

THE TAIWAN CEMENT CORPORATION 2021 ANNUAL REPORT

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1 Letter to Shareholders

The Story of Energy and Its Sources
By Nelson An-Ping Chang, 2022

TCC has, over the years, focused great attention on our future direction on energy resources. We would like to take this opportunity to share *The Story of Energy and Its Sources* with you.

Humankind and energy have always had an intimate relationship since the Palaeolithic Era. Energy is a fundamental priority for the survival of civilization, and human attitudes towards the development and use of energy directly or indirectly determine the advancement of civilization.

All organisms, whether animals or plants, require energy to perform their life functions. From the very start, life is a process of acquiring and consuming energy resources to enable growth and activity. The metabolism of animals and the photosynthesis of plants require the conversion and circulation of energy sources to make these processes possible.

All living beings are linked to natural ecology, and humans are no exception. Before the creation of civilization as we know it, humans obtained and consumed energy resources in the same way as other organisms; constantly foraging to find and consume energy sources and then constantly repeating the cycle.

Humans evolved from the foraging stage to start to produce food in different seasons and to store food. When food sources became scarce, they began to share the stored food with others; that was the beginning of human civilization. The same is true for energy resources, which should also be divided into three stages: production, storage, and sharing.

In the beginning, human beings first fed themselves to obtain the “manpower” for work, then fed animals to obtain the “animal power” for work, and then began to learn to harness energy sources available in the natural world. These natural energy capabilities could be found either in the form of climate and seasonal changes from land, ocean and the wind. Additionally, energy could be stored in plants via photosynthesis, or buried in deep valleys and caves. Energy resources have been continuously discovered and excavated by humans for generations, and have become the driving force for the expansion of civilization.

One day in ancient times, a tiny fire was ignited. The birth of fire symbolized the birth of civilization. After the emergence of civilization, the relationship between human beings and energy has also changed rapidly: whether it was used for foraging, cooking, working, or transporting, the more power human beings required, the less the energy sources originally provided by the natural world could satisfy them.

Since the Industrial Revolution, human beings have been searching for more energy sources to power machines, allowing machine power to replace and enhance original manpower. At that time, the powers of the machine seemed to be inexhaustible. Not only was mass production possible, natural materials could also be refined and used by more people through forging, molding and other fabrication techniques.

But in an environment that is full of self-interested thinking where human beings seriously lack the will to control their own desires, human desires became the driving force behind the development of human civilization. However, our endless desires have resulted in a misguided relationship with Mother Nature. Our ancestors, in order to solve the desperate situation they were facing at the time, did not realize then that the new approaches toward energy and consumption they had come up with at the time might spawn new problems.

From firepower, coal, petroleum, to nuclear power...over several centuries, a giant hungry beast has been created to devour energy. Humans kept mining energy sources, cut down many trees, killed many whales, levelled many mountains for coal, and drained many oil wells. The behemoth became larger and larger, and so did its appetite.

Today, the behemoth is no longer just a locomotive or a production line, but an industrial zone or an entire city. Humans act like gods, mining the very core of all food and taking unpredictable risks, to develop all kinds of technologies such as atomic fusion and atomic fission. These technologies, capable of creating the world, can then generate an energy source that glows and heats like the stars.

In fact, all human civilization is basically on a path of no return, looking for and consuming scarce energy resources.

The energy supply between the sun and the Earth has maintained a delicate interaction from the beginning of time. It has maintained an ecological equilibrium for over 4 billion years, and according to the rhythm of nature, it has provided the energy needed for the survival of all living beings. While it has had its up and down cycles, these cycles have always been in moderation relative to the environment.

From a historical and cultural point of view, re-cycling is not a new concept, much less a special one. It exists in nature, in our culture, in our religions, in everyone's bodies and in all things.

Looking around, everything is recycled, and especially from the point of view of our atomic makeup. We have all been at one time a completely different life form, being, or matter. The atoms that make up us had also, in times past, made up other organisms, and they are still being changed every day.

As scientific research has postulated, it only requires half an hour of sunshine on Earth to provide enough energy to maintain current human needs for a whole year. But why has humanity again and again run into critical shortages of energy? Possibly because conversion efficiency was inadequate; possibly because we produced surplus production causing meaningless waste; too much access to cheap energy led to the excessive and inefficient use of energy capabilities in unnecessary places.

When the Earth's human population was still at an insignificant number, even wanton squandering was not able to wound Mother Earth as we are harming her today. But human civilization in the 21st century has been readily changing the natural ecology. The 7.8 billion humans walking the Earth today, are no longer an inconsequential link in the circular system of an aging planet. Rather, every act and move they make all cause system shocks, demonstrating humanity's all too present impact. At the same time, it is necessary, relatively speaking, to restrain these irresponsible and abusive behaviors. Humans should not look down upon or abuse the energy sources and the potential power in their hands just because they understand them and think they master them. Only by honestly understanding the arrogance of human beings can we truly solve the problem.

The direction that TCC is currently working on is to explore and develop more efficient energy sources and conversion approaches that are closer in line with the natural ecological rhythm. In parallel, we seek to create more sustainable processes of storing and using energy sources in accordance with the rhythm of the natural world. We combine renewable resources and energy storage systems which recycle urban waste through cement kilns, creating a coexistence of the city and nature, the humanities and the environment. Just like in the cycle of nature, any substance has its place for reuse, and to ensure the future longevity of societies and civilization energy systems should also be designed likewise.

Behind these actions and these development strategies is the expectation of a new friendly relationship between human beings and energy resources.

Our goal is to reduce the load on the chain in every link, even bearing it on our own shoulders, so that future generations can continue to survive and ultimately thrive in an unburdened world.

Among the biological species living on this planet, the biggest difference which separates human beings from other species is that human beings realize that life is finite and the existence of all things has an end.

Life has a deadline, buildings will erode in the elements, and the seas will dry up. Because of this knowledge that there is an end, people have designed the concept of minutes and seconds. Human existence is thus closely tied to a race against the clock.

Survival is a constant consciousness of time, and crisis is the clock face leading to the Final Judgement, which approaches closer step by step. Only from the perspective of human beings do the phenomena of the Deluge and other natural disasters in ancient mythologies as well as today's realities of receding glaciers and rising sea water, have meaning on a timeline. This makes it possible to reach consensus on carbon reduction goals in 2030 and 2050 as verbalized in the step-by-step schedule of the Paris Agreement. This has created an urgency to search for sustainable energy sources and the restructuring and reorganization of human society under the anxiety of a time crunch, piecing together the complex problems we face today.

The history of energy sources has always been the history of the interaction between human and Mother Nature. In the presence of Mother Nature, only when we know how to be humble, can we put away our arrogance.

Just like a child seeing a rainbow for the first time, he/she is so excited to expand his/her imagination about the real world. Even as we grow older and understand the optical principles behind the rainbow, we should not forget the first experience when we experience the magic of the world in childhood. If we always try to keep an uncontaminated view and make it fit our imagination about energy sources, science and technology, can we create the reality of a sustainable existence for all humankind.

The more deeply nature is understood by humans, the more it will be appreciated as a miracle worthy of respect. Every ray of sunshine passes through countless raindrops; red, yellow, and blue light is refracted at different angles. Through them, we see rice paddies, red maple leaves, and the rich colors of forests and ocean waves.

Imagination for new energy sources, like the rainbow, is accompanied by our deep attention to nature as well as our awe, admiration, and a heart touched, allowing us to look forward together to a future life with radiant colors.

On Earth, there is one kind of creature here, and one type of organism there.

There are different lives everywhere.

They are all very similar to one another, all priceless.

Today, everywhere on Earth, they are all crying out for help.

So many small living beings need to be nourished by nature or need the helping hand of human beings.

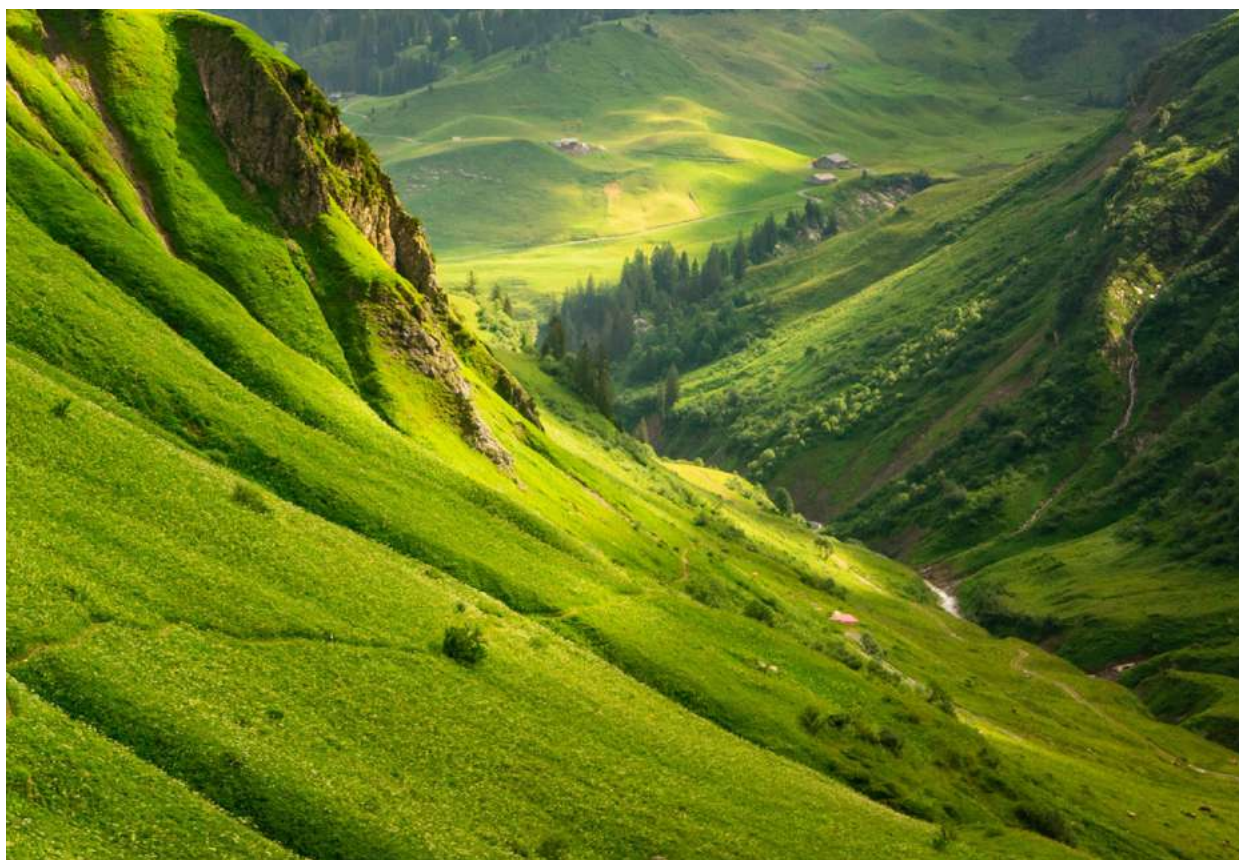
TCC sees it, and we are doing it!

Did Noah's Ark carry so much life onboard?

It will remain a question unanswered.

Today, the human eye must see more clearly

the sense of urgency needed for life to survive on Earth.



2021 Business Report

TCC's consolidated net revenue totaled NT\$107.04 billion in 2021, up 1.1% on 2020, while consolidated net profit was NT\$20.26 billion for the year, down 19.3% on the previous year. The budget achievement rate was 108%, and the basic earnings per share (EPS) was NT\$3.30.

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

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

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

Chairman:

2 Company Profile

2.1 Overview

Date of incorporation	Date of registration	Date of privatization	Capital
May 1946	December 29, 1950	November 1954	Authorized capital NT\$70 billion Paid-in capital NT\$63,252,340,020

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 Chairperson.
- 1955** ● Taiwan Transport & Storage Corporation was established.
- 1961** ● Taiwan Cement's headquarters was constructed.
- 1962** ● TCC became the first public company to list 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 Chairperson.
- 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 Chairperson.
- 2004** ● The Fujian plant in Fuzhou 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 pilot plant in Hoping including calcium-looping for CO₂ capture.
- 2013** ● TCC Anshun plant in Guizhou started a project to co-process environmental waste in cement kilns at high temperatures.
- 2015** ● TCC Anshun plant in Guizhou started operations for co-processing environmental waste in cement kilns.
- 2017** ● Mr. An-Ping Chang took over the role of Chairperson and envisioned a blueprint to reinvent the TCC Group.
As a result of the transformation, TCC is not just a cement manufacturer and seller, but also an Eco-Solution Provider. TCC is a green engineering company focused 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 the 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 co-processing hazardous waste as the largest independent cement kiln in China.
TCC DAKA Open Eco-Factory began operations to facilitate communications between business and society, and to reshape relations with communities.
The Hoping Cement Plant in Hualien, authorized by the EIA to co-process 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 fishery power project in Chiayi, and collaborated with Taiyen Green Energy Co., Ltd. to construct Taiwan's first fishery power plant in the Yizhu and Budai townships in Chiayi County.

- 2021** ● TCC DAKA Renewable Resources Utilization Center started construction. In the future, TCC DAKA Phase II together with the Hoping cement kiln will not only solve waste problems in Hualien, but also dispose of other industrial waste.
- The AFC smart energy storage system of TCC Green Energy Corporation in Changhua Coastal Industrial Park began operations. With an installed capacity of 5MW, it was the first large-scale energy storage project in Taiwan.
- TCC finalized the acquisition of NHQA in Italy, and entered the global market for energy storage and charging piles.
- TCC Group became the only organisation to have a long-range, large-scale energy storage system in Taiwan, the world's fourth largest company in terms of the installed capacity of energy storage systems, and became the main global provider 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.

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

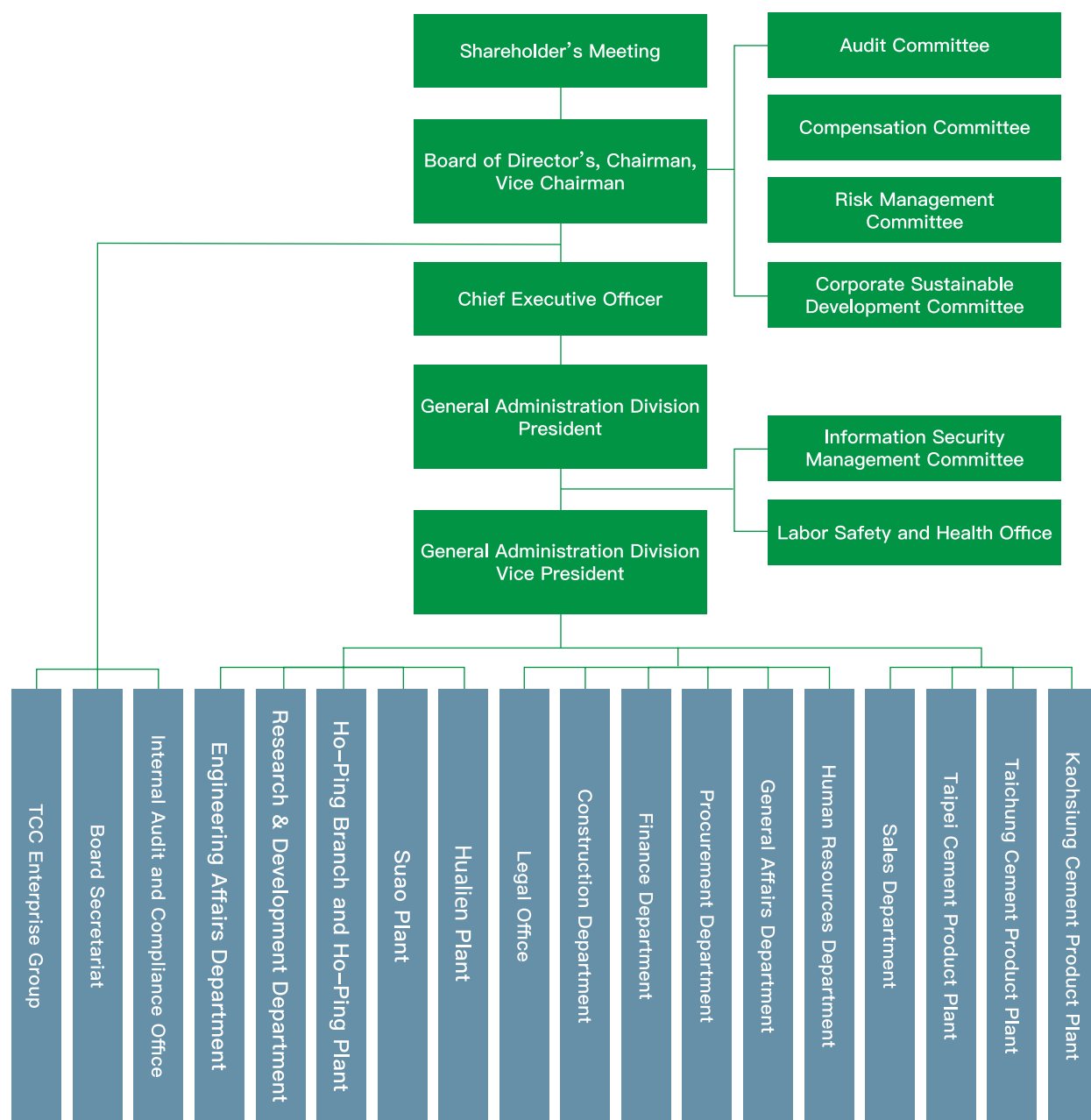
- In July 2021, TCC's subsidiary TCEH acquired 60.5% of NHOA S.A. and gained control of NHOA S.A. and its subsidiary. It acquired an additional 4.7% of NHOA S.A. in September 2021 with cash.
- In August 2021, TCC participated in a capital increase for TCC Recycle Energy Technology Company. As the other shareholders did not increase their capital per their shareholding ratio, TCC's shareholding ratio increased to 67.8% and has control of TCC Recycle Energy Technology Company and its subsidiaries.

(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 Corporate Governance

3.1 Organization 3.1.1 Organization chart

Taiwan Cement Corporation



Note1: There are 20 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.

3.1.2 Major corporate functions

Department	Functions and Duties
Board Secretariat	In charge of the custody of the Chairman's personal seal, as well as the seals of the General Affairs Division and the CEO; preparation for board meetings; and the handling and coordination of clerical work, general affairs, and share affairs.
TCC Enterprise Group	In charge of integrating and showcasing the Group's entire resources; establishing regulations and systems for the TCC group; sharing successful experiences and training across the TCC group; normal function audits; management consultancy and enquiry services for the TCC group; other group related business; improvement of management quality and reduction of costs; demonstration of group synergies and enhancement of overall competitiveness and margin profitability; and maximization of benefits for shareholders.
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	Devise production plans; track, assist, and evaluate operational efficiency; renew, maintain, and improve mechanical and engineering equipment; assist with equipment procurement; devise plans and provide guidance; help track engineering projects; provide supervision on environmental protection, industrial safety, total quality control, and quality assurance; evaluate, plan, implement, and track construction, merger, and restructuring projects in China.
Research and Development Department	Provide technical instructions for the manufacturing quality control of cement and concrete; conduct research and development of specialty cement, high-performance concrete, and energy-efficient technologies; development and promotion of products made from recycled materials; provide post-sale technical inquiries and customer support for the sale of cement and concrete.
Sales Department	Devise plans for product sales; supervise and evaluate domestic and export sales and cement distribution stations.
Finance Department	Process and audit routine accounting affairs, fund dispatchment, cash management, financial planning, budget control, operations report analysis, implementation of operations related projects, and the supervision of subsidiaries and third party investor relations.
Human Resources Department	In charge of the selection, employment, training and retention of TCC employees, and management and supervision of employee benefits and employer to employee relations.
Procurement Department	Procure production equipment, civil engineering contracts, production ingredients and auxiliary materials; manage warehouse and dispatch materials.
Legal Office	Prepare, revise, and approve legal documents; provide legal advice; handle all litigation/non-litigation incidents; control risk arising from legal and other legal-related matters.
General Affairs Department	Manage all general and administrative affairs unrelated to production; implement and supervise plans for building maintenance and supervision of land and other assets.
Construction Department	Responsible for planning and development of all land and construction projects.
Labor Safety and Health Office	Administer all safety and health matters for employees.

3.1.3 Main operations of affiliated entities

- (1) Ho-Ping Branch and Ho-Ping Plant, Suao Plant, Hualien Plant: Manufacture of cement.
- (2) Taipei, Taichung, and Kaohsiung cement product plants (including three distribution stations): Manufacture and sale of ready mixed concrete, and management of distribution stations.

3.2 Board Members

3.2.1 Information regarding board members

(1) The 23rd Round of Board of Directors (Term stars from June 22, 2018 to July 4, 2021. Board of Directors was reelected on July 5, 2021)

Title	Nationality or place of registration	Name	Gender	Age distribution	Date elected / appointed	Terms	Date first elected	Shares held when elected		Shares currently held	
								Quantity	Proportion (%)	Quantity	Proportion (%)
Chairman	ROC	Chia Hsin R.M.C. Corporation Representative: An-Ping Chang	Male	51-70	June 22, 2018	3 years	June 22, 2018	2,453,833	0.04	3,032,923	0.05
								156,573	0.00	2,188,553	0.04

Insiders' shareholdings information as of July 4, 2021

Shares currently held by spouse and minors		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			Note
Quantity	Proportion (%)	Quantity	Proportion (%)			Title	Name	Relationship	
-	-	NA	NA	MBA, Stern School of Business, New York University; Chairman, International CSRC Investment Holdings Co., Ltd.;	Chairman, Ho-Ping Power Company; Chairman, E-One Moli Energy Corporation; Chairman, Union Cement Traders Inc.; Chairman, TCC Chemical Corporation; Chairman, TCC Recycle Energy Technology Company; Chairman, TCC Energy Storage Technology Corporation; Chairman, TCC Sustainable Energy Investment Corporation; Chairman, Molie Quantum Energy Corporation; Chairman, TCC (Hangzhou) Environmental Protection Technology Co., Ltd.; Chairman, Hong Kong Cement Manufacturing Company Ltd.; Chairman, TCC International Holdings Limited; Chairman, THC International S.A. ; Chairman, TCC International Limited (TCCI); Chairman, TCC Hong Kong Cement (BVI) Holdings Limited; Chairman, TCC Hong Kong Cement International Limited; Chairman, Hong Kong Concrete Company Limited;				
4,181,917	0.07	NA	NA	Chairman, Prosperity Chemical Corporation; Chairman, Chia Hsin Cement Corporation; Independent Director, Synnex Technology International Corporation	Chairman, Upper Value Investments Limited; Chairman, NHOA S.A.; Chairman, Dr. Cecilia Koo Botanic Conservation Center; Vice Chairman, Ta-Ho Maritime Corporation; Director, Taiwan Transport & Storage Co., Ltd.; Director, TCC Investment Corporation; Director, TCC Information Systems Corporation; Director, Chinatrust Investment Co., Ltd.; Director, Ho-Ping Industrial Port Corporation; Director, Taiwan Stock Exchange Corporation; Director, Chia Hsin R.M.C. Corporation; Director, Cheng Hsin General Hospital; Director, CTCI Corporation; Director, Taiwan Cement Europe Holdings B.V.; Director, Cimpor Global Holdings B.V.; Director, Ta-Ho Maritime (SG) Corporation; Managing Director, O-Bank; Convener, Corporate Sustainable Development Committee and more	None	None	None	Note1

Title	Nationality or place of registration	Name	Gender	Age distribution	Date elected / appointed	Terms	Date first elected	Shares held when elected		Shares currently held	
								Quantity	Proportion (%)	Quantity	Proportion (%)
Director	ROC	C. F. Koo Foundation Representative: Jong-Peir Li	Male	51-70	June 22, 2018	3 years	June 22, 2016	2,308,909	0.04	3,168,803	0.05
								-	-	786,542	0.01

Shares currently held by spouse and minors		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			Note
Quantity	Proportion (%)	Quantity	Proportion (%)			Title	Name	Relationship	
-	-	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; Independent Director, TransGlobe Life Insurance Inc.;	Chairman, TCC Investment Corporation; Chairman, TCC Information Systems Corporation; Chairman, Ho-Ping Renewable Energy Company; Chairman, TCC New (Hangzhou) Management Company Limited; Director and President, Chairman, Union Cement Traders Inc.; Director, TCC Chemical Corporation; Director, Taiwan Transport & Storage Co., Ltd.; Director and President, TCC Sustainable Energy Investment Corporation; Director and President, Ho-Ping Power Company; Director, Ta-Ho Maritime Corporation; Director, TCC Recycle Energy Technology Company;	None	None	None	
-	-	None	None	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 and President, Molie Quantum Energy Corporation; Director and President, TCC Energy Storage Technology Corporation; Director, Dr. Cecilia Koo Botanic Conservation Center; Director and President, TCC (Hangzhou) Environmental Protection Technology Co., Ltd.; Director, Jiangsu TCC Investment Co., Ltd.; Director, Hong Kong Concrete Company Limited; Director, Taiwan Cement (Dutch) Holdings B.V.; Director, Cimpor Global Holdings B.V.; Director, Taiwan Cement Europe Holdings B.V.; Director, NHOA S.A.; Director, TCC International Holdings Limited and more				

Title	Nationality or place of registration	Name	Gender	Age distribution	Date elected / appointed	Terms	Date first elected	Shares held when elected		Shares currently held	
								Quantity	Proportion (%)	Quantity	Proportion (%)
Director	ROC	International CSRC Investment Holdings Co., Ltd. Representative: Kenneth C.M. Lo	Male	Over 71	June 22, 2018	3 years	June 18, 2002	83,777,716	1.37	103,548,831	1.69
								-	-	-	-
Director	ROC	Fu Pin Investment Co., Ltd. Representative: Por-Yuan Wang	Male	Over 71	June 22, 2018	3 years	June 26, 2003	62,688,346	1.02	77,482,477	1.27
								-	-	-	-
Director	ROC	Chung Cheng Development Investment Co., Ltd. Representative: Tzun-Yen Yu	Male	Over 71	June 22, 2018	3 years	June 22, 2018	22,699,527	0.37	28,056,499	0.46
								-	-	-	-
Director	ROC	Fu Pin Investment Co., Ltd. Representative: Chi-Chia Hsieh	Male	Over 71	June 22, 2018	3 years	June 26, 2003	62,688,346	1.02	77,482,477	1.27
								400,000	0.01	494,397	0.01

Shares currently held by spouse and minors		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			Note
Quantity	Proportion (%)	Quantity	Proportion (%)			Title	Name	Relationship	
-	-	None	None	MS in Finance, Manderson School of Business, The University of Alabama	Managing Director, O-Bank	None	None	None	
-	-	None	None	Ph.D., Carnegie Mellon University; Chairman, Taiwan Venture Capital Association; Chairman, Monte Jade Science & Technology Association of Taiwan	Chairman, Sercomm Corporation; Chairman, Pacific Venture Partners; Director, Prosperity Dielectrics Co., Ltd.; Independent Director, UPC Technology Corporation; Chairman, K.T. Li Foundation Development of Science and Technology; Vice Chairman, Fairs Winds Foundation and more	None	None	None	
-	-	None	None	MBA, Harvard Business School; BS in Electrical Engineering, National Taiwan University; Chairman, CTCL Corporation	Director & President, CTCL Corporation	None	None	None	
-	-	None	None	Ph.D. in Electrical Engineering, University of California Santa Clara; Chairman, Micro-electronics Technology Inc.	Chairman, Jupiter Network Corporation; Director, Jupiter Technology (Wuxi) Co., Ltd.; Chairman, Welltop Technology Co., Ltd.; Chairman, IQE Taiwan Corporation; Director, Microelectronics Technology Inc.; Director, Sasson Capital Corporation; Director, TCM Limited; Chairman, Taicom Capital Limited; Director, Bright LED Electronics Corp.; Director, Henan Bright Crystal Company Limited; Director, Advanced Wireless Semiconductor Company; Director, KoBrite Corp.; Director, Bright Crystal Company Limited; Director, KOPIN CORP.; Independent Director, Innolux Corporation and more	None	None	None	

Title	Nationality or place of registration	Name	Gender	Age distribution	Date elected / appointed	Terms	Date first elected	Shares held when elected		Shares currently held	
								Quantity	Proportion (%)	Quantity	Proportion (%)
Director	ROC	Tai Ho Farming Co., Ltd. Representative: Kung-Yi Koo	Male	31-50	June 22, 2018	3 years	June 22, 2018	4,889,281	0.08	6,043,126	0.10
								-	-	561,815	0.01
Director	ROC	Chia Hsin Cement Corporation Representative: Jason Kang-Lung Chang	Male	51-70	June 22, 2018	3 years	June 21, 2012	176,262,460	2.88	217,859,506	3.56
								190,000	0.00	-	-

Shares currently held by spouse and minors		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			Note
Quantity	Proportion (%)	Quantity	Proportion (%)			Title	Name	Relationship	
-	-	None	None	MBA, The Wharton School of University of Pennsylvania; Vice President, Morgan Stanley Investment Banking Department; Vice Chairman, Taiwan Cement 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., Ltd.; Chairman, Consolidated Resource Company; Chairman, Taiwan Transport & Storage Corp.; Chairman, Synpac (North Carolina), Inc.; Chairman, Synpac GP Corporation; Chairman, CCC USA Corp.; Chairman, Continental Carbon Company; Director, CSRC (BVI) Ltd.; Director, CSRC (Singapore) Pte. Ltd.; Director, SYPAC Ltd.; Director, Continental Carbon Nanotechnologies, Inc.; Director, E-One Moli Energy Corp.; Director, TCC Recycle Energy Technology Company; Director, Ho-Ping Power Company; Director, China Steel Chemical Corporation; Director, Yingde Dragon Mountain Cement Co., Ltd.; Director, TCC International Holdings Limited; Director, TCC International Limited; Director, Chiefolk Company Limited; Director, Hong Kong Cement Company Limited; Director, Kong On Cement Holdings Ltd.; 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	
-	-	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.; Director, Chia Hsin Property Management and Development Corp. and more	None	None	None	
240,456	0.00	None	None	President, Chia Hsin Cement Corporation					

Title	Nationality or place of registration	Name	Gender	Age distribution	Date elected / appointed	Terms	Date first elected	Shares held when elected		Shares currently held	
								Quantity	Proportion (%)	Quantity	Proportion (%)
Director	ROC	Chia Hsin Cement Corporation Representative: Chi-Te Chen	Male	51-70	June 22, 2018	3 years	June 21, 2012	176,262,460	2.88	217,859,506	3.56
								-	-	67,906	0.00
Director	ROC	Shinkong Synthetic Fibers Corporation Representative: Eric T. Wu	Male	51-70	June 22, 2018	3 years	June 26, 2003	9,554,654	0.16	11,809,503	0.19
								60,427	0.00	74,686	0.00
Director	ROC	Hsin He Investment Co., Ltd. Representative: Chi-Wen Chang	Male	51-70	June 22, 2018	3 years	May 30, 2000	10,701,572	0.17	16,943,108	0.28
								2,010,027	0.03	3,376,895	0.06

Shares currently held by spouse and minors		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			Note
Quantity	Proportion (%)	Quantity	Proportion (%)			Title	Name	Relationship	
-	-	None	None	MBA, University of California Santa Clara	Vice Chairman, Chien Kuo Construction Co., Ltd.; Director, Chia Hsin Cement Corporation; Director, Chia Hsin Property Management and Development Corporation; 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.; Director, Silver Shadow Holdings Co., Ltd.; Director, Golden Canyon Co., Ltd.; Director, Chien Kuo Asia Co., Ltd.; Director, China Real Estate Management Corporation; Chairman, Chien Kuo Building Co., Ltd.; Chairman, Chien Hwei Cultural & Educational Foundation; Chairman, Chien Kuo Foundation for Arts and Culture and more	None	None	None	
5,648	0.00	None	None						
-	-	None	None	S.J.D., Harvard Law School; Chairman, Taiwan Securities Co., Ltd.	Chairman, Shinkong Synthetic Fibers Corporation; Chairman, UBright Optronics Corporation and more	None	None	None	
746,752	0.01	None	None						
-	-	None	None	MS in Accountancy and MBA, California State University, Fresno	Director, International CSRC Investments Holdings Co., Ltd.; Director & President, Hsin He Investment Co., Ltd.; Lecturer/Adjunct Faculty San Jose State University, University of San Francisco, Golden Gate University; Consultant, Small Business Development Center; Business Client Manager, Wells Fargo; Tax Consultant, Grant Thornton International; Personal Financial Planner, IDS Financial Services; Manager, Pacific Securities National Bank and more	None	None	None	
-	-	None	None						

Title	Nationality or place of registration	Name	Gender	Age distribution	Date elected / appointed	Terms	Date first elected	Shares held when elected		Shares currently held	
								Quantity	Proportion (%)	Quantity	Proportion (%)
Director	ROC	Sishan Investment Co., Ltd. Representative: Nan-Chou Lin	Male	51-70	June 22, 2018	3 years	June 22, 2003	7,525,603	0.12	9,301,606 *259,300	0.15 *0.13
								2,180,642	0.04	2,818,861 *78,581	0.05 *0.04
Director	ROC	Heng Qiang Investment Co., Ltd. Representative: Chien Wen	Male	Over 71	June 22, 2018	3 years	June 26, 2003	82,719,582	1.35	102,240,983	1.67
								-	-	-	-
Director	ROC	Chinatrust Investment Co., Ltd. Representative: Chun-Ying Liu	Female	31-50	June 22, 2018	3 years	June 26, 2003	125,098,870	2.04	242,054,137	3.95
								-	-	-	-
Director	ROC	Heng Qiang Investment Co., Ltd. Representative: Chih-Chung Tsai	Male	51-70	June 22, 2018	3 years	June 26, 2003	82,719,582	1.35	102,240,983	1.67
								-	-	-	-

Shares currently held by spouse and minors		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			Note
Quantity	Proportion (%)	Quantity	Proportion (%)			Title	Name	Relationship	
-	-	None	None	MBA, La Trobe University	Director, International CSRC Investment Holdings Co., Ltd.; Chairman, Sishan Investment Co., Ltd.; Chairman, Pyang Co., Ltd. and more	None	None	None	
-	-	None	None	MBA, The Wharton Business School, University of Pennsylvania; Director, International CSRC Investment Holdings Co., Ltd.;	Director, Chinatrust Investment Co., Ltd.;	None	None	None	
-	-	None	None	Supervisor, Winbond Electronics Corp.;	Supervisor, Ta-Ho Maritime Corporation and more	None	None	None	
-	-	None	None	CFO, Winbond Electronics Corp.;		None	None	None	
-	-	None	None	President, Cathay Securities Investment Trust		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;	Director, Chinatrust Investment Co., Ltd.;	None	None	None	
-	-	None	None	LLB, National Taiwan University	Independent Director, Jarly Technology Co., Ltd. and more	None	None	None	
-	-	None	None	MBA, Bernard M.Baruch College, The City University of New York;		None	None	None	
-	-	None	None	Director, Taiwan Cement Corporation;		None	None	None	
-	-	None	None	President, Chinatrust Investment Co., Ltd.;		None	None	None	
-	-	None	None	Senior Consultant, Taipei Branch, Natixis;		None	None	None	
-	-	None	None	Director, Barclays Capital Securities (Taiwan) Co., Ltd.;		None	None	None	
-	-	None	None	CFO, Taipei Branch, Barclays Bank		None	None	None	

Title	Nationality or place of registration	Name	Gender	Age distribution	Date elected / appointed	Terms	Date first elected	Shares held when elected		Shares currently held	
								Quantity	Proportion (%)	Quantity	Proportion (%)
Independent Director	ROC	Yu-Cheng Chiao	Male	51-70	June 22, 2018	3 years	June 21, 2012	-	-	-	-
Independent Director	ROC	Victor Wang	Male	Over 71	June 22, 2018	3 years	June 21, 2013	-	-	-	-

Shares currently held by spouse and minors		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			Note
Quantity	Proportion (%)	Quantity	Proportion (%)			Title	Name	Relationship	
-	-	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; CEO, Winbond Electronics Corporation; Chairman, Walsin Lihwa Corporation; Chairman, Taiwan Electrical and Electronic Manufacturers' Association; Chairman, Vishay Capella Microsystems (Taiwan) Limited	Chairman and CEO, Winbond Electronics Corp.; Director, Nuvoton 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.; Convener of Compensation Committee and more	None	None	None	
-	-	None	None	BA in Accounting, Soochow University; EMBA, National Taiwan University; Vice Chairman of Auditing Service Division, 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 Audit Committee and more	None	None	None	

Title	Nationality or place of registration	Name	Gender	Age distribution	Date elected / appointed	Terms	Date first elected	Shares held when elected		Shares currently held	
								Quantity	Proportion (%)	Quantity	Proportion (%)
Independent Director	ROC	Chih-Jen Sheng	Male	51-70	June 22, 2018	3 years	June 28, 2017	-	-	2,100	0.00
Independent Director	ROC	Lynette Ling-Tai Chou	Female	51-70	June 22, 2018	3 years	June 22, 2018	15	0.00	1 *200,000	0.00 *0.10

Shares currently held by spouse and minors		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			Note
Quantity	Proportion (%)	Quantity	Proportion (%)			Title	Name	Relationship	
-	-	None	None	Ph.D. in Political Science, Northwestern University; Minister, Council for Cultural Affairs (now Ministry of Culture), Executive Yuan, ROC; CEO, Republic of China (Taiwan) Centenary Foundation; Chairperson, Research, Development and Evaluation Commission, Taipei City Government; CEO, The 21st Summer Deaflympics; Professor, Department of Political Science, Soochow University, Taiwan; Host of TV programs "Discovery of Taiwan" and "Interpretation of Era" by ERA TV Station; Consultant, Poll Center of TVBS; Member of the Editing Committee, Issues & Studies; Independent Director, Taiwan Prosperity Chemical Corporation	President, L'Hotel de Chine Corporation; Chairman, FDC International Hotels Corporation; Chairman, LDC Italy and more	None	None	None	
2	0.00	None	None	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, 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 Tenure Professor Department of Accounting, National Cheng Chi University and more	None	None	None	

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). TCC's CEO is responsible for all the affairs of the Company and its affiliates and also executes the Board of Directors' resolutions and supervises all the managers of the Company and its affiliates.

Note 2: *refers to the preferred shares in this table.

(2) The 24th Round of Board of Directors (Term stars from July 5, 2021)

Title	Nationality or place of registration	Name	Gender	Age distribution	Date elected / appointed	Terms	Date first elected	Shares held when elected		Shares currently held	
								Quantity	Proportion (%)	Quantity	Proportion (%)
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	3,032,923	0.05
								2,188,553	0.04	2,188,553	0.04

Insiders' shareholdings information as of February 28, 2022

Shares currently held by spouse and minors		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			Note
Quantity	Proportion (%)	Quantity	Proportion (%)			Title	Name	Relationship	
-	-	None	None	MBA, Stern School of Business, New York University; Chairman, International CSRC Investment Holdings Co., Ltd.; Chairman, Taiwan Prosperity Chemical Corporation; Chairman, Chia Hsin Cement Corporation; Independent Director, Synnex Technology International Corporation	Chairman, Ho-Ping Power Company; Chairman, E-One Moli Energy Corporation; Chairman, Union Cement Traders Inc.; Chairman, TCC Chemical Corporation; Chairman, TCC Recycle Energy Technology Company; Chairman, TCC Energy Storage Technology Corporation; Chairman, TCC Sustainable Energy Investment Corporation; Chairman, Molie Quantum Energy Corporation; Chairman, TCC (Hangzhou) Environmental Protection Technology Co., Ltd.; Chairman, Hong Kong Cement Manufacturing Company Ltd.; Chairman, TCC International Holdings Limited; Chairman, THC International S.A.; Chairman, TCC International Limited (TCCI); Chairman, TCC Hong Kong Cement (BVI) Holdings Limited; Chairman, TCC Hong Kong Cement International Limited; Chairman, Hong Kong Concrete Company Limited; Chairman, Upper Value Investments Limited; Chairman, NHOA S.A.; Chairman, Dr. Cecilia Koo Botanic Conservation Center; Vice Chairman, Ta-Ho Maritime Corporation; Director, Taiwan Transport & Storage Co., Ltd.; Director, TCC Investment Corporation; Director, TCC Information Systems Corporation; Director, Chinatrust Investment Co., Ltd.; Director, Ho-Ping Industrial Port Corporation; Director, Taiwan Stock Exchange Corporation; Director, Chia Hsin R.M.C. Corporation; Director, Cheng Hsin General Hospital; Director, CTCI Corporation; Director, Taiwan Cement Europe Holdings B.V.; Director, Cimpor Global Holdings B.V.; Director, Ta-Ho Maritime (SG) Corporation; Managing Director, O-Bank; Convener, Corporate Sustainable Development Committee and more	None	None	None	Note 1
4,181,917	0.07	None	None						

Title	Nationality or place of registration	Name	Gender	Age distribution	Date elected / appointed	Terms	Date first elected	Shares held when elected		Shares currently held	
								Quantity	Proportion (%)	Quantity	Proportion (%)
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	3,168,803	0.05
								786,542	0.01	786,542	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	217,859,506	3.56
								-	-	-	-

Shares currently held by spouse and minors		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			Note
Quantity	Proportion (%)	Quantity	Proportion (%)			Title	Name	Relationship	
-	-	None	None	Ph.D. NCCU Department of Management Information Systems;	Chairman, TCC Investment Corporation; Chairman, TCC Information Systems Corporation; Chairman, Ho-Ping Renewable Energy Company; Chairman, TCC New (Hangzhou) Management Company Limited; Director and President, Chairman, Union Cement Traders Inc.;				
				MS in Information Technology Management, Carey Business School, Johns Hopkins University; MS in Business Management, George Washington University; Independent Director, TransGlobe Life Insurance Inc.;	Director, TCC Chemical Corporation; Director, Taiwan Transport & Storage Co., Ltd.; Director and President, TCC Sustainable Energy Investment Corporation; Director and President, Ho-Ping Power Company; Director, Ta-Ho Maritime Corporation; Director, TCC Recycle Energy Technology Company; Director, E-One Moli Energy Corp.;	None	None	None	
-	-	None	None	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 and President, Molie Quantum Energy Corporation; Director and President, TCC Energy Storage Technology Corporation; Director, Dr. Cecilia Koo Botanic Conservation Center; Director and President, TCC (Hangzhou) Environmental Protection Technology Co., Ltd.; Director, Jiangsu TCC Investment Co., Ltd.; Director, Hong Kong Concrete Company Limited; Director, Taiwan Cement (Dutch) Holdings B.V.; Director, Cimpor Global Holdings B.V.; Director, Taiwan Cement Europe Holdings B.V.; Director, NHOA S.A.; Director, TCC International Holdings Limited 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	
240,456	0.00	None	None	President, Chia Hsin Cement Corporation	Director, Chia Hsin Property Management and Development Corp. and more				

Title	Nationality or place of registration	Name	Gender	Age distribution	Date elected / appointed	Terms	Date first elected	Shares held when elected		Shares currently held	
								Quantity	Proportion (%)	Quantity	Proportion (%)
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	1.69	103,548,831	1.69
								*2,000,000	*1.00	*2,000,000	*1.00
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	77,482,477	1.27
								-	-	-	-
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	6,043,126	0.10
								561,815	0.01	561,815	0.01

Shares currently held by spouse and minors		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			Note
Quantity	Proportion (%)	Quantity	Proportion (%)			Title	Name	Relationship	
-	-	None	None	MS in Finance, Manderson School of Business, The University of Alabama	Managing Director, O-Bank	None	None	None	
-	-	None	None	Ph.D., Carnegie Mellon University; Chairman, Taiwan Venture Capital Association;	Chairman, Sercomm Corporation; Chairman, Pacific Venture Partners; Director, Prosperity Dielectrics Co., Ltd.; Independent Director, UPC Technology Corporation; Chairman, K.T. Li Foundation Development of Science and Technology; Vice Chairman, Fairs Winds Foundation and more	None	None	None	
-	-	None	None	Chairman, Monte Jade Science & Technology Association of Taiwan	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., Ltd.; Chairman, Consolidated Resource Company; Chairman, Taiwan Transport & Storage Corp.; Chairman, Synpac (North Carolina), Inc.; Chairman, Synpac GP Corporation; Chairman, CCC USA Corp.; Chairman, Continental Carbon Company; Director, CSRC (BVI) Ltd.; Director, CSRC (Singapore) Pte. Ltd.; Director, SYPAC Ltd.; Director, Continental Carbon Nanotechnologies, Inc.; Director, E-One Moli Energy Corp.; Director, TCC Recycle Energy Technology Company; Director, Ho-Ping Power Company; Director, China Steel Chemical Corporation; Director, Yingde Dragon Mountain Cement Co., Ltd.; Director, TCC International Holdings Limited; Director, TCC International Limited; Director, Chieffolk Company Limited; Director, Hong Kong Cement Company Limited; Director, Kong On Cement Holdings Ltd.; 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	
-	-	None	None	MBA, The Wharton School of University of Pennsylvania; Vice President, Morgan Stanley Investment Banking Department; Vice Chairman, Taiwan Cement Corporation					

Title	Nationality or place of registration	Name	Gender	Age distribution	Date elected / appointed	Terms	Date first elected	Shares held when elected		Shares currently held	
								Quantity	Proportion (%)	Quantity	Proportion (%)
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	77,482,477	1.27
								494,397	0.01	494,397	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	217,859,506	3.56
								67,663	0.00	67,906	0.00

Shares currently held by spouse and minors		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			Note
Quantity	Proportion (%)	Quantity	Proportion (%)			Title	Name	Relationship	
-	-	None	None	Ph.D. in Electrical Engineering, University of California Santa Clara;	Chairman, Jupiter Network Corporation; Director, Jupiter Technology (Wuxi) Co., Ltd.; Chairman, Welltop Technology Co., Ltd.; Chairman, IQE Taiwan Corporation; Director, Microelectronics Technology Inc.; Director, Sasson Capital Corporation; Director, TCM Limited; Chairman, Taicom Capital Limited;	None	None	None	
-	-	None	None	Chairman, Microelectronics Technology Inc.	Director, Bright LED Electronics Corp.; Director, Henan Bright Crystal Company Limited; Director, Advanced Wireless Semiconductor Company; 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	Vice Chairman, Chien Kuo Construction Co., Ltd.; Director, Chia Hsin Cement Corporation; Director, Chia Hsin Property Management and Development Corporation; 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.; Director, Silver Shadow Holdings Co., Ltd.; Director, Golden Canyon Co., Ltd.; Director, Chien Kuo Asia Co., Ltd.; Director, China Real Estate Management Corporation; Chairman, Chien Kuo Building Co., Ltd.; Chairman, Chien Hwei Cultural & Educational Foundation; Chairman, Chien Kuo Foundation for Arts and Culture and more	None	None	None	
5,648	0.00	None	None						

Title	Nationality or place of registration	Name	Gender	Age distribution	Date elected / appointed	Terms	Date first elected	Shares held when elected		Shares currently held	
								Quantity	Proportion (%)	Quantity	Proportion (%)
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	102,240,983	1.67
								-	-	-	-
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	102,240,983	1.67
								-	-	-	-
Director	ROC	Heng Qiang Investment Co., Ltd. Representative: Chih-Chung Tsai	Male	51-70	July 5, 2021	3 years	June 26, 2003	102,240,983	1.67	102,240,983	1.67
								-	-	-	-

Shares currently held by spouse and minors		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			Note
Quantity	Proportion (%)	Quantity	Proportion (%)			Title	Name	Relationship	
-	-	None	None	MBA, The Wharton Business School, University of Pennsylvania; Director, International CSRC Investment Holdings Co., Ltd.;	Director, Chinatrust Investment Co., Ltd.; Supervisor, Ta-Ho Maritime Corporation and more	None	None	None	
-	-	None	None	Supervisor, Winbond Electronics Corp.; CFO, Winbond Electronics Corp.; President, Cathay Securities Investment Trust		None	None	None	
-	-	None	None	EMBA, College of Management, National Taiwan University;	Partner, Tsar and Tsai Law Firm; Director, Chinatrust Investment Co., Ltd.; Independent Director, Jarly Technology Co., Ltd. and more	None	None	None	Note2
-	-	None	None	LLM, Northwestern University; LLB, National Taiwan University		None	None	None	
-	-	None	None	MBA, Bernard M.Baruch College, The City University of New York; President, Chinatrust Investment Co., Ltd.;	-	None	None	None	Note2
-	-	None	None	Senior Consultant, Taipei Branch, Natixis; Director, Barclays Capital Securities (Taiwan) Co., Ltd.; CFO, Taipei Branch, Barclays Bank		None	None	None	

Title	Nationality or place of registration	Name	Gender	Age distribution	Date elected / appointed	Terms	Date first elected	Shares held when elected		Shares currently held	
								Quantity	Proportion (%)	Quantity	Proportion (%)
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	-	-	-	-
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

Shares currently held by spouse and minors		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			Note
Quantity	Proportion (%)	Quantity	Proportion (%)			Title	Name	Relationship	
2	0.00	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; CEO, Winbond Electronics Corporation; Chairman, Walsin Lihwa Corporation; Chairman, Taiwan Electrical and Electronic Manufacturers' Association; Chairman, Vishay Capella Microsystems (Taiwan) Limited	Chairman and CEO, Winbond Electronics Corp.; Director, Nuvoton 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.; Convener of Compensation Committee and more	None	None	None	
-	-	None	None	BA in Accounting, Soochow University; EMBA, National Taiwan University; Vice Chairman of Auditing Service Division, 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 Audit Committee and more	None	None	None	
2	0.00	None	None	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, 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 Tenure Professor Department of Accounting, National Cheng Chi University and more	None	None	None	

Title	Nationality or place of registration	Name	Gender	Age distribution	Date elected / appointed	Terms	Date first elected	Shares held when elected		Shares currently held	
								Quantity	Proportion (%)	Quantity	Proportion (%)
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). TCC's CEO is responsible for all the affairs of the Company and its affiliates and also executes the Board of Directors' resolutions and supervises all the managers of the Company and its affiliates.

Shares currently held by spouse and minors		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			Note
Quantity	Proportion (%)	Quantity	Proportion (%)			Title	Name	Relationship	
-	-	None	None	Ph.D. of Accounting, Drexel University; Dean and Professor, Department of Accounting, National Cheng Chi University	Independent Director, Shin Kong Financial Holding Co., Ltd.	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	Special Senior Consultant, Lee and Li, Attorneys-at-Law; Chairman, Bar Koo Investment Corporation; Chairman, Bar Koo Consultation Corporation; Chairman, Cheng Yu Investment Corporation; Chairman, Cheng Yu Financial Consultation Corporation; Chairman, Cheng Yu Sheng Investment Corporation; Independence Director, Cathay Real Estate Development Co., Ltd.; Convener of Risk Management Committee and more	None	None	None	

Note 2 : Heng Qiang Investment Co., Ltd. Changed its Representative from Mr. Chih-Chung Tsai to Ms. Chun-Ying Liu.

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

Table 1: Major institutional shareholders

Institutional shareholders	Major institutional 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. (7.92%); TCC Investment Co., Ltd. (2.23%); Fu Pin Investment Co., Ltd. (1.72%); Chung Cheng Development Investment Corporation (1.50%); JPMorgan Chase Bank N.A., Taipei Branch, custodian for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds (1.29%); JP Morgan Chase Bank N.A., Taipei Branch, Custodian for Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds (1.27%); Union Cement Traders Inc. (1.16%); Taiwan Life Insurance Co., Ltd. (1.04%); Citibank Taiwan, Custodian for Norges Bank (0.85%)
Fu Pin Investment Co., Ltd.	Hsuan-Hui Koo (49.9995%); Tian-Yi Huo (25.10%); Gung-Kai Koo (24.90%)
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 (25.00%)

Note : All information disclosed in the above table has been provided by the respective institutional shareholders as of February 28, 2022. TCC presents such information as is.

Table 2: Major shareholders of institutional shareholders in Table 1

Institutional shareholders	Major shareholders of institutional 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. (2.23%); 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%); Jason Kang-Lung Chang (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%)

Institutional shareholders	Major shareholders of institutional shareholders
Taiwan Cement Corporation	Chinatrust Investment Co., Ltd. (3.95%); Chia Hsin Cement Corporation (3.56%); Taiwan Life Insurance Co., Ltd. (1.99%); Labor Retirement Reserve Fund (1.80%); Fubon Life Insurance Co., Ltd.(1.77%); Chia Hsin International Co., Ltd. (1.74%); International CSRC Investment Holdings Co., Ltd. (1.69%); Taiwan Cooperative Bank (1.68%); Heng Qiang Investment Co., Ltd. (1.67%); Cathay Life Insurance Company, Ltd.(1.56%)
Ta-Ho Maritime Corporation	Taiwan Cement Corporation (64.79%); Taiwan Transport & Storage Corporation(29.16%)
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%)
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. (2.77%); Chung Ho Textile Co., Ltd. (2.31%); Ta-Ho Maritime Corporation (2.09%)
TCC Investment Co., Ltd.	Taiwan Cement Corporation (100%)
Fu Pin Investment Co., Ltd.	Tian-Yi Huo (25.10%); Hsuan-Hui Koo (49.9995%); Gung-Kai Koo (24.90%)
Chung Cheng Development Investment Corporation	International CSRC Investment Holdings Co., Ltd.(100%)
JPMorgan Chase Bank N.A., Taipei Branch, custodian for the Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	Not applicable
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
Union Cement Traders, Inc.	TCC Investment Co., Ltd.(100%)
TransGlobe Life Insurance Inc.	Chung Wei Yi Co., Ltd.(100%)
Citibank Taiwan, Custodian for Norges Bank	Not applicable
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%)

Note : All information disclosed in the above table has been provided by the respective institutional shareholders as of February 28, 2022. TCC presents such information as is.

(3) Directors' professional qualification and independent directors' status of independence

Qualification Name	Professional qualification and work experience (Note)	Status of independence	Number of concurrent positions held at other public companies
An-Ping Chang	<p>(1) The Company's Chairman, the Group's CEO and Convenor of the Company's Corporate Sustainable Development Committee</p> <p>(2) Mr. An-Ping Chang is the Chairman of the Company, and NHOA S.A.(listed in France), director of CTCI Corporation, O Bank 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 project, sale of Taiwan Prosperity Chemical Corporation and cross-border M&A projects. He also has expertise in operational management, leadership, decision-making, crisis management, industrial knowledge, corporate sustainability, M&A, green energy, international market 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 energy storage to embrace a life with new energy and ecological life.</p>	The directors are not spouse or kinship within the second degree.	-
Jong-Peir Li	<p>(1) The Company's director and president.</p> <p>(2) Mr. Jong-Peir Li is the director and president of the Company, chairman of TCC Information Systems Corporation and director of NHOA S.A.(listed in France).</p> <p>(3) Mr. Li has more than 20 years' experience in banking and finance. After entering the Company, he completed the sale of Taiwan Prosperity Chemical Corporation and cross-border M&A projects in 2021. With expertise in financial analysis, financing management, risk control, international M&A, leadership, decision-making, crisis management, industrial knowledge, corporate sustainability, green energy, international market and more, he leads the Company moving forward at every operational aspect and continues to promote ESG to push the Company towards sustainable development.</p>		-
Jason Kang-Lung Chang	<p>(1) The Company's director.</p> <p>(2) Mr. Jason Kang-Lung 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 market. 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 director.</p> <p>(2) Mr. Kenneth C.M. Lo is the director of the Company, the founder and honorary chairman of O-Bank, and honorary chairman of the Chinese National Association of Industry and Commerce, Taiwan.</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 market. 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>		-

Qualification Name	Professional qualification and work experience (Note)	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. Por-Yuan 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 TCC'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 market, 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.	1
Kung-Yi Koo	<p>(1) The Company's director and AVP.</p> <p>(2) Mr. Kung-Yi Koo is the director and AVP of the Company, and 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. 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>		-
Chi-Chia Hsieh	<p>(1) The Company's director.</p> <p>(2) Mr. Chi-Chia 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 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>		1
Chi-Te Chen	<p>(1) The Company's director.</p> <p>(2) Mr. Chi-Te 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 market. 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>		-

Qualification Name	Professional qualification and work experience (Note)	Status of independence	Number of concurrent positions held at other public companies
Chien Wen	(1) The Company's director. (2) Mr. Chien 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.		-
Chun-Ying Liu	(1) The Company's director. (2) Ms. Chun-Ying 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 been lawyer for more than 20 years and assisted projects for various public companies. With expertise in law, M&A, and financial management, the Company continues to rely on her profession in making major decisions on the Board of Directors to help the Company grow and achieve the target of sustainable development.		1
Yu-Cheng Chiao	(1) The Company's independent director, convener of the Compensation Committee and member of the Audit Committee. (2) Mr. Yu-Cheng Chiao is the Chairman of Winbond Electronics Corp. and Nuvoton Technology Corporation, director/ independent director of various public companies. Mr. Chiao has more than 40 years' experience in various industries and served as an independent director of the Company for 3 sessions. He has expertise in M&A, operational management, leadership, decision-making, crisis management, industrial knowledge, corporate sustainability, and international market. During the period as the independent director of the company, he provides advice and guidance on company operations, financial and business analysis and the Company continues to rely on his 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.	-
Victor Wang	(1) The Company's independent director, convener of the Audit Committee and member of the Compensation Committee, Risk Management Committee and Corporate Sustainable Development Committee. (2) Mr. Victor Wang has served three terms as an independent director of the Company, was vice 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 market. During the period as the independent director of the company, he provides advice and guidance on company audit, financial and business analysis and the Company continues to rely on his 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 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

Qualification Name	Professional qualification and work experience (Note)	Status of independence	Number of concurrent positions held at other public companies
Lynette Ling-Tai Chou	(1) The Company's independent director, and member of the Audit Committee, Compensation Committee, and Risk Management Committee. (2) Ms. Lynette Ling-Tai 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 market. 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
Mei-Hua Lin	(1) The Company's independent director, and member of the Audit Committee, and the Compensation Committee. (2) Ms. Mei-Hua 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, and the Compensation Committee. (2) Ms. Sherry S. L. Lin is Special Senior Consultant, Lee and Li, Attorneys-at-Law and the independence director of Cathay Real Estate Development Co., Ltd. and various public companies. She has more than 40 years' experience in legal finance and has expertise in operational management, crisis management, industrial knowledge, corporate sustainability, and international market. She provides advice and guidance on company audit, financial and M&A 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 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 : Article 30 of the Company law does not apply to any of the Company's directors.

(4) Diversification and Independence of Board of Directors

• **Combination of Board of Directors:** The Company's board of directors has a diversification policy. In addition to possessing the knowledge and skills required for their positions, they have different professional backgrounds in the industry (the professional backgrounds of directors include: business management, international market, energy, environmental protection, cement, M&A, investment, information technology, risk management, marketing, financial accounting and law, etc.). Many of the directors serve as the chairman or director of public companies. The knowledge, insight and business judgment of the directors, as well as their leadership and decision-making skills, are highly valued by the company. In addition, the Company also pays attention to gender equality in the combination of the board of directors. The ratio of female directors has reached 27%.

• **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

• **Management objective:**

The Company's Board of Director instruct company's strategy, supervise management, and is responsible for the company and shareholders, and the operations and arrangements of corporate governance. It has to be ensured that board of directors exercises its functions in accordance with laws and regulations, the corporate by-laws or the resolutions of the shareholders' meeting. Directors listen to the report of the management team on the board of directors, give instruction and suggestions, and maintain good communication with the management team to create maximum benefits for shareholders.

• **Analysis of the director's industrial and professional ability**

1. Chairman

Member	Date elected / appointed	Nationality	Gender	Age Distribution			Industry Experience			
				31-50	51-70	Over 71	Energy	Environmental	Cement	M&A
An-Ping Chang	110/7/5	ROC	Male		○		○	○	○	○

2. Directors

Member	Date elected / appointed	Nationality	Gender	Age Distribution			Industry Experience			
				31-50	51-70	Over 71	Energy	Environmental	Cement	M&A
Jong-Peir Li	110/7/5	ROC	Male		○		○	○	○	○
Jason Kang-Lung Chang		ROC	Male		○				○	○
Kenneth C.M. Lo		ROC	Male			○			○	○
Por-Yuan Wang		ROC	Male			○			○	○
Kung-Yi Koo		ROC	Male	○			○	○	○	○

• **Meeting:**

The 23rd round of board of directors meetings were held 9 times in 2020 and attendance rate is 87%. The 23rd round of board of directors meetings were held 5 times as of July 4, 2021 and attendance rate is 97%. From July 5, 2021 to February 25, 2022, board of directors meetings were held 9 times and attendance rate is 96%.

• **Independence:**

The company currently has 15 members on its Board of Directors. As of 2021, all of the independent directors have adhered to the policies set by the Securities and Futures Bureau of the Financial Supervisory Commission. Also, the directors and the independent directors do not violate Paragraph 3 and 4 of Article 26 of the Securities and Exchange Act. Please refer to page 47 of the annual report "(3) Directors' professional qualification and independent directors' status of independence" for the Board of Directors' status of independence. Please refer to page 15 of the annual report "3.2.1 Information regarding board members" for each director's gender, education, and work experience.

Professional Ability						
Information Technology	Operational management	International market	Risk Management	Accounting and financial analysis	Legal	ESG
	○	○	○			○

Professional Ability						
Information Technology	Operational management	International market	Risk Management	Accounting and financial analysis	Legal	ESG
○	○	○	○	○		○
○	○	○	○	○		○
	○	○	○	○		○
○	○	○	○	○		○
	○	○	○	○		○

Member	Date elected / appointed	Nationality	Gender	Age Distribution			Industry Experience			
				31-50	51-70	Over 71	Energy	Environmental	Cement	M&A
Chi-Chia Hsieh	110/7/5	ROC	Male			○		○	○	○
Chi-Te Chen		ROC	Male		○				○	○
Chien Wen		ROC	Male			○			○	○
Chun-Ying Liu		ROC	Female	○					○	○

3. Independent director

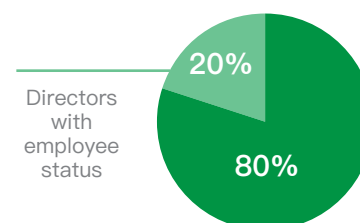
Member	Date elected / appointed	Nationality	Gender	Seniority as an independent director of the Company	Age Distribution			Industry Experience			
					31-50	51-70	Over 71	Energy	Environmental	Cement	M&A
Yu-Cheng Chiao	110/7/5	ROC	Male	10		○		○	○	○	○
Victor Wang		ROC	Male	10			○		○	○	○
Lynette Ling-Tai Chou		ROC	Female	4		○			○	○	○
Mei-Hua Lin		ROC	Female	9 Months			○		○		○
Sherry S. L. Lin		ROC	Female	9 Months			○				○

Professional Ability						
Information Technology	Operational management	International market	Risk Management	Accounting and financial analysis	Legal	ESG
○	○	○	○	○		○
	○	○	○	○		○
	○			○		○
		○	○	○	○	○

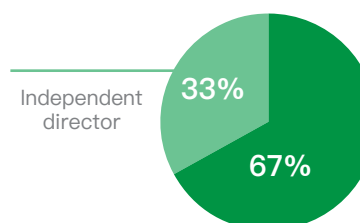
Professional Ability						
Information Technology	Operational management	International market	Risk Management	Accounting and financial analysis	Legal	ESG
○	○	○	○	○		○
	○	○	○	○		○
	○	○	○	○		○
	○	○		○		○
	○	○	○	○	○	○

There are 15 directors. Please see the following ratio:

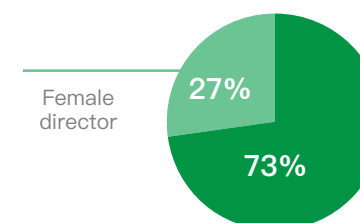
Directors with employee status of the company ratio



Independent director ratio



Female director ratio



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

Title	Nationality	Name	Gender	Elected (Appointed) Date	Shares currently held		Shares currently held by spouse or minors	
					Shares	Proportion (%)	Shares	Proportion (%)
CEO	ROC	An-Ping Chang	Male	July 17, 2019	2,188,553	0.04	4,181,917	0.07

The information of shares currently held was disclosed up to February 28, 2022.

Shares held in the name of other persons		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
Shares	Proportion (%)			Title	Name	Relationship	
None	None	MBA, Stern School of Business, New York University; Chairman, International CSRC Investment Holdings Co., Ltd.; Chairman, Taiwan Prosperity Chemical Corporation; Chairman, Chia Hsin Cement Corporation; Independent Director, Synnex Technology International Corporation	Chairman, Ho-Ping Power Company; Chairman, E-One Moli Energy Corporation; Chairman, Union Cement Traders Inc.; Chairman, TCC Chemical Corporation; Chairman, TCC Recycle Energy Technology Company; Chairman, TCC Energy Storage Technology Corporation; Chairman, TCC Sustainable Energy Investment Corporation; Chairman, Molie Quantum Energy Corporation; Chairman, TCC (Hangzhou) Environmental Protection Technology Co., Ltd.; Chairman, Hong Kong Cement Manufacturing Company Ltd.; Chairman, TCC International Holdings Limited; Chairman, THC International S.A.; Chairman, TCC International Limited (TCCI); Chairman, TCC Hong Kong Cement (BVI) Holdings Limited; Chairman, TCC Hong Kong Cement International Limited; Chairman, Hong Kong Concrete Company Limited; Chairman, Upper Value Investments Limited; Chairman, NHOA S.A.; Chairman, Dr. Cecilia Koo Botanic Conservation Center; Vice Chairman, Ta-Ho Maritime Corporation; Director, Taiwan Transport & Storage Co., Ltd.; Director, TCC Investment Corporation; Director, TCC Information Systems Corporation; Director, Chinatrust Investment Co., Ltd.; Director, Ho-Ping Industrial Port Corporation; Director, Taiwan Stock Exchange Corporation; Director, Chia Hsin R.M.C. Corporation; Director, Cheng Hsin General Hospital; Director, CTCI Corporation; Director, Taiwan Cement Europe Holdings B.V.; Director, Cimpor Global Holdings B.V.; Director, Ta-Ho Maritime (SG) Corporation; Managing Director, O-Bank; Convener, Corporate Sustainable Development Committee and more	None	None	None	Note 1

Title	Nationality	Name	Gender	Elected (appointed) date	Shares currently held		Shares currently held by spouse and minors	
					Shares	Proportion (%)	Quantity	Proportion (%)
President	ROC	Jong-Peir Li	Male	July 31, 2017	786,542	0.01	-	-
Senior Vice President	ROC	Chien-Chiang Huang	Male	January 1, 2006	739,535 *20,616	0.01 *0.01	-	-

Shares held in the name of other persons		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
Quantity	Proportion (%)			Title	Name	Relationship	
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; 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 Investment Corporation; Chairman, TCC Information Systems Corporation; Chairman, Ho-Ping Renewable Energy Company; Chairman, TCC New (Hangzhou) Management Company Limited; Director and President, Chairman, Union Cement Traders Inc.; Director, TCC Chemical Corporation; Director, Taiwan Transport & Storage Co., Ltd.; Director and President, TCC Sustainable Energy Investment Corporation; Director and President, Ho-Ping Power Company; Director, Ta-Ho Maritime Corporation; Director, TCC Recycle Energy Technology Company; Director, E-One Moli Energy Corp.; Director and President, Molie Quantum Energy Corporation; Director and President, TCC Energy Storage Technology Corporation; Director, Dr. Cecilia Koo Botanic Conservation Center; Director and President, TCC (Hangzhou) Environmental Protection Technology Co., Ltd.; Director, Jiangsu TCC Investment Co., Ltd.; Director, Hong Kong Concrete Company Limited; Director, Taiwan Cement (Dutch) Holdings B.V.; Director, Cimpor Global Holdings B.V.; Director, Taiwan Cement Europe Holdings B.V.; Director, NHOA S.A.; Director, International Holdings Limited and more	None	None	None	
None	None	BS in Transportation and Communication Management Science, National Cheng Kung University	Chairman, TJ Transport Corporation; Chairman, Feng Sheng Industrial 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.; Chairman, TCC (Dong Guan) Cement Company Ltd.; Director, Taiwan Cement Engineering Corporation; Director, TCC Information Systems Corporation; Director, Taiwan Transport & Storage Co., Ltd.; Director, Ta-Ho Maritime Corporation; Director, Ho-Ping Power Company; Director, Pan Asia (Engineers & Constructors) Corporation; Director, Dr. Cecilia Koo Botanic Conservation Center; Director, Taiwan Cement (Dutch) Holdings B.V.; Director, TCC Shaoguan Cement Co., Ltd.; Director, Chiefolk Company Limited; Director, Hong Kong Cement Company Limited; Director, Hong Kong Concrete Co., Ltd.; Director, Quon Hing Concrete Co., Ltd. and more	None	None	None	

Title	Nationality	Name	Gender	Elected (appointed) date	Shares currently held		Shares currently held by spouse and minors	
					Shares	Proportion (%)	Quantity	Proportion (%)
Senior Vice President	ROC	Ker-Fu, Lu	Male	June 30, 2008	108,092	0.00	-	-
Vice President	ROC	Bao-Luo, Ge	Male	August 11, 2017	292,448	0.00	-	-

Shares held in the name of other persons		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
Quantity	Proportion (%)			Title	Name	Relationship	
None	None	BS in Mechanical Engineering, Tamkang University	Chairman and President, TCEC Corporation; Chairman, Jin Chang Minerals Co., Ltd.; 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, Tung-Li Green Energy Corporation; Chairman, HPC Power Service Corporation; Chairman, TCC Jingzhou Cement Company Limited; Chairman, TCC Shaoguan Cement Co., Ltd.; Chairman, TCC (Guigang) Cement Ltd; Chairman, TCC Guigang Mining Industrial Company Limited; Chairman, Beijing TCC Environmental Protection Technology Co., Ltd.; Chairman, TCC Yingde Cement Co., Ltd.; Chairman, TCC Yingde Mining Industrial Company Limited; Director, TCC Information Systems Corp.; 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, Yingjing Taichang Yitong Cement Co., Ltd.; Director, TCC (Hangzhou) Environmental Protection Technology Co., Ltd.; Director, TCC (Dong Guan) Cement Company Ltd.; Director, Jurong TCC Environmental Co., Ltd.; Director, Scitus Cement (China) Holdings Ltd.; Director, Quon Hing Concrete Co., Ltd.; Supervisor, Ho-Ping Renewable Energy Company; President, TCC Chemical Corporation and more	None	None	None	
None	None	MS in Foreign Service, Edmund A. Walsh School of Foreign Studies, Georgetown University	Chairman, TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited; Chairman, TCC Yongren (Hangzhou) Environmental Technology Company Limited; Director, Onyx Ta-Ho Environmental Services Co., Ltd.; Director, TCC (Hangzhou) Renewable Resources Technology Co., Ltd.; Supervisor, Jurong TCC Environmental Co., Ltd. and more	None	None	None	

Title	Nationality	Name	Gender	Elected (appointed) date	Shares currently held		Shares currently held by spouse and minors	
					Shares	Proportion (%)	Quantity	Proportion (%)
Vice President	ROC	Chien-Chuan Wang	Male	February 9, 2015	183,992	0.00	1,718	0.00
Senior Assistant Vice President	ROC	Feng-Ping Liu	Female	February 9, 2015	140,790	0.00	229	0.00
Senior Assistant Vice President	ROC	Lin-Tian Huang	Male	February 9, 2015	4,301	0.00	-	-

Shares held in the name of other persons		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
Quantity	Proportion (%)			Title	Name	Relationship	
None	None	BE in Mechanical Engineering, Feng Chia University	Chairman, TA-HO RSEA Environment Co., Ltd.; Chairman, Ho Sheng Mining Co., Ltd.; Chairman, Tung Chen Mineral Corporation Ltd.; Chairman, Kuan-Ho Refractories Industry Corporation; Director, Taiwan Cement Engineering Corporation; Director, Taiwan Transport & Storage Co., Ltd.; Director, TCC Chemical Corporation; Chairman, Tuo Shan Recycle Technology Company; Director and President, Ho-Ping Renewable Energy Company; Chairman, TCC Liaoning Cement Company Limited; Director, Jurong TCC Cement Co., Ltd.; Director, TCC Liuzhou Construction Materials Co., Ltd.; Director, TCC Shaoguan Cement Co., Ltd.; Director, TCC (Guigang) 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, 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 Company Limited; Director, TCC Shaoguan Environment Co., Ltd.; Director, Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.; Supervisor, Guizhou Kaili Rui An Jian Cai Co., Ltd.; President, TCC (Hangzhou) Renewable Resources Technology Co., Ltd. and more	None	None	None	Note 2
None	None	MS in Technology Application and Human Resources Development, National Normal University	Director, NHOA S.A.	None	None	None	
None	None	BA in Business Administration, Tamkang University	Director, Union Cement Traders Inc.; Director, Chairman, TJ Transport Corporation; Supervisor, Ta-Ho Maritime Corporation and more	None	None	None	

Title	Nationality	Name	Gender	Elected (appointed) date	Shares currently held		Shares currently held by spouse and minors	
					Shares	Proportion (%)	Quantity	Proportion (%)
Senior Assistant Vice President	ROC	Yu-Jun Yeh	Female	January 29, 2018	153,362	0.00	-	-
Senior Assistant Vice President	ROC	Kuo-Yu Tsai	Male	August 3, 2020	526,028	0.01	-	-
Senior Assistant Vice President and Accounting Chief Officer	ROC	Guo-Hong Yeh	Male	December 16, 2015	112,362	0.00	-	-

Shares held in the name of other persons		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
Quantity	Proportion (%)			Title	Name	Relationship	
None	None	EMBA, National Cheng Chi University	Director, Dr. Cecilia Koo Botanic Conservation Center	None	None	None	
None	None	BA in Law, Soochow University	None	None	None	None	
None	None	MA 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, TCC Liaoning Cement Company Limited; Director, TCC (Hangzhou) Renewable Resources Technology Co., Ltd.; Supervisor, TCC Investment Corporation; Supervisor, TCEC Corporation; Supervisor, TCC Information System Corporation; Supervisor, TJ Transport 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, Hoping Industrial Port Corporation; Supervisor, ONYX TA-HO Environmental Services Co., Ltd.; Supervisor, TCC Jingzhou Cement Company Limited; Supervisor, Guangan TCC Jiuyuan 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 Protection Technology Co., Ltd.; Supervisor, TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited; Supervisor, TCC Yongren (Hangzhou) Environmental Technology Company Limited; Supervisor, TCC Yongren (Hangzhou) Renewable Resources Technology Company Limited; Supervisor, TCC Yongren (Hangzhou) Renewable Resources Development Company Limited and more	None	None	None	Note 2

Title	Nationality	Name	Gender	Elected (appointed) date	Shares currently held		Shares currently held by spouse and minors	
					Shares	Proportion (%)	Quantity	Proportion (%)
Senior Assistant Vice President	ROC	Huei-Sheng Chiou	Male	December 7, 2021	-	-	-	-
Director and Assistant Vice President	ROC	Kung-Yi Koo	Male	June 8, 2017	561,815	0.01	-	-
Assistant Vice President	ROC	Wei-Jue Hong	Male	November 12, 2010	205,380	0.00	-	-
Assistant Vice President	ROC	Jin-Lung Yu	Male	April 25, 2016	230,463	0.00	-	-
Assistant Vice President	ROC	Cen-Wei Lan	Male	March 6, 2017	144,984	0.00	-	-

Shares held in the name of other persons		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
Quantity	Proportion (%)			Title	Name	Relationship	
None	None	BA in Civil Engineering, National Taiwan University	None	None	None	Note 3	
None	None	MBA, The Wharton School of University of Pennsylvania; Vice President, Morgan Stanley Investment Banking Department; Vice Chairman, Taiwan Cement 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., Ltd.; Chairman, Consolidated Resource Company; Chairman, Taiwan Transport & Storage Corp.; Chairman, Synpac (North Carolina), Inc.; Chairman, Synpac GP Corporation; Chairman, CCC USA Corp.; Chairman, Continental Carbon Company; Director, CSRC (BVI) Ltd.; Director, CSRC (Singapore) Pte. Ltd.; Director, SYPAC Ltd.; Director, Continental Carbon Nanotechnologies, Inc.; Director, E-One Moli Energy Corp.; Director, TCC Recycle Energy Technology Company; Director, Ho-Ping Power Company; Director, China Steel Chemical Corporation; Director, Yingde Dragon Mountain Cement Co., Ltd.; Director, TCC International Holdings Limited; Director, TCC International Limited; Director, Chiefolk Company Limited; Director, Hong Kong Cement Company Limited; Director, Kong On Cement Holdings Ltd.; 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	
None	None	BA in Business Administration, National Taipei University	Director, Feng Sheng Industrial Co., Ltd.; Director, E.G.C. Cement Corporation; Director, China Hi-Ment Co., Ltd and more	None	None	None	
None	None	BA in Business Administration, National Cheng Chi University	Supervisor, TCC Dong Guan Cement Company Ltd.	None	None	None	
None	None	BA in Business Administration, Soochow University	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	

Title	Nationality	Name	Gender	Elected (appointed) date	Shares currently held		Shares currently held by spouse and minors	
					Shares	Proportion (%)	Quantity	Proportion (%)
Assistant Vice President	ROC	Yuo-Xin Song	Male	March 6, 2017	125,957	0.00	-	-
Assistant Vice President and Corporate Governance Manager	ROC	Jia-Ro Lai	Female	April 23, 2019	66,053	0.00	224	0.00
Assistant Vice President	ROC	Kuang Si Chen	Male	April 23, 2019	78,653	0.00	-	-
Assistant Vice President	ROC	Chia-Pei Wei	Male	March 1, 2016	178,084 *4,925	0.00 *0.00	-	-
Assistant Vice President	ROC	Yu-Wen Chiu	Male	April 15, 2021	2,110 *3,132	0.00 *0.00	-	-
Assistant Vice President	ROC	Guo-Yuan Li	Male	April 15, 2021	54,045	0.00	-	-
Assistant Vice President	ROC	Cheng-Dao Qiang	Male	August 11, 2017	83,844	0.00	-	-

Shares held in the name of other persons		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
Quantity	Proportion (%)			Title	Name	Relationship	
None	None	BS in Statistics, Feng Chia University	Supervisor, Anshun Xin Tai Construction Materials Company Limited; Supervisor, Sichuan Taichang Building Material Group Company Limited; Supervisor, Yingjing Taichang Yitong Cement Co., Ltd.; Supervisor, TCC Guigang Mining Industrial Company Limited and more	None	None	None	
None	None	LLM, Fu Jen University	Director, NHOA S.A.; Supervisor, Ho Sheng Mining Co., Ltd.; Supervisor, Ho-Ping Power Company and more	None	None	None	
None	None	BS in Chemical Engineering, National Central University	Director, TCC Information System Corporation; Director, Kuan-Ho Refractories Industry Corporation and more	None	None	None	
None	None	BS in Geology, Chinese Culture University	Director and President, Ho Sheng Mining Co., Ltd.; Director and President, Jin Chang Minerals Co., Ltd.; 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 and more	None	None	None	Note 2
None	None	BS in Chemical Engineering, Ta Hwa University of Science and Technology	Chairman, Guigang TCC Dong Yuan Environmental Technology Company Limited; Director, Jurong TCC Cement Co., Ltd.; Director, TCC Liaoning Cement Company Limited; Director, TCC (Guigang) Cement Ltd.; Director, Beijing TCC Environmental Protection Technology Co., Ltd.; Director, Yongren (Hangzhou) Renewable Resources Development Co., Ltd.; Director, TCC Shaoguan Environment Technology Company Limited; Director, President, Tuo Shan Recycle Technology Company and more	None	None	None	Note 3
None	None	MS in Land Economics, National Cheng Chi University	None	None	None	None	Note 3
None	None	BS in Chemical Engineering, National Taipei Institute of Technology (now National Taipei University of Technology)	Director and President, TCC Yingde Cement Company Limited; Director and President, TCC Yingde Mining Industrial Company Limited; Managing Director and President, Da Tong (Ying De) Logistics Co., Ltd.; Director, TCC (Dong Guan) Cement Company Ltd. and more	None	None	None	Note 2

Title	Nationality	Name	Gender	Elected (appointed) date	Shares currently held		Shares currently held by spouse and minors	
					Shares	Proportion (%)	Quantity	Proportion (%)
Senior Manager	ROC	Jin-Yi Chen	Male	April 13, 2015	89,890	0.00	-	-
Senior Manager	ROC	Ming-De Li	Male	August 11, 2017	10,000	0.00	-	-
Senior Manager	ROC	Yun-De Wu	Male	July 9, 2018	37,225	0.00	-	-
Manager	ROC	Zhi-Ren Liu	Male	August 11, 2017	91,219	0.00	-	-
Manager and Internal Audit Manager	ROC	Chia-Hua Tsao	Male	December 1, 2020	0	0.00	-	-

Shares held in the name of other persons		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
Quantity	Proportion (%)			Title	Name	Relationship	
None	None	BS in Chemical Engineering, National Taiwan Institute of Technology (now National Taiwan University of Science and Technology)	Supervisor, Jin Chang Minerals Corporation	None	None	None	Note 2
None	None	BS in Mechanical Engineering, Feng Chia University	President, TCC Shaoguan Cement Co., Ltd.	None	None	None	
None	None	BS in Geology, Chinese Culture University	Director, Feng Sheng Industrial Co., Ltd.; Director, China Hi-Ment Co., Ltd. and more	None	None	None	
None	None	MS in Chemical Engineering, Yuan Ze Institute of Technology (now Yuan Ze University)	Director and President, Kuan-Ho Refractories Industry Corporation	None	None	None	
None	None	BS in Accounting, Fu Jen Catholic University	Director, TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited; Director, TCC Yongren (Hangzhou) Environmental Technology Company Limited; Director, TCC Yongren (Hangzhou) Renewable Resources Technology Environmental Limited; Director, TCC Yongren (Hangzhou) Renewable Resources Development Company Limited; Supervisor, Taiwan Transport & Storage Corp.; 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 and more	None	None	None	

Title	Nationality	Name	Gender	Elected (appointed) date	Shares currently held		Shares currently held by spouse and minors	
					Shares	Proportion (%)	Quantity	Proportion (%)
Senior Assistant Manager	ROC	Tzu-Yang Wu	Male	July 2, 2020	0	0.00	-	-
Senior Assistant Manager	ROC	Yu-Yang Chang	Male	June 16, 2021	0	0.00	-	-
Manager	ROC	Chong-Zhi Hong	Male	March 30, 2015	109,890	0.00	-	-
Manager	ROC	Zhi-Chun Lai	Male	August 11, 2017	122,362 *3,132	0.00 *0.00	-	-
Senior Assistant Manager	ROC	Zhi-Feng Wu	Male	August 11, 2017	79,075	0.00	3,707	0.00

Note 1: Where the president 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): TCC's CEO is responsible for all the affairs of the Company and its affiliates and execution of Board of Directors' resolutions and supervision of all the managers of the Company and its affiliates.

Note 2: Chien-Chuan Wang was promoted to Vice President as of April 15, 2021. Guo-Hong Yeh was promoted to senior Assistant Vice President as of April 15, 2021. Chia-Pei Wei was promoted to Assistant Vice President as of April 15, 2021. Cheng-Dao Qiang was promoted to Assistant Vice President as of April 15, 2021. Jin-Yi Chen was promoted to Senior Manager as of April 15, 2021. Tzu-Yang Wu was promoted to Senior Assistant Manager as of April 15, 2021.

Shares held in the name of other persons		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
Quantity	Proportion (%)			Title	Name	Relationship	
None	None	BS in Finance, Feng Chia University	None	None	None	None	Note 2
None	None	BS in Public Health, Taipei Medical University	President, TCC (Dong Guan) Cement Company Ltd.	None	None	None	Note 3
None	None	BS in Fisheries Science, National Taiwan Ocean University	Supervisor, E.G.C. Cement Corporation	None	None	None	Note 4
None	None	BS in Economics, Tamkang University	None	None	None	None	Note 4
None	None	BS in Marine Biology, Taipei College of Maritime Technology (now Taipei University of Marine Technology)	Director, TCC Liuzhou Construction Materials Company Limited	None	None	None	Note 4

Note 3: Huei-Sheng Chiou was promoted as of December 7, 2021. Guo-Yuan Li was promoted as of April 15, 2021. Yu-Wen Chiu and Yu-Yang Chang were promoted as of June 16, 2021.

Note 4: Mr. Chong-Zhi Hong and Zhi-Chung Lai resigned as of June 16, 2021. Mr. Zhi-Feng Wu resigned as of January 17, 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	Tai Ho Farming Co., Ltd. Representative: Kung-Yi Koo								
Director	C. F. Koo Foundation Representative: Jong-Peir Li								
Director	Fu Pin Investment Co., Ltd. Representative: Por-Yuan Wang								
Director	Fu Pin Investment Co., Ltd. Representative: Chi-Chia Hsieh								
Director	International CSRC Investment Holdings Co., Ltd. Representative: Kenneth C.M. Lo								
Director	Chia Hsin Cement Corporation Representative: Jason Kang-Lung Chang								
Director	Chia Hsin Cement Corporation Representative: Chi-Te Chen								
Director	Hsin He Investment Co., Ltd. Representative: Chi-Wen Chang (Note 4)								
Director	Chinatrust Investment Co., Ltd. Representative: Chun-Ying Liu (Note 4)								
Director	Chung Cheng Development Investment Corporation Representative: Tzun-Yen Yu (Note 4)	29,596	37,888	0	0	210,453	210,453	1,261	1,269
Director	Heng Qiang Investment Co., Ltd. Representative: Chien Wen								
Director	Heng Qiang Investment Co., Ltd. Representative: Chih-Chung Tsai, Chun-Ying Liu (Note 5)								
Director	Shinkong Synthetic Fibers Corporation Representative: Eric T. Wu (Note 4)								
Director	Sishan Investment Co., Ltd. Representative: Nan-Chou Lin								
Independent Director	Victor Wang								
Independent Director	Yu-Cheng Chiao								
Independent Director	Lynette Ling-Tai Chou								
Independent Director	Mei-Hua Lin								
Independent Director	Sherry S. L. Lin								
Independent Director	Chin-Jen Sheng (Note 4)								

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 Compensation Committee in accordance with Article 20 of the Company's Charter for its reasonability, and submitted to the board of directors waiting for resolution.

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.

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
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 (Note 5)				
						Cash Amount	Share Amount	Cash Amount	Share Amount			
241,310 1.19%	249,610 1.23%	54,798	54,798	160	160	10,906	0	10,906	0	307,174 1.52%	315,473 1.56%	8,011

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 FY22.

Note 2: Pensions funded in accordance with applicable laws. TCC recognized a pension allowance of NT\$160,000 as an expense in FY21. TCC did not disburse the pension to employees.

Note 3: As of the printing date, the amount of remuneration for employees has yet to be approved by the BOD in FY22. Figures in the table are estimates.

Note 4: Directors who was not appointed as the Company's director when BOD re-election on July 5, 2021.

Note 5: Heng Qiang Investment Co., Ltd. has changed its representative from Mr. Chih-Chung Tsai to Ms. Chun-Ying Liu since September 1, 2021.

Remuneration scale for TCC Directors	Name of directors			
	Sum of A to D		Sum of A to G	
	TCC	All consolidated entities	TCC	All Consolidated Entities
Below NT\$1,000,000	Chih-Chung Tsai, Jong-Peir Li, Chi-Wen Chang, Tzun-Yen Yu, Eric T. Wu, Nan-Chou Lin, Chin-Jen Sheng	Chih-Chung Tsai, Chi-Wen Chang, Tzun-Yen Yu, Eric T. Wu, Nan-Chou Lin	Chih-Chung Tsai, Chi-Wen Chang, Yu Tzun-Yen Yu, Eric T. Wu, Nan-Chou Lin, Chin-Jen Sheng	Chih-Chung Tsai, Chi-Wen Chang, Tzun-Yen Yu, Eric T. Wu, Nan-Chou Lin
NT\$1,000,000 (included) – NT\$2,000,000 (excluded)	Mei-Hua Lin, Sherry S. L. Lin, Kung-Yi Koo, Chien Wen, Por-Yuan Wang, Chi-Te Chen, Chi-Chia Hsieh, Jason Kang-Lung Chang, Kenneth C.M. Lo, Chun-Ying Liu	Mei-Hua Lin, Sherry S. L. Lin, Chin-Jen Sheng, Por-Yuan Wang, Chi-Chia Hsieh, Jason Kang-Lung Chang, Chi-Te Chen, Kenneth C.M. Lo, Chun-Ying Liu	Mei-Hua Lin, Sherry S. L. Lin, Chien Wen, Por-Yuan Wang, Chi-Te Chen, Chi-Chia Hsieh, Jason Kang-Lung Chang, Kenneth C.M. Lo, Chun-Ying Liu	Mei-Hua Lin, Sherry S. L. Lin, Chin-Jen Sheng, Por-Yuan Wang, Chi-Chia Hsieh, Jason Kang-Lung Chang, Chi-Te Chen, Kenneth C.M. Lo, Chun-Ying Liu
NT\$2,000,000 (included) – NT\$3,500,000 (excluded)	Victor Wang, Lynette Ling-Tai Chou, Yu-Cheng Chiao	Victor Wang, Lynette Ling-Tai Chou, Yu-Cheng Chiao, Jong-Peir Li, Chien Wen	Victor Wang, Lynette Ling-Tai Chou, Yu-Cheng Chiao	Victor Wang, Lynette Ling-Tai Chou, Yu-Cheng Chiao, Chien Wen
NT\$3,500,000 (included) – NT\$5,000,000 (excluded)	-	Kung-Yi Koo	-	-
NT\$5,000,000 (included) – NT\$10,000,000 (excluded)	Sishan Investment Co., Chung Cheng Development Investment Corporation, Chinatrust Investment Co., Ltd., Hsin He Investment Co., Ltd., Shinkong Synthetic Fibers Corporation	Sishan Investment Co., Chung Cheng Development Investment Corporation, Chinatrust Investment Co., Ltd., Hsin He Investment Co., Ltd., Shinkong Synthetic Fibers Corporation	Sishan Investment Co., Chung Cheng Development Investment Corporation, Chinatrust Investment Co., Ltd., Hsin He Investment Co., Ltd., Shinkong Synthetic Fibers Corporation, Kung-Yi Koo	Sishan Investment Co., Chung Cheng Development Investment Corporation, Chinatrust Investment Co., Ltd., Hsin He Investment Co., Ltd., Shinkong Synthetic Fibers Corporation, Kung-Yi Koo
NT\$10,000,000 (included) – NT\$15,000,000 (excluded)	Tai Ho Farming Co., Ltd., C. F. Koo Foundation, Chai Hsin R.M.C. Corporation, Ltd., International CSRC Investment Holdings Co.,	Tai Ho Farming Co., Ltd., C. F. Koo Foundation, Chai Hsin R.M.C. Corporation, Ltd., International CSRC Investment Holdings Co.,	Tai Ho Farming Co., Ltd., C. F. Koo Foundation, Chai Hsin R.M.C. Corporation, Ltd., International CSRC Investment Holdings Co.,	Tai Ho Farming Co., Ltd., C. F. Koo Foundation, Chai Hsin R.M.C. Corporation, Ltd., International CSRC Investment Holdings Co.,
NT\$15,000,000 (included) – NT\$30,000,000 (excluded)	Heng Qiang Investment Co., Ltd., Chia Hsin Cement Corporation, Fu Pin Investment Co., Ltd.	Heng Qiang Investment Co., Ltd., Chia Hsin Cement Corporation, Fu Pin Investment Co., Ltd.	Heng Qiang Investment Co., Ltd., Chia Hsin Cement Corporation, Fu Pin Investment Co., Ltd.	Heng Qiang Investment Co., Ltd., Chia Hsin Cement Corporation, Fu Pin Investment Co., Ltd.
NT\$30,000,000 (included) – NT\$50,000,000 (excluded)	-	-	-	-
NT\$50,000,000 (included) – NT\$100,000,000 (excluded)	An-Ping Chang	An-Ping Chang	An-Ping Chang, Jong-Peir Li	An-Ping Chang, Jong-Peir Li
NT\$100,000,000 and above	-	-	-	-
Total	33	33	33	33

(2) Remuneration for 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 % of net income		Other compensation from non-subsidiary 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	
								Cash amount	Share amount	Cash amount	Share amount			
CEO	An-Ping Chang													
President	Jong-Peir Li													
Senior Vice President	Chien-Chiang Huang													
Senior Vice President	Ker-Fu Lu	102,884	109,166	2,357	2,357	42,384	42,540	17,251	-	17,251	-	164,876	171,314	-
Vice President	Bao-Luo Ge											0.81%	0.85%	
Vice President (Note2)	Chien-Chuan Wang													

Note 1: As of the printing date, the amount of remuneration approved by the BOD in FY22. Figures in the table are estimates.

Note 2: Mr. Chien-Chuan Wang was promoted as Vice President on April 15, 2021.

Remuneration scale for individual key managers	Name of Presidents and Vice Presidents	
	TCC	Parent company and all investees
Below NT\$1,000,000	-	-
NT\$1,000,000 (included) – NT\$2,000,000 (excluded)	-	-
NT\$2,000,000 (included) – NT\$3,500,000 (excluded)	-	-
NT\$3,500,000 (included) – NT\$5,000,000 (excluded)	-	-
NT\$5,000,000 (included) – NT\$10,000,000 (excluded)	Bao-Luo Ge, Chien-Chuan Wang	Bao-Luo Ge, Chien-Chuan Wang
NT\$10,000,000 (included) – NT\$15,000,000 (excluded)	Chien-Chiang Huang, Ker-Fu Lu	Ker-Fu Lu
NT\$15,000,000 (included) – NT\$30,000,000 (excluded)	-	Chien-Chiang Huang
NT\$30,000,000 (included) – NT\$50,000,000 (excluded)	-	-
NT\$50,000,000 (included) – NT\$100,000,000 (excluded)	An-Ping Chang, Jong-Peir Li	An-Ping Chang, Jong-Peir Li
NT\$100,000,000 and above	-	-
Total	6	6

Remuneration for managers

December 31, 2021. / Unit: NT\$ thousands

	Title	Name	Share amount (Note 1)	Cash amount (Note 1)	Total	Percentage of net earnings after tax
Managers	CEO	An-Ping Chang	-	24,319	24,319	0.12%
	President	Jong-Peir Li				
	Senior VP	Chien-Chiang Huang				
	Senior VP	Ker-Fu Lu				
	VP	Bao-Luo Ge				
	VP(Note 2)	Chien-Chuan Wang				
	Senior AVP	Feng-Ping Liu				
	Senior AVP	Lin-Tian Huang				
	Senior AVP	Yu-Jun Yeh				
	Senior AVP	Kuo-Yu Tsai				
	Senior AVP(Note 3)	Huei-Sheng Chiou				
	Senior AVP and Accounting Chief Officer (Note 2)	Guo-Hong Yeh				
	AVP	Kung-Yi Koo				
	AVP	Wei-Jue Hong				
	AVP	Jin-Lung Yu				
	AVP	Cen-Wei Lan				
	AVP	Yuo-Xin Song				
	AVP	Kuang-Si Chen				
	Assistant Vice President and Corporate Governance Manager	Jia-Ro Lai				
	AVP(Note 3)	Guo-Yuan Li				
	AVP(Note 3)	Yu-Wen Chiu				
	AVP(Note 2)	Chia-Pei Wei				
	AVP(Note 2)	Cheng-Dao Qiang				
	Senior Manager	Ming-De Li				
	Senior Manager	Yun-De Wu				

	Title	Name	Share amount (Note 1)	Cash amount (Note 1)	Total	Percentage of net earnings after tax
Manager	Senior Manager(Note 2)	Jin-Yi Chen	-	-	-	-
	Manager	Zhi-Ren Liu				
	Manager and Internal Audit Manager	Chia-Hua Tsao				
	Senior Assistant Manager(Note 2)	Tzu-Yang Wu				
	Senior Assistant Manager(Note 3)	Yu-Yang Chang				
	Manager(Note 4)	Chong-Zhi Hong				
	Manager(Note 4)	Zhi-Chun Lai				
	Senior Assistant Manager(Note 4)	Zhi-Feng Wu				
	This table forms an integral part of and should be read in conjunction with page 77.					

Note 1: As of the printing date, the amount of remuneration for managers approved by the BOD in FY22. Figures in the table are estimates.

Note 2: Chien-Chuan Wang was promoted to Vice President as of April 15, 2021. Guo-Hong Yeh was promoted to senior Assistant Vice President as of April 15, 2021. Chia-Pei Wei was promoted to Assistant Vice President as of April 15, 2021. Cheng-Dao Qiang was promoted to Assistant Vice President as of April 15, 2021. Jin-Yi Chen was promoted to Senior Manager as of April 15, 2021. Tzu-Yang Wu was promoted to Senior Assistant Manager as of April 15, 2021.

Note 3: Huei-Sheng Chiou was promoted as of December 7, 2021. Guo-Yuan Li was promoted as of April 15, 2021. Yu-Wen Chiu and Yu-Yang Chang were promoted as of June 16, 2021.

Note 4: Chong-Zhi Hong resigned as of June 16, 2021. Zhi-Chun Lai resigned as of June 16, 2021. Zhi-Feng Wu resigned as of January 17, 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			
	FY 22		FY 21	
	TCC	Consolidated entities	TCC	Consolidated entities
Directors	1.52%	1.56%	1.42%	1.47%
CEO, Presidents and Vice Presidents	0.81%	0.85%	0.73%	0.75%

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:**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.

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. Compensation packages for the President, Vice President and Managers are based on the Company's business strategy, profitability, individual performance, as well as the standard pay grade in the market. Proposed packages are subject to review by the Compensation Committee and approval by the Board of Directors.

Directors

1. As prescribed in Article 4 of the Compensation Committee Charter, compensation packages for directors are based on individual performance reviews and the standard pay scale in the same industry. The individual's responsibilities and the financial position of the Company are also considered when assessing the correlation between individual performance, business performance and future risk.
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 Corporate Governance Report

3.3.1 Board of directors' meeting status

From January 1, 2021 to July 4, 2021, 23rd round Board of Directors held five (A) meetings, with the attendance of directors shown below:

Title	Name	Attendance in person (B)	Attendances by proxy	Attendance rate in person (%) [B/A]	Note
Chairman	Chai Hsin R.M.C. Corporation Representative: An-Ping Chang	5	0	100	
Director	C. F. Koo Foundation Representative: Jong-Peir Li	5	0	100	
Director	International CSRC Investment Holdings Co., Ltd. Representative: Kenneth C.M. Lo	5	0	100	
Director	Fu Pin Investment Co., Ltd. Representative: Por-Yuan Wang	5	0	100	
Director	Chung Cheng Development Investment Corporation Representative: Tzun-Yen Yu	5	0	100	

Title	Name	Attendance in person (B)	Attendances by proxy	Attendance rate in person (%) [B/A]	Note
Director	Fu Pin Investment Co., Ltd. Representative: Chi-Chia Hsieh	5	0	100	
Director	Tai Ho Farming Co., Ltd. Representative: Kung-Yi Koo	5	0	100	
Director	Chia Hsin Cement Corporation Representative: Jason Kang-Lung Chang	5	0	100	
Director	Chia Hsin Cement Corporation Representative: Chi-Te Chen	4	1	80	
Director	Shinkong Synthetic Fibers Corporation Representative: Eric T. Wu	4	1	80	
Director	Hsin He Investment Co., Ltd. Representative: Chi-Wen Chang	4	1	80	
Director	Sishan Investment Co., Ltd. Representative: Nan-Chou Lin	5	0	100	
Director	Heng Qiang Investment Co., Ltd. Representative: Chien Wen	5	0	100	
Director	Chinatrust Investment Co., Ltd. Representative: Chun-Ying Liu	5	0	100	
Director	Heng Qiang Investment Co., Ltd. Representative: Chih-Chung Tsai	5	0	100	
Independent Director	Yu-Cheng Chiao	5	0	100	
Independent Director	Victor Wang	5	0	100	
Independent Director	Chin-Jen Sheng	5	0	100	
Independent Director	Lynette Ling-Tai Chou	5	0	100	

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) Are there any matters specified in Article 14.3 of the Taiwan Securities and Exchange Act that should be noted? None.
- (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
January 28, 2021 23 rd meeting of the 23 rd round of Board of Directors	Discussion of proposal 5: The 2020 bonus and remuneration for the Company's managers.	Discussion process: All the managers have recused themselves from discussion. Resolution: The proposal was resolved in the 4th meeting of the 14th round of the Compensation Committee, and the chairman has consulted with the attending directors and the proposal was passed unanimously.
March 19, 2021 23 rd meeting of the 24 th round of Board of Directors	Discussion of proposal 6: The 2020 employees and directors bonus.	Discussion process: Except for the independent directors, all directors and managers have recused themselves from the discussion for proposal 6 and 7. Resolution: Except for independent directors, Chairman, all directors and managers have recused themselves from the discussion. The proposal was resolved in the 4th meeting of the 15th round of the Compensation Committee, and the chairman consulted all the independent directors with unanimously agree with the proposal.
	Discussion of proposal 7: The 2020 chairman and directors remuneration.	Discussion process: Except for the independent directors, all directors and managers have recused themselves from the discussion for proposal 6 and 7. Resolution: Except for the independent directors, all directors have recused themselves from the discussion with Independent Director Yu-Cheng Chiao as the Acting Chairperson. The proposal was resolved in the 4th meeting of the 15th round of the Compensation Committee, and the chairman consulted all the independent directors with unanimously agree with the proposal.

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

Assessment cycle	Assessment period	Scope of assessment	Method of assessment	Assessment items
Conducted once each year	January 1, 2021 to July 4, 2021 (The 23 rd round board of directors)	Board of Directors	Self-evaluation of the Board of Directors	1. Degree of participation in the Company's operations. 2. Enhancement of the quality of the BOD's decision-making. 3. Composition and structure of the Board of Directors. 4. Election and continuing education of directors. 5. Internal controls.

Note 1: The self-assessment results of the Board of Directors are disclosed on the Company's website.

Note 2: The Company convened the 23rd Board of Directors meeting from January 1, 2021 to July 4, 2021, with an attendance rate of 97% (the director attendance rate shall be at least 80% in accordance with Regulations Governing the Self-Assessment of Directors).

Note 3: The Company follows the "Performance evaluation of the Board of Directors" set by the Financial Supervisory Commission and Paragraph 2 of the Company's "Regulation of performance evaluation of the Board of Directors". The implementation of the performance evaluation of the Board of Directors shall be evaluated by external independent professional institutes or external experts at least every three years. The evaluation result shall be finished by the end of the first quarter of the following year.

Note 4: External independent professional institutes or external experts was conducted at least once every three years. 2020 assessment of the BOD and self-assessment of the Directors have been completed in the end of January 2021 and KPMG Advisory Services Co. Ltd. was engaged to conduct the performance evaluation of the Board of Directors in 2020. Based on the evaluation report submitted by KPMG Advisory Services Co. Ltd. on February 26, 2021, the overall results are outstanding.

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) The Audit Committee was established in 2015. The Risk Management Committee was established in 2020.
- (2) The Board of Directors emphasizes composition diversity, with members equipped with relevant knowledge, skills, and industry backgrounds. After listening to the reports presented by the management team, directors will provide instructions and advice to the management team, and maintain good communications with the management team, in order to maximize benefits for shareholders.
- (3) Five meetings of the 23rd round of the Board of Directors were held in the period between January 1, 2021 and July 4, 2021, which complies with the Board of Directors' requirement to hold at least one meeting each quarter. The key proposals are all disclosed on MOPS and the Company's website to ensure disclosure and transparency.
- (4) The Board of Directors is committed to establishing a sound Board of Directors corporate governance system, boosting supervision capability, and improving the management function, in order to fulfill the requirements specified in the Company's "Rules of Procedure for Board Meetings."
- (5) Other corporate governance issues
 1. Corporate governance: (a) Corporate governance evaluation report; (b) CSR report; (c) Information security report.
 2. Legal compliance: The Company's Head of Corporate Governance and the Board Secretariat notify directors by email or letter prior to board meetings, or request accountants or attorneys to provide updates on new regulation to directors during meetings as necessary.
 3. Director training: Every October, the Company invites professionals to provide updates on new

regulations to directors by providing courses for directors or providing course information for the directors to advance their education in their own time.

From July 5, 2021 to February 25, 2022, 24th round Board of Directors held eight (A) meetings, with the attendance of directors shown below:

Title	Name	Attendance in person (B)	Attendances by proxy	Attendance rate in person (%) [B/A]	Note
Chairman	Chai Hsin R.M.C. Corporation Representative: An-Ping Chang	8	0	100%	
Director	C. F. Koo Foundation Representative: Jong-Peir Li	8	0	100%	
Director	Chia Hsin Cement Corporation Representative: Jason Kang-Lung Chang	8	0	100%	
Director	International CSRC Investment Holdings Co., Ltd. Representative: Kenneth C.M. Lo	8	0	100%	
Director	Fu Pin Investment Co., Ltd. Representative: Por-Yuan Wang	7	1	88%	
Director	Tai Ho Farming Co., Ltd. Representative: Kung-Yi Koo	8	0	100%	
Director	Fu Pin Investment Co., Ltd. Representative: Chi-Chia Hsieh	7	1	88%	
Director	Chia Hsin Cement Corporation Representative: Chi-Te Chen	6	2	75%	
Director	Heng Qiang Investment Co., Ltd. Representative: Chien Wen	8	0	100%	
Director	Heng Qiang Investment Co., Ltd. Representative: Chih-Chung Tsai	3	0	100%	Note
	Hong Qiang Investment Co., Ltd. Representative: Chun-Ying Liu	5			
Independent Director	Yu-Cheng Chiao	7	1	88%	
Independent Director	Victor Wang	8	0	100%	
Independent Director	Lynette Ling-Tai Chou	8	0	100%	
Independent Director	Mei-Hua Lin	8	0	100%	
Independent Director	Sherry S. L. Lin	8	0	100%	

Note: Heng Qiang Investment Co., Ltd. has changed its representative from Mr. Chih-Chung Tsai to Ms. Chun-Ying Liu since September 1, 2021.

Other required notes for Board of Directors' meetings:

- 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:
 - Are there any matters specified in Article 14.3 of the Taiwan Securities and Exchange Act that should be noted? None.
 - Unless otherwise noted, are there any independent directors who expressed opposition or qualified opinions that were recorded or declared in writing? None.
- 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
August 12, 2021 3 rd meeting of the 24 th round of Board of Directors	Discussion of proposal 5: The 24 th round of Board of Directors compensation and attendance fee of chairman and directors	Discussion process: Except for independent directors, Chairman, all directors and managers have recused themselves from the discussion with Independent Director Yu-Cheng Chiao as the Acting Chairperson. Resolution: Except for independent directors, Chairman, all directors and managers have recused themselves from the discussion. The proposal was resolved in the 1 st meeting of the 5 th round of the Compensation Committee, and the chairman consulted all the independent directors with unanimously agree with the proposal.
	Discussion of proposal 6: The 24 th round of Board of Directors compensation and attendance fee of independent directors	Discussion process: All independent directors and managers have recused themselves from the discussion. Resolution: All independent directors have recused themselves from the discussion. The proposal was resolved in the 1 st meeting of the 5 th round of the Compensation Committee, and the chairman consulted all the directors with unanimously agree with the proposal.
September 27, 2021 4 th meeting of the 24 th round of Board of Directors	Discussion of proposal 14: Ho-Ping Plant's winning bid for the Hualien County Cement Kilns Co-processing Waste Disposal BOO Project (i.e. the TCC DAKA Renewable Resources Utilization Center) supplementary budget.	Discussion process: Chairman An-Ping Chang have recused himself from the discussion with Director Kenneth C.M. Lo as the Acting Chairperson. Resolution: Chairman An-Ping Chang have recused himself from the discussion. The proposal was resolved in the 4 th meeting of the 3 rd round of the Audit Committee, and the chairman consulted all the directors with unanimously agree with the proposal.
	Discussion of proposal 15: Ho-Ping Plant's winning bid for the Hualien County Cement Kilns Co-processing Waste Disposal BOO Project (i.e. the TCC DAKA Renewable Resources Utilization Center) will sign the construction contracts with CTCI Resources Engineering Inc.	Discussion process: Chairman An-Ping Chang have recused themselves from the discussion with Director Kenneth C.M. Lo as the Acting Chairperson. Resolution: Chairman An-Ping Chang have recused himself from the discussion. The proposal was resolved in the 4 th meeting of the 3 rd round of the Audit Committee, and the chairman consulted all the directors with unanimously agree with the proposal.

Date	Proposal	The cause for the conflict of interest, and the participation of the voting
September 27, 2021 4 th meeting of the 24 th round of Board of Directors	Discussion of proposal 16: Plan to continue leasing the land for Chung-Li 2 plant from Chai Hsin R.M.C. Corporation.	Discussion process: Chairman An-Ping Chang have recused himself from the discussion with Director Kenneth C.M. Lo as the Acting Chairperson. Resolution: Chairman An-Ping Chang have recused himself from the discussion. The proposal was resolved in the 4 th meeting of the 3 rd round of the Audit Committee, and the chairman consulted all the directors with unanimously agree with the proposal.
November 3, 2021 5 th meeting of the 24 th round of Board of Directors	Discussion of proposal 3: For operation needs, the Company lease the land from its related party, Chai Hsin R.M.C. Corporation.	Discussion process: Chairman An-Ping Chang have recused himself from the discussion with Director Por-Yuan Wang as the Acting Chairperson. Resolution: The proposal was resolved in the 5 th meeting of the 3 rd round of the Audit Committee, and the chairman consulted all the directors with unanimously agree with the proposal.
	Discussion of proposal 4: For operation needs, the Company lease the land from its related party, Chia Hsin Property Management and Development Corp.	Discussion process: Director Jason Kang-Lung Chang and Director Chi-Te Chen (in proxy by Director Jason Kang-Lung Chang) have recused themselves from the discussion. Resolution: The proposal was resolved in the 5 th meeting of the 3 rd round of the Audit Committee, and the chairman consulted all the directors with unanimously agree with the proposal.
	Discussion of proposal 5: The Company's related party, Chia Hsin Cement Corporation provided storage service to the Company.	Discussion process: Director Jason Kang-Lung Chang and Director Chi-Te Chen (in proxy by Director Jason Kang-Lung Chang) have recused themselves from the discussion. Resolution: The proposal was resolved in the 5 th meeting of the 3 rd round of the Audit Committee, and the chairman consulted all the directors with unanimously agree with the proposal.
December 22, 2021 7 th meeting of the 24 th round of Board of Directors	Discussion of proposal 10: The employee (including managers) pay raise plan for 2022.	Discussion process: Director Jong-Peir Li and Director Kung-Yi Koo rescued themselves from the discussion. Resolution: The proposal was resolved in the 1 st meeting of the 2 nd round of the Compensation Committee, and the chairman consulted all the directors with unanimously agree with the proposal.
	Discussion of proposal 11: The remuneration distribution for employees (including managers) for 2021.	Discussion process: Director Jong-Peir Li and Director Kung-Yi Koo have rescued themselves from the discussion. Resolution: The proposal was resolved in the 1 st meeting of the 2 nd round of the Compensation Committee, and the chairman consulted all the directors with unanimously agree with the proposal.

3. Companies listed on the TWSE and the TPEX shall disclose information such as the assessment cycle, assessment period, scope and method of assessment, and assessment items conducted by individual board members:

Assessment cycle	Assessment period	Scope of assessment	Method of assessment	Assessment items
Conducted once each year	July 5, 2021 to December 31, 2021 (The 24 th round board of directors)	Board of Directors	Self-evaluation of the Board of Directors	<ol style="list-style-type: none"> Degree of participation in the Company's operations. Enhancement of the quality of the BOD's decision-making. Composition and structure of the Board of Directors. Election and continuing education of directors. Internal controls.

Note 1 : The self-assessment results of the Board of Directors are disclosed on the Company's website.

Note 2 : The Company convened a Board of Directors meeting from July 5, 2021 to December 31, 2021, with an attendance rate of 96% (the director attendance rate shall be at least 80% in accordance with Regulations Governing the Self-Assessment of Directors).

Note 3 : The Company follows the "Performance evaluation of the Board of Directors" set by the Financial Supervisory Commission and Paragraph 2 of the Company's "Regulation of performance evaluation of the Board of Directors". The implementation of the performance evaluation of the Board of Directors shall be evaluated by external independent professional institutes or external experts at least every three years. The evaluation result shall be finished by the end of the first quarter of the following year.

Note 4 : External independent professional institutes or external experts was conducted at least every three years. 2020 assessment of the BOD and self-assessment of the Directors have been completed in the end of January 2021 and KPMG Advisory Services Co., Ltd. was engaged to conduct the performance evaluation of the Board of Directors in 2020. Based on the evaluation report submitted by KPMG Advisory Services Co., Ltd. on February 26, 2021, the overall results are outstanding.

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) The Audit Committee was established in 2015. The Risk Management Committee was established in 2020. The Corporate Sustainable Development Committee was established in 2021.

A. Audit Committee information (Refer to 3.3.2 Operations of Audit Committee)

B. Operation of Risk Management Committee

Establishment information	In order to improve the risk assessment and strengthen management function, the board of directors passed the establishment of the "Risk Management Committee" on May 12, 2021 with 3 members making up of the committee. In cooperation with re-election of the director in the shareholders' meeting in 2021, the Board of Directors appointed members of 2 nd round of the risk management committee on July 15, 2021.
Members	Sherry S. L. Lin (Convener) – Expertise: Had experience with risk management of publicly traded company, extensive knowledge of the international market, and extensive knowledge in ESG. Victor Wang – Expertise: Proficient in financial risk management. Lynette Ling-Tai Chou – Expertise: Proficient in audit and accounting management.
Meeting information	Held 2 meeting in 2021
Implementation status	Report to board of directors on November 11, 2021

Note: More information can be referred to the Company's website: Investors->Corporate Governance->Committees

C. Operation of Corporate Sustainable Development Committee

Establishment information	The board of directors passed the establishment of the "Corporate Sustainable Development Committee" on July 15, 2021 with 3 members making up of the committee.
Members	An-Ping Chang (Convener) – Expertise: Helped Company achieve sustainable development. Jong-Peir Li – Expertise: Proficient in driving sustainable development and has extensive knowledge in ESG. Victor Wang – Expertise: Has held the position of independent directors for various publicly traded companies. Understands the importance of corporate sustainable development.
Meeting information	Held 2 meeting in 2021
Implementation status	Report to board of directors on November 11, 2021

Note: More information can be referred to the Company's website: Investors->Corporate Governance->Committees

(2) The Company's board of directors has a diversification policy. In addition to possessing the knowledge and skills required for their positions, they have different professional backgrounds in the industry. Many of the directors serve as the chairman or director of public companies. The knowledge, insight, and business judgment of the directors, as well as their leadership and decision-making skills, are highly valued by the company. In addition, the Company also pays attention to gender equality in the combination of the board of directors. The ratio of female directors has reached 27%. The capabilities of the board of directors as follows:

- Business judgement
- Accounting and financial analysis
- Operational management (includes operational management of subsidiary)
- Crisis management
- Industrial knowledge
- International market
- Leadership
- Decision-making
- Risk management knowledge

(3) As of March 20, 2022, eight meetings of the 24th round of the Board of Directors were held in the period between January 1, 2021 and February 25, 2022, which complies with the Board of Directors' requirement to hold at least one meeting each quarter. The key proposals are all disclosed on MOPS and the Company's website to ensure disclosure and transparency.

(4) The Board of Directors is committed to establishing a sound Board of Directors corporate governance system, boosting supervision capability, and improving the management function, in order to fulfill the requirements specified in the Company's "Rules of Procedure for Board Meetings."

(5) Other corporate governance issues:

- Corporate governance: (a) Corporate governance evaluation report; (b) CSR report; (c) Information security report; (d) Integrity report.
- Legal compliance: The Company's Head of Corporate Governance and the Board Secretariat notify directors by email or letter prior to board meetings, or request accountants or attorneys to provide updates on new regulation to directors during meetings as necessary.
- Director training: Every October, the Company invites professionals to provide updates on new regulations to directors by providing courses for directors or providing course information for the directors to advance their education in their own time. (The Company held a director meeting once on November 2021.)

3.3.2 Operations of Audit Committee

Operational Information of Audit Committee

2nd round Audit Committee held four committee meetings (A) from January 1, 2021 to July 4, 2021, with the attendance of independent directors shown below:

Title	Name	Attendance in person (B)	Attendances by proxy	Attendance rate in person (%) [B/A]	Note
Independent Director	Yu-Cheng Chiao	4	0	100%	
Independent Director	Victor Wang	4	0	100%	Convener
Independent Director	Chin-Jen Sheng	4	0	100%	
Independent Director	Lynette Ling-Tai Chou	4	0	100%	

Other required notes for Audit Committee meeting

1. While carrying out its operations, the Audit Committee must report the meeting date, period, content of the motion, and results of the Audit Committee's resolutions.

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

Date of meeting	Proposal	Resolution of Audit Committee	Company's resolution of Audit Committee's opinion
March 19, 2021 24 th meeting of the 2 nd round of the Audit Committee	1. Dispose 100% issued ordinary shares of subsidiary, Taiwan Prosperity Chemical Corporation to Chang Chun Plastics Co., Ltd.	All members attended passed the proposal.	All directors attended passed the proposal.
	2. Plans to invest up to but not over NT\$10 billion in TCC Recycle Energy Technology Company.	All members attended passed the proposal.	All directors attended passed the proposal.
	3. Intend to authorize Chairman or an assigned person to evaluate and negotiate the potential energy storage assets or share.	All members attended passed the proposal.	All directors attended passed the proposal.
	4. The Company's financial statement and consolidated financial statement in FY 2020.	All members attended passed the proposal.	All directors attended passed the proposal.
	5. Statement of Internal Control in FY 2020.	All members attended passed the proposal.	All directors attended passed the proposal.
	6. Assessment of external auditor's profession, competence and independence.	All members attended passed the proposal.	All directors attended passed the proposal.
	7. Adjustment to the guarantee by endorsement for financing purposes provided by the Company to its affiliates.	All members attended passed the proposal.	All directors attended passed the proposal.
April 19, 2021 25 th meeting of the 2 nd round of the Audit Committee	Intend to acquire 60.48% ordinary shares of Engie EPS and propose a compulsory acquisition procedure in accordance with relevant laws and regulations of French Security Transaction.	All members attended passed the proposal.	All directors attended passed the proposal.
May 12, 2021 26 th meeting of the 2 nd round of the Audit Committee	Intend to handle the capital increase for the Company's subsidiary, TCC Energy Storage Technology Corporation.	All members attended passed the proposal.	All directors attended passed the proposal.

(2) Except for the matters stated above, were there any resolutions rejected by the Audit Committee but approved by two thirds of directors: Not applicable.

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: Not applicable.

3. Communications between independent directors and the internal audit manager and accountant (including communication of material items, methods of communication, and conclusion regarding the Company's financials and its business operations):

(1) The committee shall submit audit reports and follow up reports to the convener for further review at least once a month. Committee members shall also report to the convener regarding internal audit reports, improvements for deficiencies in internal controls, and the Company's financials and business operations, and then the convener shall give his/her comments on the reports.

(2) The internal audit manager and accountant shall attend Audit Committee meetings to report to the committee regarding the audit methodology, scope of the audit, material audit adjustments, and their opinion on internal controls. The accountant shall also periodically present reports regarding their communications with the management to the independent directors. Other than communications in the meetings, the internal audit manager, the accountant, and the independent directors shall maintain a healthy relationship with one another and communicate with each other as necessary.

(3) The communications between the independent directors and internal auditors and CPAs refer to the table below which were also disclosed on the Company's website – Corporate Governance.

Date of Meeting	With internal audit manager		With independent accountant	
	Matters communicated	Resolution	Matters communicated	Resolution
March 19, 2021	Discussion of Statement of Internal Control	Unanimously agree with the proposal.	-	-
May 12, 2021	Execution report and communications regarding the audit for Q1 2021	No opinion.	1. Supplementary explanations regarding the audited financial reports of Q1, 2021 by the CPAs. 2. Report on regulatory changes. 3. The CPAs communicated with the attendees and answered their questions.	Noted.

3rd round Audit Committee held eight committee meetings (A) from July 5, 2021 to February 25, 2022, with the attendance of independent directors shown below:

Title	Name	Attendance in person (B)	Attendances by proxy	Attendance rate in person (%) [B/A]	Note
Independent Director	Yu-Cheng Chiao	7	1	88%	
Independent Director	Victor Wang	8	0	100%	Convener
Independent Director	Lynette Ling-Tai Chou	8	0	100%	
Independent Director	Mei-Hua Lin	7	1	88%	
Independent Director	Sherry S. L. Lin	7	1	88%	

Other required notes for Audit Committee meeting:

1. While carrying out its operations, the Audit Committee must report the meeting date, period, content of the motion, and results of the Audit Committee's resolutions.

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

Date of meeting	Proposal	Resolution of Audit Committee	Company's resolution of Audit Committee's opinion
July 15, 2021 2 nd meeting of the 3 rd round of the Audit Committee	1. Plan to issue unsecured corporate bond with the total amount not exceed NT\$20 billion.	All members attended passed the proposal.	All directors attended passed the proposal.
August 12, 2021 3 rd meeting of the 3 rd round of the Audit Committee	1. The Company's consolidated financial statement in Q2 2021.	All members attended passed the proposal.	All directors attended passed the proposal.
	2. Plan to participate in capital increase of TCC Recycle Energy Technology Company.	All members attended passed the proposal.	All directors attended passed the proposal.
September 27, 2021 4 th meeting of the 3 rd round of the Audit Committee	1. Plan to issue first oversea unsecured convertible bond in 2021.	All members attended passed the proposal.	All directors attended passed the proposal.
	2. Plan to increase investment in 100% subsidiary, TCC International Holdings Ltd.	All members attended passed the proposal.	All directors attended passed the proposal.
	3. Plan to increase investment in 100% subsidiary, Taiwan Cement (Dutch) Holdings B.V.	All members attended passed the proposal.	All directors attended passed the proposal.
	4. The Subsidiary, TCC Energy Storage Technology Corporation, plans to invest large-scale energy storage system in Suao cement plant.	All members attended passed the proposal.	All directors attended passed the proposal.
	5. Plan to increase capital in TCC Energy Storage Technology Corporation.	All members attended passed the proposal.	All directors attended passed the proposal.
	6. Plan to invest TCC Lien-Hsin Green Energy Corporation through its parent company, TCC Green Energy Corporation, in constructing a large-scale energy storage system in Hualien Hoping Industrial District.	All members attended passed the proposal.	All directors attended passed the proposal.
	7. Plan to increase capital in TCC Green Energy Corporation.	All members attended passed the proposal.	All directors attended passed the proposal.
	8. Subsidiary, Molie Quantum Energy Corporation, plans to build a factory and purchase production equipment in response to the wave of global electrification, such as electric supercars, advance quick charge, drone, european and american appliances, and electrical tools company. The total investment amount is about NT\$12 billion.	All members attended passed the proposal.	All directors attended passed the proposal.
	9. Ho-Ping Plant's winning bid for the Hualien County Cement Kilns Co-processing Waste Disposal BOO Project (i.e. the TCC DAKA Renewable Resources Utilization Center) will sign the construction contracts with CTCI Resources Engineering Inc.	All members attended passed the proposal.	(Discussion process: Chairman An-Ping Chang recused himself from the discussion with Director Kenneth C.M. Lo as the Acting Chairperson.) All directors attended passed the proposal.
	10. Plan to continue leasing the land for Chung-Li 2 plant from Chai Hsin R.M.C. Corporation.	All members attended passed the proposal.	(Discussion process: Chairman An-Ping Chang recused himself from the discussion with Director Kenneth C.M. Lo as the Acting Chairperson.) All directors attended passed the proposal.

Date of meeting	Proposal	Resolution of Audit Committee	Company's resolution of Audit Committee's opinion
November 3, 2021 5 th meeting of the 3 rd round of the Audit Committee	1. Intend to handle the capital increase for the Company's subsidiary, NHOA S.A.	All members attended passed the proposal.	All directors attended passed the proposal.
	2. For operation needs, the Company lease the land from its related party, Chai Hsin R.M.C. Corporation.	All members attended passed the proposal.	(Discussion process: Chairman An-Ping Chang recused himself from the discussion with Director Por-Yuan Wang as the Acting Chairperson.) All directors attended passed the proposal.
	3. For operation needs, the Company lease the land from its related party, Chia Hsin Property Management and Development Corp.	All members attended passed the proposal.	(Discussion process: Director Jason Kang-Lung Chang and Director Chi-Te Chen (in proxy by Director Jason Kang-Lung Chang) recused themselves from the discussion.) All directors attended passed the proposal.
	4. The Company's related party, Chia Hsin Cement Corporation provided storage service to the Company.	All members attended passed the proposal.	(Discussion process: Director Jason Kang-Lung Chang and Director Chi-Te Chen (in proxy by Director Jason Kang-Lung Chang) recused themselves from the discussion.) All directors attended passed the proposal.
November 11, 2021 6 th meeting of the 3 rd round of the Audit Committee	1. Plan to set up the "Measures of Hiring, Dismissal, Evaluation and Remuneration of Internal Auditors".	All members attended passed the proposal.	All directors attended passed the proposal.
December 22, 2021 7 th meeting of the 3 rd round of the Audit Committee	1. Intend to participate in buying private ordinary shares of Phihong Technology Co.	All members attended passed the proposal.	All directors attended passed the proposal.
	2. Assessment of external auditor's profession, competence and independence.	All members attended passed the proposal.	All directors attended passed the proposal.
	3. Appointment of the independent auditor.	All members attended passed the proposal.	All directors attended passed the proposal.
	4. The Company's audit fee to independent auditors for 2022 and 2023.	All members attended passed the proposal.	All directors attended passed the proposal.
	5. Plan to compile 2022 internal audit plan.	All members attended passed the proposal.	All members attended passed the proposal.

Date of meeting	Proposal	Resolution of Audit Committee	Company's resolution of Audit Committee's opinion
February 25, 2021 8 th meeting of the 3 rd round of the Audit Committee	1. In order to repay the existing loans and replenish the working capital, the Company plans to apply for a 5-year syndicated loans which is no more than NT\$51.6 billion.	All members attended passed the proposal.	All directors attended passed the proposal.
	2. The Company's 2021 financial statements and 2021 consolidated financial statements.	All members attended passed the proposal.	All directors attended passed the proposal.
	3. Adjustment to the guarantee by endorsement for financing purposes provided by the Company to its affiliates.	All members attended passed the proposal.	All directors attended passed the proposal.
	4. Amendments to the Company's Procedures for Acquisition and Disposal of Assets.	All members attended passed the proposal.	All directors attended passed the proposal.
	5. Statement of Internal Control in FY 2021.	All members attended passed the proposal.	All directors attended passed the proposal.

(2) Except for the matters stated above, were there any resolutions rejected by the Audit Committee but approved by two thirds of directors: Not applicable.

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: Not applicable.

3. Communications between independent directors and the internal audit manager and accountant (including communication of material items, methods of communication, and conclusion regarding the Company's financials and its business operations):

(1) The committee shall submit audit reports and follow up reports to the convener for further review at least once a month. Committee members shall also report to the convener regarding internal audit reports, improvements for deficiencies in internal controls, and the Company's financials and business operations, and then the convener shall give his/her comments on the reports.

(2) The internal audit manager and accountant shall attend Audit Committee meetings to report to the committee regarding the audit methodology, scope of the audit, material audit adjustments, and their opinion on internal controls. The accountant shall also periodically present reports regarding their communications with the management to the independent directors. Other than communications in the meetings, the internal audit manager, the accountant, and the independent directors shall maintain a healthy relationship with one another and communicate with each other as necessary.

(3) The communications between the independent directors and internal auditors and CPAs refer to the table below which were also disclosed on the Company's website – Corporate Governance.

Date of Meeting	With internal audit manager		With independent accountant	
	Matters communicated	Resolution	Matters communicated	Resolution
August 10, 2021	Report audit procedure and execution result regarding the audit in subsidiaries in China for April and May 2021.	1. Independent Director, Victor Wang, suggested the AR internal audit procedure should be strengthened. Implementation status: Adjust the procedures as suggested. 2. Independent Director, Mei-Hua Lin, suggested internal auditors should be increased. Implementation status: Hiring the internal auditors as suggested.	Report on corporate governance and regulatory changes.	Noted.

Date of Meeting	With internal audit manager		With independent accountant	
	Matters communicated	Resolution	Matters communicated	Resolution
August 12, 2021	Execution report and communications regarding the audit for April and May 2021.	There were no other opinions during the meeting	1. Supplementary explanations regarding the audited financial reports of Q2, 2021 by the CPAs. 2. Report on regulatory changes. 3. The CPAs communicated with the attendees and answered their questions.	Noted.
November 8, 2021	Execution report and communications regarding the audit for June through September 2021.	There were no other opinions during the meeting.	1. Supplementary explanations regarding the audited financial reports of Q3, 2021 by the CPAs. 2. Report on regulatory changes. 3. The CPAs communicated with the attendees and answered their questions.	Noted.

3.3.3 Corporate conduct and ethics implementation as required by Financial Supervisory Commission

Evaluation items	Implementation status			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary description	
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"?	✓		The Company has established Governance Best Practice Principles based on the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" issued by the Taiwan Stock Exchange (TWSE) and Taipei Stock Exchange (TPEX). The Company discloses its Governance Best Practice Principles on its website for the reference of shareholders. In addition, the Company has established an effective corporate governance framework, protected the rights and interests of shareholders, strengthened the Board of Directors' competencies, respected the rights and interests of stakeholders, and enhanced information transparency.	None

Evaluation items	Implementation status		Summary description	Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No		
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?	✓		(1) The Company has designated personnel to handle investor relation matters. The spokesperson and deputy spokesperson are in charge of accepting suggestions, questions and handling disputes. The spokesperson will ask other departments to provide suggestions and handle disputes if related to said departments. There was no reported litigation with shareholders.	None
(2) Does the Company possess a list of its major shareholders as well as the ultimate owners of these shares?	✓		(2) The Company has a Board Secretariat and Share Agents who track the shareholding status of directors, managers, and major shareholders holding 10% or more of the Company's shares.	None
(3) Has the Company built and executed a risk management system and "firewall" between the Company and its affiliates?	✓		(3) The Company and its affiliates maintain financial independence from each other. Each company's transactions and credit limits with banks are all independent from each other. Accounts payables and accounts receivables between the Company and its affiliates are also collected and paid as scheduled.	None
(4) Has the Company established internal rules prohibiting insider trading on undisclosed information?	✓		(4)The Company has implemented a policy on insider trading, which forbids insiders such as directors, managers, and employees from using undisclosed information to profit from trading of marketable securities. The Company will disseminate the relevant regulations to existing directors, managers, and employees at least once a year, and disseminate to newly hired directors, managers, and employees in a timely manner after their onboarding. (The relevant regulations can be found under "Regulation Documents" on the Company's official website.) The Company has provided relevant training to newly hired directors, managers, and employees. The content of such courses covered the confidentiality of material information, and the cause, tracking and illustration of insider trading. Furthermore, training materials were emailed to every director, manager, and employee after the course. In addition, the Company also held internal training on a regular basis and completed a relevant seminar on November 22, 2021.	None

Evaluation items	Implementation status		Summary description	Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No		
3.Composition and responsibilities 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?	✓		(1) The number of seats in the Board of Directors is determined by the scale of the Company's operations and the shareholdings of major shareholders, operational needs, legal requirements, and the articles of incorporation. 1. Diversification of the Board of Directors The Company is committed to increasing diversity in the Board of Directors, which requires members of the Board to not only be equipped with the necessary knowledge and skills to carry out their duties, but to also possess various professional experience in different fields, such as management, international markets, energy, ecology, cement, mergers and acquisitions, information technology, risk management, marketing, accounting and finance, and law, etc. In particular, several board members are either current chairmen or board members of other listed companies in TWSE. The Company relies heavily on the extensive knowledge, deep insights, business acumen and leadership of the board members. Furthermore, the Company is dedicated to gender equality in the composition of its board, with female members accounting for 27% of the board.	None

Evaluation items	Implementation status			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary description	
(2) Other than the Compensation Committee and Audit Committee which are required by the law, does the Company plan to set up any other Board committees?	✓		<p>2. Independence There is no relationship between spouses or relatives within the second degree of kinship among directors. Please refer to page 50 of the annual report "(4) Diversification and Independence of Board of Directors" for detailed disclosures.</p> <p>3. Definite management goal The Board of Directors shall devise the Company's business strategy, supervise Management, and be accountable to the Company and its shareholders. Procedures and arrangements relating to corporate governance shall ensure the Board performs its duties as imposed by law, internal regulations, and resolutions of shareholder's meetings.</p> <p>4. Meeting The Board of Directors held 12 meetings in 2021. The 23rd round Board of Directors (from January 1, 2021 to July 4, 2021) held 5 meetings, with percentage of attendance reaching 97%. The 24th round Board of Directors (from July 5, 2021 to December 31, 2021) held 7 meetings, with the percentage of attendance reaching 96%. The Board of Directors had held one meeting on February 25, 2022, with the percentage of attendance reaching 93%.</p> <p>(2) To promote sustainable organizational development, ethical management, and the implementation of CSR matters, the "Corporate Sustainable Development Committee" was established in the 22nd meeting of the 22nd round of the Board of Directors. The Committee reports on the status of promoting sustainable development in monthly meetings or emergency meetings as needed. To ensure the Company has sound risk assessment procedures and to strengthen the management function, the Company established a risk management team on March 20, 2020. On May 12, 2021, it was elevated to become the Committee of Risk Management. As of January, 2021, there had been a total of two meetings of the Committee and the motions were reported to the Board of Directors.</p>	None
(3) Has the Company established a methodology for evaluating the performance of its Board of Directors, on an annual basis, reported the results of the performance to the Board of Directors, and used the results as reference for directors' remuneration and renewal ?	✓		<p>(3) 1. On the 21st meeting of the 22nd round of the Board of Directors Meeting, the Company has established the "Performance evaluation of the Board of Directors." The Company has completed the FY21 directors' evaluation on February 25, 2022 and has reported its evaluation to the 8th meeting of the 24th round of the Board of Directors. According to article 3 paragraph 2 of the policy, the implementation of the performance evaluation of the Board of Directors shall be evaluated by external independent professional institutes or external experts at least once every three years. The FY20 performance evaluation has been evaluated by KPMG Advisory Services Co., Ltd. Based on the evaluation report submitted by KPMG Advisory Services Co., Ltd. on February 26, 2021, the overall results are outstanding.</p> <p>Five major aspects are included in the assessment of the BOD (by the functional committees) :</p> <ul style="list-style-type: none"> · Degree of participation in the Company's operations. · Enhancement of the quality of the BOD's decision-making. · Composition and structure of the BOD. · Election and continuing education of directors. · Internal controls. <p>The assessment outcome of the BOD's performance for 2021 are as follows: · Degree of participation in the Company's operations.</p>	None

Evaluation items	Implementation status			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary description	
(3) Has the Company established a methodology for evaluating the performance of its Board of Directors, on an annual basis, reported the results of the performance to the Board of Directors, and used the results as reference for directors' remuneration and renewal ?			<p>i. The average score for the BOD's self-assessment was 4.9 points (out of a total of 5 points).</p> <p>ii. The average score for the self-assessment conducted by BOD members was 4.9 points (out of total of 5 points).</p> <p>The overall BOD performance evaluation results are outstanding.</p> <p>The aforementioned self-evaluation will be leveraged during the discussion of each director's compensation. The self-evaluation will also act as a reference for the Board of Directors during the nomination of candidates for directors.</p> <p>2. The Company's Functional Committee include: Audit Committee, Compensation Committee, Risk Management Committee, and Corporate Sustainable Development Committee</p> <p>(i) The aforementioned functional committee will consider the following items:</p> <p>A. The degree of involvement on the Company's operation B. The increase in quality of the Committees' resolution. C. The composition and structure of the Committees. D. The election of the Committee members.</p> <p>(ii) The Company's functional committees has conducted an assessment of the self-evaluation of the directors and has submitted the report to the Board of Directors on February 25, 2021. Please refer to the Corporate Governance section of the Company's website for further details.</p>	
(4) Does the company regularly evaluate its external auditors' independence?	✓		<p>(4) The Audit Committee annually assesses the independence of the external auditors and reports the results to the Board of Directors.</p> <p>None of the CPA firms or external auditors engaged by the Company have any conflict of interest and maintained strict independence. The Audit Committee discusses the audit results and assesses the external auditors' independence and their qualifications in the first quarter of every year. The Audit Committee then reports to the BOD for further discussions. On March 19, 2021 and February 25, 2022, the BOD and Audit Committee completed the assessment of the external auditor's independence. (Note 1).</p>	None
4. Does the company regularly evaluate its external auditors' independence?		✓	<p>On March 22, 2019, the BOD resolved to establish a "Corporate Governance Unit", and designated the legal director to be its head, as approved at the Board of Directors meeting on August 11, 2020. The legal director shall have at least 3 years of experience serving as a manager of legal, financial, stock affairs, or corporate governance in the public companies.</p> <p>The responsibilities include the following:</p> <p>(1) Report to the BOD at least once a year: The corporate governance results were reported to the BOD on November 11, 2021.</p> <p>(2) The BOD members are informed in a timely manner when the Company delivers material information.</p> <p>(3) The BOD members are informed on a regular basis about the latest regulations relevant to the company's operations and corporate governance.</p> <p>(4) The Company is required to provide BOD members at least 6 credits for on-site advanced courses, and to purchase of "Liability insurance for directors, supervisors, and significant employees", and then report to the Board.</p> <p>(5) The Company occasionally summons CPAs, independent directors, audit and financial accounting managers to communicate about internal controls. The meeting minutes are reported to the BOD for reference.</p>	None

Evaluation items	Implementation status		Summary description	Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No		
4. Does the company regularly evaluate its external auditors’ independence?	✓		<p>(6) Drafted BOD agenda and relevant materials shall be provided to BoD members 7 days before each meeting.</p> <p>Furthermore, BoD members shall be informed beforehand when a conflict of interest exists. BoD minutes shall be completed within 20 days after the meeting.</p> <p>(7) In order to exercise corporate governance, the Board of Directors and individual members should be assessed according to the “Performance evaluation policy on the BOD and its functional committee” set by the Company, and be subject to review by the external institutions at least every 3 years.</p> <p>(8) Registering the AGM date and producing and reporting the board meeting notice, annual report, AGM handbook, and AGM minutes by law by setting deadlines, and amending the articles of incorporation or re-electing directors.</p> <p>(9) Promote corporate governance-related matters, provide directors with required information to perform daily operations and comply with regulations.</p>	None
5. Has the Company established a means of communicating with its Stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) or created a Stakeholders Section on its Company website? Does the Company respond to stakeholders’ questions on corporate responsibilities?	✓		<p>(1) The Company values and balances the rights and obligations with stakeholders (including shareholders, employees, clients, up-and-down-stream vendors, banks, and creditors, among other parties). Other than maintaining good communications with each stakeholder, the Company has also set up a “Stakeholder” page” on its website and provided a contact email address (tcc_csr@taiwancement.com) for communication with stakeholders.</p> <p>(2) The Company also has a “Corporate Governance” page on its website, which provides regulations regarding corporate governance for shareholders.</p>	None
6. Has the Company appointed a professional registrar for its Shareholders’ Meetings?	✓		The Company has appointed CTBC Bank’s Transfer Agency Department to handle related share affairs.	None
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business and corporate governance status?	✓		(1) The Company’s website (www.taiwancement.com), has both Chinese and English versions of the “Investor” Page, which discloses the latest updates, financial information, and information regarding shareholder meetings. These are regularly updated. The MOPS also discloses relevant information on its website.	None

Evaluation items	Implementation status		Summary description	Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No		
(2) Does the Company use other information disclosure channels (e.g. maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	✓		(2) The Company has designated a spokesperson and deputy spokesperson in accordance with regulations. The Company has also appointed staff to declare and disclose various types of financial information, business information, and the Company’s website to the MOPS. The appointed staff also post videos of investor conferences on the Company’s website.	None
(3) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?	✓		(3) The financial report in FY21 was resolved by the BOD on February 25, 2022 and material information was published at the same day. The completed financial report was filed on February 28, 2022. The Company publishes and discloses its financial report and monthly operations report according to regulations on the MOPS.	None
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)?	✓		<p>(1) The Company has established various employee benefits (e.g. allowances, group insurance, etc).</p> <p>(2) The Company provides training for employees to meet work criteria and improve performance.</p> <p>(3) The Company regularly holds meetings between labor and management to promote and maintain a harmonious relationship between the two sides. The Company has also clearly defined working conditions to protect the rights and interests of its employees.</p> <p>(4) The Company has established a method to accrue for performance bonuses and distribution of such bonuses to employees.</p> <p>(5) The Company has established regulations based on the Act of Gender Equality in Employment to protect the rights and interests of employees.</p> <p>(6) The Company discloses all required information on MOPS and its website to protect the rights and interests of investors.</p> <p>(7) The Company’s directors received further education in accordance with the “Directions for the Implementation of Continuing Education for Directors and supervisors of TWSE Listed and TPEX Listed Companies.” Please refer the note 2 for the training status.</p> <p>(8) The Company’s directors are kept up to date with regard to the latest regulations.</p>	None

Evaluation items	Implementation status		Summary description	Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and 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)?	✓		(9) The Company's management team regularly reports to the BOD regarding the Company's operations and financial standing. (10) The Company has established various internal rules and regulations and performs risk management and assessment. (11) The Company has purchased liability insurance for directors and managers to lower and disperse the risk of potential damages caused by directors violating any laws to the Company and shareholders. (12) The Company has signed contracts or purchase orders with affiliates specifying the rights and obligations of each party. Transaction prices are set at the market rate; if no market price is available, then the prices are set fairly.	None

9. The improvement status regarding the results of the Corporate Governance Evaluation announced by Taiwan Stock Exchange.

The improved items of the 7th Corporate Governance Evaluation System are shown below:

Item No.	Item	Amendments
1.6	Does the Company convene the annual shareholders meeting before the end of May?	The annual shareholders meeting in 2022 will be convened on May 26.
1.15	Has the Company set forth and disclose any policies on prohibiting insiders, such as directors and employees, from utilizing and profiting from information that is not available in the market? How is the policy carried out?	The Company has explained in detail on the official website (under the "Investors Relationship" section).
2.2	Has the Company set up diversification in the Board of Directors and disclose its progress in diversification and specific management objectives on its official website and annual report?	The Company has explained in detail on the official website (under the "Investors Relationship" section).
2.9	Has the Company propose a succession plan for its Board members and senior management, and disclose its implementation in the corporate website and annual report?	The Company has explained the subject matter in detail on its official website (under the "Investors Relationship" section).
2.11	Has the Company disclose in its annual report the discussions and resolutions of the Compensation Committee, as well as the Company's handling of members' opinions?	The Company has disclosed the details in the page 105 of this annual report "3.3.4 Operations of Compensation Committee".
2.28	Does the Company have a policy for regulating the appointment, dismissal, performance review and compensation of internal auditors, and is the policy approved either by the BOD meeting or through sign-off from the Chairman? Is the policy disclosed on the Company's official website?	The Company has explained the subject matter in detail on its official website (under the "Investors Relationship" section).
3.4	Has the Company disclose the annual report within two months of the end of each fiscal year?	The financial report in FY21 was resolved by the BOD on February 25, 2022 and published the material information at the same day. The completed financial report was filed on February 28, 2022.
4.14	Has the Company's official website or annual report disclosed stakeholder identification, concerned issues, communication channels, and response measures?	The Company will add more stakeholder information on its website and in its annual report.

The priority measurements for unimproved items of the 7th Corporate Governance Evaluation System:

Item No.	Item	Amendments
3.8	Does the Company voluntarily disclose the financial forecast for all quarters and related operations that have not yet been ordered by the competent authority to take corrective actions, nor have any demerits imposed by the TWSE or TPEX?	The Company will conduct an internal assessment of the aforementioned matters.
3.13	Does the Company voluntarily disclose the remuneration of directors and supervisors in the annual financial report?	The Company will conduct an internal assessment of the aforementioned matters.
3.15	Does the Company disclose the amount and nature of non-audit fees paid to the external auditor and its associated entities in the annual financial statement?	The Company will conduct an internal assessment of the aforementioned matters.

Note 1: Assessment of external auditor's independence

Indicator	Outcome of assessment	Whether qualified as independent
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 to 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. Is the external auditor a broker for the 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. Do the auditor and audit team receive presents of unusual amounts from the Company's directors and managers?	No	Yes
10. Does the Company receive the auditor's independence declaration?	No	Yes

Note 2: The following table highlights the courses taken by directors and independent directors:

Title	Name	Organizer	Course	Date	Length	Compliance with requirements
Chairman	An-Ping Chang	Taiwan Corporate Governance Association	Treating customers fairly	March 22, 2021	1	Yes
			Integrity management	March 22, 2021	1	Yes
			Case analysis of money laundering prevention in banking	May 5, 2021	1	Yes
		Taiwan Institute for Sustainable Energy	Training course on corporate sustainable development	May 5, 2021	3	Yes
		Taiwan Corporate Governance Association	Global risk perception – Opportunities and challenges in the next decade & 2030/2050 Net Zero Emissions	November 22, 2021	3	Yes
			Uncovering the Mystery of Insider trading – Recent case studies of insider trading in Taiwan	November 22, 2021	3	Yes
Director	Jong-Peir Li	Taiwan Corporate Governance Association	Global risk perception – Opportunities and challenges in the next decade & 2030/2050 Net Zero Emissions	November 26, 2021	3	Yes
			How directors lead corporations to adapt to rapid changes in technology	December 28, 2021	3	Yes
Director	Kang-Lung Chang	Taiwan Institute of Directors	Reshaping global risks and resilience in the post-pandemic era	September 3, 2021	3	Yes
			Analysis of trends in tax law in 2021, drawing a blueprint for sustainable development	September 29, 2021	3	Yes
			Develop new business models and promote sustainable business operations	October 27, 2021	3	Yes
Director	Kenneth C.M. Lo	Taiwan Corporate Governance Association	Treating customers fairly	March 22, 2021	1	Yes
			Integrity management	March 22, 2021	1	Yes
		Chinese National Association of Industry and Commerce	Discussion of FAQ on Board of Directors & Shareholders meetings in 2021	March 24, 2021	3	Yes
		Taiwan Corporate Governance Association	Case analysis of anti-money laundering in the banking industry	May 5, 2021	1	Yes
Director	Por-Yuan Wang	Securities & Futures Institute	ESG in the business environment and climate change's influence on corporations	October 6, 2021	3	Yes
			From insider trading to social responsibility of the corporation	October 6, 2021	3	Yes

Title	Name	Organizer	Course	Date	Length	Compliance with requirements
Director	Kung-Yi Koo	Taiwan Corporate Governance Association	Global risk perception –Opportunities and Challenges in the next decade & 2030/2050 Net Zero Emissions	November 22, 2021	3	Yes
			Uncovering the mystery of insider trading – Recent case studies of insider trading in Taiwan	November 22, 2021	3	Yes
Director	Chi-Chia Hsieh	Taiwan Corporate Governance Association	Intellectual property management has become a new topic of corporate governance	August 3, 2021	3	Yes
		Corporate Operating and Sustainable Development Association	Discussion on legal issues of instant messaging	August 12, 2021	3	Yes
Director	Chi-Te Chen	Taiwan Corporate Governance Association	Governance and strategy of corporate sustainable development	October 29, 2021	3	Yes
			Operation and decision-making effectiveness of the board of directors	November 16, 2021	3	Yes
Director	Chien Wen	Taiwan Corporate Governance Association	Global risk perception –Opportunities and Challenges in the next decade & 2030/2050 Net Zero Emissions	November 22, 2021	3	Yes
			Uncovering the mystery of insider trading – Recent case studies of insider trading in Taiwan	November 22, 2021	3	Yes
Director	Chun-Ying Liu	Financial Supervisory Commission R.O.C. (Taiwan)	13rd Taipei Corporate Governance Forum (TAICGOF)	September 1, 2021	3	Yes
		Taiwan Corporate Governance Association	Uncovering the mystery of insider trading – Recent case studies of insider trading in Taiwan	November 22, 2021	3	Yes
Independent Director	Yu-Cheng Chiao	Taiwan Corporate Governance Association	2021 Global Economic Outlook	April 9, 2021	3	Yes
			Prospects of the domestic and foreign industrial economic situation and the impact of major events on the industry and its response	April 15, 2021	3	Yes
			The impact of the Biden Administration's Strategy and the rise of the interest rate of American bonds	April 15, 2021	3	Yes
			Research on Important Economic and Trade Issues and Sharing of Practical Cases of Integrity Management	August 6, 2021	3	Yes

Title	Name	Organizer	Course	Date	Length	Compliance with requirements
Independent Director	Yu-Cheng Chiao	Computer Audit Association	Information Security Related Risk Trends and Operational Continuity Issues	September 30, 2021	3	Yes
		Taiwan Corporate Governance Association	Communication in new era, communicating with new generation.	October 28, 2021	3	Yes
			Semiconductor Innovation	October 28, 2021	3	Yes
Independent Director	Victor Wang	Taiwan Corporate Governance Association	Plan ahead, discussion about sustainable management of corporate operations	August 26, 2021	3	Yes
			Looking at corporate sustainable governance from risk perspective –from corporate governance to ESG	November 2, 2021	3	Yes
Independent Director	Lynette Ling-Tai Chou	Taiwan Corporate Governance Association	Global risk perception –Opportunities and Challenges in the next decade & 2030/2050 Net Zero Emissions	November 22, 2021	3	Yes
			Uncovering the mystery of insider trading – Recent case studies of insider trading in Taiwan	November 22, 2021	3	Yes
Independent Director	Mei-Hua Lin	Shin Kong Financial Holdings	Application and Development of RegTech Technology	March 16, 2021	1	Yes
			Information safety educational training for directors and executives in 2021	March 26, 2021	1	Yes
		Taiwan Academy of Banking and Finance	Integrity management and fair hospitality, AML outlook and international trends, insider trading prevention	September 28, 2021	3	Yes
		Taiwan Independent Director Association	Financial Consumers and Fair Hospitality Principles and Case Analysis	October 26, 2021	3	Yes
		Taiwan Corporate Governance Association	Global risk perception –Opportunities and Challenges in the next decade & 2030/2050 Net Zero Emissions	November 22, 2021	3	Yes
Independent Director	Sherry S. L. Lin	Taiwan Corporate Governance Association	Mergers and acquisitions and the responsibility of directors and supervisors	May 13, 2021	3	Yes
		Taiwan Independent Director Association	BOD Practice Case – Simulation Exercise	September 30, 2021	3	Yes

3.3.4 Operations of compensation committee

The Company established a Compensation Committee, in accordance with the “Articles of Organization of Salary” and the “Compensation Committee Charter,” which was approved on 30 August 2011 at the 18th meeting of the 20th round of Board of Directors. It sets the Company’s remuneration policy, evaluates the performance of directors, independent directors, managers, and assesses remuneration policy, standards and structure.

1. Composition of Compensation Committee

March 20, 2022

Title	Qualification		Professional qualifications and experience	Independence Status	Number of other public companies where concurrently serving as an independent director
	Name				
Convener	Yu-Cheng Chiao		The members of the Compensation Committee are the Company’s independent directors. Please refer to page 47 of this annual report “(3) Directors’ professional qualification and independent directors’ status of independence” for their professional qualification and independence status.	The members of the Compensation Committee are the Company’s independent directors. Please refer to page 47 of this annual report “(3) Directors’ professional qualification and independent directors’ status of independence” for their professional qualification and independence status.	0
Independent director	Victor Wang				3
Independent director	Lynette Ling-Tai Chou				2
Independent director	Mei-Hua Lin				1
Independent director	Sherry S. L. Lin				1

2. Status of Compensation Committee meetings

(1) TCC’s Compensation Committee has five members.

(2) The current term of the Compensation Committee members is from July 15, 2021 to July 14, 2024. The Compensation Committee held four meetings from July 15, 2021 to March 20, 2022, and the qualifications and attendance record of members are as follows:

Title	Name	Actual attendance	Attendances by proxy	Rate of actual attending(%)	Note
Convener	Yu-Cheng Chiao	4	0	100%	Re-elected (Note)
Committee member	Victor Wang	4	0	100%	Re-elected (Note)
Committee member	Lynette Ling-Tai Chou	4	0	100%	Re-elected (Note)
Committee member	Mei-Hua Lin	4	0	100%	Newly appointed (Note)
Committee member	Sherry S. L. Lin	3	1	75%	Newly appointed (Note)

Other required notes for the Compensation Committee:

- When the BOD rejects or modifies the recommendations made by the Compensation Committee: Not applicable.
- When there are objections or qualified opinions for the records or with written statements of Compensation Committee members to committee resolutions: Not applicable.

Note 1: TCC Company appointed independent directors Yu-Cheng Chiao, Victor Wang, Lynette Ling-Tai Chou, Mei-Hua Lin, and Sherry S. L. Lin to be the members of the Compensation Committee, which was approved by the BOD on July 15, 2021, with terms in office from July 15, 2021 to July 14, 2024.

3. Status of Compensation Committee meetings:

Date	Significant proposals	Resolutions	Handling of the opinions of Compensation Committee members
August 12, 2021	The remuneration and attendance fee for the 24 th round of the company’s chairman and directors are proposed and proposed for consideration.	The proposal is approved by all committee members.	Proposal is submitted for discussion by the BOD and consented by all directors present.
	The remuneration and attendance fee for the 24 th round of the company’s independent directors are proposed and proposed for consideration.	The proposal is approved by all committee members.	Proposal is submitted for discussion by the BOD and consented by all directors present.
December 22, 2021	A salary adjustment plan for the Company’s employees (including managers) is submitted for deliberation.	The proposal is approved by all committee members.	Proposal is submitted for discussion by the BOD and consented by all directors present.
	The Company’s allowance of the total amount of performance bonus (including managers) is submitted for deliberation.	The proposal is approved by all committee members.	Proposal is submitted for discussion by the BOD and consented by all directors present.
January 5, 2022	Proposal to align the percentage of performance-based increase for managers with employees is submitted for deliberation.	The proposal is approved by all committee members.	Proposal is submitted for discussion by the BOD and consented by all directors present.
	The Company’s allowance of the total amount of performance bonus, which is submitted for deliberation.	The proposal is approved by all committee members.	Proposal is submitted for discussion by the BOD and consented by all directors present.

3.3.5 Discussion of progress on sustainable development and comparison with other listed companies

Promotion items	Implementation status		Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons	
	Y	N		Summary description
I. 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.	✓		<p>In 2018, TCC established the Corporate Sustainable Development Committee under the Board of Directors, which comprises of three members appointed by the Board, including Chairman An-Ping Chang as President of the committee, President Jong-Pei Li as Vice President, and Independent Director Victor Wang. The members of the Committee possess various backgrounds in relevant fields such as risk management, operations, energy technology, and environmental protection, etc.</p> <p>There are five functional teams under the Committee, which include Governance in integrity and risk management, Circular manufacturing, Sustainable environment and products, Employee care, and Care for society. The Committee includes three perspectives in its ESG tasks: Finance TCFD, Information security, and Sustainable supply chain. The Committee supervises and manages topics relating to the environment, economy, society, sustainable development, and climate change, and has appointed a team, which reports to the Chairman, to monitor these issues. The Committee holds two meetings every year. On October 13, 2021, the Committee held a meeting to discuss the current status of sustainability projects in progress in 2020-2021, global sustainability trends, recommendations, and the key sustainability projects planned for 2021-2022 and reported to the Board of Directors on November 13, 2021. The Committee periodically reviews and promotes ESG projects to enhance the Company's corporate constitution.</p>	None
II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the Company's operations and formulate relevant risk management policies or strategies based on the principle of materiality?	✓		<p>1. Corporate governance:</p> <p>(1) The "Corporate Social Responsibility Best Practice Principles" state that when thriving for sustainable operations and profits, the Company should consider the environment, societal views, and corporate governance as part of its operations and management. As the first listed company in Taiwan and a leader in the cement industry, the Company's long-term development and performance has a significant influence on shareholders and the investment market. The Company remains committed to stable and sustainable growth.</p> <p>(2) In order to improve risk assessment and strengthen management functions, the Company decided on March 20, 2020 to establish a risk management team, and the Board of Directors decided on May 12, 2020, to adjust and upgrade the risk management team to become the Risk Management Committee. On July 15, 2021, the Board of Directors voted to establish the Risk Management Committee with three members. On November 8, 2021, the Risk Management Committee held a meeting to provide an update on the seven major risks identified for the year, the status of TCFD projects, and the implementation of the ISO 37001 anti-bribery systems.</p> <p>2. Environmental issues:</p> <p>The Company pays close attention to the materials used in our products and during the production process, being aware of the exhaustion of natural resources. The Company is actively engaged in finding solutions, such as the incorporation of an environmental management system in the production process, as part of efforts to establish green management concepts throughout our operations. The Company seeks to reduce environmental pollution, provide welfare and benefits, clean up ecosystems, improve the environment, and create a happy workplace.</p>	None

Promotion items	Implementation status		Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons	
	Y	N		Summary description
II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the Company's operations and formulate relevant risk management policies or strategies based on the principle of materiality?	✓		<p>3. Labor-management relations: The Company's main product is cement. Safety management is valued in the cement industry. To ensure the safety of employees, the Company has adopted relevant management systems and raised the safety awareness of its employees and contractors to prevent the occurrence of occupational injuries. Furthermore, the Company pays close attention to the career development of its employees by regularly holding work-related courses. The Company offers various incentives, such as dividends and performance bonuses, to retain employees over the long-term.</p> <p>4. Anti-corruption: The Company strictly upholds all relevant laws and regulations and has drafted a Code of Ethical Conduct and Ethical Corporate Management Best Practice Principles. With zero tolerance on violations of the code of conduct, the Company engages in all activities with integrity, fairness, and reason. The Company has also established channels for complaints and reports, and encourages its employees to report any actions that violate the Company's code of ethical conduct.</p> <p>5. Customer relationship: The Company strives to provide satisfactory products and services to its customers. The Company places itself in our customers' shoes and offers customized products and services by visiting their sites to provide cement applications, adjust ready-mix proportions, and help resolve construction problems. The customer service team conducts monthly visits to client sites, actively reaches out to clients regarding their recent cement usage, engages in technical exchanges, and has established a Customer Service Travel Plans and Tracker program to maintain a strong long-term relationship with and to help create added-value for customers.</p> <p>6. Social economic regulations: All of the Company's departments regularly monitor the the latest regulations and strictly adhere to them in their operations.</p> <p>7. Communication with Stakeholders: According to the AA1000 Stakeholder Engagement Standard (SES), the Company takes into account the following factors below to identify and prioritize the relationship with stakeholders, including responsibility, influence, tension, diversification, and reliance. In accordance with its commitment to transparency in corporate governance, the Company discloses information via various channels, ensuring effective and direct communications with its stakeholders. In addition, the Company values all stakeholders' opinions, considers all concerns and advice collected during communications as guidance for future operations and promotion of sustainability, which further encourages the Company's actions to support sustainability and corporate social responsibility. TCC believes that only by establishing effective and direct communications with its stakeholders can it follow the trends in the markets, economy, society, and environment, and further live up to its commitment of "Mother nature as the major role" and "Social interest at stake". The Company conducts a stakeholder analysis every two years to effectively follow and manage the implementation results of our sustainability strategy. The most recent analysis was conducted in 2021, which included re-evaluations of major issues and the Company's stakeholders and what they pay attention to.</p>	None

Promotion items	Implementation status		Summary description	Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons
	Y	N		
III. Environmental Issue 1. Has the Company established appropriate environmental management procedures in accordance with its industrial characteristics?	✓		1. (1) Management execution – By establishing the ISO 14001 and ISO 50001 environment and energy management systems, the Company seeks to further improve its environment and energy utilization by including environmental management methods, energy baseline surveys, proposal for improvement, and the establishment of management procedures. (2) From 2007, the Company started to inventory its greenhouse gas emissions, and obtained the ISO 14064 Greenhouse Gas Accounting and Verification issued by SGS. (3) From the second quarter of 2019, the Company started to include each cement plant’s emission levels in quarterly bonus assessments, encouraging each cement plant to reduce their carbon emissions per product unit. (4) In 2017, the BS 8001 circular economy assessment and verification were introduced, and SGS verification confirmed the level of "optimization". In December 2019, a BS 8001 compliance inspection was carried out and the Company obtained the "optimal level" certification for BS 8001. (5) In 2021, the Suao and Hoping plants pre-emptively implemented the ISO 46001 certification and were rated A- (i.e. leadership level) by the CDP Water Security Survey.	None
2. Has the Company improved the utilization rate of each resource and used the re-generated material with low impact on the environment?	✓		2. (1) The Company actively research for ways to recycle waste and raw materials to replace natural resources and raw materials. The Company also researches ways to decrease waste from cement production and lower greenhouse gas emissions. (2) Kaili TCC Recycle Technology Corporation uses cement kilns to process 50,000 tonnes of solid waste each year and has received on November 9, 2021 a five-year permit to process hazardous waste. (3) On December 8, 2021, TCC’s Hoping plant received Gold in the 2021 Energy Saving Benchmark Awards from the Ministry of Economic Affairs. (4) The Hoping cement kiln co-processes regular waste for Hualien County. At the end of 2019, the Hoping plant signed a BOO (build, own, operate) contract with Hualien County’s Environmental Protection Bureau. The BOO was audited in February 2020 by the Environmental Assessment Group and passed in September 2020. Construction started in July 2021 and operations are expected to start in the first quarter of 2024. (5) The newly-constructed TCC Shaoguan cement plant has a built-in cement kiln and a 25 year agreement to process waste for the Quijiang District Government. The Shaoguan cement plant is expected to begin operations in the second quarter of 2022.	None

Promotion items	Implementation status		Summary description	Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons
	Y	N		
3. Has the Company evaluated the potential risks and opportunities from climate change and taken precautions on climate-related issues?	✓		(6) The Hunan Jinzhou cement plant processes waste: On December 23, 2021, it received a permit to start construction, with operations expected to begin in the fourth quarter of 2022. (7) The Sichuan Guangan plant processes 100,000 tonnes of hazardous waste per year and 150,000 tonnes of regular waste per year. The plant received EIA approval on May 14, 2001 and is currently applying for a planning permit. 3. (1) In 2016, the Company first proposed a green value chain supply chain in response to the government’s energy and circular economy policies, and participated in related research such as carbon capture, utilization, and storage, created opportunities to respond to climate change, and participated in various government initiatives related to resource reuse of and renewable energy. (2) In July 2020, SBTi announced that: "Using 2016 as the base year, TCC promises to lower greenhouse gas emissions by 11% (including Scope 1 by 11%, and Scope 2 by 32%) by 2025." TCC is one of four cement groups to have set carbon emission reduction goals, and the first cement company in East Asia to have done so. (3) In September, 2020, TCC joined the Global Cement and Concrete Association (GCCA), which was established by the World Business Council for Sustainable Development (WBCSD). As a GCCA member, TCC and 40 other cement groups signed up to a net zero climate ambition initiative that aims to achieve carbon neutral concrete by 2050. This joint collaboration demonstrates the commitment of the global cement and concrete industry to reduce its carbon footprint. (4) In June 2021, in response to the "Net Zero 2030/3050" initiative, TCC became a founding member of the Taiwan Alliance for Net Zero Emission, and is jointly committed to implement actions and move towards a net-zero goal. (5) In October 2021, TCC promised to the GCCA that it would reduce its carbon emissions by 25% over the next ten years, and achieve net zero by 2050.	None
4. Has the Company track the total amount emission of greenhouse gas, water consumption, and waste for the past two years, and establish policy for energy saving and carbon reduction, lower emission of greenhouse gas, decrease water consumption and better waste management?	✓		4. (1) TCC has lowered its energy consumption per product unit through systematic management. By innovating and developing products through replacing materials and fuels with alternative materials and recycled fuel, the Company has been able to increase resource efficiency, achieve reductions in carbon emissions and lower the risk of material shortages from climate change. The per unit reuse of cement waste and resources reached 21.82% in 2021. (23.05% in 2020.) (2) With the establishment of a circular economy as a strategic objective, TCC seeks to create sustainable business value through the establishment of a cross-industry circular economy chain. The adoption of ISO 14001, ISO 50001, ISO 14064, ISO14046, and BS8001 has enhanced the Company’s management performance in processing its energy, water, wastewater, and waste. Adopting more stringent standards than international environmental protection regulations, TCC strives to incorporate environmental protection policies in its management philosophy by improving energy conservation, environmental protection, and production processes, in order to reduce its environmental impact.	None

Promotion items	Implementation status		Summary description	Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons
	Y	N		
IV. Social issues				
1. Does the Company make relevant management policies and processes according to the International Bill of Human Rights?	✓		<p>1. TCC adheres to the core value of “Honesty and Togetherness, Family for All”, and strives to build a healthy working environment based on the principle of humanity, complying with international human rights conventions such as United Nations Global Compact (UNGC), Universal Declaration of Human Rights (UDHR), and the Declaration of Fundamental Principles and Rights at Work, as well as local labor laws at each operating site globally. In addition, the Company announced a policy to protect employees’ legal rights, committing to treat every single employee, including contractors and interns, with dignity and respect. The policy is applicable across the organization, including domestic and foreign subsidiaries, joint ventures, suppliers, strategic partners, and other related entities over which TCC has substantial control. After the policy is approved by the Chairman, it will be disclosed on the Company’s official website, internal electronic bulletin board and CSR reports.</p> <p>In addition, the Company attaches great importance to social, environmental, and corporate governance matters, strongly defends the rights of its employees, and proactively builds a friendly and virtuous workplace. Employees are encouraged to reflect on any issues encountered in the workplace—such as epidemic prevention, safety and hygiene in the workplace, gender equality, regular working hours and employee welfare—through an online platform or a staff opinion email box, and such content is treated as strictly confidential to protect employees. Also, the Company has established regulations on “Prevention, correction, complaint and punishment of sexual harassment at workplace” and a complaint hotline. New hires are required to complete a training course on the prevention of sexual harassment and the procedures to report malpractice, which is aimed at protecting the rights and safety of each employee.</p> <p>The Company’s policy on human rights, declaration of integrity and ethics, prevention of sexual harassment and other significant policies are mandatorily included in annual training programs. Also, employees are required to read the relevant statements to ensure they are fully aware of the Company’s commitment and promise to protect their rights. Furthermore, the Company promotes human rights education through seminars, lectures, and various other events in relation to regulations on labor and integrity in operations, mental and physical welfare, and employee benefits. In 2021, the training conducted by the Company totaled 882 hours.</p>	None
2. Has the Company set reasonable employee benefits (including remuneration, vacation days, and other benefits), and reflect business performance or achievements in the employee remuneration policy?	✓		<p>2. TCC provides competitive compensation and bonuses regardless of gender, race, religion, political views, and marital status, achieving workplace equality, to attract and retain talent. Compensation packages, including basic pay and bonuses, are reviewed annually and adjusted based on comparison with external salary market surveys to ensure competitive compensation is offered to our talent. CSR is one of the benchmarks used to measure the connection between organizational profitability and employee performance. A reward system has also been established to recognize outstanding employees so that “Mother nature as the major role” and “Social interest at stake” become mutual goals within the organization from top to bottom. On the other hand, excellence and malpractice are regulated by “Rules at Workplace”.</p>	None

Promotion items	Implementation status		Summary description	Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons
	Y	N		
2. Has the Company set reasonable employee benefits (including remuneration, vacation days, and other benefits), and reflect business performance or achievements in the employee remuneration policy?	✓		<p>The company believes in humanity as its core value, and offers multiple benefit programs to employees, such as flexible working hours, working from home, cross-region employment opportunities, to address the need for health and safety, family caring and flexibility of each employee. The Company also provides comprehensive welfare programs covering physical examinations, health insurance, scholarships, cash gifts (for marriage, births and traditional holidays), employee stock ownership trust, and emergency assistance, and takes the mental and physical welfare of each employee as its responsibility.</p>	None
3. Does the Company provide a safe and healthy work environment for employees and regularly provide health and safety training for employees?	✓		<p>3. The Company has established a “Labor Safety and Health Office” for all occupational safety and health matters. To ensure the safety and health of employees in the workplace, the Company pays close attention to employee safety and health education by promoting issues regarding the work environment, equipment management, and hazardous substance management, and also provides training and simulations that emphasize our employees’ safety and health.</p> <p>(1) New hires are required to complete training on safety and hygiene upon joining. An hour of safety and hygiene on-job training is mandatory for all employees on an annual basis. Safety guards are assigned to patrol each facility to ensure incidents are timely reported.</p> <p>(2) Acquire ISO14001 and ISO45001 certifications.</p> <p>(3) One case of occupational accident and injury was reported in the year, which was the result of improper handling of tools. Relevant prevention training was provided to each employee in the facility after the incident.</p>	None

Promotion items	Implementation status		Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons
	Y	N	
4. Has the Company established an effective career development training program for employees?	✓		<p>4. TCC attaches great importance to the training and development of employees at various stages of their careers. To cultivate employees to be forward-looking and proactive in the face of a complex and ever-changing environment, the Company has three major cultivation and development plans: a sustainability talent incubation program, a digital intelligence development program, and a risk management training module. The sustainability talent incubation program aims to embed the sustainable concept in all employees, and at the same time to develop work skills, combining the thinking and practice of professional and the circular economy. The program conducts a series of ESG lectures, professional management courses and key English courses, etc. The program also actively promotes academia knowledge sharing by inviting the Industrial Technology Research Institute and well-known scholars in the field of environment protection and energy to share their expert perspectives, and through external skills training and new knowledge sharing, cultivate employees' cross-domain professions, and enhance problem solving and responses. The digital intelligence development program aims to develop AI competencies, such as the development of smart tools for production and operation, and achieve sustainable development goals such as efficiency enhancement, energy saving, consumption reduction and pollution reduction etc. The program has an intelligence group that comprehensively thinks about AI's innovative role in sustainable development through thematic seminars and reading clubs. Furthermore, the company has collaborated with the Massachusetts Institute of Technology (MIT) to allow managers from each division to discuss with professors from relevant fields, and regularly conduct research projects; management trainees attend online training 15 times a year. The risk management training module aims to deepen employee awareness of risk controls to implement a harmonious and equal working environment and the principle of integrity. so as to ensure the long-term career development of employees. Lectures on new knowledge of regulations and information security education and training are held from time to time.</p> <p>In 2021, the Company adopted a policy to allow employees to work-from-home and to take turns in the office to mitigate the risk of infection from commuting and gatherings during the pandemic outbreak in Taiwan. The Company provides various on-the-job training, technical skills training, English courses, information and workplace security training, an annual seminar on circular economy to deliver the Company's core values, and external courses including knowledge library, health aesthetics and so on from junior to managerial level on TCC Lyceum, an in-house online learning platform. Furthermore, competence and general training are provided virtually, covering programs such as communications, management, and fitness. When the pandemic stabilizes, the Company intends to hold physical lectures, courses, workshops, along with virtual training, to maintain a good environment and channels for talent cultivation, so that employees and the Company can grow and thrive together. In 2021, total training hours reached 81,486.5 hours, and the total amount invested in training was NT\$23,428,000.</p>

Promotion items	Implementation status		Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons
	Y	N	
5. Regarding customer health and safety, customer privacy, marketing and labelling of products and services, does the Company follow relevant regulations and international standards, and formulate relevant consumer protection policies and grievance procedures?	✓		<p>5. The Company has established regulations governing client service and client complaints, providing complete product quality services to clients. A designated research office was established to cooperate with other departments to offer customized service and solutions. The Company also conducts an annual customer satisfaction survey.</p> <p>According to the Commodity Labeling Act, cement products are labeled with the place of production, ingredients, date of production, and date of expiration. The data for cement delivered in bulk, such as to a manufacturing factory, the ingredients, and the date of production are recorded on a completion record sheet, and are stored in air-tight tanks which are loaded onto trucks to prevent dust dispersion. For domestic shipments, ships with dust-collecting equipment are dispatched along with complete shipping documents. For foreign sales, the sale and shipment are carried out in accordance with international standards. The quality assurance systems of all TCC's factories have achieved ISO and CNS certifications. All completed products have been subjected to quality tests in accordance with the internal control standards of the Bureau of Standards, Metrology and Inspection of the Ministry of Economic Affairs, or even more stringent standards, and comply with clients' requirements.</p>
6. Has the Company established supplier management policies which require suppliers to comply with relevant standards on issues such as environmental protection, occupational safety and health or labor rights, and suppliers' implementation?	✓		<p>6. To raise sustainability awareness among its suppliers, the Company has established Supplier Behavior Criteria. Before becoming a supplier to TCC, suppliers are investigated for their labor conditions, occupational safety and health, environment, code of ethics, and management styles, to ensure they comply with the basic criteria of relevant sustainability awareness.</p> <p>The Company conducts regular onsite visits to key suppliers to conduct supplier evaluations which helps the Company better understand the suppliers' current management status. The visits are either conducted by a cross-functional team composed of members from the materials, manufacturing and finance departments, or by a third-party institution. The main items to be evaluated in these meetings include quality control, service quality, organization, and financial performance. The visits also include evaluation of sustainability items, such as labor conditions, occupational health and safety, environment, code of ethics, and management system. Through onsite visits, the Company is able to understand the suppliers' state of sustainability awareness and will provide recommendations for improvements in hopes of continuously enhancing sustainability management performance as well as promoting the industry's growth.</p>

Promotion items	Implementation status			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons
	Y	N	Summary description	
V. Does the Company adopt internationally recognized standards or guidelines when producing corporate social responsibility reports, to disclose the status of their implementation of the corporate social responsibility policy? Did the Company obtain a third-party assurance or verification to ensure the reliability of the information in their CSR reports?	✓		<p>Please refer to page 14 of the 2020 CSR report at http://www.taiwancement.com/tw/csrReportRead.html?ch=all&t=1633422580260</p> <p>The CSR report is prepared in accordance with the GRI Sustainability Reporting Standards – Core of the Global Reporting Initiative (GRI) and the Standards for the Construction Materials Industry issued by the Sustainability Accounting Standard Board (SASB).</p> <p>The Company engaged Deloitte Taiwan to independently perform limited assurance according to the “Assurance Engagement Other Than Audits or Reviews of Historical Financial Information” standard issued by the Accounting Research and Development Foundation, which is based on ISAE3000, and delegated SGS Taiwan Ltd. to conduct verification in accordance with Type 1 of AA1000AS following CRI Standards – Core.</p>	None

VI. If the Company has established corporate social responsibility principles based on the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancies between the Principles and their implementation: None.

In order to promote corporate sustainability, business integrity, and society, environment, and economic progress, and achieve the goal of sustainable development, the Company has implemented “Corporate Social Responsibility Best Practice Principles” in accordance with the requirements of the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies.”

TCC’s corporate social responsibility best practice principles are detailed at the link below:
<https://www.taiwancement.com/tw/report/rule/%E4%BC%81%E6%A5%AD%E7%A4%BE%E6%9C%83%E8%B2%AC%E4%BB%BB%E5%AF%A6%E5%8B%99%E5%AE%88%E5%89%87.pdf>

VII. Other important information to facilitate a better understanding of the company’s corporate social responsibility practices:

Please refer to page 247 of the annual report "7.7 Corporate Sustainable Development".

3.3.6 Status of ethical management practices and compliance and discrepancies:

Assessment items	Implementation status			Discrepancies with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons
	Y	N	Summary description	
I. 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 fulfill its corporate social responsibilities, the Company aims to instill a culture of integrity in its employees. It has created a corporate body that embraces “quality, character, and taste”, and maintains integrity and enthusiasm for providing superior service that exceeds customer expectations to realize customer satisfaction. Establishing good relationships with customers and vendors, and pursuing corporate sustainability and growth are the Company’s main principles. The Company clearly sets forth its attitude towards business operations on its website, and the Board of Directors and management rely on this attitude to realize a business philosophy centered on integrity.</p>	None

Promotion items	Implementation status			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons
	Y	N	Summary description	
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?	✓		2. All external donations exceeding a certain amount must first be approved by the Board of Directors. The Company’s internal audit team constantly monitors whether donations are improperly used as bribes, kickbacks, or other improper benefits. Furthermore, the Company is forbidden from making political donations as total foreign shareholdings in the Company exceed 30%.	None
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. The Company establishes procedures for ethical management and conducts guidelines that guide the implementation of operating procedures.	None
II. To implement integrity management 1. Does the Company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?	✓		1. Besides requiring cooperation from vendors, the Company drafted the “Vendor Honesty and Social Responsibility Pledge” and regularly monitors and evaluates their compliance with this pledge.	None
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 promote corporate sustainability, business integrity, and social responsibility, the Board of Directors passed a resolution on May 10, 2018 to establish a Corporate Sustainable Development Committee, which is headed by the Chairman, and various units have been established under the committee, which must regularly report to the Board. The Company also started to operate ISO 37001 anti-corruption and anti-bribery management system On April 1, 2021 and established "Anti-corruption and Anti-bribery Promotion Team" to plan, consult and promote the system. Meanwhile, the Audit Committee is responsible for supervising the status of promoting the management system to achieve objectives and reports to the board of directors at least once a year. (May 12, 2021, August 12, 2021) The Company's Anti-Corruption and Anti-Bribery Promotion Team has held an anti-corruption and anti-bribery meeting on May 7, 2021 and has implemented internal audit projects in June 2021. Please refer to the Company's official website "Investors" -> "Corporate governance" -> "Corporate Integrity" for other operation and implementation status.	None
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 “Corporate Social Responsibility Best Practice Principles” state that when fulfilling corporate social responsibility initiatives, the Company should respect social ethics and consider other stakeholders’ interests. Also, when pursuing sustainable operations and profits, the Company should consider environmental, societal, and corporate governance issues.	None

Promotion items	Implementation status			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the reasons
	Y	N	Summary description	
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. The internal audit function is an important part of the Company's internal controls. It helps management to assure that the Company's internal control systems are operating effectively and efficiently by identifying any shortcomings that need fixing. To ensure no dishonesty occurs, the internal audit team downloads SAP data, analyzes any abnormal data, and produces a list of annual audit items ranked by the level of risk they present. For example, to ensure cement reaches the worksite safely, TCC's cement plants in China established GPS monitoring and alarm systems to guard against theft. TCC imposes penalties to deter such dishonest behavior. Also, there have instances in generator rooms where on-duty personnel left their posts or were caught sleeping on the job. After repeated audits and follow ups, there has been a significant improvement in the conduct of on duty personnel in generator rooms.	None
5. Does the Company provide internal and external ethical conduct training programs on a regular basis?	✓		5. The Company held training of integrity and ethics annually. In 2021, all TCC employees signed the "Integrity Rules and Ethical Standards Statement" and took part in relevant training.	None
III. 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 infraction reporting system or related-incentive system, 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 their manager, internal audit manager, or other appropriate personnel, and to provide sufficient information to allow the Company to follow up.	None
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 Audit Office to handle these cases in accordance with the Company's regulations.	None
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.	None
IV. 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 website discloses the Company's business philosophy of integrity, which is also available in English and in simplified Chinese (http:// www.taiwancement.com)	None

V. If the Company has drafted 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 14th meeting of the Company's 20th Board of Directors approved the "Ethical Corporate Management Best Practice Principles" and the 11th meeting of the 22nd Board of Directors approved the 3rd revision of these Principles. The Audit Office is responsible for monitoring the implementation of TCC's business integrity policy; this policy and the business integrity operating rules determined by the Company are implemented in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Company." The 26th meeting of the Company's 23th Board of Directors, the board resolution to adjust the clause of whistle-blowing system in "Ethical Corporate Management Best Practice Principles" to be consistent with it is in "violation of the Code of Conduct reporting system". This is to enhance access to reporting information.

VI. 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.

3.3.7 Corporate governance guidelines and regulations

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 at http://www.taiwancement.com/#invest_4_2_3

The Group's NHOA S.A.'s Code of Ethics has passed the board resolution on October 12, 2021. Please refer to page 315 of the annual report for details regarding the "Code of Ethics-NHOA".

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."

3.3.8 Other important information regarding corporate governance

- The Company discloses material information in a timely manner and regularly holds investor conferences.
- The 14th meeting of the 20th Board of Directors approved the establishment of "Ethical Corporate Management Best Practice Principles."
- The Company produces and publishes Corporate Social Responsibility reports.
 - Internal audit: The data or information disclosed in the CSR report is provided by each relevant department and verified by the CSR report compilation team. The report is then returned to each department head for verification, and finally submitted to the Chairman who reviews and approves it.
 - External audit: The CSR report is reviewed by SGS Taiwan Limited.
 - To ensure the report meets the GRI G4 Core disclosure criteria, the report is prepared in accordance with the requirements of the core disclosure principles of the GRI G4 Standards and the Moderate Assurance in Type 1, AccountAbility 1000 Assurance Standard. Please refer to the Appendix for the related verification methods and results.
 - The CSR report is disclosed on the Company's website and on MOPS.

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

Title	Name	Organization	Course	Date	Length (hours)
Assistant Vice President and Chief Accounting Officer	Guo-Hong Yeh	Taiwan Corporate Governance Association	Global risk perception – Opportunities in the next 10 years and Net zero by 2030/2050	November 22, 2021	3
			Uncover the mystery of insider trading – Examples from Taiwan’s recent insider trading cases		3
		Accounting Research and Development Foundation in Taiwan	Continuing education for accounting managers at issuers, securities firms, and securities exchanges	December 24, 2021	12
Assistant Vice President and Corporate Governance Manager	Jia-Ro Lai	Taiwan Corporate Governance Association	Global risk perception – Opportunities in the next 10 years and Net zero by 2030/2050	November 22, 2021	3
			Uncover the mystery of insider trading – Examples from Taiwan’s recent insider trading cases		3
			How directors lead the business in a rapidly changing technological environment.	December 9, 2021	3
			Risks and opportunities to protect business secrets and detect fraud	December 28, 2021	3
Manager and Internal Audit Manager	Chia-Hua Tsao	Golden Education	Financial management and operations in the age of IoT	March 3, 2021	2.5
			Changes and response for the new frameworks of COSO		1.5
			Understanding the balance of internal controls		1.5
			Predict and diagnose risks	April 12, 2021	1
		Internal Audit Association of the Republic of China	Internal audit practice for subsidiaries	October 18, 2021	6
		Golden Education	Changes in direct tax under Chinese tax system reform	December 3, 2021	1
			Interpretation of Shanghai’s Special Customs Supervision policy		1
			Custom’s recent appraisal and trend for custom’s supervision		1
			Professional ethics for managing accounting talents		2
		Taiwan Corporate Governance Association	Global risk perception – Opportunities in the next 10 years and Net zero by 2030/2050	November 22, 2021	3
			Uncover the mystery of insider trading – Examples from Taiwan’s recent insider trading cases		3
Internal Audit Association of the Republic of China	Application and operations of data analytics for internal audit (using excel as an example)	December 14, 2021	6		
Golden Education	Financial management and operations under the age of IoT	March 3, 2021	2.5		

3.3.9 Internal control systems:

3.3.9.1 Statement on internal controls

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, 2021:

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, 2021, 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.

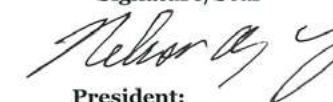
6. This statement shall form an integral part of our annual report and prospectus, and it will be disclosed to the public. If there is any fraud, concealment, or other illegality in the above contents, we shall be liable to the legal consequences under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.

7. This Statement was approved unanimously by the Board of Directors in their meeting held on February 25, 2022, with the presence of all directors attended the meeting.

Taiwan Cement Corporation

Chairman:

Signature/Seal



President:

Signature/Seal



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

3.3.10 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

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

Implementation status of the resolutions of regular shareholder meetings held in 2021, 2022, and up to the publication date of this annual report:

Major resolutions of shareholders' meetings			
Meeting date	Subject	Resolution and result	Execution
July 5, 2021 Regular shareholders' meeting	1. Submission of the 2020 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 2020 Business Report and Financial Statements were accepted as submitted.
	2. Submission of the 2020 earning 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 2020 earnings distribution was as follows: Cash dividends: a total of NT\$20,594,434,165 distributed (NT\$ 3.36811984 per share). Ex-dividend date: August 18, 2021. Distribution of cash dividend: September 10, 2021.
	3. Election: Election is held to select 15 directors (including 5 independent directors) for the 24th board of directors.	Election results: The list of elected directors: (1) Chia Hsin R.M.C. Corporation Representative: An-Ping Chang Approval votes: 5,566,738,610 votes (2) C.F. Koo Foundation Representative: Jong-Peir Li Approval votes: 3,479,203,300 votes (3) Chia Hsin Cement Corporation Representative: Jason Kang-Lung Chang Approval votes: 3,413,598,305 votes (4) International CSRC Investment Holdings Co., Ltd. Representative: Kenneth C.M. Lo Approval votes: 3,412,192,053 votes (5) Fu Pin Investment Co., Ltd Representative: Por-Yuan Wang Approval votes: 3,411,183,537 votes	Announced on MOPS and the Company's website on August 12, 2021 in accordance with MOEA Jin-Shou-San-Zi No.11001135080.

Major resolutions of shareholders' meetings			
Meeting date	Subject	Resolution and result	Execution
July 5, 2021 Regular shareholders' meeting	3. Election: Election is held to select 15 directors (including 5 independent directors) for the 24th board of directors.	(6) Tai Ho Farming Co., Ltd Representative: Kung-Yi Koo Approval votes: 3,410,336,468 votes	Announced on MOPS and the Company's website on August 12, 2021 in accordance with MOEA Jin-Shou-San-Zi No.11001135080.
		(7) Fu Pin Investment Co., Ltd. Representative: Chi-Chia Hsieh Approval votes: 3,409,177,090 votes	
		(8) Chia Hsin Cement Corporation Representative: Chi-Te Chen Approval votes: 3,408,444,800 votes	
		(9) Heng Qiang Investment Co., Ltd. Representative: Chien Wen Approval votes: 3,407,235,443 votes	
		(10) Heng Qiang Investment Co., Ltd. Representative: Chih-Chung Tsai Approval votes: 3,406,058,335 votes	
		Independent directors: (11) Yu-Cheng Chiao Approval votes: 3,419,195,555 votes	
July 5, 2021 Regular shareholders' meeting	4. Submission of the amendments on part of the Rules and Procedures for the Acquisition or Disposal of PPE for approval.	(12) Victor Wang Approval votes: 3,405,839,454 votes	Announced on MOPS and the Company's website on July 5, 2021.
		(13) Lynette Ling-Tai Chou Approval votes: 3,404,991,458 votes	
		(14) Mei-Hua Lin Approval votes: 3,404,019,750 votes	
		(15) Sherry S. L. Lin Approval votes: 3,403,041,990 votes	
		5. Submission of the amendments on part of Rules of Procedure for Annual Shareholders' Meeting for approval.	
July 5, 2021 Regular shareholders' meeting	6. Submission of the lifting of the non-compete restriction on newly appointed directors has been submitted for a referendum.	The motion proposed and approved by the Board of Directors was resolved and approved based on the voting results.	The non-compete restriction on newly appointed directors have been lifted per Board's resolution.

Major resolutions of the board meeting in 2021, 2022, and up to the publication date of this annual report:

Major resolutions of board meetings		
Meeting date	Subject	Resolution and result
January 28, 2021	1. The conversion date of the unsecured overseas convertible bonds issued in 2018 and the date of issuance of new shares was submitted for approval.	It was unanimously approved by all directors attending the meeting with no objections.
	2. The proposal to modify TCC's tax policy and management methods was submitted for approval.	It was unanimously approved by all directors attending the meeting with no objections.
	3. The proposal to establish TCC's Risk Management Committee was submitted for approval.	It was unanimously approved by all directors attending the meeting with no objections.
	4. The proposal to set the FY20 bonus and remuneration for managers.	All managers have recused themselves from the discussion. The proposal was approved in the 4 th meeting of the 14 th round of the Compensation Committee. It was unanimously approved by all directors with no objections.
	5. The proposal to work with the Commonwealth Magazine Educational Foundations was submitted for approval.	It was unanimously approved by all directors attending the meeting with no objections.
	6. The proposal to include the election to select 15 directors (including 5 independent directors) for the 24th Board of Directors was submitted.	It was unanimously approved by all directors attending the meeting with no objections.
	7. The proposal to nominate 15 candidates to be TCC's directors was submitted for approval.	It was unanimously approved by all directors attending the meeting with no objections.
	8. The proposal to remove the non-compete clause for newly elected directors was submitted for approval.	It was unanimously approved by all directors attending the meeting with no objections.
	9. The proposal to submit the FY21 directors candidates, review standards, and standard of procedure.	It was unanimously approved by all directors attending the meeting with no objections.
	10. The proposal to receive FY21 shareholders filings has been submitted for approval.	It was unanimously approved by all directors attending the meeting with no objections.
	11. The proposal to hold the FY21 shareholders' meeting has been submitted for approval.	It was unanimously approved by all directors attending the meeting with no objections.
March 19, 2021	1. The proposal to sell all of its shares of Taiwan Prosperity Chemical Corporation to Chang Chun Plastics Co., Ltd has been submitted for approval.	It was approved by the 2nd meeting of the 24th Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.
	2. The proposal to invest up to NT\$10 billion in the TCC Recycle Energy Technology Company has been submitted for approval.	It was approved by the 2nd meeting of the 24th Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.
	3. The proposal to authorize the Chairman or an agent to evaluate and negotiate the potential investment opportunity of Project Eureka.	It was approved by the 2nd meeting of the 24th Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.
	4. The proposal to discuss the countermeasures to Hualien Government's Ore Tax.	It was approved by the 2nd meeting of the 24th Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.

Major resolutions of board meetings		
Meeting date	Subject	Resolution and result
March 19, 2021	5. The proposal to increase budget for the construction of the TCC DAKA Renewable Resources Center, the BOO project.	It was approved by the 2 nd meeting of the 24 th Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.
	6. The proposal to discuss the FY20 employee and directors remuneration has been submitted for approval.	Except for the independent directors, the remaining directors have recused themselves from discussions with Independent director Yu-Cheng Chiao as the Acting Chairman. The proposal was resolved by the 4 th meeting of the 15 th round of the Compensation Committee and was unanimously approved by all directors attending the meeting with no objections.
	7. The proposal to discuss the FY20 Chairman and directors remuneration has been submitted for approval.	Except for the independent directors, the remaining directors have recused themselves from discussions with Independent director Yu-Cheng Chiao as the Acting Chairman. The proposal was resolved by the 4 th meeting of the 15 th round of the Compensation Committee and was unanimously approved by all directors attending the meeting with no objections.
	8. The submission of the 2020 business reports.	It was approved by the 2 nd meeting of the 24 th Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.
	9. Submission of the 2020 financial statements of the company and the 2021 consolidated financial statements.	It was approved by the 2 nd meeting of the 24 th Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.
	10. Submission of the FY20 earnings distributions.	It was approved by the 2 nd meeting of the 24 th Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.
	11. The proposal to modify part of the Company's Ethical Corporate Management Best Practice Principles has been submitted for approval.	It was unanimously approved by all directors attending the meeting with no objections.
	12. Submission of the amendments on part of the Rules of Procedure for Annual Shareholders' Meeting for approval.	It was unanimously approved by all directors attending the meeting with no objections.
	13. The proposal to increase the FY21 shareholder's meeting was submitted for approval.	It was unanimously approved by all directors attending the meeting with no objections.
	14. Submission of the Company's 2020 Internal Control System Statement.	It was approved by the 2 nd meeting of the 24 th Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.
	15. Assessment of external auditor's professionalism, competence, and independence has been submitted for approval.	It was approved by the 2 nd meeting of the 24 th Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.
	16. Submission of the adjustments in the guarantee by endorsement for financing purpose provided by the company to its associated enterprises.	It was approved by the 2 nd meeting of the 24 th Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.
	17. Submission of the Company's intention to obtain financing from the following financial institutions.	It was unanimously approved by all directors attending the meeting with no objections.
	18. The conversion date of the unsecured overseas convertible bonds issued in 2018 and the date of issuance of new shares was submitted for approval.	It was unanimously approved by all directors attending the meeting with no objections.
	19. Submission of Amendment of EWC savings trust for the distribution of retired employees.	The proposal was resolved in the 4 th meeting of the 15 th round of the Compensation Committee and was unanimously approved by all directors attending the meeting with no objections.

Major resolutions of board meetings		
Meeting date	Subject	Resolution and result
April 19, 2021	1. The Company intends to acquire a 60.48% share of Engine EPS (Eureka). Per Euronext Paris's decree, the Company has to undergo a mandatory bidding to acquire the shares, and has submitted the case for approval.	The proposal was resolved in the 25 th meeting of the 2 nd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
May 12, 2021	1. TCC intends to apply to raise capital for TCC Energy Storage Technology Corporation, and was submitted for approval.	The proposal was resolved in the 26 th meeting of the 2 nd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	2. TCC Hoping plant #2k's denitration ultra low emission modification construction CAPEX plan and budget was presented and submitted for approval.	The proposal was resolved in the 26 th meeting of the 2 nd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	3. The Company intends to obtain facilities from the financial institutions listed below, and submitted for approval.	It was unanimously approved by all directors attending the meeting with no objections.
	4. The conversion date of the unsecured overseas convertible bonds issued in 2018 and the date of issuance of new shares was submitted for approval.	It was unanimously approved by all directors attending the meeting with no objections.
	5. Submission of Amendment of EWC savings trust for the distribution of retired employees.	The proposal was resolved in the 16 th meeting of the 4 th round of the Compensation Committee. It was unanimously approved by all directors attending the meeting with no objections.
	6. Submission to implement amendments to the anti-corruption and anti-bribery policy and authorize the Audit Committee to implement and execute relevant details to set up an ISO 37001 anti-corruption and anti-bribery system.	The proposal was resolved in the 26 th meeting of the 2 nd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	7. Submission to amend certain articles of the Ethical Management and Guidelines for Conduct.	It was unanimously approved by all directors attending the meeting with no objections.
	8. Amendments to Corporate Social Responsibility Best Practice Principles has been submitted for approval.	It was unanimously approved by all directors attending the meeting with no objections.
	Extempore motion: 1. The Company's plan to change the location for the 2021 shareholder's meeting was submitted for approval.	It was unanimously approved by all directors attending the meeting with no objections.

Major resolutions of board meetings		
Meeting date	Subject	Resolution and result
June 17, 2021	1. The Company's plan to adjust the date and place of the 2021 shareholder's meeting and date has been submitted for approval.	It was unanimously approved by all directors attending the meeting with no objections.
July 5, 2021	1. Plan to elect the chairman of the Board was submitted for approval.	An-Ping Chang, the representative of Chia Hsin R.M.C. Corporation was elected as the chairman of the Board.
	2. Plan to elect the chairman was submitted for approval.	It was unanimously approved by all directors attending the meeting that An-Ping Chang, the representative of Chia Hsin R.M.C. Corporation will be elected as the chairman.
July 15, 2021	1. The submission of the plan and budget for the installation of the upgrade to the cement pre-grinding system for Su-ao #9 and #10.	The proposal was resolved in the 2 nd meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	2. The plan to issue unsecured corporate bonds under NT\$20 billion was submitted for approval.	The proposal was resolved in the 2 nd meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	3. The plan to issue dividends for preferred shares and common stocks was submitted for approval.	It was unanimously approved by all directors attending the meeting with no objections.
	4. Submission of the conversion date of unsecured overseas convertible bonds issued in 2018 and the date of issuance of new shares.	It was unanimously approved by all directors attending the meeting with no objections.
	5. Submission to appoint the Company's 5 th Compensation Committee.	It was unanimously approved by all directors attending the meeting with no objections.
	6. Submission to appoint the Company's 2 nd Risk Management Committee was submitted.	It was unanimously approved by all directors attending the meeting with no objections.
	7. Submission to appoint the 1 st Corporate Social Responsibility Committee was submitted.	It was unanimously approved by all directors attending the meeting with no objections.
August 12, 2021	1. Submission of the Company's consolidated financial statements for the 2 nd quarter of 2021 for approval.	The proposal was resolved in the 3 rd meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	2. The Company intends to obtain facilities from the financial institutions listed below, and submitted for approval.	It was unanimously approved by all directors attending the meeting with no objections.
	3. The submission for the Company's intention to participate in the capital increase for TCC Recycle Energy Technology Corporation.	The proposal was resolved in the 3 rd meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	4. The submission for the Company's intention to donate NT\$0.1 billion for the purchase of vaccine through the Tzu Chi Foundation.	It was unanimously approved by all directors attending the meeting with no objections.

Major resolutions of board meetings		
Meeting date	Subject	Resolution and result
August 12, 2021	5. The remuneration for the chairman and directors of the 24 th Board of Directors was submitted for approval.	Chairman An-Ping Chang and 9 Directors recused themselves from the discussion, with Independent director Yu-Cheng Chiao as the Acting Chairman. The proposal was approved in the 1 st meeting of the 5 th round of the Compensation Committee. It was unanimously approved by all independent directors attending the meeting with no objections.
	6. The remuneration for the independent directors of the 24 th Board of Directors was submitted for approval.	Yu-Cheng Chiao and the rest of the Independent Directors recused themselves from the discussion. The proposal was approved in the 1 st meeting of the 5 th round of the Compensation Committee. It was unanimously approved by all directors attending the meeting with no objections.
September 27, 2021	1. Submission of the Company's plan to authorize the Chairman or an agent to assess and discuss the potential investment in electric vehicle parts.	The proposal was resolved in the 4 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	2. Submission for the Company's plan to issue the first unsecured convertible bonds in 2021.	The proposal was resolved in the 4 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	3. The submission for the Company's intention to increase the capital in its wholly owned subsidiary, TCC International Holdings Ltd. (TCCIH).	The proposal was resolved in the 4 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	4. The submission for the Company's intention to increase the investment in its wholly owned subsidiary, Taiwan Cement (Dutch) Holdings B.V (TCC Dutch)	The proposal was resolved in the 4 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	5. The submission to utilize the funds in China, the Company plans to have TCC (Yingde) Cement Company Limited (TCC Yinde) distribute earnings to TCC International (Hong Kong) Co., Ltd. (TCC International HK) then invest in TCC New (Hangzhou) Management Company Limited. (TCC Hangzhou)	The proposal was resolved in the 4 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	6. The submission for the plan for the China subsidiaries to distribute part of their earnings to the Singapore bank accounts of the overseas parent company.	The proposal was resolved in the 4 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	7. The submission for the plan for TCC Energy Storage Technology Corporation to invest in bulk energy storage in the Suao Cement Plant.	The proposal was resolved in the 4 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	8. The submission for the plan to increase capital in TCC Energy Storage Technology Corporation.	The proposal was resolved in the 4 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	9. The submission for the plan to organize the group's resources by leasing land to TCC Energy Storage Technology Corporation for the operation and construction of the bulk energy storage.	The proposal was resolved in the 4 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.

Major resolutions of board meetings		
Meeting date	Subject	Resolution and result
September 27, 2021	10. The submission for the plan to invest in TCC LIEN-HSIN Green Energy Corporation (TCC LIEN-HSIN Green Energy) through TCC Green Energy Corporation (TCC Green Energy) to construct bulk energy storage in the Hualien Hoping Plant.	The proposal was resolved in the 4 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	11. The submission of the plan to raise capital in TCC Green Energy Corporation (TCC Green Energy).	The proposal was resolved in the 4 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	12. The submission of the plan to organize the group's resources by leasing land to TCC LIEN-HSIN Green Energy Corporation (TCC LIEN-HSIN Green Energy) for the operation and construction of the bulk energy storage.	The proposal was resolved in the 4 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	13. Submission of the plan to organize the group's resources by leasing investment property (land) to Molie Quantum Energy Corporation (Molie Quantum Energy) then to lease the warehouses through the right of superficies.	The proposal was resolved in the 4 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	14. Submission of the Company's plan to increase the budget for the TCC DAKA Renewable Resources Center.	Chairman An-Ping Chang has recused himself from the discussion, with Director Kenneth C.M. Lo as the Acting Chairman. The proposal was approved in the 4 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	15. Submission of the Company's plan to sign construction contracts with CTCL Resources Engineering Inc. (CTCL Resources) for TCC DAKA Renewable Resources Center.	Chairman An-Ping Chang has recused himself from the discussion, with Director Kenneth C.M. Lo as the Acting Chairman. The proposal was approved in the 4 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
November 3, 2021	16. Submission of the Company's plan to renew its land lease of the Zhongli #2 Plant with Chia Hsin R.M.C. Corporation.	Chairman An-Ping Chang has recused himself from the discussion, with Director Kenneth C.M. Lo as the Acting Chairman. The proposal was approved in the 4 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	1. Submission of the Company's plan to increase capital in NHOA SA (NHOA).	The proposal was resolved in the 5 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	2. Submission of the conversion date of unsecured overseas convertible bonds issued in 2018 and the date of issuance of new shares for approval.	It was unanimously approved by all directors attending the meeting with no objections.
	3. Submission of the plan to lease land from Chia Hsin R.M.C. Corporation to expand operations.	Chairman An-Ping Chang has recused himself from the discussion, with Director Por-Yuan Wang as the Acting Chairman. The proposal was approved in the 5 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.

Major resolutions of board meetings		
Meeting date	Subject	Resolution and result
November 3, 2021	4. Submission of the plan to lease land from Chia Hsin Asset Management Limited (Chia Hsin Asset Management).	Director Jason Kang-Lung Chang, who is representing Director Chi-Te Chen, has recused himself from the discussion. The proposal was approved in the 5 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	5. Submission of the plan to appoint Chia Hsin Cement Corporation (Chia Hsin Cement) to provide storage services.	Director Jason Kang-Lung Chang, who is representing Director Chi-Te Chen, has recused himself from the discussion. The proposal was approved in the 5 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
November 11, 2021	1. Submission of the plan for TCC Energy Storage Technology Corporation to construct a bulk energy storage in the Hualien Hoping Industrial Area.	The proposal was resolved in the 6 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	2. Submission of the plan for TCC Green Energy Corporation (TCC Green Energy) to construct an energy storage system in the Huanlien Hoping Industrial Area.	The proposal was resolved in the 6 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	3. Submission of the plan for TCC Green Energy Corporation (TCC Green Energy) to construct an energy storage system in the Chang Hua Coastal Industrial Park.	The proposal was resolved in the 6 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	4. Submission of the plan to organize the group's resources by leasing land to TCC Green Energy Corporation (TCC Green Energy) for the construction of an energy storage system.	The proposal was resolved in the 6 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	5. Submission of the plan to organize the group's resources by leasing land to TCC Energy Storage Technology Corporation for the construction of an energy storage system.	The proposal was resolved in the 6 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	6. Submission of the company's plan to obtain financing from the below financial institutions.	It was unanimously approved by all directors attending the meeting with no objections.
	7. The KPI for the internal audit team has been submitted for approval.	The proposal was resolved in the 6 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	8. Submission to donate to the Dr. Cecilia Koo Botanic Conservation Center (Botanic Conservation Center) from 2022-2026 in the amount of NT\$14 million each year, totaling NT\$70 million overall.	It was unanimously approved by all directors attending the meeting with no objections.
	9. Submission to donate to the C.F. Koo Foundation from 2022-2026 in the amount of NT\$ 10.5 million each year, totaling NT\$ 52.5 million overall.	It was unanimously approved by all directors attending the meeting with no objections.
December 22, 2021	1. Submission for the Company's plan to participate in the private placement of Financial eSolution Co., Ltd.	The proposal was resolved in the 7 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	2. The Company's operating budget for 2022 was submitted for approval.	It was unanimously approved by all directors attending the meeting with no objections.

Major resolutions of board meetings			
Meeting date	Subject	Resolution and result	
December 22, 2021	3. The Company's capital expenditure forecast for 2022 was submitted for approval.	It was unanimously approved by all directors attending the meeting with no objections.	
	4. Submission of the conversion date of unsecured overseas convertible bonds issued in 2018 and the date of issuance of new shares for approval.	It was unanimously approved by all directors attending the meeting with no objections.	
	5. Submission of the plan to organize the group's resources by leasing land to TCC Energy Storage Technology Corporation for the construction of laboratories.	The proposal was resolved in the 7 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.	
	6. Submission of assessment on the professionalism, suitability, and independence of certified public accountants.	The proposal was resolved in the 7 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.	
	7. Submission of the appointment of the independent auditor.	The proposal was resolved in the 7 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.	
	8. Submission of the 2022 and 2023 independent auditor's fees.	The proposal was resolved in the 7 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.	
	9. The Company's internal audit plan for 2022 was submitted for approval.	The proposal was resolved in the 7 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.	
	10. The 2022 plan for raising employee salaries was submitted for approval.	Directors Jong-Peir Li and Kung-Yi Koo have recused themselves from the discussion. The proposal was approved in the 5 th meeting of the 2 nd round of the Compensation Committee. It was unanimously approved by all directors attending the meeting with no objections.	
	11. The plan for 2021 annual bonus and remuneration of the Company was submitted for approval.	Directors Jong-Peir Li and Kung-Yi Koo have recused themselves from the discussion. The proposal was approved in the 5 th meeting of the 2 nd round of the Compensation Committee. It was unanimously approved by all directors attending the meeting with no objections.	
	February 25, 2022	1. Submission of the Company's plan to construct an energy storage system (18MVA/32.8 MWh +2.2MVA/2.3MWh) at the Hoping Plant in Hualien.	The proposal was resolved in the 8 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
		2. Submission of the Company's plan to repay its existing borrowings and supplement the working capital needs facilities by arranging a five-year credit extension with a term of not more than NT\$51.6 billion.	The proposal was resolved in the 8 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
3. Submission of the 2021 business reports.		The proposal was resolved in the 8 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.	
4. Submission of the 2021 financial statements of the company and the 2021 consolidated financial statements.		The proposal was resolved in the 8 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.	

Major resolutions of board meetings		
Meeting date	Subject	Resolution and result
February 25, 2022	5. Submission of the Company's plan to distribute the earnings of the China subsidiaries to the Singapore bank account of the overseas parent company.	The proposal was resolved in the 8 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	6. Submission of the adjustments in the guarantee by endorsement for financing purpose provided by the company to its associated enterprises.	The proposal was resolved in the 8 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	7. Submission of the Company's intention to obtain financing from the following financial institutions.	It was unanimously approved by all directors attending the meeting with no objections.
	8. Submission of the Company's amendment to the policy procedures for acquisition or disposal of assets.	The proposal was resolved in the 8 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.
	9. Submission of the Company's Articles of Association.	It was unanimously approved by all directors attending the meeting with no objections.
	10. Submission for convention of the Company's 2022 shareholders' meeting.	It was unanimously approved by all directors attending the meeting with no objections.
	11. Submission for acceptance of shareholder proposals for convention of the Company's 2022 shareholders' meeting.	It was unanimously approved by all directors attending the meeting with no objections.
	12. Submission of the Company's 2021 Internal Control System Statement.	The proposal was resolved in the 8 th meeting of the 3 rd round of the Audit Committee. It was unanimously approved by all directors attending the meeting with no objections.

3.3.12 Major issues of record or written statements made by any director dissenting to important resolutions passed by the Board of Directors during 2020 and as of the date of this annual report: None.

3.3.13 Resignation or dismissal of The Company's chairman, general manager, accounting director, finance director, internal audit director, corporate governance director, director of R&D and more during 2021 and as of the date of this annual report: None.

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

1. Certified Internal Auditor (CIA): Three staff in the Audit Office.
2. Qualified Internal Auditor (QIA): One staff in the Audit Office.
3. Certified Public Accountant (CPA): Three staff in the Finance Department.

3.4 Information Regarding the Company's Independent Auditor

Unit: NT\$ in thousands

Public accounting firm	Name of CPA	CPA's audit period	Audit fees	Non-audit fees	Total	Note
Deloitte Taiwan	Chih-Ming Shao	2021/1/1-2021/9/30	34,652	19,185	53,837	1. To maintain CPA independence and to follow Company's policy, and to implement Deloitte's rotation policy, Deloitte Taiwan will switch its CPA from Chih-Ming Shao and Hui-Min Huang to Hui-Min Huang and Cheng-Hung Kuo. 2. Please explain the non-audit services: These primarily relate to tax and consulting services.
	Hui-Min Huang					
Deloitte Taiwan	Hui-Min Huang	2021/10/1-2021/12/31				
	Cheng-Hung Kuo					

3.4.1 Is the audit fee lower than the fees paid to the predecessor firm? None.

3.4.2 Did the audit fees decrease by over 10% as compared to the prior year?

Not applicable.

3.5 Change in Independent Auditors

3.5.1 Predecessor auditor

Effective date	Approved by the Board of Directors on December 22, 2021
Reasons for the change	To follow the company's regulation, maintain auditor's independence, and to follow Deloitte's internal rotation policy, and in compliance with mandatory rotation of the lead auditor, the Company changed its auditors from Chih-Ming Shao and Hui-Min Huang to Hui-Min Huang and Cheng-Hung Kuo, starting from the fourth quarter of 2021.

Was the appointment terminated or rejected by the Company or the CPA?	Situation	Client	CPA	Company
	Appointment was terminated upon request		Not applicable	Not applicable
	Appointment was not renewed and thus, terminated		Not applicable	Not applicable
Did the reports of the predecessor auditor contain any opinion other than unmodified opinions in the prior two fiscal years?	No			
Were there any disagreements between the predecessor auditor and the Company?	Yes			Accounting principle or practice
				Disclosure of financial statements
				Audit scope or procedures
				Others
	No			✓
	Note			
Any supplementary disclosure as required per Article 10.6.1.4-7 of the Standards?	None			

3.5.2 Successor auditor

Public Accounting firm	Deloitte Taiwan
CPA	Hui-Min Huang and Cheng-Hung Kuo
Date of appointment	Approved by Board of Directors on December 22, 2021
Consultation results regarding the accounting treatments or principles of the Company's special transactions and the opinions of the financial reports prior to the engagement of the successor auditor	None
Was the opinion provided by the successor auditor different from the opinion provided by the predecessor auditor?	None

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 2020? None.

3.7 Net Changes in Shareholdings by Directors, Management, and Shareholders with 10% Shareholdings or More

Title	Name	2021		January 1, 2022 – March 20, 2022	
		Increase (decrease) in shareholdings	Increase (decrease) in shares pledged	Increase (decrease) in shareholdings	Increase (decrease) in shares pledged
Chairman	Chai Hsin R.M.C. Corporation Representative: An-Ping Chang	0	0	0	0
Director	C. F. Koo Foundation Representative: Jong-Peir Li	0	0	0	0
Director	Chia Hsin Cement Corporation Representative: Jason Kang-Lung Chang	0	0	0	0
	Chia Hsin Cement Corporation Representative: Chi-Te Chen				
Director	International CSRC Investment Holdings Co., Ltd. Representative: Kenneth C.M. Lo	0	0	0	0
Director	Tai Ho Farming Co., Ltd. Representative: Kung-Yi Koo	0	0	0	0
Director	Fu Pin Investment Co., Ltd. Representative: Por-Yuan Wang	0	0	0	0
	Fu Pin Investment Co., Ltd. Representative: Chi-Chia Hsieh		(4,000,000)		
Director	Heng Qiang Investment Co., Ltd. Representative: Chien Wen	0	0	0	0
	Heng Qiang Investment Co., Ltd. Representative: Chun-Ying Liu		(10,600,000)		
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 (appointed on July 5, 2021)	0	0	0	0
Independent Director	Sherry S. L. Lin (appointed on July 5, 2021)	0	0	0	0

Title	Name	2021		January 1, 2022 – March 20, 2022	
		Increase (decrease) in shareholdings	Increase (decrease) in shares pledged	Increase (decrease) in shareholdings	Increase (decrease) in shares pledged
CEO	An-Ping Chang	1,000 (1,000)	0	0	0
President	Jong-Peir Li	100,000 (100,000)	0	0	0
Senior Vice President	Chien-Chiang Huang	100,000 (100,000)	0	0	0
Senior Vice President	Ker-Fu Lu	100,000 (100,000)	0	0	0
Vice President	Bao-Luo Ge	100,000 (100,000)	0	0	0
Vice President	Chien-Chuan Wang	50,000 (50,000)	0	0	0
Senior Assistant Vice President	Feng-Ping Liu	30,000 (30,000)	0	0	0
Senior Assistant Vice President	Lin-Tian Huang	0	0	0	0
Senior Assistant Vice President	Yu-Jun Yeh	30,000 (30,000)	0	0	0
Senior Assistant Vice President	Kuo-Yu Tsai	100,000 (100,000)	0	0	0
Senior Assistant Vice President and Chief Accounting Officer	Guo-Hong Yeh	30,000 (30,000)	0	0	0
Senior Assistant Vice President	Hui-Sheng Chiu (appointed on December 7, 2021)	0	0	0	0
Assistant Vice President	Kung-Yi Koo	100,000 (100,000)	0	0	0
Assistant Vice President	Wei-Jue Hong	10,000 (10,000)	0	0	0
Assistant Vice President	Jin-Lung Yu	0	0	0	0
Assistant Vice President	Cen-Wei Lan	10,000 (10,000)	0	0	0
Assistant Vice President	Yuo-Xin Song	0	0	0	0
Assistant Vice President and Corporation Governance Manager	Jia-Ro Lai	20,000 (20,000)	0	0	0
Assistant Vice President	Kuang-Si Chen	10,000 (10,000)	0	0	0
Assistant Vice President	Chia-Pei Wei	20,000 (29,000)	0	0	0
Assistant Vice President	Yu-Wen Chiu (appointed on April 15, 2021)	20,000 (20,000)	0	0	0

Title	Name	2021		January 1, 2022 – March 20, 2022	
		Increase (decrease) in shareholdings	Increase (decrease) in shares pledged	Increase (decrease) in shareholdings	Increase (decrease) in shares pledged
Assistant Vice President	Kuo-Yuan Lee (appointed on April 15, 2021)	25,000 (25,000)	0	0	0
Assistant Vice President	Cheng-Dao Qiang	10,000 (10,000)	0	0	0
Senior Manager	Jin-Yi Chen	0	0	0	0
Senior Manager	Ming-De Li	10,000 (21,000)	0	0	0
Senior Manager	Yun-De Wu	0 (72,000)	0	0	0
Manager	Zhi-Ren Liu	0	0	0	0
Manager and Chief Internal Auditor Manager	Chia-Hua Tsao	0	0	0	0
Senior Assistant Manager	Tzu-Yang Wu	0	0	0	0
Senior Assistant Manager	Shu-Yang Chang (appointed on June 16, 2021)	0	0	0	0
Director	Hsin He Investment Co., Ltd. Representative: Chi-Wen Chang (resigned on July 5, 2021)	0	0	0	0
Director	Shinkong Synthetic Fibers Corporation Representative: Eric T. Wu (resigned on July 5, 2021)	0	0	0	0
Director	Chung Cheng Development & Investment Co., Ltd. Representative: Tzun-Yen Yu (resigned on July 5, 2021)	0	0	0	0
Director	Chinatrust Investment Co., Ltd. Representative: Chun-Ying Liu (resigned on July 5, 2021)	0	0	0	0
Director	Sishan Investment Co., Ltd. Representative: Nan-Chou Lin (resigned on July 5, 2021)	0	0	0	0
Independent Director	Chin-Jen Sheng (resigned on July 5, 2021)	0	0	0	0
Manager	Chong-Zhi Hong (resigned on June 16, 2021)	20,000	0	0	0
Manager	Zhi-Chun Lai (resigned on June 16, 2021)	10,000	0	0	0
Senior Assistant Manager	Zhi-Feng Wu (resigned on January 17, 2022)	0	0	0	0

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

3.8 Related-Party Relationships Among TCC's Ten Largest Shareholders

As of August 18, 2021

Name	Shares held		Shares held by spouse and minors	
	Shares	%	Shares	%
Chinatrust Investment Co., Ltd. Representative: Tian-Yi Huo	242,053,087	3.95	-	-
	-	-	-	-
Chia Hsin Cement Corporation Representative: Jason Kang-Lung Chang	217,859,506	3.56	-	-
	-	-	240,456	0.00
Taiwan Life Insurance Co., Ltd. Representative: Su-Kuo Huang	122,151,456	1.99	-	-
	-	-	-	-
Labor Retirement Reserve fund	110,306,143	1.80	-	-
Fubon Life Insurance Co., Ltd. Representative: Richard M. Tsai	108,291,399	1.77	-	-
	-	-	-	-
Chia Hsin International Co., Ltd. Representative: Jason Kang-Lung Chang	106,291,339	1.74	-	-
	-	-	240,456	0.00
International CSRC Investment Holdings Co., Ltd Representative: Kung-Yi Koo	103,548,831	1.69	-	-
	561,815	0.01	-	-
Taiwan Cooperative Bank Representative: Paul Chung-Dar Lei	102,806,824	1.68	-	-
	-	-	-	-
Heng Qiang Investment Co., Ltd. Representative: Tian-Yi Huo	102,240,983	1.67	-	-
	-	-	-	-
Cathay Life Insurance Co. Ltd. Representative: Diao-Kuei Huang	95,505,983	1.56	-	-
	-	-	-	-

Shares held by others		Name and the relationship with TCC's shareholders		Note
Shares	%	Name	Relationship	
None	None	Heng Qiang Investment Co., Ltd.	Director of the company	
None	None	Heng Qiang Investment Co., Ltd.	Also the Chairman of Chia Hsin International Co., Ltd.	
None	None	Chia Hsin International Co., Ltd.	Also the Chairman of Heng Qiang Investment Co., Ltd.	
		Chia Hsin International Co., Ltd.	Director of the company	
None	None	Chia Hsin International Co., Ltd.	Also the Chairman of Chia Hsin International Co., Ltd.	
None	None	None	None	
None	None	None	None	
None	None	None	None	
None	None	None	None	
None	None	None	None	
None	None	Chia Hsin Cement Corporation	Also the Chairman of Chia Hsin Cement Corporation	
		Chia Hsin Cement Corporation	Director of the company	
None	None	Chia Hsin Cement Corporation	Also the Chairman of Chia Hsin Cement Corporation	
None	None	None	None	
None	None	None	None	
None	None	None	None	
None	None	None	None	
None	None	Chinatrust Investment Co., Ltd.	Director of the company	
None	None	Chinatrust Investment Co., Ltd.	Also the Chairman of Chinatrust Investment Co., Ltd.	
None	None	None	None	
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, 2021. 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.	48,689,888	83.85%	389,418	0.67%	49,079,306	84.52%
Taiwan Cement Engineering Corporation	59,681,501	99.18%	–	–	59,681,501	99.18%
Kuan-Ho Refractories Industry Corporation	38,925,750	95.29%	–	–	38,925,750	95.29%
Hong Kong Cement Manufacturing Co., Ltd.	38,094	84.65%	–	–	38,094	84.65%
Ta-Ho Maritime Corporation	161,511,550	64.79%	72,971,511	29.27%	234,483,061	94.06%
TCC Investment Co., Ltd.	131,488,000	100.00%	–	–	131,488,000	100.00%
TCC Chemical Corporation	240,000,000	100.00%	–	–	240,000,000	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%

Affiliates	Ownership held by TCC (Note 1)		Ownership held by directors, managers, and directly/indirectly owned subsidiaries		Total ownership	
	Shares	%	Shares	%	Shares	%
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%
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	950,898,696	100.00%	–	–	950,898,696	100.00%
Ho Sheng Mining Co., Ltd.	30,100,000	100.00%	–	–	30,100,000	100.00%
TCC International Holdings Ltd.	2,581,832,362	38.28%	4,163,097,279	61.72%	6,744,929,641	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%
TCCMOLI Holdings (Singapore) Pte. Ltd.	30,000	100.00%	–	–	30,000	100.00%
TCC Sustainable Energy Investment Corporation	100,000	100.00%	–	–	100,000	100.00%
TCC Energy Storage Technology Corporation	200,600,000	100.00%	–	–	200,600,000	100.00%
TCC Recycle Energy Technology Company	1,040,652,886	63.26%	473,971,658	28.81%	1,514,624,544	92.07%
Tuo Shan Recycle Technology Company	100,000	100.00%	–	–	100,000	100.00%
International CSRC Investment Holdings Co., Ltd.	153,476,855	15.59%	130,377,367	4.57%	283,854,222	20.16%
Taiwan Cement (Dutch) Holdings B.V.	838,370	100.00%	–	–	838,370	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.

4 Capital and Shares

4.1 Capital and Shares

4.1.1 Capitalization

As of March 20, 2022. Unit: share

Type of shares	Authorized share capital				
	Outstanding shares			Unissued shares	Total
	Listed*	Non-listed	Total		
Ordinary shares	6,125,234,002	–	6,125,234,002	674,765,998	6,800,000,000
Preferred shares	200,000,000	–	200,000,000	–	200,000,000

*Includes treasury shares, see Section 4.9 for details.

Issued shares:

As of March 20, 2022. 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 (Note 1)	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 (Note 2)	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	27,573,866,000	2,443,386,600	24,433,866,000	–	711,666,000	–	None	None
September 2001	25	2,757,386,600	27,573,866,000	2,607,386,600	26,073,866,000	–	–	1,640,000,000 (Note 3)	None	None
August 2002	10	2,757,386,600	27,573,866,000	2,656,254,332	26,562,543,320	–	488,677,320	–	None	None
September 2003	10	3,157,386,600	31,573,866,000	2,710,396,409	27,103,964,090	541,420,770	–	–	None	None
September 2004	10	3,507,386,600	35,073,866,000	2,809,764,407	28,097,644,070	993,679,980	–	–	None	None
October 2005	10	4,007,386,600	40,073,866,000	2,949,351,287	29,493,512,870	1,395,868,800	–	–	None	None

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		
April 2006	10	4,007,386,600	40,073,866,000	2,991,886,496	29,918,864,960	–	–	–	None	425,352,090 (Note 4)
June 2006	10	4,007,386,600	40,073,866,000	3,131,344,565	31,313,445,650	–	–	–	None	1,394,580,690 (Note 4)
September 2006	10	4,007,386,600	40,073,866,000	3,181,438,776	31,814,387,760	–	–	–	None	500,942,110 (Note 4)
September 2006	10	4,007,386,600	40,073,866,000	3,236,097,960	32,360,979,600	546,591,840	–	–	None	None
October 2006	10	4,007,386,600	40,073,866,000	3,072,097,960	30,720,979,600	–	–	–	None	(1,640,000,000) (Note 5)
January 2007	10	4,007,386,600	40,073,866,000	3,141,612,870	31,416,128,700	–	–	–	None	695,149,100 (Note 4)
April 2007	10	4,007,386,600	40,073,866,000	3,207,351,086	32,073,510,860	–	–	–	None	657,382,160 (Note 4)
August 2007	10	4,007,386,600	40,073,866,000	3,248,637,197	32,486,371,970	412,861,110	–	–	None	None
August 2008	10	4,007,386,600	40,073,866,000	3,292,175,869	32,921,758,690	435,386,720	–	–	None	None
December 2010	27	4,007,386,600	40,073,866,000	3,692,175,869	36,921,758,690	–	–	4,000,000,000 (Note 6)	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 (Note 7)
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 (Note 8)	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 (preferred shares) (Note 9)	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 (Note 10)
February 2021	10	7,000,000,000	70,000,000,000	6,010,254,882	60,102,548,820	–	–	–	None	688,541,610 (Note 10)
March 2021	10	7,000,000,000	70,000,000,000	6,095,645,947	60,956,456,470	–	–	–	None	853,907,650 (Note 10)
June 2021	10	7,000,000,000	70,000,000,000	6,157,440,327	61,574,403,270	–	–	–	None	617,946,800 (Note 10)

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 2021	10	7,000,000,000	70,000,000,000	6,323,580,010	63,235,800,100	-	-	-	None	1,661,396,830 (Note 10)
November 2021	10	7,000,000,000	70,000,000,000	6,324,200,257	63,242,002,570	-	-	-	None	6,202,470 (Note 10)
December 2021	10	7,000,000,000	70,000,000,000	6,325,234,002	63,252,340,020	-	-	-	None	10,337,450 (Note 10)

- 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.
- 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.
- 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.
- 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.
- Represents capital reduction in connection with the redemption of preferred shares.
- 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.
- 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.
- 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.
- 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.
- 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.

4.2 Composition of Shareholders

Ordinary shares

As of August 18, 2021 (Note). Unit: Share

Type of shareholder	Government agencies	Financial institutions	Other institutional investors	Individuals	Foreign institutions and individuals	Treasury shares	Total
Number of shareholders	39	192	1,805	337,266	1,383	1	340,686
Number of shares held	11,585,785	1,048,698,742	1,977,958,724	1,770,664,947	1,305,611,212	9,060,600	6,123,580,010
Shareholding (%)	0.19	17.13	32.29	28.92	21.32	0.15	100.00

Note: Based on the most recent book closure date for shareholders to register.

Preferred shares

As of August 18, 2021 (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	21	86	9,091	24	0	9,224
Number of shares held	6,494	115,246,362	77,542,145	7,021,895	183,104	0	200,000,000
Shareholding (%)	0.00	57.63	38.77	3.51	0.09	0.00	100.00

Note: Based on the most recent book closure date for shareholders to register.

4.3 Distribution Profile of Share Ownership

Ordinary shares

As of August 18, 2021 (Note)

Shareholding ownership (Unit: shares)	Number of shareholders	Number of shares held	Ownership (%)
1-999	103,914	19,893,483	0.32
1,000-5,000	175,783	362,154,512	5.92
5,001-10,000	29,967	223,573,189	3.65
10,001-15,000	10,565	129,963,312	2.12
15,001-20,000	5,626	101,927,464	1.66
20,001-30,000	5,291	131,116,476	2.14
30,001-40,000	2,432	85,176,770	1.39
40,001-50,000	1,559	71,459,364	1.17
50,001-100,000	2,801	194,676,697	3.18
100,001-200,000	1,345	185,746,327	3.03
200,001-400,000	590	166,661,666	2.72
400,001-600,000	237	116,787,154	1.91
600,001-800,000	110	77,717,257	1.27
800,001-1,000,000	65	58,233,358	0.95
1,000,001 and above	402	4,198,492,981	68.57
Total	340,687	6,123,580,010	100.00

Note: Based on the most recent book closure date for shareholders to register.

Preferred shares

As of August 18, 2021 (Note)

Shareholding Ownership	Number of shareholders	Number of shares held	Ownership (%)
1-999	7,102	877,602	0.44
1,000-5,000	1,937	2,516,861	1.26
5,001-10,000	77	559,750	0.28
10,001-15,000	19	217,373	0.11
15,001-20,000	13	228,096	0.11
20,001-30,000	13	311,212	0.16
30,001-40,000	5	181,209	0.09
40,001-50,000	6	276,421	0.14
50,001-100,000	18	1,456,232	0.73
100,001-200,000	6	896,680	0.45
200,001-400,000	5	1,643,300	0.82
400,001-600,000	2	1,200,000	0.60
600,001-800,000	3	2,162,130	1.08
800,001-1,000,000	2	1,837,737	0.92
1,000,001 and above	16	185,635,397	92.81
Total	9,224	200,000,000	100.00

Note: Based on the most recent book closure date for shareholders to register.

4.4 Major Shareholders

Ordinary shares

As of August 18, 2021 (Note)

Shareholders	Number of shares held	Ownership (%)
CTCB Investments Co., Ltd.	242,053,087	3.95
Chia Hsin Cement Corporation	217,859,506	3.56
Taiwan Life Insurance Co., Ltd.	122,151,456	1.99
Labor Retirement Reserve Fund (Old fund)	110,306,143	1.80
Fubon Life Assurance Co., Ltd.	108,291,399	1.77
Chia Hsin International Co., Ltd.	106,291,339	1.74
International CSRC Investment Holdings Co., Ltd.	103,548,831	1.69
Taiwan Cooperative Bank	102,806,824	1.68
Heng Qiang Investment Co., Ltd.	102,240,983	1.67
Cathay Life Insurance Co., Ltd.	95,505,983	1.56

Note: Based on the most recent book closure date for shareholders to register.

Preferred shares

As of August 18, 2021 (Note)

Shareholders	Number of shares held	Ownership (%)
China Life Insurance Co., Ltd.	40,000,000	20.00
Yuanta Commercial Bank.	31,265,000	15.63
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
Yuanta Securities Co., Ltd.	10,424,000	5.21
Yuanta Life Insurance Co., Ltd.	3,825,000	1.91
Union Insurance Company	2,785,000	1.39
BankTaiwan Life Insurance – Army Insurance Reserve	2,337,000	1.17

Note: Based on the most recent book closure date for shareholders to register.

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

Unit: NT\$/thousand shares

Item	Year	2020	2021	2022 (Note8)	
Market price per share (Note 1)	High	47.55	58.70	48.95	
	Low	33.35	40.15	46.00	
	Average	42.55	48.15	47.42	
Net worth per share (Note 2)	Before distribution	34.02	32.37	NA	
	After distribution	30.53	NA	NA	
Earnings per share	Weighted average shares	5,735,314	6,034,789	NA	
	EPS	Basic (Note 3)	4.32	3.30	NA
		Diluted (Note 3)			
Dividends per share	Cash dividends		3.50	NA	
	Share dividend	Earnings distribution	-	(Note 7)	
		Capital distribution		NA	
	Accumulated undistributed dividends		-	-	NA
Return on investment	Price/Earnings ratio (Note 4)	Basic	9.85	14.59	
		Diluted			NA
	Price/Dividend ratio (Note 5)		12.16	NA	NA
	Cash dividend yield (Note 6)		0.08	NA	NA

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

Note 1 : Refer to TWSE's website.

Note 2 : Disclose the information based on the outstanding shares as of the end of the fiscal year and the distribution plan as 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 : Price/Earnings Ratio = Average Market Price/ Diluted Earnings Per Share.

Note 5 : Price/Dividend Ratio = Average Market Price/Cash Dividends Per Share.

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

Note 7 : As of the printing date, this information was pending the decision of the Board of Directors or the Annual Shareholders' Meeting.

Note 8 : The information for 2022 is dated as of March 20, 2022.

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. The Company 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 the Company'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 2021 earnings distribution.

4.7 Describe 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 directors and profit sharing bonus to employees, as set forth in the Company's Articles of Incorporation

TCC shall set aside:

- (1) 0.01%–3% of its annual profit to employees as profit sharing bonus; and
- (2) not more than 1% of its annual profit to directors as compensation.

However, if the Company has any accumulated losses, the current year profit should first be allocated to offset those losses before it can be allocated to the employees and directors. The profit sharing bonus may be distributed in the form of cash or share and the recipients must be eligible employees (of the Company or its affiliates) that meet the criteria as specified by the Board of Directors.

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

The Company accrued for employee profit sharing bonuses and director compensation based on a certain percentage of 2021 profits. If the subsequent payout amount differs from the estimated/accrued amount, any difference will be recorded in the year paid as a change in the accounting estimate.

4.8.3 Proposed compensation to directors and profit sharing bonus to employees

As of the printing date, the Board of Directors had not yet voted on the 2021 profit sharing bonus to employees and compensation to directors.

4.8.4 Disclose if there is a difference between the amount of FY20 employee profit sharing bonus and director compensation paid in 2021 and the amount accrued in 2020

Item	Board of Directors decision (March 19, 2021)
Employee profit sharing bonus	107,953,781
Director compensation	256,964,712

Note: There is no difference between the amount of employee profit sharing bonus and director compensation paid in FY21 and the FY20 accrued amount.

4.9 Repurchase of Company Shares

(1) Repurchases completed

Implementation of buybacks	Third round	Fourth round
Purpose of buyback	Transfer of shares to employees	Transfer of shares to employees
Buyback period	May 15, 2019 – July 4, 2019	May 5, 2020 – May 22, 2020
Price range (NT\$)	43.62	42.90
Class and number of shares bought	8,000,000 ordinary shares	4,000,000 ordinary shares
Buyback amount (NT\$)	348,959,120	171,600,146
The percentage of the number of shares repurchased to the proposed number of shares to be repurchased (%)	80%	50%
Number of shares transferred	2,939,400 (ordinary shares)	–
Total number of shares not transferred	5,060,600	9,060,600
The percentage of accumulated number of repurchased shares to the total number of issued shares (%)	0.08%	0.14%

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, 2022. 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 Won and Chih-Ming Shao)	Deloitte & Touche (Ya-Ling Won 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, 2022. 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 Won 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, 2022. Unit: NT\$

Item	Type	First Series Unsecured Bond (2021) (Note 1)
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, 2022. Unit: US\$

Item	Type	First Series Overseas Unsecured Convertible Corporate Bond (2018)
Issuance date		December 10, 2018
Face value		US\$ 200,000
Listing exchange		Singapore Exchange Limited (SGX)
Offering price		US\$ 100 per unit at par
Total amount		US\$ 400,000,000
Coupon rate		0%
Term and maturity date		Term: Five years Maturity date: December 10, 2023
Guarantor		None
Trustee		Citibank
Underwriter		JP Morgan Securities plc
Legal Counsel		Hsin-lan Hsu
Auditor		Deloitte & Touche (Ya-Ling Won and Chih-Ming Shao)
Repayment		Unless earlier redeemed, repurchased and cancelled, or converted, the bonds will be redeemed at maturity at par
Outstanding principal		US\$ 0
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 early redeemed, converted, repurchased or cancelled. (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	400,000,000
	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 periods where transfers are suspended by ROC and TWSE laws and regulations. (e) 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. 5.94%. 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

As of March 20, 2022. Unit: US\$

Item	Type	First Series Overseas Unsecured Convertible Corporation Bond (2021) (Note 2)
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 10, 2026
Guarantor		None
Trustee		Citicorp International Limited
Underwriter		Credit Suisse Group AG
Legal counsel		Abe T.S. Sung
Auditor		Deloitte & Touche (Chih-Ming Shao and Hui-Ming Huang)
Repayment		Unless earlier redeemed, repurchased and cancelled, 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 early redeemed, converted, repurchased or cancelled. (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) If the company changes the denomination of the stock, the date shall start from when the company changes the denomination of the stock and will end on the day before the trading day of the stock exchange. (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.

Item	Type	First Series Overseas Unsecured Convertible Corporate Bond (2021) (Note 2)
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 September 16, 2020, the Board of Directors authorized the issuance of unsecured corporate bonds with a total value not exceeding NT\$10 billion or overseas unsecured corporate bonds with a total value not exceeding US\$330 million. On July 15, 2021, the Board of Directors authorized the domestic issuance of sustainability bonds or unsecured corporate bonds, overseas issuance of 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 August 31, 2021, the Company issued NT\$16.6 billion. As of the printing date, the authorized but unissued bonds were valued at NT\$13.4 billion.

Note 2: On September 27, 2021, the Board of Directors authorized the issuance of First Series Overseas Unsecured Convertible Corporate Bonds (2021) with a total value not exceeding US\$800 million. As of the printing date, the authorized bonds have been issued.

4.10.2 Convertible bonds

Unit: US\$

Types of corporate bond		First Series Overseas Unsecured Convertible Corporate Bond (2018)			
Item	Year	At issuance date	2019	2020	2021 (Note)
Market price	High	US\$ 101.083	US\$ 127.453	US\$ 148.845	US\$ 193.143
	Low	US\$ 101.083	US\$ 102.622	US\$ 106.117	US\$ 138.541
	Average	US\$ 101.083	US\$ 113.723	US\$ 131.209	US\$ 170.048
Conversion price (NT\$/share)		NT\$ 41/share	NT\$ 35.49/share	NT\$ 31.93/share NT\$ 35.49/share	NT\$ 29.87 /share NT\$ 31.93 /share
Issuance date and conversion price at issuance date		Issuance date: December 10, 2018 Conversion price: NT\$ 41/share			
Conversion method		Issuance of new shares			

Note: The First Series Overseas Unsecured Convertible Corporate Bond (2018) was fully converted on December 3, 2021. The information in 2021 was dated as of December 3, 2021.

Unit: US\$

Types of Corporate Bond		First Series Overseas Unsecured Convertible Corporate Bond (2021)		
Item	Year	At issuance date	2021	2022 (Note)
Market price	High	US\$ 101.749	US\$ 102.004	US\$ 103.042
	Low	US\$ 101.749	US\$ 101.317	US\$ 98.181
	Average	US\$ 101.749	US\$ 101.642	US\$ 101.577
Conversion price (NT\$/share)		NT\$ 59.8/share	NT\$ 59.8/share	NT\$ 59.8/share
Issuance date and conversion price at issuance date		Issuance date: December 7, 2021 Conversion price: NT\$ 59.8/share		
Conversion method		Issuance of new shares		

Note: The information for 2022 was dated as of March 20, 2022.

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 Preferred Shares

4.11.1 Preferred shares

As of March 20, 2022

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 year 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 pro-rated based on the actual number of days the Series 2 Preferred Shares is 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 reserve 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>

Item		Issuance Date	December 13, 2018 Taiwan Cement Corp. Series 2 Preferred Shares (TWSE: 1101B)
Rights and obligations	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	1. Preferred shares are non-convertible and shareholders shall not request the Company to redeem the preferred shares. 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.	
Market Price per share	2021	High	NT\$ 54.00
		Low	NT\$ 51.20
		Average	NT\$ 52.98
	2022 (Note)	High	NT\$ 52.20
		Low	NT\$ 51.50
		Average	NT\$ 51.82
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 for 2022 was dated as of March 20, 2022.

4.11.2 Preferred shares with warrants: None.

4.12 Global Depositary Receipts (GDR): None.

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 new company: Not applicable.

4.15.2 Basic Information of Newly Acquired Company: Not applicable.

4.16 Financing Plans and Implementations

(1) Describe the plan and its implementation:

(A) Issuance of the First Series Unsecured Bond (2018):

1. Use of proceeds: To provide additional funds for operations and invest in domestic or overseas companies.
2. Regulatory approval: Zheng-Guei-Zai-Zhi No. 10700148971 dated June 21, 2018
3. Total budget: NT\$12,000,000,000
4. Source of funds: the issuance of unsecured bonds for NT\$12,000,000,000
5. Implementation status:

Unit: NT\$ thousands

Plan for the use of proceeds	Implementation status		As of March 20, 2022	Reasons for deviation from the plan
Provide additional funds for operations	Amount	Budget	5,000,000	Not applicable as funds were fully spent by Q4 2018
		Actual	5,000,000	
	Percent spent (%)	Budget	100.00%	
		Actual	100.00%	
Invest in domestic or foreign subsidiaries	Amount	Budget	7,000,000	Not applicable as funds were fully spent by Q4 2021
		Actual	7,000,000	
	Percent spent (%)	Budget	100.00%	
		Actual	100.00%	

(B) Issuance of the First Series Unsecured Bond (2021):

1. Use of proceeds: To repay debt
2. Regulatory approval: Cheng-Kuei-Chai-Tzi No. 11000097031 dated August 20, 2021
3. Total budget: NT\$16,600,000,000
4. Source of funds: the issuance of unsecured bonds for NT\$16,600,000,000

5. Implementation status:

Unit: NT\$ thousands

Plan for the use of proceeds	Implementation status		As of March 20, 2022	Reasons for deviation from the plan
Repayment of debt	Amount	Budget	16,600,000	Not applicable as funds were fully spent
		Actual	16,600,000	
	Percent spent (%)	Budget	100.00%	
		Actual	100.00%	

(C) Issuance of the First Series Unsecured Bond (2021):

1. Use of proceeds: To provide additional funds for operations and invest in domestic or overseas companies.
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 unsecured bonds for US\$800,000,000
5. Implementation status:

Unit: US\$ thousands

Plan for the use of proceeds	Implementation status		As of March 20, 2022	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	
	Percent spent (%)	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	
	Percent spent (%)	Budget	100.00%	
		Actual	100.00%	
Provide additional funds for operations	Amount	Budget	13,000	Due to an increase in raw materials, the purchase price has increased, causing the actual funds used to exceed the budgeted amount by US\$12,567
		Actual	25,567	
	Percent spent (%)	Budget	21.67%	
		Actual	42.61%	
Total	Amount	Budget	753,000	
		Actual	765,567	
	Percent spent (%)	Budget	94.13%	
		Actual	95.70%	

Note 1 : TCCIH is short for TCC International Holdings Ltd.

Note 2 : TCC Dutch is short for Taiwan Cement (Dutch) Holdings B.V.

(2) Evaluate the effectiveness of the plan:

(1) To use the proceeds from the issuance of First Series Unsecured Bond and First Series Overseas Unsecured Bond (2021) to provide additional working capital for the Company and repay the Company's debt, respectively:

Unit: NT\$ thousands

Financial metrics	2020 (Pre-implementation)	2021 (Post-implementation)	Increase/(decrease)
Current assets	124,309,171	169,353,435	45,044,264
Current liabilities	72,103,708	88,687,968	16,584,260
Total liabilities	170,676,183	216,029,886	45,353,703
Total equity	218,830,053	225,654,673	6,824,620
Interest expense	1,986,208	1,732,162	(254,046)
EPS (NT\$)	105,911,223	107,041,452	1,130,229
Current ratio (%)	4.32	3.30	(1.02)
Long-term funds to property, plant and equipment (%)	344.59	359.48	14.89

As shown in the table above, compared to 2020, the interest expense for 2021 decreased by NT\$254,046,000. Also, the long-term funds to property, plant and equipment increased by 14.89%, which shows that the Company's plan was effectively implemented,

(2) To use the proceeds from the issuance of First Series Unsecured Bond (2018) to invest in domestic or overseas subsidiaries:

The majority of the proceeds spent to date have been used to invest in TCC Green Energy Corp. It increased the capacity of the subsidiary's renewable energy power plants by 5MW of, with the aggregate capacity of 40.7MW. The newly developed solar power plant has a capacity of 74MW. However, there was a delay in the investment plan of the construction and development of the power plants. As a result, TCC Green Energy Corp. has not been able to generate as much profits as expected from its core operations. TTC's share of TCC Green Energy Corp's losses recognized from 2018 through 2021 is presented below:

Unit: NT\$ thousands

2018	2019	2020	2021
(50,285)	(65,302)	(14,777)	(69,675)

(3) To use the proceeds from the issuance of First Series Overseas Unsecured Bond (2021) to invest in overseas subsidiaries:

The majority of proceeds, USD 350 million and USD 390 million raised from the First Series Unsecured Bonds, spent to date were invested in TCCIH and TCC Dutch and the funds were used to repay bank loans. From the point of reducing interest expenses, the Company has achieved its goals. However, due to an increase in coal prices in the China market, costs increased and causing margins to decline, which caused 2021 investment income for TCCIH to be lower than in the previous year.

(1) Investment income recognized for TCCIH from 2020–2021

Unit: NT\$ thousands

2020	2021
15,927,223	11,452,942

(2) Investment income recognized for TCC Dutch from 2020–2021

Unit: NT\$ thousands

2020	2021
731,797	761,420

(4) The proceeds from the issuance of First Series Overseas Unsecured Bond (2021) is also used to purchase raw material. The purpose is to lower the financial burden. The Company was able to achieve its goal.

5 Business Overview

5.1 Business Activities

5.1.1 Scope of business

TCC's core business is the manufacture and sale of cement. It also provides energy, battery, and other services, as detailed below:

Cement Division – production, manufacture and sale of cement.

Power and Energy Division – planning, development and operation of thermal, solar, wind, and geothermal power plants, and R&D, production, and sale of rechargeable lithium-ion batteries and battery modules.

Others – including sea and land freight services, the production and sale of refractories, and environmental protection and pollution prevention services.

Current main products and proportion of operations:

Division	Main products	Proportion of operations
Cement	Cement and ready-mix concrete	83.98%
Power and Energy	Power supply of electricity and rechargeable lithium-ion batteries	12.65%
Others	Freight and logistics	3.37%
Total		100.00%

5.1.2 Industry overview

5.1.2.1 Cement division

Current status and future development:

The cement industry is well established in Taiwan and is driven by consistent market demand. Following the expiry of mining permits in western Taiwan in 1997, manufacturing capacity there gradually ceased, with the industry production capacity of cement rotary kilns currently totaling 20.24 million tons. According to the Cement Manufacturers' Association, its member companies produced a combined total of 11.96 million tons in 2021, and domestic consumption was 12.63 million tons for the year. In other words, each person consumes, on average, 540 kg of cement per capita per year in Taiwan.

Going into 2022, the COVID-19 pandemic will continue to impact the global markets, and economic growth in Europe and the US will likely remain tepid, while emerging markets are expected to see continued growth. Despite China's relatively effective control of COVID-19, China's structural adjustment of the real estate industry and its energy consumption controls still pose significant economic uncertainty that will put a damper on the growth outlook. Because of Taiwan's successful handling of the pandemic and the gradual return of Taiwanese businesses from the Chinese market, Taiwan will see steady economic growth on the back of increasing levels of economic activity as well as imports and exports. Investment by the high-tech sector will also continue to grow. Notwithstanding the impact of the government's recent tightening of housing mortgage rules, the real estate market remains relatively buoyant due to the availability of abundant capital funds and low interest rates. The construction industry will also benefit from overseas Taiwanese businesses returning to invest in Taiwan, which has created high demand for construction of new factories and plants. Furthermore, the government's Forward-Looking Infrastructure Development Program will also give a boost to construction activity.

Relationship with up-, mid- and down-stream companies:

The upstream sectors in the cement industry include 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-mixed 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).

Product trends and competition:

Type I general-purpose cement is the most widely consumed type of cement in Taiwan. Due to the increasing number of infrastructure projects by public enterprises in recent years, demand for specialty cement has increased significantly. However, the increasing use of fly ash and powdered furnace slag in place of cement by concrete batching plants since 1995 has also considerably impacted cement demand.

5.1.2.2 Power and energy division

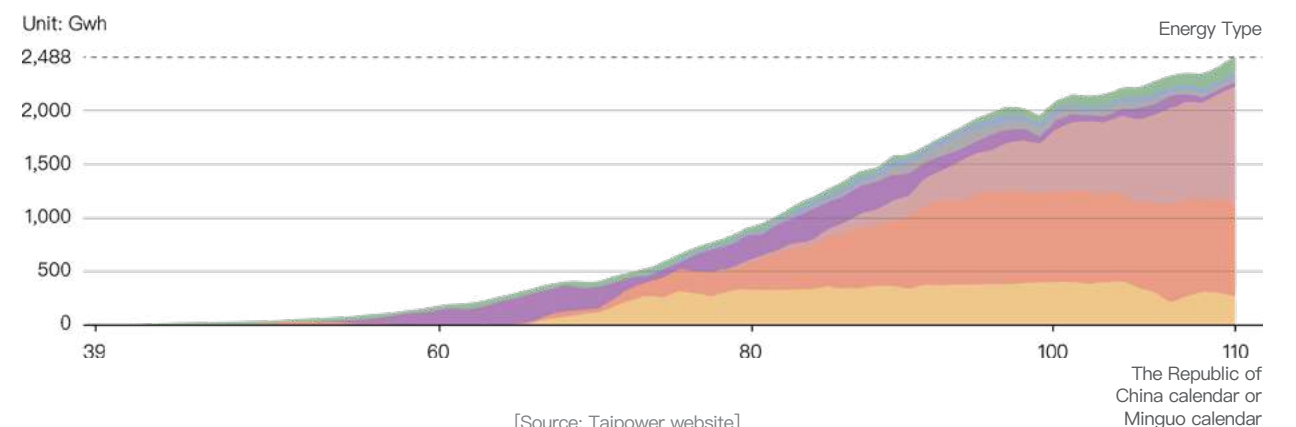
Current status and future development:

Power

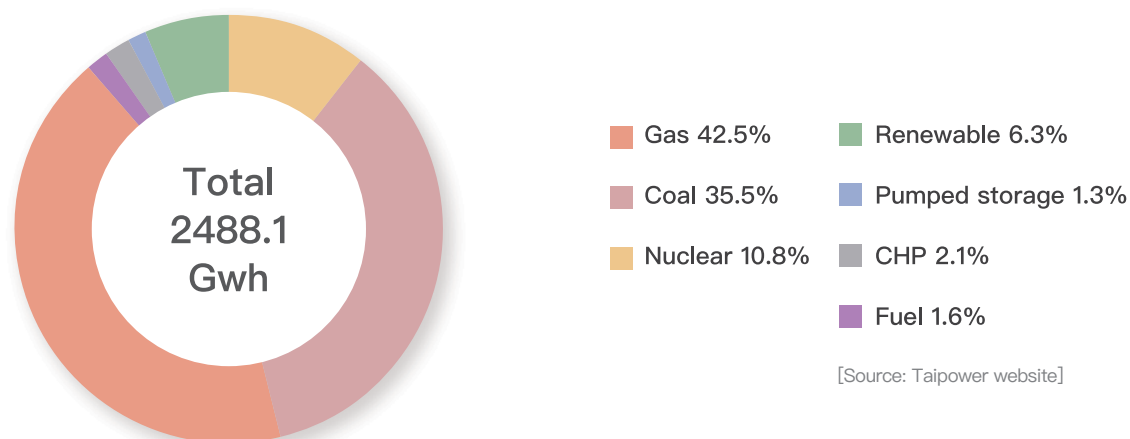
A stable supply of electricity and the power industry's ability to develop sustainably are crucial in order to meet household needs, maintain market competition, protect the environment, and enhance national security. The government opened up power generation to private enterprises in 1995, but there have not been any more significant changes in the overall structure of the electricity industry since 2009. As a state-owned enterprise, Taiwan Power Company (Taipower) monopolizes Taiwan's integrated electricity market. When Taipower supported national economic development under the Long-Term Power Development Plan, electricity demand increased strongly as the domestic economy began to flourish after 1989 (as illustrated below). As a result, the reserve margin dropped rapidly, even at times below the government's target reserve margin of 15% (see chart below). In 2019, the peak load was 37.07 million kwh, the No. 2 unit of the First Nuclear Power plant was decommissioned, the No. 2 unit of the Tongxiao Gas Power plant started commercial operations, and the installed capacity of solar energy facilities was increased. Although the No.1 and No.2 oil-fired power units of the Hsieh-Ho Power plant were decommissioned in 2020, newly installed units at Linkou (ultra-supercritical steam generator), Dalin (gas-fired power plant), and Tongxiao (gas-fired power plant), along with other newly installed units and renewable energy projects, helped the reserve margin to reach 16.4% in 2020.

Affected by the COVID-19 pandemic, the electricity growth rate was only 0.4% in the first half of 2020, but it rose to 3.6% in the second half of the year, with the annual growth rate reaching 2.1%. Supported by the semiconductor industry's plans to expand production, together with the continued increase in investment spurred by the return of Taiwanese companies amid the US-China trade war, and the policy promotion of electric vehicles, the average electricity growth rate will reach an estimated 2.5% by 2027, with the peak load growth rate expected to be 2.3%.

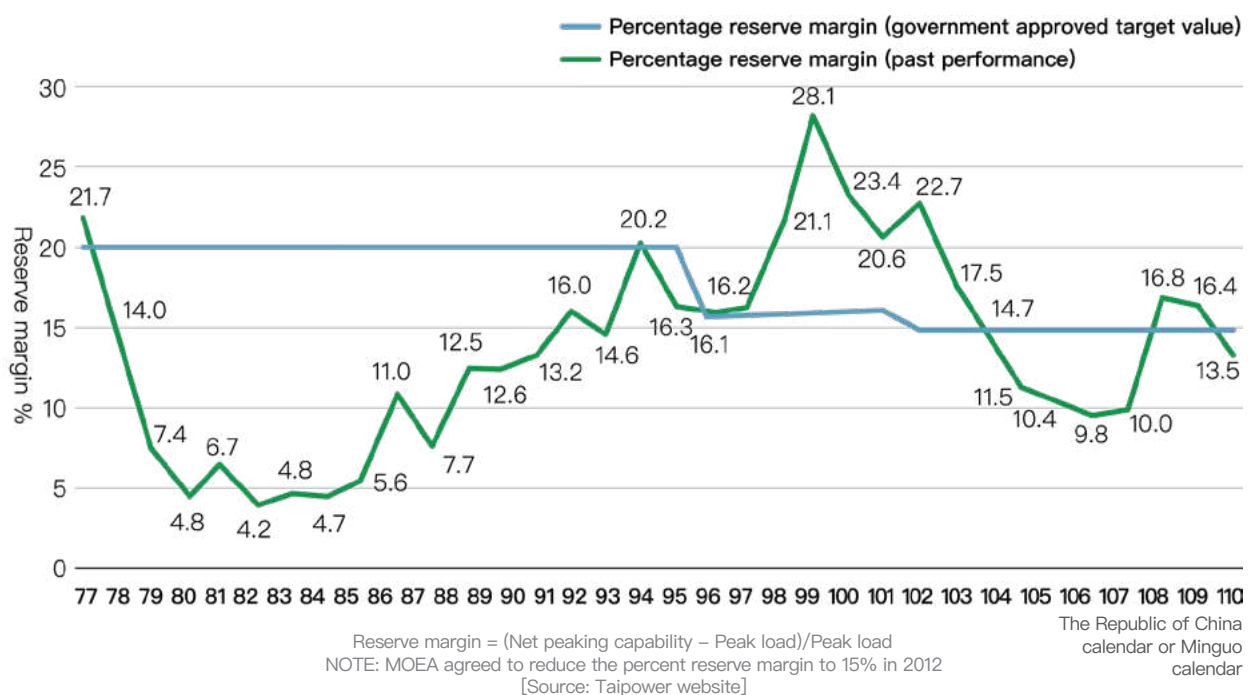
Taipower energy generation 1950-2021



Structure of power generation in 2021



Reserve margin



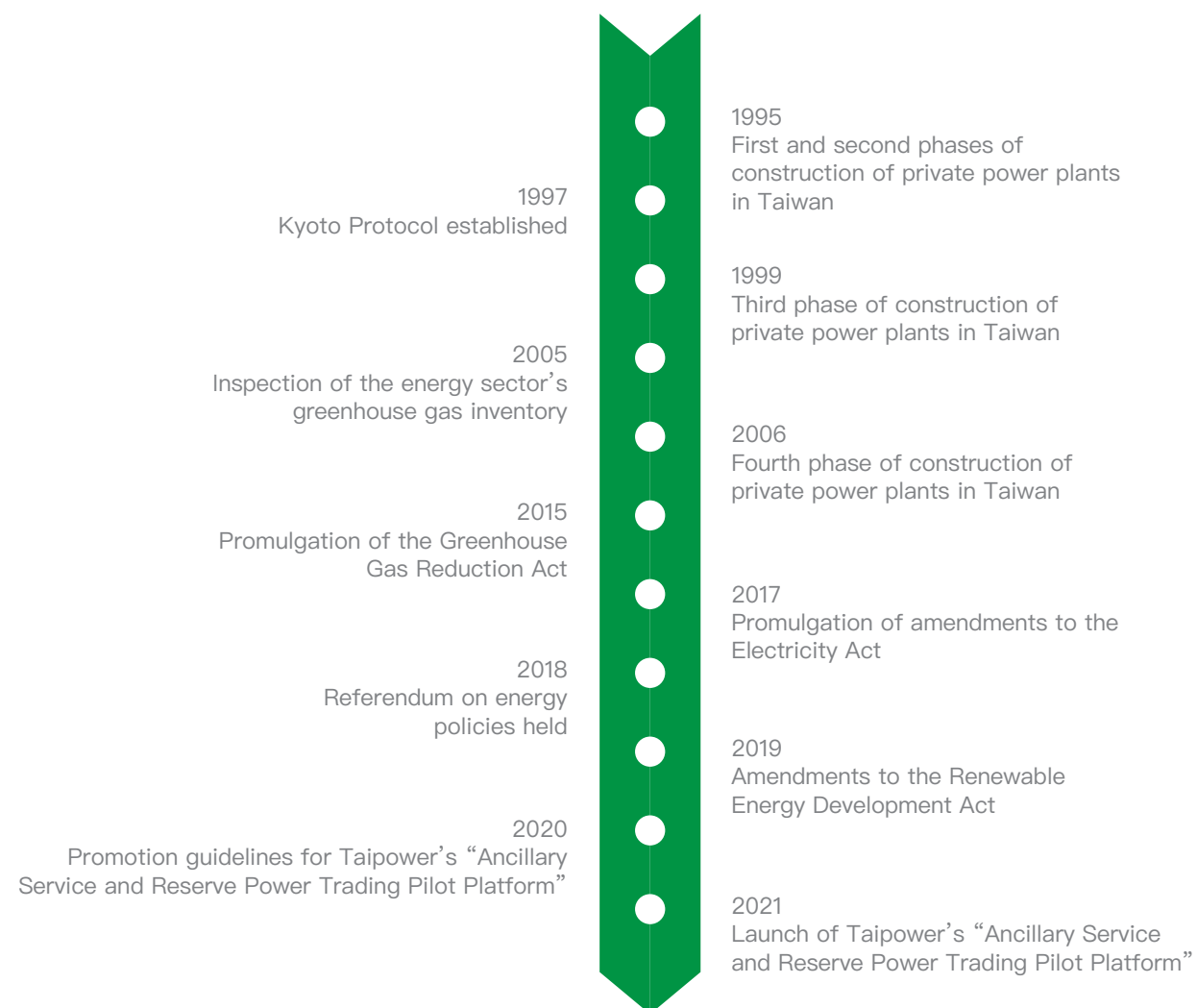
The steady rise in global fossil fuel prices since 2006 has severely affected the electric power industry. Also, growing societal concerns about global warming have prompted a transition toward a low-carbon economy, low-carbon energy, and low-carbon electricity as part of global development goals. Taiwan suffers from a shortage of self-sufficient energy supplies, so to ensure the electricity sector develops sustainably in the age of carbon footprint minimization, electricity suppliers are transitioning to low-carbon power generation and promoting energy conservation and energy efficient living. Currently, Taiwan's electricity sector has entered an era of energy saving and carbon reduction.

The Electricity Act was enacted in 1947 and it had not been revised for over 50 years since previous amendments in 1965, resulting in a long-term monopoly in the integrated electricity market, which slowed deregulation and suppressed market competition as well as performance benchmarking. To keep pace with global reforms in the electric power market and support Taiwan's economic growth, the Legislative Yuan revised the Electricity Act on January 26, 2017 to deregulate the electricity supply

market, and to encourage the country's transition toward renewable energy. The revised Electricity Act is primarily categorized by the following 1. Prioritize green electricity. 2. Set up a transparent electricity transaction platform.

The Bureau of Energy (BOE) of the Ministry of Economic Affairs (MOEA) has since amended the relevant regulations and establish supportive measures. Following the MOEA's announcement of the "Rules on Electricity Trading Platform Setting" on June 29, 2021 and implementation of an electricity trading platform on July 1, 2021, TCC has participated in electricity platform training courses and obtained electricity trader certifications, actively participated in the domestic energy market, and continuously tracked the related policy amendments for the company's long-term development plans.

Recent major events in Taiwan's electricity sector are highlighted below:



Energy

Given the recent trends in technological developments and energy transition, the traditional vehicle market has gradually shifted to electric vehicles, leading to more demand for green energy vehicles. According to Bloomberg New Energy Finance, global demand for lithium-ion batteries will continue to grow. In 2031, demand is expected to exceed 2,300 GWh, with 88% of demand coming from electric vehicles. Electric vehicles are not yet widespread due to various issues, such as the time it takes to charge, driving range, lack of torque, and safety issues. To resolve these issues, global manufacturers have invested in the development of batteries with high efficiency, power capacity, and safety.

Many countries have electric vehicle policies in place for different stages of development. For example, Norway will ban the sale of traditional gasoline vehicles from 2025; England, the Netherlands, Germany, Denmark, and others will ban the sale of traditional gasoline vehicles starting from 2030. To achieve the goals of the “Paris Agreement”, Paris announced in 2017 the ban of sale of traditional gasoline vehicles starting from 2040. In its Green Growth Strategy published in June 2021, Japan said it expects all sale of new vehicles will be electric vehicles from 2035 onward.

With many countries encouraging the use of electric vehicles, global auto manufacturers have announced plans to develop their own electric vehicle models:

- German’s Mercedes-Benz will invest more than EUR 40 billion between 2022 and 2030 to accelerate the development of electric vehicles by building eight battery factories around the world, with the goal of accounting for over half of hybrid and pure electric vehicles sales by 2030.
- Starting in 2019, Volvo announced it would stop the production of diesel and gasoline vehicles and instead start producing hybrid and pure electric vehicles, with the goal of closing its diesel and gasoline business by 2024 and targeting to sell 1 million electric and hybrid vehicles by 2025.
- Honda announced plans to transition two-thirds of its car sales in 2030 to electric vehicles. Germany's Volkswagen announced that, within five years, its investment in electric vehicles and digitalization would reach EUR 89 billion, of which EUR 52 billion would be used to develop electric vehicles, and EUR 30 billion to develop software and self-driving programs.
- General Motors aims to sell one million electric vehicles worldwide by 2025, and promises to only manufacture electric vehicles starting from 2035.

In addition to the development of low-carbon emission technologies for car vehicles, the aviation industry is also actively engaged in decarbonization reform. It was the only industry to propose a global commitment to net zero by 2050 at COP26. According to the Waypoint 2050 report by the Air Transport Action Group (ATAG), short-haul planes with less than 100 seats will start to transition to electric and hybrid powertrains in 2035.

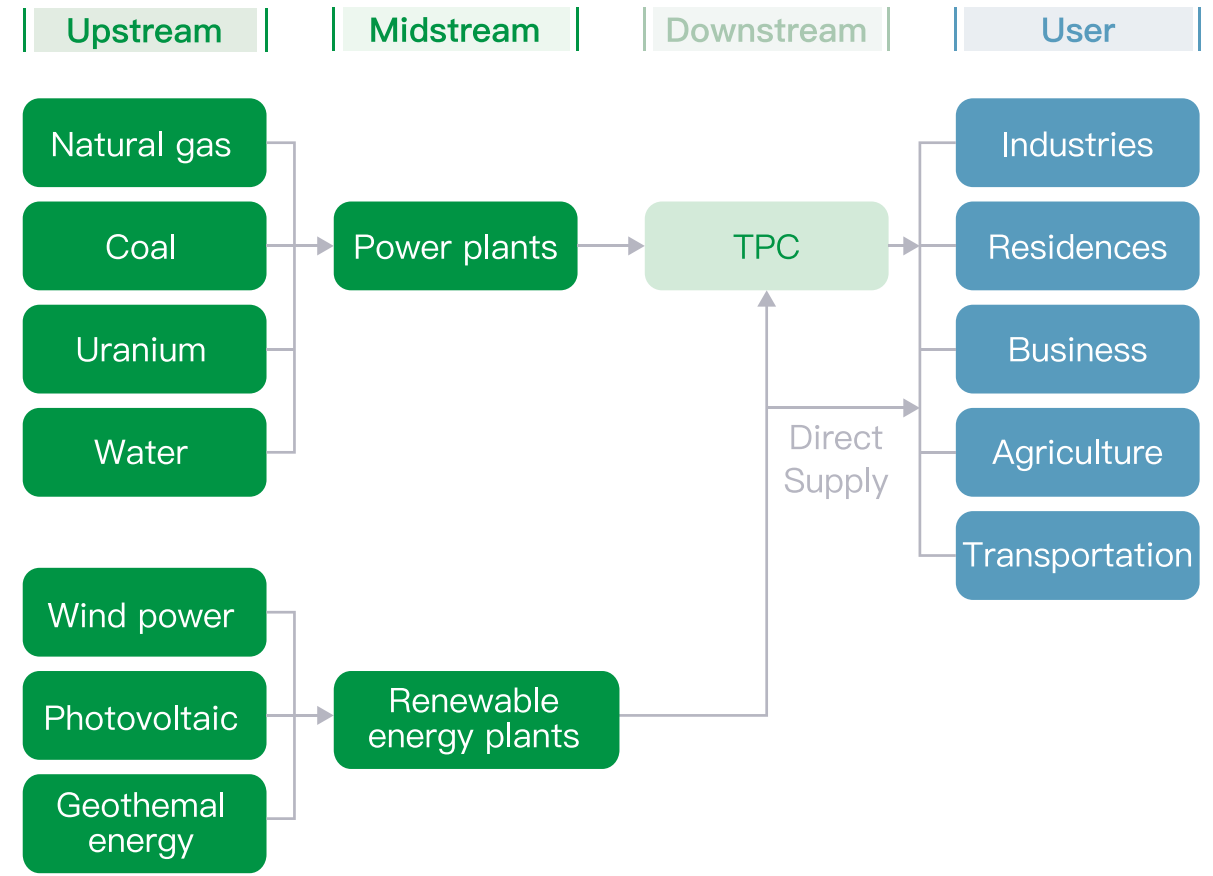
According to a Morgan Stanley study of the global electric aircraft market for eVTOL and UAM (Urban Air Mobility), progress in technological developments and the relaxing of regulations will see the market grow to US\$2,900 billion by 2040. United Airlines, Delta Airlines, JetBlue, American Airlines, Virgin Airlines, Air Asia, and other airlines and cargo companies, such as DHL, and aircraft leasing companies, such as Avalon are actively setting carbon reduction goals by working with aircraft manufacturers. For example, United Airlines and multiple electric aircraft manufacturers have signed purchase agreements. If it orders at least 350 aircraft with each electric aircraft manufacturer, the number of electric aircrafts produced will reach a considerable amount over the next decade.

E-One Moli Energy, part of the TCC Group, lead its peers with a high penetration of the market for eVTOL and UAM (Urban Air Mobility) electric aircraft. E-One Moli Energy has already started collaborating with customers to conduct early-stage development assessments. According to the results, E-One Moli Energy will conduct technical research and development and will soon be ready to capture business opportunities and provide services to various electric aircraft manufacturers.

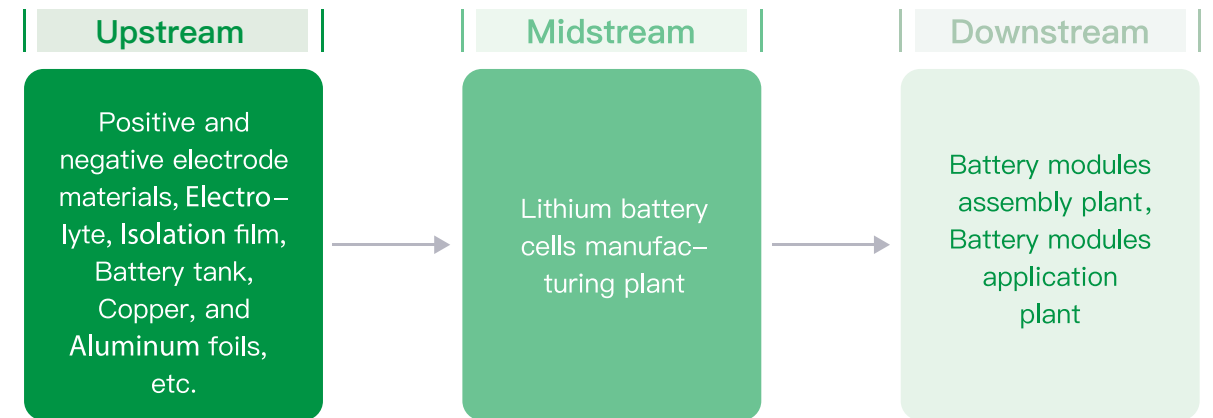
Relationship with up-, mid- and down-stream companies:

Power

The chart below highlights the various electricity generation methods that are currently available in Taiwan. After deregulation, multiple new independent power producers (IPPs) entered the market, particularly in renewable energy. In line with the government’s renewable energy policies, the Energy Division is actively investing in the planning and installation of renewable energy power plants.



Energy



Product trends:

Power

After the 2015 UN Climate Change Conference, all member states agreed on the urgent necessity for rapid reduction of global greenhouse gas emissions. To achieve that goal, the electricity industry’s dependence on petrochemicals must be reduced to effectively minimize carbon emissions, and a more autonomous and diversified energy sector must be developed so that Taiwan can reduce its reliance on imported energy. According to the 2018 National Electric Power Supply and Demand Report by the Bureau of Energy, the government will promote the development of Taiwan’s renewable energy sector. The target is to maintain a stable supply of electricity and by 2025 to generate 20% of Taiwan’s electricity from renewables, 50% from natural gas, 27% from fossils fuels, and 3% from low-carbon energy sources.

Taiwan's renewable energy industry has benefited from the government's vision to build a nuclear-free homeland by 2025, with a goal to have renewable energy account for 20% of total energy generated. With Taiwan having a high economic growth rate compared to neighboring countries, and developed countries pushing for carbon border taxes, the domestic renewable energy industry has plenty of room to grow. Along with the development of renewable energy facilities, Taipower aims to provide a stable power supply by implementing strategies such as more efficient energy storage, improving energy efficiency, and promoting demand response mechanisms to reduce peak loads. Solar power is the primary source of renewable energy. Active promotion of renewable energy has proven effective, with solar power growing by 25% to account for close to 50% of total renewable energy. Compared to the 2025 target capacity of 20GW, the total capacity installed was 7.7GW as of 2021, meaning there close to 2.6 times of capacity to improve. Wind power generation has grown steadily at a double-digit annual growth rate. According to the International Energy Agency (IEA), installed global renewable energy capacity reached 192GW in 2019, and the total installed renewable energy capacity is expected to increase to around 270GW–280GW between 2020 and 2022.

Energy

In anticipation of renewable energy accounting for 20% of total power generation by 2025, Taipower initially planned to have energy storage equipment and auxiliary services to handle 590MW of power to help stabilize the power grid. In 2021, with the development of solar power, the peak power consumption transferred from day time to night time, causing severe changes to the power grid, which lead to a decision to raise the targeted energy storage level to 1GW, with the objective of storing the unused power from the peak power generation period to increase power consumption efficiency. To accomplish this goal, besides initial auxiliary services to regulate auxiliary frequency (dREG, sREG), additional services such as enhanced frequency regulation function have been added.

In 2020, the Ministry of Economic Affairs announced "Administrative Measures for the Installation of Renewable Energy Power Generation Equipment", which states that users who consume over 5MW of power need to either build a renewable energy facility or an energy storage unit that can account for 10% of their power consumption, purchase renewable energy certificates, or pay a penalty. Currently, bulk consumption customers consume over 10GW of power, meaning there is a market demand of 1GW for renewable energy or energy storage.

Lithium-ion batteries are mainly distinguished by various positive electrode materials, and graphite is mostly used for negative electrode materials. Different cathode materials will directly affect the capacity, battery life, operating temperature, stability and even the price. Currently, the majority of lithium-ion batteries come in three forms: cylindrical, prismatic, and laminated.

Compared to the other two batteries, cylindrical batteries have the longest history, with the most mature production technology and the highest degree of automation. The battery size comes in 14500 (capacity is lower than 1.0Ah), 16340 (0.7Ah~0.8Ah), 18650 (2.3Ah~3.6Ah), 26700 (2.0Ah~3.0Ah), 20700 (3.0Ah~4.0Ah), 21700 (4.0Ah~5.0Ah), 4680 (higher than 9.0Ah), and more. Of these, 18650 is the most common size in the market. However, under the agglomeration effect of electric vehicle manufacturers such as Tesla, type 21700 is expected to replace 18650.

Since its establishment, E-One Moli Energy Corp. has focused on R&D and production of cylindrical lithium-ion batteries, with 18650 and 21700 batteries the primary models, with cathode materials using the most advanced NCA (Nickel Cobalt Aluminum) materials. While other battery manufacturers dominate the global market, E-One Moli Energy Corp. took the lead in launching a product with high power efficiency of 100W discharge, 12-minute (5C) fast charging, and a maximum capacity of 4.5Ah, which received a good response in the market. The follow-up battery cell products of 5.0Ah and above will be introduced one after another.

5.1.3 Research and development

In the most recent fiscal year and up to the printing of this annual report, TCC had invested a total of NT\$357,552 thousand and NT\$81,178 thousand in research and development. The following outlines the research and development activities currently being undertaken by each of TCC's major Divisions.

5.1.3.1 Cement division

- (1) TCC established the only professional cement and concrete research laboratory in Taiwan to focus on three main research areas: cement, concrete, and resource recycling.
- (2) In order to strengthen TCC's technical capabilities and competitive advantage in the ready-mixed concrete sector, a TAF-certified concrete laboratory will be built to provide training for quality assurance personnel to further enhance TCC's product quality. The laboratory will increase the Company's professional image, competitiveness, and help develop new materials.
- (3) In line with the focused on the development of circular economy, besides continued research on developing new products and optimizing the quality of existing products, TCC is also diligently developing technologies in the following areas:
 - Extending the scope of resource recycling: Recycled Aggregate Concrete (RAC), reuse of industrial waste and fly ash from waste incinerators and power plants, and reuse of steel slag in steel plants, as well as the production of Refuse Derived Fuel (RDF) and the management and utilization of Solid Recovered Fuel (SRF).
 - Co-processing of municipal solid waste and hazardous wastes in cement kilns.
 - Reducing average energy consumption per unit of output and lower carbon emissions during the manufacturing process.
 - Combining the calcium looping process with the microalgae culture system to create an integrated carbon capture and storage (CCS) system (in which CO₂ is captured, deposited, and reused).
 - Develop new building materials using UHPC (Ultra High Performance Concrete), with ultra-high compressive strength and bend resistance, greatly improved service life and lowered carbon emissions through the life cycle assessment.
 - Develop cement-based 3D printing technology and materials.
- (4) Successfully developed cement and concrete technologies or products:
 - Mass production of Type II high-performance cement and Types II/V high-strength cement.
 - Mass production of Type IV cement, which complies with the national product quality standards of CNS and special construction requirements. Both the CNS Mark and MIT Smile Logo accreditations were awarded.
 - Development of the mass production capacity of 10,000 psi high-performance concrete.
 - Development of the mass production capacity of self-compacting concrete.
 - Development of the mass production capacity of watertight concrete.
 - Technology for the testing and recycling of Calcium Fluoride Sludge (CFS).
 - Technology for testing trace elements in cement.

- Technology for testing trace elements in slag.
 - Technology for the application of sludge ash.
 - Technology for co-processing municipal solid waste in cement kilns.
 - Technology for reducing build-up, crusts and ring formation in cement pre-heaters and kilns.
 - R&D on technology that generates electricity through thermoelectric heat recovery of waste heat from rotary cement kilns.
 - Expansion of the microalgae culture unit. A clinical trial for developing cosmetics using astaxanthin produced from CO₂ waste has been completed.
 - Completion of a production trial run for four cosmetic products, including the cleansing bubble masks, crystal serum, anti-aging pearl serum, and hydrating energy-boosting cream. The product testing of these cosmetic products has been completed for safety and quality assurance purposes.
 - Development of a series of food products using astaxanthin, including buckwheat noodles, seaweed, litsea cubeba, and seven spice powder (shichimi).
 - The cosmetic ingredients used in developing ASTAROSE products have successfully registered for its INCI name and trade name.
 - The 1.9MWt calcium-looping carbon capture pilot plant has already completed a 100-hour continuous operation test with carbon capture efficiency of up to 85%–93%.
 - Construction of the new generation 500kWt hydration-integrated cascade cyclone calcium looping system has been completed, and has accumulated 1,200 hours of continuous operation.
 - TCC has applied for 31 patents amongst 15 different categories for the calcium looping carbon capture technology.
 - Development of the formulation for cementitious grout, and the promotion of workshops for making arts and crafts with cement.
 - Science-based target setting for emissions reduction.
- TCC's science-based target for carbon reduction, from 2016, is to reduce Scope 1 and 2 GHG emissions by 11% and 32% respectively, by 2025.
- TCC implemented Product Category Rules (PCR) for cement products, and was awarded the first ever carbon-footprint label in Taiwan (for Hoping plant's Type 1 Cement).
 - Obtained certification for carbon footprint inspection of Type I cement (bulk) products at the Hoping plant.
 - Daya plant obtained certification for carbon footprint inspection of 3000psi ready-mixed concrete material products.
 - Hoping and Suao plants successively obtained the first ever carbon footprint label for cement products (Type I bagged cement) in Taiwan.
 - The company developed UHPC of 120MPa and 150MPa grades, which was used as part of the curtain decoration in the construction project at DAKA Park.

(5) Future R&D plans and projects:

- Based on research of calcium-looping carbon capture technology, a number of carbon capture projects have been conducted, with the following objectives:

- Evaluate the technical feasibility of integrating oxy-fuel combustion and pure oxy-combustion process to enhance energy efficiency, reduce carbon emissions, and increase the use of alternative fuels.
- To capture CO₂ technology by pure oxygen combustion in the cement kiln calcination process, and conduct large-scale experiments to reduce carbon emissions.

The objective of the carbonation technology for CO₂ reduction and reuse of calcium-rich resources of basic-oxygen-furnace (BOF) slag to concentrated precipitated calcium carbonate is as follows:

The carbonation technology for the reuse of CO₂ from calcium-rich resources of basic-oxygen-furnace (BOF) slag extracts the calcium from slag solutions and then carbonates with CO₂ to generate concentrated precipitated calcium carbonate.

- Development of the "TCC Ultra-High Performance Concrete (UHPC) and the Establishment of Cladding Panel Technology" plan. TCC became the first company in Taiwan to acquire the capability to create UHPC products. The key focus includes:
 - Development of the ideal ratio for TCC's UHPC Cladding Panels.
 - Feasibility study on the UHPC's surface modification caused by the carbonation method.
 - Planning of production equipment at the precast factory.
 - Development of the process and mass production capacity for manufacturing UHPC.

The research results can be applied to Cladding Panels of the "Renewable Resources Utilization Center", serving as the basis for the subsequent development of various UHPC products, and improving the company's technical levels.

- The Company's plan to invest in the "Research and Development of 3D Printing Technology and Materials":

To achieve a carbon neutrality goal of concrete in 2050, the company has actively invested in the R&D of low-carbon emission 3D printing technology. Currently, the company's laboratory has independently developed concrete materials for 3D printing technology. The 3D printed products retained compressive strength of above 70 MPa (10,000 psi), which is a great innovation in the cement-based material 3D printing research in Taiwan. In the future, TCC will continue to carry out materials research by jointly investing with domestic and global industries and academia in researching low-carbon emission 3D printing technology for the implementation of low-carbon emission building technology and materials in the near future.

5.1.3.2 Power and energy division

Power

The core business of the Power Division is coal-fueled power generation, and green energy generation using solar, wind and geothermal power. To reduce pollution emissions, the "Boiler Combustion Efficiency Improvement" Project for Unit No. 1 was completed in 2019. In 2020, TCC signed an EPC project contract with CTCL Corporation for the "AQCS-Air Quality Control System Optimization" for Unit No. 2. The design renovation plan is currently underway and is expected to boost the boiler efficiency and air quality control equipment of both units in 2021 and 2024, respectively. To improve the efficiency and stabilize the units' operations, during the AQCS equipment renovation, the renovation of the low-pressure steam turbine and the upgrade of DCS control systems were simultaneously carried out.

The terrain of the east coast of Taiwan is steep, and water depths can reach hundreds or even thousands of meters offshore, being one of the few places in the world with potential for deep sea development. Two kilometers to the east of the Hoping plant, the offshore depth is 800 meters, with a sea temperature between 6–8 degrees, which can be utilized with the power plant's warm water drainage, making it an ideal site for the development of ocean thermal energy generation. Thus, the Hoping plant began to promote ocean thermoelectric power generation in May 2021, with plans to

construction the world's first MW ocean thermoelectric power plant. Hoping plant is expected to complete a feasibility assessment of ocean thermoelectric power generation technology, equipment and construction methodology, and conduct basic data surveys of the surrounding area, underwater resources, and the environmental impact by the first quarter of 2022. The plant expects to conduct an assessment of the water resources, economic sea areas and continental reef areas, and apply for and obtain a permit for construction and outsourcing in 2023 from the Underwater Cultural Heritage. Construction of the MW ocean thermoelectric power generation plant is expected to be completed in the second quarter of 2025.

Facing the issues of energy conservation and carbon emission reduction in recent years, the Hoping plant has started to evaluate alternative fuels. In March 2021, the company launched a feasibility assessment of coal co-firing biomass fuel. The overall assessment covers biomass fuel sources and CFD (Computational Fluid Dynamics) simulation of various biomass fuels being put into boiler combustion, and it was completed in October 2021. The feasibility assessment of coal co-firing biomass fuel project started in September 2021, and the assessment covers fuel transportation, storage, feeding, boiler and related AQCS equipment space, re-innovation, and cost evaluation, and it is expected to be completed in the first quarter of 2022. The preliminary feasibility evaluation of the vaporizer will be launched in the first quarter of 2022. To achieve the goal of carbon emission reduction, a gasification system will be evaluated and built with characteristics of pulverized coal boilers, and the syngas generated by gasifying solid biomass fuel will be injected into the pulverized coal boilers for co-firing, which is to be completed in the third quarter of 2022. The three feasibility assessment reports will be used as an example for schedule planning for the use of alternative fuels in future power plants.

To promote renewable energy, TCC Green Energy Corporation follows the guidance of the government's energy transition and actively invests in the development of renewable energy. Currently, the company is actively developing solar, wind and geothermal power projects. In addition to promoting the development of solar and wind power plants in Changhua, Yunlin, Chiayi, Tainan, and Pingtung, the company also promotes the development of geothermal power plants in Taitung.

Energy

In response to the impact of the massive grid connection of renewable energy, Taipower is welcoming resources from industry to promote the auxiliary service of "Automatic Frequency Control of Energy Storage". With rich resources in battery technology, energy industry, and green energy experiences, Green Energy and E-One Moli Energy Corp. jointly won the 2020 bid for Taipower's "Energy Storage Automatic Frequency Control (AFC) Frequency Modulation Reserve Transfer" with a total capacity of 5MW. By strengthening energy storage technology, the company expects to become a new energy-creating enterprise.

In July 2021, TCEH acquired 60.5% shares of Engie EPS, an European energy storage company, and acquired another 4.7% shares of Engine EPS in September, becoming the company's largest shareholder, and renamed it as NHQA (New HOrizons Ahead). NHQA holds various patents and products for battery energy storage systems (BESS), fast charging devices for electric vehicles, smart grids, and hydrogen energy. TCC Energy Storage Corp. (NHOA TCC) is a new milestone in energy research and energy storage planning for the TCC Group. Its operations range from energy storage systems, microgrids to charging stations for electric vehicles, and obtains the latest technology from NHQA as a provider of energy regulation solutions and services.

E-One Moli Energy Corp. focuses on the R&D and production of cylindrical lithium-ion batteries. The primary focus is as follows:

- (1) The scope of battery R&D covers advanced material research and development, chemical formula development, battery cell design, and advanced process research and development.
- (2) Based on the concept of battery recycling, E-One Moli Energy Corp. not only conducts research on advanced material development and quality optimization, but also actively engages in technology research and development in the following fields:
 - On the basis of high efficiency output, the company actively improves the life cycle of battery cells to realize the concept of secondary battery utilization.

- The company evaluates alternatives to organic solvents to achieve the goal of green production.

(3) Successfully developed technology or products:

- Developed mass-production of 21700-P45B product, and entered mass production verification.
- Developed mass-production of 18650-P30B product, and entered mass production verification.
- Developed mass-production of 21700-P50B product, and entered R&D engineering verification.
- Completed development and certification of a new anode graphite system, which significantly reduces the internal resistance of cells by about 10%, improving the product's competitiveness.
- Completed development of high-end silicon anode materials with a reversible capacity of over 90%.
- Completed research on sizing compounds of high-end silicon anode materials, and overcame problems in the high-end silicon material production process.
- Successfully introduced high nickel aluminum (NCA) cathode materials with higher stability to ensure the safety of production and supply.
- Completed the establishment of a next-generation Ni90 cathode system, and introduced the concept of single crystal material to improve cycle stability.
- Developed an electrochemical analysis methodology to effectively determine the battery degradation mechanism.
- Completed development of a new high-efficiency electrolyte formula and improved the high-efficiency cycle stability by 10%.

(4) Future research and development plans to develop new products:

- Establishment of a new generation cathode material system:
 - Development of a Ni92~94 high nickel system.
 - Project to improve the stability of high-nickel cathode materials, material doping and coating technology.
 - Research and development of cathode pre-insertion lithium technology to improve cathode utilization efficiency.
- Development of next generation high-efficiency fast-charging anode material platform:
 - Research of graphite granulation and coating technology to reduce ion movement resistance.
 - Improvement in efficiency and stability of high-order silicon material, including the improvement of expansion resulting from the nature of the material, the assistance of tubular conductive materials, and adhesive performance.
 - Verification of high-directional, low-expansion-coefficient silicon material.
- Development of 21700-P55B cells, and 21800/22900 system design and manufacturing, with the following focus:
 - The introduction of the new generation positive and negative electrode material systems
 - Fast charging pole design.
 - Optimizations of various 21800/22900 production process.
 - Development of new design verification methodologies and processes to shorten the sample to mass production period from two years to under one year.
 - Introduction of artificial intelligence analysis of battery life prediction and health analysis.

5.1.4 Short-and long-term development

5.1.4.1 Cement division

Short-term development:

- (1) As the cement industry in Taiwan has matured over the years, TCC's organizational strategy will focus on maintaining market share, lowering costs, and increasing profits.
- (2) In China, TCC owns cement plants in Guangdong, Guangxi, Jiangsu, Liaoning, Guizhou, Sichuan, Chongqing, Hunan, and Yunnan, and slag grinding plants in Liuzhou, Fuzhou, and Naxi. The company's total production capacity for cement is 76.94 million tons, comprising 66.54 million tons in China and 10.4 million tons in Taiwan, and ranks the 7th largest enterprise group in China's cement industry in 2021. After the privatization of TCC International Holdings in 2017, the company maintained its regional market share and increased profits by pushing for the development of eco-friendly production processes.
- (3) Apart from operations in Taiwan and China, TCC also has a wholly-owned subsidiary in the Netherlands called Dutch TCC Holdings, which has a 60:40 joint venture company (JVC) with OYAK Cement of Turkey. The company has seven cement plants, three grinding plants, 45 RMC plants and three aggregate plants with a production capacity of 12.6 million metric tons for clinker production and 22.5 million metric tons for cement production. It operates OYAK Cement's business in Turkey, giving TCC its first presence outside of Asia. Through the unique positioning of Turkey in the Mediterranean region, and with the acquisition of Cimpor Cement in Portugal, as well as the construction of slag grinding plants in the Republic of Côte d'Ivoire, TCC is slowly paving the way for global expansion.
- (4) By 2019, the JVC completed its acquisition of Portugal's Cimpor Cement, which operates three cement plants and one slag grinding plant. The plants have a capacity of 5 million tonnes for clinker production and 8.4 million tonnes for cement production. To maximize capacity utilization as well as increase production efficiency, the company plans to build slag grinding plants with a production capacity of 0.8 million tonnes in the Ivory Coast and Cameroon in West Africa as global bases for business expansion. The plant in the Ivory Coast began operations in late 2020, and the plant in Cameroon is expected to be completed in early 2022.

Long-term development:

- (1) The JVC will be used to expand business throughout Europe and Africa, and to search for suitable partners or locations that will help TCC to scale its cement business in new global markets, improve geographical diversification, decentralize its business, and further enhance the ability to resist risks.
- (2) In addition to the construction of cement and slag grinding plants in China, TCC plans to invest in the construction of aggregate processing plants, ready mix concrete plants, or in the precast concrete industry, in order to achieve vertical integration.
- (3) Cement plants in China have actively established environmental protection companies to cooperate with cement plants to perform circular economy projects such as the disposal of municipal waste, industrial waste, hazardous waste, and to reduce carbon emissions.
- (4) TCC aims to maintain its brand image within Taiwan, and at the same time, improve product quality and customer services in the Southern China, Southwest China, and Eastern China regions. TCC will stay rooted in Taiwan but also strengthen its foothold in China by maintaining its position as a leading regional cement manufacturer, and develop alternative fuels and raw materials, invest in green energy and energy storage, and achieve carbon neutrality by 2050.
- (5) The rotary kiln's inherent features of high temperatures, long residence time, and good turbulence make it ideal for processing and treating municipal solid waste, sludge and hazardous waste. Through this, TCC shows its commitment in transitioning towards a circular economy.

· Projects on "Co-processing of Municipal Solid Waste in Cement Kilns"

- In December 2015, the first special unit built for waste co-processing and recycling in cement kilns began operations at the Anshun plant in Guizhou (run by TCC Anshun Cement Co., Ltd., in Pingba District, Anshun City, Guizhou Province, China). It was listed as the "2016 Key Demo Project on Co-processing of Municipal Solid Waste in Cement Kilns" by the Ministry of Industry and Information Technology and the Ministry of Finance in China.
- A new special unit for waste co-processing and recycling in cement kilns is currently under construction at the Shaoguan plant in Guangdong (run by TCC Shaoguan Cement Co., Ltd., in Qujiang District, Shaoguan City, Guangdong Province). In July 2016, TCC also entered into a 25-year agreement with the Guijiang district government to co-process the region's municipal solid waste. The cement production line began operations in the fourth quarter of 2021, and the Shaoguan waste co-processing facility is expected to begin operations in the second quarter of 2022.
- The kiln of the Hoping cement plant processes municipal solid waste in Hualien County. At the end of 2019, TCC's Hoping plant signed a BOO (Build-Own-Operate) contract with Hualien County's Environmental Protection Bureau to co-process municipal solid waste in the region. The first environmental impact assessment (EIA) was conducted in February 2020 and subsequently passed in September 2020. The Hoping waste facility obtained a building permit in March 2021, and started construction in July 2021. The facility will be ready to commence operations in the first quarter of 2024.

· Projects on "Co-processing of Municipal Solid Waste in Cement Kilns"

- Co-processing of other industrial wastes in cement kilns at the Suao plant in Taiwan: Given the plant already co-processes waste such as calcium fluoride sludge generated by the semiconductor sector, bottom ash, fly ash, inorganic sludge, and incinerator bottom ash (IBA) aggregates, the Suao plant was able to successfully apply for the use of sawdust waste as an alternative fuel and the use of repurposed waste refractories from China Steel Corporation as an alternative raw materials. In addition, TCC expanded the use of alternative fuel by reincluding grain chaff, solid recovery fuel (SRF), glycerol (glycerin), and sawdust waste in the processes, as well as replacing clinker with blast-furnace slag. In January 2021, TCC received approval for its Waste Removal Plan and also passed the Waste Recycle Assessment. In July 2021, TCC obtained an operating permit for stationary pollution sources.
- Project to process other industrial waste using the cement kilns of the Hoping plant in Taiwan: The Hualien County government granted Hoping plant an operating permit in February 2019. As the plant already processes coal ash from power plants, inorganic sludge from paper mills and silt, it was allowed to further process calcium fluoride sludge from the semiconductor industry, reduce ballast from steel mills, sludge from water plants, waste plastic mold from the packaging industry, increase the amount of alternative raw materials in basic-oxygen-furnace (BOF) slag, calcium carbide ballast, air-cooled blast furnace stone, co-fired coal ash, aluminum smelting process calcined ash, copper smelting process ballast and sludge, and add new alternative fuel materials of rice hull (grain), wood chips and SRF (Solid Renewable Fuel), etc. EIA approval is underway, and the Hualien County government is expected to hold a second group review meeting in the second quarter of 2022.
- Project for the treatment and disposal of 300,000 tonnes of hazardous waste and 30,000 tonnes of sludge by TCC Dongyuan Environmental Protection Technology Corporation: The first phase of the treatment, storage and disposal facility (TSDF) construction with a capacity to annually process 200,000 tonnes of hazardous waste was completed, and obtained a permit to process hazardous waste in 32 classes and 369 categories. Due to the COVID-19 pandemic, the plant began operations in April 2020, and obtained in January 2021 a five year renewal permit to annually process 200,000 tonnes of hazardous waste in 33 classes (nickeliferous waste included), and 334 categories. On November 30, 2021, the plant was recognized as one of the first eco-environmental demonstration bases in Guigang City.
- Project for treatment of incinerator ash (15,500 tonnes/year) by the Jurong plant in Jiangsu: The plant obtained EIA approval in May 2019. After receiving a construction permit, construction started in December 2019, and the plant started operations in October 2021.
- Project for the annual treatment of the 50,000 tonnes of waste tires by Jurong plant: EIA approval was obtained in December 2020, and the plant is currently under construction, and is expected to begin operations in the third quarter of 2022.
- Project for the annual treatment for 50,000 tonnes of hazardous waste by the Kaili plant in Guizhou: In February 2019, the Kaili plant obtained approval from the Development and Reform Commission to annually process 50,000 tonnes of hazardous waste. On November 9, 2021, the plant obtained a five year EIA permit from the Guizhou Ministry of Ecology and Environment. The plant is expected to begin operations in the first quarter of 2022.
- Project for the annual treatment of 60,000 tonnes of municipal sewage sludge by the Liaoning Cement plant: The plant obtained an EIA permit in March 2021 and a construction permit in September 2021. It is currently still under construction. The plant is expected to begin operations in the second quarter of 2022 after the cement kiln begins operations in the winter.
- Project for the annual treatment of 100,000 tonnes of hazardous waste and 150,000 tonnes of solid waste by the Guangan plant in Sichuan was approved by the EIA on May 14, 2011. The planning permit is currently in process.

5.1.4.2 Power and energy division

Short-term development:

The group's Power Division has passed all the ISO environmental policies and promised to achieve the following:

(1) ISO 14001 environmental policy:

- Compliance with environmental laws and regulations, and commitment to TCC's EIA report in order to prevent public nuisance disputes.
- Continuous upgrade of pollution control equipment to improve efficiency and effectiveness.
- Execution of effective waste management, reduction and recycling.
- Pollution prevention efforts through periodic audits and self-assessments.
- Establishment of an Environmental Management System (EMS) outlining the procedures that will improve TCC's impact on the environment and public health.
- Ongoing training and public reporting on TCC's efforts in environmental protection.
- Enhance business transparency through conducting open house events to allow the public to see first-hand TCC's efforts in environmental protection.

(2) Implementation of the ISO 9001 Quality Management System (QMS):

Through the implementation of the QMS, TCC is committed to regularly upgrading its power plants and delivering high quality energy services to clients.

(3) Implementation of the ISO 45001 Occupational Health and Safety Management System (OHS):

Through implementation of the OHS, TCC is committed to providing a sound facility environment with a reduced rate of disability injuries and workplace safety violations, strengthening communications and harmonious development, and enhancing the image of the TCC group.

(4) Implementation of the ISO 27001 Information Security Management System (ISMS):

Through planned and organized information management and maintenance, the company's commercial secrets can be protected from leaking, allowing the company to operate smoothly without interference.

TCC's Energy Storage and Green Energy plan to adopt the advanced energy storage solutions of NHQA and build a bulk energy storage system of 35MW/87.5MWh in the Suao cement plant and 100MW/250MWh in the Hualien Hoping cement plants, and to provide auxiliary services to the power trading platform in 2023.

In 2021, the overall production capacity of the Tainan plant of E-One Moli Energy Corp. increased by 25%. However, with continuous strong market demand and shortage of production capacity, the plant intends to continue to boost production efficiency in the near future.

Mid-term development:

Power plant (No.2) will implement the "Improvement of Boiler Efficiency" project after replacement of the boiler's low-nitrogen burner.

Long-term development:

- (1) Improvements to air quality control systems (AQCS):

TCC has set emissions reduction targets, and assessed and proposed measures to achieve them.

Item	NOx ppm	SOx ppm	PM mg/Nm ³
Current standard	50	50	20
Target after emission reduction	23	23	7
Assessed technology improvement plans	<ul style="list-style-type: none"> ◆ Increase the volume of catalyst reactors. ◆ Invest in low NOx burners. 	<ul style="list-style-type: none"> ◆ Retrofit the flue-gas desulphurization (FGD) absorption towers. ◆ Adopt leak-free gas-fired unit heaters. 	<ul style="list-style-type: none"> ◆ Include more wet electrostatic precipitators.

The goal is to achieve the targets set out in the AQCS for both coal-fired power plants No.1 and No.2 by 2022 and 2024, respectively.

- (2) Additional renewable energy power plants and engaging in the planning and investment of various renewable energy projects to increase profits:

Continue to search for suitable locations in Taiwan to install additional machines for renewable power generation, and construct and invest in renewable energy power plants while increasing their power generation capacity.

- (3) TCC's long term renewable energy goals will focus on the development of solar power plants in southern and central Taiwan, energy storage R&D, and development of geothermal power plants. Currently, the capacity of operational solar photovoltaic facilities with grid connections is about 23.5MW, and the capacity of onshore wind power is 21.6MW; the capacity of solar photovoltaic facilities awaiting construction permits is 34.8MW; The capacity of solar photovoltaic, wind, and geothermal facilities under development and pending relevant permit amounts to 72MW, 9MW, and 1MW, respectively. Most of these facilities have signed 20-year power purchase agreements with Taipower. The proportion of revenue will change after the power plants' grid connection to Taipower and the amount of power sold. The proportion of electricity generated this year is 27% for solar photovoltaics and 73% for onshore wind power.
- (4) The long-term goals for energy storage are focused on the global market for power ancillary services, recharging services for electric vehicles, and microgrids with energy storage systems.
- (5) Molie Quantum Energy Corporation's lithium battery factory in Kaohsiung is expected to begin operations in 2023. Advanced technologies will be introduced across product lines to strengthen materials management, automate production lines, utilize artificial intelligence to analyze production data, process management, back-end order management, shipment, and more. The annual production capacity is 1.8 GWh, which is equivalent to 24,000 long range batteries for electric vehicles. The factory will primarily produce high-end, high-capacity, high-charge-discharge power, high-nickel-lithium ternary batteries with a size of 21700. The factory will be able to produce sizes up to 22900 to ensure that the plant is able to meet the recent trends of larger battery sizes in the electric vehicle market.

5.2 Market and Sales Overview

5.2.1 Market analysis

5.2.1.1 Cement division

Sales by market, market share, and market analysis of major products: Cement and ready-mixed concrete are the main products sold by TCC domestically and internationally.

In 2021, cement consumption in Taiwan was 12.63 million tonnes, representing an increase of 4.3%, or 520,000 tonnes, compared to cement consumption of 12.11 million tonnes in 2020. In 2021, TCC sold 5.17 million tonnes of cement and clinker in the domestic market (including materials used in ready-mixed concrete plants), representing an increase of 13.6% compared to 2020 sales of 4.55 million tonnes, with approximately 40.9% of the market share. In 2021, the cement market in Taiwan was driven by the government's continuous development of major infrastructure projects and investment expansion in the electronics industry. Cement prices were greatly impacted by the higher cost of coal and sea freight. To maintain profits, the company increased its sales price to offset the impact of higher costs.

The 2022 outlook for the domestic cement market is for marginal growth due to the continued strained relationship between Taiwan and China, the negative global economic impact of the COVID-19 pandemic, the negative impact from higher US interest rates, the impact from the government's tighter housing market policy, but with positive contributions from increased investment by the electronic and construction industries and the promotion of major public infrastructure projects by the government. In 2022, the company expects domestic sales of cement and clinker to be 5.4 million tonnes. The price for domestic cement will continue its upward trend and the company will reflect the higher costs to maintain a reasonable sales price.

The majority of TCC's exports are for cement and clinker. In 2021, exports reached 1.12 million tonnes of cement and clinker, representing a 11.8% decline from 1.27 million tonnes in 2020. The primary export areas include Mauritius, the Philippines, Malaysia, Guam, and Hong Kong. Exports for 2022 are forecast at 1 million tonnes. In the global cement market, demand from emerging countries continues to grow, but the production capacity of Africa and Southeast Asia has increased substantially, while China has switched from being an exporter to a cement importer due to its energy policy, leading to a steady rise in international cement sales prices. Prices may fluctuate depending on the amount of cement and clinker that China exports. In 2022, company signed export contracts mostly with Southeast Asia countries, and increased product prices due to higher costs. Export volumes will follow the government's export policy and continue to decrease.

The total sales of cement and clinker (including material used in ready-mix concrete plants) were 6.29 million tonnes in 2021, representing an increase of 7.89% from sales of 5.83 million tonnes in 2020. The increase was primarily driven by demand from Taiwan's public infrastructure projects and the continued expansion of the electronics industry. In 2022, the company will continue its strategy to increase sales and profits in the domestic market. The total sales target for cement and clinker in 2022 is 6.4 million tonnes, representing a 1.75% increase from 6.29 million tonnes in 2021.

With regards to ready-mixed concrete, the company sold 5.3 million cubic meters in 2021, representing a decrease of 2.26% from 5.43 million cubic meters in 2020. The company expects the sales volume of ready-mix concrete in 2022 to maintain the same level level of 5.3 million cubic meters on 2021 amid rising housing constriction, factory expansion, and continuing public construction.

Competitiveness:

As Taiwan's largest and most historic cement and ready-mix concrete manufacturer and supplier, as well as a successful proponent of vertical integration, the company's products are known for their high quality and have a good market presence due to strong R&D capacity and stringent quality controls. Also, the company has cement distribution centers and ready-mix concrete plants all over Taiwan, forming a complete sales network, providing customers with the best products and services. Starting in 2021, the company implemented a CRM system, which discloses a product's history and raw materials. Customers can access the latest inspection reports through QR codes or email address stamped on products, demonstrating the company's commitment to providing high quality services and products. The company continued to receive the Green Mark from the Environment Protection Agency for its bulk cement, which is labeled as a gold-grade Portland cement. Bagged cement also received the carbon emission reduction label from the EPA, which further demonstrates the company's products in environmental protection and carbon reduction.

Favorable developments:

1. In Taiwan, as the government promotes forward-looking infrastructure projects by expanding public infrastructure and urban renewal projects, demand for cement is expected to increase. Also, due to the impact of the US-China trade war and the COVID-19 pandemic, many Taiwanese companies are exiting China and returning to invest in Taiwan, so giving a boost to the domestic economy. The operations of the cement industry are expected to continue to grow in the near future.

2. In China, due to continuing industrialization, urbanization, and infrastructure development, and increasingly stringent environmental standards, construction of infrastructure is restricted and staggered production and energy consumption and intensity dual controls have been implemented. Favorable cement industry policies and the huge cement market will reduce excessive capacity. Market demand for cement is expected to increase. To maintain its position as an industry leader, the company will continue to assess China's economic conditions and monitor mergers and acquisition trends and the growing concentration of market supply.

Unfavorable factors for industry development:

1. The Taiwan government levies various taxes on the cement industry, including commodity tax, air pollution fees, waste disposal fees, and mining taxes by local governments, which have adversely impacted the cement industry. Moreover, since Taiwan's cement market is mature and its overall scale limited, the government has already established a policy to further restrict expansion and production.
2. As environmental awareness increases, external interference and obstacles affecting applications for mining permits and permit extensions continue to intensify. Furthermore, as more countries set reduction targets for greenhouse gas emissions, governments may take aggressive actions, such as production restrictions, to achieve emission reduction targets. The Taiwan government has proposed a carbon tax that it intends to levy in the near future.

Countermeasures:

1. In Taiwan, the company strives to increase its overall operational efficiency by managing costs through using information system technology and consolidation in the Taiwan and China markets, and to continue cultivating the domestic market and maintaining its position as industry leader. Moreover, the company actively works with the government to facilitate the nation's development, execute cement industry policies, facilitate the circular economy, and assist in the disposal of waste and hazardous industry waste to achieve sustainable development.
2. Because the cement market in Taiwan is mature and has little room to grow, the company has invested in China's cement market. The company has selected the Huanan area as its target market, and expanded to Huadong and Southwest areas in China. In December 2009, to accommodate China's policy to control capacity, suspend new construction projects, encourage M&A, and increase market concentration, the company successfully merged and acquired Chang-Xing Mining's cement production capacity. In 2011, the company continued to acquire cement production capacity in Gangan, Kaili, Saide, and Taichang, which are located in the Guizhou and Sichuan Provinces. In 2014, the company acquired Chuantie Cement and Jindadi Cement in the Sichuan and Hunan Provinces. In 2021, the company's cement production capacity in China reached 66.27 million tonnes. To adhere to China's 2030 Carbon Peak, 2060 Carbon Neutrality, and Energy Consumption Control policies, TCC plans to accelerate development of alternative energy resources and scientific carbon emission 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. It is a 60:40 joint venture (JVC) between Dutch TCC Holdings and OYAK Cement from Turkey. The JVC will control all of OYAK's cement business in Turkey. This is the first time a Taiwanese cement company has expanded outside of the Asian market. TCC has become a key shareholder in a holding company that sells over 73 million tonnes of cement, equating to 16% of the entire cement market in Turkey. Through the partnership with OYAK and the unique position that Turkey holds in the Mediterranean area, the company expects to leverage the JVC to strategically acquire companies or form strategic alliances. In 2019, the JVC successfully acquired the Portuguese Cimpor Corporation, becoming a cement corporation with influential power, assisting TCC's international expansion plans.
4. The company has established the Corporate Sustainable Development Committee under the Board of Directors, which regularly holds meetings to discuss climate change risks, set implementation targets and relevant countermeasures. In addition, the company continues to hold itself to a higher standard than existing environmental regulations. By monitoring relevant statistics using information systems, the Cement Division periodically holds operational meetings to discuss environmental performance indicators, set explicit emission reduction goals, and track implementation status. Also, through the utilization of environmental service integration in the circular economic operation model, the company integrates cement production and waste disposal, fulfilling its role to "balance the complicated relationship between nature and human society" as part of its social responsibilities and thereby create a win-win situation for stakeholders.

5.2.1.2 Power and energy division

Sales area of major products:

TCC sells all of its generated electricity to the Taiwan Power Company according to an electricity purchase agreement. Taipower then allocates that power supply throughout all of Taiwan. The export of battery products by region is 70% in Asia, 20% in North America, 8% in other regions, and the remaining 2% in Taiwan.

Market share:

According to Taipower statistics, in 2021, total energy storage capacity was 511.6 GW and net power generated was 24.88 MWh, of which the Taipower contributed 18.91 MWh. The total energy storage capacity for private thermal power generators was 77.1 GW and net power generated was 4.06 MWh. The company's total capacity in energy storage for the Hoping Power plant was 13.1 GW, and the company sold 8.34 GWh to Taipower, which represented 3.4% of all the power generated in Taiwan.

SNE Research reported in 2021 that the top ten companies by total capacity installed for power included Contemporary Amperex Technology Co., Limited, LG Energy Solution, Panasonic Corporation, BYD Co., Ltd., SKOn-SHEEN KONG Industrial Co., Ltd., SDI-SAMSUNG SDI CO.,LTD., CALB Co., Ltd., Gotion High-tech Co.,Ltd, Envision AESC, and SVOLT Energy Technology Co., Ltd. In 2021, the market share of E-One Moli Energy Corp.'s total production capacity represented roughly 1% of total capacity.

Future demand and growth:

According to Bureau of Energy statistics and the 2014 Long-Term Load Forecast and Electricity Sources Development Plan, Taiwan's domestic electricity consumption increased from 21.845 MWh in 2005 to 24.987 MWh in 2015. By 2033, domestic electricity consumption is expected to increase to 33.564 MWh, with a projected average annual growth rate 1.34%. This means supply needs to increase by 0.48 MWh annually to fulfill growing demand. To realize its policy of having 20% of total power generated from renewable energy sources by 2025, the government has launched a two-year solar photovoltaic program and a four-year wind power program. By increasing the number of green energy power plants and green power supply, the government aims to resolve electricity shortages.

TCC has a 20-year purchase agreement with Taipower for power generated by its renewable energy power plants. The Taiwan government provides economic incentives to encourage more renewable energy power plants, which will enable our company to exponentially grow its renewable energy business through more grid connections in the short-term. In the long term, due to the TCC's experience of operating power plants, the company will perform better than less-experienced peers. Also, because the government aims to increase the percentage of renewable energy generated as a share of total energy generated, TCC expects to have its existing power plant agreement extended or to construct new power plants or equipment with higher profitability to reach a new agreement.

In view of the fact that renewable energy will account for 20% of total power generated in 2025 per government policy, together with Taipower's strict control over the quality and quantity of market income participants, TCC can ensure stable income by leveraging NHQA's advance energy storage systems and the control and management of its experience in AFC services. The company will continue to follow global market trends in energy storage and power auxiliary services and integrate NHQA products and experiences to optimize energy management strategies to achieve better revenue and profitability.

According to IEK forecasts, global demand for electric vehicle batteries will reach 480 GWh in 2022, and is expected to continue to increase thereafter. It is estimated that demand for batteries over the next ten years will jump from less than 200 GWh in 2020 to 3,000 GWh, an increase of more than 1500%. In addition, according to a McKinsey report, estimated demand for electric vehicle batteries in Europe will be more than five times the number of confirmed projects in Europe, with an additional demand for 1,000 GWh annually to 2040. The US Bureau of Energy also indicated that in the future, after traditional cars, airplanes, ships, and heavy equipment transition to electric versions, demand for batteries will rise even higher. The aforementioned gaps in the industrial chain will have to be filled by battery imports or by enhancing the manufacturing capacity of domestic batteries.

Competitiveness and favorable developments:

- Demand for electricity consumption increases as Taiwan's economy grows:

As Taiwan's economy grows, demand for electricity consumption continues to increase. However, due to a lack of hydropower resources and the push for a nuclear-free homeland, geothermal power generation is still the main source of electricity. According to Bureau of Energy statistics and the 2014 Long-Term Load Forecast and Electricity Sources Development Plan, Taiwan's domestic electricity consumption increased from 21.845 MWh in 2005 to 24.987 MWh in 2015. By 2033, the domestic electricity consumption is expected to increase to 33.564 MWh. Total energy storage capacity is expected to increase from 497.7GW in 2020 to 503.5 GW in 2027. According to Taipower's 2017 long-term power development plan, between 2019 and 2028, the estimated retired capacity will reach 12.39 MWh, and the newly installed capacity will reach 16.93MWh. The continued shortage of electricity generated provides a growth opportunity for TCC.

- Ideal location of the Group's power plants:

Many large power-generating plants, such as the first nuclear power plant and the Hsiehho thermal power plant in northern Taiwan, have been decommissioned in recent years. Plans to develop the Shenao power plant and the fourth nuclear power plant, along with the No.3 Natural Gas Terminal, which would have supplied the Datan power plant, have failed. As a result, there is a power supply shortage in northern Taiwan, which favors TCC as its power plants are connected to the northern power grid.

- Rise of environmental awareness in society:

Rapid social changes in Taiwan have led to increasing environmental protection awareness. Although the government and power plants have adopted various measures to reduce pollution, the public is still worried about environmental issues, which makes it difficult for companies to acquire new land to build power plants.

- Global environmental protection policy and target setting:

Many countries around the world have set targets and regulations, such as tax cuts, subsidies, infrastructure construction, and exhaust emission regulations, to encourage the adoption of electric vehicles. These countries have also invested in the battery industry. For example, the US government provides incentives to encourage manufactures to develop high-end battery technologies.

Countermeasures:

To become more eco-friendly, TCC has implemented plans to use coal ash from its thermal power plants as substitutes for clay used to manufacture cement, unlike other thermal power plants that build ash ponds to bury coal ash. Furthermore, our cement plants directly supply limestone using the flue-gas desulfurization (FGD) facility. Gypsum produced by desulfurization can be used as retarder for cement plants. The entire process complies with resource recycling and environmental requirements.

To mitigate air and water pollution, the company constructed 250-meter tall flue stacks at its power plants for exhaust emissions, and also built indoor coal storage facilities to store and transport coal via a fully sealed conveyor system to eliminate dust and coal water pollution.

Besides building facilities to mitigate pollution, TCC has also hired consulting firms, academic institutes, and laboratories certified by the Environmental Protection Agency to provide monthly and quarterly implementation plans to monitor the environment during the company's operations, conduct surveys on nearby marine ecology, and evaluate plant stacks and effluents to ensure environmental protection, with the aim of strengthening the mutual trust between local communities and the company.

These advantages are the competitive basis for the company to maintain its sustainable operation.

The group has a proprietary formula to develop batteries with positive and negative materials, the capability to develop electrolytes, and also owns over 70 domestic and global patents. The group's

products have consistent quality and are certified by EU RoHS standards and green products specifications, along with UL, UN, CE certificates, including the 2014 BSMI certification. Also, the group's products have been widely adopted by the US military.

Unfavorable factors for industry development:

- Global fuel price volatility:

Thermal power plant's main cost in generating electricity is coal. As a key global raw material, the price of coal is subject to economic cycle and demand fluctuations, which in turn affects the operating expenses and revenue of thermal power plants.

- Rise of environmental awareness, and the government's energy transition policy:

Due to greater environmental awareness, the government's energy policy has shifted focus to renewable energy and natural gas power plants, and halted the expansion of thermal power plants and nuclear power plants. For example, local governments have forced thermal power plants in western and southern Taiwan to reduce production.

- Global battery demand is expected to continue to surge:

According to BMI forecasts, global lithium consumption will reach 320,000 tons in 2020, 1 million tons in 2025 and 3 million tons by 2030. Bloomberg Energy Finance estimates that global lithium consumption will quadruple by 2029. Faced with huge market demand, coupled with rising prices of raw materials, battery manufacturers will be forced to increase their sales price or face shortages. According to recent information on the raw material markets, the price of cobalt has more than doubled, and both cobalt and nickel are essential raw materials for producing electric vehicle batteries. Most electric vehicle battery manufacturing plants are located in South Korea, China, and Japan. China has significant influence on the related industries, so any problems with the supply of raw materials will interrupt production. Experts point out that power shortages in China are expected to continue through to early 2022, and the US-China trade war is unlikely to have ended by then. An unstable supply chain may be a long-term problem for the industry.

Countermeasures:

To mitigate risks from coal price volatility and purchasing from a single source, the company has diversified its supply sources (e.g. purchases from Australia, Indonesia, and Russia) and executes different procurement methods. (e.g. short- and long-term contracts).

To realize the environmental and carbon reduction targets and to gain the trust of the public and the government agency, the Company believes in setting an example by executing its goals to protect the environment. The Company also wants to continue providing renewable energy and stress the important to not rely on one source of energy to reduce potential risks. E-One Moli Energy Corporation has a good long-term working relationship with its current major suppliers, and is able to secure raw material supplies.

5.2.2 Major product applications and manufacturing process

5.2.2.1 Cement division

(1) Major products and applications

Major products	Applications
Type I Cement	Type I cement, also known as general-purpose cement, is a typical product manufactured by all industry players in Taiwan. Unlike other types of cement, this type of cement lacks special properties, thus making it better suited for general construction and building use.
Type II Cement	Also known as moderate heat of hydration cement, this type of cement provides moderate sulfate resistance, and gives off less heat during the hydration process. Unlike Type I Cement, this type of cement has specified limits for its chemical composition. Type II cement is used for the construction of structures that will be exposed to water or soil with moderate amounts of sulfate, such as dams, reservoirs, harbors, piers, coastal buildings, artificial reefs, sewers, industrial drainage systems, and smokestacks.
Type III Cement	This type of cement provides high strength at an early period, therefore allowing for much shorter set times. It can be used for emergency construction and repairs when a quick turnaround is desired.
Type V Cement	Type V cement is intended to provide high sulfate resistance, so, this type of cement needs to have a very low composition of tricalcium aluminate (C3A < 5%). Another limitation of the composition is that the sum of the percentages of calcium aluminoferrite and twice the percentage of C3A cannot exceed 25% ((C4AF) + 2(C3A) < 25%). Type V cement is used for the construction of structures that will be exposed to water or soil with high sulfate, such as harbors, structures in the ocean, tunnels, bridges, sewers, chemical plants, hot springs, and coastal buildings.
Type I Low Heat and Low Alkalinity Cement	This type of specialty cement is manufactured for Taiwan High Speed Rail, Taipei City MRT, and Kaohsiung MRT projects. It can be used to prevent concrete from cracking due to heat and alkali-aggregate reaction. It can also be used to enhance the durability of the structure.
Types II/V High Strength Cement	These types of cement are manufactured specifically to meet the demands of the U.S. market. They feature high sulfate resistance and equally high strength at early and later periods.

(2) Production process of major products

Limestone is the principle ingredient of cement. TCC mines limestone using the safest and most eco-friendly methods in our quarries. Our limestone is generally processed using one of the two following ways: it is first collected from quarries and delivered to a shaft by trucks. After being crushed at the bottom of the shaft using a primary crusher, crushed limestone is transported by a conveyor belt to a secondary crush site, where it is further crushed to smaller pieces by a secondary crusher. Processed limestone pieces are then transported to the concrete batching plant for mixing. Alternatively, limestone collected from quarries are delivered to a shaft by trucks where they are crushed by a primary crusher. Crushed limestone is then transported using an aerial ropeway to a stone transfer warehouse, which is then forwarded to an in-house concrete batching plant for mixing. In both cases, the precise mixture of limestone, clay, sand, and metal scraps, determined by computation, are further grounded into a fine raw material powder. After further mixing the fine raw material, it is ready for the heating process.

Mixed fine raw materials are extracted from the mixer, weighed with a balance, fed into a preheating zone for deacidification, then heated by pulverized coal combustion in a rotating kiln to become what is termed as clinker. The burned clinker is cooled using chilled air and mixed with retarding admixture, stored in cement warehouses, awaiting to be supplied. In order to enhance the production and quality of cement, all procedures are performed by computer-controlled automated equipment. Cement can be distributed internationally as bulk cement or in individual cement bags, which are formulated with the help of packaging machines that automatically measure and fill in the correct amounts of cement.

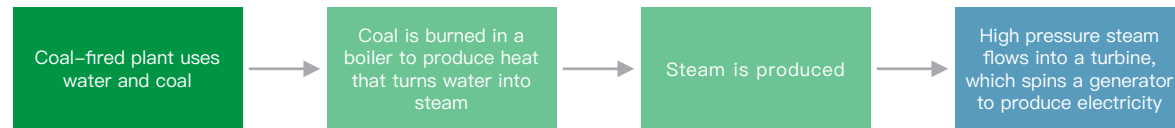
5.2.2.2 Power and energy division

(1) Major products and applications

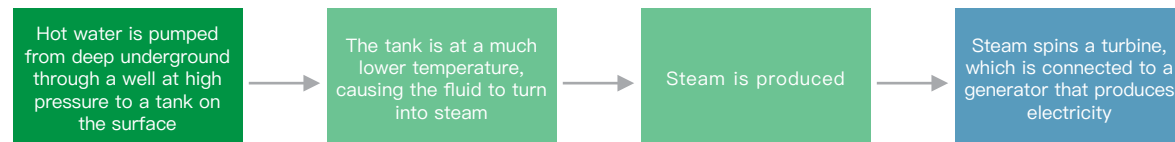
Electricity is one of the Energy Division's main products. It is vital to industrial and economic development. Electricity has a wide range of applications in today's world. Our daily lives, industrial activities, agriculture, and transportation depend on electricity to function normally. Secondary lithium-ion batteries have high-density energy, long lifespans, and are rechargeable. Its underlying technology is mature and it is one of the most commonly-used energy sources. It is widely used in smart electronic devices, hand-held electric tools, medical equipment, BEV (Battery Electric Vehicles), HEV (Hybrid Electric Vehicles), various other electric vehicles, back-up generators, and energy storage systems.

(2) Production process

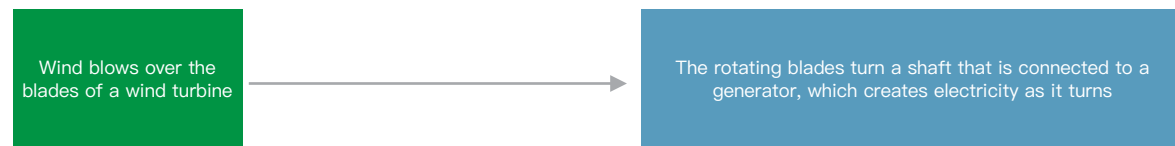
Thermal power generation process:



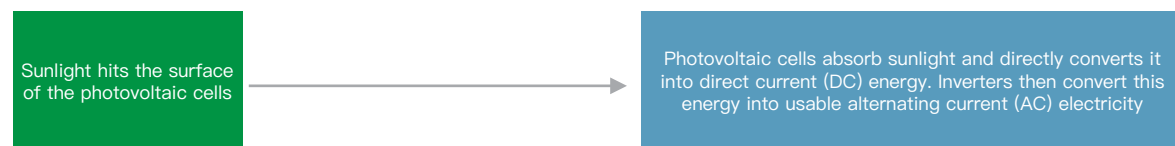
Geothermal power generation process:



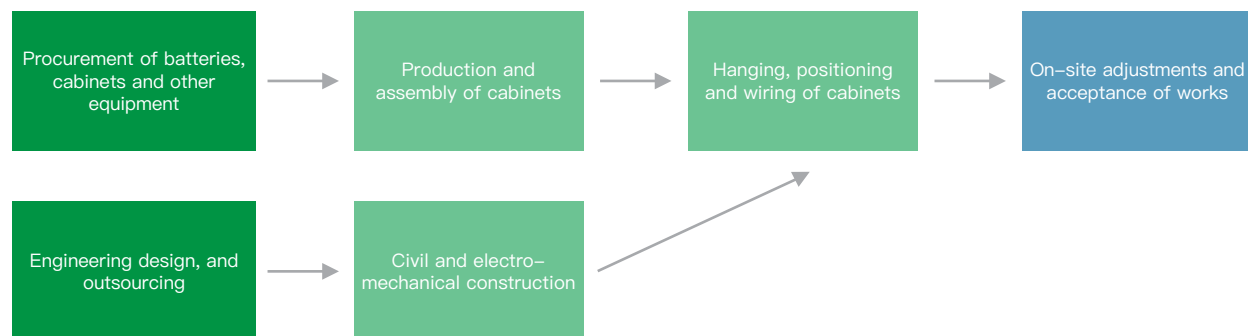
Wind power generation process:



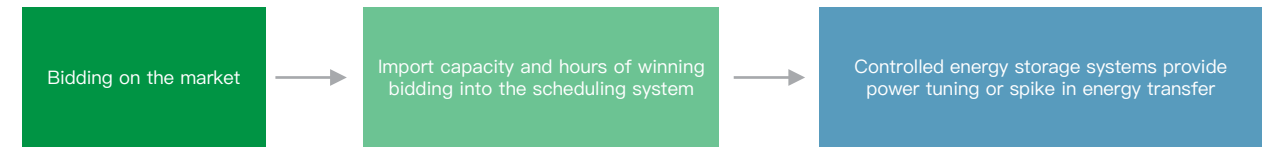
Solar power generation process:



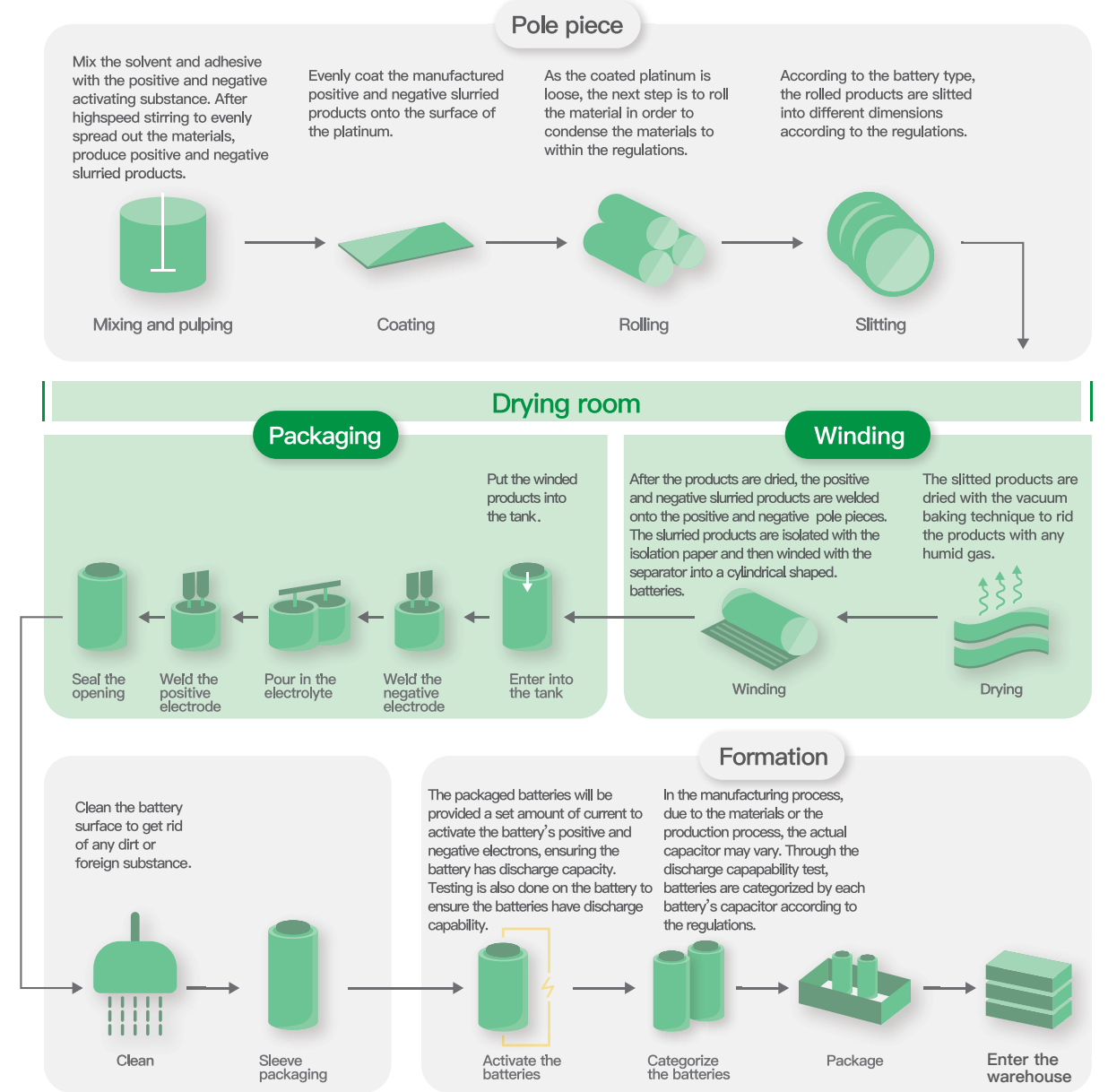
Energy storage system generation process:



Energy storage system service process:



Lithium ion secondary battery generation process:



5.2.3 Major raw materials supply

5.2.3.1 Cement division

The common materials used to manufacture cement include limestone, clay, silica sand, blast furnace slag, slag, and gypsum. When heated at high temperatures, fueled by coal, these form a rock-like substance that is ground into a fine powder. TCC obtains limestone from its own quarries and also buys limestone from domestic suppliers on long-term contracts. Clay and silica sand are also supplied by domestic suppliers on long-term contracts while chalk, low alkali sand, blast furnace slag are procured from reputable domestic and foreign suppliers. The coal used in Taiwan is predominantly imported from Australia and Russia and procured via spot tenders. The coal used in China is either procured from local suppliers or imported from suppliers in Australia. Other supplementary materials used by China-based plants are sourced from local suppliers on long term contracts. In addition to raw material purchases, TCC procures equipment and machinery from reputable suppliers worldwide. Regardless of the product, suppliers are required to deliver steady supply at competitive or index-based prices.

5.2.3.2 Power and energy division

TCC primarily imports coal, which is the primary source of energy for generating electricity, from Australia, Russia, and Indonesia through short-term and long-term contracts. TCC also generates electricity from renewable sources such as wind and sunlight. Although these may be unreliable depending on weather conditions and limited by geographic locations, the energy produced from renewable sources is sustainable, abundant, and environmentally-friendly. An increased reliance on renewable energy can reduce waste and carbon emissions without compromising the environment.

The Energy Division has established good cooperation and partnerships with its suppliers to secured raw material supplies. As well as purchasing from existing suppliers, the company also actively develops new business opportunities to achieve technological leadership and meet customers' future needs for battery cell performance.

Because of the outbreak of the COVID-19 pandemic in 2020, the global supply chain for raw materials has tightened up, and demand for the lithium-ion batteries has increased significantly since the end of the year, further exacerbating the shortage of raw materials and leading to increases in raw material prices. To further reduce these risks, the company's Energy Division has adopted the following two measures:

- Increase inventories of raw materials: Keep the inventory level for main materials at three to four months to cope with the risk of possible supply shortages.
- Actively develop alternative material sources: For main materials or materials with tight market supply, evaluate alternative sources to reduce risks. Currently, there are more than ten alternative materials under evaluation to avoid the risk of supply interruption if there is only one source of supply.

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	2020				2021			
	Supplier	Procurement amount	As % of 2020 total net procurement	Relation to TCC	Supplier	Procurement amount	As % of 2021 total net procurement	Relation to TCC
1	Other	53,214,988	100%	-	Other	60,860,441	100%	-
	Total net procurement	53,214,988	100%		Total net procurement	60,860,441	100%	

Note: Does not include discontinued department.

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

Unit: NT\$ thousands

Item	2020				2021			
	Customer	Net revenue	As % of 2020 total net revenue	Relation to TCC	Customer	Net revenue	As % of 2021 total net revenue	Relation to TCC
1	Taipower	14,282,124	13%	None	Taipower	11,183,628	10%	None
2	Others	91,629,099	87%	-	Others	95,857,824	90%	-
	Total net revenue	105,911,223	100%		Total net revenue	107,041,452	100%	

Note1: Does not include discontinued department.

Note2: The decreased in sales to Taipower is due to the decrease in sales volume and sales price.

5.2.5 Production volume for the most recent two years

Unit: Production quantity: NT\$ thousands

Major products	Year	2020			2021		
		Capacity (Note 1)	Output	Amount	Capacity (Note 1)	Output	Amount
Cement and clinker (thousand tonnes)		74,700	57,316	74,764,396	74,700	50,479	74,258,403
Ready mix concrete (thousand m ³)		14,958	5,348	11,856,697	15,102	5,257	12,900,204
Electricity (Capacity: MW, Production: GWh)		1,332.9	8,787.73	14,282,124	1,332.9	8,393.99	10,391,837
Batteries (1,000 peaces, 1,000 units) (Note 2)		-	-	-	30,833	29,217	2,134,027
Total				100,903,217			99,684,471

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: Electricity and batteries were acquired into the Power and Energy division in 2021, after TCC has participated in the capital increase of TCC Recycle Energy Technology Company and gained control of TCC Recycle Energy Technology Company.

Note 3: Does not include discontinued department.

5.2.6 Sales volume for the most recent two years

Unit: Sales amount: NT\$ thousands

Products	Year	2020				2021			
		Domestic		Export		Domestic		Export	
		Volume	Amount	Volume	Amount	Volume	Amount	Volume	Amount
Cement and clinker (thousand tonnes)		54,365	70,472,483	1,273	1,580,564	48,536	71,189,262	1,120	1,363,367
Ready mix concrete (thousand m ³)		5,546	12,299,565	-	-	5,393	13,236,713	-	-
Electricity (GWh)		8,787.73	14,282,124	-	-	8,393.99	10,411,921	-	-
Batteries (1,000 peaces, 1,000 units) (Note 3)		-	-	-	-	2,460	194,826	29,776	2,130,502
Total			97,054,172		1,580,564		95,032,722		3,493,869

Note 1: Domestic sales of cement and clinker exclude cement and clinker used in the manufacture of ready-mix concrete. The company used 1,135,000 tonnes of cement and clinker in 2020 and 1,175,000 tonnes in 2021 for the production of ready-mix concrete.

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

Note 3: Electricity and batteries were acquired into the Power and Energy division in 2021, after TCC has participated in the capital increase of TCC Recycle Energy Technology Company and gained control of TCC Recycle Energy Technology Company.

Note 4: Does not include discontinued department.

5.3 Employees for the Most Recent Two Years

Item	Year	2020	2021	As of March 30, 2022
Total number of employees		10,623	11,931	11,934
Average age		39.47	39.92	39.93
Average years of service		7.07	7.25	7.30
Education	Ph.D.	0.04%	0.20%	0.22%
	Master's	1.56%	2.63%	2.61%
	Bachelor's	26.86%	29.51%	29.56%
	High school	35.30%	35.70%	35.61%
	Others	36.24%	31.96%	32.00%

Note: Does not include discontinued department.

5.4 Environmental Protection

5.4.1 Cement division

(1) Environmental costs

TCC adheres to the principle of taking from society and giving back to society, and is committed to carrying out our environmental responsibilities to society and the country. Our Hoping plant's No.1 and No.2 kilns (built in October 2000 and May 2001, respectively) are equipped with low-NOx preheating systems, combustion devices, and waste heat electricity generation systems. These systems can effectively control the emission of pollutants during the manufacturing process and improve our overall energy and waste management performance. Every year, TCC allocates budgets for routine equipment maintenance, improving equipment performance, and purchase of low-NOx equipment, such as new multi-stage combustion control equipment. In addition to the accumulated NT\$10 billion spent on replacing obsolete equipment and installing new environmental protection equipment, we upgraded our electric dust precipitators to electrostatic-bag composite dust precipitators at the Hoping and Suao plants in 2019. This will raise our dust collection capabilities beyond the required legal threshold and meet the highest EU and US standards while reducing our particulate emissions. In July 2021, the Selective Catalytic Reduction (SCR) denitrification system at the Chongqing plant in China was completed and put into operation, with the nitrogen oxide emission concentration reduced by over 50% compared to before the technical transformation. In the first quarter of 2022, the SCR denitrification construction of the Shaoguan plant and the Guigang plant in China, and multi-stage combustion technology transformation of the Hoping plant were completed. Both will further reduce nitrogen oxide emissions after completion.

The Cement Division's total environmental protection expenditures in the last three three years amounted to NT\$140 million. These expenditures were primarily used for floor repairs, upgrading dust precipitators, installing new sprinkler systems, maintenance of gravel recycling equipment, and sewage pump repairs. Currently, each plant's maintenance equipment and operating without any problems.

Currently, each plant is responsible for regularly maintaining their equipment and optimizing operational efficiency.

During 2021 and as of the date of this report, the ready-mix concrete department paid a fine of NT\$6,000 for pollution violations.

Date of punishment	In accordance with	Relevant laws and regulations	Violation
May 3, 2021	Kao-Shi-Huan-Shui-Zi No. 30-110-040005	Article 22-1 of the Anti-Water Pollution Regulation	Has not submit the paperwork online for the processing of sewage according to the regulation

TCC implemented the following remedial measures:

1. The Gushan Plant has stopped operating and has applied to cancel the permit for the sewage detention pond on February 8, 2021 and has successfully completed the cancellation on March 18, 2021.
2. Each plant has to improve its education of its employees and submit the relevant paperwork on schedule.

(2) Future environmental strategy

- To ensure the normal operation of environmental protection equipment, we plan to improve our equipment operations management, provide additional staff training, and regularly service equipment. We also plan to upgrade our dust collectors.
- To maintain a clean environment, we will regularly clean our premises, use wheel washing systems to clean trucks and vehicles before they leave the premises, and add more greenery on site. In addition, we plan to improve wastewater treatment, implement waste disposal controls, and enhance contractor management.
- To minimize environmental pollution, we plan to upgrade or replace all necessary air and water pollution control equipment, such as modifying or optimizing pre-heating systems to incorporate multi-stage combustion technology at the Hoping, Suao and China plants. We also plan to install chlorine bypass systems at the Hoping and Suao plants. Some of the plants will install desulphurization towers and Selective Catalytic Reduction (SCR) systems and start using high quality electrostatic-bags and try to achieve ultra-low emission targets. We plan to recycle the wastewater we produce without discharging it to the environment.

The budgeted environmental spending for the Cement department for the following 3 years:

Area	Currency	2022	2023	2024	Total
Taiwan	NT\$	223,530 thousands	197,680 thousands	191,510 thousands	612,720 thousands
China	RMB	364,170 thousands	281,370 thousands	158,660 thousands	804,200 thousands

- We maintain our commitment to promote the integration of energy resources and reduce our reliance on non-renewable mineral resources. We assist other companies in the semiconductor and computer electronics industries, as well as pulp and paper industry, power plants, steel mills, water purification plants, and waste-to-energy plants to process their industrial waste. TCC has achieved the BS 80001 Circular Economy certification for its active participation. The Portland Type I cement manufactured at the Ho-ping and Suao plants have won gold medals for environmental cement. The Portland Type I low alkalinity cement and the Portland Type II cement manufactured at the Suao plant also won the silver medals for environmental cement. We will continue to improve the quality of our cement and reduce manufacturing costs while expanding our recycling operations (e.g. repurposing coal ash generated from our coal-fired power plants) and promoting the use of cement kilns for the co-processing of municipal solid waste and hazardous waste at our plants. Our Anshuan plant started processing municipal solid waste in 2015. The Phase I project for converting cement kilns to co-process 200,000 tonnes per year of hazardous waste at the Guigang plant has been completed and started operations in 2020, and it obtained a five-year permit for its waste treatment operations in 2021. The Jurong plant for recycling coal ash was completed and started operations in 2021. The 50,000-ton per year

co-processing hazardous waste project at Kaili plant in Guizhou is expected to start operations in the first quarter of 2022, and the project at the Hoping plant is expected to start operations in the first quarter of 2024, while the cement kiln at Jingzhou plant in Hunan is under construction. The first phase of the co-processing domestic waste project (200t/d) was approved by an environmental impact assessment in November 2021, and the construction permit was obtained on December 23, 2021. It is expected to start operations in the fourth quarter of 2022. The Sichuan Guangan plant solid and hazardous waste project (100,000 tons per year of hazardous waste, 150,000 tons per year of general solid waste) was approved by an environmental impact assessment on May 14, 2011, and the planning permit is under application. Without a doubt, we are absolutely committed to reducing waste and emissions.

- On April 22, 2020, TCC formulated its GHG reduction plan and submitted it to the Science Based Targets Initiative (SBTi). TCC was the first large Taiwanese enterprise in the traditional industry segment to commit to the initiative.
- On July 16, 2020, the SBTi announced that TCC has pledged a 11% reduction in its total GHG emissions by 2025. TCC became one of the four target-setting cement enterprises in the world and the first cement enterprise in East Asia to have its targets approved by the SBTi.
- On July 31, 2020, TCC completed the accreditation of the carbon footprint of our Type I cement and 3000 psi concrete.
- On August 6, 2020, TCC established Product Category Rules (PCR) for the cement industry, alongside the Environmental Protection Administration, to develop carbon labels for cement products. A few days later, TCC received the first ever carbon label for cement products in Taiwan on August 6, 2020.
- On September 1, 2020, TCC joined the Global Cement and Concrete Association (GCCA), which was established by the World Business Council for Sustainable Development (WBCSD). As a member of the association, TCC and 40 other cement enterprises signed a net zero climate ambition that aims to produce carbon neutral concrete by 2050. This joint industry collaboration demonstrates the commitment of the industry across the globe to drive down its carbon footprint.
- On June 5, 2021, in response to the "NET ZERO 2030/3050" initiative, the company joined the "Taiwan Net Zero Emission Association" as a founding member, and jointly committed to implementing agreed actions and move towards the net zero goal.
- On September 14, 2021, TCC Portland Type I Cement passed the examination of the EPA and obtained the first "Product Carbon Footprint Reduction Label Certificate" in Taiwan's cement industry.
- Continue to collaborate with the Industry Technology Research Institution (ITRI) and advance research on carbon capture and fixation by microalgae.

We collaborated with ITRI to build the world's largest pilot carbon capture system, which uses the high efficiency calcium looping technology. Located at our Hoping plant, this pilot carbon capture system has successfully completed its trial run and is capable of capturing one metric ton of CO₂ per hour by using limestone as an absorbent. The system proved that the technology, which was previously simulated by computers, is feasible. In July 2014, this breakthrough project won the 2014 Global R&D 100 Award, which is often referred to as the Oscars of Invention.

In April 2017, we began testing a new generation 500kWt hydration-integrated cascade cyclone calcium looping system. Currently, the 500kWt system's calcination efficiency is greater than 80%, the hydration conversion rate is greater than 25%, and the carbon capture efficiency is greater than 90%. We continued to test the 500kWt system's operations and optimize its performance in 2018. We also developed technology to reclaim the inactive limestone absorbent found during the process to produce concentrated precipitated calcium carbonate.

The results of the operating performance of our 500kWt system were referenced for the design of our 10MWt demo system. The development of our 10MWt demo system is currently in the detailed design phase, which consists of planning the procurement specifications for equipment and preparing

for the system's environmental impact assessment report. While developing the 10MWt demo system, TCC is also assessing the efficacy and economic feasibility of new generation calcium looping technology. To date, TCC has applied for 31 patents in 15 different categories for its calcium looping carbon capture technology.

Based on the research and development of the original calcium loop capture technology, various carbon capture projects will continue to be carried out in the future, focusing on:

- Assessing the feasibility of integrating oxy-fuel combustion technology in the process to improve energy efficiency and reduce carbon emissions and increase the use of alternative fuels.
- Planning the cement kiln calcination process to use pure oxygen combustion technology to capture CO₂ and conduct large-scale experiments to reduce the carbon emissions generated.

Besides collaborating with ITRI on developing calcium looping carbon capture technology, TCC has also worked closely with ITRI on the "Outdoor Microalgae Carbon Fixation System and High Value Microalgae Cultivation Research" since September 2012. This project has won the 5th MOEA National Industrial Innovation Award and the 13th Institute for Biotechnology and Medicine Industry (IBMI) Innoaward. In 2017, we completed our research on identifying active compounds that can enhance microalgae growth, conducted a patent map analysis for the carbon fixation technology, and verified the feasibility of acid production through sustained continuous carbon fixation by anaerobic microorganisms.

In January 2017, we commissioned the research project, "Extraction of astaxanthin from *Haematococcus pluvialis* and the development of its related applications," to ITRI's Biomedical Technology and Device Research Laboratories. By the end of 2018, the project was completed and our preliminary findings indicated that astaxanthin has the potential to slow cell aging, protect against light induced retinal damage, amyloid beta (Aβ) induced nerve damage, and lipopolysaccharide (LPS) induced neuritis. In other words, astaxanthin can possibly prevent the onset of Alzheimer's disease. Based on our findings, we have developed a set of astaxanthin-infused skincare products and produced antioxidant-rich astaxanthin buckwheat noodles. We created these products to inspire a carbon-cutting movement.

In 2019, TCC continued to collaborate with ITRI on the development of the high efficiency microalgae cultivation methodology and its bionic applications. Our goal was to increase the production rate of carbon fixation microalgae in the lab to $\geq 45\text{g/m}^2/\text{day}$. We also evaluated the feasibility of high efficiency microalgae farming and the results of our findings can be used as a reference for building a microalgae farm in the future.

- Remain committed to the conservation of soil and water and reclamation of mines and continue to support ecological conservation.

Soil and water conservation and ecological conservation are always top of mind for TCC. Since 1991, we have been restoring the biodiversity and ecosystem of our mines through reclamation. We have cultivated various indigineous plants and trees at the sites as well as monitored their growth to ensure sustainability. Our efforts were awarded by the Council of Agriculture for exceptional achievements in greening the environment and implementing afforestation projects.

We have invested NT\$3.75 billion to build three vertical shaft transport systems at our Hoping plant and made sure that the design of the shafts aligned with our soil and water conservation efforts. These shafts are fully automated underground and use advanced multistage transport technology. The platforms for the shafts are placed at the top of the summit. During the construction of the shafts, we left two to three meters thick rock formations at the side of the ridge to decrease the risk of flooding. After the construction was completed, we re-vegetated the platforms to minimize the environmental impact.

We have also collaborated with academia experts in our restoration efforts. In 2017, we worked with the Department of Civil Engineering and Environmental Resources Management of Dahan Institute of Technology to build a plantation and restoration demo site at the Hoping mines. That same year, we also worked with the sustainable landscape lab at National Ilan University's Department of Horticulture to restore the Suao mine at Mt. Taibai. Since this area is rocky and not readily conducive

to plant growth, TCC and the experts from the lab worked together to gradually overcome the challenges. We have restored approximately one hundred indigenous plant species over the past three years. In 2020, we renewed our contract with Ilan University in order to eventually return the site to its natural state and fine tune our reclamation methodology. We believe these projects are necessary to enhance the effectiveness of our soil and water conservation as well as environmental protection strategies.

TCC is also committed to helping raise awareness of ecological and wildlife conservation. Since 1992, we have sponsored the making of various ecological documentaries, including A Century of Taiwan Wild Birds, Taiwan Terns, Taiwan Bush Robins, and Ha-Yin Wu, Her World of Taiwan Macaques. These have received positive feedback from critics and the public. In addition to sponsoring documentaries, we have conducted research on the habitat of the black-faced spoonbill, which is an internationally endangered bird species. Our goal is to educate the public, businesses, and the government about the importance of ecological and wildlife conservation and to understand its positive impact on humans' well-being, and thereby inspire more people to protect nature.

From the management system, the establishment of the factory and the application of ISO 14001 and 45001 is still in progress.

5.4.2 Power and energy division

(1) As of Dec-21 and the printing date, the total penalty due to environmental pollution is: During 2020 and as of the date of this report, the Power and Energy Division paid a fine of NT\$10,000.

Date of punishment	In accordance with	Relevant laws and regulations	Fact of Violation
August 26, 2021	Tai-Nan-Shi-Huan-Shui-Shui-Cai-Zi No. 110080180	Article 21-2 of the Water Pollution Control Act	The original personnel in charge of wastewater installations resigned, and they were not represented by the agent of the installation, and this should have been reported to the competent authority in writing within 15 days after the event occurred.

(2) Future countermeasures (including improvements) and potential expenditures (including losses, penalties, and fine. Please provide explanation for losses that cannot be quantified):

Following please find the improvements and countermeasures:

To ensure there are no extraordinary events, besides the Company's environmental safety and health certificates, when there are personnel changes, the process will go through Environmental safety management unit, update certificates, then report according to the policy.

TCC regularly performs routine maintenance to ensure environmental protection equipment operates normally, and also implemented Air Quality Control System (AQCS) projects. We have engaged professional consulting firms, academic institutions, and EPA-certified environmental inspection labs to conduct environmental monitoring, marine ecology surveys, smokestack inspections, and effluent inspections on a monthly or quarterly basis. The Power and Energy Division's environmental budget for the next three years will be approximately NT\$3.235 billion.

Our current environmental efforts include:

- We are constructing an indoor coal warehouse and a closed-trough conveyor belt system for coal transportation in order to eliminate coal dust emission and minimize water contamination.
- To reduce pollution, we transport all of our materials and by-products in fully sealed containers.
- We recycle the coal ash generated from our coal-fired power plants. Rather than dumping coal ash into ash ponds or the ocean and polluting the marine ecosystem, we repurpose the ash into concrete additives and raw materials for the manufacturing of cement at the Hoping plant.

- We installed an electrostatic precipitator, flue-gas desulfurization equipment, and Selective Catalytic Reduction (SCR) equipment, to reduce particulate matter emission concentration to below 20mg/m², reduce SO_x emission concentration to below 50ppm, and reduce NO_x emission concentration to below 50ppm, compared with the regulatory air quality standards for these pollutants of 20mg/m², 60 ppm, and 70 ppm, respectively. We have also installed a 250m tall smokestack to facilitate the dispersion of pollutants.
- We have implemented strict controls over warm water effluents, noise, and wastewater management. We monitor these controls to ensure compliance with the latest environmental standards and regulations.
- We added a physicochemical water treatment system at our wastewater treatment plant to improve the efficiency of our wastewater management system and reduce the concentration of organic materials in effluents.

The Energy Division has established an ISO 14001 environmental management system at the level of environmental protection management. Through this system, it continuously pursues the improvement of environmental performance, and uses the methods of environmental management planning, improvement plan proposals, and management systems to enhance the intensity of environmental management. In addition to meeting the requirements of local regulations and generating necessary costs, driven by environmental protection issues and resource depletion issues, strengthening the development of "renewable energy" and "green energy" has become a global trend. Waste reduction and pollution improvement plans, such as the total expenditure on environmental protection improvement in 2021, reached a total of NT\$3.475 million. In addition to pollution prevention, the energy saving part is expected to save 365,600 kWh of electricity per year and reduce about 183.5 tons of CO₂ emissions.

The recurrence of abnormal situations has not been avoided. In addition to the correctness and validity of the company's internal environmental safety and health certificates, when personnel change, the environmental safety management unit will be responsible for the change process, and the certificate information will be updated at any time, and will be notified according to the specifications for future reference. In future, the battery sector will continue to improve the recycling rate of waste and related energy conservation and waste reduction measures. It is expected that the main environmental protection expenditures will include the following items to reduce the environmental load.

1. The coagulation project for the wastewater system is about NT\$2,000,000
2. Natural gas boiler efficiency improvement project: NT\$900,000
3. Air compressor update and energy saving improvement: NT\$4,500,000
4. Replacement and improvement of energy-saving lamps: NT\$300,000

5.5 Employee Relations

TCC attaches great importance to the rights and interests of employees. The systems and measures related to labor-management relations are handled and implemented in accordance with existing labor laws and regulations to ensure the transparency of the protection of the rights and interests of the company's employees. Effective communications and maintenance of harmonious labor-management relations are achieved through labor-management meetings, departmental meetings, employee meetings, suggestion boxes and other channels, establishment of a mechanism for employee communications and understanding employee's needs. In addition to providing a high-quality workplace and a market-competitive salary and welfare system, TCC is also proactive in cultivating talent. All employee benefits, further education, training, retirement systems, etc., are planned on the basis of being superior to or in line with existing laws and regulations TCC is committed to creating a harmonious working environment between labor and management.

5.5.1 Education training

TCC attaches great importance to the training and development of employees at various stages of their careers. In order to cultivate employees to have a forward-looking vision and a pioneering attitude in dealing with complex and changing environmental issues, three major cultivation and development plans have been formulated: sustainable function improvement programs, digital intelligence development programs, and risk management training modules. The sustainable function improvement plan aims to embed the sustainable concept in all employees, and at the same time establish each function's development, combining the thinking and practice of core professionals and circular economy, so the company has actively introduced a series of ESG lectures, professional management courses and key English courses. Academia Energy invites ITRI and well-known scholars in the field of environmental protection and energy to share forward-looking perspectives. Through external multi-functional training and new world knowledge, they can cultivate employees' cross-domain professional capabilities and enhance their handling and response to problems. The digital intelligent development plan aims to create AI functions, develop intelligent tools for production and operation, and achieve sustainable development goals such as efficiency enhancement, energy saving, consumption reduction and pollution reduction. To this end, an intelligence group has been established to conduct seminars and reading sessions, and comprehensively think about AI's innovative actions for sustainable development. In addition, it also cooperates with the Massachusetts Institute of Technology (MIT) on a project. Each functional director has a dialogue with professors on sustainable issues, regularly implement relevant research projects, and combine overseas thematic exchanges to carry out project research and practical workshops, and selected staff also regularly participate in online seminars, having participated in more than 15 seminars throughout the year. The planning purpose of the risk management training module is to deepen awareness of risk control among colleagues, so as to implement a harmonious and equal labor environment and the principle of integrity. To ensure the long-term career development of employees, lectures on new regulations and information security education and training are occasionally held.

When the COVID-19 pandemic became more severe in 2021, TCC started to allow remote working from home and discouraged commuting to work in order to reduce the risk of cluster infections among employees. On the online learning platform, TCC Lyceum (Taiwan Cement Institute), planning for grassroots and middle-level advanced multi-professional training, functional improvement courses, English series training, information security and occupational safety education, etc. are cultivated in all aspects, and annual lectures on circular economy are added to convey our corporate philosophy, as well as general education and external training courses covering knowledge base, health aesthetics, etc. Multi-professional functions and general education courses are taught by video, such as communication management courses, weight-loss courses; and physical lectures, courses and workshops will be held when the pandemic subsides, supplemented by video teaching, to maintain good talent cultivation. The training environment and pipeline allow employees to grow and thrive together with the company. The total training hours of the company in the whole year reached 81,486.5 hours, and NT\$23,428,000 was invested in education and training.

5.5.2 Employee benefits

TCC and the Employee Welfare Committee adhere to the core values of caring for colleagues and being people-oriented, and are committed to creating fair and good working conditions to maintain harmonious labor-management relations. Through diversified and diverse benefits, we take care of employees and their families. Sparing no effort, in addition to providing basic benefits in accordance with the law, the complete welfare system specifically includes:

- (1) Improve the compensation system: performance bonus, quarterly bonus system, employee stock ownership trust, 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 condolences, 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 care: children's education scholarships, further study grants, digital learning platforms and English courses.
- (5) Retirement care: shareholding trust increase provision, health check, retirement dinner party, retirement insurance plan (triple protection of medical, accident and life insurance, and the company will subsidize the premium).

In addition, the company also actively organizes or subsidizes various activities that are beneficial to the physical and mental development of laborers and promote labor-management communication, such as clubs and sports events (dragon boat races, swimming across the Sun Moon Lake, Taroko marathon), labor union activities, Christmas and year-end dinners. We hope to give uninterrupted care and care to each TCC employee, creating a pleasant, friendly and harmonious working environment, such as dinner parties, self-improvement activities, family days, labor-management meetings, employee meetings, etc.

Under the influence of the pandemic in the past two years, in addition to providing complete infection prevention measures and material support and encourage employees to vaccinate, the company also provided employees with paid vaccine leave and invested nearly NT\$2.9 million to provide free influenza immunization for all employees. Internal communications encouraged colleagues to complete their vaccinations as soon as possible to protect their health. The company also provides on-site health care services, providing colleagues with free personal health consultations on infection diseases, psychological stress, etc., and providing colleagues with the most intimate physical and spiritual care. If employees need to take care of their families, they can use the "Multiple and agile working hours Plan", providing three days of paid "care leave with pay" every year, and implementing application systems for "working from home" and "jet lag leave", so that all colleagues can take into account the needs of health and safety, family care and work flexibility.

5.5.3 Retirement system

Regarding the labor retirement system, TCC has set up a "Labor Retirement Reserve Supervision Committee" in accordance with the law to regularly allocate and deposit pension funds with the Bank of Taiwan Co., Ltd. (former Central Trust Bureau), and regularly convene a committee to review the withdrawal and use of pension funds. In order to protect the rights and interests of colleagues. In addition, for employees who choose to adopt the new labor pension system, the law stipulates that the monthly payment is made to the employee's personal account in the Labor Insurance Bureau to protect the rights and interests of employees.

TCC did not incur any significant losses from labor disputes from January 1, 2021 to the date of this annual report.

5.6 Information Security

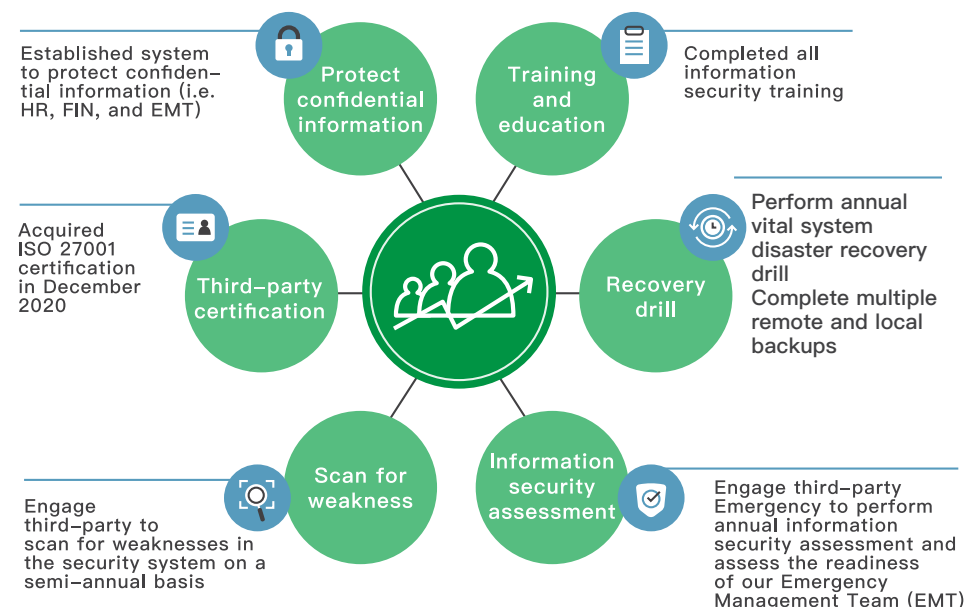
(1) Policy

To protect its information and its information system, TCC has implemented its information security system according to the standards set by ISO/IEC 27001:2013 and has continued to improve the effectiveness of the system.

(2) Targets and action

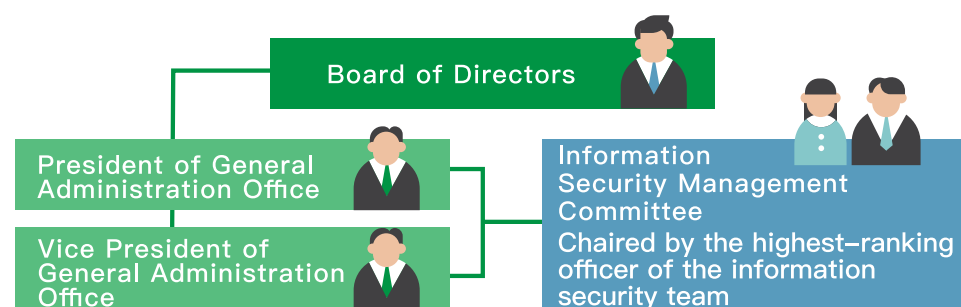
- TCC has implemented protection and precaution action to secure its saved or transmitted data
- Lower the impacts of information security events such as losses, theft, leakage, abuse, and infringement.
- Continue to improve the confidentiality, completeness, and availability of the information security system.

- Ensure the information technology services are protected and to achieve the target of no information security vulnerability for the entire year.
- Targeting the parts of the core business that are hard to recover, the Company performs annual drills to ensure the effectiveness of the backup programs to prevent and lower the risks of disasters. To ensure the information security system can successfully prevent disaster is the basis of TCC's sustainable operations.
- Per the standards of ISO/IEC 27001:2013, the Company has passed through the information security audits on December 2021 with 0 vulnerability, and has continued to maintain the ISO/IEC 27001:2013 certification.



(3) Organization structure

In 2020, the Information Security Committee was established with the highest ranking information security officer acting as the Chairman. The committee periodically reports to the Board of Directors. In the Board of Directors, one of the directors has background in information security. The Information Security Committee holds annual review of the information security system to assess the effectiveness of the system and the areas that need improvement.



(4) Employee information security awareness

Employees are one of the most important part of information security. To raise the employee's information security awareness, TCC holds annual information security trainings to educate its employees on the basics of information security, the newest trends of information security, and the newest way hackers uses to gain information, hoping the employees can develop good information security habits such as back up important files, assess the origins of the emails, don't open mysterious links, be more secured when handling sensitive or financial related information, and don't leave too much company information on social media.

(5) Operation mechanism

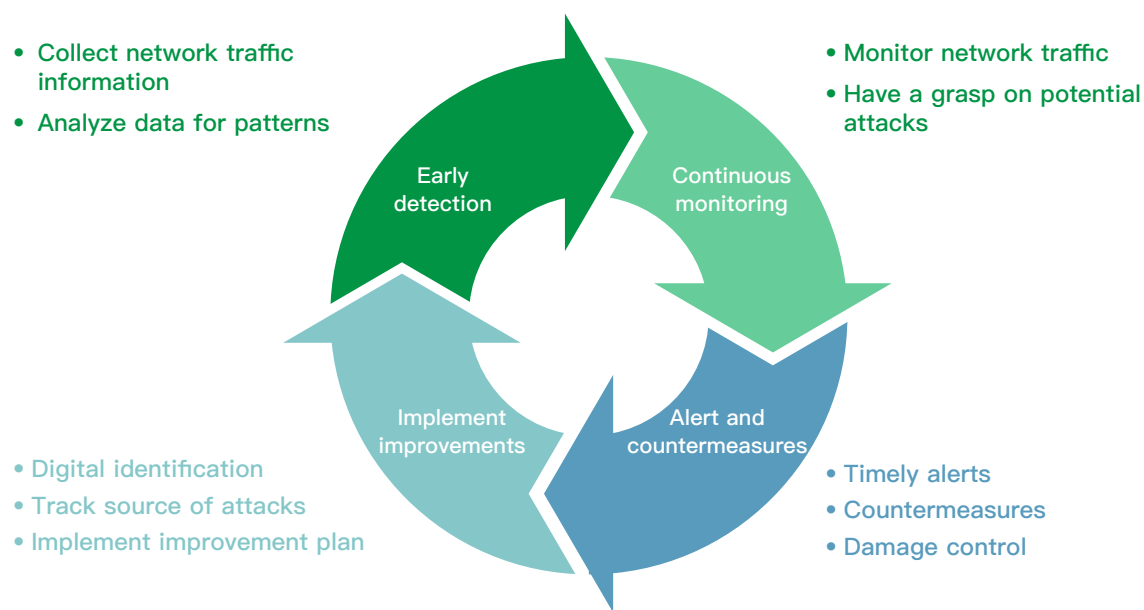
With a defense-in-depth concept as the basis of TCC's information security system, TCC aims to prevent external attacks such as hackers, computer virus, and blackmails from impacting the Company's operations. Through trainings and periodic announcements, TCC hopes to raise employee's information security awareness. To lower information security risks, TCC periodically evaluates its information security policies and mechanisms to ensure its effectiveness and sets projects to strengthen its security. Also, TCC adheres to the ISO/IEC 27001:2013 standards and implemented the "Plan-Do-Check-Act" (PDCA) operation to implement and execute an effective information security system.

- Plan: Per TCC's strategies and targets, TCC established the "Information Security Committee" to monitor potential threat and vulnerability, plan for risk assessment, and establish control systems for an effective information security system.
- Do: Establish or modify the control mechanism per assessment results.
- Check: Monitor the implementation of the information security system and evaluate its effectiveness.
- Act: Implements corrective measures per the evaluation and improve the control mechanism to ensure the effective operation of the information security system.

(6) Information security risk management

To understand the information security risk, the Information Security Committee evaluates and updates the information asset class and the acceptable level for risk. To improve the group's high-risk items, the Information Security Committee evaluates the information security risk per the updated level. The Committee also evaluates and monitors abnormal events and external information security issues.

- Plan: TCC conducts risk evaluation on information security risks, vulnerability, and management mechanism per the ISO/IEC 27001:2013 standards.
- Do: Plan, establish, and execute the control mechanism per the risk evaluation.
- Check: Periodically conducts risks assessment and internal audits on information security to ensure the effectiveness of the information security system. Leverage management to ensure the control mechanism is operating effectively.
- Act: Implements corrective measures per the evaluation and improve the control mechanism to ensure the effective operation of the information security system. Provides training to employees to raise information security awareness.



(7) Information security audits

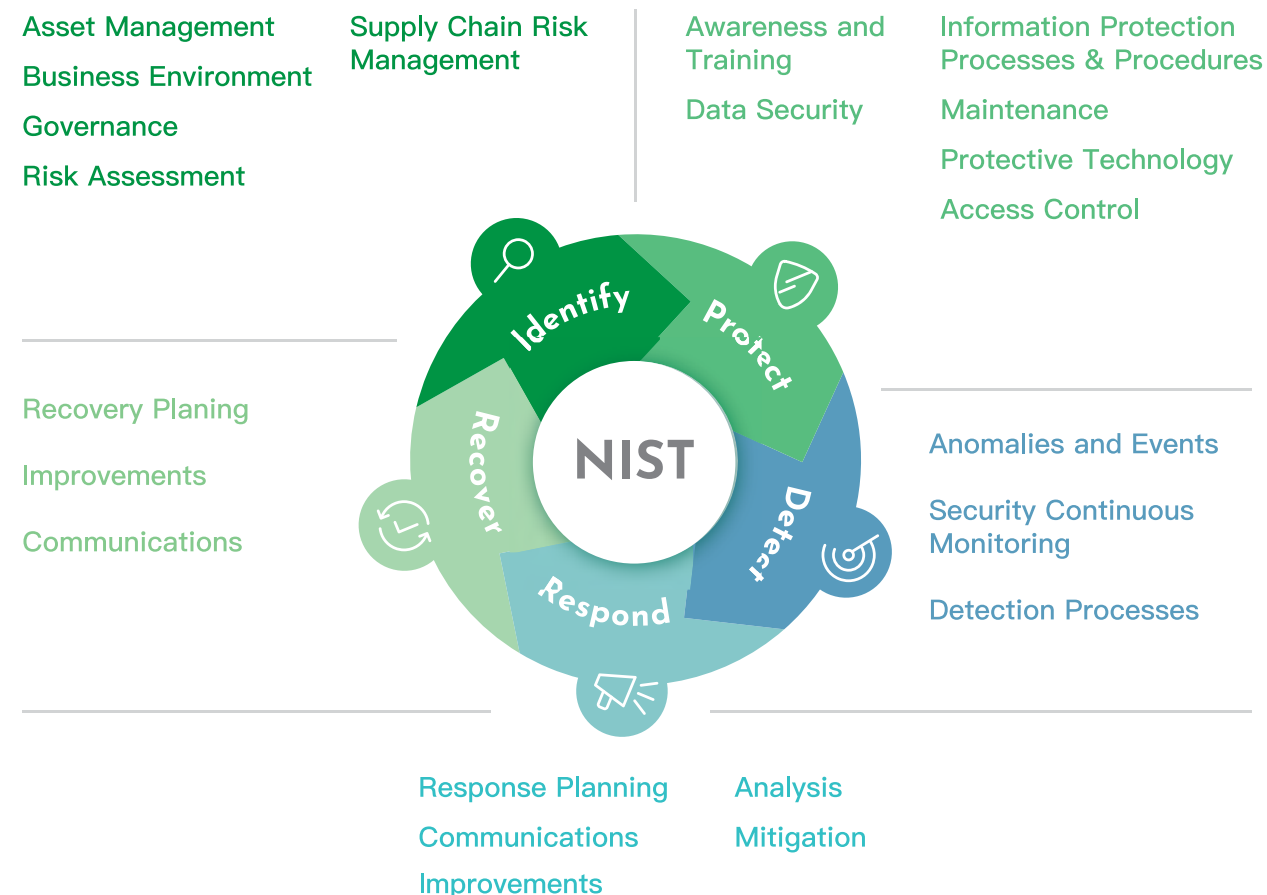
To ensure the information security system is operating effectively according to the ISO/IEC 27001:2013 standards, TCC sets standards and responsibility for the Information Security Committee to manage, execute, and review the operation of the information security system. The Information Security Committee conducts at least one review and audit of the information security system to ensure the applicability, appropriateness, and effectiveness.

- Plan and establish the audit procedure per the ISO/IEC 27001:2013 standards.
- Information documentation audits and the implementation and operation of the alarm system.
- The continued improvement of the information security policy.
- The announcement of the information security system and the analysis of relevant regulations.

(8) Information security technology development

Information security is an important task for all corporations. In response to the Group targets to develop the information security technology, TCC Information Systems Corp. has the following plans: With the establishment of the fundamental IT service information security system, protection from external threats and attacks, detection of endpoints, and transmission monitoring as the basis of the information security technology development. By leveraging the international information security standards and industry specific safety frameworks, TCC hopes to develop and plan for its information security system to lower risks of hacker attacks and information leakage that arises from the fundamental frameworks between corporation, development of AI technology, development of ERP technologies, and the application of software.

To strengthen the Group's information security safety, besides implementing the ISO/IEC 27001:2013 international standards (Plan-Do-Check-Act), TCC has also implemented the information security system framework and policy per the NIST Cybersecurity Framework. (Please see the following chart)



TCC's plans for information security development and services follows the three elements of the information security system and has taken the recent information security issues into consideration to strengthen the information security system, including conducting social drills, repair system loopholes, manage privilege accounts, analyze and record issues, evaluates the cloud environment, and more. Following are examples of the steps taken.

- Set stringent authorization segmentation by implementing multi-factor authentication to access system.
- Implements encryption to sensitive information to prevent information leakage.
- Monitor the internal to external transmission channels, including emails, USB, cloud, and social media applications to prevent information leakage.
- Establish the control manual for the information security operation to ensure the system is executed correctly.
- System and individual data are encrypted to prevent malicious tempering of information.
- Monitor the systems to ensure core systems are stable.
- Periodically hold drills to recover core systems to ensure the core systems can be recovered if information security issues occur.

(9) Information security procedures and regulations have been followed

The TCC Group and its subsidiaries have allocated its capital according to the relevant risk management measurements in accordance with the information security management requirements. The TCC Group and its subsidiaries have established the risk management according to their acceptable risks and has established the operations per each company's business. Any issues encountered has been reported to the information safety, review, and management departments. Besides TCC's internal management procedures, TCC's subsidiaries also conduct periodic reviews on protection of personal data and other information security standards to ensure there are no violation on the relevant regulations.

As of Dec-21 and the printing date, the Company did not incur any damages due to major information security events.

5.7 Important Contracts

5.7.1 Supply and marketing contracts

Type of contract	Counterparty	Terms	Summary	Restrictive terms
Sales	Taipower	8/4/1998-6/29/2027	Power purchase agreement	No significant restriction
Sales	FIAT CHRYSLER AUTOMOBILES ITALY SPA	1/1/2021-6/30/2022	Provide products	No significant restriction
Procurement	Pt. Indominco	1/1/2005-12/31/2022	Purchase of coal	No significant restriction
	Yancoal	2/1/2018-1/31/2023		
	Macquarie	8/25/2021-12/31/2021		
	Eaglecrest	5/21/2021-6/30/2021		
	Noble	6/28/2021-8/31/2021		
	SUEK	6/24/2021-10/31/2021		
Procurement	Hsin Tai Chemical Co., Ltd.	9/1/2021-8/31/2022	Purchase of liquid ammonia	No significant restriction
Procurement	Toray Engineering Co., Ltd.	12/14/2021-end of the warranty period	Purchase of pole piece coating production equipment	No significant restriction
Procurement	Sintokogio, Ltd.	12/10/2021-end of the warranty period	Purchase of pole piece coating production equipment	No significant restriction
Procurement	Wuxi Rich Intelligent Equipment Co., Ltd.	12/1/2021-end of the warranty period	Purchase of pole piece feeding production equipment	No significant restriction
Procurement	Nishimura MFG. Co., Ltd.	12/15/2021-end of the warranty period	Purchase of pole piece slitting production equipment	No significant restriction
Procurement	Hana Technology Co., Ltd.	11/30/2021-end of the warranty period	Purchase of assembly line production equipment	No significant restriction
Procurement	Maschinenfabrik Gustav Eirich GmbH & Co. KG	2/24/2022-end of the warranty period	Purchase of pole piece mix production equipment	No significant restriction

Type of contract	Counterparty	Terms	Summary	Restrictive terms
Procurement	Kaido Manufacturing Co., Ltd.	11/30/2021-end of the warranty period	Purchase of winder production equipment	No significant restriction
Procurement	Anhui Conch Kawasaki Engineering Co., Ltd.	11/29/2021-12 months of equipment operation	Purchase of CKK equipment	No significant restriction
Procurement	Claudius Peters (China) Ltd.	8 months after the the product has been shipped from the Port of Hamburg, Germany and the contract has been executed and has received 15% of the prepayment.	Purchase of the 4 th generation of the cooler equipment/ Ho-Ping Plant #1K and the upgrade of #2K Clinker Cooler	1. 20 days after the contracts has been signed, TCC has to prepay 15% of the contract amount. 2. After receiving the CP 10% warranty letter, TCC will not be able to retract L/C.
Procurement	SUMITOMO CORPORATION	September 2019-delivery	Contracts to build bulk carrier	No significant restriction
Services	NYK	4/1/2011-3/31/2023	Transportation of coal	No significant restriction
	Bocimar	4/1/2011-3/31/2026		
	Norden	4/1/2011-3/31/2026		
Services	Cathay Insurance, Fuban, Shin Kong, First, Huana, Tokio Marine Nawa Insurance, Mega, Union Insurance, Nanshang General, MSIG, Taiwawn Fire and Marine Insurance, HoTaim, and other insurance companies	12/31/2021-12/31/2022	Insurance for Power plant and operation	No significant restriction
Services	Taipower	1/4/2021-12/31/2026	Repair of Ho-Ping Plant; Repair and maintenance of generators	No significant restriction
Services	GE Power	7/1/2020-6/30/2027	Repair and maintenance of generators	No significant restriction
Services	Tang Shi Chun Enterprise Co., Ltd. and 61 other companies	1/1/2021-12/31/2021	Sale of cement, or commission to sell cement	No significant restriction
Services	FIAT CHRYSLER AUTOMOBILES ITALY SPA	12/22/2021~ 20 years from the beginning of amortization	Logistic service of electric vehicle and V2G vehicle to grid services	No significant restriction
Services	Accenture S.p.A.	11/12/2021-12/31/2025	Scope of Service 1. Technology platform; 2. Cooperation: Go to Market; 3. Maintenance: Client and on site maintenance; 4. Ecological energy	No significant restriction

Type of contract	Counterparty	Terms	Summary	Restrictive terms
Services	FDC International Hotels	5/27/2020~5/27/2045 (Can extend for 10 years after expiration)	Contracted to manage and operate the hotel service and the authorization of the hotel trademark and provide strategic services	Operate before 12/31/2025
Services	Guigang City HT Logistics Limited	June 2020~May 2021	Transportation of cement clinker coal	No significant restriction
Services	Guigang City Guinan Shipping Limited	June 2020~May 2021	Transportation of cement clinker coal	No significant restriction
Services	HUGE GROWTH CO. S.A.	January 2021~December 2021	Cement transportation	No significant restriction
Services	Tianjin Cement Industry Design & Research Institute Limited Company	6/9/2021~6/8/2022	Sale and maintenance of roller press and associated equipment	No significant restriction

5.7.2 Construction and professional services contracts

Contract nature	Counterparty	Term	Summary	Restrictive terms
Construction	CTCI	6/9/2020~7/31/2024	Construction to upgrade to #2 Air pollution equipment (AQCS project)	No significant restriction
Construction	CTCI	5/1/2021 to the end of warranty period	EPsCm service	No significant restriction
Construction	Ruentex Engineering & Construction Co., Ltd.	8/20/2021 to the end of warranty period	Early stage of the construction preparation work for the plants	No significant restriction
Construction	Ruentex Engineering & Construction Co., Ltd.	10/20/2021 to the end of the warranty period	Civil engineering construction for the plants	No significant restriction
Construction	CTCI Smart Engineering Corporation	10/20/2021 to the end of the warranty period	Electromechanical systems engineering	No significant restriction
Construction	GE Power	11/8/2019~4/30/2023	Construction for the improvements of the #2 low pressure steam turbine	No significant restriction
Construction	GE Power	6/20/2020~12/31/2023	Construction to improve the DCS module control system	No significant restriction
Construction	Electricity Generation and Retail Corporation ("Synergy")	10/1/2021~10/14/2022	Construction, procurement, testing, and maintenance of the 100MW/200MWh battery energy storage of the Kwinana power station	If the bond provided to the bank has a A-certification (S&P), the construction company needs to provide a bond with a A-certification or higher.

Contract nature	Counterparty	Term	Summary	Restrictive terms
Construction	Engie Servizi S.p.A.	3/21/2021~6/23/2023	The construction, procurement, installation, and the 15 year operation of the Nera Montoro power storage system.	No significant restriction
Construction	Engie Rinnovabili S.p.A.	3/31/2021~6/23/2023	The construction, procurement, installation, and the 15 year operation of the Salemi (Trapani) power storage 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
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 2020 to construction completed	Construction of fishery power plant in Yi-Chu	No significant restriction
Construction	Taiwan Jiuyueng Engineering Corporation	11/16/2021~12/31/2022	Construction of the Suao Plant #6 Alternative Fuel storage system	No significant restriction
Construction	Resources Engineering Services Inc.	7/1/2021~4/30/2024	Civil engineering mechanical and electrical construction of the TCC DAKA	No significant restriction
Construction	Resources Engineering Services Inc.	7/1/2021~4/30/2024	2 nd order for the construction of the TCC DAKA Renewable Energy Center	No significant restriction
Construction	Resources Engineering Services Inc.	6/1/2022~4/22/2023	The Construction of the TCC DAKA Renewable Energy Center	No significant restriction
Construction	Resources Engineering Services Inc.	4/30/2023 to construction completed	Construction of 1 st and 2 nd stage of the TCC DAKA Renewable Energy Center	No significant restriction
Construction	Futai Engineering Ltd.	1. 12 months after the acceptance of the design 2. Installation: 12 months after the installation of the North side garbage pit and the construction of platform.	Construction of 1 st and 2 nd stage of the TCC DAKA Renewable Energy Center	No significant restriction
Construction	Taiwan JiuYeng Engineering Corporation	9 months after the contracts have been signed and the land has been prepared	The installation of UHPC factory and the installation of equipment	No significant restriction
Construction	China Construction Firstt Building (Group) Corporation Limited	2/12/2020 to the completion of construction	The construction of the civil engineering and electrical wiring	No significant restriction

Contract nature	Counterparty	Term	Summary	Restrictive terms
Construction	Chengdu Design & Research Institute Co., Ltd. of Building Materials Industry	6/29/2020~6/29/2021	Engineering, procurement and construction project for municipal solid waste from cement production of TCC Shaoguan Cement Co., Ltd.	Based on Article 27(5) in the contract, SG (Wu) 200066, the contract parties shall follow the rights and obligations of this contract despite that the contract parties sign another contract for reporting construction projects
Construction	Zhejiang Baosheng Construction Group Co., Ltd.	September 2019 to October 2021	Construction of logistics corridor	significant restriction
Construction	Zhejiang Baosheng Construction Group Co., Ltd.	5/20/2021 to the end of the warranty period	Renovation of the Girong Company logistics corridor	No significant restriction
Construction	China Non-metal Materials Mine Engineering Co., Ltd. (NanJing)	11/16/2021-5/20/2023	Construction of limestone mine exploitation at the plant in Longzhu Mountain	No significant restriction
Construction	Tianjin Cement Industry Design and Research Institute Co., Ltd.	4/3/2020-4/2/2021	Wheeling machine for raw materials	No significant restriction
Construction	China Non-metal Materials Mine Engineering Co., Ltd. (NanJing)	6/2/2020-6/2/2021	Construction of limestone mine exploitation at the plant in Shaoguan	No significant restriction
Construction	Zhejiang Baosheng Construction Group Co., Ltd.	3/10/2020 to expiry date of warranty	Construction of solid waste disposal of Kaili TCC Environment Technology Co., Ltd	No significant restriction
Construction	Zhejiang Baosheng Construction Group Co., Ltd.	12/9/2021-3/31/2023	Construction of the cement kiln waste disposal in Jingzhou	No significant restriction
Construction	CNBM Environmental protection Research Institute (Jiangsu) Co., Ltd.	12/22/2020-7/12/2021	Supply, implementation, and provision of technical services for selective catalytic reduction system	No significant restriction
Construction	Zhejiang Baosheng Construction Group Co., Ltd.	May 2020 to June 2021	Fly ash construction	No significant restriction
Construction	Zhejiang Baosheng Construction Group Co., Ltd.	9/5/2021 to the end of the warranty period	Construction of the fly ash project decoration	No significant restriction
Construction	Sichuan Huatin Construction Corporation	150 days from the beginning of construction	Construction of the limestone crushing project	No significant restriction
Construction	Xi'an Xikuang Environmental Protection Co., Ltd.	6/10/2021-11/7/2021	Renovation of the 3K Kiln tail smoke denitrification	No significant restriction
Professional Service	Taiyen Green Energy Co., Ltd.	February 2018 to completion of 20 years of commercial operation	Obtaining the rights to operate fishery power project in Yi-Chu and management of the fishing ground during commercial operations	No significant restriction
Professional Service	New Green Power Co., Ltd.	August 2020 to permission of commencement of construction	Obtaining the rights to operate fishery power project in Luliao Longjiang	No significant restriction

5.7.3 Financing contracts

Type of Contract	Counterparty	Term	Summary	Restrictive terms
Syndicated Loans	Consortium bank led by the Hwa Nan Bank	9/22/2016-9/22/2021	Credit period: five years	Maintenance of steady financial ratios
	Consortium bank led by the Mega International Bank	3/8/2018-3/8/2023	Credit period: five years	Maintenance of steady financial ratios
	Consortium bank led by the Mega International Bank	3/15/2022-3/15/2027	Credit period: five years	Maintenance of steady financial ratios
	Consortium bank led by the CTBC Bank	12/7/2018-12/7/2025	Credit period: seven years	Maintenance of steady financial ratios
PURCHASE AGREEMENT	JP Morgan Securities plc	11/26/2018-11/26/2023	Subscription agreement for overseas convertible corporate bonds	No significant restriction
	Credit Suisse (Hong Kong) Limited	11/30/2021-11/30/2026	Subscription agreement for overseas convertible corporate bonds	No significant restriction
INDENTURE	CITICORP INTERNATIONAL LIMITED	12/10/2018-12/10/2023	Subscription agreement for overseas convertible corporate bonds	No significant restriction
		12/7/2021-12/7/2026	Subscription agreement for overseas convertible corporate bonds	No significant restriction

6 Financial Information

6.1 Condensed Balance Sheets and Statements of Comprehensive Income for the Last Five Years

1. Condensed Balance Sheets from 2017 to 2021 (Consolidated)

Unit: NT\$ thousands

Item	Year	Financial information for the last five years (Note 1)				
		2021	2020	2019	2018	2017
Current assets		169,353,435	124,309,171	118,145,990	110,380,695	92,719,914
Property, plant and equipment		98,196,032	92,108,972	89,881,319	91,093,825	94,709,404
Intangible assets		27,650,861	19,563,960	19,656,118	20,427,352	20,852,624
Other assets		146,484,231	153,524,133	139,798,958	122,183,246	64,275,107
Total assets		441,684,559	389,506,236	367,482,385	344,085,118	272,557,049
Current liabilities	Before distribution	88,687,968	72,103,708	66,532,743	64,503,844	65,192,960
	After distribution	Note 2	93,048,142	80,526,791	81,378,430	71,553,724
Non-current liabilities		127,341,918	98,572,475	92,487,775	82,201,818	54,716,873
Total liabilities	Before distribution	216,029,886	170,676,183	159,020,518	146,705,662	119,909,833
	After distribution	Note 2	191,620,617	173,014,566	163,580,248	126,270,597
Equity attributable to shareholders of the parent company		204,477,333	204,071,817	193,684,068	181,541,510	136,348,204
Share capital		63,252,340	60,102,549	56,656,192	53,080,599	42,465,090
Capital surplus		56,757,470	49,122,450	48,015,947	47,836,241	25,739,065
Retained earnings	Before distribution	73,939,852	74,199,518	65,626,033	61,588,761	49,019,510
	After distribution	Note 2	53,255,084	48,903,175	41,138,582	38,418,237
Others		10,920,014	21,146,991	23,734,855	19,038,454	19,124,539
Treasury share		(392,343)	(499,691)	(348,959)	(2,545)	-
Non-controlling interests		21,177,340	14,758,236	14,777,799	15,837,946	16,299,012
Total equity	Before distribution	225,654,673	218,830,053	208,461,867	197,379,456	152,647,216
	After distribution	Note 2	197,885,619	194,467,819	180,504,870	146,286,452

Note 1: The financial information has been audited by independent CPAs.

Note 2: The proposal to distribute 2021 earnings is subject to the Board of Directors or shareholders' approval at the Annual Shareholders' Meeting.

2. Condensed Statements of Comprehensive Income from 2017 to 2021 (Consolidated)

Unit: NT\$ thousands (except EPS: NT\$)

Item	Year	Financial information for the last five years (Note 1)				
		2021	2020	2019	2018	2017
Net revenue		107,041,452	105,911,223	122,783,014	124,594,602	98,311,776
Gross profit		26,650,099	37,403,477	35,910,255	33,591,539	18,912,914
Income from operations		19,786,475	31,637,210	30,156,721	28,180,901	13,962,885
Non-operating income and expenses		6,291,609	4,181,873	2,476,698	2,363,520	(138,226)
Income before income tax		26,078,084	35,819,083	32,633,419	30,544,421	13,824,659
Income from continuing operations		20,147,697	28,474,852	25,455,090	22,644,071	10,322,800
Income (Loss) from discontinued operations (Note 2)		1,053,559	(483,459)	-	-	-
Net income		21,201,256	27,991,393	25,455,090	22,644,071	10,322,800
Other comprehensive income for the year, net of income tax		(9,066,133)	(2,495,498)	5,024,759	(2,936,676)	9,976,772
Total comprehensive income for the year		12,135,123	25,495,895	30,479,849	19,707,395	20,299,572
Net income attributable to shareholders of the parent		20,256,366	25,099,309	24,211,081	21,180,821	7,594,247
Net income attributable to noncontrolling interests		944,890	2,892,084	1,244,009	1,463,250	2,728,553
Total comprehensive income attributable to shareholders of the parent		11,281,319	22,708,608	29,178,084	18,245,179	17,775,812
Total comprehensive income attributable to noncontrolling interests		853,804	2,787,287	1,301,765	1,462,216	2,523,760
EPS (Note 3)		3.30	4.32	4.22	3.89	1.64

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.

3. Condensed Balance Sheets from 2017 to 2021 (Standalone)

Unit: NT\$ thousands

Item	Year	Financial information for the last five years (Note 1)				
		2021	2020	2019	2018	2017
Current assets		38,730,514	27,303,220	17,669,898	21,170,918	9,912,028
Property, plant and equipment		33,820,654	30,590,559	26,864,808	27,007,306	27,577,177
Intangible assets		10,709	10,710	10,711	10,711	21,394
Other assets		283,716,469	260,990,344	244,330,544	215,271,048	125,178,129
Total assets		356,278,346	318,894,833	288,875,961	263,459,983	162,688,728
Current liabilities	Before distribution	39,964,799	32,013,057	20,510,314	18,483,895	20,929,218
	After distribution	Note 2	52,957,491	34,504,362	35,358,481	27,289,982
Non-current liabilities		118,836,214	82,809,959	74,681,579	63,434,578	5,411,306
Total liabilities	Before distribution	151,801,013	114,823,016	95,191,893	81,918,473	26,340,524
	After distribution	Note 2	135,767,450	109,185,941	98,793,059	32,701,288
Share capital		63,252,340	60,102,549	56,656,192	53,080,599	42,465,090
Capital surplus		56,757,470	49,122,450	48,015,947	47,836,241	25,739,065
Retained earnings	Before distribution	73,939,852	74,199,518	65,626,033	61,588,761	49,019,510
	After distribution	Note 2	53,255,084	48,903,175	41,138,582	38,418,237
Others		10,920,014	21,146,991	23,734,855	19,038,454	19,124,539
Treasury share		(392,343)	(499,691)	(348,959)	(2,545)	-
Total equity	Before distribution	204,477,333	204,071,817	193,684,068	181,541,510	136,348,204
	After distribution	Note 2	183,127,383	179,690,020	164,666,924	129,987,440

Note 1: The financial information has been audited by independent CPAs.

Note 2: The proposal to distribute 2021 earnings is subject to the Board of Directors or shareholders' approval at the Annual Shareholders' Meeting.

4. Condensed Statements of Comprehensive Income from 2017 to 2021 (Standalone)

Unit: NT\$ thousands (except EPS: NT\$)

Item	Year	Financial information for the last five years (Note 1)				
		2021	2020	2019	2018	2017
Net revenue		23,799,505	21,495,430	19,122,776	16,979,445	16,215,877
Gross profit		4,932,220	3,824,413	1,824,021	1,378,936	1,715,225
Income from operations		2,925,582	2,176,211	297,838	192,868	895,292
Non-operating income and expenses		16,728,380	23,335,829	23,913,527	21,067,007	6,908,006
Income before income tax		19,653,962	25,512,040	24,211,365	21,259,875	7,803,298
Income from continuing operations		19,182,427	25,279,796	24,211,081	21,180,821	7,594,247
Income (Loss) from discontinued operations (Note 2)		1,073,939	(180,487)	-	-	-
Net income		20,256,366	25,099,309	24,211,081	21,180,821	7,594,247
Other comprehensive income for the year, net of income tax		(8,975,047)	(2,390,701)	4,967,003	(2,935,642)	10,181,565
Total comprehensive income for the year		11,281,319	22,708,608	29,178,084	18,245,179	17,775,812
EPS (Note 3)		3.30	4.32	4.22	3.89	1.64

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 of 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.

5. Independent Auditors' Opinions from 2017 to 2021:

Year	CPA	Audit Opinion
2021	Hui-Min Huang and Cheng-Hung Kuo	Unmodified opinion
2020	Chih-Ming Shao and Hui-Min Huang	Unmodified opinion
2019	Ya-ling Wong and Chih-Ming Shao	Unmodified opinion
2018	Ya-ling Wong and Chih-Ming Shao	Unmodified opinion
2017	Ya-ling Wong and Chih-Ming Shao	Unmodified opinion

Note 1: To maintain auditor's independence and follow the company management regulations and to be in compliance with mandatory lead auditor rotation, the Company changed its auditors in 2020 and 2021.

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

1. Financial Analysis from 2017 to 2021 (Consolidated)

Year		Financial analysis for the last five years (Note 1)				
		2021	2020	2019	2018	2017
Capital structure analysis	Debt ratio (%)	48.91	43.82	43.27	42.64	43.99
	Long-term fund to property, plant and equipment (%)	359.48	344.59	334.83	306.92	218.95
Liquidity analysis	Current ratio (%)	190.95	172.40	177.58	171.12	142.22
	Quick ratio (%)	175.30	160.92	164.66	155.85	128.72
	Times interest earned (times)	18.50	20.59	18.36	14.21	8.92
Operating performance analysis	Average collection turnover (times)	3.06	2.87	3.12	3.80	4.16
	Days sales outstanding	119.28	127.17	116.98	96.05	87.74
	Average inventory turnover (times)	8.20	9.55	9.87	10.21	9.21
	Average payment turnover (times)	10.83	11.32	11.40	11.67	10.27
	Average inventory turnover days	44.51	38.21	36.98	35.74	39.63
	Property, plant and equipment turnover (times)	1.21	1.26	1.36	1.34	1.00
	Total assets turnover (times)	0.28	0.30	0.35	0.40	0.36
Profitability analysis	Return on total assets (%) (ROA)	5.40	7.78	7.58	7.94	4.36
	Return on equity attributable to shareholders of the parent (%) (ROE)	9.54	13.10	12.54	12.94	6.88
	Pre-tax income to paid-in capital ratio (%)	42.89	58.82	57.60	57.54	32.56
	Net margin (%)	18.41	24.48	20.73	18.17	10.50
	Earnings per share (NT\$) (Note 2)	3.30	4.32	4.22	3.89	1.64
Cash flow	Cash flow ratio (%)	21.39	43.38	43.91	34.34	18.88
	Cash flow adequacy ratio (%)	67.18	85.40	81.70	80.90	116.16
	Cash flow reinvestment ratio (%)	(0.92)	3.55	2.56	3.68	1.57
Leverage	Operating leverage	1.70	1.43	1.43	1.42	1.82
	Financial leverage	1.08	1.06	1.07	1.09	1.14

Notable changes from 2020 to 2021:

- The decreases in the 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 are mainly attributable to higher market prices of raw materials, which in turn reduced profits.
- The decreases in the cash flow ratio, cash flow adequacy ratio and cash flow reinvestment ratio are mainly due to a decrease in cash inflow from operating activities and an increase in the acquisition amount of long-term investment and property, plant and equipment in 2021.

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.

2. Financial Analysis from 2017 to 2021 (Standalone)

Year		Financial analysis for the last five years (Note 1)				
		2021	2020	2019	2018	2017
Capital structure analysis	Debt ratio (%)	42.61	36.01	32.95	31.09	16.19
	Long-term fund to property, plant and equipment (%)	935.27	937.81	998.95	907.07	514.05
Liquidity analysis	Current ratio (%)	96.91	85.29	86.15	114.54	47.36
	Quick ratio (%)	92.74	81.37	79.03	106.96	39.33
	Times interest earned (times)	16.59	18.04	19.70	47.29	39.30
Operating performance analysis	Average collection turnover (times)	4.29	4.14	4.04	4.27	4.44
	Days sales outstanding	85.08	88.16	90.34	85.48	82.20
	Average inventory turnover (times)	13.15	13.36	12.39	10.29	9.22
	Average payment turnover (times)	9.30	11.40	10.00	8.99	8.87
	Average inventory turnover days	27.75	27.32	29.45	35.47	39.58
	Property, plant and equipment turnover (times)	0.74	0.75	0.71	0.62	0.58
	Total assets turnover (times)	0.07	0.07	0.07	0.08	0.11
Profitability analysis	Return on total assets (%) (ROA)	6.32	8.65	9.14	10.11	5.26
	Return on equity (%) (ROE)	9.92	12.62	12.90	13.33	6.25
	Pre-tax income to paid-in capital ratio (%)	32.77	42.15	42.73	40.05	18.38
	Net margin (%)	85.11	116.77	126.61	124.74	46.83
	Earnings per share (NT\$) (Note 2)	3.30	4.32	4.22	3.89	1.64
Cash flow	Cash flow ratio (%)	9.17	10.19	0.40	4.45	4.27
	Cash flow adequacy ratio (%)	5.22	5.87	5.55	7.17	19.49
	Cash flow reinvestment ratio (%)	(4.97)	(3.37)	(5.61)	(2.01)	(2.53)
Leverage	Operating leverage	2.02	2.18	9.10	9.89	2.56
	Financial leverage	1.83	3.16	(0.30)	(0.72)	1.29

Notable changes from 2020 to 2021:

- The decreases in the return on total assets, return on equity, pre-tax income to paid-in capital ratio, net margin and earnings per share were mainly due to higher market prices of raw materials, which reduced the investment income accounted for using equity method and profits.
- The cash flow reinvestment ratio decreased mainly due to a decrease in cash inflow from operating activities after cash dividends in 2021.
- Financial leverage decreased mainly due to an increase in operating income and a decrease in interest expenses in 2021.

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.

Glossary**[I] 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

[II] 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

[III] 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

[IV] 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

[V] 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)

[VI] Leverage

- (1) Operating leverage = (Net revenue – Variable operating costs and expenses) / Operating income
- (2) Financial leverage = Operating income / (Operating income – Interest expense)

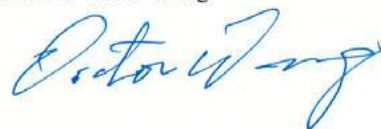
6.3 Audit Committee's Review Report

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 2021 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
April 11, 2022



6.4 Financial Statements and Independent Auditor's Report (Consolidated)

Deloitte.

勤業眾信

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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, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

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

Basis for Opinion

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

Key Audit Matters

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

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

Revenue Recognition of Cement Sales

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

Other Matter

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Hui-Min Huang
Deloitte & Touche
Taipei, Taiwan
Republic of China

February 25, 2022

Cheng-Hung Kuo

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

	2021		2020	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 91,121,942	21	\$ 51,433,522	13
Financial assets at fair value through profit or loss (Notes 4, 7 and 32)	363,813	-	353,986	-
Financial assets at fair value through other comprehensive income (Notes 4, 8, 32, 33 and 34)	6,387,543	1	5,596,471	1
Financial assets at amortized cost (Notes 4, 6, 32 and 34)	15,508,688	4	15,769,277	4
Notes receivable (Notes 4 and 9)	25,639,724	6	29,518,807	8
Accounts receivable (Notes 4, 9 and 10)	9,844,002	2	9,522,642	3
Notes and accounts receivable from related parties (Notes 4 and 33)	457,203	-	273,866	-
Other receivables (Notes 4 and 25)	1,499,322	-	1,073,289	-
Other receivables from related parties (Notes 4 and 33)	388,968	-	3,785	-
Inventories (Notes 4 and 12)	13,412,511	3	7,941,755	2
Prepayments	3,935,575	1	2,135,702	1
Other current assets	794,144	-	686,069	-
Total current assets	169,353,435	38	124,309,171	32
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Notes 4, 8, 32, 33 and 34)	27,835,864	6	31,903,287	8
Financial assets at amortized cost (Notes 4, 6, 32 and 34)	15,468,807	4	16,475,021	4
Investments accounted for using the equity method (Notes 4, 14 and 34)	46,781,575	11	50,133,844	13
Property, plant and equipment (Notes 4, 15, 24 and 34)	98,196,032	22	92,108,972	24
Right-of-use assets (Notes 4, 16, 24 and 33)	14,992,784	3	13,451,125	4
Investment properties (Notes 4, 17, 24 and 34)	5,425,680	1	5,451,434	1
Intangible assets (Notes 4, 18 and 24)	27,650,861	6	19,563,960	5
Prepayments for property, plant and equipment (Notes 15 and 33)	7,762,010	2	5,426,869	1
Long-term finance lease receivables (Notes 4 and 10)	24,334,423	6	26,975,117	7
Net defined benefit asset (Notes 4 and 22)	1,850,315	-	1,572,025	-
Other non-current assets (Notes 4, 25, 33 and 34)	2,032,773	1	2,135,411	1
Total non-current assets	272,331,124	62	265,197,065	68
TOTAL	\$ 441,684,559	100	\$ 389,506,236	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term loans (Notes 19, 30 and 34)	\$ 48,440,514	11	\$ 34,675,454	9
Short-term bills payable (Note 19)	6,769,046	2	6,247,029	2
Financial liabilities at fair value through profit or loss (Notes 4, 7 and 32)	213,062	-	-	-
Contract liabilities	1,439,222	-	5,226,637	1
Notes and accounts payable (Note 33)	10,023,071	2	6,137,904	2
Other payables (Note 21)	10,238,196	2	10,661,629	3
Other payables to related parties (Note 33)	1,391,057	-	8,284	-
Current income tax liabilities (Notes 4 and 25)	2,490,823	1	3,914,955	1
Lease liabilities (Notes 4, 16 and 33)	407,652	-	315,451	-
Long-term loans - current portion (Notes 19, 30 and 34)	7,091,417	2	4,805,000	1
Other current liabilities	183,908	-	111,365	-
Total current liabilities	88,687,968	20	72,103,708	19
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 20)	81,526,445	18	53,897,370	14
Long-term loans (Notes 19, 30 and 34)	16,695,836	4	24,998,481	6
Lease liabilities (Notes 4 and 16)	3,261,791	1	1,978,361	1
Deferred income tax liabilities (Notes 4 and 25)	11,922,865	3	11,754,270	3
Long-term bills payable (Note 19)	12,680,086	3	4,991,327	1
Net defined benefit liabilities (Notes 4 and 22)	143,201	-	72,845	-
Other non-current liabilities (Notes 14 and 15)	1,111,694	-	879,821	-
Total non-current liabilities	127,341,918	29	98,572,475	25
Total liabilities	216,029,886	49	170,676,183	44
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE CORPORATION (Notes 4, 23 and 29)				
Share capital	63,252,340	14	59,414,007	15
Certificate of entitlement to new shares from convertible bonds	-	-	688,542	-
Capital surplus	56,757,470	13	49,122,450	13
Retained earnings	73,939,852	17	74,199,518	19
Other equity	10,920,014	2	21,146,991	5
Treasury shares	(392,343)	-	(499,691)	-
Equity attributable to shareholders of the Corporation	204,477,333	46	204,071,817	52
NON-CONTROLLING INTERESTS (Notes 23 and 29)				
Total equity	225,654,673	51	218,830,053	56
TOTAL	\$ 441,684,559	100	\$ 389,506,236	100

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, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

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

(Continued)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

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

(Continued)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

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

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

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

	Share Capital		Convertible Bonds		Capital Surplus		Retained Earnings		Exchange Difference on Translating Foreign Operations		Other Comprehensive Income		Total		Treasury Shares	Gain (Loss) on Hedging Instruments	Non-controlling Interests	Total Equity
	Ordinary Shares	Preferred Shares	Convertible Bonds	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Share Premium	Reserve for Contingent Liabilities	Share Premium	Share Premium	Share Premium	Share Premium	Share Premium				
BALANCE AT JANUARY 1, 2020	\$ 56,651,192	\$ 2,000,000	\$ -	\$ 16,062,616	\$ 13,640,662	\$ 38,974,335	\$ 65,650,303	\$ -	\$ (1,600,281)	\$ 35,305,316	\$ -	\$ (148,939)	\$ 10,068,008	\$ 14,777,790	\$ 208,861,867			\$ 208,861,867
Appropriation of 2019 earnings	-	-	-	2,426,725	-	(5,452,762)	(1,626,037)	-	-	-	-	-	-	-	(1,644,048)			(1,644,048)
Cash dividends distributed by the Corporation	-	-	-	-	-	(15,644,088)	(15,644,088)	-	-	-	-	-	-	-	(15,644,088)			(15,644,088)
Share dividend distributed by the Corporation	2,278,819	-	-	-	-	(2,278,819)	(2,278,819)	-	-	-	-	-	-	-	(2,278,819)			(2,278,819)
Cash dividends distributed by subsidiaries	-	-	-	-	-	25,099,309	25,099,309	-	-	-	-	-	-	-	25,099,309			25,099,309
Net income for the year ended December 31, 2020	-	-	-	-	-	95,228	95,228	-	-	-	-	-	-	-	95,228			95,228
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	95,228	95,228	-	-	-	-	-	-	-	95,228			95,228
Disposal of subsidiaries and the carrying amount of identifiable intangible assets during actual acquisition or disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
Change in ownership interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
Change in equity method investments by acquisition and joint ventures accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
Disposal from subsidiaries over claim distinguished by prescription	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
Best adjustment for loss on hedging instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
Computation costs of treasury shares transferred to employees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
Treasury shares transferred to employees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
Buy-back of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
Deposits of investments in equity instruments at fair value through other comprehensive income	29,000	-	-	-	-	10,128	10,128	-	-	-	-	-	-	-	10,128			10,128
Convertible bonds converted to ordinary shares	-	-	-	688,542	-	-	688,542	-	-	-	-	-	-	-	688,542			688,542
Reversal of special reserve recognized from asset disposal	-	-	-	-	-	9,202	9,202	-	-	-	-	-	-	-	9,202			9,202
BALANCE AT DECEMBER 31, 2020	\$ 57,414,007	\$ 2,000,000	\$ 688,542	\$ 19,531,361	\$ 13,638,860	\$ 41,886,297	\$ 74,199,518	\$ -	\$ (9,521,576)	\$ 36,679,817	\$ -	\$ (499,691)	\$ 20,071,817	\$ 14,738,226	\$ 208,861,867			\$ 208,861,867
Appropriation of 2020 earnings	-	-	-	2,539,554	-	(2,539,554)	(2,539,554)	-	-	-	-	-	-	-	(2,539,554)			(2,539,554)
Cash dividends distributed by the Corporation	-	-	-	-	-	(15,644,088)	(15,644,088)	-	-	-	-	-	-	-	(15,644,088)			(15,644,088)
Cash dividends distributed by subsidiaries	-	-	-	-	-	20,256,366	20,256,366	-	-	-	-	-	-	-	20,256,366			20,256,366
Net income for the year ended December 31, 2021	-	-	-	-	-	222,020	222,020	-	-	-	-	-	-	-	222,020			222,020
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	222,020	222,020	-	-	-	-	-	-	-	222,020			222,020
Difference between consideration and the carrying amount of subsidiaries' net assets during actual acquisition or disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
Change in ownership interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
Change in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
Computation costs of treasury shares transferred to employees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
Treasury shares transferred to employees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
Deposits of investments in equity instruments at fair value through other comprehensive income	3,838,333	-	-	-	-	630,695	630,695	-	-	-	-	-	-	-	630,695			630,695
Convertible bonds converted to ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
Equity component of issuance of convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
BALANCE AT DECEMBER 31, 2021	\$ 61,252,340	\$ 2,000,000	\$ -	\$ 21,070,915	\$ 13,638,860	\$ 39,105,027	\$ 76,199,845	\$ -	\$ (10,068,105)	\$ 37,109,800	\$ -	\$ (107,141)	\$ 21,291,800	\$ 15,177,120	\$ 212,991,729			\$ 212,991,729

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

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

(Continued)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

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

(Continued)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

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

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

6.5 Financial Statements and Independent Auditor's Report (Standalone)




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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, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

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

Basis for Opinion

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

Key Audit Matters

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

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

Revenue Recognition of Cement Sales

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Hui-Min Huang
Deloitte & Touche
Taipei, Taiwan
Republic of China

Cheng-Hung Kuo

February 25, 2022

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

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 26,919,655	8	\$ 12,008,414	4
Financial assets at fair value through profit or loss (Notes 4, 7 and 27)	306,075	-	290,636	-
Financial assets at fair value through other comprehensive income (Notes 4, 8, 27 and 28)	3,832,706	1	3,404,597	1
Financial assets at amortized cost (Notes 4 and 6)	-	-	4,900,000	2
Accounts and notes receivable (Notes 4 and 9)	5,165,862	1	4,784,095	2
Accounts and notes receivable from related parties (Notes 4 and 28)	646,808	-	506,081	-
Inventories (Notes 4 and 11)	1,640,537	1	1,229,744	-
Other current assets (Notes 22 and 28)	218,871	-	179,653	-
Total current assets	38,730,514	11	27,303,220	9
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Notes 4, 8, 27 and 28)	8,459,255	2	5,653,008	2
Investments accounted for using the equity method (Notes 4, 5 and 12)	267,535,378	75	248,463,221	78
Property, plant and equipment (Notes 4, 13, 21, 28 and 29)	33,820,654	9	30,590,559	10
Right-of-use assets (Notes 4, 14, 21 and 28)	2,092,105	1	1,314,191	-
Investment properties (Notes 4, 15 and 21)	2,495,151	1	2,503,349	1
Intangible assets (Notes 4 and 21)	10,709	-	10,710	-
Prepayments for property, plant and equipment (Note 13)	374,127	-	738,580	-
Net defined benefit asset (Notes 4 and 19)	1,823,268	1	1,549,048	-
Other non-current assets (Notes 4, 6, 22 and 29)	937,185	-	768,947	-
Total non-current assets	317,547,832	89	291,591,613	91
TOTAL	\$ 356,278,346	100	\$ 318,894,833	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term loans (Notes 16 and 25)	\$ 25,426,775	7	\$ 23,351,729	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)	213,062	-	-	-
Accounts payable	1,162,329	-	773,399	-
Accounts payable to related parties (Note 28)	1,326,965	-	793,211	-
Other payables (Notes 13 and 18)	2,553,645	1	2,199,950	1
Current income tax liabilities (Notes 4 and 22)	423,152	-	197,468	-
Lease liabilities (Notes 4, 14 and 28)	314,565	-	259,111	-
Long-term loans - current portion (Notes 16 and 25)	6,450,000	2	4,300,000	2
Other current liabilities (Note 28)	196,598	-	138,189	-
Total current liabilities	39,964,799	11	32,013,057	10
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 17)	81,526,445	23	53,897,370	17
Long-term loans (Notes 16 and 25)	10,724,917	3	17,153,417	5
Lease liabilities (Notes 4, 14 and 28)	1,806,283	1	1,071,273	-
Notes payable (Note 16)	11,982,079	3	4,991,327	2
Deferred income tax liabilities (Notes 4 and 22)	5,434,006	2	5,368,524	2
Other non-current liabilities (Note 12)	362,484	-	328,048	-
Total non-current liabilities	111,836,214	32	82,809,959	26
Total liabilities	151,801,013	43	114,823,016	36
EQUITY (Notes 4, 20 and 23)				
Share capital	63,252,340	18	59,414,007	19
Certificate of entitlement to new shares from convertible bonds	-	-	688,542	-
Capital surplus	56,757,470	16	49,122,450	15
Retained earnings	73,939,852	20	74,199,518	23
Other equity	10,920,014	3	21,146,991	7
Treasury shares	(392,343)	-	(499,691)	-
Total equity	204,477,333	57	204,071,817	64
TOTAL	\$ 356,278,346	100	\$ 318,894,833	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, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 28)	\$ 23,878,294	100	\$ 21,578,428	100
LESS: SALES RETURNS AND ALLOWANCES	78,789	-	82,998	-
OPERATING REVENUE, NET	23,799,505	100	21,495,430	100
OPERATING COSTS (Notes 11, 21 and 28)	18,867,285	79	17,671,017	82
GROSS PROFIT	4,932,220	21	3,824,413	18
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	1,228	-	1,228	-
REALIZED GROSS PROFIT	4,933,448	21	3,825,641	18
OPERATING EXPENSES (Notes 21 and 28)				
Marketing	273,441	1	282,027	1
General and administrative	1,734,425	7	1,367,403	7
Total operating expenses	2,007,866	8	1,649,430	8
INCOME FROM OPERATIONS	2,925,582	13	2,176,211	10
NON-OPERATING INCOME AND EXPENSES				
Share of profit of subsidiaries and associates (Notes 4 and 12)	17,819,863	75	24,468,349	114
Dividend income (Note 4)	418,689	2	348,138	2
Other income (Note 21)	168,476	1	190,283	1
Finance costs (Notes 4, 21 and 28)	(1,351,009)	(6)	(1,508,446)	(7)
Other expenses (Note 21)	(327,639)	(2)	(162,495)	(1)
Total non-operating income and expenses	16,728,380	70	23,335,829	109
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	19,653,962	83	25,512,040	119
INCOME TAX EXPENSE (Notes 4 and 22)	471,535	2	232,244	1
NET INCOME FROM CONTINUING OPERATIONS	19,182,427	81	25,279,796	118
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS (Notes 10 and 28)	1,073,939	4	(180,487)	(1)
NET INCOME	20,256,366	85	25,099,309	117

(Continued)

TAIWAN CEMENT CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021		2020	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plan (Note 19)	\$ 270,496	1	\$ 123,920	1
Unrealized gain on investments in equity instruments at fair value through other comprehensive income (Note 20)	1,723,801	7	111,999	-
Share of other comprehensive loss of subsidiaries and associates (Note 20)	(4,369,926)	(18)	(4,738,521)	(22)
Income tax expense related to items that will not be reclassified subsequently to profit or loss (Note 22)	(54,099)	-	(24,784)	-
	<u>(2,429,728)</u>	<u>(10)</u>	<u>(4,527,386)</u>	<u>(21)</u>
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income (loss) of subsidiaries and associates (Note 20)	(6,545,319)	(28)	2,136,685	10
	<u>(6,545,319)</u>	<u>(28)</u>	<u>2,136,685</u>	<u>10</u>
Other comprehensive loss for the year, net of income tax	<u>(8,975,047)</u>	<u>(38)</u>	<u>(2,390,701)</u>	<u>(11)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 11,281,319</u>	<u>47</u>	<u>\$ 22,708,608</u>	<u>106</u>
EARNINGS PER SHARE (Note 23)				
From continuing and discontinued operations				
Basic earnings per share	\$ 3.30		\$ 4.32	
Diluted earnings per share	\$ 3.27		\$ 4.09	
From continuing operations				
Basic earnings per share	\$ 3.12		\$ 4.35	
Diluted earnings per share	\$ 3.09		\$ 4.12	

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

	2021		2020	
	Amount	%	Amount	%
Ordinary Shares	\$ 54,634,972		\$ 54,634,972	
Preferred Shares	\$ 2,000,000		\$ 2,000,000	
Contributed in New	\$ -		\$ -	
Convertible Bonds	\$ -		\$ -	
Capital Surplus	\$ 4,815,547		\$ 4,815,547	
Legal Reserve	\$ 16,202,516		\$ 16,202,516	
Special Reserve	\$ 13,097,202		\$ 13,097,202	
Retained Earnings	\$ 33,674,335		\$ 33,674,335	
Total	\$ 62,620,033		\$ 62,620,033	
Exchange Difference on Operations	\$ (1,600,241)		\$ (1,600,241)	
Fair Value Through Other Income	\$ 3,393,116		\$ 3,393,116	
Gain (Loss) on Hedge Instruments	\$ -		\$ -	
Treasury Shares	\$ (43,839)		\$ (43,839)	
Total Equity	\$ 193,048,088		\$ 193,048,088	

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

(Concluded)

TAIWAN CEMENT CORPORATION

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

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

(Continued)

TAIWAN CEMENT CORPORATION

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

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

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

(Concluded)

6.6 Financial Difficulties: None.

7 Financial Position, Operating Results, and Risk Management

7.1 Financial Position

Unit: NT\$ thousands

Item	Year	2021	2020	Difference	
				Amount	%
Current assets		169,353,435	124,309,171	45,044,264	36
Property, plant and equipment		98,196,032	92,108,972	6,087,060	7
Intangible assets		27,650,861	19,563,960	8,086,901	41
Other assets		146,484,231	153,524,133	(7,039,902)	(5)
Total assets		441,684,559	389,506,236	52,178,323	13
Current liabilities		88,687,968	72,103,708	16,584,260	23
Non-current liabilities		127,341,918	98,572,475	28,769,443	29
Total liabilities		216,029,886	170,676,183	45,353,703	27
Share capital		63,252,340	60,102,549	3,149,791	5
Capital surplus		56,757,470	49,122,450	7,635,020	16
Retained earnings		73,939,852	74,199,518	(259,666)	-
Other Equity		10,920,014	21,146,991	(10,226,977)	(48)
Equity attributable to shareholders of the parent		204,477,333	204,071,817	405,516	-
Non-controlling interest		21,177,340	14,758,236	6,419,104	43

Analysis:

- Current assets and non-current liabilities increased in 2021 due to the issuance of overseas convertible bonds which amounted to US\$800 million, which caused an increase in cash and cash equivalents and other payables – company debt.
- Intangible assets increased in 2021 due to the Cement Division's acquisition of mineral rights and subsidiaries, which resulted in an increase in goodwill and intangible assets (i.e. intellectual property).
- Current liabilities increased in 2021 due to an increase in short-term loans. The issuance of overseas convertible bonds and an increase in short-term loans resulted in an increase in total liabilities.
- Other Equity decreased in 2021 due to exchange differences on translating foreign operations, changes in financial assets at fair value through other comprehensive income, and disposal of financial assets at fair value through other comprehensive income.
- Non-controlling interest increased in 2021 due to M&A and an increase in the shareholding of its subsidiaries.

7.2 Financial Performance

Analysis of financial performance

Unit: NT\$ thousands

Item	Year	2021	2020	Difference	Difference (%)
Net revenue		107,041,452	105,911,223	1,130,229	1
Operating costs		80,391,353	68,507,746	11,883,607	17
Gross profit		26,650,099	37,403,477	(10,753,378)	(29)
Operating expenses		6,863,624	5,766,267	1,097,357	19
Income from operations		19,786,475	31,637,210	(11,850,735)	(37)
Non-operating income and expenses		6,291,609	4,181,873	2,109,736	50
Income before income tax		26,078,084	35,819,083	(9,740,999)	(27)
Income tax expenses		5,930,387	7,344,231	(1,413,844)	(19)
Income from continuing operations		20,147,697	28,474,852	(8,327,155)	(29)
Income from discontinued operations		1,053,559	(483,459)	1,537,018	(318)
Net income		21,201,256	27,991,393	(6,790,137)	(24)

Analysis:

- Gross profit, income from operation, income before tax, income from continuing operation, and net income decreased due to an increase in costs attributable to a sharp rise in coal prices and freight charges, and an increase in operating expenses due to M&A activity.
- Non-operating income and expenses increased in 2021 due to an increase in the profit recognized on investments under the equity method, gains from the disposal of investments by subsidiaries, and gains on the disposal of property, plant and equipment.
- Income from discontinued operations increased in 2021 due to the disposal of Taiwan Prosperity Chemical Corporation.
- Please refer to Letter to Shareholders for the expected sales in the upcoming year and its basis.
- Possible effect on financial performance in the last two years: It cannot be ruled out that global raw material prices will remain high and the cement industry in China will still be subject to the "Dual Control Policy of Energy Consumption", which places restrictions on production and may adversely affect financial performance in the future.
- Future response plan: Accelerate business transformation, focus on environmental protection, energy, and cement as the Group's three core businesses, and further strengthen business operations in waste treatment, renewable energy, energy storage, and lithium batteries, with the goal of creating a new blue ocean business and transforming the company into a green enterprise.

7.3 Cash Flow

Analysis of Consolidated Cash Flows in the most recent year

Unit: NT\$ thousands

Cash balance December 31, 2020	Net cash provided by operating activities in 2021	Net cash used in investing and financing activities in 2021	Cash balance December 31, 2021	Remedy for cash shortfall	
				Investment Plan	Financing Plan
51,433,522	18,972,370	20,716,050	91,121,942	–	–

1. Analysis of cash flow:

- (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 issuance of bonds.

2. Remedial actions for cash shortfall: Not applicable

Analysis of liquidity analysis for the most recent two years

Item \ Year	2021	2020	Difference (%)
Cash flow ratio	21.39	43.38	(51)
Cash flow adequacy ratio	67.18	85.40	(21)
Cash flow reinvestment ratio	(0.92)	3.55	(126)

Analysis of the changes in ratios:

- (1) The cash flow ratio decreased due to a decrease in net cash provided by operating activities in 2021.
- (2) The cash flow adequacy ratio decreased due to a decrease in net cash provided by operating activities and the increase in capital expenditure in 2021.
- (3) The cash flow reinvestment ratio decreased due to a decrease in net cash provided by operating activities in 2021.

Cash flow projection for next year

Unit: NT\$ thousands

Cash balance December 31, 2021	Net cash flow from operating activities in 2022	Net cash flow from investing and financing activities in 2022	Cash balance December 31, 2022	Remedy for cash shortfall	
				Investment plan	Financing plan
91,121,942	11,964,000	(26,888,000)	76,197,942	–	–

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 used primarily for capital expenditure.
- (3) Net cash flow from financing activities: We expect to pay FY 2021 cash dividends in 2022.

7.4 Major Capital Expenditures and the Impact on Financial Positions and Business Operations

Besides regular capital expenditures, major non-routine capital expenditures in FY21 include:

- (1) The company acquired the right to use 31.2 hectares of land in the Hoping Industrial District from the Industrial Development Bureau of the Ministry of Economic Affairs to provide storage for alternative raw materials.
- (2) To increase waste treatment capacity, the company has successively set up cement kilns in some factories in Taiwan and China to co-process municipal waste. Buildings and equipment have also been built for solid and hazardous waste treatment.
- (3) In support of the government's green energy policy, the company, through its subsidiary, TCC Green Energy, invests in solar, onshore wind, and geothermal power plants. The company will continue to invest in renewable energy projects in 2022.
- (4) In view of the future trend towards energy mobility and storage, the company will continue to invest in high-end lithium batteries and energy storage devices.
- (5) To comply with environmental protection regulations and fulfill social responsibilities, the company will continue to invest in equipment that can reduce dust, nitrogen oxides and sulfur oxides.

In 2021, total capital expenditure amounted to NT\$16.6 billion, which the company expects will have a positive impact on revenues and be beneficial in the long run.

7.5 Latest Investment Policy, Reasons for Gains or Losses, Countermeasures, and the Future Investment Plans

In 2021, investment income accounted for using the equity method totaled NT\$4.15 billion after consolidation. For International CSRC Investment Holdings Co., Ltd., other than the profitable biotechnology business, the carbon black business in the United States, China and India has started to gradually stabilize. OYAK has also experienced success in the Turkish and Portuguese cement markets. In the future, the company will continue its long-term strategic investment policy to become an all-round energy group with R&D and self-made capabilities in green energy, batteries, energy storage, and quick charge facilities for electric vehicles.

7.6 Risk Analysis and Assessment

7.6.1 Impact on the company's profit and loss from the fluctuation of interest rates, exchange rates, and inflation, and the company's future countermeasures

- (1) Fluctuation of interest rates: As the global economy has been affected by the COVID-19 pandemic, major economies have adopted easy money policies. The United States is gradually reducing its easy money policy and is expected to start a cycle of increasing interest rate. However, as economic growth in China starts to slow down, interest rates in Taiwan are expected to increase in response to overall economic growth, with China's interest rates expected to fluctuate this year. The fluctuation of interest rates in Taiwan, US, and China affects the company's interest income and interest expenses. Apart from keeping track of the fluctuation of interest rates and performing timely assessment of possible risks arising from fluctuating interest rates, the company continues to monitor the market to adjust its liability positions or enter into fixed interest rates instruments to hedge potential interest rate risks.

- (2) Fluctuation of exchange rates: The company is mainly affected by currency fluctuations related to the USD, CNY, and EUR. The company has adopted a net position through natural hedging and by constantly monitoring fluctuations in foreign exchange rates to timely execute the buying/selling of foreign exchange, forward exchange transactions, or adjust its position in foreign currency debts to hedge foreign exchange risks. The company determines which method to use based on the market status and hedging cost. The fluctuation of exchange rates has a minimal effect on the company's operations.
- (3) Inflation: Looking ahead to 2022, based on the latest statistics the global economy is expected to continue its recovery as the COVID-19 situation improves and vaccination coverage increases. The global economic recovery will affect demand for raw materials and international crude oil and other raw material prices are expected to increase. According to the latest forecast by the Directorate General of Budgets, Accounting and Statistics (DBGAS), Taiwan's annual CPI growth rate will be 1.93% in 2022, suggesting that inflation will have limited influence on the company's profit/loss.

7.6.2 Risks associated with high-risk/high leveraged investments; lending, endorsements, and guarantees for other parties; and financial derivative transactions

- (1) The company and its subsidiaries did not make any high-risk or highly leveraged investments in recent years.
- (2) The company and its subsidiaries only offer lending, endorsements, and guarantees to its fellow subsidiaries or affiliates, all of which maintain normal financial operations that are in accordance with the regulations of the Securities and Futures Bureau (SFB) and the company's "Capital Lending Operating Procedures" and the "Endorsement and Guarantee Operating Procedures", meaning no risk of losses.
- (3) All financial transactions of a derivative nature that the company and its subsidiaries entered into were strictly for hedging and not for trading or speculative purposes. These transactions were entered into according to the company's "Asset Acquisition or Disposal Operating Procedures"

7.6.3 Future R&D plans and expected r&d spending

The company's research and development continues apace. The company not only consistently invests in carbon capture plans, but also in the development of new materials for Ultra-High Performance Concrete (UHPC) and the establishment of cladding panel technology to produce new construction materials.

- (1) Future plans for carbon capture technology: To develop various carbon capture technologies, the company is developing oxygen-enriched combustion and oxy-fuel combustion carbon capture technologies based on the original carbon capture technology for cement production. These new technologies will improve the efficiency of energy utilization and increase the usage of alternative fuels. Furthermore, oxy-fuel combustion can increase the carbon capture efficiency and increase the capture volume.
- (2) Development of BOF (Basic Oxygen Furnace) slag indirect carbonation process for carbon dioxide reduction and recycling: Calcium-rich resource material conversion to light calcium carbonate technology is a plan to develop indirect carbonation process technology using BOF slag as calcium-rich material to reuse carbon dioxide. The calcium element in BOF slag is extracted as an aqueous solution and then carbonated with carbon dioxide to generate precipitated calcium carbonate. Therefore, about NT\$0.4 million will be invested in 2022 to implement the detailed design of the indirect carbonation system and the feasibility test analysis of various calcium-rich materials.

- (3) Development of "TCC Ultra-High Performance Concrete (UHPC) and the Establishment of Cladding Panel Technology" plan: The company has set a budget of NT\$ 8.5 million for 2021 to 2023 to become the first company in Taiwan to have the ability to create UHPC products. The key focus in 2022 includes:

- I. Design and production of UHPC Cladding Panel molds
- II. Reducing scale of TCC UHPC Cladding Panel model placing and mass production parameter evaluation
- III. Planning of production equipment at the precast factory for UHPC Cladding Panel
- IV. Development of the ideal ratio for TCC's UHPC Cladding Panel, manufacturing process and mass production capability

The research results can not only be applied to cladding panels from the "Renewable Resources Utilization Center", but can also be the basis for the subsequent development of various UHPC products. Thus, in 2022, around NT\$2.55 million will be invested in UHPC manufacturing to improve the company's technology.

- (4) Development plan for low-carbon 3D printing technology and material: The company plans to develop low-carbon 3D printing technology, and has started to test concrete material that can be used in 3D printing. Thus, the company will invest around NT\$1.5 million in 2022 to continue relevant material research.

To achieve the goal of carbon emission reduction, the Energy Division of the Group will evaluate the construction of a gasification system based on the characteristics of pulverized-coal fired boilers, and inject the syngas generated from the gasification of solid biofuel into pulverized-coal fired boiler for mass-burning. The preliminary feasibility assessment plan for the gasifier is expected to launch in 2022, with an estimated investment of NT\$0.6 million.

Also, in line with the timeline of the industrial district land change and the assessment of the ocean thermal energy conversion feasibility, the company expects to start an ocean thermal conversion project in 2023 with a scale of 1MW-4MW and an estimated investment of between NT\$1.45 billion to 4.2 billion.

The Group's affiliate, TCC Energy Storage Technology Corporation, is considered a new milestone for the TCC Group in terms of energy research and energy storage planning. Its business scope ranges from energy storage systems, micro-grids to electric vehicle charging stations and will cooperate with NHQA to obtain the latest technology and exchange know-how. As a provider of energy adjustment solutions and services, TCC Energy Storage Technology Corporation is expected to invest NT\$150 million in the future.

The Group's affiliate E-One Moli Energy Corp. focuses on research and development and production on cylindrical lithium batteries. The amount invested in the future R&D plan and new products to be developed is expected to be NT\$340 million:

- **Establishment of new generation cathode material system**
 - Development of Ni92-94 high nickel system
 - An improvement project to stabilize high nickel cathode materials to improve material doping and coating process.
 - Positive electrode prelithiated technology research and development and elevate positive electrode utilization efficiency
- **Development of next generation high power quick charge negative electrode material platform**
 - Graphite granulation and cladding techniques research to reduce ion migration impedance
 - Elevate high-end silicon material efficiency and stability, including improvements of the expansion of material, tubular conductive material support and performance of adhesives.
 - Verification of silicon material's high directivity and low coefficient of expansion

- **Development of 21700–P55B battery cell, and research and development of 21800/22900 system design.**
 - Introduction of new generation cathode and anode material system
 - Quick charge electrode design
 - Optimization of 21800/22900 process
 - Development of new verification methodologies and processes to shorten sample-to-production timeline from two years to less than one year.
 - Introduction of artificial intelligence to predict battery's life and analyze the healthiness of the battery

7.6.4 Risk associated with changes in the political and regulatory environment

The Group's operating policies are conducted in accordance with all laws and regulations. The company pays close attention to any changes in laws and regulations that may affect its business operations, consults with experts to assess the potential impact of laws and regulations on the company, and adjusts the relevant internal regulations of the Group as necessary.

On March 26, 2020, the Environmental Protection Administration announced a draft amendment to the "Air Pollution Control Fee Collection Regulations," which aims to improve air quality during the fall and winter seasons through economic incentives by adjusting the range of the air pollution control fee. The amendment would increase the fee rate for the first and fourth quarters while reducing the fee rates for the second and third quarters and also provide discounts for enterprises whose air pollution levels in the first and fourth quarters are less than the standard levels set for each quarter. Based on the new calculations, the company's cement plant's air pollution control fee will slightly increase.

The Group routinely invests in the construction of anti-pollution equipment and adopts technical improvements with the goal of "zero waste, zero pollution, zero emissions." Even though the company's pollution emission indicators are all better than general standard levels, it plans to reduce its nitrogen oxide (NOx) emissions thanks to the completion of its staged combustion project, which will help to lower the air pollution control fee to be paid.

On January 26, 2017, an amendment to Article 64 of the Electricity Act states that an electricity generating enterprise shall comply with the following rule in determining the allocation of the annual profits. The allocation of the annual net profit (not including that from the generation of renewable-energy-based electricity), whose portion exceeds the enterprise's total paid-in capital shall prioritize measures to improve the operation and maintenance of its machinery, invest in pollution-reduction infrastructure, and facilitate further advancements in renewable energy. Accordingly, the Group is actively planning and evaluating potential investments in relevant renewable-energy generation projects.

To protect the environment and reduce carbon emissions, China has implemented a "Dual Control Policy on Energy Consumption" starting from September 2021, which place restrictions on enterprises' consumption of coal and electricity. This policy will affect the company's production and sales in China in the fourth quarter of 2021. Besides reflecting the cost in sales prices, the company has optimized its delivery structure to reduce the impact on the company.

7.6.5 Impact of new technology (including information security risks) and affect of industry changes to company's operations and countermeasures

7.6.5.1 Technology and industry changes

In response to Industry 4.0, the company promotes the optimization of internal management systems, focusing on four areas: cloud mobility, Big Data, Internet of Things (IoT), and intelligent machines. The optimization project — which integrates economic, environmental, societal, and risk factors — shifts the focus from objective management to behavioral management to allow workers and managers to quickly determine each situation, and act accordingly to improve work outcomes and efficiency. The results include the establishment of a TCC War Room System to monitor each plant's production, operations, and carbon emissions, which helps to anticipate risks and control and reduce carbon emissions. At the same time, the company will introduce artificial intelligence (AI) based on Big Data collected from plants. By using 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 provide the optimal process ratio and carbon reduction methods for each plant. The company can also implement and precisely manage carbon reduction goals at each stage and link to employee performance reviews and bonuses to fulfill energy saving and carbon reduction.

Both Taiwan and China have adopted co-processing waste disposal in cement kilns. The company has over 30 years of experience in solid and hazardous waste disposal, having a research department that is recognized by the Taiwan Accreditation Foundation. The company owns the biggest co-processing waste disposal in cement kilns in Guigang, Guangxi Province, China, with an annual capacity of disposing 200,000 tonnes. It obtained a five-year permit for hazardous disposal on January 28, 2021. Also, it was notified on November 30, 2021 by the Guigang Ecological Environment Bureau that it would be among the first batch of demonstration bases for publicity, education and practice of ecological environmental protection in Guigang. Jurong Plant's fly ash disposal incineration plant started operations on October 18, 2021. Guizhou's Kaili Plant, with a disposal capacity of 50,000 tonnes of hazardous waste, obtained a five-year permit on November 9, 2021. Following a staggered production arrangement, the plant is expected to come in line in the first quarter of 2022. Guangdong's Shaoguang Plant, which disposes of domestic waste, will start production in the second quarter of 2022. The cement kiln of Hunan's Jingzhou Plant, with a daily disposal capacity of 200 tonnes of domestic waste, obtained an environmental assessment in November 2021 and a construction permit on December 23, 2021. It is expected to begin operations in the fourth quarter of 2022. Sichuan's Guangang Plant, with an annual disposal capacity of 100,000 tonnes of hazardous waste and 150,000 tonnes of general waste, obtained an environmental impact assessment on May 14, 2011 and its application for the construction permit is under process. These environmental protection efforts will generate business for the company and also highlight the broader societal benefit of creating a circular economy in the cement industry, and help establish the company as an industry leader in the area of circular economy.

As the development of new high-efficiency crystalline silicon solar cells have led to an increase in power generation, the generation of renewable energy has grown by 30% compared to two years ago. This has led to an improved return on investment in solar power projects, contributing to the projects' financing. At the same time, there have also been major technological advances in onshore wind power and geothermal power generation, such as the introduction of wind turbines with better power generation and more efficient binary cycle geothermal power generation systems. The company continues to monitor technological advances in various power generating equipment and continues to introduce the latest technology in its power generating system.

7.6.5.2. Information security

Please refer to page 194 of the annual report "5.6 Information Security".

7.6.6 Changes in corporate image and impact on company's crisis management

Please refer to page 253 of the annual report "7.7.2 5. The company evaluates the potential risks and opportunities from climate change and takes measures in response to climate issues".

7.6.7 Risks and expected benefits associated with mergers and acquisitions

- (1) The company's subsidiary TCEH acquired 60.5% equity stake in NHOA S.A. in July 2021 and filed a simple compulsory tender offer to acquire a further 4.7% equity stake with cash in September 2021. By acquiring NHOA S.A., the company strengthened its presence in the energy industry and has become the only company in Taiwan with the ability to build long-serving and large energy storage systems and enter the fast charging of electric cars, smart grid, and hydrogen fields. The company will provide a complete energy storage system and related services for sustainable development.
- (2) The company participated in the cash capital increase of TCC Recycle Energy Technology company in August 2021. As the other shareholders did not participate in the capital increase, the shares held by the Group increased to 67.8% and obtained the right to control TCC Recycle Energy Technology company and its subsidiaries. Through its manufacturing lithium battery factory and research and development in battery technology, the company plans to lead the electric vehicle and energy storage industry in Taiwan to the global market, and aims to become a driving force for Taiwan's economic growth.

7.6.8 Risks associated with facility expansion

To increase cement and clinker capacity in China and to fill the gap between the Yingde Plant in Guangdong and the Hunan Plant, the company established a new plant in Shaoguan, Guangdong. The company also established a waste disposal project in Shaoguan, Guangdong, which has an annual capacity of 2 million tonnes and is the first of the company's cement plants to have a built-in disposal facility. This plant will act as the command center for the planned expansion into northern Guangdong. The ground construction started in April 2020, and the cement kiln production line started operations in November 2021. It is TCC's most advanced technology factory and the first open factory in China, equipped with a six-stage cyclone preheater and a fourth-generation cooler which can effectively reduce energy consumption, as well as a SCR denitrification system and desulfurization tower equipment which can effectively reduce air pollution. In addition, residents of the surrounding villages and towns are free to access the water park built at the factory, which has helped to establish good relations with the local community.

With increasing awareness of environmental protection and growing number of related regulations, the company plans to construct a new wastewater treatment plant. To enhance the capability of this plant and reduce the concentration of effluent water, the company analyzes the risks and opportunities from operating power plants to continuously improve and strengthen the ecological benefits that can be generated. The preliminary plan is to build an ocean thermal energy conversion with a capacity of between 1MW to 4 MW, an intake depth of cold water at around 600m, and annual electricity generated of 8.04–32.16 million kWh, which can decrease greenhouse gas emissions by 4,036–16,144 metric tons (0.502 kgCO₂/kWh). In response to the first ocean thermoelectric power generation in the world and rapid changes in the seabed, the company will actively conduct a feasibility analysis of every equipment and system and conduct seabed surveys to reduce the risks that comes with laying sea pipelines.

In line with Taiwan government's vision of a nuclear-free homeland by 2025, and its goal of generating 20% of electricity using renewable energies, the company has invested in renewable energy. These include Phase I and II of the solar energy power plants at the company's former chemical plant in Chang-Bin Industrial Zone with a total power output of 12.1MW; Phase 1 of a 7.2MW onshore wind power plant, and Phase 2 of a 9MW onshore wind power plant which has passed an environment assessment and is currently preparing a construction application. Also, the company has a 14.4MW onshore wind power plant in Changhua Fangyuan, and rooftop solar panels at the Taitung Dadu Plant with 424.08kW output, the Tainan E-One warehouse (496.6kW), Kaohsiung CSRC warehouse (725.4kW), Taitung Linyuan warehouse (455.7kw), etc. The first project for the integration of fishery and power generation started construction in January 2020. Phase 2 (22MW) of the integration of fishery and power generation in Yi-Chu, Chiayi is currently preparing a construction application. Another project for the integration of fishery and power generation in Long-Jiang, Chiayi is under environmental and social inspection and investigation. These developments are all expected to bring stable revenue

for the company. As for self-use solar energy, the company has 43.2kW rooftop solar panels at its headquarter, 698kW rooftop solar panels at factories in northern, central and southern Taiwan, and 40kW solar panels combined energy storage system in the Suao mine.

The company's renewable energy business involves the development and construction of energy generation projects and the sale of green energy. It is not a manufacturing business. The company plans to adopt the OEM model to develop energy storage systems, so there is no plan or need to create or expand any new plants.

The lithium battery factory of E-One Moli Energy Corp. in Kaohsiung is expected to begin operations in 2023. The production line will adopt advanced technology to enhance material management, automate production lines, conduct AI analysis, process management, order management and shipment, and more. The annual production capacity is 1.8 GWh, equivalent to the volume of long-distance batteries needed for the annual production of 24,000 electric vehicles. The factory will primarily produce high-end, high-capacity, high C-rate nickel-lithium batteries with a size of 21700, with the flexibility to produce batteries with a size up to 22900, which can supply about 24,000 electric vehicles a year. The new plant capacity meets the recent trend of demand for larger battery sizes in the electric vehicle market.

7.6.9 Risks associated with purchase and sales concentration: none.

7.6.10 Risks associated with sales of significant numbers of shares by the company's directors and major shareholders who own 10% or more of the company's total outstanding shares: none.

7.6.11 Risks associated with change in management: none.

7.6.12 Risks associated with litigation

Are there any major litigation, non-litigation events, or administrative disputes that have reached verdicts or are still in progress as of the publication date of the report? None.

List the major litigation, non-litigation events, or administrative disputes involving directors, presidents, principal, and shareholders holding over 10% of the company or its subsidiaries that have reached verdicts or are still in progress, and which may cause significant impact to shareholders' interests or the share price as of the publication date of the report:

Company name	Ta-Ho RSEA Environment Co., Ltd.
Details of the dispute	The arbitration states that according to the build-own-operate (BOO) contract between Ta-Ho RSEA Environment Corporation and the Yunlin County Government, under the "Yunlin County Government encourages Public and Private Institutions to Operate Waste Incineration Plant Memorandum", the Yunlin County Government should pay a first-stage payment of NT\$1.5 billion by November 30, 2008 and the remaining balance (around NT\$1.44 billion, including \$1.387 billion in Taiwan dollars, \$1.706 million in US dollars, and \$307,000 in Japanese yen) by June 30, 2009. At the same time, Ta-Ho RSEA Environment Corporation should transfer assets to the Yunlin County Government.
Contract value	Around NT\$2.94 billion
Litigation start date	Arbitration date: October 1, 2008
Parties concerned	Ta-Ho RSEA Environment Co., Ltd., and Yunlin County Government
Status	Ta-Ho RSEA Environment Corporation applied to have the arbitration decision enforced, including payment of the principal and interest amounting to NT\$3.54 billion. The case has been concluded.

Company name	Ta-Ho RSEA Environment Co., Ltd.
Details of the dispute	As stipulated in Article 10.5 of the "Yunlin County Government encourages Public and Private Institutions to Operate Waste Incineration Plant Memorandum" (BOO contract) entered by and between Ta-Ho RSEA Environment Co., Ltd., and the Yunlin County Government, once the contract is terminated due to reasons attributable to the Yunlin County Government, all assets of the Linnei Incineration Plant (the Plant) shall be transferred to the Yunlin County Government. However, the Yunlin County Government refused to receive these assets. Since October 31, 2006, when the BOO contract was terminated, Ta-Ho RSEA Environmental Corporation continued to operate and maintain the plant on behalf of the Yunlin County Government. As of January 31, 2021, the operating costs of the plant amounted to NT\$ 173.642 million. Ta-Ho RSEA Environment Corporation was awarded NT\$ 2.9 billion. After arbitration, the Revenue Service Bureau of the Yunlin County Government noted that Ta-Ho RSEA Environment Corporation had to pay NT\$ 165.591 million in taxes in relation to the compensation.
Contract value	Approximately NT\$ 347.941 million
Litigation start date	A petition was submitted on February 15, 2019.
Parties concerned	Ta-Ho RSEA Environment Co., Ltd., and Yunlin County Government
Status	An arbitration tribunal was formed on May 22, 2019, and ended on February 4, 2021. Arbitration reached a conclusion on April 8, 2021. The Yunlin County Government shall pay Ta-Ho RSEA Environment Corporation: (1) NT\$89.494 million and the interests of respective additional claims of Ta-Ho RSEA Environmental Corporation from the date of claim to the repayment date. (2) Exercise tax on principal and interests of (1) above. (3) NT\$165.591 million and deferred interest from February 27, 2019 to the repayment date. (4) 63% of arbitration costs. As of July 9, 2021, Yunlin County Government had paid NT\$ 288.91 million according to the arbitration. The case has been concluded.

Company name	Hoping Power company
Details of the dispute	The Fair Trade Commission (FTC) fined Hoping Power company NT\$1.35 billion for violation of Article 14 of the Fair Trade Act.
Contract value	NT\$1.35 billion
Litigation start date	March 2013
Parties concerned	Hoping Power company and the Fair Trade Commission
Status	In November 2013, the Fair Trade Commission changed the original penalty to a fine of NT\$ 1.32 billion. On June 30th, 2015, the Taiwan Supreme Administrative Court denied the original decision (where Hoping Power company won the case) and remanded the case to the Taipei High Administrative Court. On May 25, 2017, the Taipei High Administrative Court maintained its original decision that the penalties in response to anti-competition should be revoked. In response, the Fair Trade Commission appealed to the Supreme Administrative Court. On September 6, 2018, the Supreme Court dismissed the appeal. (Case Series: 2018 No. 1380.) For the remaining part of the case, the Supreme Court revoked the original decision (Case Series: 2018 No.505), and remanded it back to the Taipei High Administrative Court (Case Series: 2018 No.116.) In May 2020, the Taipei High Administrative Court dismissed the FTC's penalties. In response the FTC appealed the case and it is currently under review by the Supreme Administrative Court. Acting on the principle of conservativeness, Hoping Power company accrued for the relevant losses in 2012, and had paid all of the penalties by December 31, 2019.

Company name	Hoping Power company
Details of the dispute	Taiwan Power Co., Ltd. (Taipower) filed an administrative lawsuit with the Taipei High Administrative Court, claiming a payment for NT\$ 5.5 billion. The amount totaled NT\$ 10.76 billion including interest. In addition, there was a civil lawsuit against Taipower with the Taipei District Court, amounting to NT\$ 5.2 billion.
Contract value	Around NT\$16 billion.
Litigation start date	September 2015
Parties concerned	Hoping Power company and Taiwan Power company
Status	1. Taipower has two litigations including: (1) In September 2015, the Hoping Power company was served a summons by the Taipei High Administrative Court on charges brought forth by Taipower. In February 2017, the case was remanded to the Taipei District Court, and the claim was amended to NT\$10.76 billion. On October 30, 2019, the Taipei District Court denied the claim brought forth by Taipower. Originally, Taipower had filed an appeal with the Taipei High Administrative Court, but withdrew it in June, 2020, bringing an end to the litigation. (2) In November 2015, Hoping Power company 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. It is still pending trial at the Taipei District Court. 2. Hoping Power company believes Taipower does not have a valid standing for the case, thus it has not accrued for a potential loss.

7.6.13 Other material risks

As of the publication date of this annual report, TCC does not have any other material information.

7.7 Corporate Sustainable Development

“Two hundred years ago, cement responded to humanity’s demand for foundation construction and provided a safer and higher quality of living. Two hundred years later, cement shoulders a responsibility for reducing carbon emissions. COP26 stressed the need to reduce carbon emissions and has set an ambitious 2030 target of reducing carbon emissions by 50% to align with reaching net zero by 2050. Out-of-control carbon emissions is this century’s flood. It is necessary for TCC to reduce carbon emissions and take responsible actions to reach net zero.”

Cement takes from nature, uses it for society; seeks to find the balance between nature conservation and the development of civilization. The company follows the 1995 Paris Accord at the core of its business in line with science-based carbon reduction targets approved by the SBTi, driving seven carbon emission reduction strategies and upholding stringent international standards, to demonstrate the sustainable responsibility of an international corporation.

TCC has transitioned from a cement manufacturing and sales company to a green environment construction company whose sole focus is to help resolve the complex relationship between humanity and nature; TCC thrives to transition from an eco-solution provider to an earth helper. TCC not only stands for Taiwan Cement Corporation but it also stands for Total Climate Commitment and Total Care Commitment.

7.7.1 Corporate sustainable development committee and ESG organization

The company set up a Corporate Sustainable Development Committee as a functional committee directly under the Board of Directors. The Board of Directors appointed three members, with Director An-Ping Chang as the president, General Manager Jong-Peir Li as vice president, and Independent Director Victor Wang. Their expertise covers risk management, operations, energy technology, environment protection, and more.

The Committee is responsible for the following five functional groups --Risk Management, Circular Manufacturing, Sustainable Environment and Products, Employee Care, and Social Care -- and sets ESG targets, including for Task Force on Climate-Related Financial Disclosures (TCFD), Information Security, and Supply Chain Sustainability. The Committee holds two meetings twice a year, regularly conducts internal reviews and conducts ESG projects, and strengthens the enterprise’s constitution. In response to the impact from the world climate emergency and the COVID-19 pandemic, TCC has strengthened its risk management mechanism and the company’s ESG strategy. Important resolutions from the Corporate Sustainable Development Committee in 2021 are highlighted below:

The path and action to reach net zero by 2050

Path to Net Zero:

Besides following the 2025 targets set by SBTi to reduce carbon emissions, TCC has answered the calls from SDGs17 and aims to combat climate change with GCCA. Also, in response to the Alliance for Net Zero Emission, TCC plans to reach net zero by 2050.

Establish carbon emission standards for Taiwan’s cement industry and receive Taiwan’s first Cement Carbon Emission Reduction Label

Established carbon emission reduction methodology for the cement industry and received the first Cement Carbon Emission Reduction Label:

TCC volunteered to assess its carbon footprint, established the first carbon emission reduction methodology for the cement industry, and helped to co-establish cement emission calculation and audit standards. In 2020, TCC applied to the EPA to change its cement products from B2B to B2C, establishing a PCR to promote carbon emission transparency for each stage of cement production. In August 2020, TCC obtained the first Cement Carbon Footprint Label from EPA. In 2021, TCC’s products achieved an average reduction of over 5% in carbon emissions, receiving the first Cement Carbon Emission Reduction Label. Through B2C Carbon Label, TCC hopes to reduce carbon emissions.

Become the first cement corporation in the world to receive ISO 46001

Adopt the ISO 14046: Environmental Management – Water footprint:

To assess the impact of its water usage and to effectively build a water management system, TCC adopted and passed ISO14046 at its Suao and Hoping Plants.

Preemptive adoption of ISO 46001:

Compared with the technology industry, the cement industry is a non-water-consuming industry. Nevertheless, TCC became the first cement company to pass the ISO 46001 certification and is projected to save over 52,456 cubic meters of water each year, which equates to saving 5.07% of its total water usage.

Develop renewable energy, expand energy storage division, and assist and satisfy renewable energy demands from other industries

With EV100 and RE100 as targets, TCC aims to increase its energy management:

TCC aims to set up charging piles, transition its car fleet from traditional vehicles to electric vehicles, and push to generate its own renewable energy and use the energy generated.

Adhere to international green energy trends:

TCC is aggressively expanding and strengthening its renewable energy and energy storage division, and has been accomplishing several M&A transactions and expansion of energy storage in 2021.

TCC accomplished **Taiwan’s first energy storage project** at the Changbin base using Taiwan’s first Automatic Frequency Control (AFC) Smart Energy Storage System, and has started operations. The Changbin AFC Smart Energy Storage System is expected to be Taiwan’s largest energy storage plant in 2023.

TCC is the first cement company in eastern Taiwan to establish a low carbon emission green energy plant. TCC has also established a lithium battery plant in Kaohsiung, and is expected to produce 1.8 GWh of batteries in 2023, providing enough energy to operate 24,000 electric vehicles for a year.

Recycle waste, and help manage 5.5% of Taiwan’s waste

To achieve a circular economy, TCC partnered with ten different industries such as electricity, manufacturing, steel, semi-conductor manufacturing, semiconductor packaging, chemical fiber, paper making, waste incinerator, recycling, and water plants. Since 2018, the waste incinerator has processed 3.919511 million tonnes of waste. In 2021, the waste incinerator processed 5.5% of Taiwan’s waste.

Phase 2 of the TCC DAKA is planned around the recycling material center, and is expected to finish construction in 2024. The center will combine waste processing, environmental education, tourism and more, and is Taiwan’s first cement kiln waste processing structure.

Promote the native species reproduction of coral and mining area, work with international conservation groups and environmental protection groups, with a bio conservation plan that covers 100% of organisms

Coral cultivation plan at industrial port:

TCC has a three-in-one base, of which the Hoping plant received European EcoPorts Certifications in 2019 and 2021. The water near the base is very clear and coral can be seen from shore. In 2021, TCC started a coral cultivation plan. TCC began to transplant coral that was broken by waves onto artificial reefs. The success rate was over 99% and 228 corals were cultivated. Currently, the Hoping port has 160 types of coral and many tropical fish can be seen from the shore.

Mining Area Biodiversity Action Plan:

To promote the cultivation of wildlife in the mining area, TCC has consolidated the resources from its Conservation Center, implemented international standards to manage the mining area, and engaged third parties to provide assessments of the value of biodiversity in the mining area. From flowers to wilderness, with the native plants as the cultivation target for the mining area, TCC and the Conservation Center have cultivated a magnitude of native plants.

TCC DAKA conducted an impact assessment for SROI 3.54:

TCC conducted a SROI assessment regarding DAKA's local settlement, women and teenagers in the tribe, and corporate employees. The assessment showed that besides revitalizing the economy and stabilizing lives, TCC also encourages creation, helping individuals to grow and succeed. In 2021, TCC DAKA created a design website on PINKOI. On average, TCC sponsored each individual close to NT\$180,000.

Yilan Hanben ocean post station worked with the coastguards to revitalize security checkpoints:

With TCC DAKA as the basis, the Hoping Plant worked with the coastguards to revitalize the Yilan Hanben Ocean Post Station. The post station will provide rest areas for travelers, provide a way to enjoy the ocean, educate on protecting ocean wildlife, and educate on topics related to ocean waste. The post station hopes to promote exchanges of local cultures, encourage teenagers to participate in sea activities, promote tourism around tribal activities, and most importantly, help revitalize the local community and create an eco-friendly environment. Revenues from the post station are all donated to the local Aohua Elementary Schools scholarship trust.

Create a green corridor in eastern Taiwan:

With TCC DAKA as the starting point, connecting with Yilan Hanben ocean post station, TCC Green Energy is working with L'Hotel de Chine Corporation to create the Vakangan Geothermal Green Energy Park. It will become the first demonstration park in Taiwan to combine geothermal green energy, tourism, and local co-existence. TCC also plans to build a green corridor in eastern Taiwan.

As an extension of TCC DAKA, TCC has built a green corridor on the east coast

TCC thrives to protect all its related parties through its core business, from purchasing vaccines, participating in the production of medical equipment, and donating surgical masks and providing rapid test kits.

Flexible work schedule plan:

In response to employees and their family members taking vaccines, TCC established a new flexible work schedule to accommodate its employees' needs.

Upper management promotes communications between employees to continue updating the company regarding the pandemic status:

To encourage employees to care for one another, the President collects the most updated news from each branch and each related party, including pandemic news, industry news, and local government information from each office. This information is provided to the Epidemic Prevention Team so that it can better prepare plans to counteract the pandemic. TCC set up a pandemic hotline for each plant, infrared monitoring of employees' temperatures, and periodically disinfected plants. TCC also rearranged deployment of expatriates, started work rotation, promoted teleconferencing, changed town hall meetings to online events, provided pandemic travel subsidies, and periodically provided surgical masks and pandemic prevention items.

Flu vaccine targets include employees and contractors, protecting the rights of all TCC's employees, partners, and related parties.

Provide care for employees' family members and contractors

To respond to declining birth rates and a smaller work force, TCC is promoting a child-rearing program, and the amount of applicants for maternity subsidies increased by 46%.

To respond to the government's call to increase birth rates, TCC promotes childbirth and has rolled out parenting plans. From 2021, TCC started to provide childbirth bonuses. The first child will receive NT\$10,000, second will receive NT\$20,000, third child will receive NT\$50,000. 10% of the employees who received the childbirth bonuses have received bonuses for giving birth to a third child. These aim to help to reduce the economic burden of raising a child. In 2020, the applicants increased by 46%, with an aggregate amount of bonuses reaching NT\$960,000.

Benefits for parenting and retirement plans

Provide retirement plans with stock options and insurance:

TCC promoted employee stock option plans to all employees in order to retain talent and encourage employees to conduct savings and wealth management. When employees allocate a fixed amount of salary to purchase company stocks, TCC will allocate the same amount of a bonus to a trust fund. Besides providing for long-term security, TCC hopes to help employees to plan for their retirement. In 2020, 96.95% of employees participated in employee stock option plans, showing the trust that employees have in the program. For employees over the age of 60, TCC provides additional support via the trust fund to help accumulate additional retirement funds. Besides benefits provided to current employees, TCC provides health examinations to retired employees every three years and provides medical, accidental, and life insurance. TCC also hold retirement activities to fulfill its corporate philosophy of treating its employees as family. In 2021, 31% of retired employees participated in the insurance plans.

7.7.2 Environmental protection

The environment, energy and cement are the core businesses of TCC, which focuses on achieving zero waste, zero pollution, and zero emissions. In line with this policy, TCC integrates the concept of sustainability management when formulating energy conservation, environmental protection, and production management plans. The company has implemented and obtained international certifications including ISO 14001, ISO 50001, ISO 14064, ISO 14046, ISO 46001, and BS 8001. These certifications have helped improve the quality of our products and the effectiveness of our energy, water, wastewater, and waste management performance. In addition, TCC requires our suppliers and contractors to implement sustainability practices in their production, manufacturing, and logistical processes and try and reduce their impact on the environment. Together, we create sustainable values throughout the supply chain.

The three-in-one Hoping electricity factories formed the first circular economy zone in Asia. In 1997, in line with the policy of transferring industry to eastern Taiwan, TCC designed the Hoping cement district on a circular economy basis, which connects to the local port, and the Hoping electricity factory and cement factory. Different industrial materials, fuel and waste can be used in complementary ways in these three sites. Cement products are delivered by sea, which is a low-carbon approach. Cross-industry circular economy zones optimize the usage of resources with no waste and low-carbon, which is the only eco factory with no ash pond. As a beneficial result, fireflies may be seen flying around the cement factory on summer nights.

Mining is one of TCC's core businesses. The company adopts an eco-friendly approach to mining, mine reclamation and development of plant conservation. The company's mine reclamation differs from others. Instead of pursuing green area ratios and the number of saplings planted, the company plans and considers the balance of ecology and reconstruction in a long-term manner, and implements mine-greening management, which helps to progressively restore the original ecology. The Dr. Cecilia Koo Botanic Conservation Center and TCC work together to investigate the native species in the area and restore the local limestone ecosystem.

In 2007, the Dr. Cecilia Koo Botanic Conservation Center was established with the full support of Mr. Cheng-Yun Koo and Ms. Cecilia Koo. Its mission is to conserve tropical and sub-tropical plants and maintain a rich biodiversity. In the past 14 years, TCC has provided funding and manpower since the Center's foundation, which aims to become a worldwide repository for tropical plants through research, international academic exchanges and participation in the global conservation of tropical plants. As of

January 2022, the Center had collected 34,046 taxa all over the world to help restore the Company's mining area, using action to establish TCC's philosophy of sustainable development, environmental protection, and climate change management.

In response to the UN Convention on Biological Diversity, TCC has established the Biodiversity Management Plan (BMP); the company signed a Business for Nature agreement in 2020, promising to decrease the loss of natural capital, hoping to drive the government to establish more aggressive and stringent nature-related regulations. TCC shows its determination to protect Taiwan's biodiversity.

On January 17, 2022, the Group hosted a press conference for the naming of the "Ceciliakoocon" asteroid. The Group's Conservation Center is not only the world's most important tropical and subtropical plant conservation base but is now also in space. Based on an evaluation by International Astronomical Union (IAU), National Central University named the #526460 asteroid discovered by its NCU Lu-Lin Observatory as "Ceciliakoocon," in recognition of the contributions of the Conservation Center. The hope is for the world's largest tropical conservation center to become a Noah's Ark for plants and carry forward the hope of sustainability. The Ceciliakoocon will continue to shine in space, carrying the spirit of the Dr. Cecilia Koo Conservation Center.

TCC's DAKA ecology recycle factory started in 2020, and it has so far attracted over 4.2 million visitors and become a top tourist attraction in Hualien. Advocating the concept of "Know Waste, No Waste", DAKA is dedicated to achieving the goal of reducing waste and saving resources as much as possible by using the GEMMA system. This program covers six different recycling categories including PET bottles, daily trash, industrial waste, used batteries, kitchen waste, and marine debris.

TCC follows the government's policy on green eco-ports, which has four aspects, including travel transport, freight transport, port environment and city/community development. The company seeks to transform the Hoping Port into an eco-port, based on these aspects, with the goal of not only improving the environment around the port, the development of travel transport and living quality, but also enhancing efficiency, reducing pollution and raising the port's profile identity to achieve a circular economy. In 2019, Hoping Port obtained certification from ECO Sustainable Logistic Chain (ECOSLC), shared related ecological information with the renowned ports of Amsterdam, London, Stockholm and Oslo, and created an important port with eco-awareness. In 2021, the Hoping Port once again received the PERS, APSN, and GPAS certifications from the EU EcoPort.

1. The company has established proper environment management systems based on the characteristics of its industries

Through the establishment of ISO 14001 and ISO 50001 environmental and energy management systems, the Company employs environment management programs and energy baseline surveys, make improvements to projects, and establish management systems that help strengthen the company's environmental and energy management. The Company received ISO14064 Greenhouse Gas Verification Certification from SGS Taiwan and has adopted BS8001 Circular Economy Assessment Verification in 2018. SGS has awarded the "optimized" level to the Company. Starting from the second quarter of 2019, the company has encourage its cement plants to reduce their carbon emission intensity per unit based on a policy that includes carbon emission intensity in the calculation of quarterly bonuses.

2. The company utilized all resources efficiently and use renewable materials that have low impact on the environment

- (1) The company actively researches ways to reuse waste and resources to replace natural resources and raw materials with the aim of reducing the unit energy consumption of its cement products as well as the company's greenhouse gas emissions.
- (2) Guigang TCC Dong Yuan Environmental Technology company Limited uses its cement kiln for solid waste treatment (330,000 tons per year). The Phase 1 project (200,000 tons per year for hazardous waste treatment) started operations on April 1, 2020.
- (3) TCC's Suao plant was recognized on November 18, 2020 as a "2020 meritorious company for voluntarily reducing greenhouse gas emissions".

3. Carbon Emission Management and Green Environment Protection

- (1) As TCC has a well-established management system, all of TCC's plants were able to acquire the ISO 9000 certification for quality management within a very short period of time in 1993. This certification has since become a competitive necessity for international businesses. All of TCC's cement plants also acquired the ISO 14000 certification for environmental management from the Bureau of Standards, Metrology and Inspection. All three cement plants in Taiwan obtained the ISO 50001 certification for energy management on December 8, 2014, December 12, 2014, and December 15, 2014, respectively. All of TCC's cement plants in China obtained ISO 9000 and ISO 14000 certifications for quality and environmental management, as well as OHSAS-18000 certification for occupational health and safety management. Some of TCC's cement plants in China have obtained ISO 50001 certification for energy management.
- (2) Since 1994, TCC's efforts and involvement in environmental protection have earned it a number of awards from government agencies, such as the Environmental Protection Administration (EPA). Our Hualien plant won the EPA's Annual Enterprises Environmental Protection Award (AEEPA) of the Republic of China (ROC) for outstanding performance in environmental protection for three consecutive years from 2000 to 2002. The plant was also recognized as one of the outstanding manufacturers in voluntary greenhouse gas (GHG) reduction by the Ministry of Economic Affairs' (MOEA) Industrial Development Bureau (IDB) in 2009 and 2014. Our Suao plant was awarded the Industrial Sustainable Excellence Award by the MOEA in 2003 and recognized as one of the outstanding manufacturers in voluntary GHG reduction by the IDB in 2008 and 2019. Our Hoping plant was recognized as one of the outstanding manufacturers for energy conservation in 2004 and for voluntary GHG reduction by the IDB in 2007.

The results of our long-term commitment to energy conservation, GHG reduction, elimination of waste generation, and resource recycling earned us the IDB's Annual Benchmark Enterprise in Energy and Resource Integration award in November 2011. Our Hoping plant received the highest level of recognition, two stars, for the evaluation for circular economy of waste resources conducted by the EPA in December 2018. The cement produced by the Suao and Hoping plants were certified as "Green Mark" cement products by the EPA in January 2019. In 2020, TCC established Product Category Rules (PCR) for the cement industry, alongside the Environmental Protection Administration, to develop carbon labels for cement products. TCC received the first ever carbon label for cement products in Taiwan in August 2020.

4. Policies for energy conservation, carbon and greenhouse gas reduction, water-saving and waste management

The company recorded greenhouse gas emissions, water consumption, and waste weight over the last two years and has established policies for energy conservation, carbon and greenhouse gas reduction, water-saving and waste management:

- (1) The company continues to replace the use of raw materials and fuel with recycled waste and resources in the product development stage. This not only increases resource efficiency but also decreases carbon emissions, which decreases the risk of resource shortages caused by climate change. Also, with the ISO management system, the company achieved a waste and resource reuse rate per unit cement of 21.82% in 2021.
- (2) With the establishment of a circular economy as a strategic objective, TCC seeks to create sustainable business value through the establishment of a cross-industry circular economy chain. The adoption of ISO 14001, ISO 50001, ISO 14064, ISO 14046, and BS 8001 standards has enhanced the company's management performance in processing its energy, water, wastewater, and waste. Adopting more stringent standards than international environmental protection regulations, TCC strives to incorporate environmental protection policies in its management philosophy by improving energy conservation, environmental protection, and production processes, in order to reduce its environmental impact.

5. The company evaluates the potential risks and opportunities from climate change and takes measures in response to climate issues

In line with the government's energy and circular economy policies, in 2016, the company proposed a green value chain supply chain, participates in research such as carbon capture, utilization and storage (CCUS), creates opportunities to combat climate change, and also participates in various government projects related to the reuse of resources and renewable energy. In July 2020, the SBTi announced that TCC had accomplished setting its goal: "Using 2016 as the base year, TCC promises to lower greenhouse gas emissions by 11% (including Scope 1 by 11% and Scope 2 by 32%) by 2025." The company is one of four cement companies that has set a carbon emission reduction goal, and is the first in East Asia to do so. In September, 2020, TCC joined the Global Cement and Concrete Association (GCCA), which was established by the World Business Council for Sustainable Development (WBCSD). As a GCCA member, TCC and 40 other cement enterprises signed up to a net zero "climate ambition" that aims to achieve carbon neutral concrete by 2050. This joint collaboration demonstrates the commitment of the global cement and concrete industry to reduce its carbon footprint.

(1) Changes in Corporate Image and Impact on Company's Crisis Management:

Meetings held by the Corporate Sustainable Development Committee in 2021 placed an emphasis on responses to climate change, circular economy, and stakeholder communications.

① Countermeasures for climate change

Response to climate change: By partaking in international initiatives, appraisals, and implementing carbon reduction goals based on the highest international standards, the company hopes to contribute to mitigating climate change and fulfill the responsibility of an international corporation.

The company continues to hold itself to the highest standards in contributing to the mitigation of climate change. In 2019, the company became the first in the traditional manufacturing industry to commit to the Science Based Targets initiatives (SBTi), and actively set and execute carbon reduction goals. In 2020, the company completed setting SBTi targets and a TCFD structure, and called for a partnership with the UN's Sustainable Development Goals (SDGs). In July 2020, the SBTi announced that TCC has accomplished setting its goal: "Using 2016 as the base year, TCC promised lower greenhouse gas emission by 11% (including Scope 1 by 11% and Scope 2 by 32%) by 2025." The company is one of four cement companies that has set a carbon emission reduction goal, and the first in East Asia to do so. On September 1, 2020, The company and forty of the world's leading cement and concrete companies in the Global Cement and Concrete Associate (GCCA) unveiled a joint industry "2050 Climate Ambition," demonstrating the commitment of the industry across the globe to drive down its CO₂ footprint, with an aspiration to provide society with carbon neutral concrete by 2050. Also, the company is responsible for creating a path to carbon neutral concrete in Asia. To accomplish its aspiration, the company has established an internal carbon emission monitoring system, which outlines seven carbon emission reduction strategies: Utilize biofuel energy, utilize alternative fuel, promote power generation from low temperature heat, continuous technology improvement, development and storage of renewable energy (including geothermal power), development of carbon capture technology, and the implementation of carbon sink afforestation.

② Circular economy

With the cement kiln as an urban air purifier, create a waste synergy disposal system through the use of technology to create a circular economy, extending to the social supply chain to help with social issues created by industry and domestic waste

According to the World Business Council for Sustainable Development (WBCSD), a cement kiln's average temperature is around 1,300 degree celsius, which can dispose of dioxins that incinerators cannot dispose of, and help decontaminate human waste, turn it into reusable fuel to replace raw materials and fuel for cement, and at the same time reach the goal of reducing carbon emissions, assuming the role as a city purifier.

With limited resources on earth, the company, with the circular economy as its guiding philosophy, is committed to creating a co-processing waste disposal system, utilizing technology to continuously circulate resources, raw materials, and waste back to the industrial supply chain, reducing consumption

of energy and resources and the waste generation. Over the years, the company has leveraged its cement kiln technology to help dispose of waste from industries such as optoelectronics, semiconductors, paper manufacturing plants, water purification plants, biochemical plants, and steel mills. With the cement kiln as the core ecofriendly technology, the company has turned industrial waste into recycled resources, replacing raw materials or fuels needed to create cement. Cross-industry cooperation has not only created a recycle value chain through reusing energy, which has lowered energy and resource consumption, but also mitigated problems arising from waste disposal and pollution, creating a low carbon emission circular economy. The company along with semiconductor factories, steel mills, and paper manufacturing plants have formed a circular economy symbiotic relationship. In 2021, the amount of industry waste processed by TCC accounted for 5.5% of all of Taiwan industrial waste, and the reuse of per unit of cement waste and resource reached 21.82%.

In 2021, the company continued to test new alternative resources, such as waste arising from laminated film and reducing slag, and test alternative fuel, such as waste arising from wood, wood chips, and coal ash, hoping to discover new alternative resources and fuel to achieve carbon emission reduction and Renewable Resources. At the same time, the company owns the biggest co-processing waste disposal in cement kilns in Guigang, Guangxi Province, China, with the capacity of disposing 200,000 tonnes of waste annually and has already obtained a five year permit for hazardous disposal. The project started operations in April 2021. Meanwhile, Jurong Plant's fly ash disposal incineration plant has finished construction and start operations on October 18, 2021. Guizhou's Kaili Plant, with an annual disposal capacity of 50,000 tonnes, has obtained a five-year permit for hazardous disposal and is expected to start operations in the first quarter of 2022. Guangdong's Shaoguang Plant will start to dispose of domestic waste in the second quarter of 2022. Hunan's Jingzhou Plant, the first phase of the cement kiln co-processing domestic waste project (200 tonnes per day), received an Environmental Impact Assessment (EIA) approval in November 2021, obtained a construction permit, started construction on December 23, 2021, and is expected to start operations in the fourth quarter of 2022. Sichuan's Guangan Plant, which is a solid and hazardous waste project, received EIA approval on 14 May, 2011 and is planning to apply for a permit. Cement kilns will become the heart of the circular economy and move towards the sustainable mission of urban circular purifiers in the future.

The company became the first in the global cement industry to achieve the BS 8001 Circular Economy certification in 2018. In 2020, the company was rated as "optimal" by the BS 8001 Circular Economy. Also, in 2020, Hualien's Environmental Protection Agency started collaborating with the company by using the build-own-operate (BOO) model to execute a cement kiln co-processing waste disposal project. In September 2020, the proposal passed an environmental assessment, started construction in July 2021 and is expected to begin operations in the first quarter of 2024 to become the first cement kilns co-processing plant in Taiwan.

③ New energy

Focusing on the power industry with the highest carbon dioxide emissions in the world, TCC actively invests in energy creation (renewable energy), energy transmission (key battery) and intelligent energy storage to become an all-round energy organization. Since the first establishment of green electricity in 2018, the company has successively built the first wind and solar symbiosis power plant and fishery and solar symbiosis project in Taiwan, developed geothermal energy and evaluated the possibility of ocean thermal energy conversion. In addition to actively harvesting energy, intermittent renewable energy requires energy storage to become the base load, which is a key factor for providing stable power. In 2021, the company became the fourth largest energy storage company in the world after acquiring Engie EPS, an overseas entity, and renamed it NHQA. Meanwhile, TCC launched Taiwan's first 5MW AFC Intelligent Energy Storage System which was used by Taipower to stabilize electricity during outage incidents in 2021 and 2022. Regarding the battery sector, the Group leveraged the ultra-high power cell technology of its affiliate E-One Moli Energy Corp. to establish Taiwan's largest lithium battery factory in Kaohsiung, which is expected to produce advanced nickel ternary batteries with high capacity and recyclable performance; its annual production capacity is forecast to be 1.8 GW, which is the equivalent to the volume of long-distance batteries needed for the annual production of 24,000 electric vehicles. Energy storage and batteries will play important roles in all industries, not only by stabilizing the quality of renewable energy power, but also by bringing balance to the global demand for electric vehicle batteries.

In 2022, TCC Energy Storage Technology Corporation opened a new-generation charging station in DAKA, Hualien, and used DAKA's solar energy supply and storage to establish the first pure green electric "24K GREEN" charging pile in Taiwan. In the future, it plans to introduce wind turbines. The

company expects to successively create fully green energy charging areas. The company integrates its core business which combines harvesting, storage and conservation of energy into charging experiences to not only serve the community but to fulfill its corporate social responsibility by conveying a new attitude to life. The company looks forward to becoming the only all-round energy organization in Taiwan with green energy, batteries, energy storage, and electric vehicle fast charging.

④ Stakeholder communications

Through upholding the principle of perceptiveness, transparency, assimilation, sharing, and integration, the company hopes to reinforce stakeholders' understanding of its operations, with the aim of enhancing its corporate image. A stakeholder analysis is carried out every two years to effectively track and manage the implementation of the company's sustainability strategy. In 2021, the analysis of major issues was re-evaluated, and the stakeholders and the issues of concern were re-evaluated.

·TCC DAKA innovated societal communication by opening dialogue between industry and society. The Taiwan Cement DAKA Open Ecological Recycling Factory is an important medium for the company to communicate with society. It is used to reflect on the relationship between industry, including the cement industry and nature, and to be transparent to society by disclosing the company's actions and the benefits it brings to the city and human civilization. Through TCC DAKA, the company continues to promote different ways to communicate with the society, such as the following new initiatives: "Summer Excursions to Hoping", which offers a two-day-and-one-night visit to the Hoping Village for in-depth experience; "Recycle with Peace (Hoping) Now!", which promotes recycling waste through cooperation with environmental startups and social enterprises, held a three-day special exhibition; "The Mysterious Giant of Peace Village – Sustainable Peace in Huashan" exhibition held together with Hoping Village attracted more than 1,000 people per day, creating a new model of industry-community cooperation. In 2021, the company completed a social impact evaluation SROI 3.54 and obtained SVI certification of the UK-based "Social Values International", showing that the sense of achievement and self-confidence of tribal residents and employees has been significantly improved due to the interactions between TCC DAKA and the public.

TCC DAKA has been open for two years and has attracted over 4.51 million visitors. One hundred percent of the income from the park is donated to the Hualien Hoping Elementary School's Education Fund, which is used for the development of community education. As of 2021, the company has donated over TW\$3.84 million to the Hualien Hoping Elementary School's Education Fund which increases local students' learning ability, adheres to local employment and sets up DAKA Market to assist residents to start their own businesses.

TCC's DAKA spirit of inclusiveness continued to expand in modularization and it was extended to the Yilan Aohua Hanben Ocean Station in August 2010. TCC also offers training courses to tribal people in collaboration with NGOs, local young entrepreneurs, and corporate partners based on local characteristics to allow them to obtain professional certificates such as lifeguards and SUP etc. TCC has also co-developed tribal ecological tours in conjunction with L'Hotel de Chine and Giant, which aim to connect Taiwan Cement DAKA and Aohua. In December 2021, a tribal handcraft teacher at DAKA market successfully joined Pinkoi, the largest designer platform in Asia.

·In March 3 2022, TCC Energy Storage Technology Corporation opened a new-generation charging station (NHQA DAKA Charging Station) at DAKA, Hualien, which integrates green energy, power storage and charging services. The company cooperates with other sustainable partners to connect "EARTH HELPER" online and offline activities and call on electric vehicle owners and people to reduce carbon during daily charging, participate in beach cleaning, waste reduction and other sustainable activities, and accumulate sustainability points to share sustainability life. TCC hopes to advocate low-carbon sustainability and share new energy and new life through rewards and various sustainable activities. Facing the lack of clean energy which is unable to fulfil our needs today, energy conservation is the best and fastest way to balance the current energy deficiency. TCC DAKA Park set up "24K GREEN" charging piles, the first pure green energy charging piles in Taiwan, which emphasize charging, leisure and slow life. Electric vehicle owners who use "24K GREEN" charging piles can use shared electric bikes provided in the park for free. Families can ride freely from TCC DAKA to the Hanben Ocean Station nearby. TCC's charging stations in Yilan, Hualien and Taitung will integrate with local governments, surrounding tourist attractions and sustainable partners in the future to become the shared base of charging life in the east, creating a new mode of slow travel for charging life.

·External Communications

Through board meetings and investor conferences, the chairman along with the management team elaborated and emphasized the company's sustainability philosophy, and management team also explained the significance of the company's DAKA project. In response to inquiries from investment agencies, the company responds with a philosophy of transparency and honesty, disclosing information while emphasizing the company's sustainable performance, responsibility in sustainable development, and also future plans for sustainability.

·Internal Communications

The philosophy of sustainability and management is an important issue in internal communications. TCC established an organizational structure for sustainability, hoping to pass down the value of sustainability through various channels, such as internal ESG educational training, which is implemented by each department sharing their own ESG related issues. The chairman holds monthly meetings attended by the president, vice presidents, each department's management, and 40 other plant managers from all over the world, to discuss and review various strategies and corporate social responsibilities and sustainability. The company also convenes quarterly town hall meetings, remuneration meetings, union meetings, and employee welfare meetings, providing opportunities for the chairman, managers, and other employees to interact with each other. These opportunities allow the chairman and managers to hear employees' opinions and feedback. It also allows the chairman and managers to directly communicate the importance of the company's sustainable development goals. The various activities help all employees realize the value and importance that a green environment engineering company has on the complex relationship between society and nature.

(2) Implementation of environmental protection and climate change management

In 2015, the United Nations Climate Change Conference concluded the Paris Agreement, which stated if global warming continues to increase temperature to 1.5 degrees celsius above pre-industrial levels, catastrophic climate change will be irreversible. Countries agreed to make substantial cuts in carbon emissions and to evaluate the progress every five years. The 2021 United Nations Climate Change Conference, more commonly referred to as COP26, ended on November 13, 2021. The conference was the first review since the Paris Agreement and passed the Glasgow Climate Pact, which will accelerate the actions on climate change over the next ten years. The proposed adaptation and mitigation plans on environmental impact include:

1. Phase down: Ensure global net-zero emissions;
2. Adaptation and damage: Enhance the response magnitude of climate impact;
3. Financing: invest billions to trillions of funds;
4. Cooperation: Cooperate to achieve the goal.

Facing the possible operational impact from global warming and extreme climates, TCC has taken actions to assess and involve in climate change mitigation and adaptation. It became a TCFD Supporter in 2018 and voluntarily introduced the framework of the Task Force on Climate-related Financial Disclosures (TCFD) in 2020 and formed a cross-department team to systematically identify climate risks and opportunities for TCC, integrate existing risk management procedures and provide periodic reports to the Board of Directors.

① Strategies to combat climate change risks

TCC has designated a department to handle compliance with government regulations and policies related to climate change, adaption to climate change, and international discussions regarding these issues. The department collaborates with research teams on carbon capture technology and recycling CO₂. It also complies with government regulations and provides suggestions to assist the authorities to overcome obstacles regarding waste disposal and recycling resources.

In the era of Industry 4.0, TCC has integrated the big data of its factories, introduced artificial intelligence (AI) through machine learning and product life cycle assessment (LCA), and combined self-developed carbon reduction management systems. From the setting of goals and the collection and evaluation of carbon reduction resources, the system will propose the best process ratio and carbon reduction method for each plant, implement and manage the goals at every stage, track the process, and further link to incentive bonuses in order to put energy saving and carbon reduction into practice.

Management execution	Energy management system	By establishing the ISO 50001 energy management system, TCC seeks to further improve its energy usage, including conducting baseline energy surveys, and proposing improvement plans.
	Water resource management system	TCC assesses internal and external water resource risks, recycles 100% of cooling water, reuses 100% of water, and has established water usage and rainfall utilization procedures. 100% of the cement plants have completed the ISO 14046 water footprint inspection, and passed the ISO 46001 Water efficiency certification in 2021.
	Carbon management system	From 2007, the company started to inventory its greenhouse gas emissions, obtaining ISO 14064 Greenhouse Gas Accounting and Verification from an external third-party every year which is used to set emission reduction targets. From the second quarter of 2019, the company started to include the emission levels of each cement plant into the quarterly bonus assessments, encouraging each plant to reduce their carbon emission per product unit.
	Circular economy management system	Low-carbon emission products – Cement is a key ingredient in construction, made from the milling and kilning of minerals. Besides using the vertical well extraction method to reduce any environmental impact, TCC continues to research ways to reuse resources and recycle energy to replace natural resources and raw materials, aiming to reduce cement product consumption and lower greenhouse gas emissions. The company achieved the “optimal level” grade for the BS8001 Circular Economy certification in 2018 and again in 2020. This promotes the reuse of waste and recyclable resources in producing high quality cement.
Sustainable ecology	TCC supports the Dr. Cecilia Koo Botanic Conservation and Environmental Protection Development Foundation, which was founded in 2007. It established the Dr. Cecilia Koo Botanic Conservation Center (KBCC) in the Kaoshu rural township in Pingtung County, with a mission to conserve tropical and subtropical plants and maintain a rich biodiversity.	

② Identifications of climate change risks and opportunities

- Law and regulatory aspects

Under energy and circular economy related policies and regulations, the Group acts as an eco-solution provider, providing support in various ways to mitigate and adapt to climate change, hoping to lower the impact of climate change for industries and local government.

- Enterprise risk management aspects

The company follows TCFD guidelines and industry guidance to analyze international climate science and low-carbon technology research, collect climate norms of operating sites, and consider industry characteristics to identify risk factors for optimizing climate risk and opportunity assessment that are relevant to the company.

- Product management risks

TCC has lowered its energy consumption per product unit through systematic management. By innovating and developing products by replacing materials and fuels with alternative materials and recycled fuel, the company is able to achieve reductions in carbon emissions and lower the risk of material shortages from climate change. Taking advantage of the circular economy of high temperatures in cement kilns, the company assists ten major industries to deal with indestructible waste, including electricity, construction, steel, semiconductor manufacturing, semiconductor packaging, chemical fiber, papermaking, waste incinerators, recycling and water plants. According to EPA statistics, the company's industrial waste treatment volume in 2021 was equivalent to 5.6% of the total in Taiwan, and the ratio of resource reuse to the waste per unit of cement was 21.82%.

③ Climate change opportunities

- International issues and regulatory aspects

TCC recognizes the impact of climate change on the world. Therefore, we take a global view and respond to the challenges of climate change with stricter standards, hoping to set a model benchmark for Taiwan's cement industry. In addition to following TCC's 2025 targets as certified by the Science Based Targets Initiative (SBTi), the company established a global partnership with SDG 17, and jointly launched the 2050 Climate Vision with the Global Cement and Concrete Association (GCCA) and the world's leading cement companies, with the Group's chairman, An-Ping Chang, invited to write the foreword, announcing that the carbon neutral goal for concrete products will be achieved by 2050, and the announcement of the carbon neutral pathway of Asia in 2021.

- AI carbon reduction management platform and internal carbon pricing

First, based on the scenario that the earth's temperature rises below 2° C after the industrial revolution, the company has set scientific-based carbon reduction targets, promotes seven major carbon reduction strategies and internal carbon pricing at the same time, implements carbon inspection, introduces product life cycle LCA, and created a carbon reduction management platform to provide optimal carbon reduction strategies and tracking management mechanisms for each plant.

- Carbon label and carbon reduction label

In 2020, the company started to conduct inventory counts of the carbon emissions of Hoping plant's Type I Cement and Taichung Cement Products Factory (Da-ya)'s 3000psi ready-mix concrete. The company received confirmation of its inventory count regarding carbon emissions in July 2020. The company implemented the Taiwan Cement Product's Product Category Rules (PCR) and received the first carbon footprint label for cement products in Taiwan in 2020. The following year, the Suao and Hoping plants also received the carbon reduction label for the Portland Type I cement product.

- Corporate management and operations aspects

Besides continuously growing, TCC actively works with the government in relation to environmental protection issues, and continues to deepen employees' ESG concepts and communicate with its stakeholders, with the aim of helping to mitigate climate change.

- Product management aspects

Besides ensuring high quality products, the company actively seeks to improve efficiency in energy usage and discloses its carbon emissions, helping consumers to understand the company's efforts on reducing carbon emissions and mitigating climate change.

④ Strategy to revive ecology at mines

- When mining, strive to minimize the impact on the environment. After mining, the area must be restored to nature.

TCC has pledged to revive the local ecological environment as part of the mining process, by using the vertical well extraction method, which has minimal impact on the surrounding ecology. The company conducts afforestation, lowering the exposed soil and rock area, which helps to conserve soil and water. To prevent potential flooding, the company constructs grooves, ditches, flood detention basins, and embankments to prevent disasters. Through afforestation, the company aims to rebuild the ecology, and facilitate the mines to maintain green vegetation, lowering the impact the extraction has on the environment. The company has a comprehensive plan regarding the revival of the ecology of mines as well as a biodiversity action plan. Referencing international standards on the ecological management of mines, TCC engages third-party service providers to provide assessment reports, which are used to formulate and implement strategies to revive the local ecology and protect endangered species, thus striking a balance between civilization and nature.

- Survey of the value of ecosystem

In 2020, the company engaged the School of Forestry and Resource Conservation of the National Taiwan University to conduct an assessment of the value of the ecosystem at the Jinchang mine. Their investigation covered carbon sequestration, water conservation, air purification, soil erosion prevention, and biodiversity. The report showed that over the twenty years of extraction at the mine, the value of the ecosystem had decreased by NT\$108,371,802. Consequently, the company promised to invest at least NT\$5.8 million to protect the ecology of the mine and the revival of the surrounding ecological environment. The company pledges to monitor the water quality of the grit tank and terrestrial ecology at the mine, to expand the assessment area of the ecosystem, adding 16 more biodetection cameras and 21 infrared automatic cameras to monitor the mine ecology.

- Revival of ecology

The Suao cement plant works with the Yilan University Department of Horticulture and Landscape Architecture to facilitate the return of the native animals and plants to rebuild the entire ecosystem. The afforestation has been completed and the mine has been restored to 90% of its former state. The Hoping plant works with the Dr. Cecilia Koo Botanic Conservation Center. By leveraging technology to simulate the revival, the company was able to better map out an ecological plan, which was to replant every five meters extracted. In 2020, the company prioritized the revival of the Swamp Gelonium, by using the Plant and Harvesting Center to nurture seedlings, then groom the seedlings to adapt to the weather of the Hoping mines, then plant the seeds on stumps. The Plant and Harvesting Center also set up a plant zone in TCC DAKA to educate visitors about the different appearances of the plants.

⑤ Jinchang quarry event

Hualien Jinchang Quarry was the first legal quarry in Taiwan to pass an environmental assessment and an environmental deviation evaluation. Since 2008, the Jinchang Quarry has been subject to many administrative procedures such as environmental assessment, land utilization conversion, water conservation construction permits, and more. After eight years and multiple evaluations from at least six government agencies, the Jinchang Quarry finally started extraction operations. However, in 2019, the Taipei High Administrative Court demanded Jinchang Quarry suspend all activities.

Quarries are at the heart of the cement industry. The Jinchang Quarry satisfied all approval conditions, as evidenced by receiving permission to start extraction work on September 1, 2016. In 2014, the company submitted an environmental deviation evaluation, but received a reply from the Executive Yuan that this was not required. Before starting the extraction process, the Environmental Protection Administration replied to the company agreeing to the environmental assessment conclusion from

2008. Although the administrative appeal sided with the Jinchang Quarry in 2017, the Executive Yuan dismissed the verdict, causing the company to face a difficult challenge.

In 2020, TCC Chairman An-Ping Chang highlighted the importance of achieving the public's trust and approval. As a result, the company decided to again conduct an environmental deviation evaluation. Although the company does not agree with the decision of the Executive Yuan on the Jinchang Quarry, it understands its responsibility as a cement industry leader. By discussing and negotiating with the public, TCC hopes to facilitate a cooperative approach between industry and society, instead of constant opposition between the two sides.

In June 2020, TCC suspended work in the Jinchang Quarry and conducted an environmental deviation evaluation. On November 11, 2020, members of an environmental assessment meeting approved the environmental deviation assessment of the Jinchang Quarry, becoming the first quarry to factor in the circular economy and industry development. The following is a list of events at Jinchang Quarry.

Date	Government Branch/Authority	Event
February 21, 2008	Environmental Protection Agency	Passed Phase 1 of environmental assessment
April 2, 2009	Bureau of Mines, Ministry of Economic Affairs	Obtained permission to use land for mining: (1) Obtained permission for construction of land and water conservation (2) Achieved change in use of land (3) Signed lease for use of land
April 19, 2013	Ministry of Interior	Achieved change in use of land
April 26, 2013	Hualien County Government	Applied twice for construction of land and water conservation and applied to start construction, but was denied due to pending issues.
August 20, 2013		
March 13, 2014		
March 14, 2014		
May 22, 2014	Environmental Protection Agency	No need for environmental deviation evaluation.
September 14, 2015	Hualien County Government; Bureau of Mines, Ministry of Economic Affairs; Environmental Protection Agency	Per the Bureau of Mine's request, the company requested permission to start construction for the conservation of land and water for the third time.
February 26, 2016	Hualien County Government; Bureau of Mines, Ministry of Economic Affairs; Environmental Protection Agency; Executive Yuan	Achieved permission to start construction for land and water conservation.
August 19, 2016		Achieved confirmation to start construction on September 1, 2016.
August 26, 2016		The Environmental Protection Agency asked to execute the environmental assessment.
September 1, 2016		Start of construction.
December 30, 2016		The Environmental Protection Agency asked to submit the environmental deviation evaluation and review report in accordance with Environmental Impact Assessment Act Article 16-1 by June 30, 2017.

Date	Government Branch/Authority	Event
January 6, 2017	Hualien County Government; Bureau of Mines, Ministry of Economic Affairs; Environmental Protection Agency; Executive Yuan	Jinchang Quarry asked the Executive Yuan to dismiss the Environmental Protection Agency's improper ruling.
February 8, 2017		Received permission to change quarry registration certificate.
March 24, 2017		The Executive Yuan revoked the Environmental Protection Agency's ruling. The company can continue with construction.
October 16, 2017		The Environmental Protection group appealed to the Executive Yuan to reverse its ruling.
May 16, 2019	The High Court	Environmental Protection Group's appeal dismissed.
June 9, 2020		TCC Chairman An-Ping Chang decides to conduct an environmental deviation evaluation.
November 23, 2020		Members of the Environmental Assessment meeting approved the company's environmental deviation evaluation.

⑥ TCC ark plan

According to United Nation's sustainability targets SDG14 and SDG15, TCC has initiated the Earth Adjustment Program to increase tenacity, focus on Biodiversity, ecology of indigenous species, and coral restoration.

Working with the Dr. Cecilia Koo Botanic Conservation Center (KBCC) to rebuild the ecosystem of the mining area: natural capital is the Noah's Ark for human survival. The center, which the company has invested in for a long time, has preserved 34,000 species of endangered living plants and is a seed bank for the future. By leveraging technology to simulate the revival, the company was able to better map the plan for the revival of ecology, which is to replant every five meters extracted. KBCC also participates in the rehabilitation of the Hoping and Suao mines with native plants. By nurturing the seedlings of Swamp Gelonium and Woodwardia Orientalis, and replanting them in their original habitats, the goal of returning to a state of wilderness was achieved, and the proportion of native tree species reached 81%. The Plant and Harvesting Center also set up a plant zone in TCC DAKA to educate visitors about different plants.

Industrial port coral breeding plan: The Group's three-in-one base, of which the Hoping industrial port obtained EU Eco-Port certification in 2019 and 2021. The water is so clear that plenty of coral colonies can be seen from the shore. In 2021, working with the Taiwan Mountain and Sea Angels Environmental Conservation Association, TCC launched a coral restoration plan. The coral washed away by waves was re-transplanted to artificial reefs in the harbor. The successful rate exceeded 99% and 288 corals were successfully restored. There are 160 species of coral and many tropical fish that are visible from the shore in Hoping Harbor.

7.7.3 Safety and health

TCC has achieved Occupational Health and Safety Management System (OHSAS 18001) and Taiwan Occupational Health and Safety Systems (TOHSMS) certifications. It provides a safe and healthy operating environment, and first-aid kits are available at operating plants. The company continues to provide employees with work-related health and safety knowledge, such as new employee education and training, transportation safety awareness, CNS15506 and OHSAS18001 training, work supervision training, general hazard education, refresher courses for personnel who hold professional health and safety licenses, annual maintenance safety training, and fire and emergency response equipment

training. The company seeks to enhance safety awareness by providing high quality training. The company emphasizes the continuous improvement of its health and safety management system to reduce health and safety hazard factors, the prevention of accidents, and promotion of employee health and safety.

7.7.4 Social issues

(1) Human rights

- With integrity and mutual care as its enterprise spirit, TCC aims to build a healthy work environment with its employee in mind.

Following the International Bill of Human Rights promoted by the United Nations Global Compact (UNGC), the Universal Declaration of Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work, along with local labor laws covering each of TCC's branches. TCC aims to protect the rights of its employees and to treat all of them, including contractors and interns, with respect.

- TCC places emphasis on society, environment, and company management, protecting employees' rights, and actively creating a healthy and interactive work environment.

TCC has set up a safety online platform and designated email box for employee suggestions. If employees face any obstacles, such as pandemic prevention, work environment safety, health, gender equality, during work, regulations, and employee care, they are able to make anonymous suggestions to the company. To protect each employees' safety and rights, TCC has set up workplace sexual harassment prevention rules and a hotline.

- TCC has set up a employee health and sanity management with regards to workplace safety and employee health safety.

The Company holds regular employee health and safety training, simulation exercises for standard operating procedures, and provides management training related to work environments, equipment, and hazardous substances to ensure employee health and safety.

(2) Employee benefits and trainings

- TCC provides competitive salaries and bonuses to attract and retain talent.

To maintain a competitive salary in the market, TCC evaluates its compensation policies against the Annual Salary Survey Report. CSR is one of the metrics used to connect TCC's overall performance to employee KPIs. TCC hopes all its employees can keep nature and society in mind.

The company set up a bonus policy to reward exceptional employee performances. Employee performances, both positive and negative, are regulated by work regulations. The company puts its employees as its core value, plans various welfare programs, including flexible work hours, the ability to work remotely, and different work schedules for people in different time zones.

TCC hopes to keep its employees safe, and to help provide for their families' needs. TCC also provides health examinations for its employees, health insurance, scholarship, marriage, childbirth, holiday bonus, employee stock option, emergency aid, and more, hoping to care for the employees and to protect their health.

- TCC places emphasis the development of employees' careers.

Three main development plans	
Sustainable function improvement plan	Aims to embed sustainable development in all employees. To achieve its goals, TCC has established ESG lectures, professional management courses, key points courses, and more. Furthermore, TCC has invited the Industrial Technology Research Institute and various environmental and energy experts to deliver lectures and provide their views on various topics.
Digital intelligence development plan	Aims to develop AI function that can help reach sustainable development. TCC wants to to apply AI in production operations, and to increase efficiency, save energy, minimize waste, and lower pollution. To achieve its target, TCC has formed a function group to brainstorm different ways to utilize AI in sustainable development. Also, TCC has partnered with the US-based Massachusetts Institute of Technology: (MIT) to collaborate on an AI related project. Each function's manager will communicate with MIT professors and periodically host relevant research. Management trainees will periodically join the online discussions, and will join over 15 discussion sessions each year.
Risk management training modules	Aimed to strengthen TCC employees' risk management instincts to ensure the employees' long term development. TCC periodically hosts lectures and trainings to educate its employees regarding information security

- Online learning platform – TCC Lyceum

To lower risks of cluster COVID-19 infection, TCC implemented policies to work remotely and alternate work shifts. Various professional training programs are available for lower to middle level grades employees, advanced professional training, English training, information security training, and employment security training. TCC also included circular economy lectures that promote TCC's mission statement, cover Open Knowledge Repository, health and beauty, and various other third-party classes. TCC has planned for various multi-faceted professional and general classes, including communication classes and exercise courses, which are currently taught online, but will transition back to in-person lectures and courses after the pandemic stabilizes. TCC hopes to develop its employees so they can grow with TCC.

(3) Consumers' rights and interests

To protect the rights of customers, TCC regularly updates its product's "Safety Data Sheets" (SDS), which highlight the latest product safety characteristics and waste processing methods. Also, in compliance with government policies and current needs, the company updated the content of its product markings to prevent customers and consumers from misusing the products, and also provides safety and environmental-friendly product information.

TCC has established a customer service to provide customers with a complete product quality service. TCC has also established laboratories to provide services to customers for customizable services as well as solutions to customer complaints. TCC conducts customer satisfaction surveys to improve its services and ensure customers satisfaction.

Each plant's quality assurance system has passed the ISO and CNS Mark certification. All products has been inspected with standards as strict as the MOEA's Bureau of Standards Metrology and Inspection or higher and has followed the client's specification to meet the client's demands.

Packaged cement	Adheres to the product label regulations and displays the country of origin, the composition, the date the products left the factory, and the product's shelf life
Bulk cement	Display its factory release permit, composition, the date the product left the factory, and must be transported in an air-sealed special tank truck to prevent dust from spreading
Domesitc shipping	Needs to be transported with boats equipped with dust collection equipment and needs to issue complete shipping documents.
Export	Adhere to the international standards to execute sales and transportation.

(4) Supplier management

To raise sustainability awareness among its partners, TCC has established supplier behavior criteria. Before becoming a supplier to TCC, suppliers are investigated for their labor conditions, occupational safety and health, environment, code of ethics, and management styles, to ensure they comply with the basic criteria of relevant sustainability awareness. The company conducts regular onsite visits to key suppliers to conduct evaluations that help the company better understand the suppliers' current management status. The visits are either conducted by a cross-functional team composed of members from the materials, manufacturing and finance departments, or by a third-party body. The main items evaluated include quality control, service quality, organization, and financial performance. The visits also include an evaluation of sustainability items, such as labor conditions, occupational health and safety, environment, code of ethics, and management system. Through onsite visits, the company is able to understand the suppliers' state of sustainability awareness and will provide recommendations for improvements in hopes of continuously enhancing sustainability management performance as well as promoting the industry's growth.

TCC has established the "Supplier Behavior Criteria" to accomplish the sustainability awareness with its suppliers. TCC has investigated potential suppliers in regards to their managing of the labors, health, environment, ethics, and management system. TCC has ensured that before officially working with the suppliers, they have already meet the standards set by the "Supplier Behavior Criteria."

(5) Community participation, social contributions, community service, and social welfare

1. TCC ecology recycle factory DAKA was the first operational cement factory to open to the general public. It has made a significant contribution to the local community's development in Hualien, such as support for the Hoping elementary school's education fund.
2. TCC school program. Noticing that children from rural areas had limited educational resources and severe nutritional deficiency, TCC established its Shi Min School Program in 2012 to cooperate with schools nearby cement factories in Taiwan and China. It provides educational resources and support to local communities, such as after-school programs, free lunches and special transportation for children, which help to improve the local educational environment and community development. The program also provides scholarships to help students financially and encourages young people to better develop themselves.
3. TCC participates in various community development and charity projects. Tackling the issue of homelessness is of particular concern to TCC. Following the second goal (zero hunger) of the UN's Sustainable Development Goals initiative, in addition to donating meal tickets, TCC encourages employees, enterprises and suppliers to donate food to charities on a regular basis to assist homeless people, low-income families and underprivileged groups which are not supported by social welfare organizations.

TCC has established sections for corporate social responsibility and environment, social and governance (ESG) on its website. These provide clear and timely information on TCC's achievements, performances and future plans on sustainable issues.

Besides publishing a CSR report, the company also has an ESG section on its official website which details its historical performance and future plans. Pictures and graphs are used to enhance the readability of the information and illustrate the company's efforts on sustainability.

ESG section (Mandarin): <https://www.taiwancement.com/tw/esgIndex.html>

ESG section (English): <https://www.taiwancement.com/en/esgIndex.html>

Furthermore, multimedia platforms have been established for various public groups and posting real-time sustainability-related events to help further facilitate communications with the public.

1. Instagram official accounts :



2. Facebook fan page :



3. TCC YouTube channel :



4. Wechat official channel :



5. TCC DAKA Hoping Travel Facebook fan page :



6. Aohua, Hanben station Facebook fan page :



7. NHOA.TCC LINE :



7.7.5 ESG recognition and assessment

Since 1991, TCC has been restoring the biodiversity and ecosystem of our mines through reclamation. We have cultivated various indigenous plants and trees at the sites as well as monitored their growth to ensure sustainability. Our efforts have been awarded by the Council of Agriculture for exceptional achievements in greening the environment and implementing afforestation projects. We have invested NT\$3.75 billion to build three vertical shaft transport systems at our Hoping plant and made sure that the design of the shafts aligned with our soil and water conservation efforts. These shafts are fully automated underground and use advanced multistage transport technology. The platforms for the shafts are placed at the top of the summit. During construction of the shafts, we left two to three meters thick rock formations at the side of the ridge to decrease the risk of flooding. After construction was completed, we re-vegetated the platforms to minimize the environmental impact. In October 2020, TCC Guigang Cement Co., was awarded National Green Factory recognition in China. TCC Liaoning Cement Co., and TCC Chongqing Cement Co., were also earned the same honor in January 2022. TCC Jurong Cement Co., TCC Guigang Cement Co., TCC Chongqing Cement Co., and TCC Anshun Cement Co., separately receiving National Green Mine recognition in January 2020, December 2020, January 2021, and January 2021, respectively.

In response to the Sustainability Reporting Standards established by the Global Reporting Initiative (GRI) in 2000, TCC published its first annual corporate sustainability report in October 2001. Through this report, we communicate our impact on the economy, environment, and society to all stakeholders. We hope that by sharing our sustainability approach and results, we can promote continuous improvement and sustainability, as well as encourage innovation in society.

After winning multiple majors awards between 2016 and 2019 for our participation in sustainable development, TCC's achievements in 2020 are as follows:

- On February 8, 2021, TCC was recognized as a Supplier Engagement Leader by the Supplier Engagement Rating (SER), and achieved "A List" from the Carbon Disclosure Project (CDP) and the Supplier Engagement Rating (SER), being the only traditional corporation in Taiwan to receive this recognition.
- On February 23, 2021, TCC has received the "ESG Top Rated" certification from Sustainalytics.
- On May 3, 2021, TCC placed first overall in the traditional industry ESG ranking by Global Views Monthly (GVM), placed first in the environmentally friendly group by GVM, and received the best role model award for social innovation from GVM.
- On August 12, 2021, TCC's Hoping Port received the Port Environmental Review System (PERS) certification from the European Sea Ports Organization (ESPO).
- On September 2, 2021, TCC received a Green Leadership award at the 2021 Asia Responsible Enterprise Awards (AREA) for its cement resume policy.

- On September 8, 2021, TCC received the best employer award from HR Asia 2021 for implementation of its “Hybrid Agility to Work” program to promote career advancement without sacrificing one’s family and to continue growing with the company.
- On September 8, 2021, TCC obtained the ISO 37001 anti-bribery system certification, and became Taiwan’s first company to receive this certification.
- On September 14, 2021, TCC’s Portland Cement Model I passed the EPA’s assessment and became the first in Taiwan’s cement industry to acquire the carbon footprint reduction certification.
- On September 22, 2021, TCC placed 12th in the 2021 Sustainable Citizenship Award from Commonwealth Magazine.
- On November 4, 2021, TCC’s Suao Plant received a two-star award at the highest level of EPA’s Resource Cycle Corporation Selection.
- On November 10, 2021, TCC received MOEA’s 7th annual National Industry Innovation Award “Blue Chip Innovation Corporation”, being the only large manufacturing corporation in history to receive an award in “Creation and Amusement”.
- On November 15, 2021, TCC was selected as part of the Taiwan Environmental Sustainability Index.
- On November 16, 2021, TCC’s Hoping Port obtained GPAS certification from APEC Port Service Network (APSN).
- On November 17, 2021, TCC received 11 awards including a Global Corporate Sustainability Award (GCSA) and an Taiwan Corporate Sustainability Award (TCSA), being recognised as one of the top 10 model corporations, a leadership award for circulation economy, weather, and supply chain, Innovation Growth Award, Innovation Communication Award, and Talent Development Award.
- On December 1, 2021, TCC’s concrete passed Taiwan Construction Research Institute (TCRI)’s certification and collaborated with TCRI to publish the results.
- On December 2, 2021, TCC was recognized as one of Taiwan’s 25 international brands by the Industrial Development Bureau of the Ministry of Economic Affairs (MOEA).
- On December 3, 2021, TCC was rated AAA by National Taipei University’s SEED evaluation. TCC was ranked as one of the top five manufacturing companies, which was the highest that TCC has ranked in the past three years.
- On December 7, 2021, TCC was rated Leadership rating A– by the 2021 CDP Water Disclosure, rated B by the Carbon Disclosure Management, and rated A by the Supply Chain Leadership.
- On December 8, 2021, TCC’s Hoping Plant received Gold in the 2021 the Energy Saving Benchmark Award from the MOEA.
- On December 20, 2021, TCC was selected as part of the FTSE 4 Good TIP Taiwan ESG Index.
- The Social Impact Assessment (SROI) report on "Taiwan Cement DAKA" dated December 24, 2021, as certified by UK-based Social Value International, indicated that it was able to create NT\$3.54 of social value per NT\$1 invested.

The company is currently involved in various organizations such as the Taiwan Cement Manufacturers’ Association, Taiwan Marble Association, Chinese Institute of Mining and Metallurgical Engineers, Chinese National Federation of Industries, Taiwan Federation of Industry, and Taiwan Society for Circular Economy. The company regularly shares environmental protection information with other members, communicates with the government and academic institutions to share technical skills and experiences, and collects domestic and global data to help the authorities with setting or amending regulations, thereby contributing a great deal to the promotion of environment protection and recyclable resources.

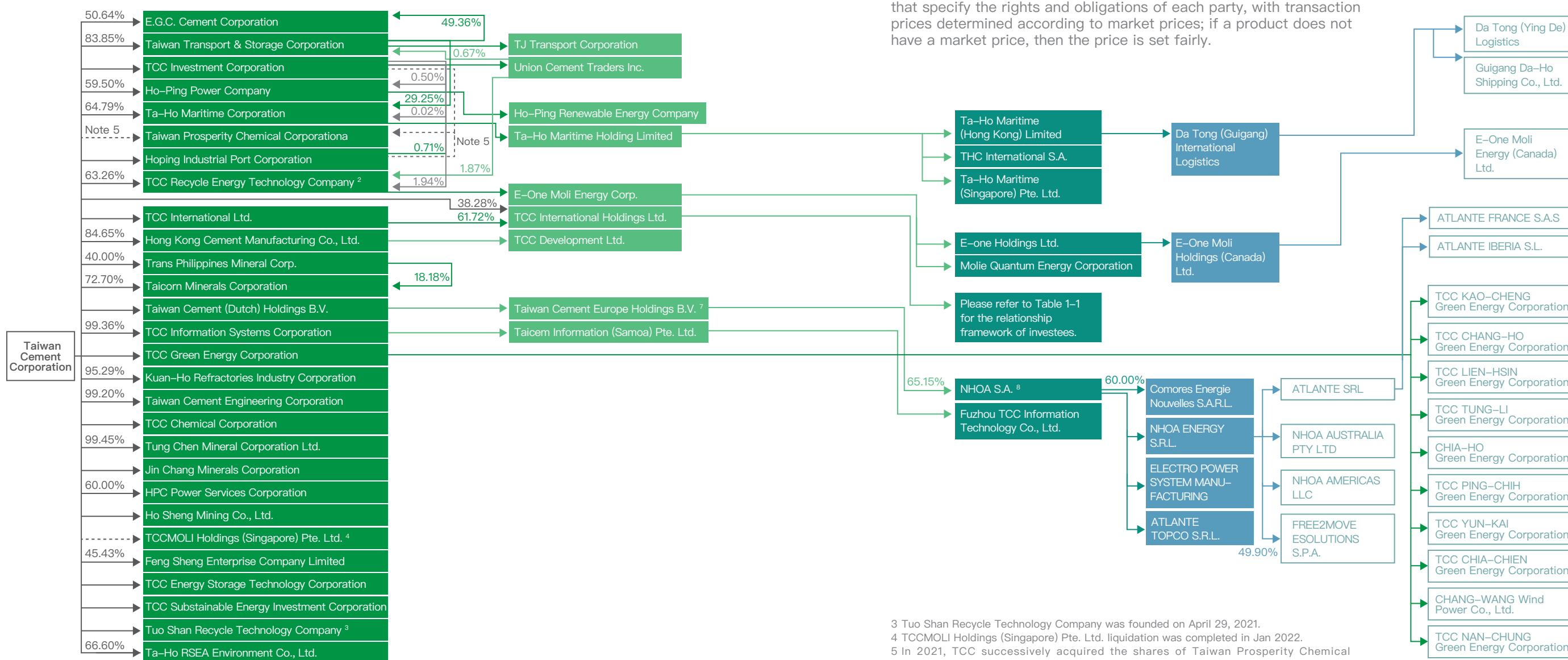
7.8 Other Material Information: None.

8 Special Notes

8.1 Information on Affiliated Entities

The scope of business of TCC's affiliates includes the generation of electricity, 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 information disposal; the design, production, installation, service, sale, and consultation services for information

Table 1 Consolidated organization chart of TCC and its subsidiary¹ December 31, 2021



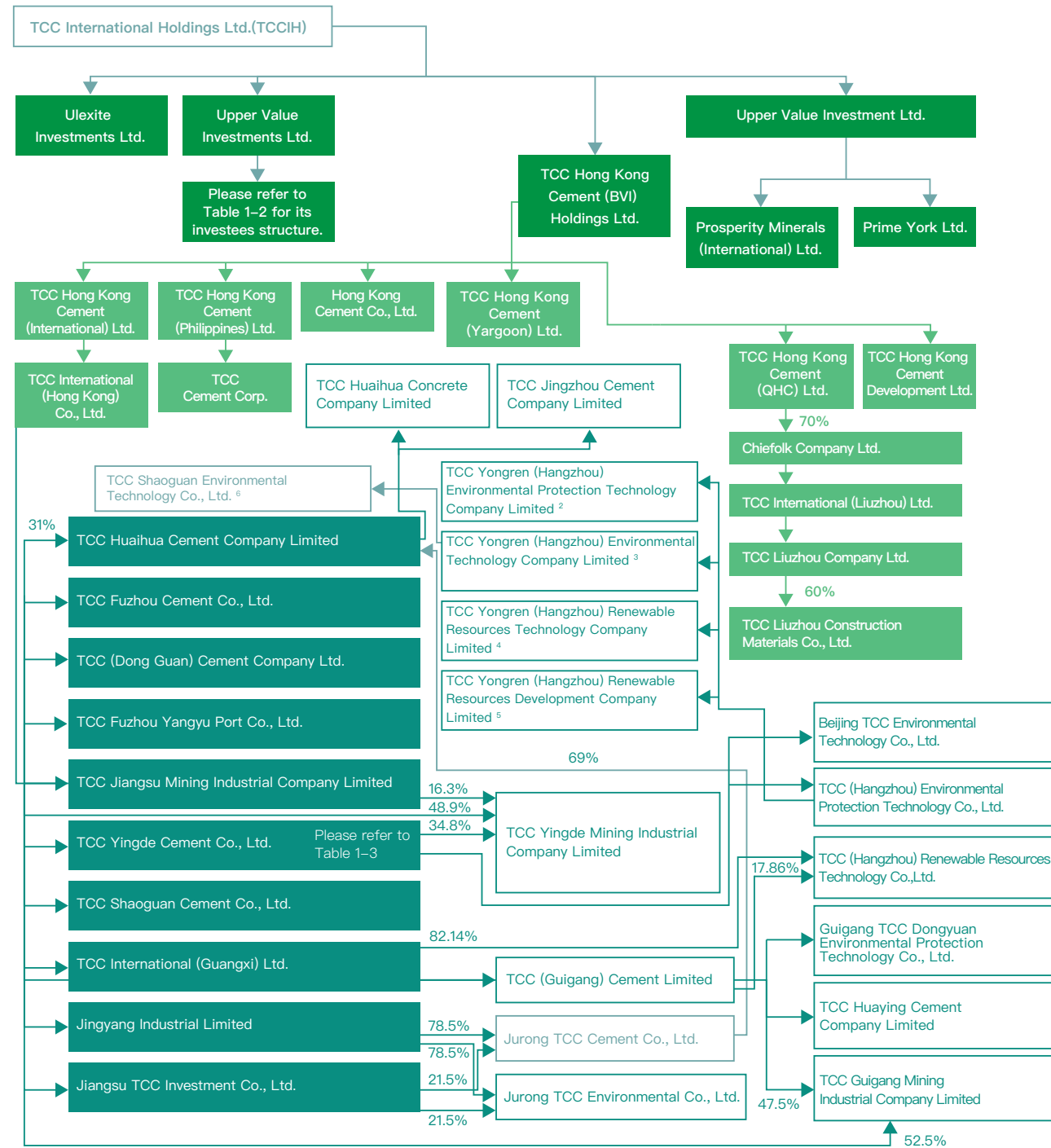
1 Unless specified otherwise, the shareholdings of others are 100%.
 2 TCC increased the invested capital in TCC Recycle Energy Technology Company in August 2021, raising its shareholding percentage from 18.2% to 63.3%, and gained control over TCC Recycle Energy Technology Company and its subsidiaries.

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.

3 Tuo Shan Recycle Technology Company was founded on April 29, 2021.
 4 TCCMOLI Holdings (Singapore) Pte. Ltd. liquidation was completed in Jan 2022.
 5 In 2021, TCC successively acquired the shares of Taiwan Prosperity Chemical Corporation, raising its shareholding percentage from 71.1% to 100.0%. TCC disposed of all the shareholding on August 17, 2021.
 6 TCC TUNG-LI Green Energy Corporation was founded on February 9, 2021.
 7 Taiwan Cement Europe Holdings B.V. was founded on April 26, 2021.
 8 TCC acquired 60.48% equity of NHOA S.A. from Engie SA Group and gained control over NHOA S.A. and its subsidiaries in July 2021. In September 2021, TCC acquired additional 4.67% equity of NHOA S.A. with cash simple tender offer, please refer to 8.1 Information on affiliated entities.

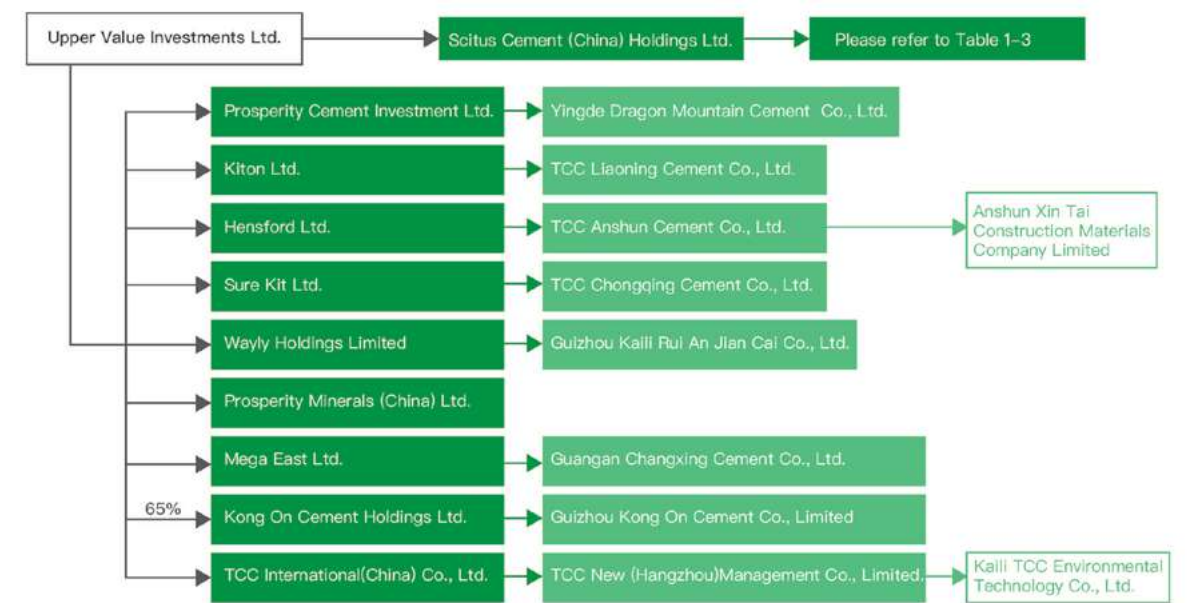
Table1-1 Taiwan Cement Corporation and its subsidiaries
Organization chart of TCC International Holdings Ltd. and its subsidiaries¹
December 31, 2021



1 Unless specified otherwise, the shareholdings of others are 100%.
2 TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited was founded on December 15, 2021.
3 TCC Yongren (Hangzhou) Environmental Technology Company Limited was founded on December 15, 2021.
4 TCC Yongren (Hangzhou) Renewable Resources Technology Company Limited

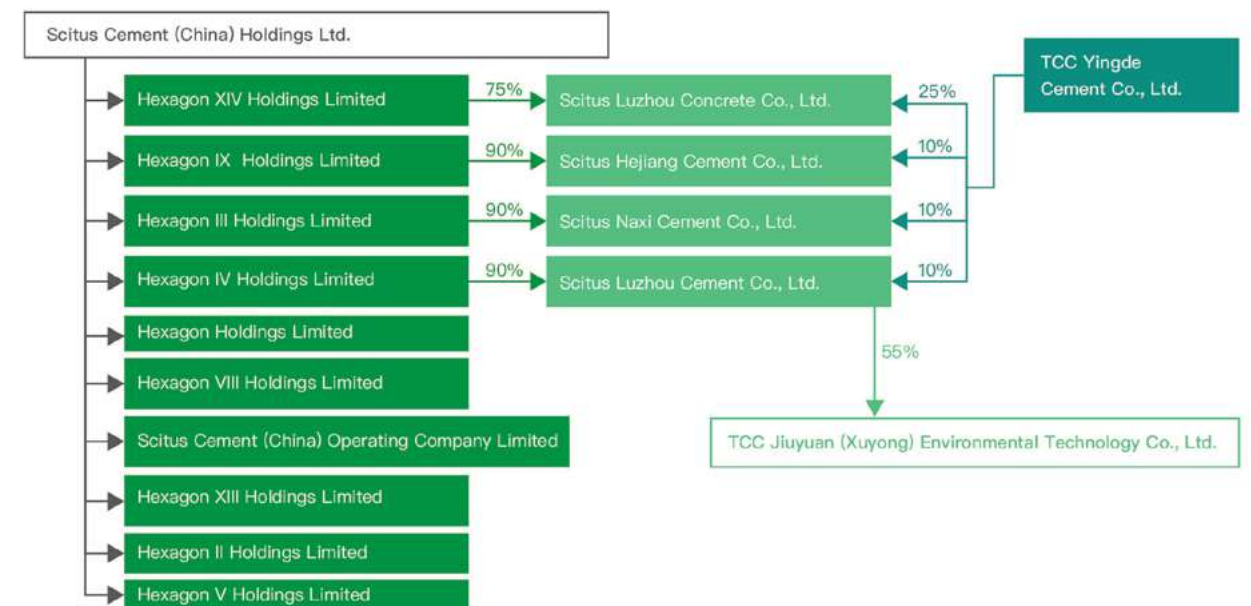
was founded on December 15, 2021.
5 TCC Yongren (Hangzhou) Renewable Resources Development Company Limited was founded on December 15, 2021.
6 TCC Shaoguan Environmental Technology Company Limited was founded on December 31, 2021.

Table1-2 Taiwan Cement Corporation and its subsidiaries
Organization chart of Upper Value Investments Ltd. and its subsidiaries¹
December 31, 2021



1 Unless specified otherwise, the shareholdings of others are 100%.

Table1-3 Taiwan Cement Corporation and its Subsidiaries
Organization chart of Scitus Cement (China) Holdings Ltd. and its subsidiaries¹
December 31, 2021



1 Unless specified otherwise, the shareholdings of others are 100%.

Information of affiliates

December 31, 2021 (expressed in NT\$ thousands)

Affiliate	Establishing date	Address	Paid-in capital	Scope of business
Taiwan Transport & Storage Corporation	December 24, 1955	10F, No. 113, Section 2, Zhongshan North Road, Taipei City.	580,706	Cargo transportation, cargo storage, customs clearance, construction material wholesale, sea transportation understanding, coal and coal product wholesale, automobile container transportation, construction material wholesale, desilting.
TJ Transport Corporation	August 22, 2019	8F, No. 113, Section 2, Zhongshan North Road, 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.	408,500	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 1 st Road, Wenzhi Village, Xianxi Township, Changhua County.	9,508,987	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.	2,302,000	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.

Affiliate	Establishing date	Address	Paid-in capital	Scope of business
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 1 st 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 7 th 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 1 st 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	February 14, 2020	10F, No. 113, Section 2, Zhongshan North Road, Taipei City.	100,000	Manufacture of machinery for the generation, transmission, and distribution of electricity, and own-use generation equipment.
TCC TUNG-LI Green Energy Corporation ¹	February 9, 2021	10F, No. 113, Section 2, Zhongshan North Road, Taipei City.	150,000	Manufacture of machinery for the generation, transmission, and distribution of electricity, and own-use generation equipment.
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.
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, No. 113, Section 2, Zhongshan North Road, Taipei City.	2,492,948	Ship transportation and shipping agent.

Affiliate	Establishing date	Address	Paid-in capital	Scope of business
Ta-Ho Maritime Holdings Ltd.	June 20, 1995	Offshore, Chanbers, P.O. Box 217, Apia, Western Samoa.	USD 44,300,000	Investment holdings.
THC International S.A.	April 12, 1990	53 rd Street, Urbanizacion Obarrio Torre Swiss Bank, 16 th Floor, Panama, R.O. Panama.	USD 64,310,000	Ship transportation.
Ta-Ho Maritime (Hong Kong) Limited	May 30, 2008	31 st 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	2 nd 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.	1,314,880	Investment holdings.
Union Cement Traders Inc.	November 15, 1990	11F, No. 113, Section 2, Zhongshan North Road, Taipei City.	277,830	Trading.
TCC Chemical Corporation	April 11, 1991	9F, No. 113, Section 2, Zhongshan North Road, Taipei City.	2,400,000	Property leasing. Energy technology service.

Affiliate	Establishing date	Address	Paid-in capital	Scope of business
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, Changle City, Fujian Province, China.	RMB 826,510	Development and production of software products; maintenance and after-sale service of precision instruments and equipment.
Taiwan Prosperity Chemical Corporation ²	May 28, 1991	9F, No. 113, Section 2, Zhongshan North Road, Taipei City.	-	Isopropylbenzene, phenol, acetone, cyclohexanone, BPA, and maleic anhydride.
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 5 th 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.

Affiliate	Establishing date	Address	Paid-in capital	Scope of business
Ho-Ping Power Company	October 29, 1997	No. 7, Hegong 2 nd 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 2 nd 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	J101040 waste disposal.
E.G.C. Cement Corporation	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 Corp.	June 20, 1995	8 th 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	8 th 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.	July 4, 1997	16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong.	HKD 674,492,964	Investment holdings.

Affiliate	Establishing date	Address	Paid-in capital	Scope of business
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 Ltd.	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.
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.
Chiefock Company Ltd.	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 Ltd.	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 (Yargoon) 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 Ltd.	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.

Affiliate	Establishing date	Address	Paid-in capital	Scope of business
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.

Affiliate	Establishing date	Address	Paid-in capital	Scope of business
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.
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 Ltd.	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 Ltd.	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	May 10, 2010	4 th Floor, 8 Jinniu Road, Wannudun Town, Dongguan City, China.	USD 20,000,000	Transfer of cement and cement products.

Affiliate	Establishing date	Address	Paid-in capital	Scope of business
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, 19 th 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	Shijiao Village, Wushi Town, Cuijiang District Shaoguan City, Guangdong Province, China.	USD 69,100,000	Manufacture and distribution of clinkers and cement.
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.
Scitus Cement (China) Operating Company Limited	January 9, 2008	16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong.	USD 10,000	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.

Affiliate	Establishing date	Address	Paid-in capital	Scope of business
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.
Upper Value Investment Ltd.	May 20, 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.

Affiliate	Establishing date	Address	Paid-in capital	Scope of business
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.
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.	RMB 4,000,000	Development of technologies for environmental protection products.
Taiwan Cement (Dutch) Holdings B.V.	November 8, 2018	Kingsfordweg 103, 1043GP Amsterdam.	EUR 838,369,850	Investment holdings.
Taiwan Cement Europe Holdings B.V. ³	April 26, 2021	Strawinskylaan 3051, 1077ZX Amsterdam.	EUR 180,001,000	Investment holdings.

Affiliate	Establishing date	Address	Paid-in capital	Scope of business
NHOA S.A. ⁴	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 1,000,000	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.	EUR 19,261	IPP.
NHOA AMERICAS LLC	June 16, 2021	1790 HUGHES LANDING BLVD STE 400, THE WOODLANDS, TX 77380.	EUR 8,493	Renewable energy and storage systems construction.
NHOA AUSTRALIA PTY LTD	July 29, 2021	L 46 100BARANGAROOAV, BARANGAROO NSW 2000.	EUR 16,166,474	Renewable energy and storage systems construction.
ATLANTE SRL	October 5, 2021	Piazzale Lodi 3, 20137, Milano (MI) – IT.	EUR 10,000	The research, development, production and marketing of innovative products and services with a high technological content.
FREE2MOVE ESOLUTIONS S.P.A.	November 23, 2021	VIA ANTON FRANCESCO GRAZZINI, 14, 20158 MILANO (MI) – IT.	EUR 19,431,412	E-mobility.
ATLANTE TOPCO S.R.L.	February 18, 2022	RUE DE LONDRES 28, Paris, (France).	EUR 10,000	Investment holdings.
ATLANTE IBERIA S.L.	February 24, 2022	08029, Barcelona, España, calle Paris, no. 45, Entresòl 3 ^a .	EUR 4,000	The research, development, production and marketing of innovative products and services with a high technological content.
ATLANTE FRANCE S.A.S	March 17, 2022	93 Boulevard Haussmann, Paris 75008.	EUR 100,000	The research, development, production and marketing of innovative products and services with a high technological content.
TCCMOLI Holdings (Singapore) Pte. Ltd. ⁵	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 700,000,000	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.

Affiliate	Establishing date	Address	Paid-in capital	Scope of business
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 ⁶	December 15, 2021	Room 2103, Guangfu United International Center, Xiaoshan District, Hangzhou City, Zhejiang Province (Within TCC).	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 ⁷	December 15, 2021	Room 2104, Guangfu United International Center, 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 ⁸	December 15, 2021	Room 2106, Guangfu United International Center, 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 ⁹	December 15, 2021	Room 2105, Guangfu United International Center, 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 ¹⁰	December 31, 2021	Room 101, 1 st floor, Sanjiao Office Building, Shijiao Village Wushi Town Qujiang District, Shaoguan City.	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.	2,006,000	Energy storage equipment manufacturing, production and sales.
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 ¹¹	April 29, 2021	11F, No. 113, Section 2, Zhongshan North Road, Taipei City.	1,000	Waste collection and treatment.
TCC Recycle Energy Technology Company ¹²	June 19, 2019	11F, No. 113, Section 2, Zhongshan North Road, Taipei City.	16,450,979	Investment holding.

Affiliate	Establishing date	Address	Paid-in capital	Scope of business
E-One Moli Energy Corp.	March 24, 1998	No. 10, Dali 2nd Rd., Shanhua Dist., Tainan City.	15,663,107	Manufacturing and sales of Lithium battery.
Molie Quantum Energy Corporation	March 24, 2021	11F, No. 113, Section 2, Zhongshan North Road, Taipei City.	10,001,000	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 TUNG-LI Green Energy Corporation was founded on February 9, 2021.
- In 2021, TCC successively acquired the shares of Taiwan Prosperity Chemical Corporation, raising its shareholding percentage from 71.1% to 100.0%. TCC disposed of all the shareholding on August 17, 2021.
- Taiwan Cement Europe Holdings B.V. was founded on April 26, 2021.
- TCC acquired 60.48% equity of NHOA S.A. from Engie SA Group and gained control over NHOA S.A. and its subsidiaries in July 2021. In September 2021, TCC acquired additional 4.67% equity of NHOA S.A. with cash simple tender offer.
- TCCMOLI Holdings (Singapore) Pte. Ltd. liquidation was completed in Jan 2022.
- TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited was founded on December 15, 2021.
- TCC Yongren (Hangzhou) Environmental Technology Company Limited was founded on December 15, 2021.
- TCC Yongren (Hangzhou) Renewable Resources Technology Company Limited was founded on December 15, 2021.
- TCC Yongren (Hangzhou) Renewable Resources Development Company Limited was founded on December 15, 2021.
- TCC Shaoguan Environmental Technology Company Limited was founded on December 31, 2021.
- Tuo Shan Recycle Technology Company was founded on April 29, 2021.
- TCC increased the invested capital in TCC Recycle Energy Technology Company in August 2021, raising its shareholding percentage from 18.2% to 63.3%, and gained control over TCC Recycle Energy Technology Company and its subsidiaries.

Profiles of directors, supervisors, and presidents of affiliates

March 20, 2022 (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	48,689,888	83.85
	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	389,418	0.67
	President	Cynthia Wu	-	-
TJ Transport Corporation	Chairman	Representative of Taiwan Transport & Storage Corporation: Chien-Chiang Huang	2,500,000	100.00
	Director	Representatives 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	38,925,750	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	950,898,696	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	-	-

Affiliate	Title	Name or representative	Type of shares	
			Shareholdings	Percentage
TCC CHIA-CHIEN Green Energy Corporation	Chairman	Representative of TCC Green Energy Corporation: Ker-Fu Lu	230,200,000	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	-	-
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	-	-

Affiliate	Title	Name or representative	Type of shares	
			Shareholdings	Percentage
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	10,000,000	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 TUNG-LI Green Energy Corporation ¹	Chairman	Representative of TCC Green Energy Corporation: Ker-Fu Lu	15,000,000	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	-	-

Affiliate	Title	Name or representative	Type of shares	
			Shareholdings	Percentage
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	161,511,550	64.79
	Director	Representatives of Taiwan Cement Corporation: An-Ping Chang, Chien-Chiang Huang, Ker-Fu Lu, Jong-Peir Li		
	Supervisor	Representatives of Taiwan Transport & Storage Corporation: Lin-Tian Huang, James Wen	72,924,800	29.25
	President	Miin-Shyong Shieh	-	-
Ta-Ho Maritime Holdings Limited.	Director	Ta-Ho Maritime Corporation	44,300,000	100.00
THC International S.A.	Director	Representatives of Ta-Ho Maritime Holdings Ltd.: An-Ping Chang, Li-Wen Tsai, Wei-Lun Kao	64,310,000	100.00
	President	Miin-Shyong Shieh	-	-
Ta-Ho Maritime (Hong Kong) Limited	Director	Representative of Ta-Ho Marine Corporation: Li-Wen Tsai	5,100,000	100.00
Ta-Ho Maritime (Singapore) Pte. Ltd.	Director	Representatives of Ta-Ho Marine Corporation: An-Ping Chang, Wee-Choo Peng	100,000	100.00
	President	Wei-Lun Kao	-	-
Ho Sheng Mining Co., Ltd.	Chairman	Representative of Taiwan Cement Corporation: Chien-Chuan Wang	30,100,000	100.00
	Director	Representatives of Taiwan Cement Corporation: Chia-Pei Wei, Yan-ting Lin		
	Supervisor	Representative of Taiwan Cement Corporation: Jia-Ro Lai	-	-
	President	Chia-Pei Wei	-	-
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	-	-

Affiliate	Title	Name or representative	Type of shares	
			Shareholdings	Percentage
Da Tong (Ying De) Logistics Co., Ltd.	Executive Director	Representative of Da Tong (Guigang) International Logistics Co., Ltd.: Cheng-Dao Qiang	Contribution: RMB 5,000,000	100.00
	Supervisor	Cen-Wei Lan	-	-
	President	Cheng-Dao Qiang	-	-
TCC Investment Corporation	Chairman	Representative of Taiwan Cement Corporation: Jong-Peir Li	131,488,000	100.00
	Director	Representatives of Taiwan Cement Corporation: An-Ping Chang, Yu-Tzu Chiu		
	Supervisor	Representative of Taiwan Cement Corporation: Guo-Hong Yeh		
	President	Jong-Peir Li	-	-
Union Cement Traders Inc.	Chairman	Representative of TCC Investment Corporation: An-Ping Chang	27,783,000	100.00
	Director	Representatives of TCC Investment Corporation: Jong-Peir Li, Lin-Tian Huang		
	Supervisor	Representative of TCC Investment Corporation: Li-Wen Tsai		
	President	Jong-Peir Li	-	-
TCC Chemical Corporation	Chairman	Representative of Taiwan Cement Corporation: An-Ping Chang	240,000,000	100.00
	Director	Representatives of Taiwan Cement Corporation: Jong-Peir 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, Chien-Chiang Huang, Ker-Fu Lu, Kuang-Hsi Chen		
	Supervisor	Representative of Taiwan Cement Corporation: Guo-Hong Yeh		
	President	Kuen-Long Lee	-	-
Taicem Information (Samoa) Pte. Ltd.	Director	Representative of TCC Information Systems Corporation: Kuen-Long Lee(In the progress of registration)	3,412	100.00
Fuzhou TCC Information Technology Co., Ltd.	Chairman	Representative of Taicem Information (Samoa) Pte. Ltd.: Kuen-Long Lee(In the progress of registration)	Contribution: RMB 826,510	100.00

Affiliate	Title	Name or representative	Type of shares	
			Shareholdings	Percentage
Taiwan Prosperity Chemical Corporation ²	Chairman	Representative of Taiwan Cement Corporation: Kung-Yi Koo	-	-
	Director	Representatives of Taiwan Cement Corporation: Jong-Peir Li, Feng-Ping Liu		
	Supervisor Director	Representatives of Taiwan Cement Corporation: Yu-Tzu Chiu		
	President	Tian-Fu Zhao		
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		
Ho-Ping 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, Chia-Pei Wei		
	Supervisor	Representative of Taiwan Cement Corporation: 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: Ian George Tuft	539,099,566	39.80
	Director	Representatives of Taiwan Cement Corporation: Chien-Chiang Huang, Kung-Yi Koo, Jong-Peir Li, Ker-Fu Lu, Chi-Liang Weng	805,940,306	59.50
	Director	Representatives of Power Infrastructure Holdings (Malaysia) Limited: Li Tsiu Fung, Shinichiro Suzuki, Sho Gemma	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	Jong-Peir Li	-	-

Affiliate	Title	Name or representative	Type of shares	
			Shareholdings	Percentage
Ho-Ping Renewable Energy Company	Chairman	Representative of Ho-Ping Power Company: Jong-Peir Li	100,000	100.00
	Vice Chairman	Representative of Ho-Ping Power Company: Ian George Tuft		
	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	-	-
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.: Tsiu-Fung Li	4,000	40.00
	President	Mu-Chuan Tseng (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(In the progress of registration)		
	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	-	-	-
E.G.C. Cement Corporation	Chairman	Representative of Taiwan Cement Corporation: Chien-Chiang Huang	8,062,600	50.64
	Director	Representatives of Taiwan Cement Corporation: Wei-Jue Hong, Cheng-Shun Sung		
	Supervisor	Representative of Taiwan Transport & Storage Corporation: Chong-Zhi Hong	7,857,400	49.36
	Manager	Cheng-Shun Sung	-	-
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: Wei-Jue Hong, Yin-Te Wu		
	Director	Representatives of Quintain Steel Co., Ltd.: Chi-Sheng Chu, Hsieh-Chia Chen	27,116,689	45.19
	Supervisor	Fu-Tsai Liu	1,827,373	3.05
	President	Chi-Sheng Chu	-	-

Affiliate	Title	Name or representative	Type of shares	
			Shareholdings	Percentage
Taicorn Minerals 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
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	-	-
TCC International Holdings Limited	Director	Representatives of Taiwan Cement Corporation: An-Ping Chang, Jong-Peir Li	2,581,832,362	38.28
	Director	Representatives of TCC International Ltd.: Jong-Peir Li, Chien-Chiang Huang	4,163,097,279	61.72
	President	Chien-Chiang Huang	-	-
TCC International (Guangxi) Limited	Director	Representatives of TCC International (Hong Kong) Co., Ltd.: An-Ping Chang, Jong-Peir Li	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	-	-

Affiliate	Title	Name or representative	Type of shares	
			Shareholdings	Percentage
TCC Hong Kong Cement Development Limited	Director	Representative of TCC Hong Kong Cement (BVI) Holdings Limited: An-Ping Chang	Ordinary shares 10	10.00
	Director	Representative of Hong Kong Cement Manufacturing Company Limited: An-Ping Chang	Non-voting deferred shares 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	Representative 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, Jong-Peir Li	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) Limited	Director	Representative of TCC Hong Kong Cement (BVI) Holdings Limited: An-Ping Chang	100	100.00
	Manager	Chien-Chiang Huang	-	-
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		

Affiliate	Title	Name or representative	Type of shares	
			Shareholdings	Percentage
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) Company 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	-	-
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: Jian-Quan Wang, Cheng-Dao Qiang		
	President	Cheng-Dao Qiang	-	-

Affiliate	Title	Name or representative	Type of shares	
			Shareholdings	Percentage
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, Jong-Peir Li, 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	Representatives of TCC International (Hong Kong) Company Limited: An-Ping Chang, Jong-Peir Li	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, Jong-Peir Li		
	Supervisor	Representative TCC International (Hong Kong) Company Limited: Li-Wen Tsai		
	President	Zhong-Hong Yang	-	-
Upper Value Investments Limited	Director	Representative of TCC International Holdings Limited: 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: Jong-Peir Li, Zhong-Hung Pan		
	Supervisor	Shao-Ming Li	-	-
	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	-	-

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 Yah	-	-
Hensford Ltd.	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: Jong-Peir Li	Contribution: USD 153,490,000	100.00
	Director	Representatives of Hensford Limited: Chien-Chiang Huang, Ker-Fu Lu, Li-Wen Tsai		
	Supervisor	Representative of Hensford Limited: Cheng-Fu Yao		
	President	Shin-Min Wang	-	-
Sure Kit Ltd.	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: Jong-Peir Li	Contribution: USD 118,000,000	100.00
	Director	Representatives of Sure Kit Limited: Chien-Chiang Huang, Ker-Fu Lu		
	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	-	-

Affiliate	Title	Name or representative	Type of shares	
			Shareholdings	Percentage
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: Chien-Chiang Huang, Ker-Fu Lu		
	Supervisor	Representative of Mega East Limited: Cheng-Fu Yao		
	President	Tao Yang	-	-
TCC (DongGuan) Cement Company Limited	Chairman	Representative of TCC International (Hong Kong) Company Limited: Chien-Chiang Huang	Contribution: USD 20,000,000	100.00
	Director	Representatives of TCC International (Hong Kong) Company Limited: Zheng Dao Jiang, Ker-Fu Lu		
	Supervisor	Representative of TCC International (Hong Kong) Company Limited: Chin-Lung Yu		
	President	Yu-Yang Zhang	-	-
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: Jong-Peir Li	Contribution: USD 8,000,000	100.00
	Director	Representatives of TCC International (China) Company Limited: Ker-Fu Lu, Chien-Chiang Huang, Li-Wen Tsai		
	Supervisor	Representative of TCC International (China) Company Limited: Kung-Yi Koo		
	President	Cheng-Fu Yao	-	-
Kong On Cement Holdings Limited	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: Jie-Lian Xu	8,508,500	35.00
	Manager	Chien-Chiang Huang	-	-
Guizhou Kong On Cement Company Limited	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, Jie-Lian Xu		
	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	-	-

Affiliate	Title	Name or representative	Type of shares	
			Shareholdings	Percentage
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.: I-Meng Huang, Chien-Chiang Huang		
	Supervisor	Representative of TCC International (Hong Kong) Co., Ltd: Cen-Wei Lan		
	President	Ming-De Li	-	-
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-Dao Qiang	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	-	-
TCC Guigang Mining Industrial Company Limited	President	Cheng-Dao Qiang	-	-
	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, Chia-Pei Wei	Contribution: USD 2,375,000	47.50
	Supervisor	Yuo-Xin Song	-	-
TCC Jiangsu Mining Industrial Company Limited	President	Hai-Hua Wu	-	-
	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, Jong-Peir Li		
	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	Yuo-Xin Song	-	-

Affiliate	Title	Name or representative	Type of shares	
			Shareholdings	Percentage
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, Jong-Peir Li	-	-
	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	-	-
Upper Value Investment Ltd.	Director	Representative of TCC International Holdings Limited: 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	-	-

Affiliate	Title	Name or representative	Type of shares	
			Shareholdings	Percentage
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	Gao-Ying Dong	-	-
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	-	-
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	-	-

Affiliate	Title	Name or representative	Type of shares	
			Shareholdings	Percentage
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, Jong-Peir Li		
	Supervisor	Representative of TCC (Guigang) Cement Ltd.: Hsiao-En Tseng		
	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, Jong-Peir Li		
	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, Jong-Peir Li		
	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, Jong-Peir Li		
	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	Representatives 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		

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 (In the progress of registration)		
	President	Kui Wang		
TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd.	Chairman	Representative of Scitus Luzhou Cement Co.,Ltd. : Cheng-Fu Yao	Contribution: RMB 2,200,000	55.00
	Director	Representatives of Scitus Luzhou Cement Co.,Ltd. : Chien-Chuan Wang, Dai-Cai Luo		
	Supervisor	Guo-Hong Yeh, Xian Zhang		
	President	Gao-ying Dong		
Taiwan Cement (Dutch) Holdings B.V.	Director	Representatives 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. ³	Director	Representatives of Taiwan Cement Dutch Holdings B.V.: An-Ping Chang, Jong-Peir Li, Chia-Kai Yang	Contribution: EUR 325,001,000	100.00
NHOA S.A. ⁴	Chairman	Representative of Taiwan Cement Europe Holdings B.V.: An-Ping Chang	Contribution: EUR 233,390,481	65.15
	CEO	Carlalberto Guglielminotti	-	-
	Director	Representatives 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, Andrea Rossi		
ELECTRO POWER SYSTEM MANUFACTURING	Chairman	Roberta Romano	Contribution: EUR 21,202,403	100.00
	CEO	Ilaria Scarinci		
	Director	Carlalberto Guglielminotti		

Affiliate	Title	Name or representative	Type of shares	
			Shareholdings	Percentage
Comores Energie Nouvelles S.A.R.L.	Director	Ivo Sciuttini	Contribution: EUR 367,446	60.00
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 SRL	Director	Stefano Terranova	Contribution: EUR 2,110,000	100.00
FREE2MOVE ESOLUTIONS S.P.A.	Chairman	Carlalberto Guglielminotti	Contribution: EUR 16,344,531	49.90
	CEO	Roberto Di Stefano		
	Director	Luigi Michi, Giovanni Ravina, Davide Mele, Brigitte Courtheux		
ATLANTE TOPCO S.R.L.	Director	Stefano Terranova	Contribution: EUR 10,000	100.00
ATLANTE IBERIA S.L.	Director	Giovanni Ravina	Contribution: EUR 4,000	100.00
ATLANTE FRANCE S.A.S	Chairman	Stefano Terranova	Contribution: EUR 100,000	100.00
	CEO	Jacques Galvani		
TCCMOLI Holdings (Singapore) Pte. Ltd. ⁵	Director	Representatives of Taiwan Cement Corporation: An-Ping Chang, Jong-Peir Li	-	-
	Director	Ren-Zhen Xue	-	-
	Director	THAM WAN LOONG JEROME	-	-
TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited ⁶	Chairman	Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Bao-Luo Ge	Contribution: RMB 1,000,000	100.00
	Director	Representatives of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Yi-Xiu Lin, Jia-Hua Cao		
	Supervisor	Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Guo-Hong Yeh	-	-
	President	Wei Tian	-	-
TCC Yongren (Hangzhou) Environmental Technology Company Limited ⁷	Chairman	Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Bao-Luo Ge	Contribution: RMB 1,000,000	100.00
	Director	Representatives of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Yi-Xiu Lin, Jia-Hua Cao		
	Supervisor	Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Guo-Hong Yeh	-	-
	President	Wei Tian	-	-
TCC Yongren (Hangzhou) Renewable Resources Technology Company Limited ⁸	Chairman	Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Chien-Chuan Wang	Contribution: RMB 1,000,000	100.00
	Director	Representatives of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Yi-Xiu Lin, Jia-Hua Cao		
	Supervisor	Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Guo-Hong Yeh	-	-
	President	Wei Tian	-	-

Affiliate	Title	Name or representative	Type of shares	
			Shareholdings	Percentage
TCC Yongren (Hangzhou) Renewable Resources Development Company Limited ⁹	Chairman	Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Yu-Wen Chiu	Contribution: RMB 1,000,000	100.00
	Director	Representatives of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Yi-Xiu Lin, Jia-Hua Cao		
	Supervisor	Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Guo-Hong Yeh	-	-
	President	Wei Tian	-	-
TCC Shaoguan Environmental Technology Co., Ltd. ¹⁰	Chairman	Representative of TCC Yongren (Hangzhou) Environmental Technology Company Limited: Chien-Chuan Wang	Contribution: RMB 1,000,000	100.00
	Director	Representatives 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 700,000,000	100.00
	Director	Representatives of TCC Yingde Cement Co., Ltd. : Jong-Peir Li, Ker-Fu Lu		
	Director	Wei Tian	-	-
	Supervisor	Yi-Xiu Lin	-	-
	President	Jong-Peir Li	-	-
TCC (Hangzhou) Renewable Resources Technology Co., Ltd.	Director	Representatives of TCC (Guigang) Cement Company Limited: Bao-lue Ge, Guo-Hong Yeh	Contribution: RMB 100,000,000	17.86
	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	Bao-lue Ge	-	-

Affiliate	Title	Name or representative	Type of shares	
			Shareholdings	Percentage
TCC Energy Storage Technology Corporation	Chairman	Representative of Taiwan Cement Corporation: An-Ping Chang	200,600,000	100.00
	Director	Representatives of Taiwan Cement Corporation: Jong-Peir Li, Yu-Tzu Chiu		
	Supervisor	Representative of Taiwan Cement Corporation: Guo-Hong Yeh		
	President	Jong-Peir Li		
TCC Sustainable Energy Investment Corporation	Chairman	Representative of Taiwan Cement Corporation: An-Ping Chang	100,000	100.00
	Director	Representatives of Taiwan Cement Corporation: Jong-Peir Li, Yu-Tzu Chiu		
	Supervisor	Representative of Taiwan Cement Corporation: Guo-Hong Yeh		
	President	Jong-Peir Li		
Tuo Shan Recycle Technology Company ¹¹	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		
TCC Recycle Energy Technology Company ¹²	Chairman	Representative of Taiwan Cement Corporation: An-Ping Chang	1,040,652,886	63.26
	Director	Representative of Taiwan Cement Corporation: Jong-Peir Li		
	Director	Representative of International CSRC Investment Holdings Co., Ltd.: Kung-Yi Koo, Po-Sung Huang, Ren-Jen Shiue	388,962,582	23.64
	Supervisor	Guo-Hong Yeh	-	-
	President	Ren-Jen Shiue	100,000	-
E-One Moli Energy Corp.	Chairman	Representative of TCC Recycle Energy Technology Company: An-Ping Chang	1,566,310,703	100.00
	Director	Representatives of TCC Recycle Energy Technology Company: Kung-Yi Koo, Jong-Peir Li		
	Supervisor	Representative of TCC Recycle Energy Technology Company: Guo-Hong Yeh		
	President	Ren-Jen Shiue		

Affiliate	Title	Name or representative	Type of shares	
			Shareholdings	Percentage
Molie Quantum Energy Corporation	Chairman	Representative of E-One Moli Energy Corp.: An-Ping Chang	1,000,100,000	100.00
	Director	Representatives of E-One Moli Energy Corp.: Jong-Peir Li, Yu-Tzu Chiu		
	Supervisor	Representative of E-One Moli Energy Corp.: Guo-Hong Yeh		
	President	Jong-Peir Li		
E-One Holdings Ltd	Director	Representative of 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, Han-Cheng Kuo, Ting-I Wang, Chia-Yu Yang	6,649,200	100.00

- TCC Tung-Li Green Energy Corporation was founded on February 9, 2021.
- In 2021, TCC successively acquired the shares of Taiwan Prosperity Chemical Corporation, raising its shareholding percentage from 71.1% to 100.0%. TCC disposed of all the shareholding on August 17, 2021.
- Taiwan Cement Europe Holdings B.V. was founded on April 26, 2021.
- TCC acquired 60.48% equity of NHOA S.A. from Engie SA Group and gained control over NHOA S.A. and its subsidiaries in July 2021. In September 2021, TCC acquired additional 4.67% equity of NHOA S.A. with cash simple tender offer.
- TCCMOLI Holdings (Singapore) Pte. Ltd. liquidation was completed in Jan 2022.
- TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited was founded on December 15, 2021.
- TCC Yongren (Hangzhou) Environmental Technology Company Limited was founded on December 15, 2021.
- TCC Yongren (Hangzhou) Renewable Resources Technology Company Limited was founded on December 15, 2021.
- TCC Yongren (Hangzhou) Renewable Resources Development Company Limited was founded on December 15, 2021.
- TCC Shaoguan Environmental Technology Company Limited was founded on December 31, 2021.
- Tuo Shan Recycle Technology Company was founded on April 29, 2021.
- TCC increased the invested capital in TCC Recycle Energy Technology Company in August 2021, raising its shareholding percentage from 18.2% to 63.3%, and gained control over TCC Recycle Energy Technology Company and its subsidiaries.

Business highlights of affiliates

December 31, 2021 (expressed in NT\$ thousands)

Affiliate	Capital amount	Total assets	Total liabilities	Net worth	Revenue	Profit from operations	Profit (after tax)	EPS (NT\$) (after tax)
Taiwan Transport & Storage Corporation	580,706	3,105,824	608,495	2,497,329	1,716,507	68,433	210,995	3.63
TJ transport Corporation	25,000	117,314	78,041	39,273	65,599	16,078	12,140	4.86
Taiwan Cement Engineering Corporation	601,656	733,952	853	733,099	1,626	(575)	88	0.00
Kuan-Ho Refractories Industry Corporation	408,500	978,289	348,727	629,562	967,278	115,273	90,974	2.23
TCC Green Energy Corporation	9,508,987	9,590,164	261,738	9,328,426	152,026	2,495	(69,676)	(0.14)
TCC CHIA-CHIEN Green Energy Corporation	2,302,000	2,250,088	68,784	2,181,304	-	(50,477)	(48,901)	(0.37)
TCC YUN-KAI Green Energy Corporation	25,000	22,118	35	22,083	-	(246)	(181)	(0.07)
TCC LIEN-HSIN Green Energy Corporation	4,012,000	4,017,239	9,894	4,007,344	-	(3,694)	(1,706)	(0.02)
TCC CHANG-HO Green Energy Corporation	2,456	2,411	35	2,376	-	(35)	(34)	(0.14)
TCC KAO-CHENG Green Energy Corporation	82,000	85,125	911	84,214	7,091	2,989	2,464	0.30
TCC NAN-CHUNG Green Energy Corporation	170,000	170,035	585	169,450	2,908	1,080	1,195	0.07
CHANG-WANG Wind Power Co., Ltd	720,000	716,440	19,837	696,603	75,351	27,703	27,685	0.38
TCC PING-CHIH Green Energy Corporation	2,000	1,917	34	1,883	-	(35)	(34)	(0.17)
CHIA-HO Green Energy Corporation	100,000	73,126	5,834	67,292	-	(32,658)	(32,332)	(4.28)
TCC TUNG-LI Green Energy Corporation ¹	150,000	162,599	18,634	143,965	-	(6,028)	(6,035)	(0.40)
Hong Kong Cement Manufacturing Company Limited	HKD 45,000,000	HKD 70,741,346	HKD 220,040	HKD 70,521,306	HKD 1,751,200	HKD (291,259)	HKD (291,259)	NA
TCC Development Limited	Ordinary shares: USD 10 Non-voting deferred shares: USD 90	HKD 125,279,924	HKD 3,855,196	HKD 121,424,728	HKD 24,525,837	HKD 22,241,180	HKD 18,562,557	HKD 185,625.57
Ta-Ho Maritime Corporation	2,492,948	9,507,763	5,137,800	4,369,963	3,030,803	237,018	370,317	1.49
Ta-Ho Maritime Holdings Limited	USD 44,300,000	USD 196,950,758	USD 7,404	USD 196,943,354	-	USD (10,433)	USD 7,351,604	USD 0.17
THC International S.A.	USD 64,310,000	USD 162,816,119	USD 2,817,325	USD 159,998,794	USD 19,157,738	USD 4,169,691	USD 4,202,147	USD 0.07
Ta-Ho Maritime (Hong Kong) Limited	USD 5,100,000	USD 34,224,324	USD 9,904	USD 34,214,420	-	USD (10,838)	USD 3,199,838	USD 0.63
Ta-Ho Maritime (Singapore) Pte. Ltd.	USD 100,000	USD 2,429,989	USD 50,424	USD 2,379,565	-	USD (38,329)	USD (40,069)	USD (0.04)
Da Tong (Guigang) International Logistics Co., Ltd.	USD 5,000,000	RMB 230,443,028	RMB 15,981,531	RMB 214,461,497	RMB 128,575,568	RMB 6,003,387	RMB 20,707,443	NA
Guigang Da-Ho Shipping Co., Ltd.	RMB 4,000,000	RMB 145,494,838	RMB 23,965,047	RMB 121,529,791	RMB 267,149,306	RMB 16,064,771	RMB 13,411,842	NA
Da Tong (Ying De) Logistics Co., Ltd.	RMB 5,000,000	RMB 34,372,824	RMB 4,069,296	RMB 30,303,528	RMB 16,513,915	RMB 2,031,608	RMB 2,084,482	NA
TCC Investment Corporation	1,314,880	7,283,688	2,307,289	4,976,399	-	(422)	175,738	1.34
Union Cement Traders Inc.	277,830	2,176,476	1,049,871	1,126,605	-	(268)	72,218	2.60
TCC Chemical Corporation	2,400,000	2,450,175	1,203,601	1,246,574	136,729	97,263	(527,110)	(2.20)
TCC Information Systems Corporation	150,000	402,903	135,279	267,624	363,390	19,400	14,207	0.95
Taicorm Information (Samoa) Pte., Ltd.	3,412	61,148	9,591	51,557	-	(32)	2,670	NA
Fuzhou TCC Information Technology Co., Ltd.	RMB 826,510	RMB 8,737,396	RMB 4,798,593	RMB 3,938,803	RMB 3,107,962	RMB 838,631	RMB 851,923	NA
Taiwan Prosperity Chemical Corporation ²	-	-	-	-	-	-	-	-
Tung Chen Mineral Corporation	2,000	1,262	30	1,232	-	(44)	(44)	(2.19)
Jin Chang Minerals Corporation	91,000	615,742	548,320	67,422	685,546	(91,927)	(93,224)	(10.24)
Hoping Industrial Port Corporation	3,200,000	8,828,705	2,963,281	5,865,424	1,728,996	978,442	861,408	2.55
Ho-Ping Power Company	13,545,215	33,416,359	5,847,164	27,569,195	10,202,413	2,351,664	1,492,151	1.10
Ho-Ping Renewable Energy Company	1,000	994	-	994	-	(3)	(3)	(0.03)
HPC Power Services Corporation	USD 100,000	311,287	109,445	201,842	493,623	252,336	202,000	NA

Affiliate	Capital amount	Total assets	Total liabilities	Net worth	Revenue	Profit from operations	Profit (after tax)	EPS (NT\$) (after tax)
Ta-Ho RSEA Environment Co., Ltd.	600,000	1,004,290	103,555	900,735	-	(8,303)	618,639	10.31
E.G.C. Cement Corporation	159,200	405,170	160,151	245,019	657,858	42,334	42,317	2.66
Feng Sheng Enterprise Company Limited	600,000	2,652,597	1,700,321	952,276	3,402,504	237,191	197,308	3.29
Ho Sheng Mining Co., Ltd.	301,000	602,111	219,604	382,507	442,939	75,562	62,329	2.07
Taicorm Minerals Corp.	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 16,678,789,798	HKD 328,026,525	HKD 16,350,763,273	-	HKD 296,716,342	HKD 266,947,879	HKD 0.44
TCC International Holdings Ltd.	Ordinary shares: HKD674,492,964	HKD 26,379,486,161	HKD 4,845,610,861	HKD 21,533,875,300	-	HKD (199,784,513)	HKD (200,138,014)	NA
TCC International (Guangxi) Limited	USD 203,000,000	HKD 3,112,919,664	HKD 85,028,282	HKD 3,027,891,381	-	HKD 13,584	HKD 13,584	NA
TCC (Guigang) Cement Ltd.	USD 332,875,900	HKD 10,578,219,658	HKD 2,639,003,186	HKD 7,939,216,472	HKD 2,829,085,334	HKD 574,761,230	HKD 434,853,287	NA
TCC Hong Kong Cement (BVI) Holdings Ltd.	USD 17,000	HKD 10,549,494,629	HKD 3,295,530	HKD 10,546,199,099	-	HKD (23,287)	HKD (23,287)	NA
Ulexite Investments Ltd.	USD 200	HKD 38,182,465	-	HKD 38,182,465	-	HKD 234,937	HKD 234,937	HKD 1,174.69
TCC Hong Kong Cement Development Ltd.	Ordinary shares: USD 10 Non-voting deferred shares: USD 90	HKD 91,130,472	HKD 8,155,900	HKD 82,974,572	-	HKD (1,450,873)	HKD (1,192,080)	NA
TCC Hong Kong Cement (QHC) Ltd.	USD 100	HKD 18,114,340	HKD 22,437	HKD 18,091,903	-	HKD (9,106)	HKD (9,106)	NA
Chieffolk Company Ltd.	HKD 1,000,000	HKD 46,475,538	HKD 40,000	HKD 46,435,538	-	HKD (531,249)	HKD (531,249)	NA
TCC International (Liuzhou) Ltd.	USD 50,000	HKD 783,674	HKD 482,699	HKD 300,975	-	HKD (12,884)	HKD (12,884)	NA
TCC Liuzhou Company Ltd.	HKD 10,000	HKD 97,268,447	HKD 40,250	HKD 97,228,197	-	HKD 17,988,192	HKD 16,182,042	HKD 1,618.20
TCC Hong Kong Cement (Yargoan) Ltd.	USD 100	HKD 3,339,735	-	HKD 3,339,735	-	HKD (8,164)	HKD (8,164)	NA
Hong Kong Cement Company Ltd.	HKD 341,351,625	HKD 50,567,566	HKD 290,784,059	HKD 257,516,015	HKD 42,531,351	HKD 35,621,597	HKD 341,351,625	HKD 3,562.16
TCC Hong Kong Cement (Philippines) Ltd.	HKD 22,233,162	HKD 6,170,997	HKD 16,062,165	-	HKD (8,164)	HKD (8,164)	HKD 22,233,162	NA
TCC Cement Corporation	HKD 11,532,768	HKD 9,551,584	HKD 1,981,184	-	-	-	HKD 11,532,768	NA
TCC Hong Kong Cement (International) Ltd.	USD 1,700	HKD 10,167,222,604	HKD 237,585,990	HKD 9,929,636,614	-	HKD 39,829	HKD 39,829	HKD 23.43
TCC International (Hong Kong) Company Limited	HKD 10,163,557,694	HKD 10,803,038,880	HKD 7,721,166	HKD 10,795,317,714	-	HKD 621,828,464	HKD 607,485,458	HKD 51,049.20
TCC Fuzhou Yangyu Port Co., Ltd.	USD 5,000,000	HKD 89,716,690	HKD 4,889,453	HKD 84,827,238	HKD 20,028,585	HKD 9,139,330	HKD 7,537,792	NA
TCC Liuzhou Construction Materials Co., Ltd.	USD 13,500,000	HKD 298,962,779	HKD 31,883,372	HKD 267,079,407	HKD 272,002,742	HKD 36,215,192	HKD 30,795,254	NA
TCC Fuzhou Cement Co., Ltd.	USD 16,250,000	HKD 350,187,719	HKD 67,533,934	HKD 282,653,784	HKD 334,837,200	HKD 18,397,290	HKD 18,401,247	NA
TCC Yingde Cement Co., Ltd.	USD 254,400,000	HKD 11,572,391,513	HKD 2,140,682,047	HKD 9,431,709,466	HKD 3,740,811,082	HKD 1,241,931,701	HKD 948,774,658	NA
Jurong TCC Cement Co., Ltd.	USD 233,000,000	HKD 5,535,284,504	HKD 596,868,479	HKD 4,938,416,025	HKD 2,001,835,508	HKD 655,635,874	HKD 587,603,701	NA
Jingyang Industrial Limited	HKD 101,614,561	HKD 1,560,281,178	HKD 1,251,073,090	HKD 309,208,088	-	HKD 526,382,732	HKD 476,895,727	HKD 19.87
Jiangsu TCC Investment Co., Ltd.	USD 50,000,000	HKD 1,099,652,476	HKD 4,719	HKD 1,099,647,757	-	HKD 142,262,306	HKD 268,737,800	NA
Upper Value Investments Limited	USD 12,400	HKD 7,876,689,355	HKD (268,569,584)	HKD 8,145,258,940	-	HKD 1,043,175,135	HKD 1,043,175,135	HKD 82,139.77
Prosperity Cement Investment Limited	HKD 759,955,769	HKD 973,884,184	HKD 244,740	HKD 973,639,444	-	HKD 731,438,791	HKD 664,156,770	HKD 65,758.10
Yingde Dragon Mountain Cement Co., Ltd.	RMB 428,110,000	HKD 5,111,524,515	HKD 256,201,947	HKD 4,855,322,568	HKD 2,057,941,233	HKD 715,214,741	HKD 552,517,334	NA
Prosperity Minerals (International) Limited	HKD 28,533,976	HKD 2,099,966,629	HKD 138,170,652	HKD 1,961,795,976	-	HKD 247,123,593	HKD 247,123,593	HKD 82,374,531.00
Kiton Ltd.	HKD 685,926,583	HKD 685,749,235	HKD 48,000	HKD 685,701,235	-	HKD (49,491)	HKD (49,491)	NA
TCC Liaoning Cement Company Limited	RMB 371,000,000	HKD 808,787,104	HKD 290,904,688	HKD 517,882,416	HKD 530,443,399	HKD 25,988,429	HKD 28,833,309	NA
Hensford Ltd.	HKD 1,191,945,979	HKD 1,192,334,975	HKD 386,850	HKD 1,191,948,125	-	HKD 182,384,283	HKD 164,156,283	HKD 15,633.93
TCC Anshun Cement Company Limited	USD 153,490,000	HKD 2,190,029,728	HKD 154,457,292	HKD 2,035,572,436	HKD 922,455,283	HKD 97,329,201	HKD 85,433,167	NA

Affiliate	Capital amount	Total assets	Total liabilities	Net worth	Revenue	Profit from operations	Profit (after tax)	EPS (NT\$) (after tax)
Sure Kit Ltd.	HKD 953,818,809	HKD 954,599,797	HKD 48,000	HKD 954,551,797	-	HKD 243,384,734	HKD 219,080,734	HKD 21,065.46
TCC Chongqing Cement Company Limited	USD 118,000,000	HKD 2,875,493,018	HKD 274,189,923	HKD 2,639,232,564	1,414,532,053	HKD 352,394,099	HKD 264,698,142	NA
Prime York Ltd.	HKD 532,147,515	HKD 712,123,292	HKD 2,270,604	HKD 709,852,688	-	HKD 183,822,070	HKD 183,822,070	HKD 17,846.80
Prosperity Minerals (China) Limited	USD 10,300	HKD 127,785,377	HKD 6,997,575	HKD 120,787,802	-	HKD (182,893)	HKD (235,036)	NA
Mega East Limited	HKD 597,603,470	HKD 597,780,934	HKD 465,785	HKD 597,315,149	-	HKD (53,624)	HKD (53,624)	NA
Guangan Changxing Cement Co., Ltd.	USD 76,990,000	HKD 1,818,454,692	HKD 140,956,633	HKD 1,677,498,059	HKD 766,592,676	HKD 199,911,532	HKD 150,074,617	NA
TCC (DongGuan) Cement Company Limited	US\$ 20,000,000	HKD 87,553,403	HKD 7,367	HKD 87,546,036	-	HKD (866,298)	HKD (866,298)	NA
TCC International (China) Company Limited	HKD 62,143,260	HKD 62,126,145	HKD 224,290	HKD 61,901,855	-	HKD (20,718)	HKD (20,718)	NA
TCC New (Hangzhou) Management Company Limited	USD 8,000,000	HKD 126,583,914	HKD 107,498,407	HKD 19,085,507	-	HKD (29,602,024)	HKD (29,602,024)	NA
Kong On Cement Holdings Ltd.	HKD 127,440,000	HKD 157,498,256	HKD 19,625,666	HKD 137,872,589	-	HKD (20,745)	HKD (20,745)	NA
Guizhou Kong On Cement Company Limited	USD 20,300,000	HKD 394,291,535	HKD 213,824,116	HKD 180,467,419	HKD 177,517,046	HKD (18,432,875)	HKD (18,329,672)	NA
Wayfly Holdings Limited	USD 10,501	HKD 512,847,058	HKD 26,218,857	HKD 486,628,201	-	HKD (5,995)	HKD (5,995)	NA
Guizhou Kaili Rui An Jian Cai Co., Ltd.	RMB 389,660,500	HKD 1,184,546,625	HKD 139,173,667	HKD 1,045,372,958	HKD 486,286,225	HKD (8,704,754)	HKD (3,844,639)	NA
TCC Shaoguan Cement Co., Ltd.	USD 69,100,000	HKD 1,905,843,364	HKD 1,399,321,275	HKD 506,522,089	HKD 136,003	HKD (33,947,715)	HKD (33,947,715)	NA
TCC Yingde Mining Industrial Company Limited	USD 11,500,000	HKD 115,021,514	HKD 13,706,576	HKD 101,314,938	-	HKD (10,159,450)	HKD (7,524,397)	NA
TCC Guigang Mining Industrial Company Limited	USD 5,000,000	HKD 109,600,699	HKD 784,183	HKD 108,816,516	-	HKD 1,861,388	HKD 1,394,206	NA
TCC Jiangsu Mining Industrial Company Limited	USD 4,000,000	HKD 111,062,776	HKD 14,255,672	HKD 96,807,104	HKD 59,505,842	HKD 11,992,898	HKD 7,891,768	NA
Scitus Cement (China) Holdings Limited	HKD 1,245,257,277	HKD 1,270,779,990	HKD 393,137,575	HKD 877,642,415	-	HKD (724,232)	HKD (724,232)	NA
Scitus Cement (China) Operating Company Limited	HKD 10,000	-	HKD 6,236,772	HKD (6,236,772)	-	HKD (12,250)	HKD (12,250)	NA
Hexagon Holdings Limited	HKD 1	HKD 211,594,550	HKD 12,000	HKD 211,582,550	-	HKD (12,610)	HKD (12,610)	NA
Hexagon II Holdings Limited	HKD 1	HKD 75,870,009	HKD 12,000	HKD 75,858,009	-	HKD (12,250)	HKD (12,250)	NA
Hexagon III Holdings Limited	HKD 79,500,001	HKD 158,448,121	HKD 69,142,507	HKD 89,305,614	-	HKD (48,701)	HKD (48,701)	NA
Hexagon IV Holdings Limited	HKD 136,430,001	HKD 439,490,705	HKD 281,684,628	HKD 157,806,076	-	HKD (47,413)	HKD (47,413)	NA
Hexagon V Holdings Limited	HKD 1	HKD 89,082,589	HKD 14,014,609	HKD 75,067,980	-	HKD (12,664)	HKD (12,664)	NA
Upper Value Investment Ltd.	HKD 1	HKD 560,691,256	HKD 177,810,681	HKD 382,880,575	-	HKD (20,750)	HKD (20,750)	NA
Hexagon VIII Holdings Limited	HKD 1	HKD 10,807,282	HKD 12,000	HKD 10,795,282	-	HKD (12,640)	HKD (12,640)	NA
Hexagon IX Holdings Limited	HKD 1	HKD 19,297,186	HKD 20,711,929	HKD (1,414,743)	-	HKD (48,750)	HKD (48,750)	NA
Hexagon XIII Holdings Limited	HKD 1	HKD 5,834,733	HKD 12,000	HKD 5,822,733	-	HKD (12,640)	HKD (12,640)	NA
Hexagon XIV Holdings Limited	HKD 1	HKD 21,445,578	HKD 21,917,106	HKD (471,528)	-	HKD (48,750)	HKD (48,750)	NA
Scitus Luzhou Cement Co., Ltd.	RMB 395,000,000	HKD 1,197,335,948	HKD 241,721,344	HKD 955,614,604	HKD 636,281,521	HKD 107,511,458	HKD 76,857,590	NA
Scitus Hejiang Cement Co., Ltd.	RMB 23,250,000	HKD 3,019,678	HKD 1,832,848	HKD 1,186,831	-	HKD (274,103)	HKD (274,103)	NA
Scitus Luzhou Concrete Co., Ltd.	RMB 25,000,000	HKD 30,397,758	HKD 3,663,753	HKD 26,734,005	HKD 15,276,455	HKD (4,372,783)	HKD (5,127,200)	NA
Scitus Naxi Cement Co., Ltd.	RMB 146,510,000	HKD 266,486,843	HKD 102,490,207	HKD 163,996,637	HKD 172,205,264	HKD 6,350,035	HKD 4,680,124	NA
Anshun Xin Tai Construction Materials Company Limited	RMB 15,000,000	HKD 18,149,284	HKD 327,838	HKD 17,821,447	HKD 6,711,668	HKD 62,876	HKD 62,876	NA
TCC Huaying Cement Company Limited	RMB 949,880,000	HKD 1,097,738,531	HKD 72,444,463	HKD 1,025,294,067	HKD 418,710,907	HKD (19,979,082)	HKD (20,621,223)	NA
TCC Huaihua Cement Company Limited	RMB 300,000,000	HKD 1,907,690,873	HKD 539,583,957	HKD 1,368,106,916	HKD 665,028,738	HKD 44,336,598	HKD 75,311,675	NA
TCC Jingzhou Cement Company Limited	RMB 150,000,000	HKD 702,655,511	HKD 73,704,249	HKD 628,951,262	HKD 365,200,176	HKD 47,403,065	HKD 35,564,899	NA
TCC Huaihua Concrete Company Limited	RMB 10,000,000	HKD 27,290,860	HKD 18,231,306	HKD 9,059,554	HKD 17,244,838	HKD (3,015,115)	HKD (3,015,115)	NA
Guigang TCC Dongyuan Environmental Protection Technology Co., Ltd.	RMB 126,000,000	HKD 281,662,907	HKD 25,736,354	HKD 255,926,553	HKD 49,730,350	HKD 6,419,658	HKD 6,419,658	NA
Beijing TCC Environmental Technology Co., Ltd.	RMB 6,000,000	HKD 5,482,720	HKD 23,301,648	HKD (17,818,928)	-	HKD (11,805,806)	HKD (11,805,806)	NA

Affiliate	Capital amount	Total assets	Total liabilities	Net worth	Revenue	Profit from operations	Profit (after tax)	EPS (NT\$) (after tax)
Kaili TCC Environmental Technology Co., Ltd.	RMB 8,000,000	HKD 149,797,666	HKD 168,273,804	HKD (18,476,137)	HKD 25,448	HKD (24,885,794)	HKD (24,885,794)	NA
TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd.	RMB 4,000,000	HKD 4,463,486	HKD (15,378)	HKD 4,478,864	-	HKD 41,531	HKD 41,531	NA
Taiwan Cement (Dutch) Holdings B.V.	EUR 838,369,850	EUR 1,140,955,239	EUR 365,892,998	EUR 775,062,241	EUR 96,000	EUR (754,114)	EUR 22,961,986	NA
Taiwan Cement Europe Holdings B.V. ³	EUR 180,001,000	EUR 303,210,845	EUR 3,358	EUR 303,207,487	-	EUR (1,259,748)	EUR (7,239,852)	NA
NHOA S.A. ⁴	EUR 5,106,744	EUR 242,457,490	EUR 63,253,474	EUR 179,204,015	EUR 1,764,896	EUR (4,436,526)	EUR (4,823,507)	NA
NHOA ENERGY S.R.L.	EUR 1,000,000	EUR 59,218,482	EUR 46,526,767	EUR 12,691,720	EUR 13,273,377	EUR (22,474,253)	EUR (27,733,485)	NA
ELECTRO POWER SYSTEM MANUFACTURING	EUR 1,004,255	EUR 4,786,396	EUR 730,202	EUR 4,056,193	-	EUR 774,751	EUR 698,548	EUR 1.39
Comores Energie Nouvelles S.A.R.L.	EUR 19,261	EUR 5,995,459	EUR 6,355,945	EUR (360,487)	EUR 353,383	EUR 92,971	EUR (102,670)	EUR 45.12
NHOA AMERICAS LLC	EUR 8,493	EUR 24,425	EUR 378,210	EUR (353,784)	-	EUR (354,901)	EUR (354,901)	NA
NHOA AUSTRALIA PTY LTD	EUR 16,166,474	EUR 26,048,189	EUR 9,849,781	EUR 16,198,410	EUR 3,770,184	EUR 75,439	EUR 52,796	NA
ATLANTE SRL	EUR 10,000	EUR 2,151,585	EUR 407,624	EUR 1,743,961	-	EUR (363,416)	EUR (363,416)	NA
FREE2MOVE SOLUTIONS S.P.A.	EUR 19,431,412	EUR 38,504,348	EUR 17,553,615	EUR 20,950,734	EUR 14,494,746	EUR (2,576,748)	EUR (2,577,543)	NA
ATLANTE TOPCO S.R.L.	EUR 10,000	-	-	-	-	-	-	NA
ATLANTE IBERIA S.L.	EUR 4,000	-	-	-	-	-	-	NA
ATLANTE FRANCE S.A.S	EUR 100,000	-	-	-	-	-	-	NA
TCCMOLI Holdings (Singapore) Pte. Ltd. ⁵	USD 22,674.62	USD 7,279.14	-	USD 7,279.14	-	USD (2,768)	USD (2,770)	NA
TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	RMB 700,000,000	HKD 1,709,121,227	HKD 1,033,268,656	HKD 675,852,571	HKD 66,636,770	HKD (65,527,885)	HKD (65,527,885)	NA
TCC (Hangzhou) Renewable Resources Technology Co., Ltd.	RMB 560,000,000	HKD 693,248,885	HKD 747,426	HKD 692,501,459	-	HKD 10,698,924	HKD 8,024,193	NA
Jurong TCC Environmental Co., Ltd.	RMB 150,000,000	HKD 184,913,660	HKD 122,183	HKD 184,791,476	-	HKD 2,378,148	HKD 1,769,303	NA
TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited ⁶	RMB 1,000,000	HKD 1,220,061	-	HKD 1,219,909	-	-	-	NA
TCC Yongren (Hangzhou) Environmental Technology Company Limited ⁷	RMB 1,000,000	HKD 1,220,061	-	HKD 1,219,909	-	-	-	NA
TCC Yongren (Hangzhou) Renewable Resources Technology Company Limited ⁸	RMB 1,000,000	HKD 1,220,061	-	HKD 1,219,909	-	-	-	NA
TCC Yongren (Hangzhou) Renewable Resources Development Company Limited ⁹	RMB 1,000,000	HKD 1,220,061	-	HKD 1,219,909	-	-	-	NA
TCC Shaoguan Environmental Technology Company Limited ¹⁰	RMB 1,000,000	HKD 1,220,000	-	HKD 1,220,000	-	-	-	NA
TCC Energy Storage Technology Corporation.	2,006,000	2,047,899	68,832	1,979,067	-	(27,816)	(26,917)	(0.13)
TCC Sustainable Energy Investment Corporation.	1,000	942	30	912	-	(63)	(63)	(0.63)
Tuo Shan Recycle Technology Company ¹¹	1,000	985	30	985	-	(45)	(45)	(0.45)
TCC Recycle Energy Technology Company ¹²	16,450,979	15,592,910	379	15,592,531	-	(4,138)	(151,779)	(0.09)
E-One Moli Energy Corp.	15,663,107	17,641,632	2,937,218	14,704,414	2,246,388	(159,532)	(147,980)	(0.10)
Molie Quantum Energy Corporation	10,001,000	11,313,506	1,392,350	9,921,156	-	(84,989)	(79,832)	(0.08)
E-One Holdings Ltd.	USD 65,344,940	USD 15,935,634	-	USD 15,935,634	-	-	USD 1,641,710	NA
E-One Moli Holdings (Canada) Ltd.	CAD 79,141,373	CAD 18,072,961	-	CAD 18,072,961	-	-	CAD 2,061,741	NA
E-One Moli Energy (Canada) Ltd.	CAD 85,779,298	CAD 45,293,794	CAD 25,013,448	CAD 20,280,346	CAD 7,123,552	CAD 2,441,379	CAD 2,061,772	NA

1 TCC TUNG-LI Green Energy Corporation was founded on February 9, 2021.

2 In 2021, TCC successively acquired the shares of Taiwan Prosperity Chemical Corporation, raising its shareholding percentage from 71.1% to 100.0%. TCC disposed of all the shareholding on August 17, 2021.

- 3 Taiwan Cement Europe Holdings B.V. was founded on April 26, 2021.
- 4 TCC acquired 60.48% equity of NHOA S.A. from Engie SA Group and gained control over NHOA S.A. and its subsidiaries in July 2021. In September 2021, TCC acquired additional 4.67% equity of NHOA S.A. with cash simple tender offer.
- 5 TCCMOLI Holdings (Singapore) Pte. Ltd. liquidation was completed in Jan 2022.
- 6 TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited was founded on December 15, 2021.
- 7 TCC Yongren (Hangzhou) Environmental Technology Company Limited was founded on December 15, 2021.
- 8 TCC Yongren (Hangzhou) Renewable Resources Technology Company Limited was founded on December 15, 2021.
- 9 TCC Yongren (Hangzhou) Renewable Resources Development Company Limited was founded on December 15, 2021.
- 10 TCC Shaoguan Environmental Technology Company Limited was founded on December 31, 2021.
- 11 Tuo Shan Recycle Technology Company was founded on April 29, 2021.
- 12 TCC increased the invested capital in TCC Recycle Energy Technology Company in August 2021, raising its shareholding percentage from 18.2% to 63.3%, and gained control over TCC Recycle Energy Technology Company and its subsidiaries.

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.

9 Any Event in 2021 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:

To benefit the entire TCC group, TCC has considered the group's business model and financial structure and in March 19, 2021, with the Board of Director's resolution, TCC has signed a Share Purchase Agreement (SPA) with Chang Chun Plastics Co., Ltd. for the sale of 100% of the shares held for Taiwan Prosperity Chemical Corporation, TCC's subsidiary. On August 17, 2021, TCC has completed the transaction with Chang Chun Plastics Co., Ltd. TCC has declared the aforementioned transaction according to the regulations of the Securities and Exchange Act. After evaluation of the transaction, TCC does not expect the transaction to have a material impact on the shareholder's interests or share prices.



Mr. Nelson Chang,
Executive Chairman

Human civilization and culture develop through the usage of energy and are bound together by law and ethics. NHOA is an energy company whose core beliefs are fundamental to our responsibility to our society and the planet Earth. We are a global company which believes in total climate commitment and total care commitment. Our business strategy and ethical behavior cannot be separated from one another. Our training and discipline do not allow us to cut corners in manufacturing or services nor cut any corners in our day-to-day business practice. We believe ethics is a global value which transcends culture and geography. Values do not change with time, location or business. Virtue and ethics depend on training and action. Good business is rooted in morality. We adhere to ethical values because the future is worth it!

To paraphrase Socrates: *"Unexamined business or behavior is not worth doing."*

Growth is sustainable and lasting only if it is ethical. Pursuing it is not easy, but we owe it to our society and future generations. No matter how high the stakes are, no matter how great the challenge is, we strongly believe that our success, above all, comes from the unyielding commitment, honesty, and integrity we put in all day-to-day activities and towards our people and society. Over the years NHOA stood out as a Group that inspires trust because our core business is to make the world a better place to live. And we will never stop making it happen. This Code of Ethics is our lodestar. Read it carefully. Apply it wisely. Share it proudly. Always observe it and make sure it is respected around you.



Mr. Carlalberto Guglielminotti,
Chief Executive Officer



What is the Code of Ethics?

Our Code of Ethics (the “Code” or the “Code of Ethics”) expresses our vision to employees, business partners and all other stakeholders.

Detailed guidance on how the Code applies in specific situations will appear in related policies and procedures.

The Code of Ethics defines NHOA’s values underlying all of our ethical commitments and it determines their field of application in doing business, within NHOA itself and towards society.

Aiming at inspiring us to do the right thing in all circumstances, the Code of Ethics also provides for key takeaways, further detailed in NHOA’s policies and procedures.

Who has issued the Code of Ethics?

NHOA’s Board of Directors approved and issued this Code. Changes to the Code require the approval of the Board of Directors.

Who must follow our Code of Ethics?

Everyone.

The Code of Ethics applies to our workforce, which includes for the purpose of this Code all individuals who work for us anywhere in the world: full-time or part-time employees, temporary workers, contract workers, officers and the members of the Board of Directors.

Every employee is obliged to personally live up to the high ethical standards we have set for ourselves in the Code of Ethics, as well as to help prevent, detect, and respond to violations of the Code.

Managers at all levels must provide guidance and support so their direct reports make the right decisions.

NHOA applies its ethical principles to its relationships with all parties involved in the markets and looks into the integrity and the reputation of its partners, suppliers, service providers and subcontractors.

Since all managers and employees contribute to the company’s overall performance and have a share of responsibility corresponding to their perimeter of activity. Thus, to guarantee the appropriate distribution of competences, obligations and responsibilities, management must ensure effective and operational empowerment through delegation of authority and signature. NHOA delegations of authority and engagement letters include a specific reference to ethical

How do NHOA ensure we follow our Code of Ethics?

The Executive Board members and senior leaders demonstrate their commitment to acting with integrity every day. Their examples set the tone for the Compliance Team’s work in bringing our Code of Conduct to life.

Because it is the responsibility of every employee to follow the Code, the Executive Board expects any employee who reasonably suspects a violation of the Code has occurred or is likely to occur to report their concerns immediately.

What if a violation occurs?

We act with integrity because it is the right thing to do. It also demonstrates our commitment to high standards and protects us from allegations of misconduct. Even a seemingly minor violation of this Code could expose the company or individual employees to serious repercussions – from reputational harm to fines or even imprisonment. Depending upon the circumstances, employees could face a range of consequences for violations of the Code, up to and including termination of employment.



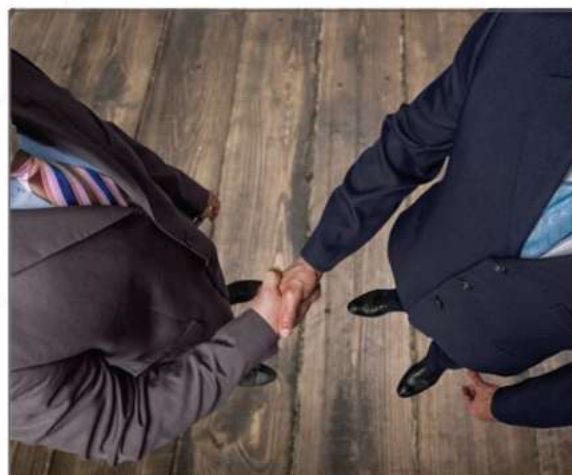


ACT COMPLIANTLY

In all circumstances, all NHOA employees must observe international, federal, national and local regulations, as well as rules of professional ethics for their activities, and the NHOA's ethics and compliance policies. All entities must respect them in substance, subject to the binding provisions of relevant laws and local customs.

HONESTY and INTEGRITY

Honesty and integrity must govern both business and interpersonal relationships, and everyday professional practices. It is essential for every individual to act in an upright manner in all circumstances and promote a culture of honesty and integrity. NHOA attaches the utmost importance to exemplary behaviour from its employees and, in choosing its partners, is careful to maintain high requirements regarding honesty and respect for human rights.



RESPECT OTHERS

Tolerance and respect for others implies treating everyone fairly, by giving equal importance to everyone and respecting in all circumstances, the rights of persons, their dignity and their singularity, and different cultures. It requires reciprocity: everyone has rights they can exercise, but also duties to fulfil, towards others, their entity, NHOA and society. It guides NHOA's policy for gender equality, respect for private life, promoting diversity and fighting all forms of discrimination, protecting health and safety at work, and in particular preventing and sanctioning all situations of harassment. Tolerance, which is manifested in kindness and openness to others, rules out any form of extremist behaviour.

COMMITMENT

For NHOA, the quality of a relationship relies on the loyalty of the parties, particularly in the execution of contracts. This requires that we honour the commitments made and that we do not make any commitment that NHOA cannot keep. Every time one of NHOA's employees communicates with their contacts, they do so in good faith, in a constructive spirit, in respect of everyone's interests, and caring about providing sincere information. The principle of transparency, which guides a large company like NHOA, does not prevent employees respecting business secrecy, within the framework of the applicable laws. NHOA, which expects its employees to respect the principles laid out in the present Code, offers in return the necessary protection when they are challenged or jeopardised, if they have acted in good faith in the course of their duties.





1. IN BUSINESS

CUSTOMERS

Customer satisfaction, and consequently the Company's sustainability, depend on many factors, in particular: availability, imagination, innovative spirit, constant improvement of quality and traceability (especially for health and safety), and the integration of the social dimension in public service activities. These requirements imply an open dialogue based on true and honest information, protection of customer personal data, compliance with rules regarding commercially sensitive information, transparency of the procedures used by NHOA, and, of course, respect of commitments and of competition rules.



PARTNERS, SUPPLIERS, SERVICE PROVIDERS AND SUBCONTRACTORS

The quality of the products and services that NHOA provides to its customers also depends on its capacity to obtain excellent services from its partners, suppliers, service providers and subcontractors. Consequently, their selection must be rigorous and impartial. NHOA chooses them for their professionalism and competitiveness, aiming to build a relationship of trust. Relationships with suppliers are governed by fairness and impartiality, to maintain a balanced and objective relationship with them. Employees dealing with partners, suppliers, service providers, and subcontractors must demonstrate irreproachable ethics and must act in conformity with regulations, particularly those concerning rules of competition. The selection criteria for partners, suppliers, service providers and subcontractors integrate NHOA's commitments to fighting corruption, respecting human rights and preserving the environment.

COMPETITORS

NHOA respects the market's rules of operation. It therefore complies with rules of competition and those of regulated markets, through loyal behaviour: in particular, it commits not to defame or denigrate its competitors. It uses only legal and honest methods to collect information on its competitors.

2. WITHIN NHOA'S ORGANIZATION

EMPLOYEES

At all levels, NHOA is committed to maintaining high-quality and harmonious human relationships. Every individual is therefore responsible for allowing all employees to carry out their role in good physical and psychological conditions. Thus, when exercising responsibilities and hierarchical relations, the person must always be respected. NHOA favours relationships between colleagues that are based on courtesy, consideration, appreciation, and discretion and strongly condemns psychological or sexual harassment.

The Group respects diversity and private life and prioritises the competency of its employees. NHOA's demand for a high level of professionalism encourages individual development, both professional and personal.

Team spirit is particularly highly valued, and is based on open and constructive dialogue, which strengthens cohesion.

NHOA strives to ensure that salaries in all countries allow a decent life in view of local living standard and is committed to providing everything required for the health and safety of its employees in the workplace.

NHOA managers have a responsibility not only to inform employees in a practical and concrete manner about the rules they are required to observe, but also to ensure that these rules are understood. It is their responsibility to check that employees are following the rules they are required to apply. Managers must lead by example through their own behaviour, to convey the ethical message and a spirit of compliance to their team.

If an unethical order is carried out, both the person who followed the order and the person who gave it are responsible. Anyone encountering pressure to act against NHOA's principles is invited to talk to someone who can help.

NHOA'S ENTITIES

NHOA strives to ensure that relationships within its entities operate in a transparent and balanced way.

NHOA ensures that information shared amongst its entities is accurate and honest. When engaged in business relationships amongst themselves, NHOA's entities apply the same principles as those governing their relationships with market players.

Entities operating in a regulated context ensure compliance with the required procedures, particularly concerning commercially sensitive information.

Intra-Group transactions have an industrial or commercial objective, and are carried out in normal market conditions, in line with internationally recognised practices.

With a view to coherence and loyalty, the entities must put measures in place locally to allow the implementation of the Code of Ethics and the fulfilment of its requirements.

SHAREHOLDERS

The Group ensures respect of shareholder equality and considers it a point of honour to give correct, transparent, honest and verifiable financial information within the required time frame. This principle is key as the NHOA's development depends particularly on its ability to find the necessary capital for its investments.

NHOA applies high corporate governance standards alongside the rules defined by financial market regulatory authorities, particularly aiming to ensure optimum growth and remuneration of the invested capital.



3. TOWARDS SOCIETY

THE COMMUNITY

NHOA respects legal requirements and local regulations. It also listens to the expectations of its customers, local inhabitants, employees and the community. Within its projects, the Group is attentive to a continuous consultation with stakeholders, particularly the free, prior and informed collection of views from communities, whose rights it respects (health, environment, property, right to water, etc.)

The Group's activities place it at the heart of the communities where it works, and it accords particular importance to supporting these communities. Thus, NHOA applies an active solidarity policy towards populations in difficulty, working with the public authorities if appropriate. It also carries out sponsorship and patronage actions, and local integration actions, in consultation and in partnership with public authorities, with the aim of supporting their initiatives.

To carry out local actions in line with its areas of business, the Group maintains a dialogue in partnership with environmental and humanitarian non-governmental organisations (NGOs). It also encourages its employees to pursue personal civic and associative commitments.

THE PUBLIC AUTHORITIES

NHOA is committed to showing transparency, and to cooperating with the public monitoring and regulation authorities and the judiciary authorities. The Group bases its relationships with the public sector on integrity and honesty.

NHOA condemns all forms of influence peddling and corruption. It refuses to partake in any financing of political activity, including in countries where this is authorised and regulated by the law.

The Group respects internationally recognised human rights in all of its relationships with the public authorities.

NHOA commits to respect the relevant tax laws and regulations with honesty and integrity, and to pay the taxes required in the countries where it operates.

THE PLANET

The environment, its conservation and sustainable development are particularly important to NHOA. The Group's sustainable development policy makes this clear, indicating that respect for people and the environment is central to NHOA's identity and values.



Aware of its responsibilities towards present and future generations, the Group defines its strategy and sets objectives in line with sustainable development principles and reports its results.

Vigilant about the emissions and impacts of its activities, it also wishes to encourage its partners, suppliers, and where necessary owners of the facilities that it manages, to share its environmental objectives.

The Group uses the most appropriate methods and techniques to promote sustainable development.

It encourages research and innovation to develop know-how regarding quality and safety, regarding reuse and recycling of materials, saving natural resources, and regarding reducing harmful impacts.

KEY TAKEAWAYS

To help employees who may face an ethical problem, benchmarks, reflecting our Core Values, are provided below, with details available in NHOA's internal policies and procedures.

TAKEAWAYS



HUMAN RIGHTS

NHOA is particularly mindful, in all its activities, to respect the spirit and letter of the international conventions and texts it adheres to, in particular:

- the Universal Declaration of Human Rights and the additional protocols
- the conventions of the International Labour Organization (ILO), and the guidelines of the Organisation for Economic Co-operation and Development (OECD) for multinational enterprises.

Everyone is encouraged to assess the impact of their actions and decisions on others, so that no infringement on the integrity or dignity of others may be caused.

Every NHOA employee is careful to avoid discrimination in words or acts, particularly in connection with age, gender, ethnic, social, or cultural origin, religion, political opinions, union activities, sexual orientation or identity, pregnancy, health, particular vulnerability, or physical differences or handicaps.

Since my colleague has clearly stated his sexual orientation, he has become subject of implicit messages and jokes by other colleagues. Without his knowledge, inappropriate comments and nicknames are circulating which, in addition to being offensive, are ruining the atmosphere and collaboration in the office. What should I do?

NHOA is committed to creating a work environment that is respectful of differences and free from any type of discrimination. Report the circumstance to your manager and, in any case, to the Human Resources function.



[FOR ANY FURTHER DETAIL, PLEASE SEE NHOA'S HUMAN RIGHTS REFERENTIAL]

HEALTH, SAFETY, ENVIRONMENT

NHOA carefully considers the impact of its activities on all stakeholders and the environment, and it has drawn up a rigorous health, safety and environmental policy.

Everyone must be engaged and vigilant, to carry this policy forward towards sustainable commitments, which are ever more ambitious, firm, and respectful to individuals, society, and the planet.



TAKEAWAYS

FRAUD

Any deliberate and dissimulated action or omission committed with the intention to deceive or circumvent laws or company rules, with the aim of obtaining undue material or moral advantage for the perpetrator or a third party, is fraud.



TAKEAWAYS

Corporate fraud is a sensitive subject, the impact of which is sometimes understated. However, fraud has financial costs, which can be high, difficult to recover, and represent a serious risk to both people and businesses.

Fraud can take many forms: theft of money, goods or data, deliberate alteration, concealment or destruction of documents, false written information or declarations, manipulation of accounts, counterfeiting, money laundering, scams, corruption, etc.

NHOA considers all forms of fraud to be unacceptable. Any fraudulent act, also if committed to the advantage of the company, exposes the perpetrator to the sanctions specified under international or local law and in the internal regulations of NHOA's entities.

CORRUPTION

Corruption is a specific form of fraud.

NHOA adheres to the United Nations Convention against Corruption and, as part of its commitment to fighting corruption, it has made voluntary commitments, by adhering to the United Nations Global Compact, to the Extractive Industries Transparency Initiative (EITI), a civil society organisation dedicated to fighting corruption, to the French section of the NGO Transparency International.

Corruption takes the form of various types of actions, such as gratuities, commission, embezzlement, undue payment for public service (extortion).

Corruption creates costs by reducing economic efficiency. It both deprives communities of some services rendered for the benefit of a few and diverts the effort of organisations from continuous development of their technology and competitiveness. Corruption can also threaten the dignity and integrity of those who suffer its consequences through no fault of their own.

Therefore, NHOA condemns all forms of corruption, whenever, wherever and in whatever circumstances they take place.

[FOR ANY FURTHER DETAIL, PLEASE SEE NHOA ANTICORRUPTION GUIDELINES]



TAKEAWAYS

RECOURSE TO A COMMERCIAL INTERMEDIARY OR BUSINESS CONSULTANT

To ensure that using commercial intermediaries can in no case expose NHOA to a risk of corruption, NHOA requires a prior ethics investigation and a validation procedure in proportion with the stakes, detailed in NHOA business consultant policy.

PURCHASING AND SUPPLIERS

All employees in a professional relationship with partners, suppliers, service providers and subcontractors must be especially vigilant in terms of respecting ethics.

They must follow NHOA's fundamental ethics principles, particularly the 7 principles of the **Code of conduct for the relationship with suppliers.**

[FOR ANY FURTHER DETAIL, PLEASE SEE NHOA PROCUREMENT POLICY AND THE CODE OF CONDUCT FOR THE RELATIONSHIP WITH SUPPLIERS]

TAKEAWAYS



COMPETITION

NHOA attaches the utmost importance to complying with rules of competition and refuses any practice that violates these rules. Its employees are encouraged to behave irreproachably towards their competitors, customers, suppliers, subcontractors, and prospects. Prohibited behaviour includes unlawful agreement, abuse of dominant position, acts of corruption, exchange of insider information, and discriminatory, excessive, or predatory prices.

NHOA prohibits all disloyal practices, for example collusion with competitors, which have the aim of:

- Bid rigging
- Fixing a purchase or sales price
- Limiting production, investments, innovation, and their use
- Sharing or segmenting markets, outlets, or supply sources, be this by territory, customer type or any other criteria
- Eliminating a competitor, customer, supplier, or newcomer on the market



TAKEAWAYS

All NHOA employees must use only legal and ethical means when researching information on competitors. For example, intrusion and identity concealment are prohibited. Employees must not defame or denigrate competitors, or seek benefit from incorrect, falsified, or distorted documents.

When NHOA intervenes in a regulated market, it must make sure it informs employees about legal provisions affecting them and ensure that these are correctly applied.

At a trade association meeting, a competitor claims that it is likely to rise the prices by 7% in a few days. Another competitor agrees to increase the price by that amount. I don't intervene. Is my behaviour correct? No, because it is a tacit pricing agreement. If such a situation arises, you should object and make sure that your objection is duly recorded in the minutes of the meeting. You also need to inform the Legal function.



GIFTS AND HOSPITALITY

Gifts and hospitality are signs of courtesy and must correspond with local tastes and customs. NHOA wants to limit, as far as possible, the quantity and value of gifts and hospitality (including travel), whether they are given or received by NHOA employees. Their frequency and total value must be defined by line management; particular vigilance is required for relationships with representatives of public authorities.

An example of good hospitality practice, provided that local law authorises it, is to never invite a stakeholder somewhere where they could not invite you in return.



TAKEAWAYS

4 questions to ask ourselves

Before accepting or giving a gift, 4 key questions should be asked:

- *What are the rules about gifts and hospitality?*
- *Do I have my line manager's permission to give/receive this gift?*
- *Could this gift change my attitude to the person or company?*
- *Can I comfortably talk about this gift with my fellow employees and those close to me?*

Never agree to give or receive a gift or hospitality which for any reason makes you uncomfortable, or which might make the other party or people in your circle uncomfortable.

[FOR ANY FURTHER DETAIL, PLEASE SEE NHOA GIFTS AND HOSPITALITY POLICY]

TAKEAWAYS



CORPORATE PATRONAGE AND SPONSORSHIPS

Patronage and sponsorship actions are authorised under NHOA patronage and sponsorship policy. They show a socially responsible, corporate citizen approach.

Only persons authorised to do so by their line manager can command or initiate these operations. They ensure that these initiatives are well-founded, and do not create conflicts of interests or provide an inappropriate means of funding.

To this end, a prior ethical investigation and a monitoring of the implemented actions are systematically carried out.

[FOR ANY FURTHER DETAIL, PLEASE SEE NHOA PATRONAGE AND SPONSORSHIP POLICY]

CONFLICTS OF INTERESTS

A conflict of interests can arise when a person has private interests (i.e. the personal or professional interests of an employee) which might influence or appear to influence the way in which he or she carries out the role and responsibilities given to them by NHOA.

When faced with such a situation, it is necessary either:

- to abstain from taking part in the tasks and missions entrusted to you, and to inform your Ethics & Compliance Officer and line manager
 - to obtain an exemption from your line manager, who will consult the Ethics & Compliance Officer, to allow them to continue the activity
- If in doubt, it is wise to ensure that you are not in a conflict of interest situation, for example:
- if you or someone close to you has interests in a customer, competitor or NHOA supplier organisation
 - if you exercise a professional activity outside NHOA
 - if you have responsibilities in associations or public sector bodies which are customers.

Shall I participate in a competition in which my brother sits in the examining board?

This is a situation where there is an apparent conflict of interest because the impartiality of the examining board could be affected: in such a case, it should refrain from working on the project. In any case, it is necessary to consult Ethics & Compliance Officer.



[FOR ANY FURTHER DETAIL, PLEASE SEE NHOA CONFLICTS OF INTERESTS POLICY]

LOBBYING

NHOA defines lobbying activity as promoting and defending the interests of the Group (or the interests of its entities) by informing its stakeholders in the technical, economic, and social domains.

NHOA wishes to share its vision of the energy system and its technical expertise with institutional bodies, and with members of government and parliament, and to inform them about NHOA, its ethical commitments, its business, and its services.

These positions, whilst considering the common good, aim to inform public decision-making. To this end, NHOA acts directly with its institutional contacts and/or contributes to the work of professional associations which also carry out lobbying activities. Additionally, NHOA can call upon external lobbying organisations to support it on a particular project.

In any case, lobbyists always disclose the identity of the people or organisations for whom they are working when making their lobbying contacts. They neither provide nor demand paid information.

NHOA draws their attention in particular to the risks of conflicts of interests, corruption and influence peddling. All employees should be careful not to give the impression that NHOA or the entity they represent seeks to unduly influence internal political affairs in a country.

[FOR ANY FURTHER DETAIL, PLEASE SEE NHOA CODE OF CONDUCT IN LOBBYING]



TAKEAWAYS



TAKEAWAYS



INSIDER INFORMATION AND INSIDER TRADING

Insider information is any specific information which has not been officially made public, directly or indirectly concerning a listed company, and which – if made public – could affect the share price of a company or its related financial products (shares, bonds, loans, call or put options, etc.). Certain insider information can also concern financial instruments.

A person who has insider information is automatically considered an insider. The person who holds insider information about a listed company must not divulge such information, buy or sell securities in this company, or even recommend or suggest that a third party buy, sell or keep securities, during the period defined by local regulations. Such actions constitute an insider breach.

This restriction concerns securities in the company in which this person is employed, as well as those of any other listed company about which they possess insider information.

I just learned that NHOA is about to acquire another company. I would like to buy shares in the company as the value is expected to increase once the transaction is announced to the market. Can I proceed with this share purchase?

No, until the transaction has been made public, as this information is considered privileged and as a NHOA employee you would be considered an insider.



[FOR ANY FURTHER DETAIL, PLEASE SEE NHOA MARKET ETHICS CHARTER]

CONFIDENTIALITY

In the course of their duties, every employee may manage or possess various information. This information may concern customers, staff, the company, or more generally, the economic, commercial or legal environment of the company (commercial or financial partners, suppliers, administrations, other Group companies, etc.).

As a rule, any information which has not been made public should be considered confidential. Special care must be taken with information which is subject to particular regulation in certain areas of activity, for example commercially sensitive information or personal data.

For the protection or transfer of personal data, the Group put in place internal juridical rules which must be obeyed by all employees.

Both within and outside of NHOA, it is recommended that employees maintain the utmost discretion regarding information of any nature from or about the company. If such information must be communicated to another person so that they can complete the task assigned to them, all parties will take care to provide only the necessary elements, particularly if this information belongs partly or entirely to a third party or service provider. The receiver will also be informed of the confidentiality level of the information transmitted and of cyber-security instructions, to use or to exchange this information within or outside NHOA.

Much of the confidential information accessible to employees is in electronic form. For this reason, the Group has defined rules for information systems, which must be followed by all.



TAKEAWAYS

A few good IT security practices

- I do not leave sensitive documents on printers or in meeting rooms, and I apply the clear desk policy, locking documents away.
- I am responsible for my visitors and I never leave them alone on company premises.
- I lock my computer by activating the password-protected screensaver whenever I leave my desk, even for a short while.
- I do not open email attachments in suspicious or unsolicited emails, and I do not reply to these emails.
- I only use IS authorized by the Group and respect related cyber-security instructions.

I mistakenly sent a file containing the personal data of NHOA's customers to an external supplier rather than to the marketing manager since both have the same surname. What should I do?

Contact your manager immediately to inform him/her of the incident



TAKEAWAYS



GENUINENESS AND TRUTH OF DOCUMENTS, TRACEABILITY

Generally, it is prudent to keep a written trace of the main stages of a decision or action for which an entity or employee might be held responsible. This might concern any document used to establish scientific, technical, administrative, accounting or financial results.

Documents created and archived by a NHOA entity must accurately reflect the facts, locations and dates that they record. Employees must not fake or falsify a document. Anyone who suspects the existence of such a document must immediately inform their line management or the Ethics & Compliance Officer.

These documents, information, data processing or registers, computerized or not, must be done, exchanged, transferred, or kept for the duration and in the form specified by applicable laws and regulations, particularly in respect of personal data related regulations.

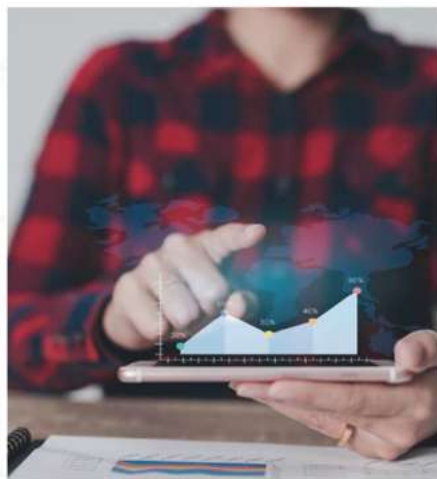
COMMUNICATION

In their communication policy, NHOA strives to ensure that the information provided is complete, correct, precise, understandable and published in good time. Aside from their director, only those duly mandated have the right to speak on behalf of the entities.

An employee who wants to speak in public, publish, or answer an interview on a subject concerning a Group entity must therefore have permission to do so from an authorised person (except in specific circumstances defined by applicable regulations).

Any employee not authorised to do this can nevertheless express themselves freely, as long as they first specify that they are speaking or writing in their own name, and not on behalf of their entity.

They must in particular be careful not to implicate their entity in a partisan stance, or use their role in their entity to support their opinion.



TAKEAWAYS

TAKEAWAYS



INTELLECTUAL PROPERTY

Just as employees have a duty to protect the Group's intangible assets, they must take care to respect and acknowledge the intellectual property of the Group and of others.

For example, they must ban the unauthorised use of patents and copyrights, and the copying or plagiarising of others' trademarks, studies, projects or publications.

PROTECTION OF COMPANY ASSETS

The assets of NHOA must only be used for professional purposes, in legitimate conditions and with the legitimate authorisations.

All employees must do what they can to protect and promote these assets, avoid harming them, and ensure they are not used fraudulently. This rule applies to material assets (property, premises, equipment, supplies, etc.) and immaterial assets (patents, information, images, software, trademarks, reputation, trade secrets, etc.).

Any employee who notices that protection measures are insufficient must alert the line manager. The same applies if they become aware of any theft, attempted theft, piracy, espionage, sabotage or damage.



TAKEAWAYS

TAKEAWAYS



IMPLEMENTATION

Information and training

NHOA provides many documents for its employees, to explain the objectives and content of its ethical commitments and give them concrete examples.

NHOA also offers ethics training modules in both classroom and e-learning formats. These training courses aim to raise awareness among employees and managers about the Group's ethical principles and practices, to help them integrate these principles into their everyday professional work, and to help them develop the reflexes to adopt when faced with ethical dilemmas.

Certain training courses may be rendered mandatory and/or may be made subject to knowledge tests.

Additional information on these trainings is available on the NHOA intranet.

How to communicate about an ethical problem

The variety and diversity of situations makes it impossible to anticipate every possible case. To find a response that fits the Group's ethics principles, it is necessary to make dialog possible.

Because it can concern the behaviour of people that we know, asking an ethics question is often a delicate matter. It takes courage to tackle these subjects and bring up the dilemma for resolution. However, this is the only way of ending unacceptable practices and initiating improvement procedures. The Group therefore encourages its employees to report such matters and address them with a trusted person.

Who to talk to

- You think that the company rules have been infringed or are at risk of being infringed
- You think that you are or are going to be implicated in an action that goes against the rules of your company
- You are unsure about how to behave or about the procedure to follow
- You want advice

In all of these cases, employees are invited to consult trusted people: colleagues, their line manager, any other management representative, a manager whose role is connected to the issue (human resources, security, legal, etc.), staff representatives if the law authorises this, the Ethics & Compliance Officer, etc.

Reporting an ethics incident

Any employee or any stakeholder who has been a victim or witness of unethical practices is invited to report this to the managerial staff or Ethics & Compliance Officer.

NHOA also has an email address for use by all of its employees and stakeholders ethics-compliance@nhoa.energy: they can use it to inform NHOA if they suspect any breach of the ethics and compliance rules.

The option to email the Group sits alongside other existing reporting channels (managers, Ethics & Compliance Officer, staff representatives, public authority, etc.).

Protection of whistle-blowers

People receiving an ethics incident report inform the Ethics & Compliance Officer. In all circumstances, these people and the Ethics & Compliance Officer will keep the information received confidential.

A person expressing in good faith and selflessly their ethical or compliance concerns cannot have any measures brought against them for expressing this concern.

The identity of the whistle-blower and the identity of those possibly implicated remain confidential, and breaking confidentiality may lead to sanctions. Any abusive use of the reporting mechanisms can, however, result in proceedings (e.g. defamation, etc.).

GOVERNANCE

Role of the Ethics & Compliance Officer

The Ethics & Compliance Officer helps to define ethics and compliance rules and duties, and ensure they are respected within the entity. He/she ensures that the Code of Ethics and all reference documents on ethics and compliance are implemented within their entity. He/she helps to manage ethical risk, in particular using support from the management of their entity and by reminding them of the primary importance of ethics within the Group, especially fighting corruption and respecting human rights.

The Ethics & Compliance Officer provides assistance and advice for any employee who consults them about ethics, and ensure that no sanction of any kind can be applied against any employee who has, in good faith and selflessly, used a procedure to report ethical incidents.

Compliance controls

For ethics and compliance, evaluating the implementation of measures is part of a continuous improvement process.

In this context, the Ethics & Compliance Officer determines and promotes the necessary compliance controls, ensuring that ethical audits are conducted, reporting the results to the Executive Committee.

The Ethics & Compliance Officer also ensures that individual and structural measures are taken in the event of an ethical breach, working with the management, local departments and functional lines concerned.



TAKEAWAYS

TAKEAWAYS



THE GROUP'S REFERENCE DOCUMENTS

NHOA'S ethics and compliance procedure action is based on 3 levels of reference texts:

1. The current **Code of Ethics**, which outlines the application methods and gives situational examples.
2. **The referentials**, which unify the policies and procedures used by NHOA for the concrete implementation and development of ethical culture within the Group: integrity referential, human rights referential and managing compliance referential.
3. **The codes of conduct**, which set out the implications of the Group's ethical commitments by professional category or practice.

All NHOA's ethics and compliance documents are available on the website <https://nhoa.energy> and on the Company's intranet.



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Zhongshan Dist., Taipei City
104, Taiwan

Research and development

(03) 321-7855
No. 148, Section 1, Chang'an
Rd., Luzhu Dist., Taoyuan
City 338, Taiwan

Ho-Ping 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) 822-1161-4
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

Taiping branch

(04) 2273-2506
No. 120, Sec. 2, Yongping
Rd., Taiping Dist., Taichung
City 411, 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

Nanxun branch

(07) 349-4062
No. 99-1, Gaonan Rd.,
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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CPAs : Hui-Min Huang and Cheng-Hung Kuo

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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>
- 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:

(Handwritten signature)



THE TAIWAN CEMENT CORPORATION ANNEXES TO 2021 ANNUAL REPORT

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VIDI

I LIVE

VIVO

EARTH
HELPER



TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (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 25, 2022.

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 2022

New IFRSs	Effective Date Announced by IASB
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 1)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 2)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 3)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 are applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

As of the date the consolidated financial statements were authorized for issuance, 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.

- c. The New IFRSs issue 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
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, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 4)

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: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are 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 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be 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 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.

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 the 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 32.

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

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 and lease receivables. 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. 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 32.

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.

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 retain 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 plan.

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 economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. 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	
	2021	2020
Cash on hand	\$ 9,014	\$ 7,934
Checking accounts and demand deposits	38,476,321	30,351,013
Cash equivalents		
Time deposits with original maturities of less than 3 months	48,383,576	17,683,667
Bonds with repurchase agreements	<u>4,253,031</u>	<u>3,390,908</u>
	<u>\$ 91,121,942</u>	<u>\$ 51,433,522</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>	
	2021	2020
Cash in banks	0.01%-3.00%	0.01%-3.00%
Bonds with repurchase agreements	0.19%-0.30%	0.19%-0.40%

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>	
	2021	2020
Current	\$ 15,508,688	\$ 15,769,277
Non-current	<u>15,468,807</u>	<u>16,475,021</u>
	<u>\$ 30,977,495</u>	<u>\$ 32,244,298</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>	
	2021	2020
	0.01%-4.26%	0.07%-4.26%

Refer to Note 34 for information relating to pledged financial assets at amortized cost.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	2021	2020
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative instruments (not under hedge accounting)		
Redemption options and put options of convertible bonds	\$ -	\$ 17,092
Non-derivative financial assets		
Domestic listed shares	256,588	234,963
Domestic emerging market shares	<u>107,225</u>	<u>101,931</u>
	<u>\$ 363,813</u>	<u>\$ 353,986</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>\$ 213,062</u>	<u>\$ -</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
<u>Current</u>		
Domestic investments		
Listed shares	\$ 6,335,655	\$ 5,544,326
Convertible preference shares	<u>51,888</u>	<u>52,145</u>
	<u>\$ 6,387,543</u>	<u>\$ 5,596,471</u>
<u>Non-current</u>		
Domestic investments		
Unlisted shares	\$ 8,964,202	\$ 7,239,178
Privately placed listed shares	1,255,794	-
Foreign investments		
Listed shares	<u>17,615,868</u>	<u>24,664,109</u>
	<u>\$ 27,835,864</u>	<u>\$ 31,903,287</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 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 34 for information relating to investments in equity instruments at FVTOCI pledged as collateral for credit accommodations.

9. NOTES AND ACCOUNTS RECEIVABLE

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Notes receivable	\$ 25,650,868	\$ 29,529,951
Less: Allowance for impairment loss	<u>(11,144)</u>	<u>(11,144)</u>
	<u>25,639,724</u>	<u>29,518,807</u>
Accounts receivable	10,009,817	9,654,937
Less: Allowance for impairment loss	<u>(165,815)</u>	<u>(132,295)</u>
	<u>9,844,002</u>	<u>9,522,642</u>
	<u>\$ 35,483,726</u>	<u>\$ 39,041,449</u>

The Group recognizes allowance for impairment loss on account 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 and on analysis of their current financial positions. 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 receivable. 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	
	2021	2020
Up to 90 days	\$ 21,322,063	\$ 23,631,396
91-180 days	13,245,451	14,264,510
181-365 days	875,253	1,123,626
Over 365 days	<u>40,959</u>	<u>21,917</u>
	<u>\$ 35,483,726</u>	<u>\$ 39,041,449</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	
	2021	2020
Balance at January 1	\$ 143,439	\$ 105,937
Add: Net remeasurement of loss allowance	24,558	38,461
Add: Acquisitions through business combinations	18,008	-
Less: Amounts written off	(3,896)	(2,597)
Foreign exchange translation gains and losses	<u>(5,150)</u>	<u>1,638</u>
Balance at December 31	<u>\$ 176,959</u>	<u>\$ 143,439</u>

10. FINANCE LEASE RECEIVABLES

	December 31	
	2021	2020
<u>Undiscounted lease payments</u>		
Year 1	\$ 5,550,758	\$ 5,457,252
Year 2	5,578,575	5,550,758
Year 3	6,127,364	5,578,575
Year 4	6,285,029	6,127,364
Year 5	6,294,158	6,285,029
Year 6 onwards	<u>8,716,844</u>	<u>15,011,003</u>
	38,552,728	44,009,981
Less: Unearned finance income	11,529,733	14,708,766
Less: Accumulated impairment	<u>47,878</u>	<u>47,878</u>
Net investment in leases presented as finance lease receivables	<u>\$ 26,975,117</u>	<u>\$ 29,253,337</u>
Current (included in accounts receivable)	\$ 2,640,694	\$ 2,278,220
Non-current	<u>24,334,423</u>	<u>26,975,117</u>
	<u>\$ 26,975,117</u>	<u>\$ 29,253,337</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 28 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. To coordinate with the discontinued operations presentation of 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 and made the related period information of consolidated income statement more relevant.

The details of profit (loss) from discontinued operations and the related cash flow information are as follows:

	January 1, 2021 to August 17, 2021	For the Year Ended December 31, 2020
Operating revenue	\$ 8,113,370	\$ 8,456,024
Operating costs	<u>(7,143,150)</u>	<u>(8,271,921)</u>
Gross profit	970,220	184,103
Operating expenses	<u>(367,972)</u>	<u>(479,496)</u>
Profit (loss) from operations	602,248	(295,393)
Finance costs	(61,699)	(93,358)
Other income and expenses	<u>(10,866)</u>	<u>(77,026)</u>
Income (loss) before income tax	529,683	(465,777)
Income tax benefit (expense)	<u>2,462</u>	<u>(17,682)</u>
Net profit (loss) for the year	532,145	(483,459)
Gain on disposal (Note 28)	<u>521,414</u>	<u>-</u>
Profit (loss) from discontinued operations	<u>\$ 1,053,559</u>	<u>\$ (483,459)</u>
Profit (loss) from discontinued operations attributable to:		
Shareholders of the Corporation	\$ 1,073,939	\$ (180,487)
Non-controlling interests	<u>(20,380)</u>	<u>(302,972)</u>
	<u>\$ 1,053,559</u>	<u>\$ (483,459)</u>

(Continued)

	January 1, 2021 to August 17, 2021	For the Year Ended December 31, 2020
Net cash inflow (outflow) from:		
Operating activities	\$ 56,445	\$ 582,639
Investing activities	520,746	(33,067)
Financing activities	<u>597,907</u>	<u>617,078</u>
Net cash inflow	<u>\$ 1,175,098</u>	<u>\$ 1,166,650</u> (Concluded)

The carrying amounts of assets and liabilities of Taiwan Prosperity Chemical Corporation at the date of disposal are disclosed in Note 28.

12. INVENTORIES

	<u>December 31</u>	
	2021	2020
Finished goods	\$ 2,508,696	\$ 2,248,212
Work in process	3,332,257	1,610,246
Raw materials	<u>7,571,558</u>	<u>4,083,297</u>
	<u>\$ 13,412,511</u>	<u>\$ 7,941,755</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2021 and 2020 was \$72,555,570 thousand and \$61,203,061 thousand, respectively.

The cost of goods sold included reversal of write-downs of inventory as follows:

	<u>For the Year Ended December 31</u>	
	2021	2020
Reversal of write-downs of inventory	<u>\$ 16,323</u>	<u>\$ 24,566</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	<u>Proportion of Ownership (%)</u>		Remark
			<u>2021</u>	<u>2020</u>	
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	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark
			December 31		
			2021	2020	
	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	
	Taiwan Prosperity Chemical Corporation	Processing and sale of chemical material	-	71.1	1)
	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. (“TCCP”)	Investment holding	100.0	100.0	
	TCCMOLI Holdings (Singapore) Pte. Ltd. (“TCCMOLI”)	Investment holding	100.0	100.0	5)
	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	38.3	38.3	
	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	4)
	TCC Energy Storage Technology Corporation	Energy storage equipment manufacturing, production and sales	100.0	100.0	4)
	Tuo Shan Recycle Technology Company	Waste collection and treatment	100.0	-	4)
	TCC Recycle Energy Technology Company	Investment holding	63.3	18.2	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	7)
	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	
	Taiwan Prosperity Chemical Corporation	Processing and sale of chemical material	-	0.2	1)
	Ta-Ho Maritime Corporation	Marine transportation	-	-	
	TCC Recycle Energy Technology Company	Investment holding	1.9	4.9	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	Taiwan Prosperity Chemical Corporation	Processing and sale of chemical material	-	2.3	1)
	TCC Recycle Energy Technology Company	Investment holding	0.7	1.8	2)

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark
			December 31		
			2021	2020	
TCCI	TCCIH	Investment holding	61.7	61.7	
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	1.9	4.8	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	100.0	100.0	4)
	TCC Tung-Li Green Energy Corporation	Renewable energy generation	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	
TCC Dutch	Guigang Da-Ho Shipping Co., Ltd.	Marine transportation	100.0	100.0	
	Taiwan Cement Europe Holdings B.V. (TCEH)	Investment holding	100.0	-	4)
TCEH	NHOA S.A.	Investment holding	65.2	-	8)
NHOA S.A.	NHOA ENERGY S.R.L.	Renewable energy and energy storage system construction	100.0	-	8)
	ELECTRO POWER SYSTEM MANUFACTURING	Renewable energy and energy storage system construction	100.0	-	8)
	Comores Énergie Nouvelles S.A.R.L.	Renewable energy and energy storage system construction	60.0	-	8)
NHOA ENERGY S.R.L.	FREE2MOVE ESOLUTIONS S.P.A.	Electric vehicle charging equipment	49.9	-	3), 8)
	NHOA AMERICAS LLC	Renewable energy and energy storage system construction	100.0	-	8)
	NHOA AUSTRALIA PTY LTD	Renewable energy and energy storage system construction	100.0	-	8)
	ATLANTE S.R.L	Renewable energy and charging equipment	100.0	-	4)
TCC Recycle Energy Technology Company	E-One Moli Energy Corp.	Manufacturing and sales of Lithium battery	100.0	-	2)
E-One Moli Energy Corp.	E-One Holdings Ltd.	Investment holding	100.0	-	2)
	Molie Quantum Energy Corporation	Manufacturing and sales of batteries, power generation machinery and electronic components	100.0	-	2)
E-One Holdings Ltd.	E-One Moli Holdings (Canada) Ltd.	Investment holding	100.0	-	2)
E-One Moli Holdings (Canada) Ltd.	E-One Moli Energy (Canada) Ltd.	Battery research and development and sales	100.0	-	2)

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark	
			December 31			
			2021	2020		
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		
Upper Value Investment Limited	Ulexite Investments Ltd.	Investment holding	100.0	100.0		
	Prime York Ltd.	Investment holding	100.0	100.0		
	Prosperity Minerals (International) Ltd.	Investment holding	100.0	100.0		
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. TCCI (HK)	TCC International (Hong Kong) Co., Ltd. (“TCCI (HK)”)	Investment holding	100.0	100.0		
	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		
	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	4)
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	4)	
TCC International (Guangxi) Ltd.	TCC (Gui Gang) Cement Ltd.	Manufacturing and sale of cement	100.0	100.0		
	TCC (Hangzhou) Recycle Resource Technology Environmental Limited	Recycle Resource technology development, business management and sales	82.1	82.1	4)	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark
			December 31		
			2021	2020	
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 Environmental Limited	Recycle Resource technology development, business management and sales	17.9	17.9	
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	100.0	100.0	
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	6)
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	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark
			2021	2020	
Scitus Holdings	Scitus Cement (China) Operating Co., Ltd.	Investment holding	100.0	100.0	
	Hexagon XIV Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon XIII Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon IX Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon VIII Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon V Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon IV Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon III Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon II Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon Holdings Ltd.	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	
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.	Sales 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 Company Limited	TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited	Resource recycling technology consultation, biomass energy technology and fuel sales, solid waste treatment	100.0	-	4)
	TCC Yongren (Hangzhou) Environmental Technology Company Limited	Resource recycling technology consultation, solid waste treatment, biomass fuel sales	100.0	-	4)
	TCC Yongren (Hangzhou) Renewable Resources Technology Company Limited	Resource reusing technology and development, solid waste treatment, biomass fuel processing and sales	100.0	-	4)
	TCC Yongren (Hangzhou) Renewable Resources Development Company Limited	Resource regeneration technology research and development, solid waste treatment, biomass fuel processing and sales	100.0	-	4)
	TCC (Shaoguan) Environment Technology Co., Ltd.	Biomass fuel processing and sales, solid waste treatment, urban and kitchen waste treatment	100.0	-	4)

(Concluded)

Remarks:

- 1) The Corporation conducted a tender offer of 31.1% of the ordinary shares of Taiwan Prosperity Chemical Corporation in September 2020, and purchased 28.9% of the ordinary shares of Taiwan Prosperity Chemical Corporation in the first quarter of 2021, including 0.2% of the ordinary shares from TCC Investment Corporation and 2.3% of the ordinary shares 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 successively purchased shares of Taiwan Cement Engineering Corporation and Taiwan Transport & Storage Corporation in 2021 and 2020. Refer to Notes 28 and 29 for information relating to the aforementioned equity acquisition transaction.

- 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 shares held by the Group 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 27 for details.
- 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 2022 and January 2023. As of December 31, 2021, the uncollected amount is accounted as other receivables from related parties (including current and non-current).
- 4) TCC Sustainable Energy Investment Corporation, TCC Energy Storage Technology Corporation, Chia-Ho Green Energy Corporation, TCC (Hangzhou) Recycle Resource Technology Environmental Limited and Jurong TCC Environmental Co., Ltd. were established in 2020. TCC Tung-Li Green Energy Corporation, Tuo Shan Recycle Technology Company, TCEH, TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited, TCC Yongren (Hangzhou) Environmental Technology Company Limited, TCC Yongren (Hangzhou) Renewable Resources Technology Company Limited, TCC Yongren (Hangzhou) Renewable Resources Development Company Limited, TCC (Shaoguan) Environment Technology Co., Ltd. and ATLANTE S.R.L were established in 2021.
- 5) TCCMOLI was in the process of liquidation at the end of December 2021.
- 6) TCC Guangan Cement Company Limited changed its name to Guangan Changxing Cement Co., Ltd. in the fourth quarter of 2020.
- 7) Taiwan Transport & Storage Corporation purchased 0.05% equity and shares of Ta-Ho Maritime Corporation in 2021 and 2020. Refer to Note 29 for information relating to the aforementioned equity acquisition transaction.
- 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 27 and 29 for details relating to the share purchase transaction.

b. Details of subsidiaries that have material non-controlling interests

	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
	December 31	
	2021	2020
Taiwan Prosperity Chemical Corporation	-	26.4%
Ho-Ping Power Company	40.0%	40.0%

The Board of Directors of the Corporation approved the tender offer of the ordinary shares of Taiwan Prosperity Chemical Corporation with \$18 per share in July 2020 and approved the share swap by cash for the acquisition of 100% shares of Taiwan Prosperity Chemical Corporation and the delisting of the shares of Taiwan Prosperity Chemical Corporation in accordance with the applicable laws and regulations in September 2020. As of December 31, 2020, the Corporation had conducted the tender offer of 31.1% of the ordinary shares. The proportion of the Group's ownership was 73.6% and the proportion of the non-controlling interests decreased to 26.4%. On January 18, 2021, the Corporation acquired the ordinary shares of Taiwan Prosperity Chemical Corporation with share swap by cash in accordance with the Business Mergers and Acquisitions Act and the share swap agreement. The Corporation paid \$18 per share to other shareholders of Taiwan Prosperity Chemical Corporation, including the shares purchased from Taiwan Prosperity Chemical Corporation and Hoping Industrial Port Corporation, amounting \$685,845 thousand. Since then Taiwan Prosperity Chemical Corporation has become a wholly owned subsidiary of the Corporation. Meanwhile, the securities of Taiwan Prosperity Chemical Corporation were under suspension of trading and delisted on the same day with approval by competent authority. The Board of Directors of the Corporation approved the resolution in March 2021 to sell all the shares of Taiwan Prosperity Chemical Corporation. The Corporation completed the transaction and lost the control of Taiwan Prosperity Chemical Corporation in August 2021. Please refer to Notes 11, 28 and 29 for details.

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.

Taiwan Prosperity Chemical Corporation

	December 31, 2020
Current assets	\$ 4,699,229
Non-current assets	3,910,575
Current liabilities	(3,893,618)
Non-current liabilities	<u>(3,682,570)</u>
Equity	<u>\$ 1,033,616</u>
Equity attributable to:	
Owners of Taiwan Prosperity Chemical Corporation	\$ 760,847
Non-controlling interests of Taiwan Prosperity Chemical Corporation	<u>272,769</u>
	<u>\$ 1,033,616</u>

Note: Profit and loss items and cash flow information of Taiwan Prosperity Chemical Corporation, please refer to Note 11.

Ho-Ping Power Company

	December 31	
	2021	2020
Current assets	\$ 7,780,140	\$ 8,307,788
Non-current assets	25,636,219	28,361,144
Current liabilities	(2,876,141)	(2,749,424)
Non-current liabilities	<u>(2,971,023)</u>	<u>(3,197,644)</u>
Equity	<u>\$ 27,569,195</u>	<u>\$ 30,721,864</u>
Equity attributable to:		
Owners of Ho-Ping Power Company	\$ 16,538,050	\$ 18,429,651
Non-controlling interests of Ho-Ping Power Company	<u>11,031,145</u>	<u>12,292,213</u>
	<u>\$ 27,569,195</u>	<u>\$ 30,721,864</u>
	For the Year Ended December 31	
	2021	2020
Operating revenue	<u>\$ 10,202,413</u>	<u>\$ 14,119,957</u>
Net profit for the year	\$ 1,492,151	\$ 7,268,550
Other comprehensive income (loss) for the year	<u>(1,269)</u>	<u>29</u>
Total comprehensive income for the year	<u>\$ 1,490,882</u>	<u>\$ 7,268,579</u>
Net profit attributable to:		
Owners of Ho-Ping Power Company	\$ 895,291	\$ 4,361,131
Non-controlling interests of Ho-Ping Power Company	<u>596,860</u>	<u>2,907,419</u>
	<u>\$ 1,492,151</u>	<u>\$ 7,268,550</u>
Total comprehensive income attributable to:		
Owners of Ho-Ping Power Company	\$ 894,530	\$ 4,361,147
Non-controlling interests of Ho-Ping Power Company	<u>596,352</u>	<u>2,907,432</u>
	<u>\$ 1,490,882</u>	<u>\$ 7,268,579</u>
Net cash inflow (outflow) from:		
Operating activities	\$ 3,150,755	\$ 9,800,045
Investing activities	402,821	(1,436,935)
Financing activities	<u>(4,653,460)</u>	<u>(8,093,594)</u>
Net cash inflow (outflow)	<u>\$ (1,099,884)</u>	<u>\$ 269,516</u>
Dividends paid to non-controlling interests of Ho-Ping Power Company	<u>\$ 1,857,420</u>	<u>\$ 2,301,903</u>

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2021	2020
Investments in associates	<u>\$ 46,781,575</u>	<u>\$ 50,133,844</u>
Material associates		
Cimpor Global Holdings B.V.	\$ 25,112,660	\$ 28,748,060
Associates that are not individually material		
Prosperity Conch Cement Company Limited	7,680,842	7,247,911
International CSRC Investment Holdings Co., Ltd.	6,938,448	6,249,094
CCC USA Corp.	1,731,743	1,679,436
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	1,635,580	1,742,842
ONYX Ta-Ho Environmental Services Co., Ltd.	1,220,989	815,179
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	866,291	1,140,060
Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.	670,734	-
Sichuan Taichang Building Material Group Company Limited	557,605	488,397
Quon Hing Concrete Co., Ltd.	149,229	130,615
Hong Kong Concrete Co., Ltd.	142,636	151,692
Guigang Conch-TCC New Material Technology Co., Ltd.	35,376	4,065
Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd.	33,114	3,929
Synpac Ltd.	6,328	6,539
TCC Recycle Energy Technology Company	-	1,726,025
Chia Huan Tung Cement Corporation	-	-
Shih Hsin Storage & Transportation Co., Ltd.	-	-
	<u>\$ 46,781,575</u>	<u>\$ 50,133,844</u>

For the amounts of the Group's investments accounted for using the equity method provided as loan guarantees, refer to Note 34.

a. Material associates

	Proportion of Ownership	
	December 31	
	2021	2020
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	
	2021	2020
Current assets	\$ 16,828,990	\$ 21,428,951
Non-current assets	53,046,441	62,427,768
Current liabilities	(12,938,762)	(15,901,917)
Non-current liabilities	(9,283,937)	(12,355,266)
Non-controlling interests	<u>(7,614,841)</u>	<u>(9,159,987)</u>
Equity attributable to the Group	<u>\$ 40,037,891</u>	<u>\$ 46,439,549</u>
Proportion of the Group's ownership	40%	40%
Equity attributable to the Group	\$ 16,015,156	\$ 18,575,820
Goodwill	<u>9,097,504</u>	<u>10,172,240</u>
Carrying amount	<u>\$ 25,112,660</u>	<u>\$ 28,748,060</u>
	For the Year Ended December 31	
	2021	2020
Operating revenue	<u>\$ 28,295,693</u>	<u>\$ 24,994,515</u>
Net income for the year	\$ 3,400,061	\$ 2,144,866
Other comprehensive loss	<u>(4,794,273)</u>	<u>(2,881,463)</u>
Total comprehensive loss for the year	<u>\$ (1,394,212)</u>	<u>\$ (736,597)</u>

b. Aggregate information of associates that are not individually material

	Proportion of Ownership	
	December 31	
	2021	2020
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 6)	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%

(Continued)

	Proportion of Ownership	
	December 31	
	2021	2020
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%
TCC Recycle Energy Technology Company (Note 5)	-	29.7%
Chia Huan Tung Cement Corporation (Note 1)	-	-
Shih Hsin Storage & Transportation Co., Ltd. (Note 1)	-	-
		(Concluded)

	For the Year Ended December 31	
	2021	2020
The Group's share of:		
Net income for the year	\$ 2,884,277	\$ 2,438,386
Other comprehensive loss	<u>(145,655)</u>	<u>(129,665)</u>
Total comprehensive income for the year	<u>\$ 2,738,622</u>	<u>\$ 2,308,721</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. Chia Huan Tung Cement Corporation and Shih Hsin Storage & Transportation Co., Ltd. liquidation were completed at the end of 2020.

Note 2: The Group invested \$5,023 thousand in Guigang Conch-TCC New Material Technology Co., Ltd. for the year ended December 31, 2020. In addition, the Group increased its investment, and the investment amounts for the year ended December 31, 2021 was \$36,442 thousand. The Group owns 40% shares of Guigang Conch-TCC New Material Technology Co., Ltd.

Note 3: The Group invested \$3,731 thousand in Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd. for the year ended December 31, 2020. In addition, the Group increased its investment, and the investment amounts for the year ended December 31, 2021, was \$29,375 thousand. The Group owns 45% shares of Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd.

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. It was recognized by the Group under other non-current liabilities of \$165,871 thousand and \$167,446 thousand on December 31, 2021 and 2020, respectively.

Note 5: TCC Recycle Energy Technology Company increased capital in August 2021. Due to the non-subscription by the original shareholders of TCC Recycle Energy Technology Company, the shares held by the Group increased to 67.8% and the Group also obtained the right of control of TCC Recycle Energy Technology Company. Thus TCC Recycle Energy Technology Company was included in the consolidated entities from August 2021. The Group recognized a gain on disposal of investment of \$233,810 thousand. Please refer to Note 27 for details.

Note 6: 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.

The investments accounted for by using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2021 and 2020 were based on the associates' audited financial statements for the same years then ended except Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd. and Baoshan Kungang & K. Wah Cement Construction Materials 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, 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 27)	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 exchange rate changes	(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 27)	-	999,335	2,886,929	326,820	-	4,213,084
Reclassification	-	(127,223)	(18,601,738)	(488,468)	-	(19,217,429)
Effects of exchange rate changes	-	(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>
<u>Accumulated depreciation and impairment</u>						
<u>Cost</u>						
Balance at January 1, 2020	\$ 20,676,526	\$ 48,461,498	\$ 92,919,161	\$ 14,931,799	\$ 6,516,379	\$ 183,505,363
Additions	2,069,883	223,780	1,426,047	458,863	3,424,908	7,603,481
Disposals	(18,843)	(34,917)	(846,546)	(323,847)	-	(1,224,153)
Reclassification	1,383,983	270,425	1,469,518	135,124	(2,272,981)	986,069
Effects of exchange rate changes	-	470,363	804,422	(131,103)	74,876	1,218,558
Balance at December 31, 2020	<u>\$ 24,111,549</u>	<u>\$ 49,391,149</u>	<u>\$ 95,772,602</u>	<u>\$ 15,070,836</u>	<u>\$ 7,743,182</u>	<u>\$ 192,089,318</u>
Balance at January 1, 2020	\$ 274,188	\$ 17,858,784	\$ 67,448,532	\$ 7,963,743	\$ 78,797	\$ 93,624,044
Disposals	-	(27,222)	(750,860)	(279,877)	-	(1,057,959)
Depreciation expenses	-	1,356,231	4,028,862	635,287	-	6,020,380
Impairment losses	-	36,094	65,205	-	-	101,299
Reclassification	534,716	-	-	(280)	-	534,436
Effects of exchange rate changes	-	177,851	570,328	8,870	1,097	758,146
Balance at December 31, 2020	<u>\$ 808,904</u>	<u>\$ 19,401,738</u>	<u>\$ 71,362,067</u>	<u>\$ 8,327,743</u>	<u>\$ 79,894</u>	<u>\$ 99,980,346</u>
Carrying amount at December 31, 2020	<u>\$ 23,302,645</u>	<u>\$ 29,989,411</u>	<u>\$ 24,410,535</u>	<u>\$ 6,743,093</u>	<u>\$ 7,663,288</u>	<u>\$ 92,108,972</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 28.

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.

The Group assessed that the related products of the chemical segment were affected by changes in market demand, and the sales were below expectation; therefore, for the year ended December 31, 2020, it recognized an impairment loss of \$51,656 thousand (included in loss from discontinued operations). The Group applied value in use to measure the recoverable amount of such equipment, and the discount rate before tax used was 18.21%.

For the years ended December 31, 2021 and 2020, the Group recognized impairment losses of \$6,756 thousand and \$49,643 thousand, respectively, 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	16-50 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 34.

Acquisitions of property, plant and equipment included non-cash items and were reconciled as follows:

	For the Year Ended December 31	
	2021	2020
Acquisitions of property, plant and equipment	\$ 14,870,438	\$ 7,603,481
Increase in prepayments for equipment	1,949,584	1,879,881
Decrease (increase) in payables for equipment	(260,515)	89,079
Increase in other non-current liabilities	<u>(6,719)</u>	<u>-</u>
	<u>\$ 16,552,788</u>	<u>\$ 9,572,441</u>

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2021	2020
<u>Carrying amount</u>		
Land	\$ 13,023,670	\$ 12,538,669
Buildings	1,484,025	658,456
Machinery	421,625	200,348
Other	<u>63,464</u>	<u>53,652</u>
	<u>\$ 14,992,784</u>	<u>\$ 13,451,125</u>
	For the Year Ended December 31	
	2021	2020
Additions to right-of-use assets	<u>\$ 2,178,217</u>	<u>\$ 1,365,883</u>
Depreciation charge for right-of-use assets		
Land	\$ 573,152	\$ 519,581
Buildings	160,280	159,217
Machinery	99,079	103,135
Other	<u>23,053</u>	<u>21,075</u>
	<u>\$ 855,564</u>	<u>\$ 803,008</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, 2021 and 2020.

b. Lease liabilities

	December 31	
	2021	2020
<u>Carrying amount</u>		
Current	<u>\$ 407,652</u>	<u>\$ 315,451</u>
Non-current	<u>\$ 3,261,791</u>	<u>\$ 1,978,361</u>

Range of discount rate for lease liabilities was as follows:

	December 31	
	2021	2020
Land	1.79%-4.90%	1.79%-4.90%
Buildings	0.71%-4.75%	1.79%-4.75%
Machinery	1.85%-2.20%	1.21%-2.05%
Other	1.76%-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	
	2021	2020
Expenses relating to short-term leases	<u>\$ 1,238,816</u>	<u>\$ 1,032,470</u>
Expenses relating to low-value asset leases	<u>2,512</u>	<u>1,675</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>283,132</u>	<u>218,917</u>
Total cash outflow for leases	<u>\$ (2,016,924)</u>	<u>\$ (1,715,145)</u>

The Group leases 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, 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 exchange rate changes	-	(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 exchange rate changes	-	(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>
<u>Cost</u>			
Balance at January 1, 2020	\$ 6,806,831	\$ 1,362,059	\$ 8,168,890
Reclassification	(1,383,983)	-	(1,383,983)
Effects of exchange rate changes	-	(1,201)	(1,201)
Balance at December 31, 2020	<u>\$ 5,422,848</u>	<u>\$ 1,360,858</u>	<u>\$ 6,783,706</u>

(Continued)

	Land	Buildings	Total
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2020	\$ 1,081,587	\$ 765,094	\$ 1,846,681
Depreciation expenses	-	20,770	20,770
Reclassification	(534,716)	-	(534,716)
Effects of exchange rate changes	<u>-</u>	<u>(463)</u>	<u>(463)</u>
Balance at December 31, 2020	<u>\$ 546,871</u>	<u>\$ 785,401</u>	<u>\$ 1,332,272</u>
Carrying amount at December 31, 2020	<u>\$ 4,875,977</u>	<u>\$ 575,457</u>	<u>\$ 5,451,434</u> (Concluded)

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, 2021 and 2020, the fair values of investment properties were \$13,566,958 thousand and \$13,495,806 thousand, respectively.

The investment properties pledged as collateral for bank borrowings are set out in Note 34.

18. INTANGIBLE ASSETS

	Goodwill	Operational Concession	Mining Rights	Technical Expertise	Others	Total
<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 27)	4,708,627	-	-	1,296,259	346,823	6,351,709
Reclassification	-	-	719,959	-	-	719,959
Effects of exchange rate changes	<u>(354,595)</u>	<u>-</u>	<u>(37,029)</u>	<u>(75,608)</u>	<u>(34,889)</u>	<u>(502,121)</u>
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 27)	-	-	-	-	236,766	236,766
Effects of exchange rate changes	<u>-</u>	<u>-</u>	<u>(16,201)</u>	<u>-</u>	<u>(20,181)</u>	<u>(36,382)</u>
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>
<u>Cost</u>						
Balance at January 1, 2020	\$ 11,603,510	\$ 7,681,476	\$ 3,184,609	\$ -	\$ 1,190,994	\$ 23,660,589
Additions	-	-	29,675	-	16,976	46,651
Reclassification	-	-	80,429	-	281	80,710
Effects of exchange rate changes	<u>181,268</u>	<u>-</u>	<u>40,865</u>	<u>-</u>	<u>(5,082)</u>	<u>217,051</u>
Balance at December 31, 2020	<u>\$ 11,784,778</u>	<u>\$ 7,681,476</u>	<u>\$ 3,335,578</u>	<u>\$ -</u>	<u>\$ 1,203,169</u>	<u>\$ 24,005,001</u>
<u>Accumulated amortization and impairment</u>						
Balance at January 1, 2020	\$ 156,000	\$ 1,208,888	\$ 1,529,944	\$ -	\$ 1,109,639	\$ 4,004,471
Amortization expenses	-	151,111	213,378	-	56,436	420,925
Effects of exchange rate changes	<u>-</u>	<u>-</u>	<u>20,533</u>	<u>-</u>	<u>(4,888)</u>	<u>15,645</u>
Balance at December 31, 2020	<u>\$ 156,000</u>	<u>\$ 1,359,999</u>	<u>\$ 1,763,855</u>	<u>\$ -</u>	<u>\$ 1,161,187</u>	<u>\$ 4,441,041</u>
Carrying amount at December 31, 2020	<u>\$ 11,628,778</u>	<u>\$ 6,321,477</u>	<u>\$ 1,571,723</u>	<u>\$ -</u>	<u>\$ 41,982</u>	<u>\$ 19,563,960</u>

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	
	2021	2020
Secured borrowings		
Bank loans	\$ <u>25,000</u>	\$ <u>100,000</u>
Unsecured borrowings		
Bank loans - unsecured	47,727,752	33,867,794
Bank loans - letters of credit	<u>687,762</u>	<u>707,660</u>
	<u>48,415,514</u>	<u>34,575,454</u>
	\$ <u>48,440,514</u>	\$ <u>34,675,454</u>
Interest rate	0.56%-1.30%	0.62%-1.15%

b. Short-term bills payable

	December 31	
	2021	2020
Commercial paper	\$ 6,775,000	\$ 6,250,000
Less: Unamortized discount on bills payable	<u>5,954</u>	<u>2,971</u>
	<u>\$ 6,769,046</u>	<u>\$ 6,247,029</u>
Interest rate	0.83%-1.11%	0.85%-1.15%

c. Long-term loans and long-term bills payable

	December 31	
	2021	2020
Secured borrowings	\$ 2,162,800	\$ 5,278,160
Unsecured borrowings	<u>21,624,453</u>	<u>24,525,321</u>
	23,787,253	29,803,481
Less: Current portions	<u>7,091,417</u>	<u>4,805,000</u>
	<u>\$ 16,695,836</u>	<u>\$ 24,998,481</u>

(Continued)

	December 31	
	2021	2020
Long-term bills payable	\$ 12,700,000	\$ 5,000,000
Less: Discount on bills payable	<u>19,914</u>	<u>8,673</u>
	<u>\$ 12,680,086</u>	<u>\$ 4,991,327</u>
Interest rate		
Long-term bank loans	0.68%-3.75%	1.01%-1.89%
Long-term bills payable	1.19%-1.25%	1.19%
		(Concluded)

Long-term loans consist of unsecured borrowings, secured borrowings and earmarked loans. The principals of long-term unsecured and secured borrowings are due in September 2027, and the interests are paid monthly. The principals of earmarked loans are due in December 2025, and the interests are paid monthly or quarterly.

The long-term bills payable is a commercial promissory note signed in 2018 with the banking group for a five-year period and a seven-year period, which will be repaid at the expiration of the contract.

According to the syndicated loan agreement, if the subsidiary, Taiwan Prosperity Chemical Corporation, fails to meet the financial ratio requirements based on the financial data in the semi-annual or annual financial reports, the Corporation should improve its financial ratios within 6 months from the public announcement date of the semi-annual or annual financial reports; if an improvement is made within the aforementioned period, the Corporation would not be deemed as violating the financial covenants. The Corporation violated the above financial ratio requirements in 2019, but it has obtained a waiver from the credit bank in May 2020 to be exempt from the above-mentioned violation of financial ratio requirements, as well as from reviewing the Corporation's relevant financial ratios based on its financial reports from 2019 to 2021. The Group disposed of all its interests in Taiwan Prosperity Chemical Corporation in August 2021, refer to Note 28.

Except as stated above, the Group did not violate the financial covenants of other long-term loans and long-term bills payable.

20. BONDS PAYABLE

	December 31	
	2021	2020
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	<u>16,600,000</u>	<u>-</u>
	61,200,000	44,600,000
Less: Discount on bonds payable	<u>(110,690)</u>	<u>(83,620)</u>
	<u>61,089,310</u>	<u>44,516,380</u>
Overseas unsecured convertible bonds		
1 st issued in 2018	-	10,308,070
1 st issued in 2021	22,200,000	-
Less: Discount on bonds payable	<u>(1,762,865)</u>	<u>(927,080)</u>
	<u>20,437,135</u>	<u>9,380,990</u>
	<u>\$ 81,526,445</u>	<u>\$ 53,897,370</u>

On July 15, 2021, 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, 2021, 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.

b. Overseas unsecured convertible bonds

1) Overseas unsecured convertible bonds 1st issued in 2018

In June 2018, 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 July 25, 2018 (Ref. No. Jin-Guan-Zheng-Fa-Zi 10703258532). The bonds which have durations of 5 years were listed on the Singapore Stock Exchange on December 10, 2018. This zero-coupon overseas convertible bonds have a face value of US\$400,000 thousand.

Bondholders may request the Corporation to convert the bonds into the Corporation's ordinary shares at the price of NT\$41 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 2018 First Overseas Unsecured Convertible Bonds Issuance and Conversion Rules of the Corporation. The conversion price have been adjusted from NT\$41 per share to NT\$29.87 per share since August 18, 2021, i.e. the ex-dividend date. Bondholders can request the Corporation to convert the bonds at the fixed exchange rate of US\$1= NT\$30.878, which is to be divided by the conversion price per share on the conversion date. As of December 31, 2021, a total of 386,734 thousand shares had been converted.

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 3.27% per annum on initial recognition.

2) 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 durations of 5 years were listed on the Singapore Stock Exchange on December 7, 2021. This zero-coupon overseas convertible bonds 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 2018 First Overseas Unsecured Convertible Bonds Issuance and Conversion Rules of the Corporation. 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, 2021, no conversion had been requested.

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 October 2018 (less transaction costs of \$103,353 thousand)	\$ 12,247,847
Redemption of option derivatives (accounting for financial liabilities measured at FVTPL) and transaction costs	(159,222)
Equity component (less transaction costs allocated to the equity component of \$11,038 thousand)	<u>(1,308,070)</u>
Liability component at the date of issue (less transaction costs allocated to the liability component of \$90,971 thousand)	10,780,555
Interest charged at an effective interest rate	<u>374,463</u>
Liability component at December 31, 2019	11,155,018
Interest charged at an effective interest rate	358,292
Convertible bonds converted to ordinary shares (71,755 thousand shares has been converted)	<u>(2,132,320)</u>
Liability component at December 31, 2020	<u>9,380,990</u>
Interest charged at an effective interest rate	77,474
Convertible bonds converted to ordinary shares (314,979 thousand shares has been converted)	(9,458,464)
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 at the date of issue (less transaction costs 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	<u>\$ 20,437,135</u>

21. OTHER PAYABLES

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Salaries and bonuses payable	\$ 2,392,053	\$ 2,583,574
Deposits and retention money	1,272,813	1,126,321
Payables for equipment	1,081,568	845,305
Taxes payable	562,434	869,035
Interest payable	380,429	348,060
Payables for electricity	290,708	468,672
Freight payables	170,245	387,098
Others	<u>4,087,946</u>	<u>4,033,564</u>
	<u>\$ 10,238,196</u>	<u>\$ 10,661,629</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 Corporation'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:

	December 31	
	2021	2020
Present value of defined benefit obligation	\$ (1,008,358)	\$ (1,065,946)
Fair value of plan assets	<u>2,715,472</u>	<u>2,565,126</u>
	<u>\$ 1,707,114</u>	<u>\$ 1,499,180</u>
Net defined benefit asset	<u>\$ 1,850,315</u>	<u>\$ 1,572,025</u>
Net defined benefit liability	<u>\$ 143,201</u>	<u>\$ 72,845</u>

Movements in net defined benefit asset were as follows:

	Present Value of Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Asset
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)	<u>(4,504)</u>	<u>9,404</u>	<u>4,900</u>
Recognized in profit or loss	<u>(19,228)</u>	<u>9,404</u>	<u>(9,824)</u>
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	<u>2,264</u>	<u>-</u>	<u>2,264</u>
Recognized in other comprehensive income (loss)	<u>(16,177)</u>	<u>282,466</u>	<u>266,289</u>
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	<u>11,746</u>	<u>-</u>	<u>11,746</u>
Balance at December 31, 2021	<u>\$ (1,008,358)</u>	<u>\$ 2,715,472</u>	<u>\$ 1,707,114</u>
Balance at January 1, 2020	\$ (1,109,834)	\$ 2,446,775	\$ 1,336,941
Service costs			
Current service costs	(5,336)	-	(5,336)
Net interest income (expense)	<u>(7,344)</u>	<u>15,610</u>	<u>8,266</u>
Recognized in profit or loss	<u>(12,680)</u>	<u>15,610</u>	<u>2,930</u>

(Continued)

	Present Value of Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Asset
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	\$ -	\$ 156,394	\$ 156,394
Actuarial loss - changes in demographic assumptions	(52)	-	(52)
Actuarial loss - changes in financial assumptions	(22,691)	-	(22,691)
Actuarial loss - experience adjustments	<u>(7,654)</u>	<u>-</u>	<u>(7,654)</u>
Recognized in other comprehensive income (loss)	<u>(30,397)</u>	<u>156,394</u>	<u>125,997</u>
Contributions from the employer	-	30,613	30,613
Benefits paid	84,266	(84,266)	-
Others	<u>2,699</u>	<u>-</u>	<u>2,699</u>
Balance at December 31, 2020	<u>\$ (1,065,946)</u>	<u>\$ 2,565,126</u>	<u>\$ 1,499,180</u> (Concluded)

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	
	2021	2020
Discount rates	0.50%-0.63%	0.38%-0.50%
Long-term average rates of salary increase	1.50%-2.25%	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	
	2021	2020
Discount rates		
0.25% increase	<u>\$ (18,152)</u>	<u>\$ (21,483)</u>
0.25% decrease	<u>\$ 18,709</u>	<u>\$ 22,160</u>
Expected rates of salary increase		
0.25% increase	<u>\$ 18,807</u>	<u>\$ 21,406</u>
0.25% decrease	<u>\$ (17,643)</u>	<u>\$ (20,865)</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	
	2021	2020
The expected contributions to the plan for the next year	<u>\$ 10,370</u>	<u>\$ 13,756</u>
The average duration of the defined benefit obligation	7-13 years	7-13 years

23. EQUITY

a. Share capital

1) Ordinary shares

	December 31	
	2021	2020
Number of shares authorized (in thousands)	<u>7,000,000</u>	<u>7,000,000</u>
Shares authorized	<u>\$ 70,000,000</u>	<u>\$ 70,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>6,125,234</u>	<u>5,741,401</u>
Shares issued	<u>\$ 61,252,340</u>	<u>\$ 57,414,007</u>

A holder of issued ordinary shares with par value of NT\$10 is entitled to the proportional rights to vote and to receive dividends. The authorized include common shares and preferred shares containing 60,000 thousand units retained for the exercise of employee share options.

The Corporation's shareholders resolved to distribute share dividends of \$2,728,810 thousand in June 2020, respectively, which were approved by the FSC. The subscription base dates was August 18, 2020 as determined by the board of directors.

The Corporation changes in the number of issued shares included the conversion of convertible bonds and the distribution of share dividends.

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) Certificate of entitlement to new shares form convertible bonds

	December 31	
	2021	2020
Number of shares requested for conversion but change in registration has not yet been completed (in thousands)	<u>-</u>	<u>68,854</u>
Shares requested for conversion but change in registration has not yet been completed (in thousands)	<u>\$ -</u>	<u>\$ 688,542</u>

The Corporation would complete the related corporate registrations after the issuance of new shares on the base date of capital increase in accordance with the regulations.

b. Capital surplus

	December 31	
	2021	2020
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)</u>		
Issuance of ordinary shares	\$ 44,176,367	\$ 44,176,367
Conversion of bonds	10,540,825	3,174,361
Difference between the consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	22,400
Treasury share transactions	204,127	204,127
Donations	31,537	31,537
Forfeited share options	16,456	13,542
Exercised employee share options	7,652	564

(Continued)

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
<u>May only be used to offset a deficit (Note 2)</u>		
Changes in percentage of ownership interests in subsidiaries	\$ 114,834	\$ 116,238
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	1,064,769
Changes in interests in associates accounted for using the equity method	<u>325,339</u>	<u>316,035</u>
	<u>\$ 56,757,470</u>	<u>\$ 49,122,450</u>
		(Concluded)

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 24(c): Net profit from continuing operations - employees' compensation 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 2020 and 2019 approved in the shareholders' general meetings in July 2021 and June 2020, respectively, were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (NT\$)</u>	
	<u>For the Year Ended December 31</u>		<u>For the Year Ended December 31</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Legal reserve	\$ 2,530,554	\$ 2,448,745		
Cash dividends on preference shares	350,000	350,000	<u>\$ 1.75</u>	<u>\$ 1.75</u>
Cash dividends on ordinary shares	20,594,434	13,644,048	<u>\$ 3.50</u> (Note 1)	<u>\$ 2.50</u> (Note 2)
Share dividends on ordinary shares	-	2,728,810	<u>\$ -</u>	<u>\$ 0.50</u> (Note 2)

Note 1: 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 \$3.36811984 per ordinary share.

Note 2: 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 \$2.50081632 per ordinary share and the share dividend was adjusted to \$0.50016326 per ordinary share.

As of February 25, 2022, the appropriation of earnings for 2021 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 \$0 thousand and \$9,202 thousand was reversed for the years ended December 31, 2021 and 2020, 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

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ (9,523,576)	\$ (11,660,261)
Recognized during the year		
Exchange differences on translating foreign operations	(1,313,568)	2,237,171
Share of exchange differences of associates and joint ventures accounted for using the equity method	<u>(5,231,751)</u>	<u>(100,486)</u>
Balance at December 31	<u>\$ (16,068,895)</u>	<u>\$ (9,523,576)</u>

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ <u>30,670,817</u>	\$ <u>35,395,116</u>
Recognized during the year		
Unrealized loss - equity instruments	(2,820,559)	(4,617,447)
Share from associates and joint ventures	<u>168,531</u>	<u>(5,554)</u>
Other comprehensive loss recognized in the year	(2,652,028)	(4,623,001)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>(1,029,880)</u>	<u>(101,298)</u>
Balance at December 31	<u>\$ 26,988,909</u>	<u>\$ 30,670,817</u>

3) Cash flow hedges

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ (250)	\$ -
Gain on changes in the fair value of hedging instruments		
Exchange rate risk - spot exchange rate	-	129
Share from associates accounted for using the equity method	250	(250)
Transferred to initial carrying amount of hedged items	<u>-</u>	<u>(129)</u>
Balance at December 31	<u>\$ -</u>	<u>\$ (250)</u>

f. Non-controlling interests

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 14,758,236	\$ 14,777,799
Net income	944,890	2,892,084
Other comprehensive income (loss) in the period		
Exchange differences on translation of foreign operations	(100,746)	(17,980)
Unrealized gain (loss) on financial assets at FVTOCI	10,162	(85,759)
Gain on changes in fair value of hedging instruments	-	87
Remeasurement of defined benefit plan	(502)	(1,145)
Transferred to the initial carrying amount of hedged items	-	(87)
Changes in ownership interests of subsidiaries	(31,361)	(26,225)
Dividends from claims extinguished by prescription transferred to capital surplus	-	57
Dividends paid by subsidiaries	(2,069,608)	(2,485,089)
Non-controlling interests arising from acquisition of subsidiaries (Note 27)	6,385,908	-
Issuance of subsidiary's ordinary shares for cash	1,483,509	-
Acquisitions of non-controlling interests in subsidiaries (Note 29)	<u>(203,148)</u>	<u>(295,506)</u>
Balance at December 31	<u>\$ 21,177,340</u>	<u>\$ 14,758,236</u>

g. Treasury shares

(In Thousands of Shares)

	For the Year Ended December 31	
	2021	2020
Number of shares at January 1	11,522	8,000
Increase during the period	-	4,000
Transferred to employees	<u>(2,461)</u>	<u>(478)</u>
Number of shares at December 31	<u>9,061</u>	<u>11,522</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 \$24,325 thousand and \$4,808 thousand for the year ended December 31, 2021 and 2020, respectively.

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. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations includes the following items:

a. Depreciation and amortization

	For the Year Ended December 31	
	2021	2020
An analysis of depreciation by account		
Property, plant and equipment	\$ 5,599,019	\$ 5,383,290
Right-of-use assets	829,916	700,234
Investment properties	<u>20,507</u>	<u>20,770</u>
	<u>\$ 6,449,442</u>	<u>\$ 6,104,294</u>
An analysis of depreciation by function		
Operating costs	\$ 6,021,621	\$ 5,712,873
Operating expenses	425,757	390,572
Non-operating expenses	<u>2,064</u>	<u>849</u>
	<u>\$ 6,449,442</u>	<u>\$ 6,104,294</u>
An analysis of amortization of intangible assets by function		
Operating costs	\$ 389,346	\$ 372,820
Operating expenses	<u>70,943</u>	<u>48,105</u>
	<u>\$ 460,289</u>	<u>\$ 420,925</u>

b. Employee benefits expense

	For the Year Ended December 31	
	2021	2020
Retirement benefit plans		
Defined contribution plans	\$ 544,852	\$ 200,614
Defined benefit plans	<u>9,456</u>	<u>(3,932)</u>
	<u>554,308</u>	<u>196,682</u>
Share-based payments		
Equity-settled	24,325	4,808
Cash-settled	<u>105,960</u>	<u>-</u>
	<u>130,285</u>	<u>4,808</u>
Other employee benefits	<u>7,877,215</u>	<u>6,905,729</u>
Total of employee benefits expense	<u>\$ 8,561,808</u>	<u>\$ 7,107,219</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 5,745,436	\$ 4,771,562
Operating expenses	<u>2,816,372</u>	<u>2,335,657</u>
	<u>\$ 8,561,808</u>	<u>\$ 7,107,219</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 \$106,914 thousand and \$210,453 thousand for the year ended December 31, 2021. The Corporation may settle compensation of employees and remuneration of directors in cash were \$107,954 thousand and \$256,965 thousand for the year ended December 31, 2020 which was approved by the Corporation's board of directors in March 2021.

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 employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2020 and 2019.

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	
	2021	2020
Interest on bank borrowings	\$ 805,611	\$ 893,554
Interest on corporate bonds	627,393	793,471
Interest on lease liabilities	55,481	30,416
Other finance costs	<u>181,978</u>	<u>175,409</u>
	<u>\$ 1,670,463</u>	<u>\$ 1,892,850</u>

e. Interest income

	For the Year Ended December 31	
	2021	2020
Interest on bank deposits	\$ 1,527,381	\$ 1,336,101
Others	<u>8,599</u>	<u>20,236</u>
	<u>\$ 1,535,980</u>	<u>\$ 1,356,337</u>

f. Other income

	For the Year Ended December 31	
	2021	2020
Government grants	\$ 118,848	\$ 240,160
Rental income	16,367	13,257
Gain on disposal of investment (Note 14)	233,756	-
Others	<u>698,878</u>	<u>179,124</u>
	<u>\$ 1,067,849</u>	<u>\$ 432,541</u>

g. Other expenses

	<u>For the Year Ended December 31</u>	
	2021	2020
Loss on work stoppages	\$ 130,284	\$ 134,954
Others	<u>660,733</u>	<u>244,608</u>
	<u>\$ 791,017</u>	<u>\$ 379,562</u>

25. INCOME TAX RELATING TO CONTINUING OPERATIONS

a. Major components of tax expense recognized in profit or loss

	<u>For the Year Ended December 31</u>	
	2021	2020
Current tax		
In respect of the current year	\$ 5,527,508	\$ 7,115,473
Income tax on unappropriated earnings	94,120	205,999
Adjustments for prior years	<u>(112,501)</u>	<u>(230,742)</u>
	<u>5,509,127</u>	<u>7,090,730</u>
Deferred tax		
In respect of the current year	<u>421,260</u>	<u>253,501</u>
Income tax expense recognized in profit or loss	<u>\$ 5,930,387</u>	<u>\$ 7,344,231</u>

A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

	<u>For the Year Ended December 31</u>	
	2021	2020
Income before income tax	<u>\$ 26,078,084</u>	<u>\$ 35,819,083</u>
Income tax expense at the statutory rate	\$ 5,215,616	\$ 7,163,817
Non-deductible expenses in determining taxable income	669,573	156,484
Tax-exempt income	(760,854)	(888,036)
Unrecognized loss carryforwards and deductible temporary differences	(271,482)	(109,329)
Loss carryforwards utilized in the current year	(134,387)	(78,365)
Effects of different tax rate of subsidiaries operating in other jurisdictions	786,563	1,052,528
Income tax on unappropriated earnings	94,120	205,999
Adjustments for prior years	(112,501)	(230,742)
Others	<u>443,739</u>	<u>71,875</u>
Income tax expense recognized in profit or loss	<u>\$ 5,930,387</u>	<u>\$ 7,344,231</u>

b. Income tax recognized in other comprehensive income

For the Year Ended December 31
2021 **2020**

Deferred tax

Deferred tax in the current year

 Remeasurement on defined benefit plan

\$ 53,780

\$ 25,212

c. Current tax assets and liabilities

December 31
2021 **2020**

Current tax assets

 Tax refund receivable (included in other receivables)

\$ 130,898

\$ 54,412

Current tax liabilities

 Current income tax liabilities

\$ 2,490,823

\$ 3,914,955

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, 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>

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Others	Closing Balance
<u>Deferred income tax assets</u>					
Loss carryforwards	\$ 206,650	\$ 28	\$ -	\$ -	\$ 206,678
Allowance for impaired receivables	5,459	(5,459)	-	-	-
Defined benefit plan	29,409	(1,707)	(331)	-	27,371
Inventories	122,153	(853)	-	833	122,133
Others	<u>267,392</u>	<u>12,675</u>	<u>-</u>	<u>(42)</u>	<u>280,025</u>
	<u>\$ 631,063</u>	<u>\$ 4,684</u>	<u>\$ (331)</u>	<u>\$ 791</u>	<u>\$ 636,207</u>
<u>Deferred income tax liabilities</u>					
Land value increment tax	\$ 5,092,973	\$ (9,598)	\$ -	\$ -	\$ 5,083,375
Finance leases	3,253,903	(160,257)	-	-	3,093,646
Property, plant and equipment	1,383,077	103,631	-	16,663	1,503,371
Retained earnings from foreign subsidiaries	1,582,522	340,832	-	(151,981)	1,771,373
Defined benefit plan	264,339	2,089	24,881	-	291,309
Others	<u>12,120</u>	<u>(830)</u>	<u>-</u>	<u>(94)</u>	<u>11,196</u>
	<u>\$ 11,588,934</u>	<u>\$ 275,867</u>	<u>\$ 24,881</u>	<u>\$ (135,412)</u>	<u>\$ 11,754,270</u>

e. Unrecognized deferred income tax assets in respect of loss carryforwards

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Loss carryforwards		
Expire in 2021	\$ -	\$ 746,084
Expire in 2022	1,333,520	548,502
Expire in 2023	873,426	808,578
Expire in 2024	865,142	759,539
Expire in 2025	990,779	1,736,460
Expire in 2026	1,281,534	24,007
Expire in 2027	435,584	723,371
Expire in 2028	37,706	10,004
Expire in 2029	192,615	1,219,287
Expire in 2030	392,916	627,648
Expire in 2031	<u>1,279,008</u>	<u>-</u>
	<u>\$ 7,682,230</u>	<u>\$ 7,203,480</u>

f. Unused loss carryforwards information

Loss carryforwards as of December 31, 2021 were comprised of:

Unused Amount	Expiry Year
\$ 1,343,735	2022
873,426	2023
865,142	2024
990,779	2025
1,281,534	2026
435,584	2027
50,580	2028
195,282	2029
392,916	2030
<u>1,279,008</u>	2031
<u>\$ 7,707,986</u>	

g. Unrecognized deferred income tax liabilities in respect of investments

As of December 31, 2021 and 2020, the taxable temporary differences in respect of investments in subsidiaries and associates for which no deferred income tax liabilities have been recognized were \$97,109,400 thousand and \$84,233,708 thousand, respectively.

h. Income tax assessments

The information of income tax assessments for the Group is as follows:

Year	Company
2018	Taiwan Cement Corporation, Ta-Ho Maritime Corporation
2019	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, Feng Sheng Enterprise Company, TCC Green Energy Corporation, Kuan-Ho Refractories Industry Corporation, Taiwan Transport & Storage Corporation, TCC Chemical Corporation, Ta-Ho RSEA Environment Co., Ltd., TCC Recycle Energy Technology Company
2020	TCC Investment Corporation

26. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2021	2020
Basic earnings (loss) per share		
From continuing operations	\$ 3.12	\$ 4.35
From discontinued operations	<u>0.18</u>	<u>(0.03)</u>
	<u>\$ 3.30</u>	<u>\$ 4.32</u>
Diluted earnings (loss) per share		
From continuing operations	\$ 3.09	\$ 4.12
From discontinued operations	<u>0.18</u>	<u>(0.03)</u>
	<u>\$ 3.27</u>	<u>\$ 4.09</u>

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

	For the Year Ended December 31	
	2021	2020
Profit for the year attributable to owners of the Corporation (Note)	\$ 19,906,366	\$ 24,749,309
Loss (profit) for the period used in the computation of basic earnings per share from discontinued operations	<u>(1,073,939)</u>	<u>180,487</u>
Profit used in the computation of basic earnings per share from continuing operations	18,832,427	24,929,796
Effect of potentially dilutive ordinary shares:		
Interest on convertible bonds	<u>67,416</u>	<u>277,794</u>
Profit used in the computation of diluted earnings per share from continuing operations	<u>\$ 18,899,843</u>	<u>\$ 25,207,590</u>
<u>Number of shares (in thousands)</u>		
Weighted average number of ordinary shares in computation of basic earnings per share	6,034,789	5,735,314
Effect of potentially dilutive ordinary shares:		
Compensation of employees	2,784	3,070
Convertible bonds	<u>79,950</u>	<u>379,498</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>6,117,523</u>	<u>6,117,882</u>

Note: Preference share dividends of \$350,000 thousand were deducted in 2021 and 2020, 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.

27. 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	1,406,316	-
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>\$ 785,544</u>	<u>\$ 16,431,726</u> (Concluded)

A tentative set of accounting principle was applied in the acquisition of NHOA S.A. as of the consolidated balance sheet date.

d. Non-controlling interests

The non-controlling interests recognized at the acquisition date were measured by the proportion of identifiable net assets owned. As mentioned above, the measurement of non-controlling interests as of December 31, 2021 was only tentative.

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	1,090,248	5,295,660
Fair value of identifiable net liabilities assumed	<u>(785,544)</u>	<u>(16,431,726)</u>
Goodwill recognized on acquisitions	<u>\$ 4,696,249</u>	<u>\$ 12,378</u>

The total amount of acquired goodwill is not tax-deductible.

As of December 31, 2021, the Group had not finished identifying the difference between the investment cost and net fair value 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. Impact of acquisitions on the results of the Group

The financial results of the acquirees since the acquisition dates were as follows:

	NHOA S.A.	TCC Recycle Energy Technology Company
Operating revenue	<u>\$ 813,458</u>	<u>\$ 2,312,668</u>
Net income (loss)	<u>\$ (305,325)</u>	<u>\$ (117,651)</u>

Had the acquisition happened at the beginning of 2021, the Group's revenue would have been \$109,525,695 thousand, and the profit would have been \$20,496,659 thousand for the year ended December 31, 2021, respectively. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the acquisition year, nor is it intended to be a projection of future results.

28. 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>
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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 disposal 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>

29. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

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 arising from equity transactions	<u>\$ (374,195)</u>
<u>Acquirer</u>	<u>Taiwan Cement Corporation</u>
Acquiree	Taiwan Prosperity Chemical 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	\$ (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%.

<u>Acquirer</u>	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 arising 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%.

<u>Acquirer</u>	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 arising from equity transactions	<u>\$ (8)</u>

<u>Acquirer</u>	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%.

<u>Acquirer</u>	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 arising from equity transactions	<u>\$ (380,492)</u>

Acquirer	TCEH
Acquiree	NHOA S.A.

Line items adjusted for equity transactions

Unappropriated earnings	\$ <u>(380,492)</u>
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- 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	TCEH
Acquiree	NHOA S.A.

Cash consideration paid	\$ -
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>2</u>

Differences arising from equity transactions	\$ <u>2</u>
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Acquirer	TCEH
Acquiree	NHOA S.A.

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	\$ <u>2</u>
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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, 2020

- a. During 2020, the Group acquired a portion of the shares of Taiwan Cement Engineering Corporation, and the proportion of ownership increased from 99.0% to 99.2%.

Acquirer	Taiwan Cement Corporation
Acquiree	Taiwan Cement Engineering Corporation

Cash consideration paid	\$ (934)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>939</u>

Differences arising from equity transactions	\$ <u>5</u>
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<u>Acquirer</u>	Taiwan Cement Corporation
<u>Acquiree</u>	Taiwan Cement Engineering 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>5</u>
b. During 2020, the Group acquired a portion of the shares of Taiwan Prosperity Chemical Corporation, and the proportion of ownership increased from 42.5% to 73.6%.	

<u>Acquirer</u>	Taiwan Cement Corporation
<u>Acquiree</u>	Taiwan Prosperity Chemical Corporation
Cash consideration paid	\$ (738,955)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>294,563</u>
Differences arising from equity transactions	<u>\$ (444,392)</u>

<u>Acquirer</u>	Taiwan Cement Corporation
<u>Acquiree</u>	Taiwan Prosperity Chemical 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>\$ (444,392)</u>

c. During 2020, the Group acquired a portion of the shares of Taiwan Transport and Storage Corporation, and the proportion of ownership was 84.5%.

<u>Acquirer</u>	Taiwan Cement Corporation
<u>Acquiree</u>	Taiwan Transport and Storage Corporation
Cash consideration paid	\$ (1)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>2</u>
Differences arising from equity transactions	<u>\$ 1</u>

Acquirer	Taiwan Cement Corporation
Acquiree	Taiwan Transport and Storage 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	\$ <u>1</u>
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- d. During 2020, the Group acquired a portion of the shares of Ta-Ho Maritime Corporation, and the proportion of ownership was 94%.

Acquirer	Taiwan Transport and Storage Corporation
Acquiree	Ta-Ho Maritime Corporation

Cash consideration paid	\$ -
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>2</u>

Differences arising from equity transactions	\$ <u>2</u>
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Acquirer	Taiwan Transport and Storage Corporation
Acquiree	Ta-Ho Maritime 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	\$ <u>2</u>
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The above transactions were accounted for as equity transactions since there was no change in the Group's control over these subsidiaries.

30. CASH FLOWS INFORMATION

Changes in liabilities arising from financing activities:

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>

For the year ended December 31, 2020

	Opening Balance	Cash Flows	Effect of Exchange Rate	Closing Balance
Short-term borrowings	\$ 30,445,048	\$ 4,533,158	\$ (302,752)	\$ 34,675,454
Long-term borrowings (including expired within a year)	<u>32,177,173</u>	<u>(2,181,761)</u>	<u>(191,931)</u>	<u>29,803,481</u>
	<u>\$ 62,622,221</u>	<u>\$ 2,351,397</u>	<u>\$ (494,683)</u>	<u>\$ 64,478,935</u>

31. 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.

32. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

December 31, 2021

<u>Financial liabilities</u>	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
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>

December 31, 2020

<u>Financial liabilities</u>	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial liabilities at amortized cost					
Convertible bonds payable	<u>\$ 9,380,990</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,138,329</u>	<u>\$ 10,138,329</u>

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

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 FVTOCI				
Derivatives - put options and redemption options of convertible bond payables	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 213,062</u>	<u>\$ 213,062</u>

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets mandatorily classified as at FVTPL				
Derivatives - put options and redemption options of convertible bond payables	\$ -	\$ -	\$ 17,092	\$ 17,092
Domestic listed shares	234,963	-	-	234,963
Domestic emerging market shares	<u>101,931</u>	<u>-</u>	<u>-</u>	<u>101,931</u>
	<u>\$ 336,894</u>	<u>\$ -</u>	<u>\$ 17,092</u>	<u>\$ 353,986</u>
Financial assets at FVTOCI				
Equity instrument investment				
Domestic listed shares	\$ 5,544,326	\$ -	\$ -	\$ 5,544,326
Foreign listed shares	24,664,109	-	-	24,664,109
Domestic unlisted shares	-	-	7,239,178	7,239,178
Domestic convertible preference shares	<u>52,145</u>	<u>-</u>	<u>-</u>	<u>52,145</u>
	<u>\$ 30,260,580</u>	<u>\$ -</u>	<u>\$ 7,239,178</u>	<u>\$ 37,499,758</u>

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

For domestic listed private 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 evaluation method used by the Group for estimating fair value is the Black-Scholes model.

3) Reconciliation of Level 3 fair value measurements of financial instruments

	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>
Financial liabilities at FVTPL	
Derivative instrument investment	
Balance at January 1, 2021	\$ -
Additions	215,282
Recognized in loss	<u>(2,220)</u>
Balance at December 31, 2021	<u>\$ 213,062</u>
	For the Year Ended December 31, 2020
Financial assets at FVTOCI	
Equity instrument investment	
Balance at January 1, 2020	\$ 6,971,622
Additions	1
Recognized in other comprehensive income	321,524
Disposals	<u>(53,969)</u>
Balance at December 31, 2020	<u>\$ 7,239,178</u>

(Continued)

	For the Year Ended December 31, 2020
Financial assets at FVTPL	
Derivative instrument investment	
Balance at January 1, 2020	\$ 1,235
Recognized in income	20,202
Convertible bonds converted into ordinary shares	<u>(4,345)</u>
Balance at December 31, 2020	<u>\$ 17,092</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 an increase in the fair value. The historical volatility used were 21.37% and 23.69% on December 31, 2021 and 2020, 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>	
	2021	2020
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 have increased (decreased) as follows:

	<u>December 31</u>	
	2021	2020
Comprehensive discount for lack of marketability and non-controlling interests		
1% increase	<u>\$ (25,297)</u>	<u>\$ (25,297)</u>
1% decrease	<u>\$ 25,297</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>	
	2021	2020
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 have increased (decreased) as follows:

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Discount for lack of marketability		
1% increase	<u>\$ (3,798)</u>	<u>\$ (2,932)</u>
1% decrease	<u>\$ 3,798</u>	<u>\$ 2,932</u>

The dividend discount model values a target company based on its stability of dividend payments in the past.

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Discount rate	5.4%	6.1%
Dividend growth rate	1.4%	1.3%
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 have increased (decreased) as follows:

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Discount for lack of marketability		
1% increase	<u>\$ (70,428)</u>	<u>\$ (52,570)</u>
1% decrease	<u>\$ 70,428</u>	<u>\$ 52,570</u>

c. Categories of financial instruments

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
<u>Financial assets</u>		
Financial assets at FVTPL		
Financial assets mandatorily classified at FVTPL	\$ 363,813	\$ 353,986
Financial assets measured at amortized cost (1)	184,263,079	151,045,326
Financial assets at FVTOCI		
Equity instrument investment	34,223,407	37,499,758
<u>Financial liabilities</u>		
Financial liabilities at FVTPL		
Held for trading	213,062	-
Financial liabilities measured at amortized cost (2)	194,855,668	146,422,478

- 1) The balances include loans and receivables 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, long-term loans (including current portion), and long-term notes 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 these investments was subject to fluctuations in market prices. The Group has 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 functional currency (including those eliminated upon consolidation) at the end of the reporting period are set out in Note 37.

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 number below indicates an increase in after-tax profit or equity associated with the NTD/RMB/HKD strengthening 1% against the relevant currency.

	USD Impact		HKD Impact	
	For the Year Ended December 31		For the Year Ended December 31	
	2021	2020	2021	2020
NTD	<u>\$ (168,048)</u>	<u>\$ (7,256)</u>	<u>\$ -</u>	<u>\$ -</u>
RMB	<u>\$ (2,998)</u>	<u>\$ (2,465)</u>	<u>\$ (4,373)</u>	<u>\$ (483)</u>
HKD	<u>\$ 15,367</u>	<u>\$ 54,104</u>	<u>\$ -</u>	<u>\$ -</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	
	2021	2020
Cash flow interest rate risk		
Financial assets	\$ 38,476,321	\$ 30,351,013
Financial liabilities	72,227,767	64,478,935

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 a 50 basis point increase or decrease was used, representing 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, 2021 and 2020 would have increased/decreased by \$153,905 thousand and \$121,404 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, 2021 and 2020 would have increased/decreased by \$288,911 thousand and \$257,916 thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed shares and emerging market shares. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments. Sensitivity analyses were used for evaluating the exposure to equity price risks.

The sensitively analyses were based on the exposure of equity 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, 2021 and 2020 would have increased/decreased by \$18,191 thousand and \$16,845 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, 2021 and 2020 would have increased/decreased by \$1,711,170 thousand and \$1,874,988 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, 2021 and 2020, the amount of unused financing facilities was \$84,194,479 thousand and \$116,754,202 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, 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 Lease liabilities	\$ 23,747,866	\$ 146,445	\$ 3,495	\$ 20	\$ 45	\$ -
Variable interest rate liabilities	550,390	1,778,707	1,330,736	839,092	411,392	667,966
Fixed interest rate liabilities	58,406,635	16,824,248	65,230	-	-	-
	<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>

December 31, 2020

	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 Lease liabilities	\$ 1,072,780	\$ 15,698,938	\$ 2,863,365	\$ 126,164	\$ 1,633
Variable interest rate liabilities	75,157	104,347	390,405	1,766,586	2,049,825
Fixed interest rate liabilities	6,893,570	28,248,879	5,207,790	25,561,821	71,565
	<u>250,000</u>	<u>6,000,000</u>	<u>484,620</u>	<u>29,739,450</u>	<u>35,080,160</u>
	<u>\$ 8,291,507</u>	<u>\$ 50,052,164</u>	<u>\$ 8,946,180</u>	<u>\$ 57,194,021</u>	<u>\$ 37,203,183</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 Lease liabilities	\$ 19,635,083	\$ 126,164	\$ 1,633	\$ -	\$ -	\$ -
Variable interest rate liabilities	569,909	1,766,586	834,504	314,387	193,266	707,668
Fixed interest rate liabilities	40,350,239	25,561,821	71,565	-	-	-
	<u>6,734,620</u>	<u>29,739,450</u>	<u>6,979,960</u>	<u>28,100,200</u>	<u>-</u>	<u>-</u>
	<u>\$ 67,289,851</u>	<u>\$ 57,194,021</u>	<u>\$ 7,887,662</u>	<u>\$ 28,414,587</u>	<u>\$ 193,266</u>	<u>\$ 707,668</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, 2021 and 2020, the face values of these unsettled bills receivable were \$2,342,843 thousand and \$2,308,323 thousand, respectively. The unsettled bills receivable will be due in 12 months and 11 months, after December 31, 2021 and 2020, 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, 2021 and 2020, 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.

33. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated upon consolidation and are not disclosed in this note. 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 associates
Onyx Ta-Ho Energy Recovery Co., Ltd	Subsidiary of associates
Onyx Ta-Ho Lu-Tsao Environment Co., Ltd.	Subsidiary of associates
ULPU International Co., Ltd.	Subsidiary of associates
E-ONE Moli Energy Corporation	Subsidiary of associates (classified as subsidiary of associates until August 2021 and has been reported as consolidated entity ever since.)
E-ONE Moli Energy (Canada) Ltd.	Subsidiary of associates (classified as subsidiary of associates until August 2021 and has been reported as consolidated entity ever since.)
Onyx Ta-Ho Environmental Services Co., Ltd.	Associate
Shih Hsin Storage & Transportation Co., Ltd. (process of liquidation finished in 2020)	Associate
Chia Huan Tung Cement Corporation (process of liquidation finished in 2020)	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.	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 consolidated entity ever since.)
Guigang Conch-TCC New Material Technology Co., Ltd.	Associate
Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd.	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
Chia Hsin Prosperity Management and Development Corp.	Management personnel in substance
Goldsun Development & Construction Co., Ltd.	Investor with significant influence over the Group

(Continued)

Related Party	Relationship with the Group
China Hi-Ment Corporation	The Group acts as key management personnel
Rong Gong Enterprise Co.	The Group acts as key management personnel
O-Bank Co., Ltd. (O-Bank)	The Group acts as key management personnel
Pan Asia Corporation	The Group acts as key management personnel
Ta-Ho Taitung Environment Co., Ltd. (process of liquidation finished in 2020)	The Group acts as key management personnel
CTCI Corporation (became related parties since May 2020)	The Group acts as key management personnel
Union Steel Development Corporation	The Group acts as key management of its parent company
CTCI Beijing Co., Ltd.	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. Cecilla Koo Botanic Conservation and Environmental Protection Foundation	Same key management personnel
Circular Commitment Company	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
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
FCA AUSTRIA GMBH	Related party in substance
FCA BELGIUM S.A.	Related party in substance
FCA GERMANY AG	Related party in substance
FCA SWITZERLAND S.A.	Related party in substance
GROUPE PSA ITALIA SPA	Related party in substance
LEASYS RENT SPA	Related party in substance
FIAT CHRYSLER AUTOMOBILES ITALY SPA	Related party in substance
Fiat Chrysler Automobiles N.V.	Related party in substance
LEASYS SPA	Related party in substance

(Concluded)

b. Operating transactions

Continuing operations

	For the Year Ended December 31	
	2021	2020
<u>Sales</u>		
Management personnel in substance	\$ 698,337	\$ 458,162
Related party in substance	577,550	-
Associates	496,518	469,774
The Group acts as key management personnel	257,875	256,835
Same key management personnel	213,373	172,070
The Group acts as key management of its parent company	39	-
Investors with significant influence over the Group	<u>-</u>	<u>33,515</u>
	<u>\$ 2,243,692</u>	<u>\$ 1,390,356</u>
<u>Purchases of goods and operating expenses</u>		
The Group acts as key management personnel	\$ 863,125	\$ 760,215
Management personnel in substance	77,066	73,908
Associates	58,560	59,360
Related party in substance	13,822	-
Same key management personnel	10,110	7,419
The Group acts as key management of its parent company	<u>72</u>	<u>161</u>
	<u>\$ 1,022,755</u>	<u>\$ 901,063</u>

Notes receivable and accounts receivable from related parties were as follows:

	December 31	
	2021	2020
<u>Associates</u>		
Quon Hing	\$ 126,567	\$ 116,879
Others	<u>14,186</u>	<u>32,460</u>
	<u>140,753</u>	<u>149,339</u>
<u>Management personnel in substance</u>		
Chia Hsin Cement	123,932	73,133
Others	<u>2,572</u>	<u>1,831</u>
	<u>126,504</u>	<u>74,964</u>
<u>Related party in substance</u>		
LEASYS RENT SPA	50,414	-
Others	<u>42,385</u>	<u>-</u>
	<u>92,799</u>	<u>-</u>
<u>The Group acts as key management personnel</u>		
China Hi-Ment	46,333	29,638
Others	<u>28,767</u>	<u>3,036</u>
	<u>75,100</u>	<u>32,674</u>
Same key management personnel	<u>22,047</u>	<u>16,889</u>
	<u>\$ 457,203</u>	<u>\$ 273,866</u>

Accounts payables from related parties (included in notes and accounts payable) were as follows:

	December 31	
	2021	2020
The Group acts as key management personnel	\$ 242,055	\$ 147,713
Management personnel in substance	10,064	2,686
Associates	1,404	5,293
Same key management personnel	<u>44</u>	<u>172</u>
	<u>\$ 253,567</u>	<u>\$ 155,864</u>

The price and terms of the above transactions were by contracts. Rentals of lease contracts with related parties were based on market prices and the payment terms were determined at arm's length.

Discontinued operations

	For the Year Ended December 31	
	2021	2020
<u>Purchases of goods and operating expenses</u>		
Same key management personnel	<u>\$ 2,560</u>	<u>\$ 42,750</u>

c. Other receivables

	December 31	
	2021	2020
<u>Included in other receivables from related parties</u>		
Related party in substance		
Fiat Chrysler Automobiles N.V.	<u>\$ 238,032</u>	<u>\$ -</u>
Associates		
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	139,695	-
Quon Hing	7,624	1,653
International CSRC Investment Holdings Co., Ltd.	595	482
E-One Moli Energy Corporation	4	1,031
Others	<u>662</u>	<u>4</u>
	<u>148,580</u>	<u>3,170</u>
The Group acts as key management personnel	<u>1,745</u>	<u>-</u>
Same key management personnel	<u>461</u>	<u>252</u>
Management personnel in substance	<u>150</u>	<u>363</u>
	<u>\$ 388,968</u>	<u>\$ 3,785</u>

Classified as other non-current assets

Related party in substance		
Fiat Chrysler Automobiles N.V.	<u>\$ 147,204</u>	<u>\$ -</u>

Other receivables from related parties above included share subscriptions receivable, dividend receivables and interest receivables.

d. Other payables to related parties

	December 31	
	2021	2020
The Group act as key management personnel		
CTCI Corporation	\$ 706,635	\$ -
The Group acts as key management of its parent company		
CTCI Smart Engineering Inc.	614,250	-
Others	<u>61,398</u>	<u>-</u>
	<u>675,648</u>	<u>-</u>
Associates		
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	3,892	3,929
Others	<u>722</u>	<u>69</u>
	<u>4,614</u>	<u>3,998</u>
Management personnel in substance		
L'Hotel de Chine Corporation	3,299	2,765
FDC International Hotels Corporation	180	1,013
Others	<u>681</u>	<u>508</u>
	<u>4,160</u>	<u>4,286</u>
	<u>\$ 1,391,057</u>	<u>\$ 8,284</u>

e. Prepayments for property, plant and equipment

Related Party Category/Name	December 31	
	2021	2020
The Group acts as key management personnel		
CTCI Corporation	<u>\$ -</u>	<u>\$ 371,600</u>

f. Acquisitions of property, plant and equipment

Related Party Category/Name	December 31	
	2021	2020
The Group acts as key management of its parent company		
CTCI Smart Engineering Inc.	\$ 585,000	\$ -
CTCI Resources Engineering Inc.	<u>559,777</u>	<u>-</u>
	<u>1,144,777</u>	<u>-</u>
The Group acts as key management personnel		
CTCI Corporation	<u>752,675</u>	<u>-</u>
Associates		
E-One Moli Energy Corporation	<u>65,000</u>	<u>3,322</u>
Management personnel in substance		
Chia Hsin Property Management and Development Corp.	<u>-</u>	<u>1,686,428</u>
	<u>\$ 1,962,452</u>	<u>\$ 1,689,750</u>

g. Lease arrangements

Related Party Category/Name	December 31	
	2021	2020
<u>Acquisition of right-of-use assets</u>		
Management personnel in substance		
Chia Hsin R.M.C. Corp.	\$ 23,313	\$ -
Chia Hsin Property Management and Development Corp.	<u>-</u>	<u>39</u>
	<u>23,313</u>	<u>39</u>
Same Key management personnel		
Linyuan Advanced Materials Technology Co., Ltd.	<u>-</u>	<u>2,500</u>
	<u>\$ 23,313</u>	<u>\$ 2,539</u>

Line Item	Related Party Category/Name	December 31	
		2021	2020
Lease liabilities	Management personnel in substance		
	Chia Hsin R.M.C. Corp.	\$ 20,699	\$ 2,085
	Chia Hsin Cement Corporation	<u>-</u>	<u>10,593</u>
		<u>\$ 20,699</u>	<u>\$ 12,678</u>

Related Party Category/Name	For the Year Ended December 31	
	2021	2020
<u>Interest expense</u>		
Management personnel in substance	<u>\$ 308</u>	<u>\$ 501</u>

The lease contracts between the Group and related parties were based on market price and general terms of payment.

Related Party Category/Name	December 31	
	2021	2020
<u>Disposal</u>		
Right-of-use assets		
Management personnel in substance		
Chia Hsin Property Management and Development Corp.	<u>\$ -</u>	<u>\$ 1,922</u>
Lease liabilities		
Management personnel in substance		
Chia Hsin Property Management and Development Corp.	<u>\$ -</u>	<u>\$ 1,953</u>

Gain on lease modification for the year ended December 31, 2020 is \$31 thousand.

h. Loans to related parties

Interest revenue

Related Party Category/Name	For the Year Ended December 31	
	2021	2020
Associates		
Onyx Ta-Ho Energy Recovery Co., Ltd.	\$ <u> -</u>	\$ <u> 148</u>

The interest rate of related party financing is equivalent to the market rate.

i. Acquisition of financial assets

For the year ended December 31, 2020

Related Party Category/Name	Line Item	Number of Shares	Underlying Assets	Purchase Price
The Group acts as key management personnel				
O-Bank	Financial assets at FVTOCI	5,370,112	Shares	\$ <u>34,100</u>

j. Disposal of financial assets

For the year ended December 31, 2020

Related Party Category/Name	Line Item	Number of Shares	Underlying Assets	Proceeds	Gain (Loss) on Disposal
The Group acts as key management personnel					
Rong Gong Enterprise Co.	Financial assets at FVTOCI	3,390,000	Shares	\$ <u>53,969</u>	\$ <u> -</u>

k. Compensation of key management personnel (including discontinued operations)

	For the Year Ended December 31	
	2021	2020
Short-term employee benefits	\$ 558,473	\$ 577,390
Post-employment benefits	6,191	5,710
Share-based payment		
Cash-settled	105,960	-
Equity-settled	<u>8,187</u>	<u>2,867</u>
	<u>\$ 678,811</u>	<u>\$ 585,967</u>

34. 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:

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Financial assets at FVTOCI (including current and non-current portion)	\$ 313,250	\$ 278,880
Property, plant and equipment	3,134,392	3,168,464
Investment accounted for using the equity method	54,541	50,093
Investment properties	837,936	845,666
Guarantee deposits (included in other non-current assets)	1,034,520	-
Pledged bank deposits (included in financial assets measured at amortized cost)		
Current	471,859	272,124
Non-current	<u>1,821,134</u>	<u>1,713,403</u>
	<u>\$ 7,667,632</u>	<u>\$ 6,328,630</u>

35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. The balances of the letters of credit for purchase of raw material were as follows:

Name	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
The Corporation	\$ 437,292	\$ 145,571
Taiwan Prosperity Chemical Corporation(Note)	-	1,150,104
Ho-Ping Power Company	635,545	457,930
Kuan-Ho Refractories Industry Corporation	13,766	8,804
TCC Recycle Energy Technology Company (Note)	40,867	-

b. The amounts of letters of guarantee issued by the banks for the Group are as follows:

Name	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
The Corporation	\$ 22,120	\$ 22,120
Ho-Ping Power Company	1,148,000	1,148,000
Taiwan Prosperity Chemical Corporation (Note)	-	151,565
TCCI (Group)	987,479	786,037
Taiwan Transport & Storage Corporation	28,502	28,150
TCC Recycle Energy Technology Company (Note)	12,863	-

Note: The Corporation fully disposed of its interest held in Taiwan Prosperity Chemical Corporation in August 2021, refer to Note 28. The entities in the Group included TCC Recycle Energy Technology Company since August 2021, refer to Note 27.

c. Ta-Ho RSEA Environment Co., Ltd.

Company Name	Ta-Ho RSEA Environment Co., Ltd.
Factual Background	In respect of the termination of the “Build-Own-Operate Agreement for Waste Incineration Plant” (the “BOO Agreement”) entered into by and between Ta-Ho RSEA Environment Co., Ltd. and the Yunlin County Government, the arbitration award decided that Yunlin County Government shall pay Ta-Ho RSEA Environment Co., Ltd. \$1.5 billion before November 30, 2008 as a Phase I payment and the remainder as a Phase II payment in the aggregate amount of about \$1.44 billion (including \$1,387,000 thousand, US\$1,706 thousand and JPY307 thousand) before September 30, 2009, and Ta-Ho RSEA Environment Co., Ltd. shall transfer the assets under the BOO Agreement to the Yunlin County Government at the same time.
Amount in Dispute (NT\$)	About \$2.94 billion
Commencement Date of Litigation	The arbitration award was rendered on October 1, 2008.
Parties	Ta-Ho RSEA Environment Co., Ltd. and the Yunlin County Government
Status	Ta-Ho RSEA Environment Co., Ltd. filed compulsory enforcement actions to claim the compensation decided by arbitration and was indemnified the principal and interest in the total amount of \$3,540,000 thousand (tax included). The case has been concluded.

Company Name	Ta-Ho RSEA Environment Co., Ltd.
Factual background	<p>According to Article 10.5 of the “Build-Own-Operate Agreement for Waste Incineration Plant” (the “BOO Agreement”) entered into between Ta-Ho RSEA Environment Co., Ltd. and the Yunlin County Government, in the event that the BOO Agreement is terminated due to an event attributable to the Yunlin County Government, the assets of the Linnei Factory shall be transferred to the Yunlin County Government. However, the Yunlin County Government has consistently refused to receive the assets of the Linnei Factory. Ta-Ho RSEA Environment Co., Ltd. has therefore managed Linnei Incinerator for and on behalf of the Yunlin County Government since the termination of the BOO Agreement on October 31, 2006. The management expenses amounted to \$173,642 thousand as of January 31, 2021.</p> <p>The payment award rendered under the arbitration between Ta-Ho RSEA Environment Co., Ltd. and the Yunlin County Government is around \$2.9 billion excluding business tax. After the arbitration award, the Revenue Service Bureau of the Yunlin County advised that the income derived from the award was subject to business tax, which amounted to \$165,591 thousand.</p>
Amount in dispute (NT\$)	About \$347,914 thousand (tax included)
Commencement date of litigation	Arbitration request has been applied on February 15, 2019.
Parties	Ta-Ho RSEA Environment Co., Ltd. and the Yunlin County Government
Status	Arbitral Tribunal has been established on May 22, 2019 and the trial has been concluded on February 4, 2021. The arbitration award has been rendered on April 8, 2021. The Yunlin County Government shall pay 1) \$89,494 thousand plus the incremental request amount claimed by Ta-Ho RSEA Environment Co., Ltd. and the deferred interests calculated till the settlement date; 2) the business tax of the principal and interest of item 1; 3) \$165,591 thousand plus the deferred interests calculated from February 27, 2019 till the settlement date; and 4) 63% of the arbitration fees. The Yunlin County Government had paid \$288,910 thousand by July 9, 2021 according to the arbitration award. The case has been concluded.

The related assets of Ta-Ho RSEA Environment Co., Ltd. were disposed in 2021, refer to Note 15.

d. Ho-Ping Power Company

Company Name	Ho-Ping Power Company
Factual Background	The Fair Trade Commission fined Ho-Ping Power Company \$1.35 billion for an alleged violation of Article 14 of the Fair Trade Act.
Amount in Dispute (NT\$)	\$1.35 billion
Commencement Date of Litigation	March 2013
Parties	Ho-Ping Power Company and the Fair Trade Commission
Status	<p>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>On June 30, 2015, 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 25, 2017, the Taipei High Administrative Court ruled in favor of Ho-Ping Power Company by holding that “the original disposition and decision of administrative appeal, which determined that Ho-Ping Power Company committed concerted action, shall be dismissed.” On the appeal part of the participant Taiwan Power Company, the Supreme Administrative Court made the ruling of “Appeal Rejection” on September 6, 2018 (Ref. No. 107 Nian-Du-Cai-Zi-Di 1380). In the case of another appellant (the Fair Trade Commission), the Supreme Administrative Court overruled the original judgment by rendering the judgment (Ref. No. 107 Nian-Du-Pan-Zi 550) on the same day, and remanded the case to the Taipei High Administrative Court for retrial (Ref. No. 107 Nian-Du-Su-Geng-Er-Zi 116). The Taipei High Administrative Court in second instance also ruled that “the administrative disposition made by the Fair Trade Commission shall be dismissed” in May 2020. However, the Fair Trade Commission still appealed and expressed dissatisfaction. The case is currently under review by the Supreme Administrative Court.</p> <p>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 lawsuit against Ho-Ping Power Company at the Taipei High Administrative Court claiming for its losses of at least \$5.5 billion plus interest, which was then expanded to \$10.76 billion, and filed another civil litigation at the Taipei District Court claiming for \$5.2 billion.
Amount in dispute (NT\$)	About \$16 billion in total.
Commencement date of litigation	September 2015
Parties	Ho-Ping Power Company and Taiwan Power Company.
Status	<p>1) There are 2 outstanding litigations against Taiwan Power Company:</p> <p>a) In September 2015, Ho-Ping Power Company received an administrative pleading submitted by Taiwan Power Company to the Taipei High Administrative Court, which was transferred to the Taiwan Taipei District Court in February 2017, and Taiwan Power Company expanded the claim amount to \$10.76 billion. The Taiwan Taipei District Court has dismissed the plaintiff's (Taiwan Power Company) complaint on October 30, 2019 and Taiwan Power Company has filed an appeal subsequently which was accepted by the Taiwan High Court. The appeal was later revoked by Taiwan Power Company in June 2020, and the case was concluded.</p> <p>b) 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 billion to \$1.755 billion 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.</p> <p>2) Given such situations, Ho-Ping Power Company considered the chance of losing the litigations is remote and, therefore, it did not recognize relevant losses.</p>

- e. The Board of Directors of Ta-Ho Maritime Corporation has resolved to purchase three bulk carriers from Sumitomo Corporation on September 11, 2019. The aggregate purchase amount is US\$100,200 thousand, among which US\$60,125 thousand was paid as of the issuance date of this report and listed in prepayments for property, plant and equipment.
- f. For the purpose of improving the PH air quality and reducing air pollution, the Board of Directors of the Group's subsidiary Ho-Ping Power Company has resolved to contract out the air pollution improvement equipment project for Unit 2 to CTCI Corporation on January 21, 2020. The total amount of investment is approximately \$1.858 billion. The contract was signed on June 9, 2020. As of December 31, 2021, 72.0% of the construction has been completed.
- g. On May 12, 2020, the Board of Directors of TCC (Hangzhou) Environment Co., Ltd., the Group's subsidiary, has resolved to outsource construction and invite tender. The contract has been signed on October 30, 2020 and the total amount is RMB \$566,888 thousand. As of December 31, 2021, 25.7% of the construction has been completed.

- h. The Board of Directors of Chia-Chien Green Energy Corporation, the Group's subsidiary, has 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. As of December 31, 2021, 40.0% of the construction has been completed.
- i. On July 15, 2021, the Board of Directors of the Corporation approved the plan to upgrade the Corporation's Suao cement plant to reduce electricity consumption for carbon reduction purposes and to improve productivity, with an estimated total amount of \$1,145,500 thousand.
- j. On September 27, 2021, the Board of Directors of the Corporation resolved the plan to repayments of foreign currency bank loans, improvements to the financial structure of the Group and Group's energy policy investment plan, planning to participate in various energy storage development projects.

The Corporation invested US\$0.35 billion, US\$0.39 billion, \$2 billion and \$4.5 billion in TCCIH, TCC Dutch, TCC Energy Storage Technology Corporation and TCC Green Energy Corporation, respectively. As of the date the consolidated financial statements were authorized and issued, the Corporation has invested US\$0.35 billion, US\$0.39 billion, \$2 billion and \$4 billion in TCCIH, TCC Dutch, TCC Energy Storage Technology Corporation and TCC Green Energy Corporation, respectively.

- k. 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 \$1.5 billion.
- l. 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 billion. As of December 31, 2021, 6.1% of construction has been completed.
- m. The Board of Directors of Ho-Ping Power Company, 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 Ho-Ping Industrial Park of Hualien, the total amount is yet to be discussed by the Board of Directors.
- n. 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 billion. 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 \$4.8 billion, 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, as of December 31, 2021, 20.1%, 10.5% and 11.2% of construction has been completed, respectively.
- o. 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. As of the date the consolidated financial statements were authorized and issued, 17.4% construction has been completed.

- p. On September 27, 2021, the Board of Directors of the TCCIH proposed to increase the capital of RMB350,000 thousand for long-term investment to TCC (Hangzhou) Environment Co., Ltd. As of the date the consolidated financial statements were authorized and issued, 100% of investment has been completed.
- q. 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. As of December 31, 2021, 9.5% of construction has been completed.
- r. TCC Energy Storage 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. As of December 31, 2021, 9.0% of construction has been completed.
- s. The Board of Directors of TCC Green Energy Corporation, the Group's subsidiary, resolved on November 11, 2021, to the Group's energy policy investment plan, planning to invest in the construction of energy storage systems in the Middle and the East Taiwan, the total amount of investment is approximately \$0.62 billion.
- t. The Board of Directors of TCC Energy Storage Technology Corporation, the Group's subsidiary, resolved on November 11, 2021, to the Group's energy policy investment plan, planning to invest in the construction of energy storage systems in the East Taiwan, the total amount of investment is approximately \$0.5 billion.

36. OTHER ITEMS

Due to the impact of the COVID-19 pandemic, which has evolved globally, governments all over the world have successively implemented various epidemic prevention measures. Although the domestic epidemic situation has slowed down and the government's regulations have been loosened, many countries are still under lockdown measures and economic recession is expected to occur globally. In addition to maintaining close contact with customers and manufacturers, the Group has committed to strengthen employee health management to mitigate the COVID-19 pandemic impact on the Group's operations. However, the extent of the actual impact to the Group still depends on the subsequent development of the epidemic.

Due to the impact of the dual control implementation of energy policy in China since September 2021, the amount of coal and electricity usage has been limited. Since the actual restriction and timing of issuance of the policy are varied in every district, the Group has committed to optimizing the shipping process to mitigate the impact on the Group's operations. However, the actual impact on the Group still depends on the subsequent development of the policy.

37. 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, 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
Non-monetary items			
USD	62,792	27.680 (USD:NTD)	1,738,071
EUR	801,809	31.320 (EUR:NTD)	25,112,660
<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

December 31, 2020

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 64,520	28.480 (USD:NTD)	\$ 1,837,530
USD	40,943	7.750 (USD:HKD)	1,165,469
Non-monetary items			
USD	59,216	28.480 (USD:NTD)	1,686,470
EUR	820,904	35.020 (EUR:NTD)	28,748,060
<u>Financial liabilities</u>			
Monetary items			
USD	278,527	7.750 (USD:HKD)	7,928,485

The realized and unrealized foreign exchange gains (losses) were \$(87,583) thousand and \$15,289 thousand for the years ended December 31, 2021 and 2020, 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.

38. 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 (Table 5)
 - 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the share capital (Table 6)
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the share capital (Table 7)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the share capital (Table 8)
 - 9) Trading in derivative instruments (Notes 7, 20 and 32)
 - 10) Intercompany relationships and significant intercompany transactions (Table 11)
 - 11) Information on investees (Table 9)
- b. Information on investments in mainland China (Table 10)
 - 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)

39. 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. Chemical engineering segment - production, processing and sale of chemical raw materials
- c. Energy segment - thermal power generation
- d. 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 the current year. Refer to Note 28 for the business unit that has been sold by the Corporation in August 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

	<u>Segment Revenue</u>		<u>Segment Income</u>	
	<u>For the Year Ended December 31</u>		<u>For the Year Ended December 31</u>	
	2021	2020	2021	2020
Cement segment	\$ 89,891,395	\$ 88,001,253	\$ 16,751,926	\$ 20,960,575
Energy segment	13,541,229	14,282,124	2,764,937	10,304,635
Other segments	<u>3,608,828</u>	<u>3,627,846</u>	<u>480,065</u>	<u>628,965</u>
	<u>\$ 107,041,452</u>	<u>\$ 105,911,223</u>	19,996,928	31,894,175
Share of profits of associates and joint ventures			4,149,749	3,200,243
Dividend income			1,747,166	1,567,644

(Continued)

	Segment Revenue		Segment Income	
	For the Year Ended December 31		For the Year Ended December 31	
	2021	2020	2021	2020
Interest income			\$ 1,535,980	\$ 1,356,337
Net gain (loss) on disposal of property			327,659	(100,296)
Impairment loss recognized on non-financial assets			(6,756)	(49,643)
Administrative costs and director's remuneration			(210,453)	(256,965)
Finance costs			(1,670,463)	(1,892,850)
Foreign exchange gains (losses), net			(87,583)	15,289
Net gain on financial assets and liabilities at fair value through profit and loss			19,025	32,170
Other income and expenses, net			<u>276,832</u>	<u>52,979</u>
Income before tax from continuing operations			<u>\$ 26,078,084</u>	<u>\$ 35,819,083</u> (Concluded)

Segment income represented profit before tax earned by each segment without allocation of central administration costs, director's remuneration, share of profits of associates and joint ventures, dividend income, interest income, net gain (loss) on disposal of property, plant and equipment, impairment loss recognized on non-financial assets, finance costs, net foreign exchange gains (losses), net gain 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	
	2021	2020	2021	2020
Taiwan	\$ 41,785,030	\$ 40,860,270	\$ 69,952,935	\$ 65,693,013
Asia	64,439,782	65,050,953	78,116,100	73,330,763
Europe	<u>816,640</u>	<u>-</u>	<u>6,695,803</u>	<u>-</u>
	<u>\$ 107,041,452</u>	<u>\$ 105,911,223</u>	<u>\$ 154,764,838</u>	<u>\$ 139,023,776</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	
	2021	2020
Taiwan Power Company	<u>\$ 11,183,628</u>	<u>\$ 14,282,124</u>

40. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- a. On February 25, 2022, the Board of Directors of the Corporation resolved the Group's energy policy investment plan, planning to invest in the construction of energy storage systems in the Corporation's Hoping factory in Hualien, and the total amount of investment is approximately \$0.66 billion.
- b. On February 25, 2022, the Board of Directors of Molie Quantum Energy Corporation, the Group's subsidiary, resolved to increase the capital expenditures from \$12 billion to around \$18.65 billion in response to the rising costs, the expansion of production and the acquisition of automation equipment.

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

FINANCINGS PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2021
(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	1.44	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 998,932	\$ 998,932	
2.	TCC Investment Corporation	Jin Chang Minerals Corporation	Other receivables from related parties	Yes	130,000	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,911,398	1,911,398	
3	Taiwan Green Energy Corporation	Chang-Wang Wind Power Co., Ltd.	Other receivables from related parties	Yes	30,000	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	3,731,370	3,731,370	
4	TCC Development Ltd.	TCC International Holdings Ltd.	Other receivables from related parties	Yes	268,129	259,077	259,077	0.28	The need for short-term financing	-	Operating capital	-	-	-	861,872	861,872	
5	TCCI	TCCIH	Other receivables from related parties	Yes	3,424,200	3,321,600	-	-	The need for short-term financing	-	Operating capital	-	-	-	114,241,779	228,483,558	
		TCC Dutch	Other receivables from related parties	Yes	1,663,000	1,566,000	1,049,220	0.83	The need for short-term financing	-	Operating capital	-	-	-	114,241,779	228,483,558	
		TCEH	Other receivables from related parties	Yes	665,200	626,400	-	-	The need for short-term financing	-	Operating capital	-	-	-	114,241,779	228,483,558	
6	Yingde Dragon Mountain Cement Co., Ltd.	TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	874,174	865,956	865,956	3.05	The need for short-term financing	-	Operating capital	-	-	-	17,231,540	34,463,080	
		TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	996,558	987,190	779,360	3.05	The need for short-term financing	-	Operating capital	-	-	-	17,231,540	34,463,080	
		TCC (Guigang) Cement Ltd.	Other receivables from related parties	Yes	7,430,479	7,360,626	7,360,626	3.05	The need for short-term financing	-	Operating capital	-	-	-	17,231,540	34,463,080	
7	TCC (Guigang) Cement Ltd.	TCC (Hangzhou) Recycle Resource Technology Limited	Other receivables from related parties	Yes	43,709	43,298	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		Guigang TCC DongYuan Environmental Technology Company Limited	Other receivables from related parties	Yes	131,126	129,893	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		TCC Huaying Cement Company Limited	Other receivables from related parties	Yes	1,258,811	1,246,977	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		TCC Anshun Cement Company Limited	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	874,174	865,956	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	655,631	649,467	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		TCC Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	284,107	281,436	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	1,223,844	1,212,338	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables from related parties	Yes	87,417	86,596	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	

(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			
8	TCC Yingde Cement Co., Ltd.	Beijing TCC Environment Technology Co., Ltd.	Other receivables from related parties	Yes	\$ 87,417	\$ 86,596	\$ 69,276	3.48	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 33,473,137	\$ 66,946,274	
		TCC (Hangzhou) Environmental Protection Technology Limited	Other receivables from related parties	Yes	2,989,675	2,961,570	2,831,676	3.48	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Shaoguan Cement Co., Limited	Other receivables from related parties	Yes	4,001,108	4,001,108	3,999,831	3.48	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC (Dong Guan) Cement Co., Limited	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Anshun Cement Co., Limited	Other receivables from related parties	Yes	874,174	865,956	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		Guangan Changxing Cement Co., Ltd.	Other receivables from related parties	Yes	874,174	865,956	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	874,174	865,956	519,574	3.48	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	218,544	216,489	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Chongqing Cement Company Limited	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	655,631	649,467	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	786,757	779,360	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	218,544	216,489	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	437,087	432,978	43,298	3.48	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	218,544	216,489	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
9	TCC Fuzhou Cement Co., Ltd.	TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	305,961	303,085	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,003,138	3,009,414	
		TCC New (Hangzhou) Management Company Limited	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,003,138	3,009,414	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	218,544	216,489	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,003,138	3,009,414	
10	TCC International Holdings Ltd.	TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	212,793	210,793	208,886	-	The need for short-term financing	-	Operating capital	-	-	-	157,413,695	314,827,390	
11	Prime York Ltd.	Upper Value Investment Limited	Other receivables from related parties	Yes	187,323	180,999	180,999	-	The need for short-term financing	-	Operating capital	-	-	-	3,313,389	6,626,778	
12	Jurong TCC Cement Co., Ltd.	TCC Anshun Cement Company Limited	Other receivables from related parties	Yes	874,174	865,956	-	-	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		TCC Chongqing Cement Co., Ltd.	Other receivables from related parties	Yes	874,174	865,956	-	-	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		TCC Guangan Changxing Cement Company Ltd.	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	305,961	303,085	-	-	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	655,631	649,467	43,298	3.48	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	1,311,261	1,298,934	337,723	3.48	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		TCC Huaihua Concrete Company Limited	Other receivables from related parties	Yes	131,126	129,893	43,298	3.48	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	305,961	303,085	216,489	3.48	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		Kaili TCC Environment Technology Co., Ltd.	Other receivables from related parties	Yes	218,365	216,489	164,532	3.48	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	

(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			
13	TCC Anshun Cement Company Limited	Anshun Xin Tai Construction Materials Company Limited	Other receivables from related parties	Yes	\$ 87,417	\$ 86,596	\$ -	-	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 7,224,247	\$ 14,448,494	
		Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	262,252	259,787	259,787	3.48	The need for short-term financing	-	Operating capital	-	-	-	7,224,247	14,448,494	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	-	-	The need for short-term financing	-	Operating capital	-	-	-	7,224,247	14,448,494	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	8,660	3.48	The need for short-term financing	-	Operating capital	-	-	-	7,224,247	14,448,494	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	-	-	The need for short-term financing	-	Operating capital	-	-	-	7,224,247	14,448,494	
		TCC Chongqing Cement Company Limited	Other receivables from related parties	Yes	874,174	865,956	-	-	The need for short-term financing	-	Operating capital	-	-	-	7,224,247	14,448,494	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	655,631	649,467	173,191	3.48	The need for short-term financing	-	Operating capital	-	-	-	7,224,247	14,448,494	
14	Guangan Changxing Cement Co., Ltd.	TCC Huaying Cement Company Limited	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	5,953,441	11,906,882	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	-	-	The need for short-term financing	-	Operating capital	-	-	-	5,953,441	11,906,882	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	87,417	86,596	-	-	The need for short-term financing	-	Operating capital	-	-	-	5,953,441	11,906,882	
15	Wayly Holdings Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	57,600	55,655	55,655	-	The need for short-term financing	-	Operating capital	-	-	-	1,727,043	3,454,086	
16	TCC Chongqing Cement Company Limited	Guangan Changxing Cement Co., Ltd.	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	218,544	216,489	138,553	3.48	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	43,298	3.48	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	218,544	216,489	-	-	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		TCC Huaying Cement Company Limited	Other receivables from related parties	Yes	109,272	108,245	-	-	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	655,631	649,467	532,130	3.48	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	87,417	86,596	-	-	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	131,126	129,893	86,596	3.48	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
17	TCC New (Hangzhou) Management Company Limited	Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	270,994	268,446	86,596	3.48	The need for short-term financing	-	Operating capital	-	-	-	406,407	812,814	
		Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	240,398	238,138	190,510	3.48	The need for short-term financing	-	Operating capital	-	-	-	406,407	812,814	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables from related parties	Yes	34,967	34,638	-	-	The need for short-term financing	-	Operating capital	-	-	-	406,407	812,814	
18	Prosperity Minerals (China) Ltd.	TCC New (Hangzhou) Management Company Limited	Other receivables from related parties	Yes	348,563	345,286	342,053	-	The need for short-term financing	-	Operating capital	-	-	-	857,352	1,714,704	
19	Da Tong (Guigang) International Logistics Co., Ltd.	Guigang Da-Ho Shipping Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	-	-	The need for short-term financing	-	Operating capital	-	-	-	932,345	1,864,691	
20	Hong Kong Cement Co., Ltd.	TCC International Holdings Ltd.	Other receivables from related parties	Yes	472,711	458,547	458,547	0.34	The need for short-term financing	-	Operating capital	-	-	-	1,031,993	2,063,986	
21	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	-	-	The need for short-term financing	-	Operating capital	-	-	-	3,710,029	7,420,058	
		Kaili TCC Environment Technology Co., Ltd.	Other receivables from related parties	Yes	174,835	173,191	173,191	3.48	The need for short-term financing	-	Operating capital	-	-	-	3,710,029	7,420,058	

(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			
22	Union Cement Traders Inc.	Jin Chang Minerals Corporation	Other receivables from related parties	Yes	\$ 300,000	\$ -	\$ -	-	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 450,642	\$ 450,642	
		Tai-Jie Transport & Storage Corporation	Other receivables from related parties	Yes	50,000	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	450,642	450,642	
23	TCC Huaihua Cement Company Limited	TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	87,417	86,596	-	-	The need for short-term financing	-	Operating capital	-	-	-	4,855,411	9,710,822	
24	Scitus Luzhou Cement Co., Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	87,417	86,596	8,660	3.48	The need for short-term financing	-	Operating capital	-	-	-	3,391,476	6,782,952	
25	E-One Moli Energy Corp.	E-one Moli Energy (Canada) Ltd.	Other receivables from related parties	Yes	835,500	400,468	-	-	The need for short-term financing	-	Operating capital	-	-	-	2,952,939	5,905,878	
26	E-one Moli Energy (Canada) Ltd	E-One Moli Energy Corp.	Other receivables from related parties	Yes	563,500	183,092	98,612	0.70	The need for short-term financing	-	Operating capital	-	-	-	1,323,144	2,646,288	

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.

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.

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, 2021
(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	\$ 102,238,667	\$ 1,420,000	\$ 1,420,000	\$ 750,000	\$ -	0.69	\$ 204,477,333	Y	N	N	
		TCC Investment Corporation	b	102,238,667	2,570,000	2,570,000	1,580,000	-	1.26	204,477,333	Y	N	N	
		TCC Chemical Corporation	b	102,238,667	1,499,117	1,499,117	366,117	-	0.73	204,477,333	Y	N	N	
		Jin Chang Minerals Corporation	b	102,238,667	68,848	31,257	31,257	31,257	0.02	204,477,333	Y	N	N	
		Ho Sheng Mining Co., Ltd.	b	102,238,667	99,884	99,884	99,884	99,884	0.05	204,477,333	Y	N	N	
		TCCI	b	102,238,667	6,294,080	5,840,480	469,800	-	2.86	204,477,333	Y	N	N	
1	Ho Sheng Mining Co., Ltd.	Taiwan Cement Corporation	c	1,147,519	137,462	137,462	137,462	-	35.94	1,147,519	N	Y	N	
2	TCC Green Energy Corporation	TCC Chemical Corporation	a	9,328,426	6,117	6,117	6,117	-	0.07	9,328,426	N	N	N	
3	TCCIH	TCC Yingde Cement Co., Ltd.	b	78,706,847	2,273,407	1,814,799	-	-	1.15	157,413,695	Y	N	Y	
		Jurong TCC Cement Co., Ltd.	b	78,706,847	2,020,490	1,966,297	-	-	1.25	157,413,695	Y	N	Y	
		TCC Fuzhou Cement Co., Ltd.	b	78,706,847	1,147,977	1,132,395	-	-	0.72	157,413,695	Y	N	Y	
		TCC Liaoning Cement Company Limited	b	78,706,847	869,231	857,067	-	-	0.54	157,413,695	Y	N	Y	
		TCC (Guigang) Cement Ltd.	b	78,706,847	7,417,299	4,510,560	-	-	2.87	157,413,695	Y	N	Y	
		TCC Chongqing Cement Co., Limited	b	78,706,847	1,753,088	1,180,338	-	-	0.75	157,413,695	Y	N	Y	
		Guizhou Kong On Cement Company Limited	b	78,706,847	288,204	279,568	-	-	0.18	157,413,695	Y	N	Y	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	b	78,706,847	285,350	276,800	-	-	0.18	157,413,695	Y	N	Y	
		Guangan Changxing Cement Company Ltd.	b	78,706,847	305,961	303,085	-	-	0.19	157,413,695	Y	N	Y	
		TCC Anshun Cement Company Limited	b	78,706,847	655,631	649,467	-	-	0.41	157,413,695	Y	N	Y	
TCC Huaihua Cement Company Limited	b	78,706,847	830,465	822,658	-	-	0.52	157,413,695	Y	N	Y			
TCC Jingzhou Cement Company Limited	b	78,706,847	262,252	259,787	-	-	0.17	157,413,695	Y	N	Y			
4	TCC (Guigang) Cement Ltd.	Guigang Conch - TCC New Material Technology Co., Ltd.	f	14,088,140	129,893	129,893	86,596	-	0.46	28,176,279	N	N	Y	
5	TCC Dutch	NHOA S. A.	b	13,343,834	1,098,599	1,034,520	1,034,520	1,034,520	3.88	26,687,668	Y	N	N	
		NHOA AUSTRALIA PTY LTD	b	13,343,834	2,510,232	2,510,232	2,510,232	-	9.41	26,687,668	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.
- 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 the limit for other the endorsers/guarantors was the net equity in their respective latest financial statements.

(Continued)

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, 2021
(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, 2021				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	\$ 106,063	-	\$ 106,063	
	Taiwan Television Enterprise, Ltd.	The Corporation serves as supervisor	FVTPL - current	13,573	107,225	-	107,225	
	Chinatrust Financial Holding Co., Ltd.	-	FVTPL - current	3,576	92,787	-	92,787	
	China Hi-Ment Corporation	The Corporation serves as director	FVTOCI - current	30,196	1,369,396	-	1,369,396	
	Taishin Financial Holding Co., Ltd.	-	FVTOCI - current	66,766	1,265,211	-	1,265,211	
	CTCI Corporation	The Corporation serves as director	FVTOCI - current	9,054	336,822	-	336,822	
	Chia Hsin Cement Corporation	Directors	FVTOCI - current	27,419	568,953	-	568,953	
	O-Bank	The Corporation serves as director	FVTOCI - current	32,809	262,470	-	262,470	
	IBT II Venture Capital Corporation	-	FVTOCI - non-current	2,626	14,509	8.3	14,509	
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	29,553	1,177,376	9.4	1,177,376	
	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	55,698	6,002,580	6.6	6,002,580	
	Excel Corporation	-	FVTOCI - non-current	600	-	9.5	-	
	Privately placed shares - Phihong Technology Co., Ltd.	-	FVTOCI - non-current	37,520	1,255,794	9.998	1,255,794	
		<u>Convertible preference shares</u>						
		O-Bank	The Corporation serves as director	FVTOCI - current	2,956	29,854	-	29,854
Taiwan Transport & Storage Corporation	<u>Ordinary shares</u>							
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	8,632	179,104	-	179,104	
TCC Investment Corporation	<u>Ordinary shares</u>							
	O-Bank	The Corporation serves as director	FVTOCI - current	24,214	193,714	-	193,714	21,000 thousand shares were pledged
	Taishin Financial Holding Co., Ltd.	-	FVTOCI - current	12,772	242,025	-	242,025	
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	8,334	172,929	-	172,929	7,000 thousand shares were pledged
	China Conch Venture Holdings Limited	-	FVTOCI - non-current	11,110	1,502,260	-	1,502,260	
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	10,884	433,613	3.5	433,613	
	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	22,034	-	22,034	
Ta-Ho Maritime Corporation	<u>Ordinary shares</u>							
	Prosperity Dielectrics Co., Ltd.	-	FVTPL - current	951	57,738	-	57,738	
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	25,761	534,546	-	534,546	
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	6,612	263,409	2.1	263,409	
TCC Chemical Corporation	<u>Ordinary shares</u>							
	Taiwan Stock Exchange Corporation	The Corporation serves as director	FVTOCI - non-current	3,180	342,750	-	342,750	
Hoping Industrial Port Corporation	<u>Ordinary shares</u>							
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	10,444	416,077	3.3	416,077	
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, 2021				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	29,493	\$ 558,895	-	\$ 558,895	
	CTCI Corporation	The Corporation serve as director	FVTOCI - current	13,365	497,190	-	497,190	
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	7,441	154,400	-	154,400	
	Videoland Inc.	-	FVTOCI - non-current	6,437	304,878	5.6	304,878	
TCCI (Group)	<u>Ordinary shares</u>							
	Anhui Conch Cement Co., Ltd.	-	FVTOCI - non-current	116,568	16,113,608	-	16,113,608	
	Yargoan Co., Ltd.	-	FVTOCI - non-current	19	-	12.5	-	

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 9 and 10 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 NT\$300 MILLION OR 20% OF THE SHARE CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(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	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 Taiwan Prosperity Chemical Corporation	Investments accounted for using the equity method	Note 1	Subsidiary	93,857	\$ 734,888	38,103 (Note 1)	\$ 685,845 (Note 1)	131,960	\$ 2,800,000 (Note 2)	\$ 2,278,586 (Note 2)	\$ 521,414 (Note 2)	\$ 857,853 (Note 3)	-	\$ -
	TCC Energy Storage Technology Corporation	Investments accounted for using the equity method	-	Subsidiary	100	984	200,500	2,005,000	-	-	-	-	(26,917) (Note 3)	200,600	1,979,067 (Note 8)
	TCC Recycle Energy Technology Company	Investments accounted for using the equity method	-	Subsidiary	117,364	1,244,337	923,289	9,232,894	-	-	-	-	(143,600) (Note 8)	1,040,653	10,333,631
	TCC Green Energy Corporation	Investments accounted for using the equity method	-	Subsidiary	320,899	3,149,254	630,000	6,300,000	-	-	-	-	(69,675) (Note 3)	950,899	9,379,579 (Note 8)
	Phihong Technology Co., Ltd.	FVTOCI - non-current	-	-	-	-	37,520 (Note 7)	1,510,555 (Note 7)	-	-	-	-	(254,761) (Note 5)	37,520	1,255,794
TCC Investment Corporation	China Conch Venture Holdings Limited	FVTOCI - non-current	-	-	28,000	3,877,219	-	-	16,890	2,182,067	2,182,067 (Note 4)	-	(192,892) (Note 5)	11,110	1,502,260
Ta-Ho Maritime Corporation	Ta-Ho Maritime Holdings Ltd.	Investments accounted for using the equity method	-	Subsidiary	19,300	4,665,395	25,000	695,250	-	-	-	-	90,747 (Note 3)	44,300	5,451,392 (Note 8)
TCC Green Energy Corporation	TCC Chia-Chien Green Energy Corporation	Investments accounted for using the equity method	-	Subsidiary	100,200	930,205	130,000	1,300,000	-	-	-	-	(48,901) (Note 3)	230,200	2,181,304 (Note 8)
	TCC Lien-Hsin Green Energy Corporation	Investments accounted for using the equity method	-	Subsidiary	1,200	9,051	400,000	4,000,000	-	-	-	-	(1,707) (Note 3)	401,200	4,007,344 (Note 8)
Ta-Ho Maritime Holdings Ltd.	THC International S.A.	Investments accounted for using the equity method	-	Subsidiary	39,310	3,725,099	25,000	695,250	-	-	-	-	8,423 (Note 3)	64,310	4,428,772 (Note 8)
TCC Dutch	TCEH	Investments accounted for using the equity method	-	Subsidiary	-	-	75,001	10,627,883	-	-	-	-	(1,131,425) (Note 3)	75,001	9,496,458 (Note 8)
TCEH	NHOA S.A.	Investments accounted for using the equity method	Note 6	Subsidiary	-	-	16,635	7,595,278	-	-	-	-	(920,917) (Note 3)	16,635	6,674,361 (Note 8)
TCC Yingde Cement Co., Ltd.	Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.	Investments accounted for using the equity method	-	Associates	-	-	-	699,477	-	-	-	-	(28,743) (Note 3)	-	670,734
TCC (Gui Gang) Cement Ltd.	Guigang TCC Dong Yuan Environmental Technology Company Limited	Investments accounted for using the equity method	-	Subsidiary	-	570,171	-	355,276	-	-	-	-	(17,164) (Note 3)	-	908,283 (Note 8)
NHOA S.A.	NHOA ENERGY S.R.L.	Investments accounted for using the equity method	-	Subsidiary	-	-	-	1,002,240	-	-	-	-	1,326,589 (Note 3)	1,000	2,328,829 (Note 8)
NHOA ENERGY S.R.L.	NHOA AUSTRALIA PTY LTD	Investments accounted for using the equity method	-	Subsidiary	-	-	25,200	505,225	-	-	-	-	428 (Note 3)	25,210	505,653 (Note 8)
TCC Recycle Energy Technology Company	E-One Moli Energy Corp.	Investments accounted for using the equity method	-	Subsidiary	566,311	5,105,395	1,000,000	10,000,000	-	-	-	-	(340,700) (Note 3)	1,566,311	14,764,695 (Note 8)
E-One Moli Energy Corp.	Molie Quantum Energy Corporation	Investments accounted for using the equity method	-	Subsidiary	-	-	1,000,100	10,001,000	-	-	-	-	(79,844) (Note 3)	1,000,100	9,921,156 (Note 8)

Note 1: Purchase 34,787 thousand shares for NT\$626,345 thousand from unrelated parties and 3,316 thousand shares for NT\$59,500 thousand from subsidiaries.

Note 2: On March 19, 2021, the board of directors of the Corporation approved to sell 100% of the total issued shares of Taiwan Prosperity Chemical Corporation, for the total consideration of NT\$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 NT\$400,000 thousand to TCC Chemical Corporation as the consideration of the termination. The Group completed its disposition and lost control on August 17, 2021. Refer to Note 28.

Note 3: Including the profit and loss parts of subsidiaries recognized under the equity method and adjustments to shareholder's equity.

Note 4: Including accumulated gain from retained earnings in the amount of NT\$1,029,880 thousand which is reclassified from unrealized gain on financial assets at FVTOCI due to disposal.

Note 5: Unrealized loss on financial assets at FVTOCI in this period.

Note 6: Purchase 7,722 thousand shares for NT\$4,391,545 thousand from Engie SA Group, acquire 596 thousand shares for NT\$329,447 thousand from open market and acquire 8,317 thousand shares for NT\$2,874,286 from NHOA S.A. issuance of ordinary shares for cash.

Note 7: The subscription of 37,520 thousand shares of Phihong Technology Co., Ltd. was via private placement for consideration of \$1,510,555 thousand. After the private placement, the Corporation owns 9.9998% of shares of Phihong Technology Co., Ltd. The private placement of ordinary shares may not be transferred to others within 3 years under the relevant laws and regulations.

Note 8: All intercompany transactions have been eliminated upon consolidation.

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Taiwan Cement Corporation	Factory expansion construction	2021.9.27	\$ 3,347,752	By negotiation	CTCI Resources Engineering Inc.	The Group acts as key management of its parent company	-	-	-	\$ -	Negotiated price	For operating purpose	None
Molie Quantum Energy Corporation	Factory expansion construction	2021.5.1	407,300	By negotiation	CTCI Corporation	The Group acts as key management personnel	-	-	-	-	Negotiated price	For operating purpose	None
	Factory expansion construction	2021.8.20	466,034	By negotiation	Ruentex Engineering & Construction Co., Ltd.	-	-	-	-	Negotiated price	For operating purpose	None	
	Factory expansion construction	2021.10.20	3,996,379	By negotiation	Ruentex Engineering & Construction Co., Ltd.	-	-	-	-	Negotiated price	For operating purpose	None	
	Factory expansion construction	2021.10.20	3,900,000	By negotiation	CTCI Smart Engineering Corp.	The Group acts as key management of its parent company	-	-	-	-	Negotiated price	For operating purpose	None

Note: The acquisition of certain real estate by the Corporation from CTCI Resources Engineering Inc. and the acquisition of certain real estate by Molie Quantum Energy Corporation from CTCI Corporation and CTCI Smart Engineering Corporation fall into the definition of "The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property on the company's own land or on rented land"; therefore, Articles 16 and 17 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies are not applicable to such acquisition.

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, 2021
 (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
Ta-Ho RSEA Environment Co., Ltd.	The Linnei Incinerator related land and other fixed assets in Yunlin County	2021.4	2002.11.27 - 2007.2.28	\$ 2,930,475	\$ 3,382,519	Has received arbitration award and successive payments	\$ 452,044	Yunlin County Government	-	Assets have been transferred in accordance with the arbitration award issued by the Chinese Arbitration Association, Taipei (Ref. No. (95) Zhong-Sheng-Xin-Zi-104)	Arbitration award issued by the Chinese Arbitration Association, Taipei (Ref. No. (95) Zhong-Sheng-Xin-Zi-104)	-

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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, 2021
(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	\$ (510,840)	(2)	30 days	\$ -	-	\$ 153,226	24	Note 2
	HKCCL	Subsidiary	Purchases	205,556	1	30 days	-	-	(26,178)	(2)	Note 2
			Sales	(514,564)	(2)	65 days counting from the completion of shipment	-	-	75,968	12	Note 2
	TCCIH	Subsidiary	Service revenue	(442,400)	(2)	By contract	-	-	37,491	6	Note 2
	E.G.C. Cement Corporation	Subsidiary	Sales	(584,966)	(2)	50 days counting from the completion of shipment	-	-	166,785	26	Note 2
			Ta-Ho Maritime Corporation	Subsidiary	Purchases	1,789,482	9	30 days	-	-	(541,421)
	Jin Chang Minerals Corporation	Subsidiary	Purchases	685,546	4	30 days	-	-	(126,091)	(10)	Note 2
	Taiwan Transport & Storage Corporation	Subsidiary	Purchases	667,116	4	30 days	-	-	(144,048)	(11)	Note 2
	Hoping Industrial Port Corporation	Subsidiary	Purchases	584,056	3	20 days	-	-	(51,639)	(4)	Note 2
	Ho Sheng Mining Co., Ltd.	Subsidiary	Purchases	323,826	2	30 days	-	-	(59,956)	(5)	Note 2
	Kuan-Ho Refractories Industry Corporation	Subsidiary	Purchases	201,457	1	By contract	-	-	(104,104)	(8)	Note 2
	Chia Hsin Cement Corporation	Director of the Corporation	Sales	(692,930)	(3)	65 days counting from the completion of shipment	-	-	123,932	19	
	China Hi-Ment Corporation	The Corporation serves as director	Sales	(156,187)	(1)	60 days	-	-	41,592	6	
			Purchases	788,935	4	60 days	-	-	(242,055)	(18)	
Ho-Ping Power Company	Hoping Industrial Port Corporation	The same parent company	Purchases	1,072,459	14	20 days	-	-	(27,457)	(23)	Note 2
	HPC Power Service Corporation	The same parent company	Purchases	493,623	6	By contract	-	-	(88,671)	(74)	Note 2
Hoping Industrial Port Corporation	Taiwan Cement Corporation	Parent company	Sales	(584,056)	(34)	20 days	-	-	51,639	62	Note 2
	Ho-Ping Power Company	The same parent company	Sales	(1,072,459)	(62)	20 days	-	-	27,457	33	Note 2
	Taiwan Transport & Storage Corporation	The same parent company	Purchases	232,404	79	30 days	-	-	(20,991)	(84)	Note 2
E.G.C. Cement Corporation	Taiwan Cement Corporation	Parent company	Purchases	584,966	100	50 days counting from the completion of shipment	-	-	(166,785)	(100)	Note 2
Feng Sheng Enterprise Company Limited	Taiwan Cement Corporation	Parent company	Purchases	510,840	17	30 days	-	-	(153,226)	(100)	Note 2
			Sales	(205,556)	(6)	30 days	-	-	26,178	100	Note 2
Taiwan Transport & Storage Corporation	Taiwan Cement Corporation	Parent company	Sales	(667,116)	(38)	30 days	-	-	144,048	77	Note 2
	Hoping Industrial Port Corporation	The same parent company	Sales	(232,404)	(13)	30 days	-	-	20,991	11	Note 2
	Taiwan Prosperity Chemical Corporation (Note 3)	The same parent company	Sales	(205,653)	(16)	30 days	-	-	-	-	Note 2
	Linyuan Advanced Materials Technology Co., Ltd.	The same chairman	Sales	(161,258)	(9)	30 days	-	-	21,354	11	
Ta-Ho Maritime Corporation	Taiwan Cement Corporation	Parent company	Sales	(1,789,482)	(59)	30 days	-	-	541,421	99	Note 2
TCCIH	Taiwan Cement Corporation	Parent company	Service expense	442,400	100	By contract	-	-	(37,491)	(100)	Note 2
Ho Sheng Mining Co., Ltd.	Taiwan Cement Corporation	Parent company	Sales	(323,826)	(73)	30 days	-	-	59,956	73	Note 2
	Jin Chang Minerals Corporation	The same parent company	Sales	(119,973)	(27)	30 days	-	-	21,917	27	Note 2
HPC Power Service Corporation	Ho-Ping Power Company	The same parent company	Sales	(493,623)	(100)	By contract	-	-	88,671	100	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)	
Jin Chang Minerals Corporation	Taiwan Cement Corporation Ho Sheng Mining Co., Ltd.	Parent company The same parent company	Sales	\$ (685,546)	(100)	30 days	\$ -	-	\$ 126,091	100	Note 2
			Purchases	119,973	15	30 days	-	-	(21,917)	100	Note 2
Kuan-Ho Refractories Industry Corporation	Taiwan Cement Corporation	Parent company	Sales	(201,457)	(21)	By contract	-	-	104,104	90	Note 2
Da Tong (Guigang) International Logistics Co., Ltd.	TCC (Gui Gang) Cement Ltd.	The same ultimate parent company	Freight revenue	(527,350)	(94)	By negotiation	-	-	69,437	100	Note 2
Guigang Da-Ho Shipping Co., Ltd.	TCC (Gui Gang) Cement Ltd. TCC Yingde Cement Co., Ltd.	The same ultimate parent company The same ultimate parent company	Freight revenue	(457,778)	(39)	By negotiation	-	-	115,597	72	Note 2
			Freight revenue	(297,765)	(26)	By negotiation	-	-	34,027	21	Note 2
TCC (Gui Gang) Cement Ltd.	Da Tong (Guigang) International Logistics Co., Ltd. Guigang Da-Ho Shipping Co., Ltd.	The same ultimate parent company The same ultimate parent company	Purchases	527,350	7	By negotiation	-	-	(69,437)	(1)	Note 2
			Purchases	457,778	6	By negotiation	-	-	(115,597)	(1)	Note 2
TCC Yingde Cement Co., Ltd.	Guigang Da-Ho Shipping Co., Ltd.	The same ultimate parent company	Purchases	297,765	3	By negotiation	-	-	(34,027)	(1)	Note 2
HKCCL	Taiwan Cement Corporation Quon Hing Concrete Co., Ltd.	Parent company Associates	Purchases	514,564	76	65 days counting from the completion of shipment	-	-	(75,968)	(52)	Note 2
			Sales	(324,947)	(35)	By negotiation	-	-	126,567	44	
TCC Liaoning Cement Company Limited	Yantai Jinyu Jidong Cement Co., Ltd.	Related party in substance	Sales	(317,291)	(17)	By negotiation	-	-	-	-	
E-One Moli Energy Corp.	E-One Moli Energy (Canada) Ltd.	The same ultimate parent company	Sales	(829,981)	(19)	90 days	-	-	647,917	61	Note 2
E-One Moli Energy (Canada) Ltd.	E-One Moli Energy Corp.	The same ultimate parent company	Purchases	829,981	82	90 days	-	-	(647,917)	(64)	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.

Note 3: The Company has disposed of the ordinary shares of Taiwan Prosperity Chemical Corporation in August 2021. Refer to Note 28.

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE SHARE CAPITAL

DECEMBER 31, 2021

(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	\$ 153,226	3.8	\$ -	-	\$ 145,666	\$ -
	E.G.C. Cement Corporation (Note)	Subsidiary	166,785	3.8	-	-	166,785	-
	Chia Hsin Cement Corporation	Directors	123,932	7.0	-	-	123,932	-
Ta-Ho Maritime Corporation	Taiwan Cement Corporation (Note)	Parent company	541,421	4.0	-	-	366,755	-
Taiwan Transport & Storage Corporation	Taiwan Cement Corporation (Note)	Parent company	144,048	6.2	-	-	68,287	-
Jin Chang Minerals Corporation	Taiwan Cement Corporation (Note)	Parent company	126,091	10.3	-	-	126,091	-
Kuan-Ho Refractories Industry Corporation	Taiwan Cement Corporation (Note)	Parent company	104,104	2.1	-	-	76,516	-
Guigang Da-Ho Shipping Co., Ltd.	TCC (Gui Gang) Cement Ltd. (Note)	The same ultimate parent company	115,597	2.7	-	-	106,093	-
HKCCL	Quon Hing Concrete Co., Ltd.	Associates	126,567	2.7	-	-	25,965	-
E-One Moli Energy Corp.	E-One Moli Energy (Canada) Ltd. (Note)	The same ultimate parent company	647,917	1.3	-	-	221,440	-

Note: All intercompany transactions have been eliminated upon consolidation.

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2021	December 31, 2020	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	\$ 114,241,779	\$ 8,390,869	\$ 8,390,869	Note
	Ho-Ping Power Company	Taiwan	Thermal power generation	6,037,720	6,037,720	805,940,306	59.50	16,403,671	1,492,151	887,830	Note
	Hoping Industrial Port Corporation	Taiwan	Hoping Industrial Port management	3,198,500	3,198,500	319,990,000	100.00	5,865,242	817,162	829,082	Note
	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	528,506	528,506	161,511,550	64.79	2,831,185	371,172	240,472	Note
	Taiwan Prosperity Chemical Corporation	Taiwan	Processing and sale of chemical material	-	1,731,127	-	-	-	532,145	554,464	Note
	Taiwan Transport & Storage Corporation	Taiwan	Warehousing, transportation and sale of sand and gravel	90,863	90,863	48,689,888	83.85	2,093,912	210,996	176,911	Note
	TCC Investment Corporation	Taiwan	Investment	190,000	190,000	131,488,000	100.00	4,976,399	175,738	409,247	Note
	Ho Sheng Mining Co., Ltd.	Taiwan	Mining excavation	1,414,358	1,414,358	30,100,000	100.00	1,326,807	62,329	62,329	Note
	CCC USA Corp.	U.S.A.	Rubber raw materials	1,284,421	1,284,421	79,166	33.33	1,731,743	279,366	93,122	
	Taiwan Cement Engineering Corporation	Taiwan	Engineering services	320,514	320,373	59,681,501	99.20	719,091	88	1,468	Note
	ONYX Ta-Ho Environmental Services Co., Ltd.	Taiwan	Waste collection and treatment	72,000	72,000	58,828,112	50.00	1,220,989	891,422	445,711	
	Kuan-Ho Refractories Industry Corporation	Taiwan	Production and sale of refractory materials	181,050	181,050	38,925,750	95.29	599,906	90,974	86,688	Note
	Feng Sheng Enterprise Company	Taiwan	Sale of ready-mixed concrete	250,000	250,000	27,260,611	45.43	432,661	197,308	89,646	Note
	TCC Chemical Corporation	Taiwan	Leasing property and energy technology services	1,510,842	1,510,842	240,000,000	100.00	1,246,575	(527,110)	(527,110)	Note
	TCC Information Systems Corporation	Taiwan	Information software design	71,000	71,000	14,904,000	99.36	265,911	14,207	14,116	Note
	Ta-Ho RSEA Environment Co., Ltd.	Taiwan	Waste collection and treatment	666,000	666,000	39,960,000	66.60	599,889	618,638	412,013	Note
	HKCMCL	Hong Kong	Investment holding	72,005	72,005	38,094	84.65	459,780	65,831	55,729	Note
	TCC Green Energy Corporation	Taiwan	Renewable energy generation	9,446,046	3,146,046	950,898,696	100.00	9,379,579	(69,675)	(69,675)	Note
	Jin Chang Minerals Corporation	Taiwan	Afforestation and sale of limestone	108,042	18,042	9,100,000	100.00	175,885	(93,224)	(93,224)	Note
	HPC Power Service Corporation	Taiwan	Business consulting	1,861	1,861	6,000	60.00	121,105	202,000	121,200	Note
	E.G.C. Cement Corporation	Taiwan	Sale of cement	184,359	184,359	8,062,600	50.64	124,088	42,317	21,431	Note
	Synpac Ltd.	British Virgin Islands	Investment	70,367	70,367	2,700,000	25.00	6,328	(109)	(27)	
	Tung Chen Mineral Corporation	Taiwan	Afforestation and sale of limestone	1,989	1,989	19,890	99.45	1,226	(43)	(43)	Note
	TMC	Philippines	Mining excavation	11,880	11,880	119,997	72.70	-	-	-	Note
	TPMC	Philippines	Mining excavation	2,105	2,105	19,996	40.00	-	-	-	Note
	TCCIH	Cayman Islands	Investment holding	40,701,671	40,701,671	2,581,832,362	38.28	60,257,962	11,452,942	4,384,186	Note
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	3,563,397	3,563,397	153,476,855	15.59	5,642,349	3,383,221	527,296	
	TCC Dutch	Netherlands	Investment holding	29,695,730	29,695,730	838,370	100.00	24,496,751	761,420	761,420	Note
	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	10,423,119	1,190,225	1,040,652,886	63.26	10,333,631	(325,693)	(90,911)	Note
	TCCMOLI	Singapore	Investment holding	1,239	1,239	30,000	100.00	-	(79)	(79)	Liquidation process was in progress
	TCC Sustainable Energy Investment Corporation	Taiwan	Investment holding	1,000	1,000	100,000	100.00	912	(63)	(63)	Note
	TCC Energy Storage Technology Corporation	Taiwan	Energy storage equipment manufacturing production and sales	2,006,000	1,000	200,600,000	100.00	1,979,067	(26,917)	(26,917)	Note
	Tuo Shan Recycle Technology Company	Taiwan	Waste collection and treatment	1,000	-	100,000	100.00	955	(45)	(45)	Note

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2021	December 31, 2020	Shares/Units (In Thousands)	%	Carrying Amount			
Taiwan Transport & Storage Corporation	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	\$ 303,432	\$ 301,524	72,925	29.25	\$ 1,278,320	\$ 371,172	\$ 108,558	Note
	E.G.C. Cement Corporation	Taiwan	Sale of cement	136,476	136,476	7,857	49.36	150,312	42,317	20,886	Note
	Tai-Jie Transport & Storage Corporation	Taiwan	Transportation	25,000	25,000	2,500	100.00	39,290	12,140	12,140	Note
TCC Investment Corporation	Union Cement Traders Inc.	Taiwan	Import and export trading	219,450	219,450	27,783,000	100.00	1,126,605	72,218	72,218	Note
	Ho-Ping Power Company	Taiwan	Thermal power generation	68,911	68,911	6,772,608	0.50	134,379	1,492,151	7,461	Note
	Taiwan Prosperity Chemical Corporation	Taiwan	Processing and sale of chemical material	-	10,528	-	-	-	532,145	(174)	Note
	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	343	343	46,711	0.02	819	371,172	69	Note
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	388,079	388,079	22,008,505	2.23	802,736	3,383,221	75,614	
	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	312,833	312,833	31,859,829	1.94	215,527	(325,693)	(11,437)	Note
Ta-Ho Maritime Corporation	Ta-Ho Maritime Holdings Ltd.	Samoa	Investment	1,244,914	549,664	44,300,000	100.00	5,451,392	205,911	205,911	Note
TCC Information Systems Corporation	Taicem Information (Samoa) Pte., Ltd.	Samoa	Investment	3,042	3,042	100,000	100.00	51,557	2,670	2,670	Note
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	49,882	49,882	2,055,473	0.21	75,012	3,383,221	7,062	
Hoping Industrial Port Corporation	Taiwan Prosperity Chemical Corporation	Taiwan	Processing and sale of chemical material	-	104,929	-	-	-	532,145	(1,765)	Note
	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	112,898	112,898	11,695,699	0.71	79,120	(325,693)	(4,233)	Note
Union Cement Traders Inc.	Taiwan Transport & Storage Corporation	Taiwan	Warehousing, transportation and sale of sand and gravel	2,612	2,612	389,418	0.67	16,747	210,996	1,415	Note
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	281,806	281,806	11,463,551	1.16	418,351	3,383,221	39,385	
	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	298,046	298,046	30,702,994	1.87	207,702	(325,693)	(11,021)	Note
TCC Recycle Energy Technology Company	E-One Moli Energy Corp.	Taiwan	Manufacturing and sales of Lithium battery	15,683,427	5,683,427	1,566,310,703	100.00	14,764,695	(321,476)	(321,476)	Note
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	441,098	68,811	68,811	Note
	Molie Quantum Energy Corporation	Taiwan	Manufacturing and sales of batteries, power generation machinery and electronic components	10,001,000	-	1,000,100,000	100.00	9,921,156	(79,844)	(79,844)	Note
E-One Holdings Ltd.	E-One Moli Holdings (Canada) Ltd.	Canada	Investment holding	2,430,170	2,430,170	23,800	100.00	441,081	68,818	68,818	Note
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	441,048	68,816	68,816	Note
Ho-Ping Power Company	Ho-Ping Renewable Energy Company	Taiwan	Renewable energy generation	1,000	1,000	100,000	100.00	994	(3)	(3)	Note

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2021	December 31, 2020	Shares/Units (In Thousands)	%	Carrying Amount			
TCC Green Energy Corporation	TCC Chia-Chien Green Energy Corporation	Taiwan	Renewable energy generation	\$ 2,302,000	\$ 1,002,000	230,200,000	100.00	\$ 2,181,304	\$ (48,901)	\$ (48,901)	Note
	TCC Yun-Kai Green Energy Corporation	Taiwan	Renewable energy generation	25,000	25,000	2,500,000	100.00	22,083	(181)	(181)	Note
	TCC Lien-Shen Green Energy Corporation	Taiwan	Renewable energy generation	4,012,000	12,000	401,200,000	100.00	4,007,344	(1,706)	(1,706)	Note
	TCC Chang-Ho Green Energy Corporation	Taiwan	Renewable energy generation	2,456	2,456	245,635	100.00	2,376	(34)	(34)	Note
	TCC Kao Cheng Green Energy Corporation	Taiwan	Renewable energy generation	82,000	82,000	8,200,000	100.00	84,214	2,464	2,464	Note
	TCC Nan Chung Green Energy Corporation	Taiwan	Renewable energy generation	170,000	170,000	17,000,000	100.00	169,450	1,195	1,195	Note
	Chang-Wang Wind Power Co., Ltd.	Taiwan	Renewable energy generation	720,000	720,000	72,000,000	100.00	696,603	27,685	27,685	Note
	TCC Ping-Zhi Green Energy Corporation	Taiwan	Renewable energy generation	2,000	2,000	200,000	100.00	1,883	(34)	(34)	Note
	Chia-Ho Green Energy Corporation	Taiwan	Renewable energy generation	100,000	50,000	10,000,000	100.00	67,292	(32,332)	(32,332)	Note
	TCC Tung-Li Green Energy Corporation	Taiwan	Renewable energy generation	150,000	-	15,000,000	100.00	143,965	(6,035)	(6,035)	Note
Ta-Ho Maritime Holdings Ltd.	THC International S.A.	Panama	Marine transportation	1,814,799	1,119,549	64,310,000	100.00	4,428,772	117,694	117,694	Note
	Ta-Ho Maritime (Hong Kong) Limited	Hong Kong	Marine transportation	141,168	145,248	5,100,000	100.00	947,044	89,629	89,629	Note
	Ta-Ho Maritime (Singapore) Pte. Ltd.	Singapore	Marine transportation	2,768	2,848	100,000	100.00	65,878	(1,120)	(1,120)	Note
TCC International Ltd. (Group)	Quon Hing Concrete Co., Ltd.	Hong Kong	Investment holding	157,899	163,415	100,000	50.00	149,229	48,788	24,394	
	Hong Kong Concrete Co., Ltd.	Hong Kong	Cement processing services	24,211	25,057	129,150	31.50	142,636	(12,679)	(3,994)	
TCC Dutch	Cimpor Global Holdings B.V.	Netherlands	Holding company	26,255,753	27,014,590	100,000	40.00	25,112,660	3,400,061	1,265,472	
	TCEH	Netherlands	Investment holding	10,627,883	-	75,001,000	100.00	9,496,458	(240,073)	(240,073)	Note
TCEH	NHOA S.A.	France	Investment holding	7,595,278	-	16,635,102	65.15	6,674,361	(298,915)	(190,160)	Note
NHOA S.A.	NHOA ENERGY S.R.L.	Italy	Renewable energy and energy storage system construction	1,002,240	-	1,000,000	100.00	2,328,829	(296,231)	(296,231)	Note
	ELECTRO POWER SYSTEM MANUFACTURING	Italy	Renewable energy and energy storage system construction	664,059	-	1,004,255	100.00	127,040	9,567	9,567	Note
	Comores Énergie Nouvelles S.A.R.L.	Union of the Comoros	Renewable energy and energy storage system construction	305	-	60	60.00	11,508	(2,060)	(1,236)	Note
NHOA ENERGY S.R.L.	FREE2MOVE ESOLUTIONS S.P.A.	Italy	Electric vehicle charging equipment	528,255	-	16,344,531	49.90	511,911	(2,293)	(1,144)	Note
	NHOA AMERICAS LLC	U.S.A.	Renewable energy and energy storage system construction	274	-	10,000	100.00	5,946	(11,769)	(11,769)	Note
	NHOA AUSTRALIA PTY LTD.	Australia	Renewable energy and energy storage system construction	505,225	-	25,210,000	100.00	505,653	1,751	1,751	Note
	ATLANTE SRL	Italy	Renewable energy and charging equipment	78,136	-	10,000	100.00	66,085	(12,051)	(12,051)	Note

Note: All intercompany transactions have been eliminated upon consolidation.

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021
(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, 2021 (Note 2)	Investment Flow (Note 2)		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021 (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, 2021 (Note 3)	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outflow	Inflow							
TCC Fuzhou Cement Co., Ltd.	Manufacturing and sale of cement	\$ 449,800	(b)	\$ 254,137	\$ -	\$ -	\$ 254,137	\$ 66,300	100.00	\$ 66,300	\$ 1,003,138	\$ -	Note 6
TCC Fuzhou Yangyu Port Co., Ltd.	Service of port facility	138,400	(b)	78,196	-	-	78,196	27,159	100.00	27,159	301,052	-	Note 6
TCC Liuzhou Construction Materials Company Limited	Manufacturing and sale of slag powder	373,680	(b)	89,683	-	-	89,683	110,955	42.00	46,601	398,103	-	Note 6
TCC Yingde Cement Co., Ltd.	Manufacturing and sale of cement	7,041,792	(b)	4,400,040	-	-	4,400,040	3,418,435	100.00	3,418,435	33,473,137	-	Note 6
Jurong TCC Cement Co., Ltd.	Manufacturing and sale of cement	6,449,440	(b)	3,764,342	-	-	3,764,342	2,117,136	100.00	2,117,136	17,526,439	-	Note 6
TCC (Gui Gang) Cement Ltd.	Manufacturing and sale of cement	9,214,005	(b)	6,590,605	-	-	6,590,605	1,566,776	100.00	1,566,776	28,176,279	-	Note 6
Jiangsu TCC Investment Co., Ltd.	Investment holding	1,384,000	(b)	781,960	-	-	781,960	968,262	100.00	968,262	3,902,650	-	Note 6
Yingde Dragon Mountain Cement Co., Ltd.	Manufacturing and sale of cement	1,859,710	(b)	3,006,965	-	-	3,006,965	1,990,720	100.00	1,990,720	17,231,540	-	Note 6
TCC Liaoning Cement Company Limited	Manufacturing and sale of cement	1,611,624	(b)	1,234,016	-	-	1,234,016	103,886	100.00	103,886	1,837,965	-	Note 6
TCC Anshun Cement Company Limited	Manufacturing and sale of cement	4,248,603	(b)	3,095,343	-	-	3,095,343	307,816	100.00	307,816	7,224,247	-	Note 6
TCC Chongqing Cement Company Limited	Manufacturing and sale of cement	3,266,240	(b)	2,361,695	-	-	2,361,695	953,698	100.00	953,698	9,366,636	-	Note 6
Guangan Changxing Cement Company Ltd.	Manufacturing and sale of cement	2,131,083	(b)	1,547,184	-	-	1,547,184	540,719	100.00	540,719	5,953,441	-	Note 6
TCC (Dong Guan) Cement Company Ltd.	Manufacturing and sale of cement	553,600	(b)	312,784	-	-	312,784	(3,121)	100.00	(3,121)	310,701	-	Note 6
Guizhou Kong On Cement Company Limited	Manufacturing and sale of cement	561,904	(b)	253,277	-	-	253,277	(66,042)	65.00	(42,927)	416,311	-	Note 6
TCC New (Hangzhou) Management Company Limited	Operation management	221,440	(b)	125,114	-	-	125,114	(106,656)	100.00	(106,656)	67,734	-	Note 6
Guizhou Kaili Rui An Jian Cai Co., Ltd.	Manufacturing and sale of cement	1,692,685	(b)	990,235	-	-	990,235	(13,852)	100.00	(13,852)	3,710,029	-	Note 6
TCC Shaoguan Cement Co., Limited	Manufacturing and sale of cement	1,912,688	(b)	1,792,280	-	-	1,792,280	(122,314)	100.00	(122,314)	1,797,647	-	Note 6
TCC Huaying Cement Company Limited	Manufacturing and sale of cement	4,126,279	(b)	2,841,485	-	-	2,841,485	(74,298)	100.00	(74,298)	3,638,769	-	Note 6
TCC Huaihua Cement Company Limited (Note 4)	Manufacturing and sale of cement	1,303,200	(b)	5,201,600	-	-	5,201,600	271,348	100.00	271,348	4,855,411	-	Note 6
TCC Jingzhou Cement Company Limited (Note 4)	Manufacturing and sale of cement	651,600	(b)	-	-	-	-	128,140	100.00	128,140	2,232,148	-	Note 6
TCC Huaihua Concrete Company Limited (Note 4)	Sale of ready-mixed concrete	43,440	(b)	-	-	-	-	(10,863)	100.00	(10,863)	32,152	-	Note 6
TCC Jiangsu Mining Industrial Company Limited	Mining excavation	110,720	(b)	346,191	-	-	346,191	28,434	100.00	28,434	343,568	-	Note 6
TCC Yingde Mining Industrial Company Limited	Mining excavation	318,320	(b)	250,439	-	-	250,439	(27,110)	100.00	(27,110)	359,567	-	Note 6
TCC Guigang Mining Industrial Company Limited	Mining excavation	138,400	(b)	119,540	-	-	119,540	5,023	100.00	5,023	386,190	-	Note 6
Scitus Naxi Cement Co., Ltd.	Manufacturing and sale of cement	636,439	(b)	-	-	-	-	16,862	100.00	16,862	582,024	-	Note 6
Scitus Luzhou Cement Co., Ltd.	Manufacturing and sale of cement	1,715,880	(b)	-	-	-	-	276,918	100.00	276,918	3,391,476	-	Note 6
Scitus Hejiang Cement Co., Ltd.	Manufacturing and sale of cement	100,998	(b)	-	-	-	-	(988)	100.00	(988)	4,212	-	Note 6
Scitus Luzhou Concrete Co., Ltd.	Sale of ready-mixed concrete	108,600	(b)	-	-	-	-	(18,473)	100.00	(18,473)	94,879	-	Note 6
Anshun Xin Tai Construction Materials Company Limited	Filtering of sand and gravel and sale of ready-mixed concrete	65,160	(b)	84,573	-	-	84,573	227	100.00	227	63,248	-	Note 6
Fuzhou TCC Information Technology Co., Ltd. (Note 5)	Software product and equipment maintenance	2,768	(b)	2,955	-	-	2,955	3,698	100.00	3,698	17,110	39,372	Note 6
Da Tong (Guigang) International Logistics Co., Ltd. (Note 5)	Logistics and transportation	138,400	(b)	-	-	-	-	89,909	100.00	89,909	932,345	-	Note 6
Da Tong (Ying De) Logistics Co., Ltd. (Note 5)	Logistics and transportation	21,720	(b)	-	-	-	-	9,047	100.00	9,047	131,641	-	Note 6
Guigang Da-Ho Shipping Co., Ltd. (Note 5)	Marine transportation	17,376	(b)	-	-	-	-	58,221	100.00	58,221	527,926	-	Note 6
Prosperity Conch Cement Co., Ltd.	Manufacturing and sale of cement	2,519,520	(b)	2,026,077	-	-	2,026,077	5,517,279	25.00	1,379,320	7,680,842	-	Note 3
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Manufacturing and sale of cement	3,583,800	(b)	1,320,914	-	-	1,320,914	524,761	30.00	157,428	1,635,580	-	Note 3
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Manufacturing and sale of cement	1,792,248	(b)	639,646	-	-	639,646	458,503	30.00	137,551	866,291	-	Note 3
Sichuan Taichang Building Material Group Company Limited	Manufacturing and sale of cement	868,800	(b)	319,754	-	-	319,754	267,339	30.00	80,202	391,733	-	Note 6
Yingjing Xinan New material Co., Ltd.	Manufacturing and sale of cement	86,880	(b)	-	-	-	-	-	30.00	-	(165,871)	-	Note 6
Guangan Xin Tai Construction Materials Company Limited	Manufacturing and sale of concrete aggregate	67,332	(b)	43,653	-	-	43,653	-	50.00	-	-	-	Note 6
Guigang TCC Dong Yuan Environmental Technology Company Limited	Dangerous waste treatment	868,800	(b)	508,248	-	-	508,248	23,130	100.00	23,130	908,283	-	Note 6
Beijing TCC Environmental Technology Co., Ltd.	Technology development, enterprise management and sales	26,064	(b)	26,064	-	-	26,064	(42,536)	100.00	(42,536)	(63,239)	-	Note 6
TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	Environment, cement, business management consulting	3,040,800	(b)	3,040,800	-	-	3,040,800	(236,096)	100.00	(236,096)	2,381,283	-	Note 6
Kaili TCC Environment Technology Co., Ltd.	Waste collection and treatment	34,752	(b)	13,032	-	-	13,032	(89,664)	100.00	(89,664)	(65,572)	-	Note 6
TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd.	Technology development, enterprise management and sales	17,376	(b)	9,557	-	-	9,557	150	55.00	82	8,743	-	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, 2021 (Note 2)	Investment Flow (Note 2)		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021 (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, 2021 (Note 3)	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outflow	Inflow							
Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd.	Technology development, enterprise management consulting	\$ 38,010	(b)	\$ -	\$ -	\$ -	\$ -	\$ (9)	45.00	\$ (4)	\$ 33,114	\$ -	
TCC (Hangzhou) Recycle Resource Technology Environmental Limited	Resource recycling technology development, business management and sales	2,432,640	(b)	-	-	-	-	28,911	100.00	28,911	2,457,688	-	Note 6
Guigang Conch-TCC New Material Technology Co., Ltd	Technology development and service, Manufacturing and sale of dedicated chemical production	104,256	(b)	-	-	-	-	(12,585)	40.00	(5,034)	35,376	-	
Jurong TCC Environmental Co., Ltd.	Dangerous waste treatment	651,600	(b)	-	-	-	-	6,375	100.00	6,375	655,825	-	Note 6
Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.	Manufacturing and sale of cement, technology development, enterprise management and sales	1,737,600	(b)	-	-	-	-	(55,222)	40.00	(22,089)	670,734	-	
TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited	Resource recycling technology consultation, biomass energy technology and fuel sales, solid waste treatment	4,344	(b)	-	-	-	-	-	100.00	-	4,329	-	Note 6
TCC Yongren (Hangzhou) Environmental Technology Company Limited	Resource recycling technology consultation, solid waste treatment, biomass fuel sales	4,344	(b)	-	-	-	-	-	100.00	-	4,329	-	Note 6
TCC Yongren (Hangzhou) Renewable Resources Technology Company Limited	Resource reusing technology and development, solid waste treatment, biomass fuel processing and sales	4,344	(b)	-	-	-	-	-	100.00	-	4,329	-	Note 6
TCC Yongren (Hangzhou) Renewable Resources Development Company Limited	Resource regeneration technology research and development, solid waste treatment, biomass fuel processing and sales	4,344	(b)	-	-	-	-	-	100.00	-	4,329	-	Note 6
TCC (Shaoguan) Environment Technology Co., Ltd.	Biomass fuel processing and sales, solid waste treatment, urban and kitchen waste treatment	4,344	(b)	-	-	-	-	-	100.00	-	4,330	-	Note 6

Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$68,201,885	\$70,403,550	(Note 7)

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: For TCC Yingde Cement Co., Ltd., TCC (Gui Gang) Cement Ltd., TCC Anshun Cement Company Limited, TCC Chongqing Cement Company Limited, Jurong TCC Cement Co., Ltd., Yingde Dragon Mountain Cement Co., Ltd. and TCC Huaihua Cement Company Limited the carrying amounts and investment gains or losses are based on the reviewed financial statements, while all other entities are not.

Note 4: As of December 31, 2021, 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, 7, 8 and 11 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, 2021

(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	\$ 510,840	30 days	0.5
				Accounts receivable from related parties	153,226	30 days	-
		Taiwan Transport & Storage Corporation	1	Operating costs and expenses	205,556	30 days	0.2
				Operating costs and expenses	667,116	30 days	0.6
		Hoping Industrial Port Corporation	1	Accounts payable to related parties	144,048	30 days	-
				Operating costs and expenses	584,056	20 days	0.5
		Ho Sheng Mining Co., Ltd.	1	Operating costs and expenses	323,826	30 days	0.3
				Operating costs and expenses	685,546	30 days	0.6
		Jin Chang Minerals Corporation	1	Accounts payable to related parties	126,091	30 days	-
				Operating costs and expenses	201,457	By contract	0.2
		Kuan-Ho Refractories Industry Corporation	1	Accounts payable to related parties	104,104	By contract	-
				Operating costs and expenses	1,789,482	30 days	1.7
		Ta-Ho Maritime Corporation	1	Accounts payable to related parties	541,421	30 days	0.1
Operating revenue	584,966			50 days counting from the completion of shipment	0.5		
E.G.C. Cement Corporation	1	Accounts receivable from related parties	166,785	50 days counting from the completion of shipment	-		
		Lease liabilities - non-current	237,422	By contract	0.1		
TCCIH	1	Operating revenue	442,400	By contract	0.4		
		HKCCL	1	Operating revenue	514,564	65 days counting from the completion of shipment	0.5
1	Ho-Ping Power Company	Hoping Industrial Port Corporation	3	Operating costs and expenses	1,072,459	20 days	1.0
		HPC Power Service Corporation	3	Operating costs and expenses	493,623	By contract	0.5
2	Taiwan Transport & Storage Corporation	Taiwan Prosperity Chemical Corporation (Note 3)	3	Operating revenue	205,653	By contract	0.2
		Hoping Industrial Port Corporation	3	Operating revenue	232,404	30 days	0.2
3	Ho Sheng Mining Co., Ltd.	Jin Chang Minerals Corporation	3	Operating revenue	119,973	30 days	0.1
4	Da Tong (Guigang) International Logistics Co., Ltd.	TCC (Gui Gang) Cement Ltd.	3	Operating revenue	527,350	By negotiation	0.5
5	Guigang Da-Ho Shipping Co., Ltd.	TCC (Gui Gang) Cement Ltd.	3	Operating revenue	457,778	By negotiation	0.4
		TCC Yingde Cement Co., Ltd.	3	Accounts receivable from related parties	115,597	By negotiation	-
				Operating revenue	297,765	By negotiation	0.3

(Continued)

No.	Investee Company	Counterparty	Relationship (Note 1)	Transactions Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
6	E-One Moli Energy Corp.	E-One Moli Energy (Canada) Ltd.	3	Operating revenue	\$ 829,981	By negotiation	0.8
				Accounts receivable from related parties	647,917	By negotiation	0.1
7	Molie Quantum Energy Corporation	Taiwan Cement Corporation	2	Lease liabilities - non-current	710,484	By negotiation	0.2

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.

Note 3: The Corporation has disposal the equity of Taiwan Prosperity Chemical Corporation in August 2021, refer to Note 28.

(Concluded)

TAIWAN CEMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(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 25, 2022.

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 2022

New IFRSs	Effective Date Announced by IASB
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 1)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 2)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 3)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 are applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

As of the date the financial statements were authorized for issuance, 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.

- c. The New IFRSs issued by International Accounting Standards Board (IASB) but not yet endorsed and issued into effect by the FSC

<u>New IFRSs</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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
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, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 4)

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: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are 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 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be 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 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 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 Company acquires a subsidiary that does not constitute a business, the Company appropriately allocates the cost of acquisition to the Company'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 had 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.

1. 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. 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 gains or losses.

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's 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 cost 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 economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. 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>	
	2021	2020
Cash on hand	\$ 1,256	\$ 1,286
Checking accounts and demand deposits	12,884,624	5,478,962
Cash equivalents		
Time deposits with original maturities of less than 3 months	13,923,040	6,000,000
Bonds issued under repurchase agreements	<u>110,735</u>	<u>528,166</u>
	<u>\$ 26,919,655</u>	<u>\$ 12,008,414</u>

The market rate intervals of cash in banks and bonds issued under repurchase agreements at the end of the reporting period were as follows:

	<u>December 31</u>	
	2021	2020
Cash in banks	0.01%-0.25%	0.01%-0.39%
Bonds with repurchase agreements	0.30%	0.21%-0.40%

Financial assets at amortized cost are mainly time deposits with original maturities of more than 3 months:

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Current	\$ -	\$ 4,900,000
Non-current (included in other non-current assets)	<u>515,375</u>	<u>507,545</u>
	<u>\$ 515,375</u>	<u>\$ 5,407,545</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>	
	<u>2021</u>	<u>2020</u>
	0.10%-0.84%	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>	
	<u>2021</u>	<u>2020</u>
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Redemption options and put options of convertible bonds	\$ -	\$ 17,092
Non-derivative financial assets		
Domestic listed shares	198,850	171,613
Domestic emerging market shares	<u>107,225</u>	<u>101,931</u>
	<u>\$ 306,075</u>	<u>\$ 290,636</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>\$ 213,062</u>	<u>\$ -</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
<u>Current</u>		
Domestic investments		
Listed shares	\$ 3,802,852	\$ 3,374,595
Convertible preference shares	<u>29,854</u>	<u>30,002</u>
	<u>\$ 3,832,706</u>	<u>\$ 3,404,597</u>
<u>Non-current</u>		
Domestic investments		
Unlisted shares	\$ 7,203,461	\$ 5,653,008
Privately placed listed shares	<u>1,255,794</u>	<u>-</u>
	<u>\$ 8,459,255</u>	<u>\$ 5,653,008</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

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Notes receivable	\$ 1,131,803	\$ 1,171,973
Less: Allowance for impairment loss	<u>(10,938)</u>	<u>(10,938)</u>
	<u>1,120,865</u>	<u>1,161,035</u>
Accounts receivable	4,079,649	3,658,852
Less: Allowance for impairment loss	<u>(34,652)</u>	<u>(35,792)</u>
	<u>4,044,997</u>	<u>3,623,060</u>
	<u>\$ 5,165,862</u>	<u>\$ 4,784,095</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 and analysis of their current financial positions. The Corporation recognizes an allowance for impairment loss of 100% against past due receivables which have an 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 due. Where recoveries are made, these are recognized in profit or loss.

The aging analysis of receivables was as follows:

	<u>December 31</u>	
	2021	2020
Up to 90 days	\$ 5,108,039	\$ 4,682,113
91-180 days	35,521	78,266
181-365 days	11,077	4,410
Over 365 days	<u>11,225</u>	<u>19,306</u>
	<u>\$ 5,165,862</u>	<u>\$ 4,784,095</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:

	<u>For the Year Ended December 31</u>	
	2021	2020
Balance at January 1	\$ 46,730	\$ 47,573
Add: Net remeasurement of loss allowance	-	1,754
Less: Amounts written off	<u>(1,140)</u>	<u>(2,597)</u>
Balance at December 31	<u>\$ 45,590</u>	<u>\$ 46,730</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, the date the control of Taiwan Prosperity Chemical Corporation passed to the acquirer.

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. To coordinate with the discontinued operations presentation of income statement for the year ended December 31, 2021, the Corporation reclassified the income/loss of discontinued operations for the year ended December 31, 2020 and made the related period information of income statement more relevant. The profit (loss) from discontinued operations for the years ended December 31, 2021 and 2020 were \$1,073,939 thousand and \$(180,487) thousand, respectively.

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

	<u>December 31</u>	
	2021	2020
Finished goods	\$ 288,019	\$ 416,899
Work in process	379,555	307,655
Raw materials	610,786	250,702
Supplies	<u>362,177</u>	<u>254,488</u>
	<u>\$ 1,640,537</u>	<u>\$ 1,229,744</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2021 and 2020 was \$18,823,716 thousand and \$17,628,959 thousand, respectively. The cost of goods sold included reversal of write-downs of inventory \$26,213 thousand and \$0 thousand for 2021 and 2020, respectively.

Previous write-downs were reversed because slow moving inventories were sold.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<u>December 31</u>	
	2021	2020
Investments in subsidiaries	\$ 258,933,969	\$ 239,635,156
Investments in associates	<u>8,601,409</u>	<u>8,828,065</u>
	<u>\$ 267,535,378</u>	<u>\$ 248,463,221</u>

a. Investments in subsidiaries

	<u>December 31</u>	
	2021	2020
Listed company		
Taiwan Prosperity Chemical Corporation	\$ -	\$ 734,888
Unlisted companies		
TCC International Ltd. (“TCCI”)	114,241,779	111,330,984
TCC International Holdings Ltd. (“TCCIH”)	60,257,962	56,398,941
Taiwan Cement (Dutch) Holdings B.V. (TCC Dutch)	24,496,751	29,075,184
Ho-Ping Power Company	16,403,671	18,279,509
TCC Recycle Energy Technology Company	10,333,631	-
TCC Green Energy Corporation	9,379,579	3,149,254
Hoping Industrial Port Corporation	5,865,242	5,733,662
TCC Investment Corporation	4,976,399	4,624,367
Ta-Ho Maritime Corporation	2,831,185	2,684,377
Taiwan Transport & Storage Corporation	2,093,912	2,002,162
TCC Energy Storage Technology Corporation	1,979,067	984
Ho Sheng Mining Co., Ltd.	1,326,807	1,319,558
TCC Chemical Corporation	1,246,575	1,384,605
Taiwan Cement Engineering Corporation	719,091	720,745
Kuan-Ho Refractories Industry Corporation	599,906	513,065
Ta-Ho Onyx RSEA Environment Co., Ltd.	599,889	187,876

(Continued)

	December 31	
	2021	2020
Hong Kong Cement Manufacturing Co., Ltd. (“HKCMCL”)	\$ 459,780	\$ 419,033
Feng Sheng Enterprise Company	432,661	401,193
TCC Information Systems Corporation	265,911	251,518
Jin Chang Minerals Corporation	175,885	183,553
E.G.C. Cement Corporation	124,088	118,558
HPC Power Service Corporation	121,105	118,401
Tung Chen Mineral Corporation	1,226	1,269
Tuo Shan Recycle Technology Company	955	-
TCC Sustainable Energy Investment Corporation	912	975
TCCMOLI Holdings (Singapore) Pte. Ltd. (“TCCMOLI”)	-	495
	<u>\$ 258,933,969</u>	<u>\$ 239,635,156</u>
		(Concluded)

	Proportion of Ownership and Voting Rights	
	December 31	
	2021	2020
Listed company		
Taiwan Prosperity Chemical Corporation (Notes 1)	-	71.1%
Unlisted companies		
TCCI	100.0%	100.0%
TCCIH	38.3%	38.3%
TCC Dutch (Note 2)	100.0%	100.0%
Ho-Ping Power Company	59.5%	59.5%
TCC Recycle Energy Technology Company (Note 4)	63.3%	18.2%
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	83.9%	83.9%
TCC Energy Storage Technology Corporation (Note 3)	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%	-
TCC Sustainable Energy Investment Corporation (Note 3)	100.0%	100.0%
TCCMOLI (Note 3)	100.0%	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 31.1% of the ordinary shares of Taiwan Prosperity Chemical Corporation and the total amount was \$738,955 thousand in September 2020, and purchased 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 paid \$141 thousand and \$934 thousand to acquire the shares of Taiwan Cement Engineering Corporation in 2021 and 2020, respectively.
- Note 2: The Corporation invested \$90,000 thousand in the capital of Jin Chang Minerals Corporation and 6,300,000 thousand in the capital of TCC Green Energy Corporation in 2021. The Corporation invested \$224,758 thousand in the capital of Taiwan Cement Dutch in 2020.
- Note 3: The Corporation invested \$1,000 thousand in the establishments of Tuo Shan Recycle Technology Company and invested \$2,005,000 thousand in the capital of TCC Energy Storage Technology Corporation in 2021. The Corporation invested \$1,000 thousand in the establishments of TCC Energy Storage Technology Corporation and TCC Sustainable Energy Investment Corporation in 2020, respectively. TCCMOLI was in the process of liquidation at the end of December 2021.
- 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. Please refer to the notes of the consolidated financial statements for the year ended December 31, 2021.
- Note 5: Although the Corporation's percentages of ownership in Feng Sheng Enterprise Company and TPMC were all less than 50%, the Corporation still has control over those entities. Thus, Taiwan Prosperity Chemical Corporation, Feng Sheng Enterprise Company and TPMC are considered as subsidiaries of the Corporation.
- Note 6: Due to the recognition of investment losses in TMC and TPMC, credit balances of \$18,251 thousand and \$20,556 thousand were generated, which were recorded in other non-current liabilities as of December 31, 2021 and 2020, 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, 2021 and 2020 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	
	2021	2020
Associates that are not individually material		
International CSRC Investment Holdings Co., Ltd.	\$ 5,642,349	\$ 5,082,574
CCC USA Corporation	1,731,743	1,679,436
ONYX Ta-Ho Environmental Services Co., Ltd.	1,220,989	815,179
Synpac Ltd.	6,328	6,539
TCC Recycle Energy Technology Company	<u>-</u>	<u>1,244,337</u>
	<u>\$ 8,601,409</u>	<u>\$ 8,828,065</u>

c. Aggregate information of associates that are not individually material

Corporation Name	December 31	
	2021	2020
International CSRC Investment Holdings Co., Ltd. (Note 2)	15.6%	15.6%
CCC USA Corporation	33.3%	33.3%
ONYX Ta-Ho Environmental Services Co., Ltd.	50.0%	50.0%
Synpac Ltd.	25.0%	25.0%
TCC Recycle Energy Technology Company (Note 1)	-	18.2%

	December 31	
	2021	2020
The Corporation's share of:		
Net income for the period	\$ 1,034,362	\$ 485,019
Other comprehensive loss	<u>(847)</u>	<u>(226,606)</u>
Total comprehensive income for the period	<u>\$ 1,033,515</u>	<u>\$ 258,413</u>

Note 1: TCC Recycle Energy Technology Company increased capital in August 2021. Due to the non-subscription by the original shareholders of TCC Recycle Energy Technology Company, the shares held by the Group increased to 63.3% and the Group also obtained the right of control of TCC Recycle Energy Technology Company. Thus TCC Recycle Energy Technology Company was included in the consolidated entities from August 2021. Please refer to consolidated financial statements for the year ended December 31, 2021 for details.

Note 2: 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, 2021 and 2020 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, 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>
<u>Cost</u>						
Balance at January 1, 2020	\$ 18,128,832	\$ 15,878,193	\$ 20,115,917	\$ 3,776,904	\$ -	\$ 57,899,846
Additions	2,066,887	180,094	213,164	170,297	314,378	2,944,820
Disposals	(18,843)	(14,587)	(96,230)	(82,263)	-	(211,923)
Reclassification	<u>1,383,270</u>	<u>57,226</u>	<u>490,095</u>	<u>26,182</u>	<u>(34,135)</u>	<u>1,922,638</u>
Balance at December 31, 2020	<u>\$ 21,560,146</u>	<u>\$ 16,100,926</u>	<u>\$ 20,722,946</u>	<u>\$ 3,891,120</u>	<u>\$ 280,243</u>	<u>\$ 62,555,381</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2020	\$ 274,188	\$ 8,147,780	\$ 19,229,570	\$ 3,383,500	\$ -	\$ 31,035,038
Depreciation expenses	-	319,270	193,855	74,218	-	587,343
Disposals	-	(14,587)	(96,230)	(81,458)	-	(192,275)
Reclassification	<u>534,716</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>534,716</u>
Balance at December 31, 2020	<u>\$ 808,904</u>	<u>\$ 8,452,463</u>	<u>\$ 19,327,195</u>	<u>\$ 3,376,260</u>	<u>\$ -</u>	<u>\$ 31,964,822</u>
Carrying amount at December 31, 2020	<u>\$ 20,751,242</u>	<u>\$ 7,648,463</u>	<u>\$ 1,395,751</u>	<u>\$ 514,860</u>	<u>\$ 280,243</u>	<u>\$ 30,590,559</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 and were reconciled as follows:

	For the Year Ended December 31	
	2021	2020
Acquisitions of property, plant and equipment	\$ 3,875,928	\$ 2,944,820
Increase (decrease) in prepayments for equipment	(364,453)	123,460
Increase in payables for equipment	<u>(142,893)</u>	<u>(23,374)</u>
	<u>\$ 3,368,582</u>	<u>\$ 3,044,906</u>

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2021	2020
<u>Carrying amount</u>		
Land	\$ 328,930	\$ 200,458
Buildings	1,271,720	854,454
Machinery	450,559	224,582
Others	<u>40,896</u>	<u>34,697</u>
	<u>\$ 2,092,105</u>	<u>\$ 1,314,191</u>

	For the Year Ended December 31	
	2021	2020
Additions to right-of-use assets	<u>\$ 1,230,626</u>	<u>\$ 157,052</u>
Depreciation charge for right-of-use assets		
Land	\$ 83,449	\$ 75,222
Buildings	138,225	148,373
Machinery	96,435	103,293
Others	<u>16,595</u>	<u>13,157</u>
	<u>\$ 334,704</u>	<u>\$ 340,045</u>

b. Lease liabilities

	December 31	
	2021	2020
<u>Carrying amount</u>		
Current	<u>\$ 314,565</u>	<u>\$ 259,111</u>
Non-current	<u>\$ 1,806,283</u>	<u>\$ 1,071,273</u>

Range of discount rate for lease liabilities was as follows:

	<u>December 31</u>	
	2021	2020
Land	1.79%-1.85%	1.79%-1.85%
Buildings	1.79%-1.85%	1.85%
Machinery	1.85%-1.90%	1.85%-1.90%
Others	1.85%-1.90%	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

	<u>For the Year Ended December 31</u>	
	2021	2020
Expenses relating to short-term leases	<u>\$ 17,081</u>	<u>\$ 24,952</u>
Expenses relating to low-value asset leases	<u>\$ 1,375</u>	<u>\$ 56</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 36,298</u>	<u>\$ 37,018</u>
Total cash outflow for leases	<u>\$ (417,958)</u>	<u>\$ (390,657)</u>

The Corporation leases 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

	<u>December 31</u>	
	2021	2020
Land	\$ 2,494,241	\$ 2,494,241
Buildings	<u>910</u>	<u>9,108</u>
	<u>\$ 2,495,151</u>	<u>\$ 2,503,349</u>

The buildings of the investment properties are depreciated using the straight-line method over their estimated useful lives of 50 years. The Corporation transfers land used by the Corporation of \$848,554 thousand to property, plant and equipment in 2020.

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, 2021 and 2020, the fair values of investment properties were \$6,268,832 thousand and \$6,072,600 thousand, respectively.

16. BORROWINGS

a. Short-term loans

	<u>December 31</u>	
	2021	2020
Unsecured borrowings		
Bank loans - unsecured	\$ 24,748,000	\$ 23,048,000
Bank loans - letters of credit	<u>678,775</u>	<u>303,729</u>
	<u>\$ 25,426,775</u>	<u>\$ 23,351,729</u>
Interest rate	0.56%-0.95%	0.62%-0.98%

b. Short-term bills payable

	<u>December 31</u>	
	2021	2020
Commercial paper	\$ 1,900,000	\$ -
Less: Unamortized discount on bills payable	<u>2,292</u>	<u>-</u>
	<u>\$ 1,897,708</u>	<u>\$ -</u>
Interest rate	0.88%-0.93%	-

c. Long-term loans and long-term bills payable

	<u>December 31</u>	
	2021	2020
Syndicated loans	\$ 17,174,917	\$ 21,453,417
Less: Current portions	<u>6,450,000</u>	<u>4,300,000</u>
	<u>\$ 10,724,917</u>	<u>\$ 17,153,417</u>
Long-term bills payable	\$ 12,000,000	\$ 5,000,000
Less: Discount of bills payable	<u>17,921</u>	<u>8,673</u>
	<u>\$ 11,982,079</u>	<u>\$ 4,991,327</u>
Interest rate		
Syndicated loan	1.80%	1.79%
Long-term bills payable	1.19%	1.19%

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. The key terms and conditions are set forth below:

- 1) The credit facility of Tranche A is \$21.5 billion non-revolving credit line. The Corporation has fully utilized in 2019, respectively. Starting from March 2021, its principal shall be repaid equally in 5 semi-annual installments and shall mature in March 2023; interest shall be paid quarterly. As of December 31, 2021, the credit line was adjusted to \$17.2 billion, due to the amortization of the principal.

- 2) The credit facility of Tranche B which is the nature of long-term bills payable is \$21.5 billion and shall be fully drawn down on a revolving basis. The period of each actual drawdown can be at least 30 but not over 180 days, and the maturity date of each drawdown period shall not exceed the credit period. The final maturity date shall be in March 2023.

There were several financial limited terms of long-term loans and long-term bills payables as mentioned above. The Corporation had not violated them for the year ended December 31, 2021.

17. BONDS PAYABLE

	<u>December 31</u>	
	<u>2021</u>	<u>2020</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	<u>16,600,000</u>	<u>-</u>
	61,200,000	44,600,000
Less: Discount on bonds payable	<u>(110,690)</u>	<u>(83,620)</u>
	<u>61,089,310</u>	<u>44,516,380</u>
Overseas unsecured convertible bonds		
1 st issued in 2018	-	10,308,070
1 st issued in 2021	22,200,000	-
Less: Discount on bonds payable	<u>(1,762,865)</u>	<u>(927,080)</u>
	<u>20,437,135</u>	<u>9,380,990</u>
	<u>\$ 81,526,445</u>	<u>\$ 53,897,370</u>

On July 15, 2021, 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, 2021, 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.

b. Overseas unsecured convertible bonds

1) Overseas unsecured convertible bonds 1st issued in 2018

In June 2018, 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 July 25, 2018 (Ref. No. Jin-Guan-Zheng-Fa-Zi 10703258532). The bonds which have durations of 5 years were listed on the Singapore Stock Exchange on December 10, 2018. This zero-coupon overseas convertible bonds have a face value of US\$400,000 thousand.

Bondholders may request the Corporation to convert the bonds into the Corporation's ordinary shares at the price of NT\$41 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 2018 First Overseas Unsecured Convertible Bonds Issuance and Conversion Rules of the Corporation. The conversion price have been adjusted from NT\$41 per share to NT\$29.87 per share since August 18, 2021, i.e. the ex-dividend date. Bondholders can request the Corporation to convert the bonds at the fixed exchange rate of US\$1= NT\$30.878, which is to be divided by the conversion price per share on the conversion date. As of December 31, 2021, a total of 386,734 thousand shares had been converted.

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 3.27% per annum on initial recognition.

2) 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 durations of 5 years were listed on the Singapore Stock Exchange on December 7, 2021. This zero-coupon overseas convertible bonds 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 2018 First Overseas Unsecured Convertible Bonds Issuance and Conversion Rules of the Corporation. 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, 2021, no conversion had been requested.

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 October 2018 (less transaction costs of \$103,353 thousand)	\$ 12,247,847
Redemption of option derivatives (accounting for financial liabilities measured at FVTPL) and transaction costs	(159,222)
Equity component (less transaction costs allocated to the equity component of \$11,038 thousand)	<u>(1,308,070)</u>
Liability component at the date of issue (less transaction costs allocated to the liability component of \$90,971 thousand)	10,780,555
Interest charged at an effective interest rate	<u>374,463</u>
Liability component at December 31, 2019	11,155,018
Interest charged at an effective interest rate	358,292
Convertible bonds converted to ordinary shares (71,755 thousand shares has been converted)	<u>(2,132,320)</u>
Liability component at December 31, 2020	<u>9,380,990</u>
Interest charged at an effective interest rate	77,474
Convertible bonds converted to ordinary shares (314,979 thousand shares has been converted)	(9,458,464)
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 at the data of issue (less transaction costs 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	<u>\$ 20,437,135</u>

18. OTHER PAYABLES

	December 31	
	2021	2020
Salaries and bonuses payable	\$ 704,276	\$ 772,405
Payables for repairs	396,926	306,331
Interest payable	373,961	329,422
Payables for equipment	318,323	174,985
Freight payables	126,578	61,436
Taxes payable	111,633	149,629
Payables for electricity	87,330	76,059
Payables for rentals	28,128	34,541
Others	<u>406,490</u>	<u>295,142</u>
	<u>\$ 2,553,645</u>	<u>\$ 2,199,950</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	
	2021	2020
Present value of defined benefit obligation	\$ (650,977)	\$ (679,318)
Fair value of plan assets	<u>2,474,245</u>	<u>2,228,366</u>
Net defined benefit assets	<u>\$ 1,823,268</u>	<u>\$ 1,549,048</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, 2021	\$ (679,318)	\$ 2,228,366	\$ 1,549,048
Service costs			
Current service costs	(2,085)	-	(2,085)
Net interest income (expense)	<u>(2,547)</u>	<u>8,356</u>	<u>5,809</u>
Recognized in profit or loss	<u>(4,632)</u>	<u>8,356</u>	<u>3,724</u>
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	<u>2,083</u>	<u>-</u>	<u>2,083</u>
Recognized in other comprehensive income	<u>(8,767)</u>	<u>279,263</u>	<u>270,496</u>
Benefits paid	<u>41,740</u>	<u>(41,740)</u>	<u>-</u>
Balance at December 31, 2021	<u>\$ (650,977)</u>	<u>\$ 2,474,245</u>	<u>\$ 1,823,268</u>

(Continued)

	Present Value of Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Assets
Balance at January 1, 2020	\$ (688,627)	\$ 2,107,317	\$ 1,418,690
Service costs			
Current service costs	(2,428)	-	(2,428)
Net interest income (expense)	(4,304)	13,170	8,866
Recognized in profit or loss	(6,732)	13,170	6,438
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	145,435	145,435
Actuarial loss - changes in financial assumptions	(12,474)	-	(12,474)
Actuarial loss - experience adjustments	(9,041)	-	(9,041)
Recognized in other comprehensive income	(21,515)	145,435	123,920
Benefits paid	37,556	(37,556)	-
Balance at December 31, 2020	<u>\$ (679,318)</u>	<u>\$ 2,228,366</u>	<u>\$ 1,549,048</u> (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	
	2021	2020
Discount rates	0.50%	0.38%
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	
	2021	2020
Discount rates		
0.25% increase	<u>\$ (11,281)</u>	<u>\$ (12,475)</u>
0.25% decrease	<u>\$ 11,592</u>	<u>\$ 12,839</u>
Expected rates of salary increase		
0.25% increase	<u>\$ 11,200</u>	<u>\$ 12,388</u>
0.25% decrease	<u>\$ (10,958)</u>	<u>\$ (12,102)</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	
	2021	2020
The expected contributions to the plan for the next year	<u>\$ -</u>	<u>\$ -</u>
The average duration of the defined benefit obligation	7.3 years	7.8 years

20. EQUITY

a. Share capital

1) Ordinary shares

	December 31	
	2021	2020
Number of shares authorized (in thousands)	<u>7,000,000</u>	<u>7,000,000</u>
Shares authorized	<u>\$ 70,000,000</u>	<u>\$ 70,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>6,125,234</u>	<u>5,741,401</u>
Shares issued	<u>\$ 61,252,340</u>	<u>\$ 57,414,007</u>

A holder of issued ordinary shares with par value of NT\$10 is entitled to the proportional rights to vote and to receive dividends. The authorized include common shares and preferred shares containing 60,000 thousand units retained for the exercise of employee share options.

The Corporation's shareholders resolved to distribute share dividends of \$2,728,810 thousand in June 2020, respectively, which were approved by the FSC. The subscription base dates was August 18, 2020 as determined by the board of directors.

The Corporation changes in the number of issued shares included the conversion of convertible bonds and the distribution of share dividends.

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) Certificate of entitlement to new shares form convertible bonds

	December 31	
	2021	2020
Number of shares requested for conversion but change in registration has not yet been completed (in thousands)	<u>-</u>	<u>68,854</u>
Shares requested for conversion but change in registration has not yet been completed (in thousands)	<u>\$ -</u>	<u>\$ 688,542</u>

The Corporation would complete the related corporate registrations after the issuance of new shares on the base date of capital increase in accordance with the regulations.

b. Capital surplus

	December 31	
	2021	2020
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)</u>		
Issuance of ordinary shares	\$ 44,176,367	\$ 44,176,367
Conversion of bonds	10,540,825	3,174,361
Difference between the consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	22,400
Treasury share transactions	204,127	204,127
Donations	31,537	31,537
Forfeited share options	16,456	13,542
Exercised employee share options	7,652	564

(Continued)

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
<u>May only be used to offset a deficit (Note 2)</u>		
Changes in percentage of ownership interests in subsidiaries	\$ 114,834	\$ 116,238
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	1,064,769
Changes in interests in associates accounted for using the equity method	<u>325,339</u>	<u>316,035</u>
	<u>\$ 56,757,470</u>	<u>\$ 49,122,450</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 - employees' compensation 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 2020 and 2019 approved in the shareholders' general meetings in July 2021 and June 2020, respectively, were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (NT\$)</u>	
	<u>For the Year Ended December 31</u>		<u>For the Year Ended December 31</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Legal reserve	\$ 2,530,554	\$ 2,448,745		
Cash dividends on preference shares	350,000	350,000	<u>\$ 1.75</u>	<u>\$ 1.75</u>
Cash dividends on ordinary shares	20,594,434	13,644,048	<u>\$ 3.50</u> (Note 1)	<u>\$ 2.50</u> (Note 2)
Share dividends on ordinary shares	-	2,728,810	<u>\$ -</u>	<u>\$ 0.50</u> (Note 2)

Note 1: 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 \$3.36811984 per ordinary share.

Note 2: 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 \$2.50081632 per ordinary share and the share dividend was adjusted to \$0.50016326 per ordinary share.

As of February 25, 2022, the appropriation of earnings for 2021 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 \$0 thousand and \$9,202 thousand was reversed for the years ended December 31, 2021 and 2020, 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

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ (9,523,576)	\$ (11,660,261)
Share of profit (loss) exchange differences of subsidiaries and associates accounted for using the equity method	<u>(6,545,319)</u>	<u>2,136,685</u>
Balance at December 31	<u>\$ (16,068,895)</u>	<u>\$ (9,523,576)</u>

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 30,670,817	\$ 35,395,116
Recognized during the year		
Unrealized gain - equity instruments	1,723,801	111,999
Share from associates accounted for using the equity method	<u>(4,375,829)</u>	<u>(4,735,000)</u>
Other comprehensive loss recognized in the year	(2,652,028)	(4,623,001)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>(1,029,880)</u>	<u>(101,298)</u>
Balance at December 31	<u>\$ 26,988,909</u>	<u>\$ 30,670,817</u>

3) Cash flow hedges

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ (250)	\$ -
Recognized for the year		
Share from subsidiaries and associates accounted for using the equity method	250	(121)
Transferred to the initial carrying amount of hedged items	<u>-</u>	<u>(129)</u>
Balance at December 31	<u>\$ -</u>	<u>\$ (250)</u>

f. Treasury shares

(In Thousands of Shares)

	For the Year Ended December 31	
	2021	2020
Number of shares at January 1	11,522	8,000
Increase during the period	-	4,000
Transferred to employees	<u>(2,461)</u>	<u>(478)</u>
Number of shares at December 31	<u>9,061</u>	<u>11,522</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 \$24,325 thousand and \$4,808 thousand for the years ended December 31, 2021 and 2020, respectively.

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	
	2021	2020
An analysis of depreciation by account		
Property, plant and equipment	\$ 654,523	\$ 587,343
Right-of-use assets	334,704	340,045
Investment properties	<u>122</u>	<u>88</u>
	<u>\$ 989,349</u>	<u>\$ 927,476</u>
An analysis of depreciation by function		
Operating costs	\$ 857,953	\$ 814,486
Operating expenses	129,331	112,397
Non-operating expenses	<u>2,065</u>	<u>593</u>
	<u>\$ 989,349</u>	<u>\$ 927,476</u>
An analysis of amortization by function		
Operating costs	<u>\$ 1</u>	<u>\$ 1</u>

b. Employee benefits expense

	For the Year Ended December 31	
	2021	2020
Retirement benefit plans		
Defined contribution plan	\$ 35,467	\$ 33,311
Defined benefit plan	<u>(3,724)</u>	<u>(6,438)</u>
	<u>31,743</u>	<u>26,873</u>
Share-based payment		
Equity-settled	24,325	4,808
Other employee benefits	<u>1,488,170</u>	<u>1,413,104</u>
Total employee benefits expense	<u>\$ 1,544,238</u>	<u>\$ 1,444,785</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 632,667	\$ 633,365
Operating expenses	<u>911,571</u>	<u>811,420</u>
	<u>\$ 1,544,238</u>	<u>\$ 1,444,785</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 \$106,914 thousand and \$210,453 thousand for the year ended December 31, 2021. The Corporation may settle compensation of employees and remuneration of directors in cash were \$107,954 thousand and \$256,965 thousand for the year ended December 31, 2020 which was approved by the Corporation's board of directors in March 2021.

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, 2020 and 2019.

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	
	2021	2020
Net gain on fair value changes of financial assets at FVTPL	\$ 24,637	\$ 35,879
Interest income	36,258	74,136
Financial income	14,735	21,490
Others	<u>92,846</u>	<u>58,778</u>
	<u>\$ 168,476</u>	<u>\$ 190,283</u>

e. Finance costs

	For the Year Ended December 31	
	2021	2020
Interest on corporate bonds	\$ 627,393	\$ 793,471
Interest on bank borrowings	588,969	603,951
Interest on lease liabilities	33,015	25,553
Other finance costs	<u>101,632</u>	<u>85,471</u>
	<u>\$ 1,351,009</u>	<u>\$ 1,508,446</u>

f. Other expenses

	For the Year Ended December 31	
	2021	2020
Loss on work stoppage	\$ 130,285	\$ 131,011
Loss on foreign exchange	64,293	30,055
Loss on disposal of investment (Note 12)	43,772	-
Others	<u>89,289</u>	<u>1,429</u>
	<u>\$ 327,639</u>	<u>\$ 162,495</u>

22. INCOME TAX

- a. Major components of tax expense recognized in profit or loss

	For the Year Ended December 31	
	2021	2020
Current tax		
In respect of the current year	\$ 337,647	\$ 3,571
Income tax on unappropriated earnings	91,068	201,675
Adjustments for prior years	<u>25,875</u>	<u>(9,579)</u>
	<u>454,590</u>	<u>195,667</u>
Deferred tax		
In respect of the current year	<u>16,945</u>	<u>36,577</u>
Income tax expense recognized in profit or loss	<u>\$ 471,535</u>	<u>\$ 232,244</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	
	2021	2020
Income before income tax	<u>\$ 20,727,901</u>	<u>\$ 25,331,553</u>
Income tax expense at the statutory rate	\$ 4,145,580	\$ 5,066,311
Tax-exempt income	(878,808)	(1,388,776)
Unrecognized deductible temporary differences	(2,944,490)	(3,494,499)
Adjustments for prior years	25,875	(9,579)
Income tax on unappropriated earnings	91,068	201,675
Others	<u>32,310</u>	<u>(142,888)</u>
Income tax expense recognized in profit or loss	<u>\$ 471,535</u>	<u>\$ 232,244</u>

- b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2021	2020
Recognized during the year		
Remeasurement on defined benefit plan	<u>\$ 54,099</u>	<u>\$ 24,784</u>

- c. Current tax assets and liabilities

	December 31	
	2021	2020
Current income tax assets (included in other current assets)	<u>\$ 16,310</u>	<u>\$ 16,310</u>
Current income tax liabilities	<u>\$ 423,152</u>	<u>\$ 197,468</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, 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>

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen- sive Income	Closing Balance
<u>Deferred income tax assets</u>				
Inventories	\$ 48,088	\$ -	\$ -	\$ 48,088
Property, plant and equipment	21,062	(1,368)	-	19,694
Long-term employee benefits plan	13,045	2,100	-	15,145
Deferred revenue	4,652	(246)	-	4,406
Others	<u>36,852</u>	<u>(31,284)</u>	<u>-</u>	<u>5,568</u>
	<u>\$ 123,699</u>	<u>\$ (30,798)</u>	<u>\$ -</u>	<u>\$ 92,901</u>
<u>Deferred income tax liabilities</u>				
Land value increment tax	\$ 4,893,010	\$ (9,598)	\$ -	\$ 4,883,412
Defined benefit plan	262,260	1,287	24,784	288,331
Unappropriated earnings from foreign subsidiaries	182,691	13,041	-	195,732
Others	<u>-</u>	<u>1,049</u>	<u>-</u>	<u>1,049</u>
	<u>\$ 5,337,961</u>	<u>\$ 5,779</u>	<u>\$ 24,784</u>	<u>\$ 5,368,524</u>

- e. Aggregate temporary differences associated with investments for which deferred income tax liabilities have not been recognized

As of December 31, 2021 and 2020, the taxable temporary differences in respect of investments in subsidiaries and associates for which no deferred income tax liabilities have been recognized were \$97,109,400 thousand and \$84,233,708 thousand, respectively.

- f. Income tax assessments

The tax returns of the Corporation through 2018 have been assessed by the tax authorities.

23. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2021	2020
Basic earnings (loss) per share		
From continuing operations	\$ 3.12	\$ 4.35
From discontinued operations	<u>0.18</u>	<u>(0.03)</u>
	<u>\$ 3.30</u>	<u>\$ 4.32</u>
Diluted earnings (loss) per share		
From continuing operations	\$ 3.09	\$ 4.12
From discontinued operations	<u>0.18</u>	<u>(0.03)</u>
	<u>\$ 3.27</u>	<u>\$ 4.09</u>

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

	For the Year Ended December 31	
	2021	2020
Profit for the year attributable to owners of the Corporation (Note)	\$ 19,906,366	\$ 24,749,309
Loss (profit) for the period used in the computation of basic earnings per share from discontinued operations	<u>(1,073,939)</u>	<u>180,487</u>
Profit used in the computation of basic earnings per share from continuing operations	18,832,427	24,929,796
Effect of potentially dilutive ordinary shares:		
Interest on convertible bonds	<u>67,416</u>	<u>277,794</u>
Profit used in the computation of diluted earnings per share from continuing operations	<u>\$ 18,899,843</u>	<u>\$ 25,207,590</u>
<u>Number of shares (in thousands)</u>		
Weighted average number of ordinary shares in computation of basic earnings per share	6,034,789	5,735,314
Effect of potentially dilutive ordinary shares:		
Employees' compensation	2,784	3,070
Convertible bonds	<u>79,950</u>	<u>379,498</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>6,117,523</u>	<u>6,117,882</u>

Note: Preference share dividends of \$350,000 thousand were deducted in 2021 and 2020, 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, 2021 for the following disclosures of equity movements of subsidiaries.

Partial acquisition or disposal of subsidiaries without change of control

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% and its proportionate ownership interests in Taiwan Cement Engineering Corporation was still 99.2%.

In 2020, the Corporation acquired a portion of the shares of Taiwan Prosperity Chemical Corporation and Taiwan Cement Engineering Corporation and increased its proportionate ownership interests from 40.0% to 71.1% and from 99.0% to 99.2%, respectively.

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 Board of Directors of the Corporation approved to sell all its 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 shall assist in the termination of Equipment Lease Agreement between Taiwan Prosperity Chemical Corporation and TCC Chemical Corporation before the closing date. Under the termination agreement, Taiwan Prosperity Chemical Corporation shall pay \$400,000 thousand to TCC Chemical Corporation as the consideration for the termination of the lease. The Corporation completed the share transaction on August 17, 2021 and recognized as gain on disposal of \$521,414 thousand.

Acquisition of subsidiary

The Corporation invested \$9,232,894 thousand in TCC Recycle Energy Technology Company. Due to the non-subscription of 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.

25. CASH FLOWS INFORMATION

Changes in liabilities arising from financing activities:

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>

For the year ended December 31, 2020

	Opening Balance	Cash Flows	Effect of Exchange Rate and Others	Closing Balance
Short-term borrowings	\$ 16,325,928	\$ 7,025,551	\$ 250	\$ 23,351,729
Long-term borrowings (including expiring within a year)	<u>21,431,917</u>	<u>-</u>	<u>21,500</u>	<u>21,453,417</u>
	<u>\$ 37,757,845</u>	<u>\$ 7,025,551</u>	<u>\$ 21,750</u>	<u>\$ 44,805,146</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

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>

December 31, 2020

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds payable	\$ 9,380,990	\$ -	\$ -	\$ 10,138,329	\$ 10,138,329

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

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 FVTOCI				
Derivatives - put options and redemption options of convertible bond payables				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 213,062</u>	<u>\$ 213,062</u>

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets mandatorily classified as at FVTPL				
Derivatives - put options and redemption options of convertible bond payables	\$ -	\$ -	\$ 17,092	\$ 17,092
Domestic listed shares	171,613	-	-	171,613
Domestic emerging market shares	<u>101,931</u>	<u>-</u>	<u>-</u>	<u>101,931</u>
	<u>\$ 273,544</u>	<u>\$ -</u>	<u>\$ 17,092</u>	<u>\$ 290,636</u>
Financial assets at FVTOCI				
Equity instrument investment				
Domestic listed shares	\$ 3,374,595	\$ -	\$ -	\$ 3,374,595
Domestic unlisted shares	-	-	5,653,008	5,653,008
Domestic convertible preference shares	<u>30,002</u>	<u>-</u>	<u>-</u>	<u>30,002</u>
	<u>\$ 3,404,597</u>	<u>\$ -</u>	<u>\$ 5,653,008</u>	<u>\$ 9,057,605</u>

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

For domestic listed private 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 used by the Corporation for estimating fair value is the Black-Scholes model.

3) Reconciliation of Level 3 fair value measurements of financial instruments

	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 loss	<u>(2,220)</u>
Balance at December 31, 2021	<u>\$ 213,062</u>
	For the Year Ended December 31, 2020
Financial assets at FVTOCI	
Equity instrument investment	
Balance at January 1, 2020	\$ 5,334,757
Additions	1
Recognized in other comprehensive income	372,219
Disposals	<u>(53,969)</u>
Balance at December 31, 2020	<u>\$ 5,653,008</u>

(Continued)

	For the Year Ended December 31, 2020
Financial assets at FVTPL	
Derivative instrument investment	
Balance at January 1, 2020	\$ 1,235
Recognized in income	20,202
Convertible bonds converted into ordinary shares	<u>(4,345)</u>
Balance at December 31, 2020	<u>\$ 17,092</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 an increase in the fair value. As of December 31, 2021 and 2020, the historical volatility used were 21.37% and 23.69%, 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>	
	2021	2020
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 have increased (decreased) as follows:

	<u>December 31</u>	
	2021	2020
Comprehensive discount for lack of marketability and non-controlling interests		
1% increase	<u>\$ (13,003)</u>	<u>\$ (13,004)</u>
1% decrease	<u>\$ 13,003</u>	<u>\$ 13,004</u>

The dividend discount model values a target company based on its stability of dividend payments in the past.

	<u>December 31</u>	
	2021	2020
Discount rate	5.4%	6.1%
Dividend growth rate	1.4%	1.3%
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 have increased (decreased) as follows:

	<u>December 31</u>	
	2021	2020
Discount for lack of marketability		
1% increase	<u>\$ (66,623)</u>	<u>\$ (49,730)</u>
1% decrease	<u>\$ 66,623</u>	<u>\$ 49,730</u>

c. Categories of financial instruments

	<u>December 31</u>	
	2021	2020
<u>Financial assets</u>		
FVTPL		
Mandatorily classified as at FVTPL	\$ 306,075	\$ 290,636
Financial assets measured at amortized cost (1)	33,316,519	22,782,684
Financial assets at FVTOCI		
Equity instrument investment	12,291,961	9,057,605
<u>Financial liabilities</u>		
Held for trading	213,062	-
Financial liabilities at amortized cost (2)	143,126,355	107,521,067

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 (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, 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, 2021 and 2020 would increase/decrease by \$173,661 thousand and \$2,965 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	
	2021	2020
Cash flow interest rate risk		
Financial assets	\$ 12,884,624	\$ 5,478,962
Financial liabilities	42,601,692	44,805,146

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, and a 50 basis point increase or decrease was used, representing 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, 2021 and 2020 would have increased/decreased by \$51,538 thousand and \$21,916 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, 2021 and 2020 would have increased/decreased by \$170,407 thousand and \$179,221 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 price risk on the balance sheet date.

The sensitivity analyses were based on the exposure of equity instruments/commodities 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, 2021 and 2020 would increase/decrease by \$15,304 thousand and \$13,677 thousand, respectively. If equity instruments/commodity prices of financial assets at FVTOCI had been 5% higher/lower, other comprehensive income (loss) for the nine months ended December 31, 2021 and 2020 would increase/decrease by \$614,598 thousand and \$452,880 thousand, respectively.

2) Credit risk

Potential impacts on financial assets would occur if the 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, 2021 and 2020, the amount of unused financing facilities was \$25,469,332 thousand and \$30,490,501 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, 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	-	-
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>\$ 20,210,419</u>	<u>\$ 41,829,867</u>	<u>\$ 12,271,306</u>	<u>\$ 34,853,510</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2020

	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	\$ 185,583	\$ 2,349,396	\$ 1,471,121	\$ 56,373	\$ 1,613
Lease liabilities	72,181	30,457	177,973	736,869	405,381
Variable interest rate liabilities	5,618,460	18,324,462	4,025,602	17,584,743	-
Fixed interest rate liabilities	<u>-</u>	<u>-</u>	<u>484,620</u>	<u>29,739,450</u>	<u>35,080,160</u>
	<u>\$ 5,876,224</u>	<u>\$ 20,704,315</u>	<u>\$ 6,159,316</u>	<u>\$ 48,117,435</u>	<u>\$ 35,487,154</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	\$ 4,006,100	\$ 56,373	\$ 1,613	\$ -	\$ -	\$ -
Lease liabilities	280,611	736,869	303,748	101,633	-	-
Fixed interest rate liabilities	<u>484,620</u>	<u>29,739,450</u>	<u>6,979,960</u>	<u>28,100,200</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,771,331</u>	<u>\$ 30,532,692</u>	<u>\$ 7,285,321</u>	<u>\$ 28,201,833</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 disclosed below.

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. (“TCCI”)	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 (in the process of liquidation in 2021)
TCC Sustainable Energy Investment Corporation	Subsidiary
TCC Energy Storage Technology Corporation	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)
Dr. Cecilia Koo Botanic Conservation and Environmental Protection Foundation	Same key management personnel
Chienten Temple	Same key management personnel

(Continued)

<u>Related Party</u>	<u>Relationship with the Corporation</u>
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 Ho-Ping Culture and Art Foundation	Same key management personnel
Sing Cheng Investment Co., Ltd.	Same key management personnel
Pan Asia Corporation	The Corporation acts as key management personnel
China Hi-Ment Corporation (China Hi-Ment)	The Corporation acts as key management personnel
O-Bank Co., Ltd. (O-Bank)	The Corporation acts as key management personnel
Rong Gong Enterprise Co. (Rong Gong)	The Corporation acts as key management personnel
CTCI Corporation	The Corporation acts as key management personnel (became related parties since May 2020)
CTCI Resources Engineering Inc.	The Corporation acts as key management of its parent company
Goldsun Development & Construction Co., Ltd.	Investor with significant influence over the Corporation
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
Chia Hsin Property Management and Development Corp. (Chia Hsin Property)	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

(Concluded)

b. Operating revenue

Continuing operations

	<u>For the Year Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Subsidiaries	\$ 2,158,708	\$ 1,948,092
Management personnel in substance	698,337	458,162
The Corporation acts as key management personnel	187,016	159,607
Associates	18,724	20,512
Investors with significant influence over the Corporation	-	33,515
Others	<u>4,302</u>	<u>4,264</u>
	<u>\$ 3,067,087</u>	<u>\$ 2,624,152</u>

Discontinued operations

	For the Year Ended December 31	
	2021	2020
Subsidiaries	\$ <u>2,753</u>	\$ <u>5,539</u>
c. Operating costs and expenses		
	For the Year Ended December 31	
	2021	2020
Subsidiaries	\$ 4,609,659	\$ 4,096,552
The Corporation acts as key management personnel	788,938	760,215
Management personnel in substance	69,636	69,842
Others	<u>5,591</u>	<u>6,636</u>
	<u>\$ 5,473,824</u>	<u>\$ 4,933,245</u>
d. Receivables from related parties		
	December 31	
	2021	2020
Subsidiaries		
E.G.C. Cement	\$ 166,785	\$ 138,432
Feng Sheng Enterprise	153,226	117,249
HKCCL	75,968	99,810
Others	<u>51,966</u>	<u>42,876</u>
	<u>447,945</u>	<u>398,367</u>
Management personnel in substance		
Chia Hsin Cement	123,932	73,133
Others	<u>2,571</u>	<u>1,831</u>
	<u>126,503</u>	<u>74,964</u>
The Corporation acts as key management personnel	<u>70,358</u>	<u>30,925</u>
Others	<u>2,002</u>	<u>1,825</u>
	<u>\$ 646,808</u>	<u>\$ 506,081</u>
e. Payables to related parties		
	December 31	
	2021	2020
Subsidiaries		
Ta-Ho Maritime	\$ 541,421	\$ 355,118
Taiwan Transport & Storage	144,048	71,965
Jin Chang Minerals	126,091	-
Kuan-Ho Refractories Industry	104,104	89,959
Others	<u>159,182</u>	<u>125,770</u>
	<u>1,074,846</u>	<u>642,812</u>
The Corporation acts as key management personnel		
China Hi-Ment	<u>242,055</u>	<u>147,713</u>
Others	<u>10,064</u>	<u>2,686</u>
	<u>\$ 1,326,965</u>	<u>\$ 793,211</u>

The price and terms of the above transactions were similar to those for third parties. Rentals of lease contracts with related parties were based on market prices and the payment terms were determined at general condition.

f. Other receivables from related parties (included in other current assets)

	December 31	
	2021	2020
Subsidiaries	\$ 28,566	\$ 19,761
Others	<u>999</u>	<u>2,044</u>
	<u>\$ 29,565</u>	<u>\$ 21,805</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	
	2021	2020
Subsidiaries		
TCC Information Systems	\$ 10,158	\$ 55,920
Others	<u>530</u>	<u>449</u>
	<u>10,688</u>	<u>56,369</u>
The Corporation acts as key management of its parent company		
CTCI Resources Engineering Inc.	<u>61,398</u>	<u>-</u>
Others	<u>3,406</u>	<u>4,295</u>
	<u>\$ 75,492</u>	<u>\$ 60,664</u>

h. Acquisitions of property, plant and equipment

	December 31	
	2021	2020
The Corporation acts as key management of its parent company		
CTCI Resources Engineering Inc.	\$ 559,777	\$ -
Management personnel in substance		
Chia Hsin Property	<u>-</u>	<u>1,686,428</u>
	<u>\$ 559,777</u>	<u>\$ 1,686,428</u>

i. Endorsements and guarantees

	December 31	
	2021	2020
Subsidiaries		
TCC Investment	\$ 1,580,000	\$ 1,540,000
Union Cement Traders	750,000	1,020,000
TCCI	469,800	
TCC Chemical	366,117	829,117
Others	<u>131,141</u>	<u>139,698</u>
	<u>\$ 3,297,058</u>	<u>\$ 3,528,815</u>

j. Lease arrangements

Related Party Category/Name	For the Year Ended December 31	
	2021	2020
<u>Acquisition of right-of-use assets</u>		
Management personnel in substance		
Chia Hsin R.M.C.	\$ 23,313	\$ -
Chia Hsin Property	<u>-</u>	<u>39</u>
	<u>\$ 23,313</u>	<u>\$ 39</u>

Line Item	Related Party Category/Name	December 31	
		2021	2020
Lease liabilities	Subsidiaries		
	E.G.C. Cement	\$ 253,553	\$ 269,388
	Others	<u>4,992</u>	<u>7,230</u>
		<u>258,545</u>	<u>276,618</u>
	Management personnel in substance		
	Chia Hsin R.M.C.	20,699	2,085
	Chia Hsin Cement	<u>-</u>	<u>10,593</u>
		<u>20,699</u>	<u>12,678</u>
		<u>\$ 279,244</u>	<u>\$ 289,296</u>

Related Party Category	For the Year Ended December 31	
	2021	2020
<u>Interest expense</u>		
Subsidiaries		
E.G.C. Cement	\$ 4,836	\$ 5,125
Others	<u>114</u>	<u>155</u>
	<u>4,950</u>	<u>5,280</u>
Management personnel in substance	<u>308</u>	<u>501</u>
	<u>\$ 5,258</u>	<u>\$ 5,781</u>

The lease contracts between the Corporation and related parties were based on market price and general terms of payment.

Related Party Category/Name	For the Year Ended December 31	
	2021	2020
<u>Disposal</u>		
Right-of-use assets		
Management personnel in substance		
Chia Hsin Property	<u>\$ -</u>	<u>\$ 1,922</u>
<u>Lease liabilities</u>		
Management personnel in substance		
Chia Hsin Property	<u>\$ -</u>	<u>\$ 1,953</u>

Gain on lease modification for the year ended December 31, 2020 was \$31 thousand.

k. Acquisition of financial assets

For the year ended December 31, 2020

Related Party Category/Name	Line Item	Number of Shares	Underlying Assets	Purchase Price
The Corporation acts as key management personnel O-Bank	Financial assets at FVTOCI	3,089,744	Shares	<u>\$ 19,620</u>

l. Disposal of financial assets

For the year ended December 31, 2020

Related Party Category/Name	Line Item	Number of Shares	Underlying Assets	Proceeds	Gain (Loss) on Disposal
The Corporation acts as key management personnel Rong Gong	Financial assets at FVTOCI	3,390,000	Shares	<u>\$ 53,969</u>	<u>\$ -</u>

m. Compensation of key management personnel

	For the Year Ended December 31	
	2021	2020
Short-term employee benefits	\$ 343,048	\$ 398,579
Post-employment benefits	2,261	2,040
Share-based payment	<u>8,187</u>	<u>2,867</u>
	<u>\$ 353,496</u>	<u>\$ 403,486</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:

	December 31	
	2021	2020
Property, plant and equipment	\$ 148,896	\$ 157,453
Pledged bank deposits (included in other non-current assets)	<u>515,375</u>	<u>507,545</u>
	<u>\$ 664,271</u>	<u>\$ 664,998</u>

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

- a. As of December 31, 2021 and 2020, the balances of letters of credit for the purchase of raw materials were \$437,292 thousand and \$145,571 thousand, respectively.
- b. As of December 31, 2021 and 2020, the amounts of letters of guarantee issued by banks for the Corporation were both \$22,120 thousand.
- c. On July 15, 2021, the Board of Directors of the Corporation approved the plan to upgrade the Corporation's Suao cement plant to reduce electricity consumption for carbon reduction purposes and to improve productivity, with an estimated total amount of \$1,145,500 thousand.
- d. On September 27, 2021, the Board of Directors of the Corporation resolved the plan to repayments of foreign currency bank loans, improvements to the financial structure of the Corporation and Corporation's energy policy investment plan, planning to participate in various energy storage development projects.

The Corporation invested US\$0.35 billion, US\$0.39 billion, \$2 billion and \$4.5 billion in TCCIH, TCC Dutch, TCC Energy Storage Technology Corporation and TCC Green Energy Corporation, respectively. As of the date the financial statements were authorized and issued, the Corporation has invested US\$0.35 billion, US\$0.39 billion, \$2 billion and \$4 billion in TCCIH, TCC Dutch, TCC Energy Storage Technology Corporation and TCC Green Energy Corporation, respectively.

- e. 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. As of the date the financial statements were authorized and issued, 17.4% construction 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, 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
<u>Financial liabilities</u>			
Monetary items			
USD	25,195	27.68 (USD:NTD)	697,406

December 31, 2020

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 25,419	28.48 (USD:NTD)	\$ 723,933
Non-monetary items			
USD	59,216	28.48 (USD:NTD)	1,686,470
HKD	45,779,733	3.673 (HKD:NTD)	168,148,958
EUR	823,912	35.02 (EUR:NTD)	28,853,381
<u>Financial liabilities</u>			
Monetary items			
USD	12,405	28.48 (USD:NTD)	353,286

The realized and unrealized foreign exchange losses were \$64,293 thousand and \$30,055 thousand for the years ended December 31, 2021 and 2020, 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 (Table 5)
- 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the share capital (Table 6)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the share capital (Table 7)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the share capital (Table 8)
- 9) Trading in derivative instruments (Notes 7, 17 and 27)
- 10) Information on investees (Table 9)

- b. Information on investments in mainland China (Table 10)
- 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, which has evolved globally, governments all over the world have successively implemented various epidemic prevention measures. Although the domestic epidemic situation has slowed down and the government's regulations have been loosened, many countries are still under lockdown measures and economic recession is expected to occur globally. In addition to maintaining close contact with customers and manufacturers, the Corporation has committed to strengthen employee health management to mitigate the COVID-19 pandemic impact on the Corporation's operations. However, the extent of the actual impact to the Corporation still depends on the subsequent development of the epidemic.

34. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- a. On February 25, 2022, the Board of Directors of the Corporation resolved the Group's energy policy investment plan, planning to invest in the construction of energy storage systems in the Corporation's Hoping factory in Hualien, and the total amount of investment is approximately \$0.66 billion.
- b. On February 25, 2022, the Board of Directors of Molie Quantum Energy Corporation, the Group's subsidiary, resolved to increase the capital expenditures from \$12 billion to around \$18.65 billion in response to the rising costs, the expansion of production and the acquisition of automation equipment.

TAIWAN CEMENT CORPORATION

FINANCINGS PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2021
(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	1.44	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 998,932	\$ 998,932	
2	TCC Investment Corporation	Jin Chang Minerals Corporation	Other receivables from related parties	Yes	130,000	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,911,398	1,911,398	
3	Taiwan Green Energy Corporation	Chang-Wang Wind Power Co., Ltd.	Other receivables from related parties	Yes	30,000	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	3,731,370	3,731,370	
4	TCC Development Ltd.	TCC International Holdings Ltd.	Other receivables from related parties	Yes	268,129	259,077	259,077	0.28	The need for short-term financing	-	Operating capital	-	-	-	861,872	861,872	
5	TCCI	TCCIH	Other receivables from related parties	Yes	3,424,200	3,321,600	-	-	The need for short-term financing	-	Operating capital	-	-	-	114,241,779	228,483,558	
		TCC Dutch	Other receivables from related parties	Yes	1,663,000	1,566,000	1,049,220	0.83	The need for short-term financing	-	Operating capital	-	-	-	114,241,779	228,483,558	
		TCEH	Other receivables from related parties	Yes	665,200	626,400	-	-	The need for short-term financing	-	Operating capital	-	-	-	114,241,779	228,483,558	
6	Yingde Dragon Mountain Cement Co., Ltd.	TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	874,174	865,956	865,956	3.05	The need for short-term financing	-	Operating capital	-	-	-	17,231,540	34,463,080	
		TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	996,558	987,190	779,360	3.05	The need for short-term financing	-	Operating capital	-	-	-	17,231,540	34,463,080	
		TCC (Guigang) Cement Ltd.	Other receivables from related parties	Yes	7,430,479	7,360,626	7,360,626	3.05	The need for short-term financing	-	Operating capital	-	-	-	17,231,540	34,463,080	
7	TCC (Guigang) Cement Ltd.	TCC (Hangzhou) Recycle Resource Technology Limited	Other receivables from related parties	Yes	43,709	43,298	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		Guigang TCC DongYuan Environmental Technology Company Limited	Other receivables from related parties	Yes	131,126	129,893	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		TCC Huaying Cement Company Limited	Other receivables from related parties	Yes	1,258,811	1,246,977	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		TCC Anshun Cement Company Limited	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	874,174	865,956	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	655,631	649,467	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		TCC Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	284,107	281,436	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	1,223,844	1,212,338	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
Scitus Luzhou Concrete Co., Ltd.	Other receivables from related parties	Yes	87,417	86,596	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558			

(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			
8	TCC Yingde Cement Co., Ltd.	Beijing TCC Environment Technology Co., Ltd.	Other receivables from related parties	Yes	\$ 87,417	\$ 86,596	\$ 69,276	3.48	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 33,473,137	\$ 66,946,274	
		TCC (Hangzhou) Environmental Protection Technology Limited	Other receivables from related parties	Yes	2,989,675	2,961,570	2,831,676	3.48	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Shaoguan Cement Co., Limited	Other receivables from related parties	Yes	4,001,108	4,001,108	3,999,831	3.48	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC (Dong Guan) Cement Co., Limited	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Anshun Cement Co., Limited	Other receivables from related parties	Yes	874,174	865,956	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		Guangan Changxing Cement Co., Ltd.	Other receivables from related parties	Yes	874,174	865,956	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	874,174	865,956	519,574	3.48	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	218,544	216,489	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Chongqing Cement Company Limited	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	655,631	649,467	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	786,757	779,360	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	218,544	216,489	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	437,087	432,978	43,298	3.48	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	218,544	216,489	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
9	TCC Fuzhou Cement Co., Ltd.	TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	305,961	303,085	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,003,138	3,009,414	
		TCC New (Hangzhou) Management Company Limited	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,003,138	3,009,414	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	218,544	216,489	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,003,138	3,009,414	
10	TCC International Holdings Ltd.	TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	212,793	210,793	208,886	-	The need for short-term financing	-	Operating capital	-	-	-	157,413,695	314,827,390	
11	Prime York Ltd.	Upper Value Investment Limited	Other receivables from related parties	Yes	187,323	180,999	180,999	-	The need for short-term financing	-	Operating capital	-	-	-	3,313,389	6,626,778	
12	Jurong TCC Cement Co., Ltd.	TCC Anshun Cement Company Limited	Other receivables from related parties	Yes	874,174	865,956	-	-	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		TCC Chongqing Cement Co., Ltd.	Other receivables from related parties	Yes	874,174	865,956	-	-	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		TCC Guangan Changxing Cement Company Ltd.	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	305,961	303,085	-	-	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	655,631	649,467	43,298	3.48	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	1,311,261	1,298,934	337,723	3.48	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		TCC Huaihua Concrete Company Limited	Other receivables from related parties	Yes	131,126	129,893	43,298	3.48	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	305,961	303,085	216,489	3.48	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		Kaili TCC Environment Technology Co., Ltd.	Other receivables from related parties	Yes	218,365	216,489	164,532	3.48	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	

(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			
13	TCC Anshun Cement Company Limited	Anshun Xin Tai Construction Materials Company Limited	Other receivables from related parties	Yes	\$ 87,417	\$ 86,596	\$ -	-	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 7,224,247	\$ 14,448,494	
		Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	262,252	259,787	259,787	3.48	The need for short-term financing	-	Operating capital	-	-	-	7,224,247	14,448,494	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	-	-	The need for short-term financing	-	Operating capital	-	-	-	7,224,247	14,448,494	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	8,660	3.48	The need for short-term financing	-	Operating capital	-	-	-	7,224,247	14,448,494	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	-	-	The need for short-term financing	-	Operating capital	-	-	-	7,224,247	14,448,494	
		TCC Chongqing Cement Company Limited	Other receivables from related parties	Yes	874,174	865,956	-	-	The need for short-term financing	-	Operating capital	-	-	-	7,224,247	14,448,494	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	655,631	649,467	173,191	3.48	The need for short-term financing	-	Operating capital	-	-	-	7,224,247	14,448,494	
14	Guangan Changxing Cement Co., Ltd.	TCC Huaying Cement Company Limited	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	5,953,441	11,906,882	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	-	-	The need for short-term financing	-	Operating capital	-	-	-	5,953,441	11,906,882	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	87,417	86,596	-	-	The need for short-term financing	-	Operating capital	-	-	-	5,953,441	11,906,882	
15	Wayly Holdings Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	57,600	55,655	55,655	-	The need for short-term financing	-	Operating capital	-	-	-	1,727,043	3,454,086	
16	TCC Chongqing Cement Company Limited	Guangan Changxing Cement Co., Ltd.	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	218,544	216,489	138,553	3.48	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	43,298	3.48	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	218,544	216,489	-	-	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		TCC Huaying Cement Company Limited	Other receivables from related parties	Yes	109,272	108,245	-	-	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	655,631	649,467	532,130	3.48	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	87,417	86,596	-	-	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	131,126	129,893	86,596	3.48	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
17	TCC New (Hangzhou) Management Company Limited	Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	270,994	268,446	86,596	3.48	The need for short-term financing	-	Operating capital	-	-	-	406,407	812,814	
		Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	240,398	238,138	190,510	3.48	The need for short-term financing	-	Operating capital	-	-	-	406,407	812,814	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables from related parties	Yes	34,967	34,638	-	-	The need for short-term financing	-	Operating capital	-	-	-	406,407	812,814	
18	Prosperity Minerals (China) Ltd.	TCC New (Hangzhou) Management Company Limited	Other receivables from related parties	Yes	348,563	345,286	342,053	-	The need for short-term financing	-	Operating capital	-	-	-	857,352	1,714,704	
19	Da Tong (Guigang) International Logistics Co., Ltd.	Guigang Da-Ho Shipping Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	-	-	The need for short-term financing	-	Operating capital	-	-	-	932,345	1,864,691	
20	Hong Kong Cement Co., Ltd.	TCC International Holdings Ltd.	Other receivables from related parties	Yes	472,711	458,547	458,547	0.34	The need for short-term financing	-	Operating capital	-	-	-	1,031,993	2,063,986	
21	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	-	-	The need for short-term financing	-	Operating capital	-	-	-	3,710,029	7,420,058	
		Kaili TCC Environment Technology Co., Ltd.	Other receivables from related parties	Yes	174,835	173,191	173,191	3.48	The need for short-term financing	-	Operating capital	-	-	-	3,710,029	7,420,058	

(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	Union Cement Traders Inc.	Jin Chang Minerals Corporation	Other receivables from related parties	Yes	\$ 300,000	\$ -	\$ -	-	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 450,642	\$ 450,642	
		Tai-Jie Transport & Storage Corporation	Other receivables from related parties	Yes	50,000	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	450,642	450,642	
23	TCC Huaihua Cement Company Limited	TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	87,417	86,596	-	-	The need for short-term financing	-	Operating capital	-	-	-	4,855,411	9,710,822	
24	Scitus Luzhou Cement Co., Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	87,417	86,596	8,660	3.48	The need for short-term financing	-	Operating capital	-	-	-	3,391,476	6,782,952	
25	E-One Moli Energy Corp.	E-one Moli Energy (Canada) Ltd.	Other receivables from related parties	Yes	835,500	400,468	-	-	The need for short-term financing	-	Operating capital	-	-	-	2,952,939	5,905,878	
26	E-one Moli Energy (Canada) Ltd	E-One Moli Energy Corp.	Other receivables from related parties	Yes	563,500	183,092	98,612	0.70	The need for short-term financing	-	Operating capital	-	-	-	1,323,144	2,646,288	

Note 1: "Financing Limits for Each Borrower" and "Aggregate Financing Limits":

A. For Taiwan Cement Corporation, financing limits are as follows:

- a) 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.
- b) 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.
- c) 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.

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.

(Concluded)

TAIWAN CEMENT CORPORATION

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021
(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	\$ 102,238,667	\$ 1,420,000	\$ 1,420,000	\$ 750,000	\$ -	0.69	\$ 204,477,333	Y	N	N	
		TCC Investment Corporation	b	102,238,667	2,570,000	2,570,000	1,580,000	-	1.26	204,477,333	Y	N	N	
		TCC Chemical Corporation	b	102,238,667	1,499,117	1,499,117	366,117	-	0.73	204,477,333	Y	N	N	
		Jin Chang Minerals Corporation	b	102,238,667	68,848	31,257	31,257	31,257	0.02	204,477,333	Y	N	N	
		Ho Sheng Mining Co., Ltd.	b	102,238,667	99,884	99,884	99,884	99,884	0.05	204,477,333	Y	N	N	
		TCCI	b	102,238,667	6,294,080	5,840,480	469,800	-	2.86	204,477,333	Y	N	N	
1	Ho Sheng Mining Co., Ltd.	Taiwan Cement Corporation	c	1,147,519	137,462	137,462	137,462	-	35.94	1,147,519	N	Y	N	
2	TCC Green Energy Corporation	TCC Chemical Corporation	a	9,328,426	6,117	6,117	6,117	-	0.07	9,328,426	N	N	N	
3	TCCIH	TCC Yingde Cement Co., Ltd.	b	78,706,847	2,273,407	1,814,799	-	-	1.15	157,413,695	Y	N	Y	
		Jurong TCC Cement Co., Ltd.	b	78,706,847	2,020,490	1,966,297	-	-	1.25	157,413,695	Y	N	Y	
		TCC Fuzhou Cement Co., Ltd.	b	78,706,847	1,147,977	1,132,395	-	-	0.72	157,413,695	Y	N	Y	
		TCC Liaoning Cement Company Limited	b	78,706,847	869,231	857,067	-	-	0.54	157,413,695	Y	N	Y	
		TCC (Guigang) Cement Ltd.	b	78,706,847	7,417,299	4,510,560	-	-	2.87	157,413,695	Y	N	Y	
		TCC Chongqing Cement Co., Limited	b	78,706,847	1,753,088	1,180,338	-	-	0.75	157,413,695	Y	N	Y	
		Guizhou Kong On Cement Company Limited	b	78,706,847	288,204	279,568	-	-	0.18	157,413,695	Y	N	Y	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	b	78,706,847	285,350	276,800	-	-	0.18	157,413,695	Y	N	Y	
		Guangan Changxing Cement Company Ltd.	b	78,706,847	305,961	303,085	-	-	0.19	157,413,695	Y	N	Y	
		TCC Anshun Cement Company Limited	b	78,706,847	655,631	649,467	-	-	0.41	157,413,695	Y	N	Y	
		TCC Huaihua Cement Company Limited	b	78,706,847	830,465	822,658	-	-	0.52	157,413,695	Y	N	Y	
TCC Jingzhou Cement Company Limited	b	78,706,847	262,252	259,787	-	-	0.17	157,413,695	Y	N	Y			
4	TCC (Guigang) Cement Ltd.	Guigang Conch - TCC New Material Technology Co., Ltd.	f	14,088,140	129,893	129,893	86,596	-	0.46	28,176,279	N	N	Y	
5	TCC Dutch	NHOA S. A.	b	13,343,834	1,098,599	1,034,520	1,034,520	1,034,520	3.88	26,687,668	Y	N	N	
		NHOA AUSTRALIA PTY LTD.	b	13,343,834	2,510,232	2,510,232	2,510,232	-	9.41	26,687,668	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.
- 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 the limit for other the endorsers/guarantors was the net equity in their respective latest financial statements.

(Continued)

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, 2021
(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, 2021				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	\$ 106,063	-	\$ 106,063	
	Taiwan Television Enterprise, Ltd.	The Corporation serves as supervisor	FVTPL - current	13,573	107,225	-	107,225	
	Chinatrust Financial Holding Co., Ltd.	-	FVTPL - current	3,576	92,787	-	92,787	
	China Hi-Ment Corporation	The Corporation serves as director	FVTOCI - current	30,196	1,369,396	-	1,369,396	
	Taishin Financial Holding Co., Ltd.	-	FVTOCI - current	66,766	1,265,211	-	1,265,211	
	CTCI Corporation	The Corporation serves as director	FVTOCI - current	9,054	336,822	-	336,822	
	Chia Hsin Cement Corporation	Directors	FVTOCI - current	27,419	568,953	-	568,953	
	O-Bank	The Corporation serves as director	FVTOCI - current	32,809	262,470	-	262,470	
	IBT II Venture Capital Corporation	-	FVTOCI - non-current	2,626	14,509	8.3	14,509	
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	29,553	1,177,376	9.4	1,177,376	
	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	55,698	6,002,580	6.6	6,002,580	
	Excel Corporation	-	FVTOCI - non-current	600	-	9.5	-	
	Privately placed shares - Phihong Technology Co., Ltd.	-	FVTOCI - non-current	37,520	1,255,794	9.998	1,255,794	
		<u>Convertible preference shares</u>						
	O-Bank	The Corporation serves as director	FVTOCI - current	2,956	29,854	-	29,854	
Taiwan Transport & Storage Corporation	<u>Ordinary shares</u>							
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	8,632	179,104	-	179,104	
TCC Investment Corporation	<u>Ordinary shares</u>							
	O-Bank	The Corporation serves as director	FVTOCI - current	24,214	193,714	-	193,714	21,000 thousand shares were pledged
	Taishin Financial Holding Co., Ltd.	-	FVTOCI - current	12,772	242,025	-	242,025	
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	8,334	172,929	-	172,929	7,000 thousand shares were pledged
	China Conch Venture Holdings Limited	-	FVTOCI - non-current	11,110	1,502,260	-	1,502,260	
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	10,884	433,613	3.5	433,613	
	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	22,034	-	22,034	
Ta-Ho Maritime Corporation	<u>Ordinary shares</u>							
	Prosperity Dielectrics Co., Ltd.	-	FVTPL - current	951	57,738	-	57,738	
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	25,761	534,546	-	534,546	
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	6,612	263,409	2.1	263,409	
TCC Chemical Corporation	<u>Ordinary shares</u>							
	Taiwan Stock Exchange Corporation	The Corporation serves as director	FVTOCI - non-current	3,180	342,750	-	342,750	
Hoping Industrial Port Corporation	<u>Ordinary shares</u>							
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	10,444	416,077	3.3	416,077	
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, 2021				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	29,493	\$ 558,895	-	\$ 558,895	
	CTCI Corporation	The Corporation serve as director	FVTOCI - current	13,365	497,190	-	497,190	
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	7,441	154,400	-	154,400	
	Videoland Inc.	-	FVTOCI - non-current	6,437	304,878	5.6	304,878	
TCCI (Group)	<u>Ordinary shares</u>							
	Anhui Conch Cement Co., Ltd.	-	FVTOCI - non-current	116,568	16,113,608	-	16,113,608	
	Yargoan Co., Ltd.	-	FVTOCI - non-current	19	-	12.5	-	

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 9 and 10 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, 2021
(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	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 Taiwan Prosperity Chemical Corporation	Investments accounted for using the equity method	Note 1	Subsidiary	93,857	\$ 734,888	38,103 (Note 1)	\$ 685,845 (Note 1)	131,960	\$ 2,800,000 (Note 2)	\$ 2,278,586 (Note 2)	\$ 521,414 (Note 2)	\$ 857,853 (Note 3)	-	\$ -
Taiwan Cement Corporation	TCC Energy Storage Technology Corporation	Investments accounted for using the equity method	-	Subsidiary	100	984	200,500	2,005,000	-	-	-	-	(26,917) (Note 3)	200,600	1,979,067
Taiwan Cement Corporation	TCC Recycle Energy Technology Company	Investments accounted for using the equity method	-	Subsidiary	117,364	1,244,337	923,289	9,232,894	-	-	-	-	(143,600) (Note 3)	1,040,653	10,333,631
Taiwan Cement Corporation	TCC Green Energy Corporation	Investments accounted for using the equity method	-	Subsidiary	320,899	3,149,254	630,000	6,300,000	-	-	-	-	(69,675) (Note 3)	950,899	9,379,579
Taiwan Cement Corporation	Phihong Technology Co., Ltd.	FVTOCI - non-current	-	-	-	-	37,520 (Note 7)	1,510,555 (Note 7)	-	-	-	-	(254,761) (Note 5)	37,520	1,255,794
TCC Investment Corporation	China Conch Venture Holdings Limited	FVTOCI - non-current	-	-	28,000	3,877,219	-	-	16,890	2,182,067	2,182,067 (Note 4)	-	(192,892) (Note 5)	11,110	1,502,260
Ta-Ho Maritime Corporation	Ta-Ho Maritime Holdings Ltd.	Investments accounted for using the equity method	-	Subsidiary	19,300	4,665,395	25,000	695,250	-	-	-	-	90,747 (Note 3)	44,300	5,451,392
TCC Green Energy Corporation	TCC Chia-Chien Green Energy Corporation	Investments accounted for using the equity method	-	Subsidiary	100,200	930,205	130,000	1,300,000	-	-	-	-	(48,901) (Note 3)	230,200	2,181,304
TCC Green Energy Corporation	TCC Lien-Hsin Green Energy Corporation	Investments accounted for using the equity method	-	Subsidiary	1,200	9,051	400,000	4,000,000	-	-	-	-	(1,707) (Note 3)	401,200	4,007,344
Ta-Ho Maritime Holdings Ltd.	THC International S.A.	Investments accounted for using the equity method	-	Subsidiary	39,310	3,725,099	25,000	695,250	-	-	-	-	8,423 (Note 3)	64,310	4,428,772
TCC Dutch	TCEH	Investments accounted for using the equity method	-	Subsidiary	-	-	75,001	10,627,883	-	-	-	-	(1,131,425) (Note 3)	75,001	9,496,458
TCEH	NHOA S.A.	Investments accounted for using the equity method	Note 6	Subsidiary	-	-	16,635	7,595,278	-	-	-	-	(920,917) (Note 3)	16,635	6,674,361
TCC Yingde Cement Co., Ltd.	Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.	Investments accounted for using the equity method	-	Associates	-	-	-	699,477	-	-	-	-	(28,743) (Note 3)	-	670,734
TCC (Gui Gang) Cement Ltd.	Guigang TCC Dong Yuan Environmental Technology Company Limited	Investments accounted for using the equity method	-	Subsidiary	-	570,171	-	355,276	-	-	-	-	(17,164) (Note 3)	-	908,283
NHOA S.A.	NHOA ENERGY S.R.L.	Investments accounted for using the equity method	-	Subsidiary	-	-	-	1,002,240	-	-	-	-	1,326,589 (Note 3)	1,000	2,328,829
NHOA ENERGY S.R.L.	NHOA AUSTRALIA PTY LTD	Investments accounted for using the equity method	-	Subsidiary	-	-	25,200	505,225	-	-	-	-	428 (Note 3)	25,210	505,653
TCC Recycle Energy Technology Company	E-One Moli Energy Corp.	Investments accounted for using the equity method	-	Subsidiary	566,311	5,105,395	1,000,000	10,000,000	-	-	-	-	(340,700) (Note 3)	1,566,311	14,764,695
E-One Moli Energy Corp.	Molie Quantum Energy Corporation	Investments accounted for using the equity method	-	Subsidiary	-	-	1,000,100	10,001,000	-	-	-	-	(79,844) (Note 3)	1,000,100	9,921,156

Note 1: Purchase 34,787 thousand shares for NT\$626,345 thousand from unrelated parties and 3,316 thousand shares for NT\$59,500 thousand from subsidiaries.

Note 2: On March 19, 2021, the board of directors of the Corporation approved to sell 100% of the total issued shares of Taiwan Prosperity Chemical Corporation, for the total consideration of NT\$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 NT\$400,000 thousand to TCC Chemical Corporation as the consideration of the termination. The Group completed its disposition and lost control on August 17, 2021. Refer to Note 28.

(Continued)

Note 3: Including the profit and loss parts of subsidiaries recognized under the equity method and adjustments to shareholder's equity.

Note 4: Including accumulated gain from retained earnings in the amount of NT\$1,029,880 thousand which is reclassified from unrealized gain on financial assets at FVTOCI due to disposal.

Note 5: Unrealized loss on financial assets at FVTOCI in this period.

Note 6: Purchase 7,722 thousand shares for NT\$4,391,545 thousand from Engie SA Group, acquire 596 thousand shares for NT\$329,447 thousand from open market and acquire 8,317 thousand shares for NT\$2,874,286 from NHOA S.A. issuance of ordinary shares for cash.

Note 7: The subscription of 37,520 thousand shares of Phihong Technology Co., Ltd. was via private placement for consideration of \$1,510,555 thousand. After the private placement, the Corporation owns 9.9998% of shares of Phihong Technology Co., Ltd. The private placement of ordinary shares may not be transferred to others within 3 years under the relevant laws and regulations.

(Concluded)

TAIWAN CEMENT CORPORATION

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Taiwan Cement Corporation	Factory expansion construction	2021.9.27	\$ 3,347,752	By negotiation	CTCI Resources Engineering Inc.	The Group acts as key management of its parent company	-	-	-	\$ -	Negotiated price	For operating purpose	None
Molie Quantum Energy Corporation	Factory expansion construction	2021.5.1	407,300	By negotiation	CTCI Corporation	The Group acts as key management personnel	-	-	-	-	Negotiated price	For operating purpose	None
	Factory expansion construction	2021.8.20	466,034	By negotiation	Ruentex Engineering & Construction Co., Ltd.	-	-	-	-	-	Negotiated price	For operating purpose	None
	Factory expansion construction	2021.10.20	3,996,379	By negotiation	Ruentex Engineering & Construction Co., Ltd.	-	-	-	-	-	Negotiated price	For operating purpose	None
	Factory expansion construction	2021.10.20	3,900,000	By negotiation	CTCI Smart Engineering Corp.	The Group acts as key management of its parent company	-	-	-	-	Negotiated price	For operating purpose	None

Note: The acquisition of certain real estate by the Corporation from CTCI Resources Engineering Inc. and the acquisition of certain real estate by Molie Quantum Energy Corporation from CTCI Corporation and CTCI Smart Engineering Corporation fall into the definition of "The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property on the company's own land or on rented land"; therefore, Articles 16 and 17 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies are not applicable to such acquisition.

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, 2021
 (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
Ta-Ho RSEA Environment Co., Ltd.	The Linnei Incinerator related land and other fixed assets in Yunlin County	2021.4	2002.11.27 - 2007.2.28	\$ 2,930,475	\$ 3,382,519	Has received arbitration award and successive payments	\$ 452,044	Yunlin County Government	-	Assets have been transferred in accordance with the arbitration award issued by the Chinese Arbitration Association, Taipei (Ref. No. (95) Zhong-Sheng-Xin-Zi-104)	Arbitration award issued by the Chinese Arbitration Association, Taipei (Ref. No. (95) Zhong-Sheng-Xin-Zi-104)	-

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, 2021
(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	\$ (510,840)	(2)	30 days	\$ -	-	\$ 153,226	24	
	HKCCL	Subsidiary	Purchases	205,556	1	30 days	-	-	(26,178)	(2)	
			Sales	(514,564)	(2)	65 days counting from the completion of shipment	-	-	75,968	12	
	TCCIH	Subsidiary	Service revenue	(442,400)	(2)	By contract	-	-	37,491	6	
	E.G.C. Cement Corporation	Subsidiary	Sales	(584,966)	(2)	50 days counting from the completion of shipment	-	-	166,785	26	
			Purchases	1,789,482	9	30 days	-	-	(541,421)	(41)	
	Jin Chang Minerals Corporation	Subsidiary	Purchases	685,546	4	30 days	-	-	(126,091)	(10)	
	Taiwan Transport & Storage Corporation	Subsidiary	Purchases	667,116	4	30 days	-	-	(144,048)	(11)	
	Hoping Industrial Port Corporation	Subsidiary	Purchases	584,056	3	20 days	-	-	(51,639)	(4)	
	Ho Sheng Mining Co., Ltd.	Subsidiary	Purchases	323,826	2	30 days	-	-	(59,956)	(5)	
	Kuan-Ho Refractories Industry Corporation	Subsidiary	Purchases	201,457	1	By contract	-	-	(104,104)	(8)	
	Chia Hsin Cement Corporation	Director of the Corporation	Sales	(692,930)	(3)	65 days counting from the completion of shipment	-	-	123,932	19	
			Purchases	788,935	4	60 days	-	-	(242,055)	(18)	
	China Hi-Ment Corporation	The Corporation serves as director	Sales	(156,187)	(1)	60 days	-	-	41,592	6	
Purchases			788,935	4	60 days	-	-	(242,055)	(18)		
Ho-Ping Power Company	Hoping Industrial Port Corporation	The same parent company	Purchases	1,072,459	14	20 days	-	-	(27,457)	(23)	
			Purchases	493,623	6	By contract	-	-	(88,671)	(74)	
Hoping Industrial Port Corporation	Taiwan Cement Corporation	Parent company	Sales	(584,056)	(34)	20 days	-	-	51,639	62	
	Ho-Ping Power Company	The same parent company	Sales	(1,072,459)	(62)	20 days	-	-	27,457	33	
	Taiwan Transport & Storage Corporation	The same parent company	Purchases	232,404	79	30 days	-	-	(20,991)	(84)	
E.G.C. Cement Corporation	Taiwan Cement Corporation	Parent company	Purchases	584,966	100	50 days counting from the completion of shipment	-	-	(166,785)	(100)	
Feng Sheng Enterprise Company Limited	Taiwan Cement Corporation	Parent company	Purchases	510,840	17	30 days	-	-	(153,226)	(100)	
			Sales	(205,556)	(6)	30 days	-	-	26,178	100	
Taiwan Transport & Storage Corporation	Taiwan Cement Corporation	Parent company	Sales	(667,116)	(38)	30 days	-	-	144,048	77	
	Hoping Industrial Port Corporation	The same parent company	Sales	(232,404)	(13)	30 days	-	-	20,991	11	
	Taiwan Prosperity Chemical Corporation (Note 2)	The same parent company	Sales	(205,653)	(16)	30 days	-	-	-	-	
	Linyuan Advanced Materials Technology Co., Ltd.	The same chairman	Sales	(161,258)	(9)	30 days	-	-	21,354	11	
Ta-Ho Maritime Corporation	Taiwan Cement Corporation	Parent company	Sales	(1,789,482)	(59)	30 days	-	-	541,421	99	
TCCIH	Taiwan Cement Corporation	Parent company	Service expense	442,400	100	By contract	-	-	(37,491)	(100)	
Ho Sheng Mining Co., Ltd.	Taiwan Cement Corporation	Parent company	Sales	(323,826)	(73)	30 days	-	-	59,956	73	
	Jin Chang Minerals Corporation	The same parent company	Sales	(119,973)	(27)	30 days	-	-	21,917	27	
HPC Power Service Corporation	Ho-Ping Power Company	The same parent company	Sales	(493,623)	(100)	By contract	-	-	88,671	100	

(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)	
Jin Chang Minerals Corporation	Taiwan Cement Corporation Ho Sheng Mining Co., Ltd.	Parent company The same parent company	Sales	\$ (685,546)	(100)	30 days	\$ -	-	\$ 126,091	100	
			Purchases	119,973	15	30 days	-	-	(21,917)	100	
Kuan-Ho Refractories Industry Corporation	Taiwan Cement Corporation	Parent company	Sales	(201,457)	(21)	By contract	-	-	104,104	90	
Da Tong (Guigang) International Logistics Co., Ltd.	TCC (Gui Gang) Cement Ltd.	The same ultimate parent company	Freight revenue	(527,350)	(94)	By negotiation	-	-	69,437	100	
Guigang Da-Ho Shipping Co., Ltd.	TCC (Gui Gang) Cement Ltd. TCC Yingde Cement Co., Ltd.	The same ultimate parent company The same ultimate parent company	Freight revenue	(457,778)	(39)	By negotiation	-	-	115,597	72	
			Freight revenue	(297,765)	(26)	By negotiation	-	-	34,027	21	
TCC (Gui Gang) Cement Ltd.	Da Tong (Guigang) International Logistics Co., Ltd. Guigang Da-Ho Shipping Co., Ltd.	The same ultimate parent company The same ultimate parent company	Purchases	527,350	7	By negotiation	-	-	(69,437)	(1)	
			Purchases	457,778	6	By negotiation	-	-	(115,597)	(1)	
TCC Yingde Cement Co., Ltd.	Guigang Da-Ho Shipping Co., Ltd.	The same ultimate parent company	Purchases	297,765	3	By negotiation	-	-	(34,027)	(1)	
HKCCL	Taiwan Cement Corporation Quon Hing Concrete Co., Ltd.	Parent company Associates	Purchases	514,564	76	65 days counting from the completion of shipment	-	-	(75,968)	(52)	
			Sales	(324,947)	(35)	By negotiation	-	-	126,567	44	
TCC Liaoning Cement Company Limited	Yantai Jinyu Jidong Cement Co., Ltd.	Related party in substance	Sales	(317,291)	(17)	By negotiation	-	-	-	-	
E-One Moli Energy Corp.	E-One Moli Energy (Canada) Ltd.	The same ultimate parent company	Sales	(829,981)	(19)	90 days	-	-	647,917	61	
E-One Moli Energy (Canada) Ltd.	E-One Moli Energy Corp.	The same ultimate parent company	Purchases	829,981	82	90 days	-	-	(647,917)	(64)	

Note 1: The percentage to total accounts receivable from (payable to) related parties.

Note 2: The Company has disposed of the ordinary shares of Taiwan Prosperity Chemical Corporation in August 2021. Refer to Note 28.

(Concluded)

TAIWAN CEMENT CORPORATION

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE SHARE CAPITAL

DECEMBER 31, 2021

(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	\$ 153,226	3.8	\$ -	-	\$ 145,666	\$ -
	E.G.C. Cement Corporation	Subsidiary	166,785	3.8	-	-	166,785	-
	Chia Hsin Cement Corporation	Directors	123,932	7.0	-	-	123,932	-
Ta-Ho Maritime Corporation	Taiwan Cement Corporation	Parent company	541,421	4.0	-	-	366,755	-
Taiwan Transport & Storage Corporation	Taiwan Cement Corporation	Parent company	144,048	6.2	-	-	68,287	-
Jin Chang Minerals Corporation	Taiwan Cement Corporation	Parent company	126,091	10.3	-	-	126,091	-
Kuan-Ho Refractories Industry Corporation	Taiwan Cement Corporation	Parent company	104,104	2.1	-	-	76,516	-
Guigang Da-Ho Shipping Co., Ltd.	TCC (Gui Gang) Cement Ltd.	The same ultimate parent company	115,597	2.7	-	-	106,093	-
HKCCL	Quon Hing Concrete Co., Ltd.	Associates	126,567	2.7	-	-	25,965	-
E-One Moli Energy Corp.	E-One Moli Energy (Canada) Ltd.	The same ultimate parent company	647,917	1.3	-	-	221,440	-

TAIWAN CEMENT CORPORATION

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2021	December 31, 2020	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	\$ 114,241,779	\$ 8,390,869	\$ 8,390,869	
	Ho-Ping Power Company	Taiwan	Thermal power generation	6,037,720	6,037,720	805,940,306	59.50	16,403,671	1,492,151	887,830	
	Hoping Industrial Port Corporation	Taiwan	Hoping Industrial Port management	3,198,500	3,198,500	319,990,000	100.00	5,865,242	817,162	829,082	
	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	528,506	528,506	161,511,550	64.79	2,831,185	371,172	240,472	
	Taiwan Prosperity Chemical Corporation	Taiwan	Processing and sale of chemical material	-	1,731,127	-	-	-	532,145	554,464	
	Taiwan Transport & Storage Corporation	Taiwan	Warehousing, transportation and sale of sand and gravel	90,863	90,863	48,689,888	83.85	2,093,912	210,996	176,911	
	TCC Investment Corporation	Taiwan	Investment	190,000	190,000	131,488,000	100.00	4,976,399	175,738	409,247	
	Ho Sheng Mining Co., Ltd.	Taiwan	Mining excavation	1,414,358	1,414,358	30,100,000	100.00	1,326,807	62,329	62,329	
	CCC USA Corp.	U.S.A.	Rubber raw materials	1,284,421	1,284,421	79,166	33.33	1,731,743	279,366	93,122	
	Taiwan Cement Engineering Corporation	Taiwan	Engineering services	320,514	320,373	59,681,501	99.20	719,091	88	1,468	
	ONYX Ta-Ho Environmental Services Co., Ltd.	Taiwan	Waste collection and treatment	72,000	72,000	58,828,112	50.00	1,220,989	891,422	445,711	
	Kuan-Ho Refractories Industry Corporation	Taiwan	Production and sale of refractory materials	181,050	181,050	38,925,750	95.29	599,906	90,974	86,688	
	Feng Sheng Enterprise Company	Taiwan	Sale of ready-mixed concrete	250,000	250,000	27,260,611	45.43	432,661	197,308	89,646	
	TCC Chemical Corporation	Taiwan	Leasing property and energy technology services	1,510,842	1,510,842	240,000,000	100.00	1,246,575	(527,110)	(527,110)	
	TCC Information Systems Corporation	Taiwan	Information software design	71,000	71,000	14,904,000	99.36	265,911	14,207	14,116	
	Ta-Ho RSEA Environment Co., Ltd.	Taiwan	Waste collection and treatment	666,000	666,000	39,960,000	66.60	599,889	618,638	412,013	
	HKCMCL	Hong Kong	Investment holding	72,005	72,005	38,094	84.65	459,780	65,831	55,729	
	TCC Green Energy Corporation	Taiwan	Renewable energy generation	9,446,046	3,146,046	950,898,696	100.00	9,379,579	(69,675)	(69,675)	
	Jin Chang Minerals Corporation	Taiwan	Afforestation and sale of limestone	108,042	18,042	9,100,000	100.00	175,885	(93,224)	(93,224)	
	HPC Power Service Corporation	Taiwan	Business consulting	1,861	1,861	6,000	60.00	121,105	202,000	121,200	
	E.G.C. Cement Corporation	Taiwan	Sale of cement	184,359	184,359	8,062,600	50.64	124,088	42,317	21,431	
	Synpac Ltd.	British Virgin Islands	Investment	70,367	70,367	2,700,000	25.00	6,328	(109)	(27)	
	Tung Chen Mineral Corporation	Taiwan	Afforestation and sale of limestone	1,989	1,989	19,890	99.45	1,226	(43)	(43)	
	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	40,701,671	40,701,671	2,581,832,362	38.28	60,257,962	11,452,942	4,384,186	
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	3,563,397	3,563,397	153,476,855	15.59	5,642,349	3,383,221	527,296	
	TCC Dutch	Netherlands	Investment holding	29,695,730	29,695,730	838,370	100.00	24,496,751	761,420	761,420	
	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	10,423,119	1,190,225	1,040,652,886	63.26	10,333,631	(325,693)	(90,911)	
	TCCMOLI	Singapore	Investment holding	1,239	1,239	30,000	100.00	-	(79)	(79)	Liquidation process was in progress
	TCC Sustainable Energy Investment Corporation	Taiwan	Investment holding	1,000	1,000	100,000	100.00	912	(63)	(63)	
	TCC Energy Storage Technology Corporation	Taiwan	Energy storage equipment manufacturing production and sales	2,006,000	1,000	200,600,000	100.00	1,979,067	(26,917)	(26,917)	
	Tuo Shan Recycle Technology Company	Taiwan	Waste collection and treatment	1,000	-	100,000	100.00	955	(45)	(45)	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2021	December 31, 2020	Shares/Units (In Thousands)	%	Carrying Amount			
Taiwan Transport & Storage Corporation	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	\$ 303,432	\$ 301,524	72,925	29.25	\$ 1,278,320	\$ 371,172	\$ 108,558	
	E.G.C. Cement Corporation	Taiwan	Sale of cement	136,476	136,476	7,857	49.36	150,312	42,317	20,886	
	Tai-Jie Transport & Storage Corporation	Taiwan	Transportation	25,000	25,000	2,500	100.00	39,290	12,140	12,140	
TCC Investment Corporation	Union Cement Traders Inc.	Taiwan	Import and export trading	219,450	219,450	27,783,000	100.00	1,126,605	72,218	72,218	
	Ho-Ping Power Company	Taiwan	Thermal power generation	68,911	68,911	6,772,608	0.50	134,379	1,492,151	7,461	
	Taiwan Prosperity Chemical Corporation	Taiwan	Processing and sale of chemical material	-	10,528	-	-	-	532,145	(174)	
	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	343	343	46,711	0.02	819	371,172	69	
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	388,079	388,079	22,008,505	2.23	802,736	3,383,221	75,614	
	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	312,833	312,833	31,859,829	1.94	215,527	(325,693)	(11,437)	
Ta-Ho Maritime Corporation	Ta-Ho Maritime Holdings Ltd.	Samoa	Investment	1,244,914	549,664	44,300,000	100.00	5,451,392	205,911	205,911	
TCC Information Systems Corporation	Taicem Information (Samoa) Pte., Ltd.	Samoa	Investment	3,042	3,042	100,000	100.00	51,557	2,670	2,670	
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	49,882	49,882	2,055,473	0.21	75,012	3,383,221	7,062	
Hoping Industrial Port Corporation	Taiwan Prosperity Chemical Corporation	Taiwan	Processing and sale of chemical material	-	104,929	-	-	-	532,145	(1,765)	
	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	112,898	112,898	11,695,699	0.71	79,120	(325,693)	(4,233)	
Union Cement Traders Inc.	Taiwan Transport & Storage Corporation	Taiwan	Warehousing, transportation and sale of sand and gravel	2,612	2,612	389,418	0.67	16,747	210,996	1,415	
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	281,806	281,806	11,463,551	1.16	418,351	3,383,221	39,385	
	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	298,046	298,046	30,702,994	1.87	207,702	(325,693)	(11,021)	
TCC Recycle Energy Technology Company	E-One Moli Energy Corp.	Taiwan	Manufacturing and sales of Lithium battery	15,683,427	5,683,427	1,566,310,703	100.00	14,764,695	(321,476)	(321,476)	
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	441,098	68,811	68,811	
	Molie Quantum Energy Corporation	Taiwan	Manufacturing and sales of batteries, power generation machinery and electronic components	10,001,000	-	1,000,100,000	100.00	9,921,156	(79,844)	(79,844)	
E-One Holdings Ltd.	E-One Moli Holdings (Canada) Ltd.	Canada	Investment holding	2,430,170	2,430,170	23,800	100.00	441,081	68,818	68,818	
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	441,048	68,816	68,816	
Ho-Ping Power Company	Ho-Ping Renewable Energy Company	Taiwan	Renewable energy generation	1,000	1,000	100,000	100.00	994	(3)	(3)	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2021	December 31, 2020	Shares/Units (In Thousands)	%	Carrying Amount			
TCC Green Energy Corporation	TCC Chia-Chien Green Energy Corporation	Taiwan	Renewable energy generation	\$ 2,302,000	\$ 1,002,000	230,200,000	100.00	\$ 2,181,304	\$ (48,901)	\$ (48,901)	
	TCC Yun-Kai Green Energy Corporation	Taiwan	Renewable energy generation	25,000	25,000	2,500,000	100.00	22,083	(181)	(181)	
	TCC Lien-Shen Green Energy Corporation	Taiwan	Renewable energy generation	4,012,000	12,000	401,200,000	100.00	4,007,344	(1,706)	(1,706)	
	TCC Chang-Ho Green Energy Corporation	Taiwan	Renewable energy generation	2,456	2,456	245,635	100.00	2,376	(34)	(34)	
	TCC Kao Cheng Green Energy Corporation	Taiwan	Renewable energy generation	82,000	82,000	8,200,000	100.00	84,214	2,464	2,464	
	TCC Nan Chung Green Energy Corporation	Taiwan	Renewable energy generation	170,000	170,000	17,000,000	100.00	169,450	1,195	1,195	
	Chang-Wang Wind Power Co., Ltd.	Taiwan	Renewable energy generation	720,000	720,000	72,000,000	100.00	696,603	27,685	27,685	
	TCC Ping-Zhi Green Energy Corporation	Taiwan	Renewable energy generation	2,000	2,000	200,000	100.00	1,883	(34)	(34)	
	Chia-Ho Green Energy Corporation	Taiwan	Renewable energy generation	100,000	50,000	10,000,000	100.00	67,292	(32,332)	(32,332)	
	TCC Tung-Li Green Energy Corporation	Taiwan	Renewable energy generation	150,000	-	15,000,000	100.00	143,965	(6,035)	(6,035)	
Ta-Ho Maritime Holdings Ltd.	THC International S.A.	Panama	Marine transportation	1,814,799	1,119,549	64,310,000	100.00	4,428,772	117,694	117,694	
	Ta-Ho Maritime (Hong Kong) Limited	Hong Kong	Marine transportation	141,168	145,248	5,100,000	100.00	947,044	89,629	89,629	
	Ta-Ho Maritime (Singapore) Pte. Ltd.	Singapore	Marine transportation	2,768	2,848	100,000	100.00	65,878	(1,120)	(1,120)	
TCC International Ltd. (Group)	Quon Hing Concrete Co., Ltd.	Hong Kong	Investment holding	157,899	163,415	100,000	50.00	149,229	48,788	24,394	
	Hong Kong Concrete Co., Ltd.	Hong Kong	Cement processing services	24,211	25,057	129,150	31.50	142,636	(12,679)	(3,994)	
TCC Dutch	Cimpor Global Holdings B.V.	Netherlands	Holding company	26,255,753	27,014,590	100,000	40.00	25,112,660	3,400,061	1,265,472	
	TCEH	Netherlands	Investment holding	10,627,883	-	75,001,000	100.00	9,496,458	(240,073)	(240,073)	
TCEH	NHOA S.A.	France	Investment holding	7,595,278	-	16,635,102	65.15	6,674,361	(298,915)	(190,160)	
NHOA S.A.	NHOA ENERGY S.R.L.	Italy	Renewable energy and energy storage system construction	1,002,240	-	1,000,000	100.00	2,328,829	(296,231)	(296,231)	
	ELECTRO POWER SYSTEM MANUFACTURING	Italy	Renewable energy and energy storage system construction	664,059	-	1,004,255	100.00	127,040	9,567	9,567	
	Comores Énergie Nouvelles S.A.R.L.	Union of the Comoros	Renewable energy and energy storage system construction	305	-	60	60.00	11,508	(2,060)	(1,236)	
NHOA ENERGY S.R.L.	FREE2MOVE ESOLUTIONS S.P.A.	Italy	Electric vehicle charging equipment	528,255	-	16,344,531	49.90	511,911	(2,293)	(1,144)	
	NHOA AMERICAS LLC	U.S.A.	Renewable energy and energy storage system construction	274	-	10,000	100.00	5,946	(11,769)	(11,769)	
	NHOA AUSTRALIA PTY LTD.	Australia	Renewable energy and energy storage system construction	505,225	-	25,210,000	100.00	505,653	1,751	1,751	
	ATLANTE SRL	Italy	Renewable energy and charging equipment	78,136	-	10,000	100.00	66,085	(12,051)	(12,051)	

(Concluded)

TAIWAN CEMENT CORPORATION

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021
(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, 2021 (Note 2)	Investment Flow (Note 2)		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021 (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, 2021 (Note 3)	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outflow	Inflow							
TCC Fuzhou Cement Co., Ltd.	Manufacturing and sale of cement	\$ 449,800	(b)	\$ 254,137	\$ -	\$ -	\$ 254,137	\$ 66,300	100.00	\$ 66,300	\$ 1,003,138	\$ -	
TCC Fuzhou Yangyu Port Co., Ltd.	Service of port facility	138,400	(b)	78,196	-	-	78,196	27,159	100.00	27,159	301,052	-	
TCC Liuzhou Construction Materials Company Limited	Manufacturing and sale of slag powder	373,680	(b)	89,683	-	-	89,683	110,955	42.00	46,601	398,103	-	
TCC Yingde Cement Co., Ltd.	Manufacturing and sale of cement	7,041,792	(b)	4,400,040	-	-	4,400,040	3,418,435	100.00	3,418,435	33,473,137	-	
Jurong TCC Cement Co., Ltd.	Manufacturing and sale of cement	6,449,440	(b)	3,764,342	-	-	3,764,342	2,117,136	100.00	2,117,136	17,526,439	-	
TCC (Gui Gang) Cement Ltd.	Manufacturing and sale of cement	9,214,005	(b)	6,590,605	-	-	6,590,605	1,566,776	100.00	1,566,776	28,176,279	-	
Jiangsu TCC Investment Co., Ltd.	Investment holding	1,384,000	(b)	781,960	-	-	781,960	968,262	100.00	968,262	3,902,650	-	
Yingde Dragon Mountain Cement Co., Ltd.	Manufacturing and sale of cement	1,859,710	(b)	3,006,965	-	-	3,006,965	1,990,720	100.00	1,990,720	17,231,540	-	
TCC Liaoning Cement Company Limited	Manufacturing and sale of cement	1,611,624	(b)	1,234,016	-	-	1,234,016	103,886	100.00	103,886	1,837,965	-	
TCC Anshun Cement Company Limited	Manufacturing and sale of cement	4,248,603	(b)	3,095,343	-	-	3,095,343	307,816	100.00	307,816	7,224,247	-	
TCC Chongqing Cement Company Limited	Manufacturing and sale of cement	3,266,240	(b)	2,361,695	-	-	2,361,695	953,698	100.00	953,698	9,366,636	-	
Guangan Changxing Cement Company Ltd.	Manufacturing and sale of cement	2,131,083	(b)	1,547,184	-	-	1,547,184	540,719	100.00	540,719	5,953,441	-	
TCC (Dong Guan) Cement Company Ltd.	Manufacturing and sale of cement	553,600	(b)	312,784	-	-	312,784	(3,121)	100.00	(3,121)	310,701	-	
Guizhou Kong On Cement Company Limited	Manufacturing and sale of cement	561,904	(b)	253,277	-	-	253,277	(66,042)	65.00	(42,927)	416,311	-	
TCC New (Hangzhou) Management Company Limited	Operation management	221,440	(b)	125,114	-	-	125,114	(106,656)	100.00	(106,656)	67,734	-	
Guizhou Kaili Rui An Jian Cai Co., Ltd.	Manufacturing and sale of cement	1,692,685	(b)	990,235	-	-	990,235	(13,852)	100.00	(13,852)	3,710,029	-	
TCC Shaoguan Cement Co., Limited	Manufacturing and sale of cement	1,912,688	(b)	1,792,280	-	-	1,792,280	(122,314)	100.00	(122,314)	1,797,647	-	
TCC Huaying Cement Company Limited	Manufacturing and sale of cement	4,126,279	(b)	2,841,485	-	-	2,841,485	(74,298)	100.00	(74,298)	3,638,769	-	
TCC Huaihua Cement Company Limited (Note 4)	Manufacturing and sale of cement	1,303,200	(b)	5,201,600	-	-	5,201,600	271,348	100.00	271,348	4,855,411	-	
TCC Jingzhou Cement Company Limited (Note 4)	Manufacturing and sale of cement	651,600	(b)	-	-	-	-	128,140	100.00	128,140	2,232,148	-	
TCC Huaihua Concrete Company Limited (Note 4)	Sale of ready-mixed concrete	43,440	(b)	-	-	-	-	(10,863)	100.00	(10,863)	32,152	-	
TCC Jiangsu Mining Industrial Company Limited	Mining excavation	110,720	(b)	346,191	-	-	346,191	28,434	100.00	28,434	343,568	-	
TCC Yingde Mining Industrial Company Limited	Mining excavation	318,320	(b)	250,439	-	-	250,439	(27,110)	100.00	(27,110)	359,567	-	
TCC Guigang Mining Industrial Company Limited	Mining excavation	138,400	(b)	119,540	-	-	119,540	5,023	100.00	5,023	386,190	-	
Scitus Naxi Cement Co., Ltd.	Manufacturing and sale of cement	636,439	(b)	-	-	-	-	16,862	100.00	16,862	582,024	-	
Scitus Luzhou Cement Co., Ltd.	Manufacturing and sale of cement	1,715,880	(b)	-	-	-	-	276,918	100.00	276,918	3,391,476	-	
Scitus Hejiang Cement Co., Ltd.	Manufacturing and sale of cement	100,998	(b)	-	-	-	-	(988)	100.00	(988)	4,212	-	
Scitus Luzhou Concrete Co., Ltd.	Sale of ready-mixed concrete	108,600	(b)	-	-	-	-	(18,473)	100.00	(18,473)	94,879	-	
Anshun Xin Tai Construction Materials Company Limited	Filtering of sand and gravel and sale of ready-mixed concrete	65,160	(b)	84,573	-	-	84,573	227	100.00	227	63,248	-	
Fuzhou TCC Information Technology Co., Ltd. (Note 5)	Software product and equipment maintenance	2,768	(b)	2,955	-	-	2,955	3,698	100.00	3,698	17,110	39,372	
Da Tong (Guigang) International Logistics Co., Ltd. (Note 5)	Logistics and transportation	138,400	(b)	-	-	-	-	89,909	100.00	89,909	932,345	-	
Da Tong (Ying De) Logistics Co., Ltd. (Note 5)	Logistics and transportation	21,720	(b)	-	-	-	-	9,047	100.00	9,047	131,641	-	
Guigang Da-Ho Shipping Co., Ltd. (Note 5)	Marine transportation	17,376	(b)	-	-	-	-	58,221	100.00	58,221	527,926	-	
Prosperity Conch Cement Co., Ltd.	Manufacturing and sale of cement	2,519,520	(b)	2,026,077	-	-	2,026,077	5,517,279	25.00	1,379,320	7,680,842	-	
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Manufacturing and sale of cement	3,583,800	(b)	1,320,914	-	-	1,320,914	524,761	30.00	157,428	1,635,580	-	Note 3
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Manufacturing and sale of cement	1,792,248	(b)	639,646	-	-	639,646	458,503	30.00	137,551	866,291	-	Note 3
Sichuan Taichang Building Material Group Company Limited	Manufacturing and sale of cement	868,800	(b)	319,754	-	-	319,754	267,339	30.00	80,202	391,733	-	
Yingjing Xinan New material Co., Ltd.	Manufacturing and sale of cement	86,880	(b)	-	-	-	-	-	30.00	-	(165,871)	-	
Guangan Xin Tai Construction Materials Company Limited	Manufacturing and sale of concrete aggregate	67,332	(b)	43,653	-	-	43,653	-	50.00	-	-	-	
Guigang TCC Dong Yuan Environmental Technology Company Limited	Dangerous waste treatment	868,800	(b)	508,248	-	-	508,248	23,130	100.00	23,130	908,283	-	
Beijing TCC Environmental Technology Co., Ltd.	Technology development, enterprise management and sales	26,064	(b)	26,064	-	-	26,064	(42,536)	100.00	(42,536)	(63,239)	-	
TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	Environment, cement, business management consulting	3,040,800	(b)	3,040,800	-	-	3,040,800	(236,096)	100.00	(236,096)	2,381,283	-	
Kaili TCC Environment Technology Co., Ltd.	Waste collection and treatment	34,752	(b)	13,032	-	-	13,032	(89,664)	100.00	(89,664)	(65,572)	-	
TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd.	Technology development, enterprise management and sales	17,376	(b)	9,557	-	-	9,557	150	55.00	82	8,743	-	

(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, 2021 (Note 2)	Investment Flow (Note 2)		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021 (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, 2021 (Note 3)	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outflow	Inflow							
Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd.	Technology development, enterprise management consulting	\$ 38,010	(b)	\$ -	\$ -	\$ -	\$ -	\$ (9)	45.00	\$ (4)	\$ 33,114	\$ -	
TCC (Hangzhou) Recycle Resource Technology Environmental Limited	Resource recycling technology development, business management and sales	2,432,640	(b)	-	-	-	-	28,911	100.00	28,911	2,457,688	-	
Guigang Conch-TCC New Material Technology Co., Ltd	Technology development and service, Manufacturing and sale of dedicated chemical production	104,256	(b)	-	-	-	-	(12,585)	40.00	(5,034)	35,376	-	
Jurong TCC Environmental Co., Ltd.	Dangerous waste treatment	651,600	(b)	-	-	-	-	6,375	100.00	6,375	655,825	-	
Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.	Manufacturing and sale of cement, technology development, enterprise management and sales	1,737,600	(b)	-	-	-	-	(55,222)	40.00	(22,089)	670,734	-	
TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited	Resource recycling technology consultation, biomass energy technology and fuel sales, solid waste treatment	4,344	(b)	-	-	-	-	-	100.00	-	4,329	-	
TCC Yongren (Hangzhou) Environmental Technology Company Limited	Resource recycling technology consultation, solid waste treatment, biomass fuel sales	4,344	(b)	-	-	-	-	-	100.00	-	4,329	-	
TCC Yongren (Hangzhou) Renewable Resources Technology Company Limited	Resource reusing technology and development, solid waste treatment, biomass fuel processing and sales	4,344	(b)	-	-	-	-	-	100.00	-	4,329	-	
TCC Yongren (Hangzhou) Renewable Resources Development Company Limited	Resource regeneration technology research and development, solid waste treatment, biomass fuel processing and sales	4,344	(b)	-	-	-	-	-	100.00	-	4,329	-	
TCC (Shaoguan) Environment Technology Co., Ltd.	Biomass fuel processing and sales, solid waste treatment, urban and kitchen waste treatment	4,344	(b)	-	-	-	-	-	100.00	-	4,330	-	

Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$68,201,885	\$70,403,550	(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: For TCC Yingde Cement Co., Ltd., TCC (Gui Gang) Cement Ltd., TCC Anshun Cement Company Limited, TCC Chongqing Cement Company Limited, Jurong TCC Cement Co., Ltd., Yingde Dragon Mountain Cement Co., Ltd. and TCC Huaihua Cement Company Limited the carrying amounts and investment gains or losses are based on the reviewed financial statements, while all other entities are not.

Note 4: As of December 31, 2021, 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, 7, 8 and 11 for the information about significant transactions with investees in the mainland China either directly or indirectly through a third area.

(Concluded)

TAIWAN CEMENT CORPORATION

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

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TAIWAN CEMENT CORPORATION**STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

Item	Period	Annual Rate of Return	Amount
Cash			
Cash on hand			\$ 1,256
Checking accounts and demand deposits (Note)			<u>12,884,624</u>
			<u>12,885,880</u>
Cash equivalents			
Time deposits with original maturity dates within 3 months (Note)	2021.12.09-2022.01.10	0.10%-0.18%	13,923,040
Bonds issued under repurchase agreements (Note)		0.30%	<u>110,735</u>
			<u>14,033,775</u>
			<u>\$ 26,919,655</u>

Note: Including US\$804,822 thousand, the rate of exchange US\$1=\$27.68.

TAIWAN CEMENT CORPORATION**STATEMENT OF FINANCIAL ASSETS AT FVTOCI - CURRENT****DECEMBER 31, 2021****(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.	66,766	\$ 646,575	18.95	\$ 1,265,211
CTCI Corporation	9,054	200,438	37.20	336,822
Chia Hsin Cement Corporation	27,419	305,388	20.75	568,953
China Hi-Ment Corporation	30,196	261,546	45.35	1,369,396
O-Bank				
Ordinary shares	32,809	305,799	8.00	262,470
Convertible preference shares	2,956	<u>29,559</u>	10.10	<u>29,854</u>
		<u>\$ 1,749,305</u>		<u>\$ 3,832,706</u>

Note: Calculated based on the closing price and the last strike price on December 31, 2021.

TAIWAN CEMENT CORPORATION**STATEMENT OF NOTES AND ACCOUNTS RECEIVABLE****DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars)**

Client Name (Note)	Amount
Client A	\$ 260,310
Client B	259,749
Others	<u>4,691,393</u>
	5,211,452
Less: Allowance for doubtful accounts	<u>45,590</u>
	<u>\$ 5,165,862</u>

Note: The amount of individual client does not exceed 5% of the account balance.

TAIWAN CEMENT CORPORATION**STATEMENT OF INVENTORIES****DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars)**

Item	Amount	
	Cost	Net Realizable Value
Finished goods	\$ 318,074	\$ 447,872
Work in process	393,010	430,445
Raw materials	<u>1,143,684</u>	<u>960,017</u>
	1,854,768	<u>\$ 1,838,334</u>
Less: Allowance for write-downs (Note)	<u>214,231</u>	
	<u>\$ 1,640,537</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, 2021

(In Thousands of New Taiwan Dollars, Unless Unit Price is New Taiwan Dollars)

Name of Securities	Balance at January 1, 2021		Addition		Unrealized Gain (Loss) on Financial Instruments	Fair Value on December 31, 2021		
	Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount		Number of Shares (In Thousands)	Unit Price	Balance, December 31, 2021
Privately placed listed shares								
Phihong Technology Co., Ltd.	-	\$ -	37,520	\$ 1,510,555	\$ (254,761)	37,520	\$33.47	\$ 1,255,794
Unlisted shares								
Taiwan Stock Exchange Corporation	49,731	4,469,268	5,967	-	1,533,312	55,698	107.77	6,002,580
Chinatrust Investment Co., Ltd.	29,553	1,160,235	-	-	17,141	29,553	39.84	1,177,376
IBT II Venture Capital Corporation	2,626	14,509	-	-	-	2,626	5.53	14,509
Pan Asia Corporation	6,204	8,996	-	-	-	6,204	1.45	8,996
Excel Corporation	600	-	-	-	-	600	-	-
		<u>\$ 5,653,008</u>		<u>\$ 1,510,555</u>	<u>\$ 1,295,692</u>			<u>\$ 8,459,255</u>

TAIWAN CEMENT CORPORATION

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Unit Price is New Taiwan Dollars)

Name	Balance, January 1, 2021		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, 2021			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	\$ 5,082,574	-	\$ -	\$ (15,348)	\$ 527,296	\$ 47,827	153,477	15.6	\$ 5,642,349	\$ 28.2	\$ 4,328,051
Taiwan Prosperity Chemical Corporation (Note 24)	93,857	734,888	(93,587)	(1,592,741)	-	554,464	303,389	-	-	-	-	-
		<u>5,817,462</u>		<u>(1,592,741)</u>	<u>(15,348)</u>	<u>1,081,760</u>	<u>351,216</u>			<u>5,642,349</u>		
Unlisted company												
TCCI	1,100,876	111,330,984	-	-	-	8,390,869	(5,480,074)	1,100,876	100.0	114,241,779		
TCCIH	2,581,832	56,398,941	-	-	-	4,384,186	(525,165)	2,581,832	38.3	60,257,962		
Taiwan Cement Dutch	838	29,075,184	-	-	-	761,420	(5,339,853)	838	100.0	24,496,751		
Ho-Ping Power Company	805,940	18,279,509	-	-	(2,762,913)	887,830	(755)	805,940	59.5	16,403,671		
Hoping Industrial Port Corporation	319,990	5,733,662	-	-	(735,977)	829,082	38,475	319,990	100.0	5,865,242		
TCC Investment Corporation (Note 3)	117,400	4,624,367	14,088	-	(3,778)	409,247	(53,437)	131,488	100.0	4,976,399		
TCC Green Energy Corporation (Note 2)	320,899	3,149,254	630,000	6,300,000	-	(69,675)	-	950,899	100.0	9,379,579		
Ta-Ho Maritime Corporation (Note 3)	143,566	2,684,377	17,946	-	(50,248)	240,472	(43,416)	161,512	64.8	2,831,185		
Taiwan Transport & Storage Corporation (Note 3)	40,541	2,002,162	8,149	-	(81,488)	176,911	(3,673)	48,690	83.9	2,093,912		
CCC USA Corp.	79	1,679,436	-	-	-	93,122	(40,815)	79	33.3	1,731,743		
TCC Chemical Corporation	240,000	1,384,605	-	-	-	(527,110)	389,080	240,000	100.0	1,246,575		
Ho Sheng Mining Co., Ltd.	30,100	1,319,558	-	-	(55,080)	62,329	-	30,100	100.0	1,326,807		
TCC Recycle Energy Technology Company (Note 2)	117,364	1,244,337	923,289	9,232,894	-	(90,911)	(52,689)	1,040,653	63.3	10,333,631		
ONYX Ta-Ho Environmental Services Co., Ltd. (Note 3)	30,176	815,179	28,652	-	(31,836)	445,711	(8,065)	58,828	50.0	1,220,989		
Taiwan Cement Engineering Corporation (Note 2)	59,670	720,745	12	141	(3,263)	1,468	-	59,682	99.2	719,091		
Kuan-Ho Refractories Industry Corporation (Note 3)	18,105	513,065	20,821	-	-	86,688	153	38,926	95.3	599,906		
HKCMCL	38	419,033	-	-	-	55,729	(14,982)	38	84.7	459,780		
Feng Sheng Enterprise Company	27,261	401,193	-	-	(59,973)	89,646	1,795	27,261	45.4	432,661		
TCC Information Systems Corporation	14,904	251,518	-	-	-	14,116	277	14,904	99.4	265,911		
Ta-Ho Onyx RSEA Environment Co., Ltd.	39,960	187,876	-	-	-	412,013	-	39,960	66.6	599,889		
Jin Chang Minerals Corporation (Note 2)	5,400	183,553	3,700	90,000	(4,444)	(93,224)	-	9,100	100.0	175,885		
E.G.C. Cement Corporation	8,063	118,558	-	-	(15,874)	21,431	(27)	8,063	50.6	124,088		
HPC Power Service Corporation	6	118,401	-	-	(116,537)	121,200	(1,959)	6	60.0	121,105		
Synpac Ltd.	2,700	6,539	-	-	-	(27)	(184)	2,700	25.0	6,328		
Tung Chen Mineral Corporation	20	1,269	-	-	-	(43)	-	20	99.5	1,226		
TCC Energy Storage Technology Corporation (Note 2)	100	984	200,500	2,005,000	-	(26,917)	-	200,600	100.0	1,979,067		
TCC Sustainable Energy Investment Corporation	100	975	-	-	-	(63)	-	100	100.0	912		
Tuo Shan Recycle Technology Company (Note 2)	-	-	100	1,000	-	(45)	-	100	100.0	955		
TCCMOLI (Note 2)	30	495	(30)	(415)	-	(79)	(1)	-	100.0	-		
TMC (Note 4)	120	-	-	-	-	-	-	120	72.7	-		
TPMC (Note 4)	20	-	-	-	-	-	-	20	40.0	-		
		<u>242,645,759</u>		<u>17,682,620</u>	<u>(3,921,411)</u>	<u>16,675,376</u>	<u>(11,135,315)</u>			<u>261,893,029</u>		
		<u>\$ 248,463,221</u>		<u>\$ 16,035,879</u>	<u>\$ (3,936,759)</u>	<u>\$ 17,757,136</u>	<u>\$ (10,784,099)</u>			<u>\$ 267,535,378</u>		

Note 1: Including exchange differences on translating foreign operations and investee company changes in equity.

Note 2: TCC Green Energy Corporation increased its capital by \$6,300,000 thousand (630,000 thousand shares); TCC Recycle Energy Technology Company increased its capital by \$9,232,894 thousand (923,289 thousand shares); Taiwan Cement Engineering Corporation increased its capital by \$141 thousand (12 thousand shares); Jin Chang Minerals Corporation reduced its capital by 5,300 thousand shares to offset a deficit and increased its capital by \$90,000 thousand (9,000 thousand shares); TCC Energy Storage Technology Corporation increased its capital by \$2,005,000 thousand (200,500 thousand shares); liquidation process of TCCMOLI was in process; Tuo Shan Recycle Technology Company increased its capital by \$1,000 thousand (100 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 \$18,251 thousand and \$20,556 thousand were generated, which were recorded in other non-current liabilities as of December 31, 2021 and 2020, respectively.

Note 5: It was calculated based on the closing price on December 31, 2021.

Note 6: Including profit from discontinued operations.

TAIWAN CEMENT CORPORATION

STATEMENT OF CHANGE IN RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Land	Buildings	Machinery and Equipment	Others	Total
Cost					
Balance at January 1, 2021	\$ 316,118	\$ 1,146,623	\$ 383,547	\$ 55,221	\$ 1,901,509
Additions	199,365	555,486	452,949	22,826	1,230,626
Reclassification	12,556	5	(130,537)	(32)	(118,008)
Disposals	<u>(25,720)</u>	<u>(92,326)</u>	<u>(67,543)</u>	<u>(725)</u>	<u>(188,114)</u>
Balance at December 31, 2021	<u>\$ 500,519</u>	<u>\$ 1,609,788</u>	<u>\$ 638,416</u>	<u>\$ 77,290</u>	<u>\$ 2,826,013</u>
Accumulated depreciation					
Balance at January 1, 2021	\$ 115,660	\$ 292,169	\$ 158,965	\$ 20,524	\$ 587,318
Depreciation expenses	83,449	138,225	96,435	16,595	334,704
Disposals	<u>(25,720)</u>	<u>(92,326)</u>	<u>(67,543)</u>	<u>(725)</u>	<u>(188,114)</u>
Balance at December 31, 2021	<u>\$ 171,589</u>	<u>\$ 338,068</u>	<u>\$ 187,857</u>	<u>\$ 36,394</u>	<u>\$ 733,908</u>
Carrying amount at December 31, 2021	<u>\$ 328,930</u>	<u>\$ 1,271,720</u>	<u>\$ 450,559</u>	<u>\$ 40,896</u>	<u>\$ 2,092,105</u>

TAIWAN CEMENT CORPORATION

STATEMENT OF CHANGES IN INVESTMENT PROPERTIES
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (In Thousands of New Taiwan Dollars)

Item	Balance at January 1, 2021	Addition	Disposal	Reclassification	Balance at December 31, 2021
Cost					
Land	\$ 2,612,902	\$ -	\$ -	\$ -	\$ 2,612,902
Buildings	<u>261,132</u>	<u>-</u>	<u>(93,565)</u>	<u>13</u>	<u>167,580</u>
	<u>2,874,034</u>	<u>-</u>	<u>(93,565)</u>	<u>13</u>	<u>2,780,482</u>
Accumulated depreciation					
Buildings	<u>228,502</u>	<u>122</u>	<u>(87,241)</u>	<u>3,791</u>	<u>145,174</u>
Accumulated impairment					
Land	118,661	-	-	-	118,661
Buildings	<u>23,522</u>	<u>-</u>	<u>(2,026)</u>	<u>-</u>	<u>21,496</u>
	<u>142,183</u>	<u>-</u>	<u>(2,026)</u>	<u>-</u>	<u>140,157</u>
	<u>\$ 2,503,349</u>	<u>\$ (122)</u>	<u>\$ (4,298)</u>	<u>\$ (3,778)</u>	<u>\$ 2,495,151</u>

TAIWAN CEMENT CORPORATION

STATEMENT OF SHORT-TERM LOANS

DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars)

Item (Note 1)	Loan Period	Amount
Bank loans - unsecured		
Export-Import Bank of the Republic of China	2021/06/15-2022/06/14	\$ 400,000
Fubon Commercial Bank Co., Ltd.	2021/12/08-2022/03/08	900,000
Land Bank of Taiwan (Ren Ai)	2021/12/23-2022/03/23	900,000
DBS Bank	2021/12/08-2022/03/23	1,500,000
Taiwan Cooperative Bank (Yuanshan)	2021/12/23-2022/03/23	500,000
Crédit Agricole Corporate and Investment Bank	2021/10/04-2022/01/10	2,000,000
Sumitomo Mitsui Banking Corporation (Taipei)	2021/11/17-2022/02/17	1,610,000
The Bank Of Tokyo-Mitsubishi UFJ, Ltd.	2021/11/23-2022/02/23	2,000,000
First Commercial Bank (Chung -Shan)	2021/12/23-2022/03/29	3,000,000
Oversea-Chinese Banking Corporation Ltd.	2021/10/08-2022/01/26	1,500,000
Citi Bank Taiwan	2021/11/25-2022/02/25	338,000
Mega International Commercial Bank Co., Ltd. (foreign department)	2021/10/07-2022/01/07	1,000,000
Bank of Taiwan (Chung-Shan)	2021/10/07-2022/03/31	1,400,000
Hua Nan Commercial Bank (Yuanshan)	2021/10/08-2022/03/08	2,500,000
Mizuho Corporate Bank Ltd (Taipei)	2021/11/17-2022/03/10	2,700,000
Yuanta Commercial Bank Co., Ltd.	2021/10/08-2022/02/17	1,500,000
Bank of China Limited (Taipei)	2021/10/04-2022/01/04	1,000,000
		<u>24,748,000</u>
Bank loans - letters of credit (Note 2)		
Taiwan Cooperative Bank (Yuanshan)	2021/10/08-2022/03/17	394,782
Land Bank of Taiwan (Ren Ai)	2021/10/19-2022/02/21	240,099
Mega International Commercial Bank Co., Ltd. (foreign department)	2021/11/10-2022/03/22	43,894
		<u>678,775</u>
		<u>\$ 25,426,775</u>

Note 1: The interval of rate is 0.56%-0.95%, and the total loan commitments is \$43,755,520 thousands.

Note 2: Bank loans - letters of credit included US\$24,522 thousand, translated at the exchange rate of US\$1=NT\$27.68.

TAIWAN CEMENT CORPORATION

STATEMENT OF BONDS PAYABLE
DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars, Unless Unit Price is New Taiwan Dollars)

Bonds Name	Trustee	Issuance Date	Interest Payment Date	Coupon Rate (%)	Amount					Unamortized Repayment	Collateral	Remark
					Total Amount	Repayment Paid	Balance, End of Year	Premiums (Discounts)	Carrying Value			
<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	\$ (18,356)	\$ 11,981,644	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	(18,564)	12,581,436	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	(7,858)	5,192,142	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	(26,223)	14,773,777	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	(13,526)	5,786,474	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	(7,378)	3,092,622	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	(2,899)	1,197,101	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	(15,886)	6,484,114	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	(1,762,865)	20,437,135	Bullet repayment	Nil	Note
					<u>\$ 83,400,000</u>	<u>\$ -</u>	<u>\$ 83,400,000</u>	<u>\$ (1,873,555)</u>	<u>\$ 81,526,445</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, 2021, no conversion had been requested.

TAIWAN CEMENT CORPORATION

STATEMENT OF LONG-TERM LOANS AND LONG-TERM BILLS PAYABLE

DECEMBER 31, 2021

(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					
Type A (Note 1)	2018.3-2023.3	1.80%	\$ 17,200,000	\$ 17,200,000	-
Type B (Note 2)	2018.3-2023.3	1.19%	<u>12,000,000</u>	<u>21,500,000</u>	-
			29,200,000	<u>\$ 38,700,000</u>	
Less: Issuance costs			(43,004)		
Current portions			<u>(6,450,000)</u>		
			<u>\$ 22,706,996</u>		

Note 1: The non-revolving credit line of Tranche A, which is of the nature of bank loans, is \$21.5 billion and all credit line was drawn in 2019. Starting from March 2021, its principal shall be equally repaid in 5 semi-annual installments and shall mature in March 2023; interest shall be paid quarterly. As of December 31, 2021, the credit line was adjusted to \$17.2 billion due to the amortization of the principal.

Note 2: The revolving credit line of Tranche B, which is the nature of long-term bills payable, is \$21.5 billion. The period of each actual drawdown can be at least 30 but not over 180 days, and the maturity date of each drawdown period shall not exceed the credit period. The final maturity date shall be in March 2023.

TAIWAN CEMENT CORPORATION**STATEMENT OF NET REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)**

Item	Shipments	Amount
Domestic sales		
Cement - related products	5,305 thousand cubic meters	\$ 13,119,539
Cement	3,172 thousand tons	7,190,569
Clinker	820 thousand tons	1,256,253
Others		<u>427,377</u>
		<u>21,993,738</u>
Export sales		
Cement	871 thousand tons	1,109,670
Clinker	249 thousand tons	253,697
Others		<u>442,400</u>
		<u>1,805,767</u>
		<u>\$ 23,799,505</u>

TAIWAN CEMENT CORPORATION**STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)**

Item	Amount
Balance at beginning of year	\$ 724,981
Add: Raw materials purchased	9,728,582
Less: Raw materials, end of year	<u>1,143,684</u>
Raw materials used	9,309,879
Direct labor	307,184
Manufacturing expenses	<u>3,603,005</u>
Manufacturing costs	13,220,068
Add: Work in process, beginning of year	310,965
Work in process purchased	1,100,738
Less: Work in process, end of year	393,010
Work in process sold	<u>1,041,961</u>
Cost of finished goods	13,196,800
Add: Finished goods, beginning of year	434,242
Finished goods purchased	376,515
Less: Finished goods, end of year	318,074
Add: Transportation costs	3,136,325
Commodity tax	976,700
Work in process sold	1,041,961
Less: Reversed of write-downs of Inventory	26,213
Retirement loss	5,459
Others	<u>43,570</u>
Operating costs	<u>\$ 18,867,285</u>

TAIWAN CEMENT CORPORATION**STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)**

Item	Selling Expenses	General and Administrative Expenses	Total
Payroll and pension	\$ 95,748	\$ 535,832	\$ 631,580
Professional service fees	2,869	325,808	328,677
Board compensation	-	241,310	241,310
Depreciation expenses	25,097	104,234	129,331
General and administrative expenses	21,296	96,942	118,238
Shipping expenses	95,193	5,332	100,525
Others (Note)	<u>33,238</u>	<u>424,967</u>	<u>458,205</u>
	<u>\$ 273,441</u>	<u>\$ 1,734,425</u>	<u>\$ 2,007,866</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, 2021 AND 2020
 (In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

	2021				2020			
	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	\$ 555,651	\$ 591,116	\$ -	\$ 1,146,767	\$ 540,542	\$ 464,341	\$ -	\$ 1,004,883
Labor and health insurance	52,532	38,681	-	91,213	48,286	31,376	-	79,662
Pension	19,523	12,220	-	31,743	16,188	10,685	-	26,873
Board compensation	-	241,310	-	241,130	-	287,348	-	287,348
Others	4,961	28,244	-	33,205	28,349	17,670	-	46,019
	<u>\$ 632,667</u>	<u>\$ 911,571</u>	<u>\$ -</u>	<u>\$ 1,544,238</u>	<u>\$ 633,365</u>	<u>\$ 811,420</u>	<u>\$ -</u>	<u>\$ 1,444,785</u>
Depreciation	<u>\$ 857,953</u>	<u>\$ 129,331</u>	<u>\$ 2,065</u>	<u>\$ 989,349</u>	<u>\$ 814,486</u>	<u>\$ 112,397</u>	<u>\$ 593</u>	<u>\$ 927,476</u>
Amortization	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>

Note 1: As of December 31, 2021 and 2020, the Corporation had 1,114 and 1,078 employees, respectively. There were 14 and 16 non-employee directors, respectively.

Note 2: Average labor cost for the years ended December 31, 2021 and 2020 were \$1,184 thousand and \$1,090 thousand, respectively.

Note 3: Average salary and bonus for the years ended December 31, 2021 and 2020 were \$1,043 thousand and \$946 thousand, respectively. The average salary and bonus changed by 10.25% year over year.

Note 4: The Corporation did not have supervisors for the year ended December 31, 2021 and 2020, 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.



THE FUTURE IS WORTH IT

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