technology Company, and its proportion of ownership interests remained at 83.9% and 36.6%, respectively.

In 2021, the Corporation had acquired a portion of the shares of Taiwan Prosperity Chemical Corporation, and increased its proportionate ownership interests from 71.1% to 100.0%. The Corporation had acquired a portion of the shares of Taiwan Cement Engineering Corporation and its proportionate ownership interests was still 99.2%.

The above transactions were accounted for as equity transactions since there was no change in the Corporation's control over these subsidiaries.

Disposal of subsidiary

On March 19, 2021, the Corporation's Board of Directors resolved to enter into a sale agreement to dispose of all its interests in Taiwan Prosperity Chemical Corporation for Chang Chun Plastic Co., Ltd. by receiving 2,400,000 thousand in cash. According to the agreement, Taiwan Prosperity Chemical Corporation should pay \$400,000 thousand to TCC Chemical Corporation as the consideration of ending the machinery lease agreement before the acquisition date. The Corporation has completed the share transaction on August 17, 2021, and has recognized gain on disposal of investment \$521,414 thousand.

Acquisition of subsidiary

The Corporation subscribed TCC Recycle Energy Technology Company with \$9,232,894 thousand, leading to an increase of the percentage of ownership in TCC Recycle Energy Technology Company from 18.2% to 63.3% with non-subscription by other shareholders and subsequently gaining control of TCC Recycle Energy Technology Company and its subsidiaries.

25. CASH FLOWS INFORMATION

Changes in liabilities arising from financing activities:

For the year ended December 31, 2022

| | Opening Balance | Cash Flows | Effect of Exchange Rate and Others | Closing Balance |
|--|----------------------------|-----------------------|---|----------------------------|
| Short-term borrowings | \$ 25,426,775 | \$ (19,404,870) | \$ 4,727 | \$ 6,026,632 |
| Long-term borrowings (including expiring within a year) | <u>17,174,917</u> | <u>12,609,000</u> | <u>41,173</u> | <u>29,825,090</u> |
| | <u>\$ 42,601,692</u> | <u>\$ (6,795,870)</u> | <u>\$ 45,900</u> | <u>\$ 35,851,722</u> |

For the year ended December 31, 2021

| | Opening Balance | Cash Flows | Effect of Exchange Rate and Others | Closing Balance |
|--|----------------------------|-----------------------|---|----------------------------|
| Short-term borrowings | \$ 23,351,729 | \$ 2,071,411 | \$ 3,635 | \$ 25,426,775 |
| Long-term borrowings (including expiring within a year) | <u>21,453,417</u> | <u>(4,300,000)</u> | <u>21,500</u> | <u>17,174,917</u> |
| | <u>\$ 44,805,146</u> | <u>\$ (2,228,589)</u> | <u>\$ 25,135</u> | <u>\$ 42,601,692</u> |

26. CAPITAL MANAGEMENT

The Corporation needs to maintain sufficient capital to fulfill the Corporation's requirements of business expansion and construction. Therefore, the capital management of the Corporation shall focus on a comprehensive operational plan to ensure sound profitability and financial structure so as to fulfill the mid- and long-term demand of working capital, capital expenditures, debts repayment and dividend distributions.

27. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

Except for those listed in the table below, the Corporation considers that the carrying amount of financial instruments not measured at fair value in the financial statements approximates fair value.

December 31, 2022

| | Carrying Amount | Fair Value | | | Total |
|---|--------------------|------------|---------|---------------|---------------|
| | | Level 1 | Level 2 | Level 3 | |
| <u>Financial liabilities</u> | | | | | |
| Financial liabilities at amortized cost | | | | | |
| Convertible bonds payable | \$ 20,785,447 | \$ - | \$ - | \$ 20,734,800 | \$ 20,734,800 |

December 31, 2021

| | Carrying Amount | Fair Value | | | Total |
|---|--------------------|------------|---------|---------------|---------------|
| | | Level 1 | Level 2 | Level 3 | |
| <u>Financial liabilities</u> | | | | | |
| Financial liabilities at amortized cost | | | | | |
| Convertible bonds payable | \$ 20,437,135 | \$ - | \$ - | \$ 20,599,380 | \$ 20,599,380 |

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2022

| | Level 1 | Level 2 | Level 3 | Total |
|--|---------------------|---------------------|---------------------|----------------------|
| Financial assets mandatorily classified as at FVTPL | | | | |
| Domestic listed shares | \$ 164,774 | \$ - | \$ - | \$ 164,774 |
| Domestic emerging market shares | 95,145 | - | - | 95,145 |
| | <u>\$ 259,919</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 259,919</u> |
| Financial assets at FVTOCI | | | | |
| Equity instrument investment | | | | |
| Domestic listed shares | \$ 3,578,378 | \$ - | \$ - | \$ 3,578,378 |
| Domestic privately placed listed shares | - | 1,030,299 | - | 1,030,299 |
| Domestic unlisted shares | - | - | 6,603,304 | 6,603,304 |
| Domestic convertible preference shares | 29,441 | - | - | 29,441 |
| | <u>\$ 3,607,819</u> | <u>\$ 1,030,299</u> | <u>\$ 6,603,304</u> | <u>\$ 11,241,422</u> |
| Financial liabilities at FVTPL | | | | |
| Derivative instrument - redemption options and put options of convertible bond | | | | |
| | \$ - | \$ - | \$ 641,522 | \$ 641,522 |

December 31, 2021

| | Level 1 | Level 2 | Level 3 | Total |
|--|---------------------|---------------------|---------------------|----------------------|
| Financial assets mandatorily classified as at FVTPL | | | | |
| Domestic listed shares | \$ 198,850 | \$ - | \$ - | \$ 198,850 |
| Domestic emerging market shares | <u>107,225</u> | <u>-</u> | <u>-</u> | <u>107,225</u> |
| | <u>\$ 306,075</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 306,075</u> |
| Financial assets at FVTOCI | | | | |
| Equity instrument investment | | | | |
| Domestic listed shares | \$ 3,802,852 | \$ - | \$ - | \$ 3,802,852 |
| Domestic privately placed listed shares | - | 1,255,794 | - | 1,255,794 |
| Domestic unlisted shares | - | - | 7,203,461 | 7,203,461 |
| Domestic convertible preference shares | <u>29,854</u> | <u>-</u> | <u>-</u> | <u>29,854</u> |
| | <u>\$ 3,832,706</u> | <u>\$ 1,255,794</u> | <u>\$ 7,203,461</u> | <u>\$ 12,291,961</u> |
| Financial liabilities at FVTPL | | | | |
| Derivative instrument - redemption options and put options of convertible bond | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 213,062</u> | <u>\$ 213,062</u> |

There were no transfers between Levels 1 and 2 for the years ended December 31, 2022 and 2021.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

For domestic listed privately placed listed shares with no market price available as reference, their fair values are estimated using the evaluation method. The estimations and assumptions used by the Corporation in the evaluation method are consistent with those used by market participants in pricing the financial instruments. The relevant information is available to the Corporation.

The evaluation method adopted by the Corporation is the Black-Scholes model, which calculates the fair value based on the observable share price, share price volatility, risk-free interest rate and liquidity discount at the end of the year.

3) Reconciliation of Level 3 fair value measurements of financial instruments

| | For the Year Ended December 31, 2022 |
|--|---|
| Financial assets at FVTOCI | |
| Equity instrument investment | |
| Balance at January 1, 2022 | \$ 7,203,461 |
| Recognized in other comprehensive loss | <u>(600,157)</u> |
| Balance at December 31, 2022 | <u>\$ 6,603,304</u> |
| Financial liabilities at FVTPL | |
| Derivative instrument investment | |
| Balance at January 1, 2022 | \$ 213,062 |
| Recognized in loss | <u>428,460</u> |
| Balance at December 31, 2022 | <u>\$ 641,522</u> |

| | For the Year Ended December 31, 2021 |
|--|---|
| Financial assets at FVTOCI | |
| Equity instrument investment | |
| Balance at January 1, 2021 | \$ 5,653,008 |
| Recognized in other comprehensive income | <u>1,550,453</u> |
| Balance at December 31, 2021 | <u>\$ 7,203,461</u> |
| Financial assets at FVTPL | |
| Derivative instrument investment | |
| Balance at January 1, 2021 | \$ 17,092 |
| Recognized in loss | (10,114) |
| Convertible bonds converted into ordinary shares | <u>(6,978)</u> |
| Balance at December 31, 2021 | <u>\$ -</u> |
| Financial liabilities at FVTPL | |
| Derivative instrument investment | |
| Balance at January 1, 2021 | \$ - |
| Additions | 215,282 |
| Recognized in profit | <u>(2,220)</u> |
| Balance at December 31, 2021 | <u>\$ 213,062</u> |

4) Valuation techniques and inputs applied for Level 3 fair value measurement

- a) There were no quoted prices in active markets for put options and redemption options of ECB issued by the Corporation. Hence, the fair values of options are determined using the binomial option pricing model where the unobservable input is historical volatility. An increase in historical volatility used in isolation would result a change in an increase in the fair value. The historical volatility used were 19.41% and 21.37% on December 31, 2022 and 2021, respectively.
- b) The Corporation measures the fair value of its investments on domestic unlisted shares by using the asset-based approach, and the dividend discount model.

Under the asset-based approach, the total value of an investment is based on the fair value of its assets and liabilities. The significant unobservable inputs used are listed in the table below.

| | <u>December 31</u> | |
|--|--------------------|-------------|
| | 2022 | 2021 |
| Comprehensive discount for lack of marketability and non-controlling interests | 10% | 10% |

If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair value of the shares would increase (decrease) as follows:

| | <u>December 31</u> | |
|--|--------------------|--------------------|
| | <u>2022</u> | <u>2021</u> |
| Comprehensive discount for lack of marketability and non-controlling interests | | |
| 1% increase | <u>\$ (9,753)</u> | <u>\$ (13,003)</u> |
| 1% decrease | <u>\$ 9,753</u> | <u>\$ 13,003</u> |

The dividend discount model values a target company based on its stability of dividend payments in the past.

| | <u>December 31</u> | |
|------------------------------------|--------------------|-------------|
| | <u>2022</u> | <u>2021</u> |
| Discount rate | 9.1% | 5.4% |
| Dividend growth rate | 1.6% | 1.4% |
| Discount for lack of marketability | 10.0% | 10.0% |

If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair value of the shares would increase (decrease) as follows:

| | <u>December 31</u> | |
|------------------------------------|--------------------|--------------------|
| | <u>2022</u> | <u>2021</u> |
| Discount for lack of marketability | | |
| 1% increase | <u>\$ (63,875)</u> | <u>\$ (66,623)</u> |
| 1% decrease | <u>\$ 63,875</u> | <u>\$ 66,623</u> |

c. Categories of financial instruments

| | <u>December 31</u> | |
|--|--------------------|-------------|
| | <u>2022</u> | <u>2021</u> |
| <u>Financial assets</u> | | |
| Financial assets at FVTPL | | |
| Financial assets mandatorily classified as at FVTPL | \$ 259,919 | \$ 306,075 |
| Financial assets measured at amortized cost (1) | 10,816,297 | 33,316,519 |
| Financial assets at FVTOCI | | |
| Equity instrument investment | 11,241,422 | 12,291,961 |
| <u>Financial liabilities</u> | | |
| Financial liabilities at FVTPL | | |
| Held for trading | 641,522 | 213,062 |
| Financial liabilities measured at amortized cost (2) | 147,731,447 | 143,126,355 |

- 1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable (including related parties transactions), other receivables (including related parties transactions and included in other current assets).

- 2) The balances include financial liabilities measured at amortized cost, which comprise short-term loans, short-term bills payable, accounts payable (including related parties transactions), other payables, other payable to related parties (included in other current liabilities), bonds payable (including current portion), long-term loans (including current portion) and long-term bills payable.
- d. Financial risk management objectives and policies

The risk control and hedging strategy performed by the Corporation were affected by operation environments, and the Corporation adopted appropriate risk controls and hedging strategies according to its nature of business and risk diversification principles. These risks include market risk, credit risk and liquidity risk.

1) Market risk

The Corporation's financial instruments were mainly comprised of listed shares, and these investments were subject to fluctuations in market prices. The Corporation has periodically evaluated the investment's performance, and no significant market risk was anticipated.

a) Foreign currency risk

The foreign financial assets and liabilities were exposed to risk of foreign currency fluctuations. To lower foreign currency risk, the Corporation has established control mechanisms to immediately monitor its foreign currency position and exchange rate fluctuations.

The carrying amounts of the significant monetary assets and liabilities not denominated in functional currency at the end of the reporting period are set out in Note 31.

The Corporation was mainly exposed to the USD. Regarding outstanding foreign monetary items, if there is a 1% increase or decrease in the NTD against the USD net income and equity for the years ended December 31, 2022 and 2021 would increase/decrease by \$8,662 thousand and \$173,661 thousand, respectively.

b) Interest rate risk

The carrying amount of the Corporation's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

| | December 31 | |
|------------------------------|--------------------|---------------|
| | 2022 | 2021 |
| Cash flow interest rate risk | | |
| Financial assets | \$ 3,044,369 | \$ 12,884,624 |
| Financial liabilities | 35,851,722 | 42,601,692 |

The interest risk was evaluated based on the position of financial assets and liabilities. The sensitivity analysis below was determined based on the Corporation's floating interest rate financial assets and liabilities at the end of the reporting period, an increase or decrease of 50-basis points was used, which represented management's assessment of reasonably possible change in interest rates. The fair values of fixed interest rate financial assets and liabilities will change due to variances in market interest rates; the future cash flows of floating interest rate financial assets and financial liabilities will change due to variances in effective interest rates, which vary with market interest rates.

For the Corporation's floating interest rate financial assets, if interest rates had been 50 basis points higher/lower, the cash inflows from floating interest rate financial assets for the years ended December 31, 2022 and 2021 would increase/decrease by \$12,177 thousand and \$51,538 thousand, respectively.

For the Corporation's floating interest rate financial liabilities, if interest rates had been 50 basis points higher/lower, the cash outflows from floating interest rate financial liabilities for the years ended December 31, 2022 and 2021 would increase/decrease by \$143,407 thousand and \$170,407 thousand, respectively.

c) Other price risk

The Corporation was exposed to equity instruments and commodities price risk through its investments in equity securities. Equity investments are held for strategic rather than trading purposes. The Corporation does not actively trade these investments. Sensitivity analyses were used for evaluating the exposure to equity price risks.

The sensitivity analyses below were based on the exposure of equity instruments/commodity prices risk on the balance sheet date.

The sensitivity analyses were based on the exposure of equity instruments/commodities prices at the end of the reporting period. If equity instruments/commodities prices of financial assets at FVTPL had been 5% higher/lower, profit or loss for the years ended December 31, 2022 and 2021 would increase/decrease by \$12,996 thousand and \$15,304 thousand, respectively. If equity instruments/commodity prices of financial assets at FVTOCI had been 5% higher/lower, other comprehensive income (loss) for the years ended December 31, 2022 and 2021 would increase/decrease by \$562,071 thousand and \$614,598 thousand, respectively.

2) Credit risk

Potential impacts on financial assets would occur if the Corporation's counterparties breach financial instrument contracts, including impacts to the concentration of credit risk, components, contractual amounts and other receivables.

As at the end of the reporting period, the Corporation's maximum exposure to credit risk, which would cause a financial loss to the Corporation due to the failure of counterparties to discharge an obligation, could arise from the carrying amounts of the respective recognized financial assets as stated in the balance sheets.

The Corporation transacted with a large number of customers from various industries and geographical locations. The Corporation continuously assesses the operations and financial positions of customers and monitors the collectability of accounts receivable. The Corporation required credit enhancements by bank guarantees or collateral for certain customers.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings which were assigned by international credit-rating agencies.

3) Liquidity risk

The Corporation manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Corporation's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank facilities and ensures compliance with loan covenants. As of December 31, 2022 and 2021, the amount of unused financing facilities was \$63,958,860 thousand and \$25,469,332 thousand, respectively.

The following table details the Corporation's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Corporation can be required to pay. The table included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

December 31, 2022

| | On Demand or Less than 1 Month | 1-3 Months | 3 Months to 1 Year | 1-5 Years | 5+ Years |
|---|---|----------------------|-------------------------------|----------------------|----------------------|
| <u>Non-derivative financial liabilities</u> | | | | | |
| Non-interest bearing | \$ 1,049,645 | \$ 4,448,889 | \$ 221,561 | \$ 73,430 | \$ 2,398 |
| Lease liabilities | 74,481 | 25,034 | 206,615 | 959,834 | 711,497 |
| Variable interest rate liabilities | 177,310 | 5,637,282 | 788,278 | 31,040,918 | - |
| Fixed interest rate liabilities | <u>-</u> | <u>-</u> | <u>23,041,180</u> | <u>42,209,200</u> | <u>50,795,840</u> |
| | <u>\$ 1,301,436</u> | <u>\$ 10,111,205</u> | <u>\$ 24,257,634</u> | <u>\$ 74,283,382</u> | <u>\$ 51,509,735</u> |

Additional information about the maturity analysis for lease liabilities after eliminating transactions:

| | Less than 1 Year | 1-5 Years | 5-10 Years | 10-15 Years | 15-20 Years | 20+ Years |
|------------------------------------|-----------------------------|----------------------|----------------------|----------------------|--------------------|------------------|
| Non-interest bearing | \$ 5,720,095 | \$ 73,430 | \$ 2,398 | \$ - | \$ - | \$ - |
| Lease liabilities | 306,130 | 959,834 | 491,576 | 219,921 | - | - |
| Variable interest rate liabilities | 6,602,870 | 31,040,918 | - | - | - | - |
| Fixed interest rate liabilities | <u>23,041,180</u> | <u>42,209,200</u> | <u>11,305,720</u> | <u>39,490,120</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 35,670,275</u> | <u>\$ 74,283,382</u> | <u>\$ 11,799,694</u> | <u>\$ 39,710,041</u> | <u>\$ -</u> | <u>\$ -</u> |

December 31, 2021

| | On Demand or Less than 1 Month | 1-3 Months | 3 Months to 1 Year | 1-5 Years | 5+ Years |
|---|---|----------------------|-------------------------------|----------------------|----------------------|
| <u>Non-derivative financial liabilities</u> | | | | | |
| Non-interest bearing | \$ 693,664 | \$ 3,553,583 | \$ 1,136,510 | \$ 70,321 | \$ 3,475 |
| Lease liabilities | 80,466 | 30,587 | 238,765 | 1,043,434 | 912,241 |
| Variable interest rate liabilities | 12,203,446 | 13,859,912 | 8,272,105 | 10,798,295 | - |
| Fixed interest rate liabilities | <u>600,000</u> | <u>1,300,000</u> | <u>12,576,844</u> | <u>40,716,112</u> | <u>46,209,100</u> |
| | <u>\$ 13,577,576</u> | <u>\$ 18,744,082</u> | <u>\$ 22,224,224</u> | <u>\$ 52,628,162</u> | <u>\$ 47,124,816</u> |

Additional information about the maturity analysis for lease liabilities after eliminating transactions:

| | Less than 1 Year | 1-5 Years | 5-10 Years | 10-15 Years | 15-20 Years | 20+ Years |
|------------------------------------|-----------------------------|----------------------|----------------------|----------------------|--------------------|------------------|
| Non-interest bearing | \$ 5,383,757 | \$ 70,321 | \$ 3,475 | \$ - | \$ - | \$ - |
| Lease liabilities | 349,818 | 1,043,434 | 626,041 | 286,200 | - | - |
| Variable interest rate liabilities | 34,335,463 | 10,798,295 | - | - | - | - |
| Fixed interest rate liabilities | <u>14,476,844</u> | <u>40,716,112</u> | <u>11,641,790</u> | <u>34,567,310</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 54,545,882</u> | <u>\$ 52,628,162</u> | <u>\$ 12,271,306</u> | <u>\$ 34,853,510</u> | <u>\$ -</u> | <u>\$ -</u> |

28. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in other notes, details of transactions between the Corporation and other related parties are as follows:

a. Name of the related parties and relationship

| <u>Related Party</u> | <u>Relationship with the Corporation</u> |
|---|---|
| Ta-Ho Maritime Corporation (Ta-Ho Maritime) | Subsidiary |
| Taiwan Transport & Storage Corporation (Taiwan Transport & Storage) | Subsidiary |
| Taiwan Cement Engineering Corporation | Subsidiary |
| Kuan-Ho Refractories Industry Corporation (Kuan-Ho Refractories Industry) | Subsidiary |
| TCC Investment Corporation (TCC Investment) | Subsidiary |
| TCC Chemical Corporation (TCC Chemical) | Subsidiary |
| TCC Information Systems Corporation (TCC Information Systems) | Subsidiary |
| Taiwan Prosperity Chemical Corporation | Subsidiary (became non-related party in August 2021 after disposal) |
| Tung Chen Mineral Corporation | Subsidiary |
| Jin Chang Minerals Corporation (Jin Chang Minerals) | Subsidiary |
| Hoping Industrial Port Corporation | Subsidiary |
| Ho-Ping Power Company | Subsidiary |
| HPC Power Services Corporation | Subsidiary |
| Feng Sheng Enterprise Company (Feng Sheng Enterprise) | Subsidiary |
| E.G.C. Cement Corporation (E.G.C. Cement) | Subsidiary |
| Union Cement Traders Inc. (Union Cement Traders) | Subsidiary |
| Hong Kong Cement Company Ltd. (“HKCCL”) | Subsidiary |
| TCC International Ltd. (“TCCP”) | Subsidiary |
| TCC International Holdings Ltd. | Subsidiary |
| TCC Green Energy Corporation | Subsidiary |
| Ho Sheng Mining Co., Ltd. | Subsidiary |
| Taiwan Cement (Dutch) Holdings B.V. | Subsidiary |
| TCCMOLI Holdings (Singapore) Pte. Ltd. | Subsidiary (liquidation completion in 2022) |
| TCC Sustainable Energy Investment Corporation | Subsidiary |
| TCC Energy Storage Technology Corporation (TCC Energy Storage) | Subsidiary |
| Tuo Shan Recycle Technology Company | Subsidiary |
| TCC Recycle Energy Technology Company | Subsidiary (classified as associate until August 2021 and has been reported as subsidiary ever since) |
| TJ Transport Corporation | Subsidiary |
| E-One Moli Energy Corp. | Subsidiary (classified as associate until August 2021 and has been reported as subsidiary ever since) |
| Molie Quantum Energy Corporation | Subsidiary (classified as associate until August 2021 and has been reported as subsidiary ever since) |

(Continued)

| <u>Related Party</u> | <u>Relationship with the Corporation</u> |
|--|---|
| NHOA ENERGY S.R.L.(NHOA ENERGY) | Subsidiary |
| TCC Yingde Cement Co., Ltd. | Subsidiary |
| Dr. Cecilia Koo Botanic Conservation and Environmental Protection Foundation | Same key management personnel |
| Chienten Temple | Same key management personnel |
| Chinatrust Investment Co., Ltd. | Same key management personnel |
| Linyuan Advanced Materials Technology Co., Ltd. | Same key management personnel |
| Circular Commitment Company | Same key management personnel |
| Hualien County Private Hoping Sustainability Charity Foundation | Same key management personnel |
| Sing Cheng Investment Co., Ltd. | Same key management personnel |
| Phihong Technology Co., Ltd. | The Corporation acts as key management personnel (became related parties since June 2022) |
| Pan Asia Corporation | The Corporation acts as key management personnel |
| China Hi-Ment Corporation (China Hi-Ment) | The Corporation acts as key management personnel |
| CTCI Corporation | The Corporation acts as key management personnel |
| O-Bank Co., Ltd. | The Corporation acts as key management personnel |
| CTCI Resources Engineering Inc. | The Corporation acts as key management of its parent company |
| Chia Hsin Cement Corporation (Chia Hsin Cement) | Management personnel in substance |
| Chia Hsin R.M.C. Corp. (Chia Hsin R.M.C.) | Management personnel in substance |
| The Koo Foundation | Management personnel in substance |
| L'Hotel de Chine Corporation | Management personnel in substance |
| FDC International Hotels Corporation | Management personnel in substance |
| Fortune Quality investment Limited | Management personnel in substance |
| International CSRC Investment Holdings Co., Ltd. | Associate |
| Onyx Ta-Ho Environmental Services Co., Ltd. | Associate |
| Onyx Ta-Ho Waste Clearance Co., Ltd. | Subsidiary of associates |
| Onyx Ta-Ho Lu-Tsao Environment Co., Ltd. | Subsidiary of associates |
| ULPU International Co., Ltd. | Subsidiary of associates |
| Winbond Electronics Corporation | Related party in substance |

(Concluded)

b. Operating revenue

Continuing operations

| | <u>For the Year Ended December 31</u> | |
|--|---------------------------------------|---------------------|
| | <u>2022</u> | <u>2021</u> |
| Subsidiaries | \$ 2,813,452 | \$ 2,158,708 |
| Management personnel in substance | 579,970 | 698,337 |
| The Corporation acts as key management personnel | 388,249 | 187,016 |
| Associates | 18,715 | 18,724 |
| Others | <u>26,208</u> | <u>4,302</u> |
| | <u>\$ 3,826,594</u> | <u>\$ 3,067,087</u> |

Discontinued operations

| | For the Year Ended December 31 | |
|--|---------------------------------------|---------------------|
| | 2022 | 2021 |
| Subsidiaries | \$ <u>-</u> | \$ <u>2,753</u> |
| c. Purchases of goods and operating expenses | | |
| | For the Year Ended December 31 | |
| | 2022 | 2021 |
| Subsidiaries | \$ 4,340,783 | \$ 4,609,659 |
| The Corporation acts as key management personnel | 819,531 | 788,938 |
| Management personnel in substance | 57,321 | 69,636 |
| Others | <u>14,585</u> | <u>5,591</u> |
| | <u>\$ 5,232,220</u> | <u>\$ 5,473,824</u> |
| d. Receivables from related parties | | |
| | December 31 | |
| | 2022 | 2021 |
| Subsidiaries | | |
| Feng Sheng Enterprise | \$ 195,623 | \$ 153,226 |
| E.G.C. Cement | 105,628 | 166,785 |
| HKCCL | 64,921 | 75,968 |
| Others | <u>45,547</u> | <u>51,966</u> |
| | <u>411,719</u> | <u>447,945</u> |
| Management personnel in substance | | |
| Chia Hsin Cement | 110,880 | 123,932 |
| Others | <u>1,545</u> | <u>2,571</u> |
| | <u>112,425</u> | <u>126,503</u> |
| The Corporation acts as key management personnel | <u>142,262</u> | <u>70,358</u> |
| Others | <u>15,387</u> | <u>2,002</u> |
| | <u>\$ 681,793</u> | <u>\$ 646,808</u> |
| e. Payables to related parties | | |
| | December 31 | |
| | 2022 | 2021 |
| Subsidiaries | | |
| Ta-Ho Maritime | \$ 565,708 | \$ 541,421 |
| Taiwan Transport & Storage | 148,407 | 144,048 |
| Others | <u>231,504</u> | <u>389,377</u> |
| | <u>945,619</u> | <u>1,074,846</u> |
| The Corporation acts as key management personnel | | |
| China Hi-Ment | <u>215,633</u> | <u>242,055</u> |
| Others | <u>3,207</u> | <u>10,064</u> |
| | <u>\$ 1,164,459</u> | <u>\$ 1,326,965</u> |

The price and terms of the above transactions were by contracts.

f. Other receivables from related parties (included in other current assets)

| | December 31 | |
|--------------|--------------------|------------------|
| | 2022 | 2021 |
| Subsidiaries | \$ 35,648 | \$ 28,566 |
| Others | <u>406</u> | <u>999</u> |
| | <u>\$ 36,054</u> | <u>\$ 29,565</u> |

Other receivables from related parties included dividend receivables and interest receivables.

g. Other payables to related parties (included in other current liabilities)

| | December 31 | |
|--|--------------------|------------------|
| | 2022 | 2021 |
| Subsidiaries | | |
| NHOA ENERGY | \$ 59,636 | \$ - |
| Others | <u>5,494</u> | <u>10,688</u> |
| | <u>65,130</u> | <u>10,688</u> |
| The Corporation acts as key management of its parent company | | |
| CTCI Resources Engineering Inc. | <u>151,160</u> | <u>61,398</u> |
| Others | <u>10,247</u> | <u>3,406</u> |
| | <u>\$ 226,537</u> | <u>\$ 75,492</u> |

h. Acquisitions of property, plant and equipment

| | For the Year Ended December 31 | |
|--|---------------------------------------|-------------------|
| | 2022 | 2021 |
| Subsidiaries | | |
| NHOA ENERGY | \$ 553,227 | \$ - |
| The Corporation acts as key management of its parent company | | |
| CTCI Resources Engineering Inc. | 666,260 | 559,777 |
| Others | <u>7,278</u> | <u>-</u> |
| | <u>\$ 1,226,765</u> | <u>\$ 559,777</u> |

i. Endorsements and guarantees

| | December 31 | |
|----------------------|---------------------|---------------------|
| | 2022 | 2021 |
| Subsidiaries | | |
| TCCI | \$ 3,285,970 | \$ 469,800 |
| TCC Investment | 1,630,000 | 1,580,000 |
| Union Cement Traders | 750,000 | 750,000 |
| TCC Chemical | 359,117 | 366,117 |
| TCC Energy Storage | 1,102,190 | - |
| Others | <u>131,141</u> | <u>131,141</u> |
| | <u>\$ 7,258,418</u> | <u>\$ 3,297,058</u> |

j. Lease arrangements

| Related Party Category/Name | For the Year Ended December 31 | |
|---|---------------------------------------|-------------|
| | 2022 | 2021 |
| <u>Acquisition of right-of-use assets</u> | | |
| Management personnel in substance Chia Hsin R.M.C. | \$ - | \$ 23,313 |

| Line Item | Related Party Category/Name | December 31 | |
|-------------------|---|--------------------|----------------|
| | | 2022 | 2021 |
| Lease liabilities | Subsidiaries | | |
| | E.G.C. Cement | \$ 237,422 | \$ 253,553 |
| | Others | <u>2,713</u> | <u>4,992</u> |
| | | <u>240,135</u> | <u>258,545</u> |
| | Management personnel in substance Chia Hsin R.M.C. | <u>16,317</u> | <u>20,699</u> |
| | <u>\$ 256,452</u> | <u>\$ 279,244</u> | |

| Related Party Category/Name | For the Year Ended December 31 | |
|------------------------------------|---------------------------------------|-----------------|
| | 2022 | 2021 |
| <u>Interest expense</u> | | |
| Subsidiaries | | |
| E.G.C. Cement | \$ 4,541 | \$ 4,836 |
| Others | <u>73</u> | <u>114</u> |
| | <u>4,614</u> | <u>4,950</u> |
| Management personnel in substance | <u>328</u> | <u>308</u> |
| | <u>\$ 4,942</u> | <u>\$ 5,258</u> |

The lease contracts between the Corporation and related parties were based on market price and general terms of payment.

k. Compensation of key management personnel

| | For the Year Ended December 31 | |
|------------------------------|---------------------------------------|-------------------|
| | 2022 | 2021 |
| Short-term employee benefits | \$ 161,793 | \$ 343,048 |
| Post-employment benefits | 2,506 | 2,261 |
| Share-based payment | <u>7,877</u> | <u>8,187</u> |
| | <u>\$ 172,176</u> | <u>\$ 353,496</u> |

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were pledged or mortgaged as collateral for performance bonds and other credit accommodations:

| | <u>December 31</u> | |
|--|--------------------|------------|
| | 2022 | 2021 |
| Property, plant and equipment | \$ 148,896 | \$ 148,896 |
| Pledged bank deposits (included in other non-current assets) | 499,905 | 515,375 |

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

- a. As of December 31, 2022 and 2021, the balances of letters of credit for the purchase of raw materials were \$71,368 thousand and \$437,292 thousand, respectively.
- b. As of December 31, 2022 and 2021, the amounts of letters of guarantee issued by banks for the Corporation were both \$22,120 thousand.
- c. On September 27, 2021, the Board of Directors of the Corporation resolved the expansion of the DAKA Regeneration Resource Utilization Center, the original factory of the Corporation's local Commission, and entered into a contract with CTCI Resources Engineering Inc. to use the cement kiln heat to jointly dispose of waste living in Hualien County, with a total amount not exceeding \$3,450,000 thousand.
- d. On February 25, 2022, the Board of Directors of the Corporation approved the plan to build energy storage systems in the Corporation's Hoping factory with the aggregate investment amount of \$657,300 thousand.
- e. On May 10, 2022, the Board of Directors of the Corporation resolved to increase the capital of \$5,500,000 thousand to TCC Green Energy Corporation, as of December 31, 2022, part of the investment has been completed.

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than the Corporation's functional currency and the exchange rates between such foreign currencies and the Corporation's functional currency were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2022

| | Foreign Currency (In Thousands) | Exchange Rate | Carrying Amount (In Thousands) |
|-------------------------|--|----------------------|---|
| <u>Financial assets</u> | | | |
| Monetary items | | | |
| USD | \$ 59,778 | 30.71 (USD:NTD) | \$ 1,835,789 |
| Non-monetary items | | | |
| USD | 62,093 | 30.71 (USD:NTD) | 1,906,876 |
| HKD | 49,687,115 | 3.938 (HKD:NTD) | 195,667,858 |
| EUR | 1,219,110 | 32.72 (EUR:NTD) | 39,985,279 |

(Continued)

| | Foreign Currency (In Thousands) | Exchange Rate | Carrying Amount (In Thousands) |
|------------------------------|--|----------------------|---|
| <u>Financial liabilities</u> | | | |
| Monetary items | | | |
| USD | \$ 24,521 | 30.71 (USD:NTD) | \$ 753,043 (Concluded) |

December 31, 2021

| | Foreign Currency (In Thousands) | Exchange Rate | Carrying Amount (In Thousands) |
|-------------------------|--|----------------------|---|
| <u>Financial assets</u> | | | |
| Monetary items | | | |
| USD | \$ 809,431 | 27.68 (USD:NTD) | \$ 22,405,050 |
| Non-monetary items | | | |
| USD | 62,792 | 27.68 (USD:NTD) | 1,738,071 |
| HKD | 49,298,259 | 3.549 (HKD:NTD) | 174,959,521 |
| EUR | 775,062 | 31.32 (EUR:NTD) | 24,496,751 |

Financial liabilities

| | | | |
|----------------|--------|-----------------|---------|
| Monetary items | | | |
| USD | 25,195 | 27.68 (USD:NTD) | 697,406 |

The realized and unrealized foreign exchange losses were \$210,323 thousand and \$64,293 thousand for the years ended December 31, 2022 and 2021, respectively. It is impractical to disclose net foreign exchange losses by each significant foreign currency due to the variety of foreign currency transactions and functional currencies of the Corporation.

32. SEPARATELY DISCLOSED ITEMS

- a. Information about significant transactions and investees
 - 1) Financing provided to others (Table 1)
 - 2) Endorsements/guarantees provided (Table 2)
 - 3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures) (Table 3)
 - 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the share capital (Table 4)
 - 5) Acquisitions of individual real estate at costs of at least NT\$300 million or 20% of the share capital (None)
 - 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the share capital (Table 5)

- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the share capital (Table 6)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the share capital (Table 7)
 - 9) Trading in derivative instruments (Notes 7, 17 and 27)
 - 10) Information on investees (Table 8)
- b. Information on investments in mainland China (Table 9)
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area.
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance during the year, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of service.
- c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (None)

33. OTHER EVENTS

Due to the impact of the COVID-19 pandemic since January 2020, governments all over the world have successively implemented various epidemic prevention measures, which slightly affected the business of the Corporation. Although the domestic pandemic has slowed down and the government regulations have been loosened, many countries are still under lockdown which could result in global recession and cause turbulence to the international relations, impacting the energy price rising. The Group has adopted relevant measures, including maintained close contact with customers and manufacturers, and committed to strengthen employee health management and cost management to mitigate the COVID-19 pandemic impact on the Corporation's operations. However, the actual impact on the Corporation still depends on the subsequent development of the pandemic.

TAIWAN CEMENT CORPORATION

FINANCINGS PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

| No. | Lender | Borrower | Financial Statement Account | Related Parties | Highest Balance for the Period | Ending Balance | Actual Borrowing Amount | Interest Rate (%) | Nature of Financing | Business Transaction Amount | Reason for Short-term Financing | Allowance for Impairment Loss | Collateral | | Financing Limit for Each Borrower (Note 1) | Aggregate Financing Limit (Note 1) | Note |
|----------------------------------|---|---|--|-----------------|--------------------------------|----------------|-----------------------------------|-------------------|-----------------------------------|-----------------------------|---------------------------------|-------------------------------|------------|------------|--|------------------------------------|------|
| | | | | | | | | | | | | | Item | Value | | | |
| 1 | Taiwan Transport & Storage Corporation | Tai-Jie Transport & Storage Corporation | Other receivables from related parties | Yes | \$ 100,000 | \$ 100,000 | \$ 70,000 | 1.95 | The need for short-term financing | \$ - | Operating capital | \$ - | - | \$ - | \$ 1,118,539 | \$ 1,118,539 | |
| 2 | Hong Kong Cement Co., Ltd. | TCCIH | Other receivables from related parties | Yes | 533,674 | 508,742 | 508,742 | 3.745 | The need for short-term financing | - | Operating capital | - | - | - | 1,304,703 | 2,609,406 | |
| 3 | TCC Investment Corporation | Tai-Jie Transport & Storage Corporation | Other receivables from related parties | Yes | 40,000 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 1,675,548 | 1,675,548 | |
| 4 | TCC Development Ltd. | TCCIH | Other receivables from related parties | Yes | 299,592 | 287,474 | 287,474 | 3.075 | The need for short-term financing | - | Operating capital | - | - | - | 1,116,428 | 1,116,428 | |
| 5 | TCCI | TCCIH | Other receivables from related parties | Yes | 3,865,800 | 3,685,200 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 113,099,217 | 226,198,434 | |
| | | TCC Dutch | Other receivables from related parties | Yes | 1,636,000 | 1,636,000 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 113,099,217 | 226,198,434 | |
| | | TCEH | Other receivables from related parties | Yes | 654,400 | 654,400 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 113,099,217 | 226,198,434 | |
| 6 | TCEH | TCC Dutch | Other receivables from related parties | Yes | 1,308,800 | 1,308,800 | 1,145,200 | 2.931 | The need for short-term financing | - | Operating capital | - | - | - | 8,980,951 | 17,961,902 | |
| 7 | Yingde Dragon Mountain Cement Co., Ltd. | TCC Yingde Cement Co., Ltd. | Other receivables from related parties | Yes | 931,488 | 882,112 | 882,112 | 3.045 | The need for short-term financing | - | Operating capital | - | - | - | 15,707,514 | 31,415,028 | |
| | | TCC Liaoning Cement Company Limited | Other receivables from related parties | Yes | 1,061,896 | 1,005,608 | 793,901 | 3.045 | The need for short-term financing | - | Operating capital | - | - | - | 15,707,514 | 31,415,028 | |
| | | TCC (Guigang) Cement Ltd. | Other receivables from related parties | Yes | 7,917,648 | 7,497,952 | 5,954,256 | 3.045 | The need for short-term financing | - | Operating capital | - | - | - | 15,707,514 | 31,415,028 | |
| 8 | TCC (Guigang) Cement Ltd. | Guigang TCC DongYuan Environmental Technology Company Limited | Other receivables from related parties | Yes | 139,723 | 132,317 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 22,938,444 | 45,876,888 | |
| | | TCC Huaying Cement Company Limited | Other receivables from related parties | Yes | 1,341,343 | 1,270,241 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 22,938,444 | 45,876,888 | |
| | | TCC (Hangzhou) Recycle Resource Technology Limited | Other receivables from related parties | Yes | 46,574 | 44,106 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 22,938,444 | 45,876,888 | |
| | | TCC Anshun Cement Company Limited | Other receivables from related parties | Yes | 465,744 | 441,056 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 22,938,444 | 45,876,888 | |
| | | TCC Huaihua Cement Company Limited | Other receivables from related parties | Yes | 931,488 | 882,112 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 22,938,444 | 45,876,888 | |
| | | TCC Jingzhou Cement Company Limited | Other receivables from related parties | Yes | 698,616 | 661,584 | 441,056 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 22,938,444 | 45,876,888 | |
| | | Guizhou Kong On Cement Company Limited | Other receivables from related parties | Yes | 302,734 | 286,686 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 22,938,444 | 45,876,888 | |
| | | Scitus Luzhou Cement Co., Ltd. | Other receivables from related parties | Yes | 1,304,083 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 22,938,444 | 45,876,888 | |
| | | Scitus Naxi Cement Co., Ltd. | Other receivables from related parties | Yes | 465,744 | 441,056 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 22,938,444 | 45,876,888 | |
| | | TCC Yingde Cement Co., Ltd. | Other receivables from related parties | Yes | 1,397,232 | 1,323,168 | 1,323,168 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 22,938,444 | 45,876,888 | |
| Scitus Luzhou Concrete Co., Ltd. | Other receivables from related parties | Yes | 93,149 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 22,938,444 | 45,876,888 | | | |

(Continued)

| No. | Lender | Borrower | Financial Statement Account | Related Parties | Highest Balance for the Period | Ending Balance | Actual Borrowing Amount | Interest Rate (%) | Nature of Financing | Business Transaction Amount | Reason for Short-term Financing | Allowance for Impairment Loss | Collateral | | Financing Limit for Each Borrower (Note 1) | Aggregate Financing Limit (Note 1) | Note |
|---|--|--|--|-----------------|--------------------------------|----------------|-----------------------------------|-------------------|-----------------------------------|-----------------------------|---------------------------------|-------------------------------|------------|------------|--|------------------------------------|------|
| | | | | | | | | | | | | | Item | Value | | | |
| 9 | TCC Yingde Cement Co., Ltd. | TCC Yongren (Hangzhou) Environmental Protection Technology Co., Ltd. | Other receivables from related parties | Yes | \$ 93,149 | \$ 88,211 | \$ 15,437 | 3.48 | The need for short-term financing | \$ - | Operating capital | \$ - | - | \$ - | \$ 30,521,659 | \$ 61,043,318 | |
| | | TCC Yongren (Hangzhou) Renewable Resources Development Co., Ltd. | Other receivables from related parties | Yes | 53,554 | 44,106 | 2,205 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | |
| | | Beijing TCC Environment Technology Co., Ltd. | Other receivables from related parties | Yes | 179,554 | 176,422 | 99,238 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | |
| | | TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | Other receivables from related parties | Yes | 3,185,689 | 3,016,823 | 2,884,506 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | |
| | | Scitus Luzhou Cement Co., Ltd. | Other receivables from related parties | Yes | 838,339 | 793,901 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | |
| | | Scitus Naxi Cement Co., Ltd. | Other receivables from related parties | Yes | 232,872 | 220,528 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | |
| | | Guizhou Kong On Cement Company Limited | Other receivables from related parties | Yes | 465,744 | 441,056 | 44,106 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | |
| | | TCC Liaoning Cement Company Limited | Other receivables from related parties | Yes | 232,872 | 220,528 | 220,528 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | |
| | | TCC Shaoguan Cement Co., Limited | Other receivables from related parties | Yes | 5,468,255 | 5,178,396 | 4,851,616 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | |
| | | TCC (Dong Guan) Cement Co., Limited | Other receivables from related parties | Yes | 465,744 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | |
| | | TCC Anshun Cement Company Limited | Other receivables from related parties | Yes | 931,488 | 882,112 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | |
| | | Guangan Changxing Cement Company Ltd. | Other receivables from related parties | Yes | 931,488 | 882,112 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | |
| | | TCC Huaihua Cement Company Limited | Other receivables from related parties | Yes | 931,488 | 882,112 | 529,267 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | |
| | | TCC Jingzhou Cement Company Limited | Other receivables from related parties | Yes | 232,872 | 220,528 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | |
| TCC Chongqing Cement Company Limited | Other receivables from related parties | Yes | 465,744 | 441,056 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | | | |
| Guizhou Kaili Rui An Jian Cai Co., Ltd. | Other receivables from related parties | Yes | 698,616 | 661,584 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 30,521,659 | 61,043,318 | | | |
| 10 | TCC Fuzhou Cement Co., Ltd. | TCC Liaoning Cement Company Limited | Other receivables from related parties | Yes | 326,021 | 308,739 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 898,783 | 2,696,349 | |
| | | TCC New (Hangzhou) Management Company Limited | Other receivables from related parties | Yes | 465,744 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 898,783 | 2,696,349 | |
| | | Guizhou Kaili Rui An Jian Cai Co., Ltd. | Other receivables from related parties | Yes | 232,872 | 220,528 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 898,783 | 2,696,349 | |
| 11 | TCCIH | TCC Yingde Cement Co., Ltd. | Other receivables from related parties | Yes | 226,745 | 214,726 | 209,387 | - | The need for short-term financing | - | Operating capital | - | - | - | 180,319,072 | 360,638,144 | |
| 12 | Prime York Ltd. | Upper Value Investment Limited | Other receivables from related parties | Yes | 209,304 | 200,838 | 200,838 | - | The need for short-term financing | - | Operating capital | - | - | - | 2,956,046 | 5,912,092 | |
| 13 | Jurong TCC Cement Co., Ltd. | TCC Huaihua Cement Company Limited | Other receivables from related parties | Yes | 1,397,232 | 1,323,168 | 520,446 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 19,145,704 | 38,291,408 | |
| | | TCC Huaihua Concrete Company Limited | Other receivables from related parties | Yes | 139,723 | 132,317 | 61,307 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 19,145,704 | 38,291,408 | |
| | | Guizhou Kong On Cement Company Limited | Other receivables from related parties | Yes | 326,021 | 308,739 | 176,422 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 19,145,704 | 38,291,408 | |
| | | Kaili TCC Environment Technology Co., Ltd. | Other receivables from related parties | Yes | 396,950 | 396,950 | 246,991 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 19,145,704 | 38,291,408 | |
| | | TCC Anshun Cement Company Limited | Other receivables from related parties | Yes | 931,488 | 882,112 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 19,145,704 | 38,291,408 | |
| | | TCC Chongqing Cement Company Limited | Other receivables from related parties | Yes | 931,488 | 882,112 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 19,145,704 | 38,291,408 | |
| | | Guangan Changxing Cement Company Ltd. | Other receivables from related parties | Yes | 465,744 | 441,056 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 19,145,704 | 38,291,408 | |
| | | TCC Liaoning Cement Company Limited | Other receivables from related parties | Yes | 326,021 | 308,739 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 19,145,704 | 38,291,408 | |
| | | TCC Yingde Cement Co., Ltd. | Other receivables from related parties | Yes | 465,744 | 441,056 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 19,145,704 | 38,291,408 | |
| | | Scitus Luzhou Cement Co., Ltd. | Other receivables from related parties | Yes | 698,616 | 661,584 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 19,145,704 | 38,291,408 | |

(Continued)

| No. | Lender | Borrower | Financial Statement Account | Related Parties | Highest Balance for the Period | Ending Balance | Actual Borrowing Amount | Interest Rate (%) | Nature of Financing | Business Transaction Amount | Reason for Short-term Financing | Allowance for Impairment Loss | Collateral | | Financing Limit for Each Borrower (Note 1) | Aggregate Financing Limit (Note 1) | Note |
|-----|--|---|--|-----------------|--------------------------------|----------------|-------------------------|-------------------|-----------------------------------|-----------------------------|---------------------------------|-------------------------------|------------|-------|--|------------------------------------|------|
| | | | | | | | | | | | | | Item | Value | | | |
| 14 | TCC Anshun Cement Company Limited | Anshun Xin Tai Construction Materials Company Limited | Other receivables from related parties | Yes | \$ 93,149 | \$ 88,211 | \$ - | - | The need for short-term financing | \$ - | Operating capital | \$ - | - | \$ - | \$ 7,294,241 | \$ 14,588,482 | |
| | | Guizhou Kong On Cement Company Limited | Other receivables from related parties | Yes | 279,446 | 264,634 | 264,634 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 7,294,241 | 14,588,482 | |
| | | Scitus Luzhou Concrete Co., Ltd. | Other receivables from related parties | Yes | 139,723 | 132,317 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 7,294,241 | 14,588,482 | |
| | | Guizhou Kaili Rui An Jian Cai Co., Ltd. | Other receivables from related parties | Yes | 139,723 | 132,317 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 7,294,241 | 14,588,482 | |
| | | Scitus Luzhou Cement Co., Ltd. | Other receivables from related parties | Yes | 139,723 | 132,317 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 7,294,241 | 14,588,482 | |
| | | TCC Chongqing Cement Company Limited | Other receivables from related parties | Yes | 931,488 | 882,112 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 7,294,241 | 14,588,482 | |
| | | TCC Huaihua Cement Company Limited | Other receivables from related parties | Yes | 698,616 | 661,584 | 176,422 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 7,294,241 | 14,588,482 | |
| | | TCC Anshun Cement Company Limited. | Other receivables from related parties | Yes | 88,211 | 88,211 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 2,917,696 | 2,917,696 | |
| 15 | Guangan Changxing Cement Company Ltd. | Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd. | Other receivables from related parties | Yes | 265,939 | 264,634 | 92,622 | 3.65 | The need for short-term financing | - | Operating capital | - | - | - | 6,280,442 | 12,560,884 | |
| | | TCC Huaying Cement Company Limited | Other receivables from related parties | Yes | 465,744 | 441,056 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 6,280,442 | 12,560,884 | |
| | | Scitus Luzhou Cement Co., Ltd. | Other receivables from related parties | Yes | 139,723 | 132,317 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 6,280,442 | 12,560,884 | |
| | | TCC Huaihua Cement Company Limited | Other receivables from related parties | Yes | 698,616 | 661,584 | 507,214 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 6,280,442 | 12,560,884 | |
| | | Kaili TCC Environment Technology Co., Ltd. | Other receivables from related parties | Yes | 134,665 | 132,317 | 18,745 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 6,280,442 | 12,560,884 | |
| | | Guizhou Kaili Rui An Jian Cai Co., Ltd. | Other receivables from related parties | Yes | 93,149 | 88,211 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 6,280,442 | 12,560,884 | |
| 16 | Wayly Holdings Ltd. | Guizhou Kaili Rui An Jian Cai Co., Ltd. | Other receivables from related parties | Yes | 63,418 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 1,854,555 | 3,709,110 | |
| 17 | TCC Chongqing Cement Company Limited | Guangan Changxing Cement Company Ltd. | Other receivables from related parties | Yes | 465,744 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 9,672,136 | 19,344,272 | |
| | | Guizhou Kaili Rui An Jian Cai Co., Ltd. | Other receivables from related parties | Yes | 232,872 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 9,672,136 | 19,344,272 | |
| | | Scitus Naxi Cement Co., Ltd. | Other receivables from related parties | Yes | 139,723 | 132,317 | 44,106 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 9,672,136 | 19,344,272 | |
| | | Scitus Luzhou Cement Co., Ltd. | Other receivables from related parties | Yes | 232,872 | 220,528 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 9,672,136 | 19,344,272 | |
| | | TCC Huaying Cement Company Limited | Other receivables from related parties | Yes | 116,436 | 110,264 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 9,672,136 | 19,344,272 | |
| | | TCC Huaihua Cement Company Limited | Other receivables from related parties | Yes | 931,488 | 882,112 | 872,850 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 9,672,136 | 19,344,272 | |
| | | TCC Jingzhou Cement Company Limited | Other receivables from related parties | Yes | 93,149 | 88,211 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 9,672,136 | 19,344,272 | |
| | | Guizhou Kong On Cement Company Limited | Other receivables from related parties | Yes | 139,723 | 132,317 | 132,317 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 9,672,136 | 19,344,272 | |
| 18 | TCC New (Hangzhou) Management Company Limited | Scitus Luzhou Cement Co., Ltd. | Other receivables from related parties | Yes | 288,761 | 88,211 | 88,211 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 389,088 | 778,176 | |
| | | Scitus Naxi Cement Co., Ltd. | Other receivables from related parties | Yes | 256,159 | 194,065 | 194,065 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 389,088 | 778,176 | |
| | | Scitus Luzhou Concrete Co., Ltd. | Other receivables from related parties | Yes | 37,260 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 389,088 | 778,176 | |
| 19 | Prosperity Minerals (China) Ltd. | TCC New (Hangzhou) Management Company Limited | Other receivables from related parties | Yes | 371,416 | 351,728 | 348,434 | - | The need for short-term financing | - | Operating capital | - | - | - | 947,400 | 1,894,800 | |
| 20 | Da Tong (Guigang) International Logistics Co., Ltd. | Guigang Da-Ho Shipping Co., Ltd. | Other receivables from related parties | Yes | 139,723 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 1,009,376 | 2,018,753 | |
| 21 | Taini (Hangzhou) Environmental Protection Technology Co., Ltd. | Taini Yongren (Hangzhou) Renewable Resources Technology Co., Ltd. | Other receivables from related parties | Yes | 49,377 | 48,516 | 8,821 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 6,837,726 | 13,675,452 | |

(Continued)

| No. | Lender | Borrower | Financial Statement Account | Related Parties | Highest Balance for the Period | Ending Balance | Actual Borrowing Amount | Interest Rate (%) | Nature of Financing | Business Transaction Amount | Reason for Short-term Financing | Allowance for Impairment Loss | Collateral | | Financing Limit for Each Borrower (Note 1) | Aggregate Financing Limit (Note 1) | Note |
|----------------------|---|--|--|-----------------|--------------------------------|----------------|-----------------------------------|-------------------|-----------------------------------|-----------------------------|---------------------------------|-------------------------------|------------|---------|--|------------------------------------|------|
| | | | | | | | | | | | | | Item | Value | | | |
| 22 | Guizhou Kaili Rui An Jian Cai Co., Ltd. | Scitus Naxi Cement Co., Ltd. | Other receivables from related parties | Yes | \$ 139,723 | \$ 132,317 | \$ - | - | The need for short-term financing | \$ - | Operating capital | \$ - | - | \$ - | \$ 3,690,907 | \$ 3,690,907 | |
| | | Kaili TCC Environment Technology Co., Ltd. | Other receivables from related parties | Yes | 186,298 | 176,422 | 176,422 | 3.48 | The need for short-term financing | - | Operating capital | - | - | - | 3,690,907 | 3,690,907 | |
| 23 | TCC Huaihua Cement Company Limited | TCC Jingzhou Cement Company Limited | Other receivables from related parties | Yes | 93,149 | 88,211 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 3,294,583 | 6,589,166 | |
| 24 | Scitus Luzhou Cement Co., Ltd. | Guizhou Kaili Rui An Jian Cai Co., Ltd. | Other receivables from related parties | Yes | 93,149 | 88,211 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 3,579,624 | 7,159,248 | |
| 25 | E-One Moli Energy Corp. | E-One Moli Energy (Canada) Ltd. | Other receivables from related parties | Yes | 433,166 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 5,428,301 | 10,856,602 | |
| 26 | E-One Moli Energy (Canada) Ltd | E-One Moli Energy Corp. | Other receivables from related parties | Yes | 196,134 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 1,609,430 | 3,218,859 | |
| 27 | NHOA S.A. | NHOA ENERGY S.R.L. | Other receivables from related parties | Yes | 304,000 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 861,659 | 861,659 | |
| | | NHOA ENERGY S.R.L. | Other receivables from related parties | Yes | 304,000 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 861,659 | 861,659 | |
| | | NHOA AUSTRALIA PTY LTD | Other receivables from related parties | Yes | 274,300 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 861,659 | 861,659 | |
| | | NHOA AUSTRALIA PTY LTD | Other receivables from related parties | Yes | 274,300 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 861,659 | 861,659 | |
| | | ATLANTE S.R.L. | Other receivables from related parties | Yes | 304,000 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 861,659 | 861,659 | |
| | | ATLANTE S.R.L. | Other receivables from related parties | Yes | 160,000 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 861,659 | 861,659 | |
| | | ATLANTE FRANCE S.A.S. | Other receivables from related parties | Yes | 144,000 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 861,659 | 861,659 | |
| | | NHOA CORPORATE S.R.L. | Other receivables from related parties | Yes | 248,770 | 248,770 | 248,770 | 3.968 | The need for short-term financing | - | Operating capital | - | - | - | 861,659 | 861,659 | |
| ATLANTE TOPCO S.R.L. | Other receivables from related parties | Yes | 674,032 | 674,032 | 549,696 | 3.968 | The need for short-term financing | - | Operating capital | - | - | - | 861,659 | 861,659 | | | |
| 28 | NHOA ENERGY S.R.L. | NHOA AMERICAS LLC | Other receivables from related parties | Yes | 32,215 | 30,710 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 1,683,984 | 3,367,968 | |
| | | ATLANTE S.R.L. | Other receivables from related parties | Yes | 256,000 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 1,683,984 | 3,367,968 | |
| | | FREE2MOVE ESOLUTIONS S.P.A. | Other receivables from related parties | Yes | 159,950 | - | - | - | The need for short-term financing | - | Operating capital | - | - | - | 673,594 | 673,594 | |
| 29 | NHOA AUSTRALIA PTY LTD | NHOA ENERGY S.R.L. | Other receivables from related parties | Yes | 320,000 | 163,600 | 98,160 | 4.088 | The need for short-term financing | - | Operating capital | - | - | - | 527,944 | 1,055,888 | |
| | | NHOA ENERGY S.R.L. | Other receivables from related parties | Yes | 307,100 | 307,100 | 276,390 | 4.088 | The need for short-term financing | - | Operating capital | - | - | - | 527,944 | 1,055,888 | |
| 30 | NHOA CORPORATE S.R.L. | FREE2MOVE ESOLUTIONS S.P.A. | Other receivables from related parties | Yes | 245,400 | 245,400 | 245,400 | 2.75-2.762 | The need for short-term financing | - | Operating capital | - | - | - | 268,778 | 268,778 | |
| 31 | ATLANTE TOPCO S.R.L. | ATLANTE S.R.L. | Other receivables from related parties | Yes | 327,200 | 327,200 | 152,083 | 3.968 | The need for short-term financing | - | Operating capital | - | - | - | 489,294 | 978,588 | |
| 32 | ATLANTE S.R.L. | ATLANTE FRANCE S.A.S. | Other receivables from related parties | Yes | 147,240 | 147,240 | - | - | The need for short-term financing | - | Operating capital | - | - | - | 828,207 | 1,656,414 | |

Note 1: "Financing Limits for Each Borrower" and "Aggregate Financing Limits":

A. For Taiwan Cement Corporation, financing limits are as follows:

- Where a business relationship exists, the individual financing limits were the total transaction amounts with the borrower and 20% of Taiwan Cement Corporation's net equity in the recent year.
- Where there is a need for a short-term financing facility, the individual financing limits were 20% of Taiwan Cement Corporation's net equity as stated in its latest financial statements.
- For the above items a and b, the aggregate financing limits were 40% of Taiwan Cement Corporation's net equity as stated in its latest financial statements.

(Continued)

B. The restrictions above in paragraph A, subparagraphs b and c shall not apply to inter-company loans of funds between foreign companies of which Taiwan Cement Corporation holds, directly or indirectly, 100% of the voting shares. The aggregate and individual financing limits for the companies were 200% and 100%, respectively, of the net equity of each company as stated in their respective latest financial statements. In addition, the aggregate and individual financing limits for TCC International Ltd. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for TCC Fuzhou Cement Co., Ltd. were 300% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for TCC New (Hangzhou) Management Company Limited were 1,200% and 600%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for Prosperity Minerals (China) Ltd. were 400% and 200%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for TCC Development Ltd. were 200% and 200%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for E-One Moli Energy (Canada) Ltd. were 600% and 300%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for NHOA S.A. were 40% and 40%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for NHOA ENERGY S.R.L. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for NHOA AUSTRALIA PTY LTD. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for ATLANTE TOPCO S.R.L. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for ATLANTE S.R.L. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for Taiwan Cement Europe Holdings BV were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for NHOA CORPORATE S.R.L. were 40% and 40%, respectively, of its net equity as stated in its latest financial statements.

(Concluded)

TAIWAN CEMENT CORPORATION

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

| No. | Endorser/Guarantor | Endorsee/Guarantee | | Limits on Endorsement/Guarantee Given on Behalf of Each Party (Note 1) | Maximum Amount Endorsed/Guaranteed During the Period | Outstanding Endorsement/Guarantee at the End of the Period | Actual Borrowing Amount | Amount Endorsed/Guaranteed by Collaterals | Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%) | Aggregate Endorsement/Guarantee Limit (Note 2) | Endorsement/Guarantee Given by Parent on Behalf of Subsidiaries | Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent | Endorsement/Guarantee Given on Behalf of Companies in Mainland China | Note | |
|-------------------------------------|------------------------------|---|-----------------------|--|--|--|-------------------------|---|---|--|---|---|--|------|--|
| | | Name | Relationship (Note 3) | | | | | | | | | | | | |
| 0 | Taiwan Cement Corporation | Union Cement Traders Inc. | b | \$ 108,947,383 | \$ 1,420,000 | \$ 1,420,000 | \$ 750,000 | \$ - | 0.65 | \$ 217,894,766 | Y | N | N | | |
| | | TCC Investment Corporation | b | 108,947,383 | 2,570,000 | 2,370,000 | 1,630,000 | - | 1.09 | 217,894,766 | Y | N | N | | |
| | | TCC Chemical Corporation | b | 108,947,383 | 1,499,117 | 1,299,117 | 359,117 | - | 0.60 | 217,894,766 | Y | N | N | | |
| | | Jin Chang Minerals Corporation | b | 108,947,383 | 31,257 | 31,257 | 31,257 | 31,257 | 0.01 | 217,894,766 | Y | N | N | | |
| | | Ho Sheng Mining Co., Ltd. | b | 108,947,383 | 99,884 | 99,884 | 99,884 | 99,884 | 0.05 | 217,894,766 | Y | N | N | | |
| | | TCC Energy Storage Technology Corporation | b | 108,947,383 | 1,288,600 | 1,228,400 | 1,102,190 | - | 0.56 | 217,894,766 | Y | N | N | | |
| | | TCCI | b | 108,947,383 | 6,797,365 | 6,479,810 | 3,285,970 | - | 2.97 | 217,894,766 | Y | N | N | | |
| 1 | Ho Sheng Mining Co., Ltd. | Taiwan Cement Corporation | c | 1,005,298 | 137,964 | 137,964 | 137,964 | - | 41.17 | 1,005,298 | N | Y | N | | |
| 2 | TCC Green Energy Corporation | TCC Chemical Corporation | a | 13,437,112 | 6,117 | 6,117 | 6,117 | - | 0.05 | 13,437,112 | N | N | N | | |
| 3 | TCCIH | TCC Yingde Cement Co., Ltd. | b | 90,159,536 | 1,949,738 | 545,598 | - | - | 0.30 | 180,319,072 | Y | N | Y | | |
| | | Jurong TCC Cement Co., Ltd. | b | 90,159,536 | 2,247,184 | 1,847,702 | - | - | 1.02 | 180,319,072 | Y | N | Y | | |
| | | TCC Fuzhou Cement Co., Ltd. | b | 90,159,536 | 1,215,393 | 735,088 | - | - | 0.41 | 180,319,072 | Y | N | Y | | |
| | | TCC Liaoning Cement Company Limited | b | 90,159,536 | 919,679 | 561,117 | - | - | 0.31 | 180,319,072 | Y | N | Y | | |
| | | TCC (Guigang) Cement Ltd. | b | 90,159,536 | 4,510,560 | 1,374,768 | - | - | 0.76 | 180,319,072 | Y | N | Y | | |
| | | TCC Chongqing Cement Co., Limited | b | 90,159,536 | 1,313,037 | 963,126 | - | - | 0.53 | 180,319,072 | Y | N | Y | | |
| | | Guizhou Kong On Cement Company Limited | b | 90,159,536 | 325,372 | 310,171 | - | - | 0.17 | 180,319,072 | Y | N | Y | | |
| | | Guizhou Kaili Rui An Jian Cai Co., Ltd. | b | 90,159,536 | 322,150 | 307,100 | - | - | 0.17 | 180,319,072 | Y | N | Y | | |
| | | Guangan Changxing Cement Company Ltd. | b | 90,159,536 | 326,021 | - | - | - | - | - | 180,319,072 | Y | N | Y | |
| | | TCC Anshun Cement Company Limited | b | 90,159,536 | 698,616 | 661,584 | - | - | 0.37 | 180,319,072 | Y | N | Y | | |
| TCC Huaihua Cement Company Limited | b | 90,159,536 | 884,914 | - | - | - | - | - | 180,319,072 | Y | N | Y | | | |
| TCC Jingzhou Cement Company Limited | b | 90,159,536 | 279,446 | - | - | - | - | - | 180,319,072 | Y | N | Y | | | |
| 4 | TCC (Guigang) Cement Ltd. | Guigang Conch - TCC New Material Technology Co., Ltd. | f | 11,469,222 | 139,723 | 132,317 | - | - | 0.58 | 22,938,444 | N | N | Y | | |
| | | | | | | | | | | | | | | | |
| 5 | TCC Dutch | NHOA S.A. | b | 19,944,633 | 1,081,564 | 1,081,564 | 1,081,564 | 1,081,564 | 2.71 | 39,889,267 | Y | N | N | | |
| | | NHOA AUSTRALIA PTY LTD. | b | 19,944,633 | 2,677,747 | - | - | - | - | 39,889,267 | Y | N | N | | |
| 6 | NHOA S.A. | NHOA AUSTRALIA PTY LTD | b | 4,308,294 | 3,589,098 | 3,037,989 | 2,893,323 | - | 141.03 | 8,616,587 | Y | N | N | | |
| | | NHOA ENERGY S.R.L. | b | 4,308,294 | 484,834 | 462,183 | 462,183 | - | 21.46 | 8,616,587 | Y | N | N | | |
| | | ATLANTE S.R.L. | b | 4,308,294 | 20,540 | 20,540 | 6,609 | - | 0.95 | 8,616,587 | Y | N | N | | |
| | | ATLANTE IBERIA S.L. | b | 4,308,294 | 492,741 | 492,741 | - | - | 22.87 | 8,616,587 | Y | N | N | | |
| 7 | NHOA ENERGY S.R.L. | NHOA AMERICAS LLC | b | 3,367,968 | 118,818 | 113,267 | 113,267 | - | 6.73 | 6,735,936 | Y | N | N | | |

Note 1: Limits on endorsement/guarantee given on behalf of each party were as follows:

- a. i For endorsements/guarantees given by Taiwan Cement Corporation due to business transactions, 50% of the business transaction amounts in the previous year.
- ii Except for i, the aggregate and individual endorsements/guarantees given by Taiwan Cement Corporation were the net equity in its respective latest financial statements and 50% of the net equity in its respective latest financial statements.

(Continued)

- b. Ho Sheng Mining Co., Ltd. guaranteed by land use lease agreement.
- c. Jin Chang Minerals Corporation guaranteed by deposit contract.
- d. NHOA S.A. guaranteed by deposit.

Note 2: Aggregate endorsement/guarantee limit was 300% of its net equity in its latest financial statements for Ho Sheng Mining Co., Ltd., and 400% of its net equity in its latest financial statements for NHOA S.A., and 400% of its net equity in its latest financial statements for NHOA ENERGY S.R.L., and the limit for other the endorsers/guarantors was the net equity in their respective latest financial statements.

Note 3: Relationship between the endorser/guarantor and the endorsee/guarantee is classified as follows:

- a. Having a business relationship.
- b. The endorser/guarantor directly or indirectly owns more than 50% of the ordinary shares of the endorsee/guarantee.
- c. The endorsee/guarantee directly or indirectly owns more than 50% of the ordinary shares of the endorser/guarantor.
- d. Company in which the public company directly or indirectly holds 90% or more of the voting shares may make endorsements/guarantees for each other.
- e. Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or joint builders for the purposes of undertaking a construction project.
- f. Due to joint venture, all shareholders provide endorsements/guarantees to the endorsee/guarantee in proportion to its ownership.
- g. Where companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

(Concluded)

TAIWAN CEMENT CORPORATION

MARKETABLE SECURITIES HELD
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

| Holding Company Name | Type and Name of Marketable Securities | Relationship with the Holding Company | Financial Statement Account | December 31, 2022 | | | | Note |
|--|--|---------------------------------------|-----------------------------|--------------------------------|-----------------|--------------------------------|------------|-------------------------------------|
| | | | | Shares/Units (In Thousands) | Carrying Amount | Percentage of Ownership (%) | Fair Value | |
| Taiwan Cement Corporation | <u>Ordinary shares</u> | | | | | | | |
| | Chien Kuo Construction Co., Ltd. | - | FVTPL - current | 7,522 | \$ 85,753 | - | \$ 85,753 | |
| | Taiwan Television Enterprise, Ltd. | The Corporation serves as supervisor | FVTPL - current | 13,573 | 95,145 | - | 95,145 | |
| | Chinatrust Financial Holding Co., Ltd. | - | FVTPL - current | 3,576 | 79,021 | - | 79,021 | |
| | China Hi-Ment Corporation | The Corporation serves as director | FVTOCI - current | 30,196 | 1,389,023 | - | 1,389,023 | |
| | Taishin Financial Holding Co., Ltd. | - | FVTOCI - current | 70,071 | 1,058,067 | - | 1,058,067 | |
| | CTCI Corporation | The Corporation serves as director | FVTOCI - current | 9,054 | 378,925 | - | 378,925 | |
| | Chia Hsin Cement Corporation | Directors | FVTOCI - current | 27,419 | 477,098 | - | 477,098 | |
| | O-Bank | The Corporation serves as director | FVTOCI - current | 32,809 | 275,265 | - | 275,265 | |
| | IBT II Venture Capital Corporation | - | FVTOCI - non-current | 2,626 | - | 8.3 | - | |
| | Chinatrust Investment Co., Ltd. | The Corporation serves as director | FVTOCI - non-current | 29,553 | 872,097 | 9.4 | 872,097 | |
| | Pan Asia Corporation | The Corporation serves as supervisor | FVTOCI - non-current | 6,204 | 8,996 | 5.4 | 8,996 | |
| | Taiwan Stock Exchange Corporation | The Corporation serves as director | FVTOCI - non-current | 67,952 | 5,722,211 | 6.6 | 5,722,211 | |
| | Excel Corporation | - | FVTOCI - non-current | 600 | - | 9.5 | - | |
| | Privately placed shares - Phihong Technology Co., Ltd. | The Corporation serves as director | FVTOCI - non-current | 37,520 | 1,030,300 | 9.998 | 1,030,300 | |
| | | <u>Convertible preference shares</u> | | | | | | |
| | O-Bank | The Corporation serves as director | FVTOCI - current | 2,956 | 29,441 | - | 29,441 | |
| Taiwan Transport & Storage Corporation | <u>Ordinary shares</u> | | | | | | | |
| | Chia Hsin Cement Corporation | Director of parent company | FVTOCI - current | 8,632 | 150,189 | - | 150,189 | |
| TCC Investment Corporation | <u>Ordinary shares</u> | | | | | | | |
| | O-Bank | The Corporation serves as director | FVTOCI - current | 24,214 | 203,158 | - | 203,158 | 21,000 thousand shares were pledged |
| | Taishin Financial Holding Co., Ltd. | - | FVTOCI - current | 13,404 | 202,400 | - | 202,400 | |
| | Chia Hsin Cement Corporation | Director of parent company | FVTOCI - current | 8,334 | 145,010 | - | 145,010 | 7,000 thousand shares were pledged |
| | China Conch Venture Holdings Limited | - | FVTOCI - non-current | 11,110 | 742,020 | - | 742,020 | |
| | China Conch Environment Protection Holdings Limited | - | FVTOCI - non-current | 11,110 | 138,691 | - | 138,691 | |
| | Chinatrust Investment Co., Ltd. | The Corporation serves as director | FVTOCI - non-current | 10,884 | 321,183 | 3.5 | 321,183 | |
| | Pan Asia Corporation | The Corporation serves as supervisor | FVTOCI - non-current | 1 | 14 | - | 14 | |
| | <u>Convertible preference shares</u> | | | | | | | |
| | O-Bank | The Corporation serves as director | FVTOCI - current | 2,182 | 21,728 | - | 21,728 | |
| Ta-Ho Maritime Corporation | <u>Ordinary shares</u> | | | | | | | |
| | Prosperity Dielectrics Co., Ltd. | - | FVTPL - current | 951 | 32,436 | - | 32,436 | |
| | Chia Hsin Cement Corporation | Director of parent company | FVTOCI - current | 25,761 | 448,246 | - | 448,246 | |
| | Chinatrust Investment Co., Ltd. | The Corporation serves as director | FVTOCI - non-current | 6,612 | 195,110 | 2.1 | 195,110 | |
| TCC Chemical Corporation | <u>Ordinary shares</u> | | | | | | | |
| | Taiwan Stock Exchange Corporation | The Corporation serves as director | FVTOCI - non-current | 3,880 | 326,741 | - | 326,741 | |
| Hoping Industrial Port Corporation | <u>Ordinary shares</u> | | | | | | | |
| | Chinatrust Investment Co., Ltd. | The Corporation serves as director | FVTOCI - non-current | 10,444 | 308,194 | 3.3 | 308,194 | |
| E.G.C. Cement Corporation | <u>Ordinary shares</u> | | | | | | | |
| | Feng Yu United Engineering Company | - | FVTPL - current | 119 | - | 0.1 | - | |

(Continued)

| Holding Company Name | Type and Name of Marketable Securities | Relationship with the Holding Company | Financial Statement Account | December 31, 2022 | | | | Note |
|---------------------------------------|--|---------------------------------------|-----------------------------|--------------------------------|-----------------|--------------------------------|------------|---------------------------------|
| | | | | Shares/Units (In Thousands) | Carrying Amount | Percentage of Ownership (%) | Fair Value | |
| Union Cement Traders Inc. | <u>Ordinary shares</u> | | | | | | | |
| | Taishin Financial Holding Co., Ltd. | - | FVTOCI - current | 30,953 | \$ 467,391 | - | \$ 467,391 | |
| | CTCI Corporation | The Corporation serve as director | FVTOCI - current | 13,365 | 559,339 | - | 559,339 | |
| | Chia Hsin Cement Corporation | Director of parent company | FVTOCI - current | 7,441 | 129,473 | - | 129,473 | |
| | Videoland Inc. | - | FVTOCI - non-current | 6,437 | 277,776 | 5.6 | 277,776 | |
| TCCI (Group) | <u>Ordinary shares</u> | | | | | | | |
| | Anhui Conch Cement Co., Ltd. | - | FVTOCI - non-current | 116,568 | 12,531,923 | - | 12,531,923 | |
| | Yargoan Co., Ltd. | - | FVTOCI - non-current | 19 | - | 12.5 | - | |
| NHOA ENERGY S.R.L. | <u>Government bonds</u> | | | | | | | |
| | Bonos Y Oblig Del Estado | - | FVTPL - current | - | 14,636 | - | 14,636 | |
| | Buoni Ordinari Del Tes | - | FVTPL - current | - | 22,275 | - | 22,275 | |
| | Buoni Poliennali Del Tes | - | FVTPL - current | - | 53,701 | - | 53,701 | |
| | Obrigacoes Do Trsouro | - | FVTPL - current | - | 19,136 | - | 19,136 | |
| | France (GOVT OF) | - | FVTPL - current | - | 76,965 | - | 76,965 | |
| | Deutschland I/L Bond | - | FVTPL - current | - | 35,397 | - | 35,397 | |
| | Italien, Republik | - | FVTPL - current | - | 55,662 | - | 55,662 | |
| | <u>Corporate bonds</u> | | | | | | | |
| | RCI BANQUE SA | - | FVTPL - current | - | 16,831 | - | 16,831 | |
| | Goldman Sachs Group Inc. | - | FVTPL - current | - | 6,311 | - | 6,311 | |
| | STELLANTIS NV | - | FVTPL - current | - | 6,266 | - | 6,266 | |
| | Mercedes-Benz | - | FVTPL - current | - | 12,267 | - | 12,267 | |
| | ATLANTE S.R.L. | <u>Government bonds</u> | | | | | | |
| Buoni Poliennali Del Tes | | - | FVTPL - non-current | - | 284,876 | - | 284,876 | \$284,876 thousand were pledged |
| TCC Recycle Energy Technology Company | <u>Preference shares</u> | | | | | | | |
| | GROUP 14 TECHNOLOGIES, INC. | - | FVTOCI - non-current | 353 | 276,390 | 0.3 | 276,390 | |

Note 1: Marketable securities in the table refer to shares, bonds, beneficiary certificates and other related securities within the scope of IFRS 9 "Financial Instruments".

Note 2: See Tables 8 and 9 for the information on investments in subsidiaries, associates and joint ventures.

(Concluded)

TAIWAN CEMENT CORPORATION

MARKETABLE SECURITIES ACQUIRED AND DISPOSED AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE SHARE CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

| Company Name | Type and Name of Marketable Securities | Financial Statement Account | Counterparty | Relationship | Beginning Balance | | Acquisition | | Disposal | | | | Other Adjustment (Note) | Ending Balance | |
|---------------------------------------|--|---|--------------|--------------|-----------------------------|---------------|-----------------------------|---------------|-----------------------------|--------|-----------------|------------------|-------------------------|-----------------------------|---------------|
| | | | | | Shares/Units (In Thousands) | Amount | Shares/Units (In Thousands) | Amount | Shares/Units (In Thousands) | Amount | Carrying Amount | Gain on Disposal | | Shares/Units (In Thousands) | Amount |
| Taiwan Cement Corporation | Shares TCCIH | Investments accounted for using the equity method | - | Subsidiary | 2,581,832 | \$ 60,257,962 | 889,386 | \$ 21,466,100 | - | \$ - | \$ - | \$ - | \$ 267,020 | 3,471,218 | \$ 81,991,082 |
| | TCC Dutch | Investments accounted for using the equity method | - | Subsidiary | 838 | 24,496,751 | 341 | 10,869,300 | - | - | - | - | 4,619,228 | 1,179 | 39,985,279 |
| | TCC Green Energy Corporation | Investments accounted for using the equity method | - | Subsidiary | 950,899 | 9,379,579 | 400,000 | 4,000,000 | - | - | - | - | 108,686 | 1,350,899 | 13,488,265 |
| | TCC Energy Storage Technology Corporation | Investments accounted for using the equity method | - | Subsidiary | 200,600 | 1,979,067 | 50,000 | 500,000 | - | - | - | - | (149,021) | 250,600 | 2,330,046 |
| TCC Green Energy Corporation | Chia-Ho Green Energy Corporation | Investments accounted for using the equity method | - | Subsidiary | 10,000 | 67,292 | 304,500 | 3,045,000 | - | - | - | - | (3,707) | 314,500 | 3,108,585 |
| | TCC Chia-Chien Green Energy Corporation | Investments accounted for using the equity method | - | Subsidiary | 230,200 | 2,302,000 | 90,000 | 900,000 | - | - | - | - | (77,168) | 320,200 | 3,124,832 |
| TCCI (HK) | TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | Investments accounted for using the equity method | - | Subsidiary | - | - | - | 4,379,161 | - | - | - | - | (398,004) | - | 3,981,157 |
| TCCIH | TCC Recycle Energy Technology Company | Investments accounted for using the equity method | - | Subsidiary | - | - | 1,101,939 | 11,019,388 | - | - | - | - | 113,768 | 1,101,939 | 11,133,156 |
| TCC Recycle Energy Technology Company | E-One Moli Energy Corp. | Investments accounted for using the equity method | - | Subsidiary | 1,566,311 | 14,764,695 | 1,200,000 | 12,000,000 | - | - | - | - | 376,810 | 2,766,311 | 27,141,505 |
| E-One Moli Energy Corp. | Molie Quantum Energy Corporation | Investments accounted for using the equity method | - | Subsidiary | 1,000,100 | 9,921,156 | 1,200,000 | 12,000,000 | - | - | - | - | (97,033) | 2,200,100 | 21,824,123 |
| NHOA S.A. | NHOA ENERGY S.R.L. | Investments accounted for using the equity method | - | Subsidiary | 1,000 | 2,328,829 | 1,000 | 961,052 | - | - | - | - | (1,655,610) | 2,000 | 1,634,271 |
| | ATLANTE TOPCO S.R.L. | Investments accounted for using the equity method | - | Subsidiary | - | - | 1,000 | 420,706 | - | - | - | - | (329,303) | 1,000 | 91,403 |
| | NHOA CORPORATE S.R.L. | Investments accounted for using the equity method | - | Subsidiary | - | - | 1,000 | 671,676 | - | - | - | - | (493,960) | 1,000 | 177,716 |
| ATLANTE TOPCO S.R.L. | ATLANTE S.R.L. | Investments accounted for using the equity method | - | Subsidiary | - | - | 5,000 | 896,136 | - | - | - | - | (406,988) | 5,000 | 489,148 |
| Ta-Ho Maritime Corporation | Ta-Ho Maritime Holdings Ltd. | Investments accounted for using the equity method | - | Subsidiary | 44,300 | 5,451,392 | 30,000 | 884,250 | - | - | - | - | 863,938 | 74,300 | 7,199,580 |
| Ta-Ho Maritime Holdings Ltd. | THC International S.A. | Investments accounted for using the equity method | - | Subsidiary | 64,310 | 4,428,772 | 30,000 | 884,250 | - | - | - | - | 777,662 | 94,310 | 6,090,684 |

Note: Including the profit and loss parts of subsidiaries recognized under the equity method and adjustments to shareholder's equity.

TAIWAN CEMENT CORPORATION

DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (In Thousands of New Taiwan Dollars)

| Seller | Property | Event Date | Original Acquisition Date | Carrying Amount | Transaction Amount | Collection | Gain (Loss) on Disposal | Counterparty | Relationship | Purpose of Disposal | Price Reference | Other Terms |
|---------------------------|---|------------|---------------------------|-----------------|--------------------|------------------|-------------------------|-------------------|-------------------|---|------------------|-------------|
| Taiwan Cement Corporation | Taichung Business Office Located in six parcels of land and located in Six Subsection, Fuxing Section, East District, Taichung City, and the building thereon. | 2022.09.15 | 1968.12.31 | \$ 56,230 | \$ 563,250 | Received in full | \$ 506,247 | Enlit Real Estate | Non-related party | Revitalize the company's underused assets | Appraisal report | - |

TAIWAN CEMENT CORPORATION

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE SHARE CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

| Buyer | Related Party | Relationship | Transaction Details | | | | Abnormal Transaction | | Notes/Accounts Receivable (Payable) | | Note |
|---|--|------------------------------------|---------------------|--------------|------------|---|----------------------|---------------|-------------------------------------|-------------------|------|
| | | | Purchases/Sales | Amount | % of Total | Payment Terms | Unit Price | Payment Terms | Ending Balance | % of Total (Note) | |
| Taiwan Cement Corporation | Feng Sheng Enterprise Company Limited | Subsidiary | Sales | \$ (724,389) | (3) | 30 days | \$ - | - | \$ 195,623 | 29 | |
| | | | Purchases | 220,213 | 1 | 30 days | - | - | (25,579) | (2) | |
| | TCCIH | Subsidiary | Service revenue | (441,949) | (2) | By contract | - | - | 37,423 | 5 | |
| | HKCCL | Subsidiary | Sales | (820,408) | (3) | 65 days counting from the completion of shipment | - | - | 64,921 | 10 | |
| | E.G.C. Cement Corporation | Subsidiary | Sales | (739,495) | (3) | 50 days after the end of the day when delivery was made | - | - | 105,628 | 15 | |
| | Taiwan Transport & Storage Corporation | Subsidiary | Purchases | 666,070 | 3 | 30 days | - | - | (148,407) | (13) | |
| | Hoping Industrial Port Corporation | Subsidiary | Purchases | 483,438 | 2 | 20 days | - | - | (23,857) | (2) | |
| | Ta-Ho Maritime Corporation | Subsidiary | Purchases | 2,181,766 | 11 | 30 days | - | - | (565,708) | (49) | |
| | Ho Sheng Mining Co., Ltd. | Subsidiary | Purchases | 106,198 | 1 | 30 days | - | - | (8,975) | (1) | |
| | Jin Chang Minerals Corporation | Subsidiary | Purchases | 288,053 | 1 | 30 days | - | - | (91,901) | (8) | |
| | Kuan-Ho Refractories Industry Corporation | Subsidiary | Purchases | 242,147 | 1 | By contract | - | - | (58,104) | (5) | |
| | Chia Hsin Cement Corporation | Directors of the corporation | Sales | (574,787) | (2) | 65 days after the end of the day when delivery was made | - | - | 110,880 | 16 | |
| | China Hi-Ment Corporation | The Corporation serves as director | Purchases | 819,521 | 4 | 60 days | - | - | (215,633) | (19) | |
| | | | Sales | (157,475) | (1) | 60 days | - | - | 37,338 | 5 | |
| CTCI Corporation | The Corporation serves as director | Sales | (186,326) | (1) | 110 days | - | - | 88,653 | 8 | | |
| Ho-Ping Power Company | Hoping Industrial Port Corporation | The same parent company | Purchases | 1,062,754 | 4 | 20 days | - | - | (28,071) | (33) | |
| | HPC Power Service Corporation | The same parent company | Purchases | 505,973 | 2 | By contract | - | - | (48,331) | (56) | |
| Hoping Industrial Port Corporation | Taiwan Cement Corporation | Parent company | Sales | (483,438) | (30) | 20 days | - | - | 23,857 | 44 | |
| | Ho-Ping Power Company | The same parent company | Sales | (1,062,754) | (65) | 20 days | - | - | 28,071 | 52 | |
| | Taiwan Transport & Storage Corporation | The same parent company | Purchases | 241,701 | 35 | 30 days | - | - | (21,298) | (89) | |
| Feng Sheng Enterprise Company Limited | Taiwan Cement Corporation | Parent company | Sales | (220,213) | (5) | 30 days | - | - | 25,579 | 100 | |
| | | | Purchases | 724,389 | 20 | 30 days | - | - | (195,623) | (100) | |
| Taiwan Transport & Storage Corporation | Taiwan Cement Corporation | Parent company | Sales | (666,070) | (42) | 30 days | - | - | 148,407 | 89 | |
| | Hoping Industrial Port Corporation | The same parent company | Sales | (241,701) | (15) | 30 days | - | - | 21,298 | 13 | |
| | Linyuan Advanced Materials Technology Co., Ltd. | The same chairman | Sales | (183,787) | (12) | 30 days | - | - | 11,232 | 7 | |
| Ta-Ho Maritime Corporation | Taiwan Cement Corporation | Parent company | Freight revenue | (2,181,766) | (84) | 30 days | - | - | 565,708 | 100 | |
| TCCIH | Taiwan Cement Corporation | Parent company | Service expense | 441,949 | 100 | By contract | - | - | (37,423) | (68) | |
| Ho Sheng Mining Co., Ltd. | Taiwan Cement Corporation | Parent company | Sales | (106,198) | (46) | 30 days | - | - | 8,975 | 30 | |
| | Jin Chang Minerals Corporation | The same parent company | Sales | (123,656) | (54) | 30 days | - | - | 20,552 | 70 | |
| HPC Power Service Corporation | Ho-Ping Power Company | The same parent company | Sales | (505,973) | (100) | By contract | - | - | 48,331 | 100 | |
| Da Tong (Guigang) International Logistics Co., Ltd. | TCC (Guigang) Cement Ltd. | The same ultimate parent company | Freight revenue | (336,318) | (86) | By negotiation | - | - | 39,780 | 66 | |
| Guigang Da-Ho Shipping Co., Ltd. | TCC Yingde Cement Co., Ltd. | The same ultimate parent company | Freight revenue | (173,952) | (19) | By negotiation | - | - | 76,582 | 39 | |
| | TCC (Guigang) Cement Ltd. | The same ultimate parent company | Freight revenue | (238,680) | (27) | By negotiation | - | - | 93,657 | 48 | |
| | TCC (Hangzhou) Environment Protection Technology Co., Ltd. | The same ultimate parent company | Freight revenue | (175,179) | (19) | By negotiation | - | - | 24,826 | 13 | |

(Continued)

| Buyer | Related Party | Relationship | Transaction Details | | | | Abnormal Transaction | | Notes/Accounts Receivable (Payable) | | Note |
|---|--|----------------------------------|---------------------|-------------|------------|---|----------------------|---------------|-------------------------------------|-------------------|------|
| | | | Purchases/Sales | Amount | % of Total | Payment Terms | Unit Price | Payment Terms | Ending Balance | % of Total (Note) | |
| TCC (Guigang) Cement Ltd. | Da Tong (Guigang) International Logistics Co., Ltd. | The same ultimate parent company | Purchases | \$ 336,318 | 5 | By negotiation | \$ - | - | \$ (39,780) | (1) | |
| | Guigang Da-Ho Shipping Co., Ltd. | The same ultimate parent company | Purchases | 238,680 | 3 | By negotiation | - | - | (93,657) | (1) | |
| | TCC (Hangzhou) Environment Protection Technology Co., Ltd. | The same ultimate parent company | Purchases | 2,352,837 | 33 | By negotiation | - | - | (360,387) | (5) | |
| TCC Yingde Cement Co., Ltd. | Guigang Da-Ho Shipping Co., Ltd. | The same ultimate parent company | Purchases | 173,952 | 1 | By negotiation | - | - | (76,582) | (1) | |
| | TCC (Hangzhou) Environment Protection Technology Co., Ltd. | The same ultimate parent company | Purchases | 4,753,837 | 38 | By negotiation | - | - | (544,709) | (9) | |
| TCC (Hangzhou) Environment Protection Technology Co., Ltd | Guigang Da-Ho Shipping Co., Ltd. | The same ultimate parent company | Purchases | 175,179 | 2 | By negotiation | - | - | (24,826) | (100) | |
| | TCC Yingde Cement Co., Ltd. | The same ultimate parent company | Sales | (4,753,837) | (56) | By negotiation | - | - | 544,709 | 52 | |
| | TCC (Guigang) Cement Ltd. | The same ultimate parent company | Sales | (2,352,837) | (28) | By negotiation | - | - | 360,387 | 34 | |
| | TCC Shaoguan Cement Co., Ltd. | The same ultimate parent company | Sales | (1,365,104) | (16) | By negotiation | - | - | 148,766 | 14 | |
| HKCCL | Taiwan Cement Corporation | Parent company | Purchases | 820,408 | 88 | 65 days counting from the completion of shipment | - | - | (64,921) | (97) | |
| | Quon Hing Concrete Co., Ltd. | Associate | Sales | (383,973) | (31) | By negotiation | - | - | 137,255 | 38 | |
| E.G.C. Cement Corporation | Taiwan Cement Corporation | Parent company | Purchases | 739,495 | 100 | 50 days after the end of the day when delivery was made | - | - | (105,628) | (100) | |
| Jin Chang Minerals Corporation | Taiwan Cement Corporation | Parent company | Sales | (288,053) | (100) | 30 days | - | - | 91,901 | 100 | |
| | Ho Sheng Mining Co., Ltd. | The same parent company | Purchases | 123,656 | 84 | 30 days | - | - | (20,552) | (100) | |
| Kuan-Ho Refractories Industry Corporation | Taiwan Cement Corporation | Parent company | Sales | (242,147) | (24) | By contract | - | - | 58,104 | 73 | |
| E-One Moli Energy Corp. | E-One Moli Energy (Canada) Ltd. | The same ultimate parent company | Sales | (1,674,851) | (29) | 90 days | - | - | 559,791 | 35 | |
| E-One Moli Energy (Canada) Ltd. | E-One Moli Energy Corp. | The same ultimate parent company | Purchases | 1,674,851 | 100 | 90 days | - | - | (559,791) | (99) | |
| | | | Service revenue | (126,584) | (37) | 90 days | - | - | 32,141 | 7 | |
| NHOA ENERGY S.R.L. | Taiwan Cement Corporation | Parent company | Sales | (334,350) | (14) | By negotiation | - | - | 9,772 | 1 | |
| | TCC Yingde Cement Co., Ltd. | The same ultimate parent company | Sales | (714,544) | (29) | By negotiation | - | - | 345,902 | 25 | |
| | TCC Lien-Hsin Green Energy Corporation | The same ultimate parent company | Sales | (261,673) | (11) | By negotiation | - | - | 270,969 | 19 | |
| TCC Shaoguan Cement Co., Ltd. | TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | The same ultimate parent company | Purchases | 1,365,104 | 81 | By negotiation | - | - | (148,766) | 3 | |

Note: The percentage to total accounts receivable from (payable to) related parties.

(Concluded)

TAIWAN CEMENT CORPORATION

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE SHARE CAPITAL

DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars)

| Related Party | Company Name | Relationship | Ending Balance | Turnover Rate (%) | Overdue | | Amounts Received in Subsequent Period | Allowance for Impairment Loss |
|--|--|----------------------------------|----------------|-------------------|---------|---------------|---------------------------------------|-------------------------------|
| | | | | | Amount | Actions Taken | | |
| Taiwan Cement Corporation | Feng Sheng Enterprise Company | Subsidiary | \$ 195,623 | 4.2 | \$ - | - | \$ 138,608 | \$ - |
| | E.G.C. Cement Corporation | Subsidiary | 105,628 | 5.4 | - | - | 90,485 | - |
| | Chia Hsin Cement Corporation | Directors | 110,880 | 4.9 | - | - | 69,300 | - |
| HKCCL | Quon Hing Concrete Co., Ltd. | Associates | 137,255 | 2.9 | - | - | 71,193 | - |
| E-One Moli Energy Corp. | E-One Moli Energy (Canada) Ltd. | The same ultimate parent company | 559,791 | 2.8 | - | - | 310,500 | - |
| Ta-Ho Maritime Corporation | Taiwan Cement Corporation | Parent company | 565,708 | 3.9 | - | - | 369,614 | - |
| Taiwan Transport & Storage Corporation | Taiwan Cement Corporation | Parent company | 148,407 | 4.6 | - | - | 148,407 | - |
| NHOA ENERGY S.R.L. | TCC Yingde Cement Co., Ltd. | The same ultimate parent company | 345,902 | 4.1 | - | - | 345,902 | - |
| | TCC Lien-Hsin Green Energy Corporation | The same ultimate parent company | 270,969 | 1.9 | - | - | 270,969 | - |
| TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | TCC Yingde Cement Co., Ltd. | The same ultimate parent company | 544,709 | 17.5 | - | - | 301,321 | - |
| | TCC (Gui Gang) Cement Ltd. | The same ultimate parent company | 360,387 | 13.1 | - | - | 180,924 | - |
| | TCC Shaoguan Cement Co., Ltd. | The same ultimate parent company | 148,766 | 18.4 | - | - | - | - |

TAIWAN CEMENT CORPORATION

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

| Investor Company | Investee Company | Location | Main Businesses and Products | Original Investment Amount | | As of December 31, 2022 | | | Net Income (Loss) of the Investee | Share of Profit (Loss) | Note |
|---|--|--|--|----------------------------|-------------------|-----------------------------|------------|-----------------|-----------------------------------|------------------------|---------|
| | | | | December 31, 2022 | December 31, 2021 | Shares/Units (In Thousands) | % | Carrying Amount | | | |
| Taiwan Cement Corporation | TCCI | British Virgin Islands | Investment holding | \$ 33,774,761 | \$ 33,774,761 | 1,100,875,900 | 100.00 | \$ 113,099,217 | \$ 23,196 | \$ 23,196 | |
| | Ho-Ping Power Company | Taiwan | Thermal power generation | 6,037,720 | 6,037,720 | 805,940,306 | 59.50 | 14,328,687 | (1,488,561) | (885,694) | |
| | Hoping Industrial Port Corporation | Taiwan | Hoping Industrial Port management | 3,198,500 | 3,198,500 | 319,990,000 | 100.00 | 5,722,337 | 700,877 | 700,855 | |
| | Ta-Ho Maritime Corporation | Taiwan | Marine transportation | 528,506 | 528,506 | 175,078,520 | 64.79 | 3,579,298 | 803,053 | 520,277 | |
| | Taiwan Transport & Storage Corporation | Taiwan | Warehousing, transportation and sale of sand and gravel | 91,703 | 90,863 | 52,410,366 | 83.88 | 2,345,525 | 311,453 | 261,170 | |
| | TCC Investment Corporation | Taiwan | Investment | 190,000 | 190,000 | 239,800,000 | 100.00 | 4,374,356 | 671,787 | 671,787 | |
| | Ho Sheng Mining Co., Ltd. | Taiwan | Mining excavation | 1,414,358 | 1,414,358 | 30,100,000 | 100.00 | 1,279,400 | 8,689 | 8,689 | |
| | CCC USA Corp. | U.S.A. | Rubber raw materials | 1,284,421 | 1,284,421 | 79,166 | 33.33 | 1,899,822 | (61,993) | (20,664) | |
| | Taiwan Cement Engineering Corporation | Taiwan | Engineering services | 320,514 | 320,514 | 59,681,501 | 99.20 | 722,448 | 1,993 | 3,357 | |
| | ONYX Ta-Ho Environmental Services Co., Ltd. | Taiwan | Waste collection and treatment | 72,000 | 72,000 | 58,828,112 | 50.00 | 1,391,240 | 1,120,881 | 560,440 | |
| | Kuan-Ho Refractories Industry Corporation | Taiwan | Production and sale of refractory materials | 181,050 | 181,050 | 46,710,900 | 95.29 | 658,767 | 55,017 | 52,426 | |
| | Feng Sheng Enterprise Company | Taiwan | Sale of ready-mixed concrete | 250,000 | 250,000 | 27,260,611 | 45.43 | 486,573 | 285,905 | 129,899 | |
| | TCC Chemical Corporation | Taiwan | Leasing property and energy technology services | 1,510,842 | 1,510,842 | 140,000,000 | 100.00 | 1,324,924 | 94,359 | 94,359 | |
| | TCC Information Systems Corporation | Taiwan | Information software design | 71,000 | 71,000 | 14,904,000 | 99.36 | 333,143 | 66,187 | 65,764 | |
| | Ta-Ho RSEA Environment Co., Ltd. | Taiwan | Waste collection and treatment | 666,000 | 666,000 | 39,960,000 | 66.60 | 419,001 | (943) | (628) | |
| | HKCMCL | Hong Kong | Investment holding | 72,005 | 72,005 | 38,094 | 84.65 | 577,559 | 76,932 | 65,125 | |
| | TCC Green Energy Corporation | Taiwan | Renewable energy generation | 13,446,046 | 9,446,046 | 1,350,898,696 | 100.00 | 13,488,265 | 102,848 | 102,848 | |
| | Jin Chang Minerals Corporation | Taiwan | Afforestation and sale of limestone | 108,042 | 108,042 | 9,100,000 | 100.00 | 307,783 | 131,898 | 131,898 | |
| | HPC Power Service Corporation | Taiwan | Business consulting | 1,861 | 1,861 | 6,000 | 60.00 | 127,215 | 207,958 | 124,775 | |
| | E.G.C. Cement Corporation | Taiwan | Sale of cement | 184,359 | 184,359 | 8,062,600 | 50.64 | 122,655 | 34,973 | 17,712 | |
| | Synpac Ltd. | British Virgin Islands | Investment | 70,367 | 70,367 | 2,700,000 | 25.00 | 7,054 | 131 | 32 | |
| | Tung Chen Mineral Corporation | Taiwan | Afforestation and sale of limestone | 1,989 | 1,989 | 19,890 | 99.45 | 977 | (249) | (249) | |
| | TMC | Philippines | Mining excavation | 11,880 | 11,880 | 119,997 | 72.70 | - | - | - | |
| | TPMC | Philippines | Mining excavation | 2,105 | 2,105 | 19,996 | 40.00 | - | - | - | |
| | TCCIH | Cayman Islands | Investment holding | 62,167,771 | 40,701,671 | 3,471,217,785 | 45.47 | 81,991,082 | (1,783,461) | (745,927) | |
| | International CSRC Investment Holdings Co., Ltd. | Taiwan | Investment | 3,563,397 | 3,563,397 | 153,476,855 | 15.59 | 5,669,050 | 691,602 | 107,790 | |
| | TCC Dutch | Netherlands | Investment holding | 40,565,030 | 29,695,730 | 1,179,219 | 100.00 | 39,985,279 | 1,524,589 | 1,398,800 | |
| | TCC Recycle Energy Technology Company | Taiwan | Manufacturing and sale of batteries, power generation machinery, electronic components, etc. | 10,431,652 | 10,423,119 | 1,041,502,886 | 36.61 | 10,528,163 | 419,262 | 254,774 | |
| | TCC Sustainable Energy Investment Corporation | Taiwan | Investment holding | 1,000 | 1,000 | 100,000 | 100.00 | 899 | (13) | (13) | |
| | TCC Energy Storage Technology Corporation | Taiwan | Energy storage equipment manufacturing production and sales | 2,506,000 | 2,006,000 | 250,600,000 | 100.00 | 2,330,046 | (149,021) | (149,021) | |
| | Tuo Shan Recycle Technology Company | Taiwan | Waste collection and treatment | 1,000 | 1,000 | 100,000 | 100.00 | 944 | (11) | (11) | |
| | Taiwan Transport & Storage Corporation | Ta-Ho Maritime Corporation | Taiwan | Marine transportation | 303,435 | 303,432 | 79,050,904 | 29.25 | 1,616,113 | 803,053 | 234,914 |
| E.G.C. Cement Corporation | | Taiwan | Sale of cement | 136,476 | 136,476 | 7,857,400 | 49.36 | 148,914 | 34,973 | 17,261 | |
| Tai-Jie Transport & Storage Corporation | | Taiwan | Transportation | 25,000 | 25,000 | 2,500,000 | 100.00 | 36,822 | 8,473 | 8,473 | |
| TCC Investment Corporation | Union Cement Traders Inc. | Taiwan | Import and export trading | 219,450 | 219,450 | 34,200,000 | 100.00 | 1,112,110 | 67,083 | 67,083 | |
| | Ho-Ping Power Company | Taiwan | Thermal power generation | 68,911 | 68,911 | 6,772,608 | 0.50 | 116,941 | (1,488,561) | (7,443) | |
| | Ta-Ho Maritime Corporation | Taiwan | Marine transportation | 343 | 343 | 50,634 | 0.02 | 1,035 | 803,053 | 150 | |
| | International CSRC Investment Holdings Co., Ltd. | Taiwan | Investment | 388,079 | 388,079 | 22,008,505 | 2.23 | 806,566 | 691,602 | 15,458 | |
| TCC Recycle Energy Technology Company | Taiwan | Manufacturing and sale of batteries, power generation machinery, electronic components, etc. | 312,833 | 312,833 | 31,859,829 | 1.12 | 227,617 | 419,262 | 8,115 | | |

(Continued)

| Investor Company | Investee Company | Location | Main Businesses and Products | Original Investment Amount | | As of December 31, 2022 | | | Net Income (Loss) of the Investee | Share of Profit (Loss) | Note |
|---|---|-----------------------------|--|----------------------------|-------------------|-----------------------------|---------|-----------------|-----------------------------------|------------------------|------|
| | | | | December 31, 2022 | December 31, 2021 | Shares/Units (In Thousands) | % | Carrying Amount | | | |
| Ta-Ho Maritime Corporation | Ta-Ho Maritime Holdings Ltd. | Samoa | Investment | \$ 2,129,164 | \$ 1,244,914 | 74,300,000 | 100.00 | \$ 7,199,580 | \$ 311,776 | \$ 311,776 | |
| TCC Information Systems Corporation | Taicem Information (Samoa) Pte., Ltd. International CSRC Investment Holdings Co., Ltd. | Samoa | Investment | 3,042 | 3,042 | 100,000 | 100.00 | 65,190 | 13,412 | 13,412 | |
| | | Taiwan | Investment | 49,882 | 49,882 | 2,055,473 | 0.21 | 75,370 | 691,602 | 1,444 | |
| Hoping Industrial Port Corporation | TCC Recycle Energy Technology Company | Taiwan | Manufacturing and sale of batteries, power generation machinery, electronic components, etc. | 112,898 | 112,898 | 11,695,699 | 0.41 | 83,558 | 419,262 | 2,979 | |
| Union Cement Traders Inc. | Taiwan Transport & Storage Corporation | Taiwan | Warehousing, transportation and sale of sand and gravel | 2,612 | 2,612 | 419,013 | 0.67 | 18,752 | 311,453 | 2,088 | |
| | International CSRC Investment Holdings Co., Ltd. | Taiwan | Investment | 281,806 | 281,806 | 11,463,551 | 1.16 | 420,345 | 691,602 | 8,052 | |
| | TCC Recycle Energy Technology Company | Taiwan | Manufacturing and sale of batteries, power generation machinery, electronic components, etc. | 298,046 | 298,046 | 30,702,994 | 1.08 | 219,352 | 419,262 | 7,820 | |
| Ho-Ping Power Company | Ho-Ping Renewable Energy Company | Taiwan | Renewable energy generation | 1,000 | 1,000 | 100,000 | 100.00 | 991 | (3) | (3) | |
| TCC Green Energy Corporation | TCC Chia-Chien Green Energy Corporation | Taiwan | Renewable energy generation | 3,202,000 | 2,302,000 | 320,200,000 | 100.00 | 3,124,832 | 43,528 | 43,528 | |
| | TCC Yun-Kai Green Energy Corporation | Taiwan | Renewable energy generation | 25,000 | 25,000 | 2,500,000 | 100.00 | 22,148 | 65 | 65 | |
| | TCC Lien-Hsin Green Energy Corporation | Taiwan | Renewable energy generation | 4,012,000 | 4,012,000 | 401,200,000 | 100.00 | 4,025,239 | 17,895 | 17,895 | |
| | TCC Chang-Ho Green Energy Corporation | Taiwan | Renewable energy generation | 2,456 | 2,456 | 245,635 | 100.00 | 2,346 | (30) | (30) | |
| | TCC Kao Cheng Green Energy Corporation | Taiwan | Renewable energy generation | 82,000 | 82,000 | 8,200,000 | 100.00 | 83,784 | 1,562 | 1,562 | |
| | TCC Nan Chung Green Energy Corporation | Taiwan | Renewable energy generation | 170,000 | 170,000 | 17,000,000 | 100.00 | 170,075 | 625 | 625 | |
| | Chang-Wang Wind Power Co., Ltd. | Taiwan | Renewable energy generation | 720,000 | 720,000 | 72,000,000 | 100.00 | 740,347 | 43,743 | 43,743 | |
| | TCC Ping-Zhi Green Energy Corporation | Taiwan | Renewable energy generation | 2,000 | 2,000 | 200,000 | 100.00 | 1,852 | (31) | (31) | |
| | Chia-Ho Green Energy Corporation | Taiwan | Renewable energy generation | 3,145,000 | 100,000 | 314,500,000 | 85.00 | 3,108,585 | (10,134) | (9,545) | |
| TCC Tung-Li Green Energy Corporation | Taiwan | Renewable energy generation | 270,000 | 150,000 | 27,000,000 | 100.00 | 242,952 | (21,013) | (21,013) | | |
| Ta-Ho Maritime Holdings Ltd. | THC International S.A. | Panama | Marine transportation | 2,699,049 | 1,814,799 | 94,310,000 | 100.00 | 6,090,684 | 248,276 | 248,276 | |
| | Ta-Ho Maritime (Hong Kong) Limited | Hong Kong | Marine transportation | 141,168 | 141,168 | 5,100,000 | 100.00 | 1,025,345 | 63,783 | 63,783 | |
| | Ta-Ho Maritime (Singapore) Pte. Ltd. | Singapore | Marine transportation | 2,768 | 2,768 | 100,000 | 100.00 | 73,028 | (30) | (30) | |
| TCC International Ltd. (Group) | Quon Hing Concrete Co., Ltd. | Hong Kong | Investment holding | 157,899 | 157,899 | 100,000 | 50.00 | 233,343 | 135,570 | 67,785 | |
| | Hong Kong Concrete Co., Ltd. | Hong Kong | Cement processing services | 24,211 | 24,211 | 129,150 | 31.50 | 190,844 | 99,941 | 31,481 | |
| | TCC Recycle Energy Technology Company | Taiwan | Manufacturing and sale of batteries, power generation machinery, electronic components, etc. | 11,019,388 | - | 1,101,938,824 | 38.73 | 11,133,156 | 419,262 | 15,195 | |
| TCC Recycle Energy Technology Company | E-One Moli Energy Corp. | Taiwan | Manufacturing and sales of Lithium battery | 27,683,427 | 15,683,427 | 2,766,310,703 | 100.00 | 27,141,505 | 418,013 | 418,013 | |
| E-One Moli Energy Corp. | E-One Holdings Ltd. | British Virgin Islands | Investment holding | 2,050,040 | 2,050,040 | 65,344,940 | 100.00 | 536,510 | 74,751 | 74,751 | |
| | Molie Quantum Energy Corporation | Taiwan | Manufacturing and sale of batteries, power generation machinery, electronic components, etc. | 22,001,000 | 10,001,000 | 2,200,100,000 | 100.00 | 21,824,123 | (94,224) | (94,224) | |
| E-One Holdings Ltd. | E-One Moli Holdings (Canada) Ltd. | Canada | Investment holding | 2,430,170 | 2,430,170 | 23,800 | 100.00 | 536,473 | 74,751 | 74,751 | |
| E-One Moli Holdings (Canada) Ltd. | E-One Moli Energy (Canada) Ltd. | Canada | Battery research and development and sales | 1,917,161 | 1,917,161 | 6,649,200 | 100.00 | 533,765 | 74,746 | 74,746 | |
| TCC Energy Storage Technology Corporation | Energy Helper TCC Corporation | Taiwan | Renewable energy retail and energy technology services | 10,000 | - | 1,000,000 | 100.00 | 9,599 | (401) | (401) | |
| TCC Dutch | Cimpor Global Holdings B.V. | Netherlands | Holding company | 26,255,753 | 26,255,753 | 100,000 | 40.00 | 30,866,698 | 7,066,885 | 2,759,525 | |
| | TCEH | Netherlands | Investment holding | 10,627,883 | 10,627,883 | 75,001,000 | 100.00 | 8,980,951 | (933,161) | (933,161) | |
| TCEH | NHOA S.A. | France | Investment holding | 7,595,278 | 7,595,278 | 16,635,102 | 65.15 | 6,043,134 | (1,240,776) | (923,167) | |

(Continued)

| Investor Company | Investee Company | Location | Main Businesses and Products | Original Investment Amount | | As of December 31, 2022 | | | Net Income (Loss) of the Investee | Share of Profit (Loss) | Note |
|-----------------------------|--|----------------------|---|----------------------------|-------------------|-----------------------------|--------|-----------------|-----------------------------------|------------------------|------|
| | | | | December 31, 2022 | December 31, 2021 | Shares/Units (In Thousands) | % | Carrying Amount | | | |
| NHOA S.A. | NHOA ENERGY S.R.L. | Italy | Renewable energy and energy storage system construction | \$ 1,963,292 | \$ 1,002,240 | 2,000,000 | 100.00 | \$ 1,634,271 | \$ (257,067) | \$ (257,067) | |
| | ELECTRO POWER SYSTEM MANUFACTURING | Italy | Intellectual property | 664,059 | 664,059 | 1,004,255 | 100.00 | 227,365 | 90,713 | 90,713 | |
| | Comores Energie Nouvelles S.A.R.L. | Union of the Comoros | Independent power plants | 18,719 | 305 | 100 | 100.00 | (21,847) | (9,634) | (6,909) | |
| | ATLANTE TOPCO S.R.L. | Italy | Investment holding | 420,706 | - | 1,000,000 | 100.00 | 91,403 | (378,005) | (378,005) | |
| | NHOA CORPORATE S.R.L. | Italy | Investment holding | 671,676 | - | 1,000,000 | 100.00 | 177,716 | (417,828) | (417,828) | |
| NHOA AMERICAS LLC | NHOA LATAM S.A.C. | Peru | Renewable energy and energy storage system construction | 3 | - | 300 | 10.00 | 256 | 2,474 | 247 | |
| NHOA CORPORATE S.R.L. | FREE2MOVE ESOLUTIONS S.P.A. | Italy | Electric vehicle charging equipment | 528,255 | - | 16,344,531 | 49.90 | 177,440 | (837,233) | (417,779) | Note |
| NHOA ENERGY S.R.L. | FREE2MOVE ESOLUTIONS S.P.A. | Italy | Electric vehicle charging equipment | - | 528,255 | - | - | - | (837,233) | - | Note |
| | NHOA AMERICAS LLC | U.S.A. | Renewable energy and energy storage system construction | 274 | 274 | 10,000 | 100.00 | (1,708) | (38,719) | (38,719) | |
| | NHOA AUSTRALIA PTY LTD | Australia | Renewable energy and energy storage system construction | 505,225 | 505,225 | 25,210,000 | 100.00 | 527,944 | 22 | 22 | |
| | NHOA LATAM S.A.C. | Peru | Renewable energy and energy storage system construction | 23 | - | 2,700 | 90.00 | 2,556 | 2,474 | 2,226 | |
| | ATLANTE S.R.L. | Italy | Renewable energy and charging equipment | - | 78,136 | - | - | - | - | - | Note |
| ATLANTE TOPCO S.R.L. | ATLANTE S.R.L. | Italy | Renewable energy and charging equipment | 896,136 | - | 5,000,000 | 100.00 | 489,148 | (377,550) | (377,550) | Note |
| ATLANTE S.R.L. | ATLANTE IBERIA S.L. | Spain | Renewable energy and charging equipment | 128 | - | 4,000 | 100.00 | (2,510) | (45,087) | (45,087) | |
| | ATLANTE FRANCE S.A.S. | France | Renewable energy and charging equipment | 3,192 | - | 100,000 | 100.00 | 23,982 | (72,782) | (72,782) | |
| | ATLANTE Fast Charging Portugal LDA | Portugal | Renewable energy and charging equipment | 4,000 | - | 1,000 | 100.00 | (1,586) | (1,646) | (1,646) | |
| FREE2MOVE ESOLUTIONS S.P.A. | FREE2MOVE ESOLUTIONS FRANCE S.A.S. | France | Electric vehicle charging equipment | 1,553 | - | 100,000 | 100.00 | (2,698) | (4,154) | (4,154) | |
| | FREE2MOVE ESOLUTIONS SPAIN S.L.U. | Spain | Electric vehicle charging equipment | 3,126 | - | 100,000 | 100.00 | (3,102) | (6,109) | (6,109) | |
| | FREE2MOVE ESOLUTIONS NORTH AMERICA LLC | U.S.A. | Electric vehicle charging equipment | 3,071 | - | 100,000 | 100.00 | (50,646) | (50,504) | (50,504) | |
| | FREE2MOVE ESOLUTIONS UK LTD | UK | Electric vehicle charging equipment | 3,709 | - | 100,000 | 100.00 | (863) | (851) | (851) | |

Note: Due to the Group strategic development and operating arrangement, the Group proceeded an organizational restructuring by transferring the equity interest of ATLANTE S.R.L. held by NHOA ENERGY S.R.L. to ATLANTE TOPCO S.R.L. and FREE2MOVE ESOLUTIONS S.P.A. held by NHOA ENERGY S.R.L. to NHOA CORPORATE S.R.L. in 2022.

(Concluded)

TAIWAN CEMENT CORPORATION

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

A.

| Investee Company | Main Businesses and Products | Share Capital | Method of Investment (Note 1) | Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022 (Note 2) | Investment Flow (Note 2) | | Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022 (Note 2) | Net Income (Loss) of the Investee | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) (Note 3) | Carrying Amount as of December 31, 2022 (Note 3) | Accumulated Repatriation of Investment Income as of December 31, 2022 | Note |
|--|---|---------------|-------------------------------|--|--------------------------|--------|--|-----------------------------------|--|---------------------------------|--|---|--------|
| | | | | | Outflow | Inflow | | | | | | | |
| TCC Fuzhou Cement Co., Ltd. | Manufacturing and sale of cement | \$ 499,038 | (b) | \$ 281,956 | \$ - | \$ - | \$ 281,956 | \$ (124,393) | 100.00 | \$ (124,393) | \$ 898,783 | \$ - | |
| TCC Fuzhou Yangyu Port Co., Ltd. | Service of port facility | 153,550 | (b) | 86,756 | - | - | 86,756 | 7,315 | 100.00 | 7,315 | 313,905 | - | |
| TCC Liuzhou Construction Materials Company Limited | Manufacturing and sale of slag powder | 414,585 | (b) | 99,500 | - | - | 99,500 | (27,389) | 42.00 | (11,504) | 353,766 | - | |
| TCC Yingde Cement Co., Ltd. | Manufacturing and sale of cement | 7,812,624 | (b) | 4,881,692 | - | - | 4,881,692 | 362,692 | 100.00 | 362,692 | 30,512,659 | - | |
| Jurong TCC Cement Co., Ltd. | Manufacturing and sale of cement | 7,155,430 | (b) | 4,176,406 | - | - | 4,176,406 | 241,523 | 100.00 | 241,523 | 18,130,163 | - | |
| TCC (Gui Gang) Cement Ltd. | Manufacturing and sale of cement | 10,222,619 | (b) | 7,312,047 | - | - | 7,312,047 | (1,678,662) | 100.00 | (1,678,662) | 22,938,444 | - | |
| Jiangsu TCC Investment Co., Ltd. | Investment holding | 1,535,500 | (b) | 867,558 | - | - | 867,558 | 22,628 | 100.00 | 22,628 | 4,032,381 | - | |
| Yingde Dragon Mountain Cement Co., Ltd. | Manufacturing and sale of cement | 1,887,109 | (b) | 3,336,123 | - | - | 3,336,123 | 412,526 | 100.00 | 412,526 | 15,707,514 | - | |
| TCC Liaoning Cement Company Limited | Manufacturing and sale of cement | 1,635,368 | (b) | 1,369,098 | - | - | 1,369,098 | (90,447) | 100.00 | (90,447) | 1,795,063 | - | |
| TCC Anshun Cement Company Limited | Manufacturing and sale of cement | 4,713,678 | (b) | 3,434,176 | - | - | 3,434,176 | (68,328) | 100.00 | (68,328) | 7,296,107 | - | |
| TCC Chongqing Cement Company Limited | Manufacturing and sale of cement | 3,623,780 | (b) | 2,620,219 | - | - | 2,620,219 | 120,471 | 100.00 | 120,471 | 9,672,136 | - | |
| Guangan Changxing Cement Company Ltd. | Manufacturing and sale of cement | 2,364,363 | (b) | 1,716,547 | - | - | 1,716,547 | 216,775 | 100.00 | 216,775 | 6,280,442 | - | |
| TCC (Dong Guan) Cement Company Ltd. | Manufacturing and sale of cement | 614,200 | (b) | 347,023 | - | - | 347,023 | 21,576 | 100.00 | 21,576 | 3,544 | - | |
| Guizhou Kong On Cement Company Limited | Manufacturing and sale of cement | 623,413 | (b) | 281,002 | - | - | 281,002 | (116,499) | 65.00 | (75,725) | 349,159 | - | |
| TCC New (Hangzhou) Management Company Limited | Operation management | 245,680 | (b) | 138,809 | - | - | 138,809 | (4,195) | 100.00 | (4,195) | 64,848 | - | |
| Guizhou Kaili Rui An Jian Cai Co., Ltd. | Manufacturing and sale of cement | 1,717,623 | (b) | 1,098,632 | - | - | 1,098,632 | (89,289) | 100.00 | (89,289) | 3,690,907 | - | |
| TCC Shaoguan Cement Co., Limited | Manufacturing and sale of cement | 2,122,061 | (b) | 1,988,473 | - | - | 1,988,473 | (255,685) | 100.00 | (255,685) | 1,576,446 | - | |
| TCC Huaying Cement Company Limited | Manufacturing and sale of cement | 4,187,071 | (b) | 3,152,936 | - | - | 3,152,936 | (415,140) | 100.00 | (415,140) | 3,294,583 | - | |
| TCC Huaihua Cement Company Limited (Note 4) | Manufacturing and sale of cement | 1,322,400 | (b) | 5,771,739 | - | - | 5,771,739 | (443,837) | 100.00 | (443,837) | 4,563,663 | - | |
| TCC Jingzhou Cement Company Limited (Note 4) | Manufacturing and sale of cement | 661,200 | (b) | - | - | - | - | (122,645) | 100.00 | (122,645) | 2,152,452 | - | |
| TCC Huaihua Concrete Company Limited (Note 4) | Sale of ready-mixed concrete | 44,080 | (b) | - | - | - | - | (14,562) | 100.00 | (14,562) | 18,345 | - | |
| TCC Jiangsu Mining Industrial Company Limited | Mining excavation | 122,840 | (b) | 384,087 | - | - | 384,087 | 51,862 | 100.00 | 51,862 | 401,336 | - | |
| TCC Yingde Mining Industrial Company Limited | Mining excavation | 353,165 | (b) | 277,854 | - | - | 277,854 | (5,545) | 100.00 | (5,545) | 360,789 | - | |
| TCC Guigang Mining Industrial Company Limited | Mining excavation | 153,550 | (b) | 132,625 | - | - | 132,625 | 4,652 | 100.00 | 4,652 | 397,997 | - | |
| Scitus Naxi Cement Co., Ltd. | Manufacturing and sale of cement | 645,816 | (b) | - | - | - | - | (111,179) | 100.00 | (111,179) | 482,341 | - | |
| Scitus Luzhou Cement Co., Ltd. | Manufacturing and sale of cement | 1,741,160 | (b) | - | - | - | - | 126,153 | 100.00 | 126,153 | 3,579,624 | - | |
| Scitus Hejiang Cement Co., Ltd. | Manufacturing and sale of cement | 102,486 | (b) | - | - | - | - | 4,608 | 100.00 | 4,608 | 8,850 | - | |
| Scitus Luzhou Concrete Co., Ltd. | Sale of ready-mixed concrete | 110,200 | (b) | - | - | - | - | (15,358) | 100.00 | (15,358) | 81,455 | - | |
| Anshun Xin Tai Construction Materials Company Limited | Filtering of sand and gravel and sale of ready-mixed concrete | 66,120 | (b) | 93,843 | - | - | 93,843 | (8,227) | 100.00 | (8,227) | 56,289 | - | |
| Fuzhou TCC Information Technology Co., Ltd. (Note 5) | Software product and equipment maintenance | 2,955 | (b) | 2,955 | - | - | 2,955 | 9,717 | 100.00 | 9,717 | 27,049 | 39,372 | |
| Da Tong (Guigang) International Logistics Co., Ltd. (Note 5) | Logistics and transportation | 153,550 | (b) | - | - | - | - | 64,081 | 100.00 | 64,081 | 1,009,376 | - | |
| Da Tong (Ying De) Logistics Co., Ltd. (Note 5) | Logistics and transportation | 22,040 | (b) | - | - | - | - | 12,757 | 100.00 | 12,757 | 146,297 | - | |
| Guigang Da-Ho Shipping Co., Ltd. (Note 5) | Marine transportation | 17,632 | (b) | - | - | - | - | 39,263 | 100.00 | 39,263 | 574,843 | - | |
| Prosperity Conch Cement Co., Ltd. | Manufacturing and sale of cement | 2,556,640 | (b) | 2,248,152 | - | - | 2,248,152 | 1,354,080 | 25.00 | 338,520 | 8,198,939 | - | |
| Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd. | Manufacturing and sale of cement | 3,636,600 | (b) | 1,465,697 | - | - | 1,465,697 | 66,909 | 30.00 | 22,426 | 1,536,535 | - | Note 3 |
| Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd. | Manufacturing and sale of cement | 1,818,653 | (b) | 709,757 | - | - | 709,757 | 152,030 | 30.00 | 40,931 | 929,214 | - | Note 3 |
| Sichuan Taichang Building Material Group Company Limited | Manufacturing and sale of cement | 881,600 | (b) | 354,801 | - | - | 354,801 | 34,426 | 30.00 | 10,328 | 565,573 | - | |
| Yingjing Xinan New material Co., Ltd. | Manufacturing and sale of cement | 88,160 | (b) | - | - | - | - | - | 30.00 | - | (168,966) | - | |
| Guangan Xin Tai Construction Materials Company Limited | Manufacturing and sale of concrete aggregate | 68,324 | (b) | 48,437 | - | - | 48,437 | - | 50.00 | - | - | - | |
| Guigang TCC Dong Yuan Environmental Technology Company Limited | Dangerous waste treatment | 881,600 | (b) | 515,736 | - | - | 515,736 | 91,439 | 100.00 | 91,439 | 1,015,695 | - | |
| Beijing TCC Environmental Technology Co., Ltd. | Technology development, enterprise management and sales | 26,448 | (b) | 26,448 | - | - | 26,448 | (42,124) | 100.00 | (42,124) | (106,096) | - | |
| TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | Environment, cement, business management consulting | 7,449,520 | (b) | 3,085,600 | 4,379,161 | - | 7,464,761 | (11,949) | 100.00 | (11,949) | 6,796,117 | - | |
| Kaili TCC Environment Technology Co., Ltd. | Waste collection and treatment | 35,264 | (b) | 13,224 | - | - | 13,224 | (6,136) | 100.00 | (6,136) | (72,866) | - | |
| TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd. | Technology development, enterprise management and sales | 17,632 | (b) | 9,698 | - | - | 9,698 | 139 | 55.00 | 77 | 8,981 | - | |

(Continued)

| Investee Company | Main Businesses and Products | Share Capital | Method of Investment (Note 1) | Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022 (Note 2) | Investment Flow (Note 2) | | Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022 (Note 2) | Net Income (Loss) of the Investee | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) (Note 3) | Carrying Amount as of December 31, 2022 (Note 3) | Accumulated Repatriation of Investment Income as of December 31, 2022 | Note |
|--|---|---------------|-------------------------------|--|--------------------------|--------|--|-----------------------------------|--|---------------------------------|--|---|------|
| | | | | | Outflow | Inflow | | | | | | | |
| Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd. | Technology development, enterprise management consulting | \$ 132,240 | (b) | \$ - | \$ - | \$ - | \$ - | \$ (4,288) | 45.00 | \$ (1,740) | \$ 88,687 | \$ - | |
| TCC (Hangzhou) Recycle Resource Technology Environmental Limited | Resource recycling technology development, business management and sales | 2,468,480 | (b) | - | - | - | - | 28,786 | 100.00 | 28,786 | 2,532,021 | - | |
| Guigang Conch-TCC New Material Technology Co., Ltd. | Technology development and service, Manufacturing and sale of dedicated chemical production | 105,792 | (b) | - | - | - | - | 138,332 | 40.00 | 55,333 | 90,781 | - | |
| Jurong TCC Environmental Co., Ltd. | Dangerous waste treatment | 661,200 | (b) | - | - | - | - | 1,500 | 100.00 | 1,500 | 656,578 | - | |
| Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd. | Manufacturing and sale of cement, technology development, enterprise management and sales | 1,763,200 | (b) | - | - | - | - | (199,029) | 40.00 | (79,612) | 604,483 | - | |
| TCC Yongren (Hangzhou) Renewable Resources Technology Co., Ltd. | Resource recycling technology consultation, biomass energy technology and fuel sales, solid waste treatment | 4,408 | (b) | - | - | - | - | (126) | 100.00 | (126) | 2,420 | - | |
| TCC Yongren (Hangzhou) Renewable Resources Development Co., Ltd. | Resource recycling technology consultation, solid waste treatment, biomass fuel sales | 26,448 | (b) | - | - | - | - | 86 | 100.00 | 86 | 26,548 | - | |
| TCC Yongren (Hangzhou) Environmental Protection Technology Co., Ltd. | Resource reusing technology and development, solid waste treatment, biomass fuel processing and sales | 4,408 | (b) | - | - | - | - | (65) | 100.00 | (65) | 4,346 | - | |
| TCC Yongren (Hangzhou) Environmental Technology Co., Ltd. | Resource regeneration technology research and development, solid waste treatment, biomass fuel processing and sales | 4,408 | (b) | - | - | - | - | (1) | 100.00 | (1) | 4,410 | - | |
| TCC (Shaoguan) Environment Technology Co., Ltd. | Biomass fuel processing and sales, solid waste treatment, urban and kitchen waste treatment | 4,408 | (b) | - | - | - | - | 13 | 100.00 | 13 | 4,423 | - | |
| TCC Zhongrun (Anshun) Environmental Technology Co., Ltd. | Co-processing fly ash disposal and domestic waste fly ash in Cement Kiln | 22,040 | (b) | - | - | - | - | 88 | 65.00 | - | 12,129 | - | |

| Accumulated Investment in Mainland China as of December 31, 2022 | Investment Amounts Authorized by Investment Commission, MOEA | Upper Limit on Investment |
|--|--|---------------------------|
| \$80,519,806 | \$81,212,007 | (Note 6) |

Note 1: The method of investments were as follows:

- Direct investment in mainland companies.
- Investments in mainland China companies were through a company invested and established in a third region.

Note 2: Including outward remittance from offshore subsidiaries.

Note 3: Investment gain (loss) was based on the associates' audited financial statements except Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd., Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd. and TCC Zhongrun (Anshun) Environmental Technology Co., Ltd. The Group considers that there would be no significant adjustments if such financial statements were to be audited.

Note 4: As of December 31, 2022, the accumulated outward remittance for investments was a total of those from TCC Huaihua Cement Company Limited, TCC Jingzhou Cement Company Limited and TCC Huaihua Concrete Company Limited.

Note 5: Including the amounts attributable to non-controlling interests.

Note 6: The Corporation received a confirmation letter of Operation Headquarter from the Industrial Development Bureau of the MOEA in March 2020 stating that the Corporation is not limited by the restriction on the accumulated percentage or amount of investment in mainland China.

B. Refer to Tables 1, 2, 4, 6, 7 and 9 for the information about significant transactions with investees in the mainland China either directly or indirectly through a third area.

(Concluded)

TAIWAN CEMENT CORPORATION

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TAIWAN CEMENT CORPORATION**STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

| Item | Period | Annual Rate | Amount |
|---|-----------------------|--------------------|---------------------|
| Cash | | | |
| Cash on hand | | | \$ 1,236 |
| Checking accounts and demand deposits (Note) | | | <u>3,044,369</u> |
| | | | <u>3,045,605</u> |
| Cash equivalents | | | |
| Time deposits with original maturities of less than 3 months (Note) | 2022.12.09-2023.01.09 | 4.05% | <u>1,197,690</u> |
| | | | <u>\$ 4,243,295</u> |

Note: Including US\$39,000 thousand, the rate of exchange US\$1=\$30.71.

TAIWAN CEMENT CORPORATION**STATEMENT OF FINANCIAL ASSETS AT FVTOCI - CURRENT****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars, Unless Unit Price is New Taiwan Dollars)**

| Name of Financial Instruments | Number of Shares (In Thousands) | Cost of Acquisition | Fair Value (Note) | |
|-------------------------------------|---------------------------------------|------------------------|-------------------|---------------------|
| | | | Unit Price | Total Amount |
| Taishin Financial Holding Co., Ltd. | 70,071 | \$ 646,575 | 15.10 | \$ 1,058,067 |
| China Hi-Ment Corporation | 30,196 | 261,546 | 46.00 | 1,389,023 |
| Chia Hsin Cement Corporation | 27,419 | 305,388 | 17.40 | 477,098 |
| CTCI Corporation | 9,054 | 200,438 | 41.85 | 378,925 |
| O-Bank | | | | |
| Ordinary shares | 32,809 | 305,799 | 8.39 | 275,265 |
| Convertible preference shares | 2,956 | <u>29,559</u> | 9.96 | <u>29,441</u> |
| | | <u>\$ 1,749,305</u> | | <u>\$ 3,607,819</u> |

Note: Calculated based on the closing price and the last strike price on December 31, 2022.

TAIWAN CEMENT CORPORATION

STATEMENT OF NOTES AND ACCOUNTS RECEIVABLE

DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars)

| Client Name (Note) | Amount |
|---------------------------------------|---------------------|
| Client A | \$ 261,135 |
| Client B | 259,387 |
| Client C | 254,260 |
| Others | <u>4,583,246</u> |
| | 5,358,028 |
| Less: Allowance for doubtful accounts | <u>38,660</u> |
| | <u>\$ 5,319,368</u> |

Note: The amount of individual client does not exceed 5% of the account balance.

TAIWAN CEMENT CORPORATION**STATEMENT OF INVENTORIES****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars)**

| Item | Amount | |
|--|---------------------|-----------------------------|
| | Cost | Net Realizable Value |
| Finished goods | \$ 736,514 | \$ 872,836 |
| Work in process | 381,340 | 395,337 |
| Raw materials | <u>1,437,831</u> | <u>1,316,472</u> |
| | 2,555,685 | <u>\$ 2,584,645</u> |
| Less: Allowance for write-downs (Note) | <u>233,835</u> | |
| | <u>\$ 2,321,850</u> | |

Note: Included provision for obsolete inventory loss.

TAIWAN CEMENT CORPORATION

STATEMENT OF FINANCIAL ASSETS AT FVTOCI - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars, Unless Unit Price is New Taiwan Dollars)

| Name of Securities | Balance at January 1, 2022 | | Addition | | Unrealized Gain (Loss) on Financial Instruments | Fair Value on December 31, 2022 | | |
|------------------------------------|------------------------------------|---------------------|------------------------------------|-------------|--|------------------------------------|------------|-------------------------------|
| | Number of Shares (In Thousands) | Amount | Number of Shares (In Thousands) | Amount | | Number of Shares (In Thousands) | Unit Price | Balance, December 31, 2022 |
| Privately placed listed shares | | | | | | | | |
| Phihong Technology Co., Ltd. | 37,520 | \$ 1,255,794 | - | \$ - | \$ (225,495) | 37,520 | \$27.46 | \$ 1,030,299 |
| Unlisted shares | | | | | | | | |
| Taiwan Stock Exchange Corporation | 55,698 | 6,002,580 | 12,254 | - | (280,369) | 67,952 | 84.21 | 5,722,211 |
| Chinatrust Investment Co., Ltd. | 29,553 | 1,177,376 | - | - | (305,279) | 29,553 | 29.51 | 872,097 |
| IBT II Venture Capital Corporation | 2,626 | 14,509 | - | - | (14,509) | 2,626 | - | - |
| Pan Asia Corporation | 6,204 | 8,996 | - | - | - | 6,204 | 1.45 | 8,996 |
| Excel Corporation | 600 | - | - | - | - | 600 | - | - |
| | | <u>\$ 8,459,255</u> | | <u>\$ -</u> | <u>\$ (825,652)</u> | | | <u>\$ 7,633,603</u> |

TAIWAN CEMENT CORPORATION

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Unit Price is New Taiwan Dollars)

| Name of Investee Company | Balance, January 1, 2022 | | Changes for the Year | | Investee Company Distributed as Cash Dividends | Investment Income or Loss for Using the Equity Method (Note 6) | Equity Adjustments (Note 1) | Balance, December 31, 2022 | | | Market Price (Note 5) | |
|--|--------------------------|-----------------------|--------------------------|----------------------|--|--|-----------------------------------|----------------------------|-----------|-----------------------|-----------------------|--------------|
| | Shares (In Thousands) | Amount | Shares (In Thousands) | Amount | | | | Shares (In Thousands) | Ownership | Amount | Unit Price | Total Amount |
| Listed company | | | | | | | | | | | | |
| International CSRC Investment Holdings Co., Ltd. | 153,477 | \$ 5,642,349 | - | \$ - | \$ (30,695) | \$ 107,790 | \$ (50,394) | 153,477 | 15.6 | \$ 5,669,050 | \$ 19.5 | \$ 2,985,125 |
| Unlisted company | | | | | | | | | | | | |
| TCCI | 1,100,876 | 114,241,779 | - | - | - | 23,196 | (1,165,758) | 1,100,876 | 100.0 | 113,099,217 | | |
| TCCIH (Note 2) | 2,581,832 | 60,257,962 | 889,386 | 21,466,100 | - | (745,927) | 1,012,947 | 3,471,218 | 45.5 | 81,991,082 | | |
| Taiwan Cement Dutch (Note 2) | 838 | 24,496,751 | 341 | 10,869,300 | - | 1,398,800 | 3,220,428 | 1,179 | 100.0 | 39,985,279 | | |
| Ho-Ping Power Company | 805,940 | 16,403,671 | - | - | (1,190,000) | (885,694) | 710 | 805,940 | 59.5 | 14,328,687 | | |
| Hoping Industrial Port Corporation | 319,990 | 5,865,242 | - | - | (735,977) | 700,855 | (107,783) | 319,990 | 100.0 | 5,722,337 | | |
| TCC Investment Corporation (Note 3) | 131,488 | 4,976,399 | 108,312 | - | (2,479) | 671,787 | (1,271,351) | 239,800 | 100.0 | 4,374,356 | | |
| TCC Green Energy Corporation (Note 2) | 950,899 | 9,379,579 | 400,000 | 4,000,000 | - | 102,848 | 5,838 | 1,350,899 | 100.0 | 13,488,265 | | |
| Ta-Ho Maritime Corporation (Note 3) | 161,512 | 2,831,185 | 13,567 | - | (33,918) | 520,277 | 261,754 | 175,079 | 64.8 | 3,579,298 | | |
| Taiwan Transport & Storage Corporation (Note 3) | 48,690 | 2,093,912 | 3,720 | 840 | (86,668) | 261,170 | 76,271 | 52,410 | 83.9 | 2,345,525 | | |
| CCC USA Corp. | 79 | 1,731,743 | - | - | - | (20,664) | 188,743 | 79 | 33.3 | 1,899,822 | | |
| TCC Chemical Corporation (Note 2) | 240,000 | 1,246,575 | (100,000) | - | - | 94,359 | (16,010) | 140,000 | 100.0 | 1,324,924 | | |
| Ho Sheng Mining Co., Ltd. | 30,100 | 1,326,807 | - | - | (56,096) | 8,689 | - | 30,100 | 100.0 | 1,279,400 | | |
| TCC Recycle Energy Technology Company (Note 3) | 1,040,653 | 10,333,631 | 850 | 8,533 | - | 254,774 | (68,775) | 1,041,503 | 36.6 | 10,528,163 | | |
| ONYX Ta-Ho Environmental Services Co., Ltd. | 58,828 | 1,220,989 | - | - | (394,148) | 560,440 | 3,959 | 58,828 | 50.0 | 1,391,240 | | |
| Taiwan Cement Engineering Corporation | 59,682 | 719,091 | - | - | - | 3,357 | - | 59,682 | 99.2 | 722,448 | | |
| Kuan-Ho Refractories Industry Corporation (Note 3) | 38,926 | 599,906 | 7,785 | - | - | 52,426 | 6,435 | 46,711 | 95.3 | 658,767 | | |
| HKCMCL | 38 | 459,780 | - | - | - | 65,125 | 52,654 | 38 | 84.7 | 577,559 | | |
| Feng Sheng Enterprise Company | 27,261 | 432,661 | - | - | (76,330) | 129,899 | 343 | 27,261 | 45.4 | 486,573 | | |
| TCC Information Systems Corporation | 14,904 | 265,911 | - | - | - | 65,764 | 1,468 | 14,904 | 99.4 | 333,143 | | |
| Ta-Ho Onyx RSEA Environment Co., Ltd. | 39,960 | 599,889 | - | - | (180,260) | (628) | - | 39,960 | 66.6 | 419,001 | | |
| Jin Chang Minerals Corporation | 9,100 | 175,885 | - | - | - | 131,898 | - | 9,100 | 100.0 | 307,783 | | |
| E.G.C. Cement Corporation | 8,063 | 124,088 | - | - | (19,264) | 17,712 | 119 | 8,063 | 50.6 | 122,655 | | |
| HPC Power Service Corporation | 6 | 121,105 | - | - | (119,242) | 124,775 | 577 | 6 | 60.0 | 127,215 | | |
| Synpac Ltd. | 2,700 | 6,328 | - | - | - | 32 | 694 | 2,700 | 25.0 | 7,054 | | |
| Tung Chen Mineral Corporation | 20 | 1,226 | - | - | - | (249) | - | 20 | 99.5 | 977 | | |
| TCC Energy Storage Technology Corporation (Note 2) | 200,600 | 1,979,067 | 50,000 | 500,000 | - | (149,021) | - | 250,600 | 100.0 | 2,330,046 | | |
| TCC Sustainable Energy Investment Corporation | 100 | 912 | - | - | - | (13) | - | 100 | 100.0 | 899 | | |
| Tuo Shan Recycle Technology Company | 100 | 955 | - | - | - | (11) | - | 100 | 100.0 | 944 | | |
| TMC (Note 4) | 120 | - | - | - | - | - | - | 120 | 72.7 | - | | |
| TPMC (Note 4) | 20 | - | - | - | - | - | - | 20 | 40.0 | - | | |
| | | <u>261,893,029</u> | | <u>36,844,773</u> | <u>(2,894,382)</u> | <u>3,385,976</u> | <u>2,203,263</u> | | | <u>301,432,659</u> | | |
| | | <u>\$ 267,535,378</u> | | <u>\$ 36,844,773</u> | <u>\$ (2,925,077)</u> | <u>\$ 3,493,766</u> | <u>\$ 2,152,869</u> | | | <u>\$ 307,101,709</u> | | |

Note 1: Including exchange differences on translating foreign operations and investee company changes in equity.

Note 2: TCCIH increased its capital not in proportion to shareholding by \$21,466,100 thousand (889,386 thousand shares); Taiwan Cement Dutch increased its capital by \$10,869,300 thousand (341 thousand shares); TCC Green Energy Corporation increased its capital by \$4,000,000 thousand (400,000 thousand shares); TCC Chemical Corporation decreased its capital by 100,000 thousand shares; TCC Energy Storage Technology Corporation increased its capital by \$500,000 thousand (50,000 thousand shares).

Note 3: The increase in the number of shares in the current year is due to the transfer of retained earnings to common stock and purchase of fractional shares.

Note 4: Due to the recognition of investment losses in TMC and TPMC, credit balances of \$18,658 thousand and \$18,251 thousand were generated, which were recorded in other non-current liabilities as of December 31, 2022 and 2021, respectively.

Note 5: It was calculated based on the closing price on December 31, 2022.

TAIWAN CEMENT CORPORATION

STATEMENT OF CHANGE IN RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

| Item | Land | Buildings | Machinery and Equipment | Others | Total |
|---|-------------------|---------------------|-------------------------------|------------------|---------------------|
| Cost | | | | | |
| Balance at January 1, 2022 | \$ 500,519 | \$ 1,609,788 | \$ 638,416 | \$ 77,290 | \$ 2,826,013 |
| Additions | 3,983 | - | - | 17,494 | 21,477 |
| Remeasurement | 219 | - | - | 1,085 | 1,304 |
| Disposals | <u>-</u> | <u>-</u> | <u>-</u> | <u>(9,845)</u> | <u>(9,845)</u> |
| Balance at December 31, 2022 | <u>\$ 504,721</u> | <u>\$ 1,609,788</u> | <u>\$ 638,416</u> | <u>\$ 86,024</u> | <u>\$ 2,838,949</u> |
| Accumulated depreciation | | | | | |
| Balance at January 1, 2022 | \$ 171,589 | \$ 338,068 | \$ 187,857 | \$ 36,394 | \$ 733,908 |
| Depreciation expenses | 86,897 | 138,056 | 83,795 | 17,166 | 325,914 |
| Disposals | <u>-</u> | <u>-</u> | <u>-</u> | <u>(9,845)</u> | <u>(9,845)</u> |
| Balance at December 31, 2022 | <u>\$ 258,486</u> | <u>\$ 476,124</u> | <u>\$ 271,652</u> | <u>\$ 43,715</u> | <u>\$ 1,049,977</u> |
| Carrying amount at December 31, 2022 | <u>\$ 246,235</u> | <u>\$ 1,133,664</u> | <u>\$ 366,764</u> | <u>\$ 42,309</u> | <u>\$ 1,788,972</u> |

TAIWAN CEMENT CORPORATION

STATEMENT OF CHANGES IN INVESTMENT PROPERTIES
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (In Thousands of New Taiwan Dollars)

| Item | Balance at January 1, 2022 | Addition | Disposal | Balance at December 31, 2022 |
|--------------------------|-------------------------------|----------------|--------------------|------------------------------------|
| Cost | | | | |
| Land | \$ 2,612,902 | \$ - | \$ (58,417) | \$ 2,554,485 |
| Buildings | <u>167,580</u> | <u>-</u> | <u>-</u> | <u>167,580</u> |
| | <u>2,780,482</u> | <u>-</u> | <u>(58,417)</u> | <u>2,722,065</u> |
| Accumulated depreciation | | | | |
| Buildings | <u>145,174</u> | <u>59</u> | <u>-</u> | <u>145,233</u> |
| Accumulated impairment | | | | |
| Land | 118,661 | - | - | 118,661 |
| Buildings | <u>21,496</u> | <u>-</u> | <u>-</u> | <u>21,496</u> |
| | <u>140,157</u> | <u>-</u> | <u>-</u> | <u>140,157</u> |
| | <u>\$ 2,495,151</u> | <u>\$ (59)</u> | <u>\$ (58,417)</u> | <u>\$ 2,436,675</u> |

TAIWAN CEMENT CORPORATION**STATEMENT OF SHORT-TERM LOANS****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars)**

| Item (Note 1) | Loan Period | Amount |
|--|-----------------------|---------------------|
| Bank loans - unsecured | | |
| Export-Import Bank of the Republic of China | 2022/06/15-2023/06/14 | \$ 400,000 |
| DBS Bank (Taipei) | 2022/08/12-2023/02/10 | 3,700,000 |
| Oversea-Chinese Banking Corporation Ltd. | 2022/08/12-2023/02/13 | 800,000 |
| Chang Hwa Commercial Bank (Zhongshan N. Rd.) | 2022/08/18-2023/02/14 | <u>1,000,000</u> |
| | | <u>5,900,000</u> |
| Bank loans - letters of credit (Note 2) | | |
| Mega International Commercial Bank Co., Ltd. (foreign department) | 2022/10/19-2023/02/08 | <u>126,632</u> |
| | | <u>\$ 6,026,632</u> |

Note 1: The interval of rate is 1.29%-2.53%, and the total loan commitments is \$61,916,980 thousands.

Note 2: Bank loans - letters of credit included EUR3,870 thousand, translated at the exchange rate of EUR1=NT\$32.72.

TAIWAN CEMENT CORPORATION

STATEMENT OF BONDS PAYABLE
DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars, Unless Unit Price is New Taiwan Dollars)

| Bonds Name | Trustee | Issuance Date | Interest Payment Date | Coupon Rate (%) | Amount | | | Premiums (Discounts) | Carrying Value | Unamortized Repayment | Collateral | Remark |
|-----------------------------------|--------------------------------|---------------|--|-----------------|----------------------|----------------|----------------------|-----------------------|----------------------|-----------------------|------------|--------|
| | | | | | Total Amount | Repayment Paid | Balance, End of Year | | | | | |
| <u>Domestic bonds</u> | | | | | | | | | | | | |
| Unsecured bonds-107-1 | CTBC Bank Co., Ltd. | 2018.06.21 | Simple interest payments are made once a year from the date of issue | 1.70 | \$ 12,000,000 | \$ - | \$ 12,000,000 | \$ (16,755) | \$ 11,983,245 | Bullet repayment | Nil | |
| Unsecured bonds-108-1 | CTBC Bank Co., Ltd. | 2019.06.14 | Simple interest payments are made once a year from the date of issue | 0.85 | 12,600,000 | - | 12,600,000 | (11,004) | 12,588,996 | Bullet repayment | Nil | |
| Unsecured bonds-109-1-A | CTBC Bank Co., Ltd. | 2020.04.15 | Simple interest payments are made once a year from the date of issue | 0.69 | 5,200,000 | - | 5,200,000 | (6,372) | 5,193,628 | Bullet repayment | Nil | |
| Unsecured bonds-109-1-B | CTBC Bank Co., Ltd. | 2020.04.15 | Simple interest payments are made once a year from the date of issue | 0.93 | 14,800,000 | - | 14,800,000 | (24,250) | 14,775,750 | Bullet repayment | Nil | |
| Unsecured bonds-110-1-A | CTBC Bank Co., Ltd. | 2021.08.31 | Simple interest payments are made once a year from the date of issue | 0.59 | 5,800,000 | - | 5,800,000 | (10,626) | 5,789,374 | Bullet repayment | Nil | |
| Unsecured bonds-110-1-B | CTBC Bank Co., Ltd. | 2021.08.31 | Simple interest payments are made once a year from the date of issue | 0.68 | 3,100,000 | - | 3,100,000 | (6,271) | 3,093,729 | Bullet repayment | Nil | |
| Unsecured bonds-110-1-C | CTBC Bank Co., Ltd. | 2021.08.31 | Simple interest payments are made once a year from the date of issue | 0.78 | 1,200,000 | - | 1,200,000 | (2,599) | 1,197,401 | Bullet repayment | Nil | |
| Unsecured bonds-110-1-D | CTBC Bank Co., Ltd. | 2021.08.31 | Simple interest payments are made once a year from the date of issue | 0.95 | 6,500,000 | - | 6,500,000 | (14,803) | 6,485,197 | Bullet repayment | Nil | |
| Unsecured bonds-111-1-A | CTBC Bank Co., Ltd. | 2022.06.08 | Simple interest payments are made once a year from the date of issue | 1.90 | 4,950,000 | - | 4,950,000 | (8,970) | 4,941,030 | Bullet repayment | Nil | |
| Unsecured bonds-111-1-B | CTBC Bank Co., Ltd. | 2022.06.08 | Simple interest payments are made once a year from the date of issue | 2.15 | 2,800,000 | - | 2,800,000 | (5,284) | 2,794,716 | Bullet repayment | Nil | |
| Unsecured bonds-111-2-A | CTBC Bank Co., Ltd. | 2022.11.25 | Simple interest payments are made once a year from the date of issue | 2.10 | 2,100,000 | - | 2,100,000 | (4,116) | 2,095,884 | Bullet repayment | Nil | |
| Unsecured bonds-111-2-B | CTBC Bank Co., Ltd. | 2022.11.25 | Simple interest payments are made once a year from the date of issue | 2.65 | 1,200,000 | - | 1,200,000 | (2,376) | 1,197,624 | Bullet repayment | Nil | |
| <u>Overseas bonds</u> | | | | | | | | | | | | |
| Unsecured convertible bonds-110-1 | Citicorp International Limited | 2021.12.07 | Maturity is repaid in full according to the par value of the bond | - | 22,200,000 | - | 22,200,000 | (1,414,553) | 20,785,447 | Bullet repayment | Nil | Note |
| Current portions | | | | | - | - | - | - | (20,785,447) | | | |
| | | | | | <u>\$ 94,450,000</u> | <u>\$ -</u> | <u>\$ 94,450,000</u> | <u>\$ (1,527,979)</u> | <u>\$ 72,136,574</u> | | | |

Note: The bonds, which are listed on the Singapore Stock Exchange, have a face value of US\$800,000 thousand. As of December 31, 2022, no conversion had been requested.

TAIWAN CEMENT CORPORATION

STATEMENT OF LONG-TERM LOANS AND LONG-TERM BILLS PAYABLE

DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars)

| Type of Loan and Creditor | Contract Period | Annual Interest Rates (%) | Amount | Loan Commitments | Collateral |
|--|-----------------|---------------------------|----------------------|----------------------|------------|
| Syndicated loan agreement with Mega International Commercial Bank and other banks (Note 1) | | | | | |
| Type A | 2022.5-2027.5 | 1.80% | \$ 13,600,000 | \$ 25,800,000 | - |
| Type B | 2022.5-2027.5 | 1.92%-1.97% | <u>13,500,000</u> | <u>25,800,000</u> | - |
| | | | <u>27,100,000</u> | <u>51,600,000</u> | |
| Long-term bank borrowings in non-syndicated loans agreement (Note 2) | | | | | |
| First Commercial Bank (Chung-Shan) | 2022.7-2025.7 | 1.65% | 4,000,000 | 4,000,000 | - |
| Yuanta Commercial Bank Co., Ltd. | 2022.7-2025.7 | 1.68% | 2,800,000 | 2,800,000 | - |
| Oversea-Chinese Banking Corporation Limited | 2022.7-2024.7 | 1.74% | 1,838,000 | 5,000,000 | - |
| DBS Bank (Taipei) | 2022.7-2024.12 | 1.87%-1.96% | 2,300,000 | 7,200,000 | - |
| Mizuho Corporate Bank Ltd (Taipei) | 2022.10-2024.10 | 1.78% | 1,100,000 | 4,000,000 | - |
| DBS Bank | 2022.7-2024.7 | 1.87% | 1,000,000 | 1,500,000 | - |
| Taishin International Bank | 2022.11-2025.11 | 1.95% | 1,000,000 | 2,000,000 | - |
| Bank of Taiwan (Chung-Shan) | 2022.12-2025.11 | 1.58% | 700,000 | 1,500,000 | - |
| Mega International Commercial Bank Co., Ltd. (foreign department) | 2022.12-2025.12 | 1.98% | 600,000 | 1,600,000 | - |
| Chang Hwa Commercial Bank (Chung-Shan) | 2022.10-2024.8 | 2.19% | 500,000 | 1,500,000 | - |
| Bank SinoPac Company Limited | 2022.10-2024.10 | 1.75% | <u>500,000</u> | <u>500,000</u> | - |
| | | | 16,338,000 | 31,600,000 | |
| Less: Issuance costs | | | <u>(215,163)</u> | - | |
| | | | <u>\$ 43,222,837</u> | <u>\$ 83,200,000</u> | |

(Continued)

- Note 1: The Corporation has entered into 5-year syndicated loan agreements in 2022 with certain bank consortium, with an expiry date of May 2027. The credit line is divided into two tranches: A and B. The long-term credit line of Tranche A will be repaid in May 2027. The credit facility of Tranche B, which is a long-term revolving credit line, is divided into Tranche B-1 and Tranche B-2. The Corporation has the right to decide whether to utilize the long-term loans Tranche B-1 or the long-term notes payable Tranche B-2 at its sole discretion. When each utilized amount expires, it can be directly reimbursed by the newly allocated funds. For the same amount, the Corporation does not need to remit funds in and out.
- Note 2: The principles of long-term unsecured is credit borrowings that due in December 2025, and the interests are paid monthly.

(Concluded)

TAIWAN CEMENT CORPORATION**STATEMENT OF NET REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)**

| Item | Shipments | Amount |
|---------------------------|-----------------------------|----------------------|
| Domestic sales | | |
| Cement - related products | 5,228 thousand cubic meters | \$ 13,923,839 |
| Cement | 2,894 thousand tons | 7,658,492 |
| Clinker | 871 thousand tons | 1,771,785 |
| Others | | <u>527,444</u> |
| | | <u>23,881,560</u> |
| Export sales | | |
| Cement | 551 thousand tons | 1,037,388 |
| Others | | <u>441,950</u> |
| | | <u>1,479,338</u> |
| | | <u>\$ 25,360,898</u> |

TAIWAN CEMENT CORPORATION**STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)**

| Item | Amount |
|---|----------------------|
| Balance at beginning of year | \$ 1,143,684 |
| Add: Raw materials purchased | 11,316,624 |
| Less: Raw materials, end of year | <u>1,437,831</u> |
| Raw materials used | 11,022,477 |
| Direct labor | 274,658 |
| Manufacturing expenses | <u>3,848,144</u> |
| Manufacturing costs | 15,145,279 |
| Add: Work in process, beginning of year | 393,010 |
| Work in process purchased | 475,493 |
| Less: Work in process, end of year | 381,340 |
| Work in process sold | <u>1,296,448</u> |
| Cost of finished goods | 14,335,994 |
| Add: Finished goods, beginning of year | 318,074 |
| Finished goods purchased | 526,580 |
| Less: Finished goods, end of year | 736,514 |
| Add: Transportation costs | 3,519,898 |
| Commodity tax | 540,103 |
| Work in process sold | 1,296,448 |
| Write-downs of Inventories | 19,604 |
| Others | <u>46,115</u> |
| Operating costs | <u>\$ 19,866,302</u> |

TAIWAN CEMENT CORPORATION**STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)**

| Item | Selling Expenses | General and Administrative Expenses | Total |
|-------------------------------------|-----------------------------|--|---------------------|
| Payroll and pension | \$ 98,952 | \$ 499,687 | \$ 598,639 |
| Professional service fees | 1,627 | 172,853 | 174,480 |
| Board compensation | - | 91,990 | 91,990 |
| Depreciation expenses | 25,256 | 111,001 | 136,257 |
| General and administrative expenses | 20,922 | 84,778 | 105,700 |
| Shipping expenses | 98,410 | 3,132 | 101,542 |
| Others (Note) | <u>32,625</u> | <u>281,656</u> | <u>314,281</u> |
| | <u>\$ 277,792</u> | <u>\$ 1,245,097</u> | <u>\$ 1,522,889</u> |

Note: The amount of each item in others does not exceed 5% of the amount balance.

TAIWAN CEMENT CORPORATION

STATEMENT OF LABOR, DEPRECIATION AND AMORTIZATION BY FUNCTION
 FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
 (In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

| | 2022 | | | | 2021 | | | |
|----------------------------|-------------------------------------|--|--|---------------------|-------------------------------------|--|--|---------------------|
| | Classified as Operating Costs | Classified as Operating Expenses | Classified as Non-operating Income and Expenses | Total | Classified as Operating Costs | Classified as Operating Expenses | Classified as Non-operating Income and Expenses | Total |
| Labor cost | | | | | | | | |
| Salary and bonus | \$ 613,597 | \$ 510,233 | \$ - | \$ 1,123,830 | \$ 555,651 | \$ 591,116 | \$ - | \$ 1,146,767 |
| Labor and health insurance | 55,344 | 40,166 | - | 95,510 | 52,532 | 38,681 | - | 91,213 |
| Pension | 18,301 | 12,060 | - | 30,361 | 19,523 | 12,220 | - | 31,743 |
| Board compensation | - | 91,990 | - | 91,990 | - | 241,310 | - | 241,310 |
| Others | 22,537 | 76,346 | - | 98,883 | 4,961 | 28,244 | - | 33,205 |
| | <u>\$ 709,779</u> | <u>\$ 730,795</u> | <u>\$ -</u> | <u>\$ 1,440,574</u> | <u>\$ 632,667</u> | <u>\$ 911,571</u> | <u>\$ -</u> | <u>\$ 1,544,238</u> |
| Depreciation | <u>\$ 875,368</u> | <u>\$ 136,257</u> | <u>\$ -</u> | <u>\$ 1,011,625</u> | <u>\$ 857,953</u> | <u>\$ 129,331</u> | <u>\$ 2,065</u> | <u>\$ 989,349</u> |
| Amortization | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1</u> |

Note 1: As of December 31, 2022 and 2021, the Corporation had 1,147 and 1,114 employees, respectively. There were 13 and 14 non-employee directors, respectively.

Note 2: Average labor cost for the years ended December 31, 2022 and 2021 were \$1,189 thousand and \$1,184 thousand, respectively.

Note 3: Average salary and bonus for the years ended December 31, 2022 and 2021 were \$991 thousand and \$1,043 thousand, respectively. The average salary and bonus changed by 4.99% year over year.

Note 4: The Corporation did not have supervisors for the year ended December 31, 2022 and 2021, respectively. Therefore, there was no compensation to the supervisors.

Note 5: The compensation standard of the Corporation's employees is enacted fairly by referring to the industry compensation level, company performance, and internal organization structure, and the annual raise will be granted from time to time taking into account the external industry trends and government regulations. The year-end bonus, quarterly bonus, business performance bonus are granted based on company performance and personal contribution, and the employees' compensation is granted in accordance with the Corporation's Article of Incorporation to reward employees' efforts at work.

Note 6: The compensation policy for the president, vice presidents and executive officers is decided based on the company's operational strategy, company performance, personal performance and the compensation standards of the industry, which is submitted to the Compensation Committee for reasonable comments and then further resolved by the Board of Directors.

Note 7: The performance evaluation and remuneration of the Corporation's directors refer to industry practice, and will evaluate reasonable correlation between individual and the company's performance as well as future risk exposures, based on evaluation results, positions and financial situation of the company. The remuneration contains fixed amount paid on a monthly basis and the attendance fee paid by actual attendance. In addition, according to the Corporation's Articles of Incorporation, less than 1% of annual profits shall be recognized as remuneration of the directors and allocation shall be based on the results of the performance evaluation of the directors.