

# The Taiwan Cement Corporation 2023 ANNUAL REPORT

Cross

Diversity

Equity

Boundaries

Inclusion



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# 1 Letter to Shareholders

Four billion years ago, the first life was born from the ocean on the only blue planet in the universe. The ocean is the origin of every life, the mother of mankind.

## What does mankind stand for?

Millions of years ago, man made tools out of stone, demonstrating his ability to understand and shape the world around him. Thousands of years ago, human beings invented writing, created civilization, and wrote it down as history, which further demonstrated that human beings could advance from understanding to creation. In summary, the cognitive revolution lasted 200,000 years, the agricultural revolution lasted 12,000 years, the industrial revolution lasted 150 years, the information revolution lasted 30 years, and now in the 21st century, artificial intelligence is beginning to sprout. How this will lead human society to develop is still a big unknown. Human experience coupled with technological revolution has driven the evolution of history, but at the same time it has caused changes that have drastically damaged the earth.

History is a continuous process of discovery guided by "intellect" and/or "knowledge". People are constantly trying to debate the meaning of this process, and the meaning of life is in fact a dialogue between human beings and the world of nature. If we look at history from this perspective, then history can be understood. Therefore, sometimes history is rational and sometimes it is substantive, but being rational and substantive does not mean that history can be predicted, because the development of history is often paradoxical, cunning and obscure, and not every era can be understood by the people of today. When they can't understand it, most people will turn to religion or philosophy. In fact, the main question for us now is: what kind of future will we have when we are facing huge increases in greenhouse gas? Where do we want to go? What will be the next stage of our civilization?

For 45 years, from February 1978 when I returned to Taipei to February of this year, 2024, I have been an industrialist and cement man. Over these four and a half decades, I have been fortunate to witness the rapid development of Taiwan's society and economy, as well as the changes, progress and upgrading of the cement industry. In the past, when I think of the times when I was close to the factories, I could not hide my happiness when I saw smoke coming out of the chimney, because it meant that production was running normally. Nowadays, whenever I go to the Heping and Su'ao factories, I do not see a single wisp of smoke or line of trucks in a queue. The whole area is so quiet, as if the entire factory is closed, whereas in fact, it is operating in full swing without any apparent trace of pollution.

In retrospect, a frequently discussed topic of industrial development at that time was "Can environmental protection and economic development go hand in hand?" 45 years of history have taught us that indeed, environmental protection and economic development can go hand in hand. Our 45-year history tells us that environmental protection and economic development can go hand in hand as long as we work hard. Although today there is still a lot of room for improvement, the cement industry is still constantly making progress. However, there is already a huge difference between the industries of today and those of the past, and environmental protection has long been a major issue that we cannot afford to take lightly every minute of every day, 24 hours a day, 365 days a year. The question now should be, "can carbon reduction and economic development go hand in hand?". In fact, it is necessary to have some perspective with history, so that we can see the real origin of some problems.

Most people think that pollution became a problem only after the industrial revolution. Therefore, they tend to associate pollution with industrial development. In fact, the first human-generated pollution that nature couldn't cleanse occurred between 500 to 300 B.C., about 2,500 years ago, when lead in the atmosphere suddenly and dramatically increased a hundredfold in its natural level, evidence of which, sadly, is still buried deep in the ice of Greenland today. (Now it's a lot easier to find because of larger areas of melting

ice glaciers.) This massive spread of lead pollution in the Northern Hemisphere has been caused by silver smelters in Greece, Spain, Central Europe and various Asian countries for at least 2,000 years. In fact, the average human today has a thousand times the amount of lead in their body than our prehistoric ancestors did. Therefore, as long as human beings exist, there is an almost unavoidable guarantee that we will cause pollution in nature that cannot be resolved. Any economic activity, whether in the service sector or the industrial sector, causes pollution. In fact, the greenhouse gas effect is part of human pollution, except that we are the first generation to discover greenhouse gas and to understand that this problem is much more difficult to solve, and potentially much more disastrous for mankind.

The truth is that environmental health and economic health can go hand in hand and complement each other if we put our minds to it. The goals of economic development and environmental protection should be the same; that is, to improve the quality of life in our society. Therefore, they should be complementary rather than mutually exclusive. Solving the greenhouse gas problem is not necessarily incompatible with economic and social development.

What does it mean to be "human"? I think the meaning of human existence is to seek to do things that are meaningful for the world. What are the other goals that make human existence more meaningful? While technology and consumer-based civilization are changing the world, it is our duty to confront and improve the world that we are destroying and that we have worked so hard to create over the last few thousand years.

This year marks the 200th anniversary of Joseph Aspdin's creation portland cement. Cement is in fact the most used material by human beings other than water, and it can be said that 75% of the weight of modern human civilization is created by cement. Cement has supported the development of mankind throughout history, with the construction of dams, houses, and levees, and how many civilizations have been protected and preserved? Cement has been the mastermind that has brought generations together, but cement making is not as simple and brutal a process as one might think. Cement production and application was once high tech for the benefit of mankind. And it was not long ago that cement turned into one of the top emitters of carbon dioxide, as it took on a villainous character.

The cement industry has gone through a process of development all over the world. But while the demand for cement has increased in line with the increase in gross domestic product, once it reaches the plateau of demand for a few years, industry growth will fall off the cliff and realize a rapid and steep decline, basically never return to the consumption of the old plateau. Taiwan had such a plateau in the 1980s, and China's cement market reached a plateau in 2022. It may not be easy to expect China cement consumption to recover in the short term. Therefore, capacity is no longer the priority. The cement industry must begin to focus on energy savings, emission reduction, carbon reduction, volume reduction and high quality products. This evolution is not necessarily a bad thing for China or for the world. TCC started to make changes in this direction a few years ago in a purposeful and systematic way.

In fact, the original intention of science and industry is to create, to produce more beautiful life for human society. If the industry itself fails to communicate with each other openly and honestly by sharing the necessary information, it will become another ignorant and antagonistic force in society. In the absence of knowledge and understanding, if the general public only senses that "a problem has arisen" but is unable to do anything about it in the short term, it will gradually develop into a situation where "extremes call for extremes, and

ignorance calls for ignorance" as the German social philosopher Habermas put it, and ultimately, it will become a lost cause. In the worst case scenario, if environmental protection becomes a religious ritual, completely ignoring professionalism, and refusing to use what is necessary for our civilization to develop and how tragic that would be.

TCC has sought to establish a friendly and cooperative relationship the land and nature for a long time. We think we understand nature better than many people, and we are working hard to develop and incorporate alternative energy, alternative fuels, and intelligent processes into our cement production. We are constantly preparing for a tougher, more challenging tomorrow, and we are constantly preparing to find a breakthrough for our planet in the face of ever increasing climate change. For the sake of the planet, we are fully committed to find the next industry that will secure Taiwan a foothold in the world as well as to sustain and grow TCC's business opportunities.

It is almost indisputable that the two most difficult industries in the world to reduce carbon emissions are construction and aviation. Construction is our business, and this year we have developed low-carbon cements, 1L10 and 1L15, which are now being sold, and we are encouraged by the high level of market interest. Both types of cement contain considerably less carbon than Portland Type 1 cement, but still have the same properties and ever better strength, so it's a double win. As a result, 1L15 cement will be our main sales product in the future. For the aviation industry, which is more difficult to reduce carbon emissions, we have also developed high power batteries, which will be used by short-range small passenger planes starting in approximately one year. These will focus on facilitating short haul transportation between cities around airports. In the area for the more efficient use of green energy, which require storage systems, TCC has also developed fireproof, durable, and weather-resistant energy storage cabinets, Energy Ark. In the coming years, TCC will continue its efforts to develop new and innovative products, internationally, because climate change is a global problem. We will make further progress in our policy goal of energy conservation, emission reduction, and carbon reduction.

### Carbon, Water, and Energy

The sea and the sky are full of colors and clouds,  
And the air is full of vitality.  
Nature gives us life.  
Carbon is the basis of life.  
Green power leads to a new era.  
All natural things are in harmony with Man.

Cherish the water.  
Reducing carbon emissions is the most important.  
Electricity should be used in a controlled manner.  
Protecting the Earth is a long-time wish.  
Natural scenery will never die.  
The earth will always be as beautiful as a painting.

The earth and the sky are so beautiful together.  
Sensibility is the key to understanding.  
Carbon dioxide and electricity,  
Nature's treasures must not be wasted.  
Cherish and embrace the future,  
The world is blue and bright.

NAC 2024

## 2023 Annual Business Report

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

| Consolidated revenue | Consolidated operating gross profit margin | Increase compares to previous year | Net profit after tax attributable | Increase compares to previous year | Annual budget achievement rate | Earnings per share |
|----------------------|--|------------------------------------|-----------------------------------|------------------------------------|--------------------------------|--------------------|
| NT\$109.3 billion    | 18.8%                                      | ▲ 9.9%                             | NT\$ 7.998 billion                | ▲ 47.9%                            | 156%                           | NT\$1.06           |

In 2023, the global economy encountered numerous challenges, including high interest rates and inflation. Mainland China's economic recovery post-pandemic fell short of expectations. However, Taiwan Cement Corporation proactively pursued a green transformation, emphasizing carbon reduction and the enhancement of green initiatives.

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

In addition, our efforts were not limited to the cement business; we also expanded into new energy sectors, including green electricity, energy storage, batteries, charging stations, and power trading. We are committed to implementing practical systems to enhance our competitiveness in this new era of low carbon and green energy. By doing so, we aim to meet the challenges of the global economy and create new opportunities and visions for TCC's development.

### Cross-border Synergy, Waste and Carbon Reduction

The TCC Group actively assists enterprises in the semiconductor, steel, power, water purification, and building materials industries, as well as government agencies, in implementing safe treatment and resource reuse of industrial and domestic waste.

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

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

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

These achievements demonstrate that TCC Group not only effectively utilizes resources but also makes significant contributions to environmental protection.

### Resilient low carbon building materials

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

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

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

TCC provides 210~420 KGF/CM<sup>2</sup> series of low-carbon concrete and Portland limestone cement (PLC) concrete. Compared to traditional low-carbon concrete, the newly developed PLC concrete has better workability, higher early-stage strength, and constructability, and is more favorable for carbon reduction. The Fubon Property and Casualty Insurance Building has begun to use Taiwan Cement's PLC concrete, becoming the first building project in Taiwan to use this lowest carbon concrete.

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

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

Combined with new energy technology, TCC created the Energy Ark, a UHPC energy storage cabinet, which boasts three vital features: fire prevention, high heat resistance, and efficient fire extinguishing capabilities, thereby offering a comprehensive solution to the challenges of energy storage safety.

Energy Ark utilizes UHPC as its shell material and is equipped with TCC's proprietary energy management system. When a battery becomes defective, the system switches to cooling mode. If the temperature becomes uncontrollable, it activates the patented water injection system, which quickly injects more than 9,000 liters of water to ensure that the battery module is fully submerged. This effectively prevents thermal runaway and initiates fire extinguishing functions.

### Sustainable green energy supports life

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

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

Overall, the total capacity of our renewable energy installations is set to reach 171.3MW, marking a significant

step forward in our commitment to advocating for green energy and environmental sustainability.

### TCC Energy Storage, Energy Innovation

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

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

TCC Energy Storage actively fosters the use of energy storage systems and provides economical and long-term solution plans to help enterprises achieve energy transformation, RE100, EV100, green logistics, low-carbon backup power, and other goals. These efforts also assist in meeting the obligations of large power users.

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

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

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

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

TCC Energy Storage plans to offer charging station services to the Southern European market, along with reverse power transmission transactions through the aggregated energy storage systems of these charging stations.

### Multi-faceted Innovation of High-end Batteries

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

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

TCC is committed to promoting sustainable development and launching its sustainable blueprint through



three core businesses: low-carbon building materials, resources recycling, and green energy.

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

As responsible members of the industrial sector, our management strategies demonstrate our commitment to reducing carbon emissions. We firmly believe that only by leveraging the industrial structure and the limited capabilities of all enterprises, can we return the 'carbon genie' to the magic lamp of nature, thereby creating a friendly living environment for future generations.

Chairman



# 2 Company profile

## 2.1 Overview



## Capital

| Authorized capital | Paid-in capital    |
|--------------------|--------------------|
| NT\$100 billion    | NT\$77,511,817,420 |

## 2.2 Company profile

### (1) Introduction to TCC

- **1946** The Asano Semento Kabushiki Kaisha Asano Cement Co., Ltd. was renamed as Taiwan Cement Company's Kaohsiung plant.  
Taiwan Chemicals Co., Ltd. was renamed as Taiwan Cement Company's Suao plant.  
Taiwan Cement Co., Ltd.'s plant in Songshan was renamed as Taiwan Cement Company's Taipei plant.  
Taiwan Cement Company was officially established as a joint venture between the National Resources Committee of the Ministry of Economic Affairs (MOEA) and the Taiwan Provincial Government.
- **1954** Taiwan Cement Company was privatized after the government implemented the "land-to-the-tiller" program.  
Mr. Lin, Bo-Shou hosted a joint meeting with the Board of Directors and Supervisors and took over the role of Chairman.
- **1955** Taiwan Transport & Storage Corporation was established.
- **1961** Taiwan Cement's headquarters was constructed.
- **1962** TCC became the first public company listed on the Taiwan Stock Exchange (TWSE:1101).  
TCC International Holdings Limited and Hong Kong Cement Manufacturing Company Limited were established.
- **1973** The government launched the Ten Major Construction Projects, with cement as a key support industry.  
China Synthetic Rubber Corporation and Kuan-Ho Refractories Industry Corporation were established.  
Mr. Koo, Chen-Fu took over the role of Chairman.



- 1974 TCEC Corporation was established.
- 1979 Ta-Ho Maritime Corporation was established
- 1991 TCC Information System Corporation and Taiwan Prosperity Chemical Corporation were established.
- 1992 As awareness of environmental protection increases, the mining rights of the cement plant in western Taiwan were not extended. Onyx Ta-Ho Environmental Services Co., Ltd. and E.G.C. Cement Corporation were established.
- 1996 To cooperate with the government's policy of relocating industry to eastern Taiwan, TCC constructed the TCC Hoping Industrial Port Corporation and began operations for the storage and transportation of cement.
- 1997 Ho-Ping Power Company was established.
- 1998 E-One Moli Energy Corporation was established.
- 2000 TCC started operations in China by investing in the Anhui plant. The Hoping plant began operations. TCC pioneered the first "Port + Cement plant + Power plant" three-in-one circular economy combination at the Hoping Plant. The Hoping harbor, Hoping Cement plant and Hoping power plant served as a demonstration park for zero waste and low carbon emissions through cross-sector collaboration and resource sharing.
- 2003 Mr. Leslie Koo took over the role of Chairman.
- 2004 The Fuzhou plant in Fujian began operations.
- 2005 The Liuzhou plant in Guangxi began operations. The Yingde plant in Guangdong began operations.
- 2007 TCC established the Dr. Cecilia Koo Botanic Conservation Center to support and launch a program for global tropical plant conservation. For its first M&A deal in China, TCC acquired Jing Yang Chia Hsin Cement (now named as Jurong TCC Cement Co., Ltd.).
- 2008 The Guigang plant in Guangxi began operations.
- 2010 The Chongqing plant began operations. The Changqing plant in Liaoning began operations
- 2011 The Anshun plant in Guizhou began operations. The Guangan plant in Sichuan began operations. TCC and the Industrial Technology Research Institute co-constructed Asia's largest calcium-looping CO<sub>2</sub> capture pilot plant in Hoping.
- 2013 TCC Anshun plant in Guizhou launched a project to co-process household waste in cement kilns.
- 2015 The project of cement kilns co-processing household waste of TCC Anshun plant started operations.

- 2017 Mr. An-Ping Chang took over the role of Chairman and envisioned a blueprint to reinvent the TCC Group: TCC is not just a cement manufacturer and seller, but also an Eco-Solution Provider. TCC engages in green engineering and focuses on the complex relationship between humans and nature.
- 2018 TCC Green Energy Corporation and Linyuan Advanced Materials Technology Co., Ltd. were established. TCC completed the construction of its first ground-based solar power plant in Changhua Coastal Industrial Park. TCC established Taiwan Cement (Dutch) Holdings B.V. as its global base in Amsterdam. To expand into Europe, TCC and OYAK, the largest cement company in Turkey, established a joint venture, Dutch Oyak TCC Holding B.V.
- 2019 TCC continued its expansion in Europe and Central Asia. The joint venture with OYAK acquired the Portuguese cement company Cimpor, and constructed an eco-friendly cement plant in the Ivory Coast in West Africa. The Hoping Port of TCC was accredited as an EcoPort by the EU. TCC Green Energy Corporation constructed Taiwan's first renewable energy plant using wind and solar power in Changhua Coastal Industrial Park. TCC adopted SBT (Science Based Targets) and drew up a plan to achieve carbon reduction by following the methodologies of IPCC (Intergovernmental Panel on Climate Change) and IEA (International Energy Agency). TCC was the first cement company in East Asia to set targets for carbon reduction.
- 2020 TCC Energy Storage Technology Corporation was established. TCC's Guigang plant in Guangxi began hazardous waste treatment project as the largest single cement kiln co-processing system in China. TCC DAKA Open Eco-Factory began operations to facilitate communications between business and society, and to reshape relations with communities. The Hoping Cement Plant in Hualien, authorized by the EIA to co-process household waste, agreed to assist the future processing of 150 tons of daily domestic waste in Hualien County. Cement kilns would become "urban purifiers". The smart warehouse in TCC Hoping plant began operations in July. TCC Chia-Chien Green Energy Corporation began a solar PV power project in Chiayi, and collaborated with Taiyen Green Energy Co., Ltd. to construct Taiwan's first fishery and electricity symbiosis power plant in Yizhu Township and Budai Township in Chiayi County.
- 2021 TCC DAKA Renewable Resources Recycling Center started construction. Not just to solve household waste problems in Hualien, TCC DAKA together with the cement kiln in Hoping plans to assist different waste disposals in the Phase II. The AFC smart energy storage system of TCC Green Energy Corporation in Changhua Coastal Industrial Park began operations. With an installed capacity of 5MW, it was the first large-scale energy storage project in Taiwan. TCC finalized the acquisition of NHOA in Italy, and entered the global market for energy storage and charging piles. Not just the only organisation with the long-range, large-scale energy storage system in Taiwan, TCC Group was the world's 4th largest company in terms of the installed capacity of energy storage systems. Additionally, TCC became the main global supplier of multi-functional charging piles for high-end electric vehicles. The Hoping Power Plant revitalized the Hanben Sea Relay Station in the Aohua village in Yilan, with the goal of paying attention to marine debris issues, while mentoring local aboriginal youths to start businesses, conduct regional revitalization, and promote their aboriginal culture.



- 2021 Complete the transaction of the sale of Taiwan Prosperity Chemical Corporation.
- As a member of the "Global Cement and Concrete Association" (GCCA), TCC jointly announced with other international cement companies a goal of reducing carbon emissions by 25% within 10 years, as part of industry-wide efforts to reach net zero emissions by 2050.
- Molie Quantum Energy Corporation started construction on its Kaohsiung lithium battery factory, which is expected to start operations in 2023, with a production capacity of 1.8GWh, and to produce about 24,000 long-range batteries for electric vehicles per year.
- Hoping Eco-Port obtained the Green Port Certificate from Green Port Award System (GPAS), a program developed by the APEC Port Services Network (APSN).
- TCC Shaoguan plant in China finished construction, with selected equipment designed to meet ULEZ emissions standards. The Shaoguan plant with a water park also marked the official completion of TCC's first eco-cycle open plant in China.
- TCC Hoping Plant was awarded an Energy Saving Leadership Award 2021 by Taiwan's Ministry of Economic Affairs.
- TCC was the first global cement company to obtain ISO 46001 certifications, with both the TCC Hoping and Suao Plants obtaining certifications for their water efficiency management systems.
- 2022 The asteroid No.526460 being was named as "Dr. Cecilia Koo Botanic Conservation Center," which is a testament to the selfless dedication towards species conservation and ecological sustainability. The Center long-term supported by TCC Group has reached new heights.
- TCC was selected as a constituent stock of the Taiwan ESG Dividend Highlight Index.
- TCC was recognized as a Supplier Engagement Leader with an industry-leading A rating in the CDP's Supplier Engagement Rating questionnaire.
- The film "The Indigenous Resident in Taibai Mountains" was selected as one of the top 10 sustainable microfilms of the year at the 2022 Taipei Golden Eagle Micro Movie Festival.
- Hoping Industrial Port was awarded the certification as an environmental education facility by the Environmental Protection Administration (the "EPA"), becoming the first certified port in Taiwan to promote the ideals of ecological port and environmental protection.
- Ta-Ho Maritime Corporation delivered the new environmentally-friendly bulk carrier "M/V TAHO EUDAIMONIA."
- TCC Energy Storage Technology Corporation's energy storage and charging station, the "NHOA.TCC" was opened to the public at the TCC DAKA Plaza in Hualien. This new generation charging station "24K Green" features the first 100% green EV charger in Taiwan and integrates green energy, power storage, and charging services. In addition, the "EARTH HELPER Sustainable Action" was launched, encouraging the EV owners and the public to join in a sustainable lifestyle in this new era of renewable energy.
- TCC established the "Peace and Sustainability Foundation," which includes a dedicated fund for emergency relief for the residents of Hoping Village. The foundation works with the indigenous community to provide necessary aid during times of crisis.
- TCC and Audi Taiwan jointly announced that Audi Taiwan has become the first car manufacturer in Taiwan to join TCC's "EARTH HELPER Sustainable Action," forming a powerful community for carbon reduction.
- TCC's mining operations in Hoping received the consent of the indigenous tribe of Wu Guk and Kenebub. NHOA officially launched a charging station at the A.ROMA Hotel in Roma, owned by the LDC Hotels & Resorts.
- TCC won the first prize in both the "Traditional Industry" and "Environmentally Friendly" categories of the 18th Globe Views CSR and ESG Awards in 2022. This is the third consecutive year that the

- 2022 TCC has won the first prize in the Traditional Industry category, making it the only large traditional corporation listed in the annual honor roll.
- Ta-Ho Maritime Corporation announced the delivery of its eighth environmentally-friendly vessel, the "M/V TAHO VIRTUE." The emissions of the new vessel exceeds the international environmental regulations set by the International Maritime Organization (IMO).
- TCC and CPC Corporation jointly invested in green energy. The drilling in the Va Kang An geothermal field in Taitung was initiated in 2022.
- TCC was selected by DailyView as one of the top 10 leading manufacturers driving the circular economy.
- TCC passed the review of the Association of Taiwan Net Zero Emissions, and was awarded one of the first Green-Label companies of Net Zero X 2030/2050. TCC has pledged to achieve zero emissions in its offices by 2030.
- TCC's subsidiary Atlante Co. has won the contracts for energy storage and charging stations at two major airports in Rome, as well as won a cooperative agreement with IP Gas Station in Italy for fast and ultra fast charging stations.
- Ta-Ho Maritime Corporation received its 9th new environmentally-friendly vessel, the M/V TAHO CIRCULAR, enhancing the building of youthful fleet of totally 11 ships. The average vessel age was lowered to 6.3 years.
- TCC was selected as a constituent stock of the Taiwan ESG Index.
- TCC attempted its first combination of quantitative performance with qualitative methods in its Online 2021 Sustainability Report for a fair, transparent, and complete demonstration of TCC Group's sustainable goals and performance.
- TCC was invited to participate in the 2022 ESG Summit, where it presented its implementation of ESG practices by focusing on the three core businesses.
- TCC was selected as 2022 Taiwan Best-in-Class 100.
- TCC initiated Industry-Academia Cooperation Program at the topping-out ceremony of the TCC DAKA Renewable Resources Recycling Center. It is a program to promote cooperation between industry and academia in electrical engineering, hoping to cultivate young students from local villages to become new talents in green energy or power storage areas.
- TCC was evaluated and recognized by the Taiwan Index Plus Corporation as top 25% of the Taiwan Sustainability Ranking for the Environmental Friendly module.
- The pure electric racing car "Spéirling" equipped with E-One Moli Energy Corp.'s ternary lithium battery broke the record at the annual international racing event in the UK. It highlighted the international leading position of E-One Moli Energy Corp..
- Ho-Ping Power Company celebrated its 20th anniversary. As a crucial power supplier in the Northern and Eastern Taiwan grid, it has been providing power stably and constantly working on sustainability transitions.
- E-One Moli Energy Corp. entered the next-generation airborne electric vertical takeoff and landing (eVTOL) market. The VX4 aircraft produced by the Vertical Aerospace company in UK will be equipped with E-One's batteries, maximizing its range and payload capacity.
- TCC launched the NHOA.TCC charging station at the Yawan 7-11 convenience store in Tainan, marking the first commercial use of an UHPC energy storage cabinet in the world.
- Taiwan Transportation & Storage Corp., a subsidiary of the Taiwan Cement Corp., took the lead in introducing pure electric large trucks from Europe to provide green logistics services and to assist other companies reduce carbon emissions.
- TCC's 2020 Sustainability Report was selected as one of the top three finalists in the ESG Investing Best Sustainability Reporting: Basic Materials.
- TCC was awarded the highest rating badge as the ESG Industry Top-Rated Company in the building materials sector by the renowned ESG rating agency, Sustainalytics.
- NHOA.TCC launched its Taipei Lequen Station, the lowest carbon footprint charging station in Taiwan. The station offers exclusive features such as Line reservation for charging parking spaces, voice recognition for license plates, smart locks, and special rates for electric vehicles.
- TCC joined EP100 as the first major manufacturing member in Taiwan, committing to increase its energy productivity by 50% by 2040, compared to the 2016 baseline.



■ **2022** TCC was invited to the Sustainable Development Goals Asia, showcasing its ESG and renewable energy initiatives with a focus on low-carbon cement, green energy, and resource recycling. TCC was awarded the 2022 HR Asia Best Companies to Work for in Asia Award for the second time. TCC and LDC Hotels & Resorts, the "Earth Helper" sustainability partner, jointly initiated the "My Low-carbon Travel" campaign, encouraging the public to become low-carbon travelers. TCC Green Energy partnered with LDC Hotels & Resorts to undergo the trial operation for their new sustainable tourism base, the "Vakangan Hot Spring Park," and also launched the "Geothermal Drilling Tour," the first public open drilling site visit in Taiwan. TCC was certified by the Ministry of Education as "Taiwan i Sports" enterprise on its first participation. Hoping Cement Plant was awarded the Outstanding Award, Product Award, and the Special Award for Sustainable Sorting Standards in the 3rd Taiwan Circular Economy Awards. TCC was ranked third in the 2022 Excellence in CSR, making it the first large-scale manufacturing industry to enter the top three. TCC held its 2022 online supplier conference and presented the 2021 Taiwan Cement Supplier Sustainability Excellence & Progress Award, encouraging ESG commitment among suppliers. Atlante Co. secured funding from the European Union to establish 215 pure green energy charging stations in Europe which will integrate with energy storage systems. TCC was recognized as a "Pace-setter" on the Greater China Corporate Sustainability Index, top 20 among companies evaluated. TCC successfully completed the pricing of a \$425 million GDR issuance, demonstrating recognition from overseas investment institutions for its sustainable business policies and its global new energy development strategies. TCC DAKA was selected as the 5th among the top ten emerging tourism factories in Taiwan by DailyView. TCC publicly signed the Business For Nature Make it Mandatory initiative with 330 companies from 52 countries, calling on governments to strengthen the requirements for corporate disclosure of their impacts and dependencies on biodiversity. In response to the "EARTH HELPER Sustainable Action" initiated by TCC Group, the international luxury car brand Volvo joined the ranks of sustainable partner car manufacturers and partnered with NHOA.TCC charging stations to create a convenient charging environment for Volvo electric car owners throughout Taiwan. Suao Cement Plant was selected as 2022 outstanding greenhouse gas reduction manufacturer by the Industrial Development Bureau of the MEA. The public restroom at Hanben Sea Relay Station was awarded the 2022 Gold Award by Yilan County for Excellent Public Restrooms evaluation. Hoping Industrial Port Corporation was invited to participate in the National Science and Technology Council's Science Popularity Island-wide Train event at Hualien station. The event centered around the theme of "The Great Barrier Reef of Hoping - Coral Blind Guessing" and provided a vivid interpretation of scientific knowledge. TCC's Hoping Plant was awarded the Gold Award in the Enterprise category of the EPA's 2022 Resource Recycling Excellence Awards. TCC initiated the "Zero-Carbon Quarry" project, the first of its kind in the cement industry across the Taiwan Strait. Jurong TCC Cement Co., Ltd. introduced unmanned electric mining trucks in the entire mining area. TCC's Suao Plant was awarded the 2022 Excellent Award for Low-carbon Products by the EPA. TCC was once again named one of the top 10 sustainable companies in the 15th Taiwan Corporate Sustainability Awards. In addition, TCC was awarded the platinum award for its sustainability report, as well as the various awards for sustainable achievements in circular economy, innovative growth, social inclusivity, and information security. E-One Moli Energy Corp. has once again won a new eVTOL project. The Midnight aircraft produced by Archer Aviation in the United States will use the batteries produced at E-One Moli Energy Corp.'s new factory in Kaohsiung.

■ **2022** TCC was awarded the BSI Sustainability Resilience Award, recognizing the company's sustainable business strategy and transparency of its sustainability report. TCC was ranked 2022 top 5 global building materials companies in the S&P Global Corporate Sustainability Assessment adopted by the Dow Jones Sustainability Indices, reaching the highest level in the company's history. Ta-Ho Maritime Corporation signed a contract to build a new environmentally-friendly cement carrier, demonstrating its commitment to updating its fleet. TCC Energy Storage Technology Corporation entered the green energy trading market by launching its "Green Energy Trading Platform." The platform can sell the most amount of green energy in Taiwan and help small and medium-sized enterprises to acquire green energy. TCC was awarded the 2022 Taiwan International Brand Potential Star. TCC's Sustainable Development Committee was selected as the Super MVP in the 15th "100 MVP Managers" by Manager Today magazine. TCC's Taipei Plant was selected as 2022 outstanding green procurement performance enterprise by the New Taipei City. TCC was rated A in the MSCI ESG ratings, marking the fourth consecutive year of upgrades from 2019 to 2022. TCC was awarded an A- rating in the 2022 CDP Carbon Disclosure Questionnaire and a B-rating in the Water Disclosure Questionnaire. TCC joined the BCSD "Natural and Biodiversity Initiative" as a founding partner, the first Taiwanese traditional industry to respond to international calls for action and advocacy for nature. Taiwan Transportation & Storage Corp. launched the first electric heavy-duty truck in the Asia Pacific region. Collaborating TCC Energy Storage Technology Corporation's customized low-carbon charging solutions, it corporates customers to optimize their charging efficiency through the synergy of green energy supply, power storage, and energy management systems. TCC released its first TCFD climate-related financial disclosure report and received the highest level of BSI Level-5+ certification. TCC held the "Hoping Sports Festival," inviting tribal families to ride electric vehicles and experience ocean thermal energy conversion. By using this opportunity to exchange ideas with the nearby community, TCC showcased its commitment and investment in energy transition. The 6 RMC (ready-mixed concrete) plants in Taipei, Taichung, Dadu, Chiayi, Tainan, and Kaohsiung were selected as 2021 outstanding units for green procurement by the EPA.

■ **2023** TCC DAKA Starbucks has become the first community co-prosperity store in Taiwan, integrating indigenous themes and returning profits to the local tribes and Hoping Village. TCC's DAKA complex in Hualien County marked the third anniversary of the Hoping Sustainability Foundation by introducing a dedicated Peace Emergency Relief Fund designed to promote common good between the factory and the community around it. TCC DAKA won the competition for the greatest number of visitors to tourist factories in Taiwan for the second time in 2023. The Group responded to a severe earthquake in Turkey by immediately launching a resettlement and care plan for employees of its local joint venture OYAK and their families, urging colleagues to respond to calls for donations of supplies through the Turkish representative office in Taiwan. TCC won the twin badges of the 2023 S&P Global Dow Jones Sustainability Index DJSI Sustainability Yearbook, which cover finishing in the Top 10% for sustainability in the Construction and Building Materials Industry, and the Industry Mover Maximum Improvement Award. TCC has finished in the Top 15% of the industry for two consecutive years, performing better than ever before and increasing its score by 5% in one year. In 2023 TCC laid out five major directions in EV development and launched the "Earth Helper Carbon Reduction Sustainability Initiative," with the goal of jointly reducing carbon emissions by 585 metric tons in one year.

**2023** TCC also launched a talent recruitment plan in 2023 which targets new talents in nine categories of operations including batteries, new energy, energy storage, and carbon management, and it instituted overseas assignment plans for five countries including Italy, France, and the Netherlands.

On International Women's Day, a lecture titled "Experience the New Power of Women and Inject the Power of Life" was organized to launch the TCC Sustainable Learning Action Plan, a program which echoes the 17 SDGs outlined by the United Nations.

Also in 2023, E-One Moli Energy Corporation and the National Radiation Center worked together to launch a research project to develop a next-generation high-efficiency lithium battery for the aviation industry.

During the year, Energy Helper TCC signed a corporate power purchase and sales agreement (CPPA) with the Acer Group, a pioneer in online green electricity consulting services, a project which made extensive use of AI smart calculation and data analysis.

The Earth Helper Carbon Reduction and Sustainability Initiative involved collaboration with corporate partners to hold a series of activities for World Earth Day. Participants gathered at Hanben Ocean Service Station in Yilan to discuss ways to reduce waste and to clean beaches and organize green market activities at DAKA Park.

TCC won honors in the 2023 Stock Exchange Annual Corporate Governance Evaluation's Top 5% ranking, marking the first time a large-scale building materials manufacturing industry achieved the award in Taiwan. The Group also received full marks for its performance in promotion of the Sustainable Development Index.

TCC has carried out a cash capital increase of approximately 230 million euros to NHOA S.A., an Italian energy storage company, to expand its investment in new energy.

TCC captured the Annual Honors Award and Low Carbon Operation Model Award in the 19th Foresight ESG Corporate Sustainability Awards in 2023. The Group won first prize in the production category for three consecutive years beginning in 2020, and was again awarded the annual honor this year.

Taiwan Cement ranked 7th in the 2023 mainland cement clinker production capacity rankings released by the China Cement Association.

Taiwan Transport & Storage Corporation (TTSC) introduced Taiwan's first electric bulk cargo truck to help IKEA launch zero-carbon green logistics and develop charging pile support services.

TCC won the First Gold Award in the TWBA Taiwan Biodiversity Awards in the For-Profit Business Category during 2023.

In the area of sports, the Group held the first TCC Dragon Boat Championships for Dragon Boat Festival to demonstrate the spirit of unity among colleagues.

Also during the year, TCC held a topping out ceremony for the Gongliang Building in Hangzhou, mainland China. The site is slated to become TCC's mainland operations center in 2024.

In Eastern Taiwan, TCC is engaged in cross-regional cooperation with the Hualien Forest Management Office and the River Bureau to convert exotic *Leucaena* waste wood into biomass energy using advanced cement kiln collaborative processing technology. This project promises an all-around win-win situation for the environment, ecology and carbon reduction efforts.

In 2022 the TCC Sustainability Report "Serving Life" and an ESG Zone were launched online.

Ta Ho Maritime Corporation was recognized for its achievements in green shipping and fleet expansion by the Ministry of Transport.

During the year the Taiwan Index Company announced its "Corporate Governance Top 100 Index", which named 30 new constituent stocks including TCC, Creative, and Pegatron.

The film "Building a Coral Home," which focused on Hoping Harbor, won the Silver Award for Sustainable Micro Film in the Taipei Golden Eagle Micro Film Exhibition.

**2023** TCC's Yingde Plant launched the largest energy storage system in the mainland cement industry with a capacity of 43.2MW, introducing energy transformation in the form of photovoltaics and energy storage, and saving an estimated RMB 21.3 million in electricity bills annually.

TCC joined hands with Hoping Elementary School to launch the "Carbon Reduction Lifestyle Parent-Child Passbook". The school's 85 students and parents accumulated a total carbon reduction of 1,274 kilograms in a three-month period.

For the first time in Taiwan, Energy Helper TCC assisted five Decathlon suppliers in making a group purchase of green electricity, a move which helped small and medium-sized enterprises progress toward the goal of RE100.

TCC won second place in the large enterprise group section of the 2023 Commonwealth Sustainable Citizen Award, featuring the best performance in manufacturing industries. The judges recognized TCC's investment in low-carbon building materials and green energy as a demonstration of its commitment to sustainable energy.

Atlante, a subsidiary of NHOA, a European subsidiary of Taiwan Cement Corporation, is in the process of building 407 charging stations in Europe and has received an investment of NT\$1.7 billion from the European Union.

On September 21 TCC released its "Green Financing Framework" program, a move which was recognized in a second-party opinion of Sustainalytics, an international index for ESG assessments, for its effect in meeting green standards. On October 18, TCC completed NT\$26 billion in international financing, becoming Taiwan's first company to enter this sector of the international market. TCC also revealed that its green financing framework and related second-party opinions constitute the largest overseas depositary receipt issuance in Asia.

TCC held the 2023 Annual Supplier Conference to implement and promote the development of sustainable supply chains, attracting more than 150 suppliers to the event. The Supplier Sustainability Excellence Award and the Sustainability Progress Award were awarded to suppliers who showed outstanding achievements and significant progress in promoting sustainable development.

TCC unveiled its patented fire-proof and fire-extinguishing UHPC energy storage cabinet EnergyArk at the 2023 Taiwan International Smart Energy Week and the Taiwan International Net Zero Sustainability Exhibition. In January 2024, the Company officially presented its achievements to the international energy storage industry at the world-famous CES exhibition.

TCC Energy Storage won the Platinum Award and the Popularity Award, two of the highest honors in the sector's Sustainability Awards, during the Energy Exhibition.

During the year TCC launched its Total Climate series of low-carbon building materials. It put green ready-mix trucks on the road and signed a contract with Fubon Construction in a press conference introducing the lowest carbon concrete in Taiwan, a giant step toward achieving low-carbon construction.

TCC's Zhudong low-carbon Leju Living Circle development project was officially signed with Zhongtai Construction. This project uses the lowest carbon limestone cement concrete available in Taiwan. The building offers more than 25,000 square meters of floor space. The initial estimate of concrete consumption was reduced significantly and the carbon foot for the project was reduced by 34%.

Molice's Vancouver battery cell factory was supported by investment of NT\$4.8 billion from Canada and is the world's first 100% green, low-carbon, high-power battery cell factory with a production capacity of 2.8 GWh and an estimated annual output of 135 million cylindrical ternary lithium batteries.

TCC won both the BSI Sustainability Resilience Pilot Award and the TCSA Top Ten Sustainability Model Enterprises in 2023, affirming its status as the leader in circular economy operations for six consecutive years.

As a part of this, TCC has built Taiwan's largest 100MW E-dReg energy storage facility in Hualien. The power trading platform ranks first in the market and the overall trading capacity is handled on Taipower's trading platform, construction site and customer agency and has reached an output of 169.2MW.

TCC announced that it will join hands with Turkey's OYAK Group to expand investment in low-



■ **2023** carbon cement markets in Europe, Asia and Africa. It plans to increase its shareholdings in OYAK from 40% to 60% and in Portugal's Cimpor from 40% to 100%.

At TCC's third quarter legal conference, Chairman Nelson Chang noted that the next 30 years will be the road to a carbon revolution. The impact of carbon issues on companies is no longer in the distant future, but rather in the here and now. With that, he announced the establishment of the green battery cell factory in Canada and expansion of the Group's low-carbon cement facilities in Turkey and Portugal.

Within one month of its launch, the quality of TCC's TCM Portland limestone cement concrete has been affirmed by builders in Northern, Central and Southern Taiwan, including Hsinchu's Kunshan Construction and Guangying Construction, Taichung's Huiguo Construction and Fuying Construction, Kaohsiung's Yangde Construction and Zhengde Construction, and Tainan's North Construction, Yang Construction, Liantai Real Estate, and Chen Yang Construction. These firms have all committed to using it widely in their construction projects.

In 2023 TCC participated in the Taipei International Building Materials and Products Exhibition for the first time, actively promoting its low-carbon products and exhibiting "low-carbon solutions which integrate new energy approaches."

TCC will hold the Soil Ecology Winter Camp and Soil Ecology Research Awards in 2024 to cultivate more soil ecology research talents and encourage young people to invest in research aimed at joint protection of soil ecology and increased biodiversity.

TCC has been rated BBB- by Fitch Ratings, one of the top three international credit rating agencies. Relying on its critical position in the cement markets of Taiwan, Turkey, Portugal and the southern and southwestern provinces of mainland China, TCC has gained long-term unsecured US dollar bonds with international credit and its rating outlook is "stable". In addition, TCC announced that it has joined hands with Taiwan Sugar to officially launch the NHOA/TCC "Hualien Sugar Factory Station" and "Taitung Sugar Factory Station," completing the connection of charging stations in Yilan, Northern Hualien, Southern Hualien and Taitung.

Finally, TCC (1101) has been selected as a constituent stock in the "Selected Listed Taiwan Smart Vehicle Supply Chain Alliance Index" announced by the Taiwan Index Company.

■ **2024** TCC has announced the completion of the procedures for expanding its investment in European low-carbon cement, with a total amount of 621 million euros (approximately NT\$21.3 billion). This includes an increase of 20% in Turkey and 60% in Portugal, resulting in a 60% ownership of the "Investment Company in Turkish Assets" and a 100% ownership of the Portuguese company Cimpor Cement, officially becoming one of the main suppliers of low-carbon cement in Europe.

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

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

The acquisition is planned in two phases: initially acquiring 60% of the shares for €4.5 million, with the right to purchase the remaining 40% in 2024. The price for the remaining shares will depend on the 2023 performance, ranging from €1.7 to €6.7 million. The final assessment of the 2023 performance is expected to be completed by the end of 2024, at which point the price for the remaining 40% of the shares will be confirmed.

Additionally, the subsidiary Taiwan Cement (Dutch) Holdings B.V. (TCC Dutch) and OYAK Capital Investments B.V. established a new investment, TCC Oyak Amsterdam Holdings B.V. (TCAH). TCC Dutch acquired 60% of TCAH shares for €201.391 million. Due to a merger at the end of December 2023, where Oyak Denizli Çimento Anonim Şirketi (OyakDenizli) was absorbed by Oyak Çimento Fabrikaları Anonim Şirketi (Oyak F) - making Oyak F the surviving company and dissolving OyakDenizli - TCC Dutch indirectly increased its stake in Oyak F to approximately 75.8% through TCAH.

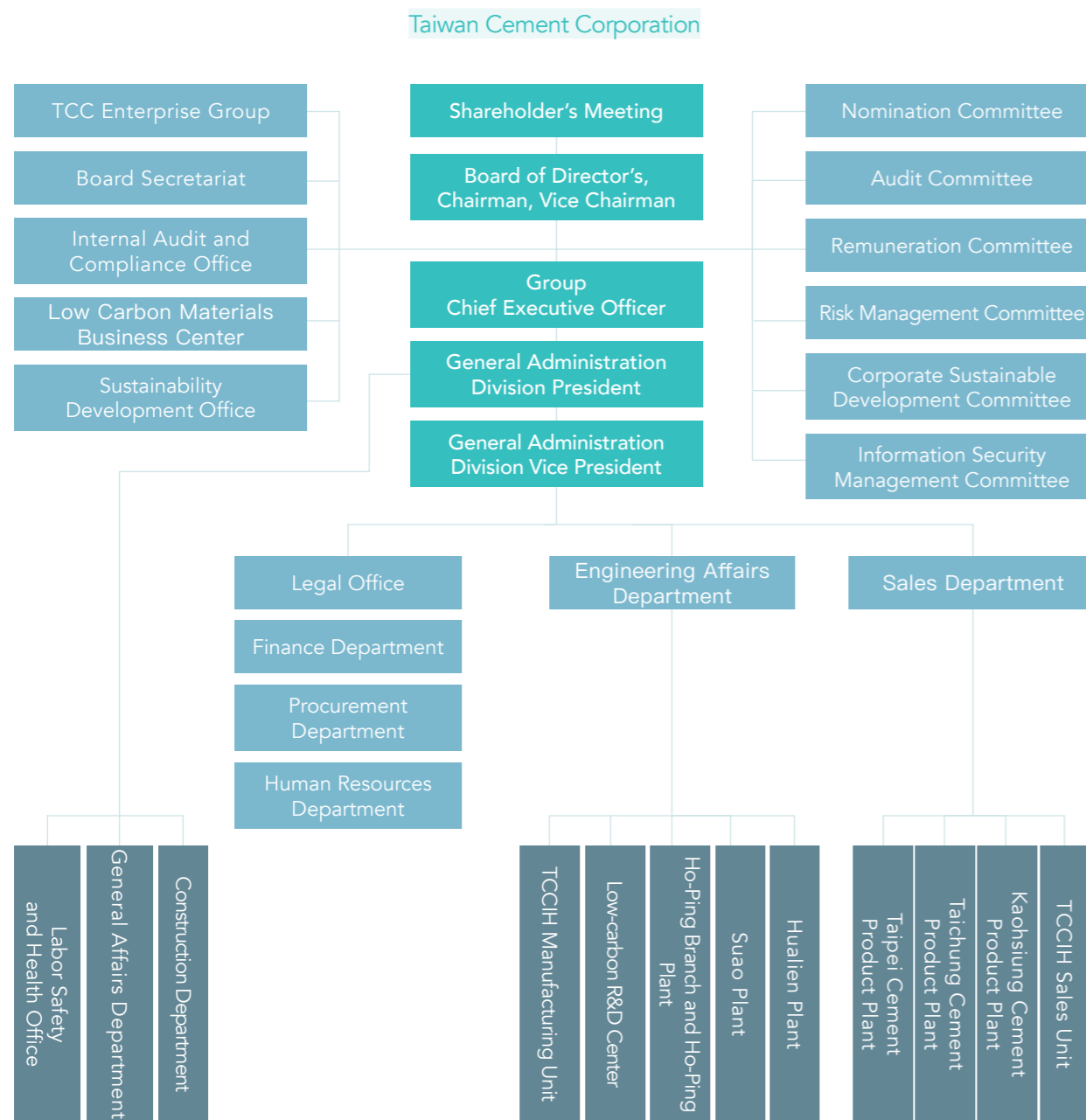
Furthermore, TCC Dutch increased its investment in Taiwan Cement Europe Holdings B.V. (TCCE), a wholly-owned subsidiary, which then acquired 100% of Cimpor Portugal Holdings SGPS S.A. (Cimpor) for an investment of €419.673 million. The total investment amounted to €621.064 million euros, with the related transactions completed on March 6, 2024.

## 2.2.3 Directors or shareholders with over 10% of outstanding shares transferring or exchanging significant numbers? change of control events or other matters impacting shareholder rights and interests? None.

# 3 Corporate Governance

## 3.1 Organization

### 3.1.1 Organization chart



Note 1: There are 19 branch plants and 3 distribution stations under the Taipei, Taichung, and Kaohsiung Cement Product Plants.  
 Note 2: There is a ready mixed concrete workshop in the Hualien Plant.  
 Note 3: TCC International Holdings Ltd. (TCCIH) and its subsidiaries.

### 3.1.2 Major corporate functions

| Department                           | Functions and Duties   |
|--------------------------------------|--|
| TCC Enterprise Group                 | In charge of integrating and showcasing the Group's entire resources: establishing regulations and management systems for the group; sharing successful experiences and arrangement of internal training; normal functional audits; management consultancy and enquiry services for the Group and other group related business, such as the improvement of management quality and reduction of costs. In general, demonstrates group synergies, enhances overall competitiveness and profitability, and maximizes benefits for shareholders. |
| Board Secretariat                    | Oversees the compliance with laws and regulations in handling matters related to functional committees/board of directors and shareholder meetings. Provides directors with the information and assistance needed to conduct their duties in accordance with laws and regulations; manages the Company's seal; serves as the liaison between the Company and regulatory authorities.   |
| Sustainability Development Office    | Oversees the compliance with laws and regulations in handling matters related to functional committees/board of directors and shareholder meetings. Provides directors with the information and assistance needed to conduct their duties in accordance with laws and regulations; manages the Company's seal; serves as the liaison between the Company and regulatory authorities.   |
| Internal Audit and Compliance Office | Implements all major cycles of internal audits in accordance with an annual audit program; supervises the internal audit systems of the Company and its subsidiaries, proposes improvements, and carries out project investigations into anomalies, including follow-ups and countermeasures.  |
| Low Carbon Materials Business Center | Focuses on the changes in global low-carbon products and propose responses, including product positioning and marketing strategies, simulation production and demonstration of new products, and the full integration of manufacturing and sales.  |
| Engineering Affairs Department       | Devises production plans; tracks, assists, and evaluates operational efficiency; renews, maintains, and improves mechanical and engineering equipment; assists with equipment procurement; devises plans and provides guidance; helps tracking engineering projects; provides supervision on environmental protection, industrial safety, total quality control, and quality assurance; evaluates, plans, implements, and tracks construction, merger, and restructuring projects in China.  |
| Low-carbon R&D Center                | Provides technical instructions for the manufacturing quality control of cement and concrete; conducts research and development of specialty cement, high-performance concrete, and energy-efficient technologies; develops and promotes products made from recycled materials; provides post-sale technical inquiries and customer support for cement and concrete products.  |
| Sales Department                     | Devises plans for product sales; supervises and evaluates domestic and export sales and cement distribution stations.  |
| Finance Department                   | Processes and reviews daily accounting, fund disbursement, cash management, financial planning, budget control, reports of operational analysis. Executes and operates related projects, supervisions of subsidiaries, external corporate investment relations and other related matters.  |
| Human Resources Department           | In charge of the management and supervision of personnel selection, employment, development and retention, as well as employee benefits, labor relations and related matters.  |
| Procurement Department               | Procures production equipment, civil engineering, production raw materials, and auxiliary materials; manages material warehousing and dispatchment.  |
| Legal Office                         | Drafting, revising, and reviewing legal documents; providing legal opinions, handling litigation/non-litigation cases, managing legal risks and other legal affairs.   |
| General Affairs Department           | Manages non-production related general administrative work, plans, implements, and supervises building repairs, land and asset maintenance, and other related matters.   |
| Construction Department              | Responsible for planning and development of land and construction projects for the entire group.   |
| Labor Safety and Health Office       | Oversees the occupational safety and health-related affairs for the entire company.  |

### 3.1.3 Main operations of affiliated entities

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



### 3.2 Board members

#### 3.2.1 Information regarding board members

Insiders' shareholdings information as of March 20, 2024

| Title    | Nationality or Place of Registration | Name   | Gender Age   | Date Elected / Appointed | Term Expires | Date First Elected | Shares Held When Elected |      | Shares Currently Held |      | Shares Currently Held by Spouse & Minors |      |
|----------|--------------------------------------|--|--------------|--------------------------|--------------|--------------------|--------------------------|------|-----------------------|------|--|------|
|          |                                      |  |              |                          |              |                    | Shares                   | %    | Shares                | %    | Shares                                   | %    |
| Chairman | ROC                                  | Chia Hsin R.M.C. Corporation Representative: An-Ping Chang | Male Over 71 | July 5, 2021             | 3 years      | June 22, 2018      | 3,032,923                | 0.05 | 3,335,997             | 0.04 | -  | -    |
|          |                                      |  |              |                          |              |                    | 2,188,553                | 0.04 | 2,408,351             | 0.03 | 4,599,808                                | 0.06 |

| Shares Held by Third Parties |      | Education and Experience  | Concurrent Positions at TCC and Other Companies  | Other Officers, Directors, or Supervisors of the Company Who is a Spouse or a Relative within the Second Degree of Kinship under the Civil Code  |      |               | Notes  |
|------------------------------|------|---|--|--|------|---------------|--------|
| Shares                       | %    |   |  | Title  | Name | Relation-ship |        |
| None                         | None | MBA, School of Business Administration, New York University;  | Chairman and President, Molie Quantum Energy Corporation;<br>Chairman and President, HO-PING Ocean Renewable Resource Corporation;<br>Chairman, TCC Energy Storage Technology Corporation;<br>Chairman, TCC Investment Corporation;<br>Chairman, Union Cement Traders Inc.;<br>Chairman, TCC Chemical Corporation;<br>Chairman, TCC Sustainable Energy Investment Corporation;<br>Chairman, E-One Moli Energy Corp.; | Director, Hong Kong Cement Company Limited;<br>Vice Chairman, Ta-Ho Maritime Corporation;<br>Director, TCC Hong Kong Cement (Yarsoon) Limited;<br>Director, TCC Hong Kong Cement (QHC) Limited;<br>Director, TCC Hong Kong Cement (Philippines) Limited;<br>Director, TCC Hong Kong Cement Development Limited;<br>Director, TCC International (Liuzhou) Limited;<br>Director, TCC International (Guangxi) Limited;<br>Director, Upper Value Investments Limited;<br>Director, Prosperity Minerals (China) Ltd.; |      |               |        |
| None                         | None | Chairman, International CSRC Investment Holdings Co., Ltd.;   | Chairman, TCC Recycle Energy Technology Company;<br>Chairman, Dr. Cecilia Koo Botanic Conservation Center;   | Director, Wayly Holdings Limited;<br>Director, Chiefolk Company Limited;   |      |               |        |
| None                         | None | Chairman, Taiwan Prosperity Chemical Corporation;<br>Chairman, Chia Hsin Cement Corporation;<br>Independent Director, Synnex Technology International Corporation | Chairman, Hualien County Private Hoping Sustainability Charity Foundation;<br>Chairman, Energy Helper TCC Corporation;<br>Chairman, Ho-Ping Power Company;<br>Chairman, Ho-Ping Renewable Energy Company;<br>Chairman, TCC New (Hangzhou) Management Company Limited;<br>Chairman, TCC (Hangzhou) Environmental Protection Technology Co., Ltd.;   | Director, Hong Kong Cement Manufacturing Co., Ltd.;  | None | None          | None   |
|                              |      |   | Chairman, Ho-Ping Renewable Energy Company;<br>Chairman, TCC (Hangzhou) New Energy Company Limited;<br>Chairman, TCC Zhihe (Hangzhou) Environmental Protection Company Limited;<br>Chairman, NHOA S.A.;  | Director, Jingyang Industrial Limited;<br>Director, TCC International (Hong Kong) Company Limited;<br>Director, TCC Liuzhou Company Limited;<br>Director, Prosperity Cement Investment Limited;<br>Director, Prosperity Cement Investment Limited;<br>Director, Kiton Limited;<br>Director, Hensford Limited;<br>Director, Sure Kit Limited;<br>Director, Prime York Limited;<br>Director, Mega East Ltd.;   |      |               | Note 1 |
|                              |      |   | Director, THC International S.A  | Director, Prosperity Minerals (China) Ltd.;  |      |               |        |
|                              |      |   |  | Director, Hexagon Hldings Limited;   |      |               |        |

| Title    | Nationality or Place of Registration | Name   | Gender Age   | Date Elected / Appointed | Term Expires | Date First Elected | Shares Held When Elected |      | Shares Currently Held |      | Shares Currently Held by Spouse & Minors |      |
|----------|--------------------------------------|--|--------------|--------------------------|--------------|--------------------|--------------------------|------|-----------------------|------|--|------|
|          |                                      |  |              |                          |              |                    | Shares                   | %    | Shares                | %    | Shares                                   | %    |
| Chairman | ROC                                  | Chia Hsin R.M.C. Corporation Representative: An-Ping Chang | Male Over 71 | July 5, 2021             | 3 years      | June 22, 2018      | 3,032,923                | 0.05 | 3,335,997             | 0.04 | -  | -    |
|          |                                      |  |              |                          |              |                    | 2,188,553                | 0.04 | 2,408,351             | 0.03 | 4,599,808                                | 0.06 |
| Director | ROC                                  | C. F. Koo Foundation Representative: Sun-Te Chen           | Male 51-70   | July 5, 2021             | 3 years      | June 22, 2016      | 3,168,803                | 0.05 | 3,485,455             | 0.05 | -  | -    |
|          |                                      |  |              |                          |              |                    | 230,984                  | 0.00 | 230,984               | 0.00 | -  | -    |

| Shares Held by Third Parties |      | Education and Experience   | Concurrent Positions at TCC and Other Companies   | Other Officers, Directors, or Supervisors of the Company Who is a Spouse or a Relative within the Second Degree of Kinship under the Civil Code  |      |               | Notes |        |
|------------------------------|------|--|---|--|------|---------------|-------|--------|
| Shares                       | %    |  |   | Title  | Name | Relation-ship |       |        |
| None                         | None | MBA, School of Business Administration, New York University;                       | Director, Hexagon II Holdings Limited;<br>Director, Hexagon III Holdings Limited;<br>Director, Hexagon IV Holdings Limited;<br>Director, Hexagon V Holdings Limited;<br>Director, Hexagon VIII Holdings Limited;<br>Director, Hexagon IX Holdings Limited;<br>Director, Hexagon XIII Holdings Limited;<br>Director, Hexagon XIV Holdings Limited; | Director, TCC International Holdings Limited;<br>Director, TCC Hong Kong Cement (BVI) Holdings Limited;<br>Director, TCC Hong Kong Cement (International) Limited;<br>Director, TCC Development Limited;<br>Director, TCC International Limited;<br>Director, Ulexite Investments Limited; |      |               |       |        |
| None                         | None | Chairman, International CSRC Investment Holdings Co., Ltd.;                        | Director, Upper Value Investment Limited;<br>Director, Kong On Cement Holdings Ltd.;  | Director, Taiwan Cement Europe Holdings B.V.;  | None | None          | None  | Note 1 |
| None                         | None | Chairman, Taiwan Prosperity Chemical Corporation;                                  | Director, Hong Kong Concrete Company Limited;   | Director, E-One Holdings (Canada) Ltd.;  |      |               |       |        |
| None                         | None | Chairman, Chia Hsin Cement Corporation;  | Director, Quon Hing Concrete Co Ltd.;   | Director, E-One Moli Energy (Canada) Ltd.;   |      |               |       |        |
| None                         | None | Independent Director, Synnex Technology International Corporation                  | Authorized Signatory, Hangzhou Representative Office of Prosperity Minerals (China)   | Director, Taiwan Stock Exchange Corporation;   |      |               |       |        |
| None                         | None |  | Director, TCC Information Systems Corporation;  | Director, Chia Hsin R.M.C. Corporation;  |      |               |       |        |
| None                         | None |  | Director, Taiwan Transport & Storage Co., Ltd.;   | Director, Cheng Hsin General Hospital;   |      |               |       |        |
| None                         | None |  | Director, Ta-Ho Maritime (SG) Corporation;  | Convener, Corporate Sustainability Committee and Nomination Committee and more   |      |               |       |        |
| None                         | None |  | Director, Ho-Ping Industrial Port Corporation;  |  |      |               |       |        |
| None                         | None | M.B.A., University of Missouri;  |   |  |      |               |       |        |
| None                         | None | B.A., National Chengchi University;  | Independent Director, USI Corporation   |  |      |               |       |        |
| None                         | None | Chairman of Taipei Fubon Commercial Bank Co., Ltd                                  | Independent Non-Executive Director, Uni-President China Holdings Ltd.;  |  | None | None          | None  |        |
| None                         | None | Director, Zoyi Capital Ltd.;   | Independent Director, Lion Travel Service Co., Ltd. and more  |  |      |               |       |        |
| None                         | None | President of North Asia and Greater China, Fullerton Financial Holdings Pte. Ltd.; | Supervisor, Fubon Bank (China)and more  |  |      |               |       |        |



| Title    | Nationality or Place of Registration | Name   | Gender Age   | Date Elected / Appointed | Term Expires | Date First Elected | Shares Held When Elected |       | Shares Currently Held |       | Shares Currently Held by Spouse & Minors |      |
|----------|--------------------------------------|--|--------------|--------------------------|--------------|--------------------|--------------------------|-------|-----------------------|-------|--|------|
|          |                                      |  |              |                          |              |                    | Shares                   | %     | Shares                | %     | Shares                                   | %    |
| Director | ROC                                  | C. F. Koo Foundation Representative: Sun-Te Chen                                 | Male 51-70   | July 5, 2021             | 3 years      | June 22, 2016      | 3,168,803                | 0.05  | 3,485,455             | 0.05  | -  | -    |
|          |                                      |  |              |                          |              |                    | 230,984                  | 0.00  | 230,984               | 0.00  | -  | -    |
| Director | ROC                                  | Chia Hsin Cement Corporation Representative: Jason Kang-Lung Chang               | Male 51-70   | July 5, 2021             | 3 years      | June 21, 2012      | 217,859,506              | 3.56  | 239,629,776           | 3.17  | -  | -    |
|          |                                      |  |              |                          |              |                    | -                        | -     | -                     | -     | 264,484                                  | 0.00 |
| Director | ROC                                  | International CSRC Investment Holdings Co., Ltd. Representative: Kenneth C.M. Lo | Male Over 71 | June 18, 2002            | 3 years      | June 18, 2002      | 103,548,831              | 1.69  | 113,896,285           | 1.51  | -  | -    |
|          |                                      |  |              |                          |              |                    | *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  | 85,225,165            | 1.13  | -  | -    |
|          |                                      |  |              |                          |              |                    | -                        | -     | -                     | -     | -  | -    |

| Shares Held by Third Parties |      | Education and Experience  | Concurrent Positions at TCC and Other Companies   | Other Officers, Directors, or Supervisors of the Company Who is a Spouse or a Relative within the Second Degree of Kinship under the Civil Code |      |               | Notes |
|------------------------------|------|---|---|---|------|---------------|-------|
| Shares                       | %    |   |   | Title   | Name | Relation-ship |       |
| None                         | None | CEO of Corporate Banking and President, Chinatrust Financial Holding Co., Ltd.;                                       | Independent Director, USI Corporation<br>Independent Non-Executive Director, Uni-President China Holdings Ltd.;<br>Independent Director, Lion Travel Service Co., Ltd. and more<br>Supervisor, Fubon Bank (China) and more  | None  | None | None          |       |
| None                         | None | Country Officer and Country Head of Corporate Bank in Taiwan, Citigroup   |   |   |      |               |       |
| None                         | None | MS in Management Studies, Sloan School of Management, Massachusetts Institute of Technology;                          | Chairman, Chia Hsin Cement Corporation;<br>Chairman, Chia Hsin International Co., Ltd.;<br>Chairman, Yun Chia International Co., Ltd.;<br>Chairman, Chia Hsin Foundation;<br>Chairman, Epoch Foundation;<br>Director, Chia Hsin Property Management and Development Corp.;<br>Director, Chia Pei International Corp.;<br>Director, Chia Hsin Pacific Ltd.;<br>Chairman, Taiwan Cement Manufacturers' Association and more | None  | None | None          |       |
| None                         | None | President, Chia Hsin Cement Corporation   |   |   |      |               |       |
| None                         | None | MS in Finance, Manderson School of Business, The University of Alabama;   | Managing Director, O-Bank;<br>Member of the Nomination Committee and more   | None  | None | None          |       |
| None                         | None | Honorary Chairman, O-Bank;<br>Chairman, O-Bank  |   |   |      |               |       |
| None                         | None | Ph.D., Carnegie Mellon University;<br>Chairman, Sercomm Corporation;<br>Chairman, Taiwan Venture Capital Association; | Chairman, Sercomm Corporation;<br>Chairman, Pacific Venture Partners;<br>Chairman, K.T. Li Foundation Development of Science and Technology;<br>Vice Chairman, Fairs Winds Foundation and more<br>Director, Prosperity Dielectrics Co., Ltd.;<br>Independent Director, UPC Technology Corporation and more  | None  | None | None          |       |
| None                         | None | Chairman, Monte Jade Science and Technology Association of Taiwan ;   |   |   |      |               |       |

| Title    | Nationality or Place of Registration | Name  | Gender Age   | Date Elected / Appointed | Term Expires | Date First Elected | Shares Held When Elected |      | Shares Currently Held |      | Shares Currently Held by Spouse & Minors |      |
|----------|--------------------------------------|---|--------------|--------------------------|--------------|--------------------|--------------------------|------|-----------------------|------|--|------|
|          |                                      |   |              |                          |              |                    | Shares                   | %    | Shares                | %    | Shares                                   | %    |
| Director | ROC                                  | Tai Ho Farming Co., Ltd.<br>Representative: Kung-Yi Koo       | Male 31-50   | July 5, 2021             | 3 years      | June 22, 2018      | 6,043,126                | 0.10 | 6,647,005             | 0.09 | -  | -    |
|          |                                      |   |              |                          |              |                    | 561,815                  | 0.01 | 700,451               | 0.01 | -  | -    |
| Director | ROC                                  | Fu Pin Investment Co., Ltd.<br>Representative: Chi-Chia Hsieh | Male Over 71 | July 5, 2021             | 3 years      | June 26, 2003      | 77,482,477               | 1.27 | 85,225,165            | 1.13 | -  | -    |
|          |                                      |   |              |                          |              |                    | 494,397                  | 0.01 | 543,801               | 0.01 | -  | -    |
| Director | ROC                                  | Chia Hsin Cement Corporation<br>Representative: Chi-Te Chen   | Male 51-70   | July 5, 2021             | 3 years      | June 21, 2012      | 217,859,506              | 3.56 | 239,629,776           | 3.17 | -  | -    |
|          |                                      |   |              |                          |              |                    | 67,663                   | 0.00 | 74,691                | 0.00 | 6,212                                    | 0.00 |

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

| Title                | Nationality or Place of Registration | Name  | Gender Age   | Date Elected / Appointed | Term Expires | Date First Elected | Shares Held When Elected |      | Shares Currently Held |      | Shares Currently Held by Spouse & Minors |   |
|----------------------|--------------------------------------|---|--------------|--------------------------|--------------|--------------------|--------------------------|------|-----------------------|------|--|---|
|                      |                                      |   |              |                          |              |                    | Shares                   | %    | Shares                | %    | Shares                                   | % |
| Director             | ROC                                  | Heng Qiang Investment Co., Ltd. Representative: Chien Wen     | Male Over 71 | July 5, 2021             | 3 years      | June 26, 2003      | 102,240,983              | 1.67 | 112,457,746           | 1.49 | -  | - |
|                      |                                      |   |              |                          |              |                    | -                        | -    | -                     | -    | -  | - |
| Director             | ROC                                  | Heng Qiang Investment Co., Ltd. Representative: Chun-Ying Liu | Female 31-50 | July 5, 2021             | 3 years      | June 26, 2003      | 102,240,983              | 1.67 | 112,457,746           | 1.49 | -  | - |
|                      |                                      |   |              |                          |              |                    | -                        | -    | -                     | -    | -  | - |
| Independent Director | ROC                                  | Yu-Cheng Chiao  | Male 51-70   | July 5, 2021             | 3 years      | June 21, 2012      | -                        | -    | -                     | -    | -  | - |

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



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

Note 1: Where the president or a person of equivalent ranking (i.e. the highest ranking officer) and the Chairperson are the same person, or spouses or relatives within the first degree of kinship, an explanation should be given to describe the rationale, reasonableness, necessity, and countermeasures taken (such as increasing the number of independent directors, of which over half of the directors should not also be an employee or hold a managerial position in the Company): The subsidiaries of the TCC Group operate in different business sectors. To

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

execute decisions made by the Board of Directors, and oversee the managers of the Company and its affiliates, the Group CEO bears the ultimate responsibility for the affairs of the Group. This position is not the same as that of the CEO of the Company. Therefore, the Board of Directors has decided to appoint a president to manage the Company.

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

Table 1: Major Shareholders of Institutional Shareholders of the Company

| Institutional Shareholders                       | Major Shareholders  |
|--|---|
| Chai Hsin R.M.C. Corporation                     | An-Ping Chang (65.30%); Chia Hsin Cement Corporation (13.71%); Long Chuang Investments Co., Ltd. (13.45%); Huai-Ru Koo (5.51%)  |
| C. F. Koo  | 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 (3.33%); 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%)   |
| International CSRC Investment Holdings Co., Ltd. | Taiwan Cement Corporation(15.59%); Chinatrust Investment Co., Ltd.(2.80%); TCC Investment Co., Ltd. (2.23%); Chung Cheng Development Investment Corporation (1.50%); JP Morgan Chase Bank N.A., Taipei Branch, Custodian for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds (1.21%); P Morgan Chase Bank N.A., Taipei Branch, custodian for Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds (1.17%); Union Cement Traders Inc. (1.16%); Citibank Taiwan, Custodian for Norges Ban (1.12%); TransGlobe Life Insurance Inc. (1.02%); Standard Chartered Bank, iShares Emerging Markets ETF(0.91%) |
| Fu Pin Investment Co., Ltd.                      | Hsuan-Hui Koo (49.9995%); Tian-Yi Huo (25.10%); Gung-Kai Koo (24.90%); Heng Qiang Investment Co., Ltd. (0.0005%)  |
| Tai Ho Farming Co., Ltd.                         | Hsing Cheng Investment Co., Ltd. (100%)   |
| Heng Qiang Investment Co., Ltd.                  | Tian-Yi Huo (49.50%); Gung-Kai Koo (24.90%); Hsuan-Hui Koo (25.5995%); Fu Pin Investment Co., Ltd. (0.0005%)  |

Note: All information disclosed in the above table has been provided by the respective institutional shareholders as of March 20, 2024. TCC presents such information as is.

Table 2: Major Shareholders of Corporate Shareholders in Table 1

| Corporate Shareholders in Table 1 | Major Shareholders  |
|-----------------------------------|---|
| Chia Hsin Cement Corporation      | Chia Hsin International Co., Ltd. (16.44%); Song Zuo Investment Co., Ltd. (8.88%); Yong-Ping Chang (5.39%); Taiwan Cement Corporation (3.54%); Ta-Ho Maritime Corporation (3.33%); Kang Hao Industrial Co., Ltd. (2.33%); Chia Hsin Foundation (1.92%); Zuo Yao Investment Co., Ltd. (1.89%); Kuo-Hui Ku (1.74%); Chai Hsin R.M.C. Corporation (1.70%)  |
| Long Chuang Investments Co., Ltd. | An-Ping Chang (96.32%); Huai-Ru Koo (1.05%)   |
| CTBC Bank Co., Ltd.               | CTBC Financial Holding Co., Ltd. (100%)   |
| Chia Hsin International Co., Ltd. | Chia Hsin Cement Corporation (87.18%); Chia Hsin Construction and Development Corporation (10.41%); Jia Min Co., Ltd. (0.52%); Song Zuo Investment Co., Ltd. (0.42%); Ru-Ping Chang (0.25%); Yong-Ping Chang (0.22%); Zhong-Lian Zhong (0.19%); Zuo Yao Investment Co., Ltd. (0.16%); An-Ping Chang (0.12%); Jian-Guo Wang (0.11%)  |
| Song Zuo Investment Co., Ltd.     | Yong-Ping Chang (59.47%); Chia Hsin Construction and Development Corporation (14.52%)   |
| Taiwan Cement Corporation         | Chia Hsin Cement Corporation (3.35%); Chinatrust Investment Co., Ltd. (2.74%); Taishin International Bank, Custodian for Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF (1.92%); Labor Retirement Reserve Fund(1.90%); Chia Hsin International Co., Ltd. (1.63%); International CSRC Investment Holdings Co., Ltd.(1.59%); Heng Qiang Investment Co., Ltd. (1.57%); Taiwan Life Insurance Co., Ltd. (1.40%); Bank of Taiwan Life Insurance - Government Employees & School Staffs Insurance (1.39%); Chunghwa Post Co., Ltd (1.38%); |
| Ta-Ho Maritime Corporation        | Taiwan Cement Corporation (64.79%); Taiwan Transport & Storage Co., Ltd. (29.38%); TCC Investment Co., Ltd. (0.02%)   |
| Kang Hao Industrial Co., Ltd.     | Mei Ke Shen Enterprise Co., Ltd. (54.5%); Sian Ping Chang (10.5%)   |
| Chia Hsin Foundation              | Chia Hsin Cement Corporation (100%)   |

| Institutional  | Major Shareholders   |
|--|--|
| Zuo Yao Investment Co., Ltd.   | Jian-Guo Wang (22.5%); Chia Hsin International Co., Ltd. (20.17%); Chia Hsin Cement Corporation (19.33%)   |
| Chai Hsin R.M.C. Corporation   | An-Ping Chang (65.30%); Chia Hsin Cement Corporation (13.71%); Long Chuang Investments Co., Ltd. (13.45%); Huai-Ru Koo (5.51%)   |
| Chinatrust Investment Co., Ltd.  | Heng Qiang Investment Co., Ltd. (23.38%); Fu Pin Investment Co., Ltd. (23.33%); Taiwan Cement Corporation (9.36%); International CSRC Investment Holdings Co., Ltd. (4.48%); TCC Investment Co., Ltd. (3.45%); Ho-Ping Industrial Port Corporation (3.31%); Qiao Tai Investment Co., Ltd. (3.03%); Kun Qing International Development Ltd. (2.97%); Chung Ho Textile Co., Ltd. (2.31%); Ta-Ho Maritime Corporation (2.09%) |
| TCC Investment Co., Ltd.   | Taiwan Cement Corporation (100%)   |
| Chung Cheng Development Investment Corporation   | International CSRC Investment Holdings Co., Ltd. (100%)  |
| JPMorgan Chase Bank N.A., Taipei Branch, custodian for the Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds | Not applicable   |
| JPMorgan Chase Bank N.A., Taipei Branch, custodian for the Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds                    | Not applicable   |
| Union Cement Traders Inc.  | TCC Investment Co., Ltd. (100%)  |
| Citibank Taiwan, Custodian for Norges Bank   | Not applicable   |
| TransGlobe Life Insurance Inc.   | Chung Wei Yi Co., Ltd. (100%)  |
| Standard Chartered Bank, iShares Emerging Markets ETF  | Not applicable   |
| Heng Qiang Investment Co., Ltd.  | Tian-Yi Huo (49.50%); Gung-Kai Koo (24.90%); Hsuan-Hui Koo (25.5995%); Fu Pin Investment Co., Ltd. (0.0005%)   |
| Hsing Cheng Investment Co., Ltd.   | Cecilia Koo (16.67%); Lydia Chao (16.67%); Huai-Ru Koo (16.67%); Hsuan-Hui Koo (16.67%); Ching-Hua Hu (15.00%); Cheng-Huei Koo (8.33%); Kung-Yi Koo (8.33%); Jin-Heng Hu(1.67%)  |
| Fu Pin Investment Co., Ltd.  | Hsuan-Hui Koo (49.9995%); Tian-Yi Huo (25.10%); Gung-Kai Koo (24.90%); Heng Qiang Investment Co., Ltd. (0.0005%)   |

Note: All information disclosed in the above table has been provided by the respective institutional shareholders as of March 20, 2024. TCC presents such information as is.

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

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

| Name            | Professional Qualification and Work Experience (Note 1)  | Status of Independence  | Number of Concurrent Positions Held at Other Public Companies |
|-----------------|--|---|---|
| Kenneth C.M. Lo | <p>(1)The Company's directors and member of the Nomination Committee.</p> <p>(2)Mr. Lo serves as a director of The Company and also holds positions as the founder and honorary chairman of O-Bank.</p> <p>(3)Mr. Lo has more than 40 years' experience in banking and finance and expertise in operational management, leadership, decision-making, crisis management, industrial knowledge, corporate sustainability, and international markets. The Company continues to rely on his professionalism in making major decisions on the Board of Directors to help the Company grow and achieve the target of sustainable development.</p>  |   | -   |
| Por-Yuan Wang   | <p>(1)The Company's director.</p> <p>(2)Mr. Wang is the director of the Company, the chairman of Pacific Venture Partners and Sercomm Corporation, and director of multiple public companies.</p> <p>(3)Mr. Wang has been the Company's director for many years and understands TCC. He has more than 40 years' experience in various industries and holds the position of director/independent director in various public companies. With expertise in international M&amp;A, operational management, leadership, decision-making, crisis management, industrial knowledge, corporate sustainability, and international markets, the Company continues to rely on his professionalism in making major decisions on the Board of Directors to help the Company grow and achieve the target of sustainable development.</p> | 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. Koo is the director and AVP of the Company, as well as the chairman and CEO of International CSRC Investment Holdings Co., Ltd.</p> <p>(3) Mr. Koo has more than 10 years' experience in banking, finance, and cement industry and has assisted in the privatization of TCC International Holdings Limited. With expertise in financing management, operational management, leadership, decision-making, crisis management, industrial knowledge, corporate sustainability, international market and more, the Company continues to rely on his professionalism in making major decisions on the Board of Directors to help the Company grow and achieve the target of sustainable development.</p>  |   | -   |



| Name           | Condition | Professional Qualification and Work Experience (Note 1)  | Status of Independence  | Number of Concurrent Positions Held at Other Public Companies |
|----------------|-----------|--|---|---|
| Chi-Chia Hsieh |           | <p>(1)The Company's director.</p> <p>(2)Mr. Hsieh is the director of the Company, director of Microelectronics Technology Inc. and independent director of Innolux Corporation.</p> <p>(3)Mr. Hsieh served as the director of the affiliate company of TCC Group (e.g., International CSRC Investment Holdings Co., Ltd.) and has more than 40 years' experience in various industries. With expertise in financing management, operational management, leadership, decision-making, crisis management, industrial knowledge, corporate sustainability, international markets and more, the Company continues to rely on his professionalism in making major decisions on the Board of Directors to help the Company grow and achieve the target of sustainable development.</p> |   | 1   |
| Chi-Te Chen    |           | <p>(1)The Company's director.</p> <p>(2)Mr. Chen is the director of the Company, Vice Chairman of Chien Kuo Construction Co., Ltd. and director of Chia Hsin Cement Corporation.</p> <p>(3)In addition to having more than 30 years' experience in cement industry Mr. Chen has expertise in operational management, leadership, decision-making, crisis management, industry specific knowledge, corporate sustainability, and international markets. The Company continues to rely on his professionalism in making major decisions on the Board of Directors to help the Company grow and achieve the target of sustainable development.</p>  | The directors are not spouse or kinship within the second degree. | -   |
| Chien Wen      |           | <p>(1) The Company's director.</p> <p>(2) Mr. Wen is the director of the Company, Director of Chinatrust Investment Co., Ltd. and Supervisor of Ta-Ho Maritime Corporation.</p> <p>(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.</p>   |   | -   |

| Name           | Condition | Professional Qualification and Work Experience(Note 1)  | Status of Independence   | Number of Concurrent Positions Held at Other Public Companies |
|----------------|-----------|---|--|---|
| Chun-Ying Liu  |           | <p>(1)The Company's director.</p> <p>(2)Ms. Liu is the director of the Company, Partner of Tsar and Tsai Law Firm, and independent director of Jarly Technology Co., Ltd.</p> <p>(3)Ms. Liu has over 20 years of experience as a lawyer and has assisted many listed companies with various projects. She has expertise in legal affairs, M&amp;A, financial management, and other professional skills. Our company will continue to rely on Ms. Liu's expertise to make important decisions with the board of directors and other directors, and to drive the company towards better development and sustainable goals.</p>  | The directors are not spouse or kinship within the second degree.  | 2   |
| Yu-Cheng Chiao |           | <p>(1)The Company's independent director, convener of the Remuneration Committee, and member of the Audit Committee and the Nomination Committee.</p> <p>(2)Mr. Chiao currently serves as the chairman of Winbond Electronics Corp. and a director of several listed companies across different industries. He also previously served as the chairman of Nuvoton Technology Corporation. With over 40 years of extensive experience across various industries, Mr. Chiao has served as an independent director of the Company for three terms and possesses professional capabilities in cross-border mergers and acquisitions, operational management, leadership decision-making, crisis handling, industry knowledge, corporate sustainability, international markets, and more. During his tenure as an independent director, Mr. Chiao has provided appropriate advice and guidance on the company's operations, finance, and management analysis, leveraging his expertise to continue monitoring the company's operations.</p> | <p>1. All qualified to be an independent director.</p> <p>2. Are all independent:</p> <p>(1) The directors do not have spouses or kinship within the second degree in the Company or a related company.</p> <p>(2) The director or their spouses or kinship within the second degree do not hold the Company's stocks.</p> | -   |
| Victor Wang    |           | <p>(1)The Company's independent director, convener of the Audit Committee and member of the Remuneration Committee, Risk Management Committee and Corporate Sustainable Development Committee.</p> <p>(2)Mr. Wang has served three terms as an independent director of the Company, was deputy chairman of Deloitte Taiwan, is the director of Yageo Corporation, independent director of Taiwan Navigation Co., Ltd. and DACIN Construction Co., Ltd. and director/ independent director of various public companies. Mr. Wang has more than 30 years' experience in financial accounting. He has expertise in operational management, crisis management, industrial knowledge, corporate sustainability, and international markets. During the period as the independent director of the company, he provides appropriate advice and guidance on company's auditing, finance and business analysis. The Company will continue to rely on his expertise in supervising the Company's operation.</p>                                  | <p>(3) Does not hold a position at the Company's related party.</p> <p>(4) Has not received compensation from the Company or its affiliates for business, legal, financial, accounting, and other services in the past two years.</p>  | 3   |

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

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

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

## 2. Diversification and Independence of Board of Directors

### (1) The Responsibilities and Composition of Board of Directors

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

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

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

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

| Professional capabilities                         | Board members  |
|---|--|
| Rich industry knowledge and management experience | An-Ping Chang, Por-Yuan Wang, Kung-Yi Koo, Jason Kang-Lung Chang, Chi-Te Chen, Chi-Chia Hsieh, Chien Wen, and Yu-Cheng Chiao |
| Financial expertise                               | Kenneth C.M. Lo and Sun-Te Chen  |
| Accounting expertise                              | Victor Wang, Lynette Ling-Tai Chou, and Mei-Hua Lin  |
| Legal Expertise                                   | Chun-Ying Liu and Sherry S. L. Lin   |

The Company continues to arrange diverse training courses for our board members to enhance their decision-making quality, fulfill their supervisory responsibilities, and strengthen the functions of the board of directors.

- (3) Management objective: The Company's board of directors guides company's strategy, supervises management, the operations and arrangements of governance and is responsible for the company and shareholders. It has to be ensured that board of directors exercises its functions in accordance with legal provisions, the company's articles of incorporation or shareholders' resolutions. Directors listen to management team's report at board meetings, and provide guidance and advice, maintaining good communication with the management team to create maximum benefits for shareholders. Our company also values gender equality in the composition of the board of directors. Four female directors currently hold seats, and our goal is to have at least 33% female directors in the future. In future director elections, we will give priority to female director candidates to achieve this goal.

- (4) Meetings: The current board of directors held 15 board meetings from January 1, 2023, to March 20, 2024, with a 89% attendance rate.
- (5) Independence: There are a total of 15 members on the current board of directors of the Company, of which 5 are independent directors, accounting for 33%. As of the end of 2023, all independent directors met the regulations set by the Securities and Futures Bureau, Financial Supervisory Commission regarding independent directors, and there were no situations described in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act between directors and independent directors. For disclosure on the professional qualifications and independence of the board of directors, please refer to page 35 of this annual report under section "Directors' Professional Qualification and Independent Directors Status of Independence". For information on the directors' education, gender, and work experience, please refer to page 21 of this annual report under section "3.2.1 Information regarding board members"

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

(1) Chairman

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

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

(2) Directors

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

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

(3) Independent Directors

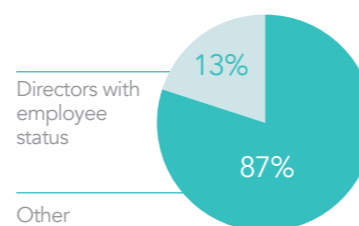
| Member                | Date Elected / Appointed | Nationality | Gender | Seniority as An Independent Director of the Company |             |              | Age   |       |         | Industry Experience |               |        |     |    |
|-----------------------|--------------------------|-------------|--------|---|-------------|--------------|-------|-----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

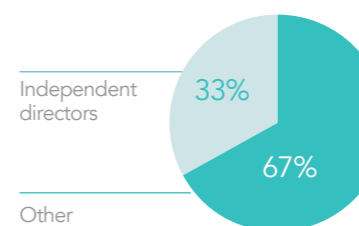
| Member                | Date Elected / Appointed | Nationality | Gender | Professional Ability   |                       |                 |                                 |       |     |
|-----------------------|--------------------------|-------------|--------|------------------------|-----------------------|-----------------|-------------------------------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

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

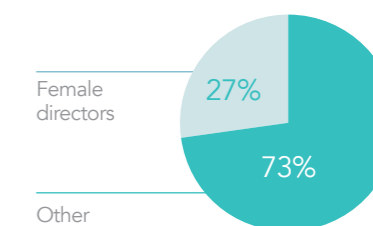
Proportion of directors with employees status



Proportion of independent directors



Proportion of female directors





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

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

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

| Education and Experience   | Concurrent Positions in TCC and Other Companies   | Spouse or Relative within the Second Degree of Kinship Who Is A Manager in TCC   |      |              | Note |        |
|--|---|--|------|--------------|------|--------|
|  |   | Title  | Name | Relationship |      |        |
| MBA, School of Business Administration, 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 and President, Molie Quantum Energy Corporation; Chairman and President, HO-PING Ocean Renewable Resource Corporation; Chairman, TCC Energy Storage Technology Corporation; Chairman, TCC Investment Corporation; Chairman, Union Cement Traders Inc.; Chairman, TCC Chemical Corporation; Chairman, TCC Sustainable Energy Investment Corporation; Chairman, E-One Moli Energy Corp.; Chairman, TCC Recycle Energy Technology Company; Chairman, Dr. Cecilia Koo Botanic Conservation Center; Chairman, Hualien County Private Hoping Sustainability Charity Foundation; Chairman, Energy Helper TCC Corporation; Chairman, Ho-Ping Power Company; Chairman, Ho-Ping Renewable Energy Company; Chairman, TCC New (Hangzhou) Management Company Limited; Chairman, TCC (Hangzhou) Environmental Protection Technology Co., Ltd.; Chairman, TCC (Hangzhou) New Energy Company Limited; Chairman, TCC Zhihe (Hangzhou) Environmental Protection Company Limited; Chairman, NHOA S.A.; Director, THC International S.A.; Director, Hong Kong Cement Company Limited; Vice Chairman, Ta-Ho Maritime Corporation; Director, TCC Hong Kong Cement (Yargoan) Limited; Director, TCC Hong Kong Cement (QHC) Limited; Director, TCC Hong Kong Cement (Philippines) Limited; Director, TCC Hong Kong Cement Development Limited; | Director, TCC International (Liuzhou) Limited; Director, TCC International (Guangxi) Limited; Director, Upper Value Investments Limited; Director, Prosperity Minerals (China) Ltd.; Director, Wayly Holdings Limited; Director, Chiefolk Company Limited; Director, Hong Kong Cement Manufacturing Co.Ltd.; Director, Jingyang Industrial Limited; Director, TCC International (Hong Kong) Company Limited; Director, TCC Liuzhou Company Limited; Director, Prosperity Cement Investment Limited; Director, Prosperity Minerals (International) Limited; Director, Kiton Limited; Director, Hensford Limited; Director, Sure Kit Limited; Director, Prime York Limited; Director, Mega East Ltd.; Director, TCC International (China) Company Limited; Director, Scitus Cement (China) Holdings Limited; Director, Scitus Cement (China) Operating Company Limited; Director, Hexagon Holdings Limited. Director, Hexagon II Holdings Limited; Director, Hexagon III Holdings Limited; Director, Hexagon IV Holdings Limited; Director, Hexagon V Holdings Limited; Director, Hexagon VIII Holdings Limited; Director, Hexagon IX Holdings Limited; Director, Hexagon XIII Holdings Limited; Director, Hexagon XIV Holdings Limited; | None | None         | None | Note 1 |

| Title     | Nationality | Name          | Gender | Elected (Appointed) Date | Shares Currently Held |      | Shares Currently Held by Spouse or Minors |      | Shares Held in the Name of Other Persons |      |
|-----------|-------------|---------------|--------|--------------------------|-----------------------|------|---|------|--|------|
|           |             |               |        |                          | Shares                | %    | Shares                                    | %    | Shares                                   | %    |
| Group CEO | ROC         | An-Ping Chang | Male   | July 17, 2019            | 2,408,351             | 0.03 | 4,599,808                                 | 0.06 | None                                     | None |
| President | ROC         | Roman Cheng   | Male   | November 21, 2022        | -                     | -    | -   | -    | None                                     | None |

| Education and Experience   | Concurrent Positions in TCC and Other Companies  | Spouse or Relative within the Second Degree of Kinship Who Is A Manager in TCC  |      |              | Note |        |
|--|--|---|------|--------------|------|--------|
|  |  | Title   | Name | Relationship |      |        |
| MBA, School of Business Administration, 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 | <p>Director, Upper Value Investment Limited;</p> <p>Director, Kong On Cement Holdings Ltd.;</p> <p>Director, Hong Kong Concrete Company Limited;</p> <p>Director, Quon Hing Concrete Co Ltd.;</p> <p>Authorized Signatory, Hangzhou Representative Office of Prosperity Minerals (China)</p> <p>Director, TCC Information Systems Corporation;</p> <p>Director, Taiwan Transport &amp; Storage Co., Ltd.;</p> <p>Director, Ta-Ho Maritime (SG) Corporation;</p> <p>Director, Ho-Ping Industrial Port Corporation;</p> <p>Director, TCC International Holdings Limited;</p> <p>Director, TCC Hong Kong Cement (BVI) Holdings Limited;</p> | <p>Director, TCC Hong Kong Cement (International) Limited;</p> <p>Director, TCC Development Limited;</p> <p>Director, TCC International Limited;</p> <p>Director, Ulexite Investments Limited;</p> <p>Director, CIMPOR GLOBAL HOLDINGS B.V.;</p> <p>Director, Taiwan Cement Europe Holdings B.V.;</p> <p>Director, E-One Holdings Ltd.;</p> <p>Director, E-One Moli Holdings (Canada) Ltd.;</p> <p>Director, E-One Moli Energy (Canada) Ltd.;</p> <p>Director, Taiwan Stock Exchange Corporation;</p> <p>Director, CTCI Corporation;</p> <p>Director, Chia Hsin R.M.C. Corporation;</p> <p>Director, Cheng Hsin General Hospital;</p> <p>Convener, Corporate Sustainability Committee and Nomination Committee and more</p> | None | None         | None | Note 1 |
| MBA, National Chengchi University; President, Taipei Fubon Bank.   | <p>Chairman, Atlante S.R.L.;</p> <p>Director and President, TCC Energy Storage Technology Corporation;</p> <p>Director, Union Cement Traders Inc.;</p> <p>Director, TCC Sustainable Energy Investment Corporation;</p> <p>Director, Hong Kong Cement Manufacturing Co. Ltd.;</p> <p>Director, Hualien County Private Hoping Sustainability Charity Foundation;</p> <p>Supervisor, Ta-Ho Maritime Corporation;</p> <p>Member, Corporate Sustainable Development Committee and more</p>  |   | None | None         | None |        |

| Title                 | Nationality | Name               | Gender | Elected (Appointed) Date | Shares Currently Held |               | Shares Currently Held by Spouse or Minors |   | Shares Held in the Name of Other Persons |      |
|-----------------------|-------------|--------------------|--------|--------------------------|-----------------------|---------------|---|---|--|------|
|                       |             |                    |        |                          | Shares                | %             | Shares                                    | % | Shares                                   | %    |
| Senior Vice President | ROC         | Chien-Chiang Huang | Male   | January 1, 2006          | 912,429<br>*20,616    | 0.01<br>*0.01 | -   | - | None                                     | None |
| Senior Vice President | ROC         | Ker-Fu, Lu         | Male   | June 30, 2008            | 217,887               | 0.00          | -   | - | None                                     | None |

| Education and Experience  | Concurrent Positions in TCC and Other Companies   | Spouse or Relative within the Second Degree of Kinship Who Is A Manager in TCC  |      |              | Note |  |
|---|---|---|------|--------------|------|--|
|   |   | Title   | Name | Relationship |      |  |
| BS in Transportation and Logistics Management, National Cheng Kung University | Chairman, Tai-Jie Transport & Storage Corporation;<br>Chairman, Feng Sheng Enterprise Co., Ltd.;<br>Chairman, E.G.C. Cement Corporation;<br>Chairman, Ho-Ping Industrial Port Corporation;<br>Chairman, TCC Fuzhou Cement Co., Ltd.;<br>Chairman, TCC Fuzhou Yangyu Port Co., Ltd.;<br>Vice Chairman, TCC Liuzhou Construction Materials Company Limited;<br>Director and President, TCC International Holdings Limited;<br>Director and President, TCC International Limited;<br>Director and President, Chiefolk Co., Ltd.;<br>Director and President, Hong Kong Cement Co., Ltd.;<br>Director, TCEC Corporation;<br>Director, TCC Information Systems Corporation;<br>Director, Taiwan Transport & Storage Co., Ltd.;  | Director, Ta-Ho Maritime Corporation;<br>Director, Ho-Ping Power Company;<br>Director, Taiwan Cement (Dutch) Holdings B.V.;<br>Director, TCC Shaoguan Cement Co., Ltd.;<br>Director, TCC Chongqing Cement Co., Ltd.;<br>Director, TCC Guangan Cement Company Limited;<br>Director, Scitus Luzhou Cement Co., Ltd.;<br>Director, TCC Anshun Cement Co., Ltd.;<br>Director, Guizhou Kong On Cement Company Limited;<br>Director, Jiangsu TCC Investment Co., Ltd.;<br>Director, TCC New (Hangzhou) Management Company Limited;<br>Director, Hong Kong Concrete Co., Ltd.;<br>Director, Quon Hing Concrete Co., Ltd.;<br>Director, Yargoan Co., Ltd.;<br>Director, Pan Asia(Engineers Constructors) Corporation;<br>Director, CHC Resources Corporation and more   | None | None         | None |  |
| BS in Mechanical Engineering, Tamkang University                              | Chairman and President, Taiwan Cement Engineering Corporation;<br>Chairman, Jin Chang Minerals Corporation;<br>Chairman, Tuo Shan Recycle Technology Company;<br>Chairman, TCC Green Energy Corporation;<br>Chairman, TCC Chia-Chien Green Energy Corporation;<br>Chairman, TCC Yun-Kai Green Energy Corporation;<br>Chairman, TCC Lien-Hsin Green Energy Corporation;<br>Chairman, TCC Chang-Ho Green Energy Corporation;<br>Chairman, TCC Kao-Cheng Green Energy Corporation;<br>Chairman, TCC Nan-Chung Green Energy Corporation;<br>Chairman, Chang-Wang Wind Power Co., Ltd.;<br>Chairman, TCC Ping-Chih Green Energy Corporation;<br>Chairman, Chia-Ho Green Energy Corporation;<br>Chairman, TCC Tung-Li Green Energy Corporation;<br>Chairman, SHI-MEN Green Energy Corporation;<br>Chairman, HPC Power Service Corporation;<br>Chairman, TCC Chongqing Cement Company Limited;<br>Chairman, TCC Anshun Cement Company Limited;<br>Chairman, TCC Jingzhou Cement Company Limited;<br>Chairman, TCC Shaoguan Cement Co., Ltd.;<br>Chairman, TCC (Gui Gang) Cement Ltd.;<br>Chairman, TCC Guigang Mining Industrial Company Limited;<br>Chairman, Yingde Dragon Mountain Cement Co., Ltd.;<br>Chairman, Beijing TCC Environmental Technology Co., Ltd.;<br>Chairman, TCC Yingde Mining Industrial Company Limited;<br>Chairman, TCC Huaihua Cement Company Limited; | Chairman, TCC Huaihua Concrete Company Limited;<br>Chairman, Jurong TCC Cement Co., Ltd.;<br>Chairman, Jiangsu TCC Investment Co., Ltd.;<br>Chairman, Jurong TCC Environmental Co., Ltd.;<br>Director and President, TCC (Hangzhou) Environmental Protection Technology Co., Ltd.;<br>Director, HO-PING Ocean Renewable Resource Corporation;<br>Director, TCC Information Systems Corporation;<br>Director, Ta-Ho Maritime Corporation;<br>Director, Ho-Ping Power Company;<br>Director, Onyx Ta-Ho Environmental Services Co., Ltd.;<br>Director, TCC New (Hangzhou) Management Company Limited;<br>Director, Guangan Changxing Cement Company Ltd.;<br>Director, Scitus Luzhou Cement Co., Ltd.;<br>Director, Scitus Naxi Cement Co., Ltd.;<br>Director, Scitus Luzhou Concrete Co., Ltd.;<br>Director, Scitus Hejiang Cement Co., Ltd.;<br>Director, Guizhou Kaili Rui An Jian Cai Co., Ltd.;<br>Director, TCC (Hangzhou) New Energy Company Limited;<br>Director, TCC Zhihe (Hangzhou) Environmental Protection Company Limited;<br>Director, Scitus Cement (China) Holdings Limited;<br>Director, Quon Hing Concrete Co., Ltd.;<br>Director, Sichuan Taichang Building Material Group Company Limited;<br>Director, Yingjing Xinan New Material Co., Ltd.;<br>Executive Director, Anshun Xin Tai Construction Materials Company Limited;<br>Supervisor, Ho-Ping Renewable Energy Company and more | None | None         | None |  |



| Title          | Nationality | Name             | Gender | Elected (Appointed) Date | Shares Currently Held |      | Shares Currently Held by Spouse or Minors |      | Shares Held in the Name of Other Persons |      |
|----------------|-------------|------------------|--------|--------------------------|-----------------------|------|---|------|--|------|
|                |             |                  |        |                          | Shares                | %    | Shares                                    | %    | Shares                                   | %    |
| Vice President | ROC         | Bao-Luo, Ge      | Male   | August 11, 2017          | 430,564               | 0.01 | -   | -    | None                                     | None |
| Vice President | ROC         | Chien-Chuan Wang | Male   | February 9, 2015         | 235,375               | 0.00 | 1,889                                     | 0.00 | None                                     | None |
| Vice President | ROC         | Feng-Ping Liu    | Female | February 9, 2015         | 184,556               | 0.00 | 251                                       | 0.00 | None                                     | None |

| Education and Experience  | Concurrent Positions in TCC and Other Companies   | Spouse or Relative within the Second Degree of Kinship Who Is A Manager in TCC |      |              | Note |
|---|---|--|------|--------------|------|
|   |   | Title  | Name | Relationship |      |
| MS in Foreign Service, Georgetown University  | Chairman, TCC (Hangzhou) Recycle Resource Technology Limited;<br>Chairman, TCC Yongren (Hangzhou) Environmental Protection Technology Co., Ltd.;<br>Chairman, TCC Yongren (Hangzhou) Environmental Technology Co., Ltd.;<br>Director, Onyx Ta-Ho Environmental Services Co., Ltd.;<br>Director, TCC (Hangzhou) New Energy Company Limited;<br>Director, TCC Zhihe (Hangzhou) Environmental Protection Company Limited<br>Supervisor, Jurong TCC Environmental Co., Ltd. and more  | None   | None | None         |      |
| BS in Mechanical Engineering, Feng Chia University.   | Chairman, TCC Ta-Ho RSEA Environment Co., Ltd.;<br>Chairman, Kuan-Ho Refractories Industry Corporation;<br>Chairman, TCC Liaoning Cement Company Limited;<br>Chairman, TCC Yongren (Hangzhou) Renewable Resources Technology Co., Ltd.;<br>Chairman, TCC (Shaoguan) Environment Technology Co., Ltd.;<br>Chairman, TCC Zhongrun (Anshun) Environmental Technology Co., Ltd.;<br>Director and President, Ho-Ping Renewable Energy Company;<br>Director, Taiwan Cement Engineering Corporation<br>Director, Taiwan Transport & Storage Corporation;<br>Director, TCC Chemical Corporation;<br>Director, TCC Recycle Energy Technology Company;<br>Director, Energy Helper TCC Corporation;<br>Director, Tuo Shan Recycle Technology Company;<br>Director, Dr. Cecilia Koo Botanic Conservation Center;<br>Director, Hualien County Private Hoping Sustainability Charity Foundation;<br>Director, Jurong TCC Cement Co., Ltd.;<br>Director, TCC Liuzhou Construction Materials Co., Ltd.;<br>Director, TCC Shaoguan Cement Co., Ltd.;<br>Director, TCC (Gui Gang) Cement Ltd.;<br>Director, Guigang TCC Dong Yuan Environmental Technology Company Limited;<br>Director, TCC Fuzhou Cement Co., Ltd.;<br>Director, TCC Fuzhou Yangyu Port Co., Ltd.;<br>Director, Yingde Dragon Mountain Cement Co., Ltd.;<br>Director, Kaili TCC Environment Technology Co., Ltd.;<br>Director, Beijing TCC Environmental Technology Co., Ltd.;<br>Director, Jurong TCC Environmental Co., Ltd.;<br>Director, Guigang Conch-TCC New Material Technology Co., Ltd.;<br>Director, Jin Yu TCC (Dai Xian) Environmental Protection;<br>Director, TCC International (Guangxi) Limited;<br>Supervisor, Guizhou Kaili Rui An Jian Cai Co., Ltd. and more. | None   | None | None         |      |
| MS in Technology Application and Human Resource Development, National Taiwan Normal University. | Director, Dr. Cecilia Koo Botanic Conservation Center;<br>Director, NHOA S.A. and more  | None   | None | None         |      |

| Title  | Nationality | Name         | Gender | Elected (Appointed) Date | Shares Currently Held |      | Shares Currently Held by Spouse or Minors |   | Shares Held in the Name of Other Persons |      |
|--|-------------|--------------|--------|--------------------------|-----------------------|------|---|---|--|------|
|  |             |              |        |                          | Shares                | %    | Shares                                    | % | Shares                                   | %    |
| Vice President   | ROC         | Yu-Jun Yeh   | Female | January 29, 2018         | 214,883               | 0.00 | -   | - | None                                     | None |
| CFO  | ROC         | Randy Yu     | Male   | September 13, 2022       | 10,000                | 0.00 | -   | - | None                                     | None |
| Senior Assistant Vice President                              | ROC         | Kuo-Yu Tsai  | Male   | August 3, 2020           | 670,986               | 0.01 | -   | - | None                                     | None |
| Senior Assistant Vice President and Accounting Chief Officer | ROC         | Guo-Hong Yeh | Male   | December 16, 2015        | 169,786               | 0.00 | -   | - | None                                     | None |

| Education and Experience   | Concurrent Positions in TCC and Other Companies   | Spouse or Relative within the Second Degree of Kinship Who Is A Manager in TCC  |      |              | Note |  |
|--|---|---|------|--------------|------|--|
|  |   | Title   | Name | Relationship |      |  |
| MS in Senior Executive Management, National Chengchi University. | Spokesperson of Taiwan Cement Corporation; Director, Dr. Cecilia Koo Botanic Conservation Center; Director, Hualien County Private Hoping Sustainability Charity Foundation and more  | None  | None | None         |      |  |
| MBA, Stern School of Business, New York University.              | Director, Phihong Technology Co. Ltd. Independent Director, GlobalWafers Co., Ltd. and more   | None  | None | None         |      |  |
| BS in Laws, Soochow University.                                  | Director, CTBC Venture Capital Co., Ltd.  | None  | None | None         |      |  |
| MS in Accounting, National Taipei University.                    | Director, International CSRC Investment Holdings Co., Ltd.; Director, TCC Green Energy Corporation; Director, TCC Chia-Chien Green Energy Corporation; Director, TCC Yun-Kai Green Energy Corporation; Director, TCC Lien-Hsin Green Energy Corporation; Director, TCC Chang-Ho Green Energy Corporation; Director, TCC Kao-Cheng Green Energy Corporation; Director, TCC Nan-Chung Green Energy Corporation; Director, Chang-Wang Wind Power Co., Ltd.; Director, TCC Ping-Chih Green Energy Corporation; Director, Chia-Ho Green Energy Corporation; Director, TCC Tung-Li Green Energy Corporation; Director, SHI-MEN Green Energy Corporation; Director, Jiangsu TCC Investment Co., Ltd.; Director, TCC Liaoning Cement Company Limited; Director, TCC (Hangzhou) Recycle Resource Technology Limited; Director, TCC International Holdings Limited; Director, TCC International Limited; Supervisor, Energy Helper TCC Corporation; Supervisor, TCC Investment Corporation; Supervisor, Taiwan Cement Engineering Corporation; Supervisor, TCC Information Systems Corporation; Supervisor, Tai-Jie Transport & Storage Corporation; Supervisor, TCC Energy Storage Technology Corporation; Supervisor, TCC Sustainable Energy Investment Corporation; Supervisor, Kuan-Ho Refractories Industry Corporation; | Supervisor, E-One Moli Energy Corp.; Supervisor, TCC Recycle Energy Technology Company; Supervisor, Moli Quantum Energy Corporation; Supervisor, Tuo Shan Recycle Technology Company; Supervisor, HO-PING Ocean Renewable Resource Corporation; Supervisor, Ho-Ping Industrial Port Corporation; Supervisor, Onyx Ta-Ho Environmental Services Co., Ltd.; Supervisor, TCC Jingzhou Cement Company Limited; Supervisor, TCC Jiuyuan (Guangan) Environmental Technology Co., Ltd.; Supervisor, TCC Huaihua Cement Company Limited; Supervisor, TCC Huaihua Concrete Company Limited; Supervisor, Jurong TCC Cement Co., Ltd.; Supervisor, TCC Jiangsu Mining Industrial Company Limited; Supervisor, TCC Fuzhou Cement Co., Ltd.; Supervisor, TCC Fuzhou Yangyu Port Co., Ltd.; Supervisor, TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd.; Supervisor, Beijing TCC Environmental Technology Co., Ltd.; Supervisor, TCC Yongren (Hangzhou) Environmental Protection Technology Co., Ltd.; Supervisor, TCC Yongren (Hangzhou) Environmental Technology Co., Ltd.; Supervisor, TCC Yongren (Hangzhou) Renewable Resources Technology Co., Ltd.; Supervisor, TCC Yongren (Hangzhou) Renewable Resources Development Co., Ltd.; Supervisor, TCC Zhihe (Hangzhou) Environmental Protection Company Limited; Supervisor, TCC (Guangdong) Renewable Resources Technology Company Limited and more | None | None         | None |  |

| Title                                 | Nationality | Name             | Gender | Elected (Appointed) Date | Shares Currently Held |      | Shares Currently Held by Spouse or Minors |   | Shares Held in the Name of Other Persons |      |
|---------------------------------------|-------------|------------------|--------|--------------------------|-----------------------|------|---|---|--|------|
|                                       |             |                  |        |                          | Shares                | %    | Shares                                    | % | Shares                                   | %    |
| Senior Assistant Vice President       | ROC         | Huei-Sheng Chiou | Male   | December 7, 2021         | -                     | -    | -   | - | None                                     | None |
| Senior Vice President                 | ROC         | Yu-Wen Chiu      | Male   | April 15, 2021           | 25,418 *3,132         | 0.00 | -   | - | None                                     | None |
| Director and Assistant Vice President | ROC         | Kung-Yi Koo      | Male   | June 8, 2017             | 700,451               | 0.01 | -   | - | None                                     | None |

| Education and Experience  | Concurrent Positions in TCC and Other Companies  | Spouse or Relative within the Second Degree of Kinship Who Is A Manager in TCC   |      |              | Note |
|---|--|--|------|--------------|------|
|   |  | Title  | Name | Relationship |      |
| Doctor of Philosophy in Civil Engineering, National Taiwan University   | None   | None   | None | None         |      |
| BS in Chemical Engineering, Minth University of Science and Technology  | Chairman, Guigang TCC Dong Yuan Environmental Technology Company Limited<br>Chairman, TCC Jiuyuan (Guangan) Environmental Technology Co., Ltd.<br>Chairman, TCC Yingde New Material Co., Ltd.;<br>Chairman, TCC Yongren (Hangzhou) Renewable Resources Development Co., Ltd.;<br>Chairman, TCC Zhongxin (Anshun) Renewable Resources Technology Company Limited<br>Chairman, TCC Yongren (Hangzhou) Renewable Resources Development Co., Ltd.<br>Director, Tai-Jie Transport & Storage Corporation<br>Director, Kuan-Ho Refractories Industry Corporation<br>Director, Jurong TCC Cement Co., Ltd.<br>Director, TCC Liaoning Cement Company Limited<br>Director, TCC (Gui Gang) Cement Ltd.<br>Director, Beijing TCC Environmental Technology Co., Ltd.<br>Director, TCC Yingde Cement Co., Ltd.<br>Chairman, TCC Zhongxin (Anshun) Renewable Resources Technology Company Limited | Director, TCC (Shaoguan) Environment Technology Co., Ltd.<br>Director, TCC Chongqing Cement Company Limited<br>Director, TCC Huaihua Cement Company Limited<br>Director, TCC Jingzhou Cement Company Limited<br>Director, TCC Huaihua Concrete Company Limited<br>Director, Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.<br>Director, Chongqing Xuanjie Taini Environmental Protection Technology Co., Ltd.<br>Director, TCC Zhongrun (Anshun) Environmental Technology Co., Ltd.<br>Director, Jingyang Industrial Limited<br>Director, Scitus Cement (China) Holdings Limited<br>Director, Quon Hing Concrete Co., Ltd. and more | None | None         | None |
| MBA, The Wharton School of University of Pennsylvania; Vice President, Morgan Stanley Investment Banking Department; Vice Chairman, Taiwan Cement Corporation; Chairman, Taiwan Prosperity Chemical Corporation | Chairman, International CSRC Investment Holdings Co., Ltd.;<br>Chairman, Linyuan Advanced Materials Technology Co., Ltd.;<br>Chairman, Circular Commitment Company;<br>Chairman, Yun Cheng Investment Corporation;<br>Chairman, Chung Cheng Development & Investment Co.;<br>Chairman, Consolidated Resource Company;<br>Chairman, Taiwan Transport & Storage Corp.;<br>Chairman, CCC USA Corp.;<br>Chairman, Continental Carbon Company;<br>Director, Synpac (North Carolina), Inc.;<br>Director, Synpac GP Corporation;<br>Director, CSRC (BVI) LTD.;  | Director, CSRC (SINGAPORE) PTE LTD.;<br>Director, SYN PAC LTD.;<br>Director, Continental Carbon Nanotechnologies, Inc.;<br>Director, OYAK Carbon Black Investments B.V.;<br>Director, E-One Moli Energy Corp.;<br>Director, TCC Recycle Energy Technology Company;<br>Director, Ho-Ping Power Company;<br>Director, Chiefolk Company Limited;<br>Director, Hong Kong Cement Company Limited;<br>Director, Kong On Cement Holdings Ltd.;<br>Director, China Steel Chemical Corporation;<br>Supervisor, TCC New (Hangzhou) Management Company Limited and more   | None | None         | None |



| Title   | Nationality | Name            | Gender | Elected (Appointed) Date | Shares Currently Held |            | Shares Currently Held by Spouse or Minors |      | Shares Held in the Name of Other Persons |      |
|---|-------------|-----------------|--------|--------------------------|-----------------------|------------|---|------|--|------|
|   |             |                 |        |                          | Shares                | %          | Shares                                    | %    | Shares                                   | %    |
| Assistant Vice President                                  | ROC         | Cen-Wei Lan     | Male   | March 6, 2017            | 187,570               | 0.00       | -   | -    | None                                     | None |
| Assistant Vice President and Corporate Governance Manager | ROC         | Jia-Ro Lai      | Female | April 23, 2019           | 95,751                | 0.00       | 246                                       | 0.00 | None                                     | None |
| Assistant Vice President                                  | ROC         | Chia-Pei Wei    | Male   | March 1, 2016            | 253,276 *4,925        | 0.00 *0.00 | -   | -    | None                                     | None |
| Assistant Vice President                                  | ROC         | Guo-Yuan Li     | Male   | April 15, 2021           | 85,843                | 0.00       | -   | -    | None                                     | None |
| Assistant Vice President                                  | ROC         | Cheng-Dao Qiang | Male   | August 11, 2017          | 121,920               | 0.00       | -   | -    | None                                     | None |
| Assistant Vice President                                  | ROC         | Yin-Hua Chen    | Male   | April 1, 2022            | 87,932                | 0.00       | -   | -    | None                                     | None |
| Assistant Vice President                                  | ROC         | Katrina Chen    | Female | February 1, 2023         | 49,845                | 0.00       | -   | -    | None                                     | None |

| Education and Experience   | Concurrent Positions in TCC and Other Companies  | Spouse or Relative within the Second Degree of Kinship Who Is A Manager in TCC   |      |              | Note |
|--|--|--|------|--------------|------|
|  |  | Title  | Name | Relationship |      |
| BS in Business Administration, Soochow University                      | <p>Director, TCC (Hangzhou) Environmental Protection Technology Co., Ltd.;</p> <p>Director, Honk Kong Concrete Company Limited</p> <p>Director, TCC Zhongxin (Anshun) Renewable Resources Technology Company Limited</p> <p>Supervisor, Da Tong (Ying De) Logistics Co., Ltd.</p> <p>Supervisor, TCC Shaoguan Cement Co., Ltd.;</p> <p>Supervisor, Anshun Xin Tai Construction Materials Company Limited</p>   | <p>Supervisor, TCC Guigang Mining Industrial Company Limited</p> <p>Supervisor, Yingde Dragon Mountain Cement Co., Ltd.</p> <p>Supervisor, TCC Yingde Cement Co., Ltd.</p> <p>Supervisor, TCC Yingde New Material Co., Ltd.;</p> <p>Supervisor, Yingjing Xinan New material Co., Ltd.</p> <p>Supervisor, Sichuan Taichang Building Material Group Company Limited</p> <p>Supervisor, TCC Yingde Mining Industrial Company Limited and more</p> | None | None         | None |
| MS in Laws, Fu Jen Catholic University                                 | <p>Director, NHOA S.A.;</p> <p>Supervisor, Ho Sheng Mining Co., Ltd.;</p> <p>Supervisor, Ho-Ping Power Company;</p> <p>Supervisor, Hualien County Private Hoping Sustainability Charity Foundation and more</p>  |  | None | None         | None |
| BS in Geology, Chinese Culture University                              | <p>Chairman and President, Ho Sheng Mining Co., Ltd.;</p> <p>Director and President, Jin Chang Minerals Corporation;</p> <p>Director, Kuan-Ho Refractories Industry Corporation;</p> <p>Director, HPC Power Services Corporation;</p> <p>Director, Ho-Ping Industrial Port Corporation;</p> <p>Director, TCC Guigang Mining Industrial Company Limited</p> <p>Director, Hualien County Private Hoping Sustainability Charity Foundation and more</p> |  | None | None         | None |
| Master in Land Economics, National Chengchi University.                | <p>Director, TCC Chemical Corporation;</p>   |  | None | None         | None |
| BS in Chemical Engineering, National Taipei University of Technology   | <p>Director, TCC Yingde Cement Co., Ltd.;</p> <p>Director, TCC Yingde Mining Industrial Company Limited</p> <p>Managing Director and President, Da Tong (Ying De) Logistics Co., Ltd.</p>  | <p>Director, TCC (Guangdong) Renewable Resources Technology Company Limited</p> <p>Director, Guigang Conch-TCC New Material Technology Co., Ltd.</p> <p>Director, TCC International (Liuzhou) Limited and more</p>   | None | None         | None |
| BS in Mechanical Engineering, National Taipei University of Technology | <p>Director, Tuo Shan Recycle Technology Company</p> <p>Director, TCC Huaying Cement Company Limited</p> <p>Director, TCC Anshun Cement Company Limited</p> <p>Director, Jurong TCC Cement Co., Ltd.</p> <p>Director, TCC Jiangsu Mining Industrial Company Limited</p>  | <p>Director, TCC (Shaoguan) Environment Technology Co., Ltd.</p> <p>Director, TCC Yingde New Material Co., Ltd.;</p> <p>Director, TCC Weili (Changzhou) Environmental Engineering Co., Ltd.;</p> <p>Director, TCC Zhongrun (Anshun) Environmental Technology Co., Ltd. and more</p>  | None | None         | None |
| MS in Senior Executive Management, National Chengchi University.       | <p>Director, Dr. Cecilia Koo Botanic Conservation Center</p>   |  | None | None         | None |

| Title                              | Nationality | Name             | Gender | Elected (Appointed) Date | Shares Currently Held |            | Shares Currently Held by Spouse or Minors |      | Shares Held in the Name of Other Persons |      |
|------------------------------------|-------------|------------------|--------|--------------------------|-----------------------|------------|---|------|--|------|
|                                    |             |                  |        |                          | Shares                | %          | Shares                                    | %    | Shares                                   | %    |
| Chief Information Security Officer | ROC         | Nien-Wang Chang  | Male   | April 11, 2022           | 56,095                | 0.00       | -   | -    | None                                     | None |
| Assistant Vice President           | ROC         | Xiu-Fen Lu       | Female | February 1, 2024         | -                     | -          | -   | -    | None                                     | None |
| Senior Manager                     | ROC         | Jin-Yi Chen      | Male   | April 13, 2015           | 118,671               | 0.00       | -   | -    | None                                     | None |
| Senior Manager                     | ROC         | Yun-De Wu        | Male   | July 9, 2018             | 50,843                | 0.00       | -   | -    | None                                     | None |
| Senior Manager                     | ROC         | Chi-Ching Chen   | Male   | February 1, 2023         | 22,302                | 0.00       | 57  | 0.00 | None                                     | None |
| Senior Manager                     | ROC         | Shih-Sheng Liang | Male   | February 1, 2023         | 41,313 *1,584         | 0.00 *0.00 | -   | -    | None                                     | None |
| Senior Manager                     | ROC         | Hsueh-Ching Hsu  | Female | February 19, 2024        | 15,270                | 0.00       | -   | -    | None                                     | None |
| Manager and Internal Audit Manager | ROC         | Chia-Hua Tsao    | Male   | December 1, 2020         | 6,000                 | 0.00       | -   | -    | None                                     | None |

| Education and Experience  | Concurrent Positions in TCC and Other Companies   | Spouse or Relative within the Second Degree of Kinship Who Is A Manager in TCC |      |              | Note   |
|---|---|--|------|--------------|--------|
|   |   | Title  | Name | Relationship |        |
| MBA, National Taipei University.<br>MS in Computer and Communication Engineering, National Kaohsiung First University of Science and Technology | None  | None   | None | None         |        |
| MS in Law, Fordham University, USA  | None  | None   | None | None         | Note 2 |
| BS in Chemical Engineering, National Taiwan University of Science and Technology  | Director, Ho Sheng Mining Co., Ltd.;<br>Supervisor, Jin Chang Minerals Corporation and more   | None   | None | None         |        |
| BS in Geology, Chinese Culture University   | Director, Feng Sheng Enterprise Co., Ltd.;<br>Director, E.G.C. Cement Corporation;<br>Director, CHC Resources Corp. and more  | None   | None | None         |        |
| MS in Chemistry, National Taiwan University   | None  | None   | None | None         |        |
| BS in Civil Engineering, Da-Han Institute of Technology   | Director, TCC Yingde Mining Industrial Company Limited;<br>Director and President, TCC Yingde New Material Co., Ltd. and more   | None   | None | None         |        |
| Hsinchu Commercial High School Comprehensive High School  | None  | None   | None | None         | Note 2 |
| BS in Accounting, Fu Jen Catholic University  | Director, TCC Yongren (Hangzhou) Environmental<br>Supervisor, TCC Chang-Ho Green Energy Corporation.<br>Director, TCC Yongren (Hangzhou) Environmental Technology Co., Ltd.<br>Supervisor, TCC Kao-Cheng Green Energy Corporation.<br>Director, TCC Yongren (Hangzhou) Renewable Resources Technology Co., Ltd.<br>Supervisor, TCC Nan-Chung Green Energy Corporation.<br>Director, TCC Yongren (Hangzhou) Renewable Resources Development Co., Ltd.<br>Supervisor, Chang-Wang Wind Power Co., Ltd.<br>Supervisor, TCC Ping-Chih Green Energy Corporation.<br>Supervisor, Taiwan Transport & Storage Co., Ltd.<br>Supervisor, Chia-Ho Green Energy Corporation.<br>Supervisor, TCC Green Energy Corporation.<br>Supervisor, TCC Chia-Chien Green Energy Corporation.<br>Supervisor, SHI-MEN Green Energy Corporation.<br>Supervisor, TCC Yun-Kai Green Energy Corporation.<br>Supervisor, TCC Huaying Cement Company Limited and more.<br>Supervisor, TCC Lien-Hsin Green Energy Corporation. | None   | None | None         |        |

| Title                    | Nationality | Name          | Gender | Elected (Appointed) Date | Shares Currently Held |      | Shares Currently Held by Spouse or Minors |   | Shares Held in the Name of Other Persons |      |
|--------------------------|-------------|---------------|--------|--------------------------|-----------------------|------|---|---|--|------|
|                          |             |               |        |                          | Shares                | %    | Shares                                    | % | Shares                                   | %    |
| Manager                  | ROC         | Li-Chi Hsiao  | Male   | March 1, 2024            | 36,462                | 0.00 | -   | - | None                                     | None |
| Senior Assistant Manager | ROC         | Yu-Yang Chang | Male   | June 16, 2021            | -                     | -    | -   | - | None                                     | None |
| Assistant Vice President | ROC         | Jin-Lung Yu   | Male   | April 25, 2016           | 266,691               | 0.00 | -   | - | None                                     | None |
| Assistant Vice President | ROC         | Kuang-Si Chen | Male   | April 23, 2019           | 99,711                | 0.00 | -   | - | None                                     | None |
| Senior Assistant Manager | ROC         | Tzu-Yang Wu   | Male   | July 2, 2020             | 3,300                 | 0.00 | -   | - | 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): The subsidiaries of the TCC Group operate in different business sectors. To execute decisions made by the Board of Directors, and oversee the managers of the Company and its affiliates, the Group CEO bears the ultimate responsibility for the affairs of the Group. This position is not the same as that of the CEO of the Company. Therefore, the Board of Directors has decided to appoint a president to manage the Company.

Note 2: Ms. Xiu-Fen Lu was newly appointed on February 1, 2024; Ms. Hsueh-Ching Hsu was newly appointed on February 19, 2023; Mr. Li-Chi Hsiao was newly appointed on March 1, 2024.

| Education and Experience                                    | Concurrent Positions in TCC and Other Companies | Spouse or Relative within the Second Degree of Kinship Who Is A Manager in TCC |      |              | Note   |
|---|---|--|------|--------------|--------|
|   |   | Title  | Name | Relationship |        |
| BS in Mechanical Engineering, Da-Yeh University             | None  | None   | None | None         | Note 2 |
| BS in Public Health, Taipei Medical University              | None  | None   | None | None         |        |
| BS in Business Administration, National Chengchi University | Director, Feng Sheng Enterprise Company Limited | None   | None | None         | Note 3 |
| BS in Chemical Engineering, National Central University     | None  | None   | None | None         | Note 3 |
| BS in Finance and Banking, Feng Chia University             | None  | None   | None | None         | Note 3 |

Note 3: Mr. Jin-Lung Yu was dismissed on December 31, 2023; Mr. Kuang-Si Chen was dismissed on June 30, 2023; Mr. Tzu-Yang Wu was dismissed on September 25, 2023.

Note 4: 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) |                                | 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                       | 0<br>5,400              | 0<br>7,276                     | 0                              | 0                              | 6,601<br>22,005                | 6,601<br>22,005                | 0<br>85        | 0<br>85                        |
| Director             | C. F. Koo Foundation Representative: Sun-Te Chen                                 | 0<br>1,200              | 0<br>1,200                     | 0                              | 0                              | 6,601<br>0                     | 6,601<br>0                     | 0<br>78        | 0<br>78                        |
| Director             | Chia Hsin Cement Corporation Representative Jason Kang-Lung Chang                | 0<br>1,200              | 0<br>1,200                     | 0                              | 0                              | 6,602<br>0                     | 6,602<br>0                     | 0<br>71        | 0<br>71                        |
| Director             | International CSRC Investment Holdings Co., Ltd. Representative: Kenneth C.M. Lo | 0<br>1,200              | 0<br>1,200                     | 0                              | 0                              | 6,601<br>0                     | 6,601<br>0                     | 0<br>71        | 0<br>71                        |
| Director             | Fu Pin Investment Co., Ltd. Representative: Por-Yuan Wang                        | 0<br>1,200              | 0<br>1,200                     | 0                              | 0                              | 6,602<br>0                     | 6,602<br>0                     | 0<br>52        | 0<br>52                        |
| Director             | Tai Ho Farming Co., Ltd. Representative: Kung-Yi Koo                             | 0<br>1,200              | 0<br>3,000                     | 0                              | 0                              | 6,601<br>0                     | 6,601<br>0                     | 0<br>85        | 0<br>85                        |
| Director             | Fu Pin Investment Co., Ltd. Representative: Chi-Chia Hsieh                       | 0<br>1,200              | 0<br>1,200                     | 0                              | 0                              | 6,601<br>0                     | 6,601<br>0                     | 0<br>71        | 0<br>71                        |
| Director             | Chia Hsin Cement Corporation Representative Chi-Te Chen                          | 0<br>1,200              | 0<br>1,200                     | 0                              | 0                              | 6,601<br>0                     | 6,601<br>0                     | 0<br>78        | 0<br>78                        |
| Director             | Heng Qiang Investment Co., Ltd. Representative: Chien Wen                        | 0<br>1,200              | 0<br>2,400                     | 0                              | 0                              | 6,602<br>0                     | 6,602<br>0                     | 0<br>85        | 0<br>85                        |
| Director             | Heng Qiang Investment Co., Ltd. Representative Chun-Ying Liu                     | 0<br>1,200              | 0<br>1,200                     | 0                              | 0                              | 6,601<br>0                     | 6,601<br>0                     | 0<br>65        | 0<br>65                        |
| Independent Director | Yu-Cheng Chiao   | 3,000                   | 3,000                          | 0                              | 0                              | 0                              | 0                              | 58             | 58                             |
| Independent Director | Victor Wang  | 3,000                   | 3,000                          | 0                              | 0                              | 0                              | 0                              | 85             | 85                             |
| Independent Director | Lynette Ling-Tai Chou  | 2,640                   | 2,640                          | 0                              | 0                              | 0                              | 0                              | 85             | 85                             |
| Independent Director | Mei-Hua Lin  | 2,400                   | 2,400                          | 0                              | 0                              | 0                              | 0                              | 85             | 85                             |
| Independent Director | Sherry S. L. Lin   | 2,400                   | 2,400                          | 0                              | 0                              | 0                              | 0                              | 71             | 71                             |

1. Please describe the policy, system, standards, and structure of the remuneration for independent directors, and explain the correlation between the amount of remuneration paid and factors such as the responsibilities borne, risks, time invested, etc.:  
The remuneration of independent directors, in addition to considering the results of the director performance evaluation, is also deliberated by the Compensation Committee in accordance with the provisions of Article 20 of the Company's charter. This process takes into account the degree

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

Unit: NT \$ thousands

| (A+B+C+D) as a % of net income      |                                     | Compensation earned by a director who is also an employee of TCC or of TCC's consolidated entities |                                |   |                                |  |        |                                |        | (A+B+C+D+E+F+G) as a % of Net Income |                                     | Other compensations from nonsubsidiary affiliates or parent company |
|-------------------------------------|-------------------------------------|--|--------------------------------|---|--------------------------------|--|--------|--------------------------------|--------|--------------------------------------|-------------------------------------|---|
| From TCC                            | From all consolidated entities      | Base compensation, bonuses, and allowances. (E)  |                                | Severance pay and pensions (F) (Note 1) |                                | Employee profit sharing from earnings distribution (G) |        |                                |        | From TCC                             | From all consolidated entities      |   |
|                                     |                                     | From TCC   | From all consolidated entities | From TCC                                | From all consolidated entities | From TCC   |        | From all consolidated entities |        |                                      |                                     |   |
|                                     |                                     |  |                                |   |                                | Cash   | Shares | Cash                           | Shares |                                      |                                     |   |
| 6,601<br>/0.08%<br>27,490<br>/0.34% | 6,601<br>/0.08%<br>29,366<br>/0.36% | 0<br>7,857   | 0<br>7,857                     | 0                                       | 0                              | 0  | 0      | 0                              | 0      | 6,601<br>/0.08%<br>35,347<br>/0.44%  | 6,601<br>/0.08%<br>37,223<br>/0.47% | 0   |
| 6,601<br>/0.08%<br>1,278<br>/0.01%  | 6,601<br>/0.08%<br>1,278<br>/0.01%  | 0  | 0                              | 0                                       | 0                              | 0  | 0      | 0                              | 0      | 6,601<br>/0.08%<br>1,278<br>/0.01%   | 6,601<br>/0.08%<br>1,278<br>/0.01%  | 0   |
| 6,602<br>/0.08%<br>1,271<br>/0.01%  | 6,602<br>/0.08%<br>1,271<br>/0.01%  | 0  | 0                              | 0                                       | 0                              | 0  | 0      | 0                              | 0      | 6,602<br>/0.08%<br>1,271<br>/0.01%   | 6,602<br>/0.08%<br>1,271<br>/0.01%  | 0   |
| 6,601<br>/0.08%<br>1,271<br>/0.01%  | 6,601<br>/0.08%<br>1,271<br>/0.01%  | 0  | 0                              | 0                                       | 0                              | 0  | 0      | 0                              | 0      | 6,601<br>/0.08%<br>1,271<br>/0.01%   | 6,601<br>/0.08%<br>1,271<br>/0.01%  | 0   |
| 6,602<br>/0.08%<br>1,252<br>/0.01%  | 6,602<br>/0.08%<br>1,252<br>/0.01%  | 0  | 0                              | 0                                       | 0                              | 0  | 0      | 0                              | 0      | 6,602<br>/0.08%<br>1,252<br>/0.01%   | 6,602<br>/0.08%<br>1,252<br>/0.01%  | 0   |
| 6,601<br>/0.08%<br>1,285<br>/0.01%  | 6,601<br>/0.08%<br>3,085<br>/0.04%  | 0<br>1,911   | 0<br>1,911                     | 0<br>62                                 | 0<br>62                        | 0<br>355   | 0      | 0<br>355                       | 0      | 6,601<br>/0.08%<br>3,613<br>/0.04%   | 6,601<br>/0.08%<br>5,413<br>/0.07%  | 0<br>5,446  |
| 6,601<br>/0.08%<br>1,271<br>/0.01%  | 6,601<br>/0.08%<br>1,271<br>/0.01%  | 0  | 0                              | 0                                       | 0                              | 0  | 0      | 0                              | 0      | 6,601<br>/0.08%<br>1,271<br>/0.01%   | 6,601<br>/0.08%<br>1,271<br>/0.01%  | 0   |
| 6,601<br>/0.08%<br>1,278<br>/0.01%  | 6,601<br>/0.08%<br>1,278<br>/0.01%  | 0  | 0                              | 0                                       | 0                              | 0  | 0      | 0                              | 0      | 6,601<br>/0.08%<br>1,278<br>/0.01%   | 6,601<br>/0.08%<br>1,278<br>/0.01%  | 0   |
| 6,602<br>/0.08%<br>1,285<br>/0.01%  | 6,602<br>/0.08%<br>2,485<br>/0.03%  | 0  | 0                              | 0                                       | 0                              | 0  | 0      | 0                              | 0      | 6,602<br>/0.08%<br>1,285<br>/0.01%   | 6,602<br>/0.08%<br>2,485<br>/0.03%  | 0   |
| 6,601<br>/0.08%<br>1,265<br>/0.01%  | 6,601<br>/0.08%<br>1,265<br>/0.01%  | 0  | 0                              | 0                                       | 0                              | 0  | 0      | 0                              | 0      | 6,601<br>/0.08%<br>1,265<br>/0.01%   | 6,601<br>/0.08%<br>1,265<br>/0.01%  | 0   |
| 3,058<br>/0.04%                     | 3,058<br>/0.04%                     | 0  | 0                              | 0                                       | 0                              | 0  | 0      | 0                              | 0      | 3,058<br>/0.04%                      | 3,058<br>/0.04%                     | 0   |
| 3,085<br>/0.04%                     | 3,085<br>/0.04%                     | 0  | 0                              | 0                                       | 0                              | 0  | 0      | 0                              | 0      | 3,085<br>/0.04%                      | 3,085<br>/0.04%                     | 0   |
| 2,725<br>/0.03%                     | 2,725<br>/0.03%                     | 0  | 0                              | 0                                       | 0                              | 0  | 0      | 0                              | 0      | 2,725<br>/0.03%                      | 2,725<br>/0.03%                     | 0   |
| 2,485<br>/0.03%                     | 2,485<br>/0.03%                     | 0  | 0                              | 0                                       | 0                              | 0  | 0      | 0                              | 0      | 2,485<br>/0.03%                      | 2,485<br>/0.03%                     | 0   |
| 2,471<br>/0.03%                     | 2,471<br>/0.03%                     | 0  | 0                              | 0                                       | 0                              | 0  | 0      | 0                              | 0      | 2,471<br>/0.03%                      | 2,471<br>/0.03%                     | 0   |

of each director's involvement in and value contributed to the Company's operations, linking the reasonableness and fairness of performance risk with the compensation received, and considering the Company's operational performance and the salary levels in the market to propose reasonable compensation recommendations for submission to the board of directors.

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

| Remuneration scale for TCC Directors                   | Name of directors  |  |  |   |
|--|--|--|--|---|
|  | Sum of A to D  |  | Sum of A to G  |   |
|  | From TCC   | From all consolidated entities   | From TCC   | From all consolidated entities  |
| Below NT\$1,000,000                                    | -  | -  | -  | -   |
| NT\$1,000,000 (included) - NT\$2,000,000 (excluded)    | Kung-Yi Koo, Sun-Te Chen, Por-Yuan Wang, Chi-Chia Hsieh, Kenneth C.M. Lo, Jason Kang-Lung Chang, Chi-Te Chen, Chun-Ying Liu, Chien Wen | Sun-Te Chen, Por-Yuan Wang, Chi-Chia Hsieh, Kenneth C.M. Lo, Jason Kang-Lung Chang, Chi-Te Chen, Chun-Ying Liu                 | Sun-Te Chen, Por-Yuan Wang, Chi-Chia Hsieh, Kenneth C.M. Lo, Jason Kang-Lung Chang, Chi-Te Chen, Chun-Ying Liu, Chien Wen      | Sun-Te Chen, Por-Yuan Wang, Chi-Chia Hsieh, Kenneth C.M. Lo, Jason Kang-Lung Chang, Chi-Te Chen, Chun-Ying Liu                              |
| NT\$2,000,000 (included) - NT\$3,500,000 (excluded)    | Yu-Cheng Chiao, Victor Wang, Lynette Ling-Tai Chou, Mei-Hua Lin, Sherry S. L. Lin  | Kung-Yi Koo, Yu-Cheng Chiao, Victor Wang, Lynette Ling-Tai Chou, Mei-Hua Lin, Sherry S. L. Lin, Chien Wen                      | Yu-Cheng Chiao, Victor Wang, Lynette Ling-Tai Chou, Mei-Hua Lin, Sherry S. L. Lin  | Yu-Cheng Chiao, Victor Wang, Lynette Ling-Tai Chou, Mei-Hua Lin, Sherry S. L. Lin, Chien Wen  |
| NT\$3,500,000 (included) - NT\$5,000,000 (excluded)    | -  | -  | Kung-Yi Koo  | -   |
| NT\$5,000,000 (included) - NT\$10,000,000 (excluded)   | Chai Hsin R.M.C. Corporation, Tai Ho Farming Co., Ltd., C. F. Koo Foundation, International CSRC Investment Holdings Co., Ltd.         | Chai Hsin R.M.C. Corporation, Tai Ho Farming Co., Ltd., C. F. Koo Foundation, International CSRC Investment Holdings Co., Ltd. | Chai Hsin R.M.C. Corporation, Tai Ho Farming Co., Ltd., C. F. Koo Foundation, International CSRC Investment Holdings Co., Ltd. | Kung-Yi Koo, Chai Hsin R.M.C. Corporation, Tai Ho Farming Co., Ltd., C. F. Koo Foundation, International CSRC Investment Holdings Co., Ltd. |
| NT\$10,000,000 (included) - NT\$15,000,000 (excluded)  | Fu Pin Investment Co., Ltd., Chia Hsin Cement Corporation, Heng Qiang Investment Co., Ltd.   | Fu Pin Investment Co., Ltd., Chia Hsin Cement Corporation, Heng Qiang Investment Co., Ltd.                                     | Fu Pin Investment Co., Ltd., Chia Hsin Cement Corporation, Heng Qiang Investment Co., Ltd.                                     | Fu Pin Investment Co., Ltd., Chia Hsin Cement Corporation, Heng Qiang Investment Co., Ltd.  |
| NT\$15,000,000 (included) - NT\$30,000,000 (excluded)  | An-Ping Chang  | An-Ping Chang  | -  | -   |
| NT\$30,000,000 (included) - NT\$50,000,000 (excluded)  | -  | -  | An-Ping Chang  | An-Ping Chang   |
| NT\$50,000,000 (included) - NT\$100,000,000 (excluded) | -  | -  | -  | -   |
| NT\$100,000,000 and above                              | -  | -  | -  | -   |
| Total  | 22   | 22   | 22   | 22  |

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

Unit: NT\$ thousands

| Title                   | Name               | Salary (A) |                                | Pension (B) |                                | Bonuses and special expenses (C) |                                | Employee compensation (D) (Note 1) |          |                                |          | (A+B+C+D) as a % of net income |                                | Other compensations from nonsubsidiary affiliates or parent company |       |   |
|-------------------------|--------------------|------------|--------------------------------|-------------|--------------------------------|----------------------------------|--------------------------------|------------------------------------|----------|--------------------------------|----------|--------------------------------|--------------------------------|---|-------|---|
|                         |                    | From TCC   | From all consolidated entities | From TCC    | From all consolidated entities | From TCC                         | From all consolidated entities | From TCC                           |          | From all consolidated entities |          | From TCC                       | From all consolidated entities |   |       |   |
|                         |                    |            |                                |             |                                |                                  |                                | In cash                            | In share | In cash                        | In share |                                |                                |   |       |   |
| Group CEO               | An-Ping Chang      |            |                                |             |                                |                                  |                                |                                    |          |                                |          |                                |                                |   |       |   |
| President               | Roman Cheng        |            |                                |             |                                |                                  |                                |                                    |          |                                |          |                                |                                |   |       |   |
| Senior Vice President   | Chien-Chiang Huang |            |                                |             |                                |                                  |                                |                                    |          |                                |          |                                |                                |   |       |   |
| Senior Vice President   | Ker-Fu Lu          |            |                                |             |                                |                                  |                                |                                    |          |                                |          |                                |                                |   |       |   |
| Vice President          | Bao-Luo Ge         |            |                                |             |                                |                                  |                                |                                    |          |                                |          |                                |                                |   |       |   |
| Vice President          | Chien-Chuan Wang   | 87,018     | 91,800                         | 2,889       | 2,889                          | 50,388                           | 50,493                         | 13,812                             | -        | 13,812                         | -        | 154,106                        | 158,993                        | 1.93%   | 1.99% | - |
| CFO                     | Randy Yu           |            |                                |             |                                |                                  |                                |                                    |          |                                |          |                                |                                |   |       |   |
| Vice President (Note 1) | Yu-Jun Yeh         |            |                                |             |                                |                                  |                                |                                    |          |                                |          |                                |                                |   |       |   |
| Vice President (Note 1) | Feng-Ping Liu      |            |                                |             |                                |                                  |                                |                                    |          |                                |          |                                |                                |   |       |   |
| CISO                    | Nien-Wang Chang    |            |                                |             |                                |                                  |                                |                                    |          |                                |          |                                |                                |   |       |   |

Note 1: Mrs. Yu-Jun Yeh and Mrs. Feng-Ping Liu were promoted to Vice President as of February 1, 2023.

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

## Distribution of employee compensation for managers

December 31, 2023. Unit: NT\$ thousands

|                                   | Title  | Name               | In Shares | In Cash | Total  | Percentage of Total Compensation of Net Income |
|-----------------------------------|--|--------------------|-----------|---------|--------|--|
|                                   |  |                    |           |         |        |  |
| Managers                          | Group CEO  | An-Ping Chang      |           |         |        |  |
|                                   | President  | Roman Cheng        |           |         |        |  |
|                                   | Senior Vice President  | Chien-Chiang Huang |           |         |        |  |
|                                   | Senior Vice President  | Ker-Fu Lu          |           |         |        |  |
|                                   | Vice President   | Bao-Luo Ge         |           |         |        |  |
|                                   | Vice President   | Chien-Chuan Wang   |           |         |        |  |
|                                   | Vice President   | Feng-Ping Liu      |           |         |        |  |
|                                   | Vice President   | Yu-Jun Yeh         |           |         |        |  |
|                                   | CFO  | Randy Yu           |           |         |        |  |
|                                   | Senior Assistant Vice President                              | Kuo-Yu Tsai        |           |         |        |  |
|                                   | Senior Assistant Vice President and Accounting chief officer | Guo-Hong Yeh       |           |         |        |  |
|                                   | Senior Assistant Vice President                              | Huei-Sheng Chiou   |           |         |        |  |
|                                   | Senior Assistant Vice President                              | Yu-Wen Chiu        |           |         |        |  |
|                                   | Assistant Vice President                                     | Kung-Yi Koo        |           |         |        |  |
|                                   | Assistant Vice President                                     | Cen-Wei Lan        |           |         |        |  |
|                                   | Assistant Vice President and Corporate Governance Manager    | Jia-Ro Lai         |           |         |        |  |
|                                   | Assistant Vice President                                     | Chia-Pei Wei       | -         | 18,107  | 18,107 | 0.23%  |
|                                   | Assistant Vice President                                     | Guo-Yuan Li        |           |         |        |  |
|                                   | Assistant Vice President                                     | Cheng-Dao Qiang    |           |         |        |  |
|                                   | Assistant Vice President                                     | Yin-Hua Chen       |           |         |        |  |
|                                   | Assistant Vice President                                     | Katrina Chen       |           |         |        |  |
|                                   | Assistant Vice President (Note 1)                            | Xiu-Fen Lu         |           |         |        |  |
|                                   | Senior Manager   | Jin-Yi Chen        |           |         |        |  |
|                                   | Senior Manager   | Yun-De Wu          |           |         |        |  |
|                                   | Senior Manager   | Chi-Ching Chen     |           |         |        |  |
|                                   | Senior Manager   | Shih-Sheng Liang   |           |         |        |  |
|                                   | Senior Manager (Note 1)                                      | Hsueh-Ching Hsu    |           |         |        |  |
|                                   | Manager and Internal Audit Manager                           | Chia-Hua Tsao      |           |         |        |  |
| Manager (Note 1)                  | Li-Chi Hsiao   |                    |           |         |        |  |
| Senior Assistant Manager          | Yu-Yang Zhang  |                    |           |         |        |  |
| Assistant Vice President (Note 2) | Jin-Lung Yu  |                    |           |         |        |  |
| Assistant Vice President (Note 2) | Kuang-Si Chen  |                    |           |         |        |  |
| Senior Assistant Manager (Note 2) | Tzu-Yang Wu  |                    |           |         |        |  |

Note 1: Mrs. Xiu-Fen Lu was newly appointed as of February 1, 2024; Mrs. Hsueh-Ching Hsu was newly appointed as of February 19, 2024; Mr. Li-Chi Hsiao was newly appointed as of March 1, 2024.

Note 2: Mr. Jin-Lung Yu resigned as of December 31, 2023. Mr. Kuang-Si Chen resigned as of June 30, 2023. Mr. Tzu-Yang Wu resigned as of September 25, 2023.

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 |                       |       |                       |
|--|--|-----------------------|-------|-----------------------|
|  | 2024   |                       | 2023  |                       |
|  | TCC  | Consolidated entities | TCC   | Consolidated entities |
| Directors                                  | 1.61%  | 1.67%                 | 2.22% | 2.33%                 |
| Group CEO, Presidents, and Vice Presidents | 1.93%  | 1.99%                 | 1.72% | 2.38%                 |

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

Principle of compensation:

#### (1) Employees

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

#### (2) Managers

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

Short-term performance indicators include the following four aspects:

- i. Personal indicators (job performance and achievement rate)
- ii. Financial indicators (after-tax net profit and growth)



- iii. Sustainable indicators (carbon reduction effectiveness, application of alternative fuels, and biodiversity management plan)
- iv. Management indicators (talent cultivation and social responsibility, compliance with regulations, and risk prevention)

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

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

#### (3) Directors

1. According to Article 4 of the Remuneration Committee Regulations, director compensation should be based on industry norms and performance evaluation, taking into account the director's responsibilities, the company's financial situation and future risks. The evaluation should cover at least six dimensions:
  - i. Understanding of company goals and missions
  - ii. Awareness of director responsibilities
  - iii. Participation in company operations
  - iv. Internal relationship management and communication
  - v. Professionalism and ongoing education
  - vi. Internal control
2. Directors are entitled to a fixed monthly salary and attendance remuneration. In accordance with Article 25 of the Company's bylaws, the company shall also accrue no more than 1% of the compensation of Directors as a reward to Directors based on their annual performance review.

## 3.3 The Company's Corporate Governance Practices

### 3.3.1 Board of Directors' Operations

From January 1, 2023 to March 20, 2024, the 24th Board of Directors totally held 15 (A) meetings, with the attendance of directors shown below:

| Title    | Name   | Attendance in person (B) | Attendances by proxy | Attendance rate in person (%) [B/A] | Notes |
|----------|--|--------------------------|----------------------|-------------------------------------|-------|
| Chairman | Chai Hsin R.M.C. Corporation<br>Representative: An-Ping Chang                    | 15                       | 0                    | 100%                                |       |
| Director | C. F. Koo Foundation<br>Representative: Sun-Te Chen                              | 14                       | 1                    | 93%                                 |       |
| Director | Chia Hsin Cement Corporation<br>Representative: Jason Kang-Lung Chang            | 13                       | 2                    | 87%                                 |       |
| Director | International CSRC Investment Holdings Co., Ltd. Representative: Kenneth C.M. Lo | 13                       | 2                    | 87%                                 |       |
| Director | Fu Pin Investment Co., Ltd.<br>Representative: Por-Yuan Wang                     | 10                       | 5                    | 67%                                 |       |

| Title                | Name   | Attendance in person (B) | Attendances by proxy | Attendance rate in person (%) [B/A] | Notes               |
|----------------------|--|--------------------------|----------------------|-------------------------------------|---------------------|
| Director             | Tai Ho Farming Co., Ltd.<br>Representative: Kung-Yi Koo          | 15                       | 0                    | 100%                                |                     |
| Director             | Fu Pin Investment Co., Ltd.<br>Representative: Chi-Chia Hsieh    | 13                       | 2                    | 87%                                 |                     |
| Director             | Chia Hsin Cement Corporation<br>Representative: Chi-Te Chen      | 13                       | 2                    | 87%                                 |                     |
| Director             | Heng Qiang Investment Co., Ltd.<br>Representative: Chien Wen     | 15                       | 0                    | 100%                                |                     |
| Director             | Heng Qiang Investment Co., Ltd.<br>Representative: Chun-Ying Liu | 11                       | 1                    | 73%                                 | Take three days off |
| Independent Director | Yu-Cheng Chiao   | 11                       | 4                    | 73%                                 |                     |
| Independent Director | Victor Wang  | 15                       | 0                    | 100%                                |                     |
| Independent Director | Lynette Ling-Tai Chou  | 15                       | 0                    | 100%                                |                     |
| Independent Director | Mei-Hua Lin  | 15                       | 0                    | 100%                                |                     |
| Independent Director | Shery S. L. Lin  | 13                       | 2                    | 87%                                 |                     |

Other required notes for Board of Directors' meetings:

1. While carrying out its operations, the Board of Directors must report the meeting date, period, meeting content, and board resolutions for dissenting opinions or qualified opinions from independent directors:
  - (1)The matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established an audit committee, and the provisions of Article 14-3 of the Securities and Exchange Act do not apply. Please refer to Page 79 of the "3.3.2 Operations of Audit Committee" section in this annual report for related information.
  - (2)Unless otherwise noted, are there any independent directors who expressed opposition or qualified opinions that were recorded or declared in writing? None.
2. When there is avoidance due to conflicts of interest by a director, the name of the director, the proposal(s), the cause for the conflict of interest, and the participation of the voting should be noted:

| Date   | Proposal  | The cause for the conflict of interest, and the participation of the voting   |
|--|---|---|
| January 4, 2023<br>16 <sup>th</sup> interim meeting of the 24 <sup>th</sup> Board of Directors | No. 3:<br>The total amount of 2022 performance bonuses (including managers) of the Company to be set aside. | <b>Proceedings of the meeting:</b><br>1. The Chairman, Mr. An-Ping Chang, and the director, Mr. Kung-Yi Koo recused themselves due to conflicts of interest from the discussion and voting. Mr. Kenneth C.M. Lo acted as the Acting Chairman.<br>2. The attending managers recused themselves due to conflicts of interest.<br><b>Resolution:</b><br>The proposal had been approved in the 10 <sup>th</sup> meeting of the 5 <sup>th</sup> Nomination Committee and the rest attending directors passed it without objection. |
|  | No. 4:<br>The 2022 performance bonus plan for the Group CEO.  | <b>Proceedings of the meeting:</b><br>1. The Chairman, Mr. An-Ping Chang, and the director, Mr. Kung-Yi Koo recused themselves due to conflicts of interest from the discussion and voting. Mr. Kenneth C.M. Lo acted as the Acting Chairman.<br>2. The attending managers recused themselves due to conflicts of interest.<br><b>Resolution:</b><br>The proposal had been approved in the 10 <sup>th</sup> meeting of the 5 <sup>th</sup> Nomination Committee and the rest attending directors passed it without objection. |

| Date   | Proposal  | The cause for the conflict of interest, and the participation of the voting   |
|--|---|---|
| January 4, 2023<br>16 <sup>th</sup> interim meeting of the 24 <sup>th</sup> Board of Directors | No 5:<br>Promotion proposal for managers of the Company.  | <b>Proceedings of the meeting:</b><br>Mr. Kung-Yi Koo and the attending managers recused themselves due to conflicts of interest.<br><b>Resolution:</b><br>The proposal had been approved in the 10 <sup>th</sup> meeting of the 5 <sup>th</sup> Remuneration Committee. The rest attending directors passed it without objection.  |
|  | No. 6:<br>Proposal to establish the 2023 Employee Performance-based Salary Adjustment Plan for the Company.                                   | <b>Proceedings of the meeting:</b><br>Mr. Kung-Yi Koo and the attending managers recused themselves due to conflicts of interest.<br><b>Resolution:</b><br>The proposal had been approved in the 10 <sup>th</sup> meeting of the 5 <sup>th</sup> Remuneration Committee. The rest attending directors passed it without objection.  |
|  | No. 7:<br>Compensation adjustment proposal for the salary scale system of the Company.  | <b>Proceedings of the meeting:</b><br>Mr. Kung-Yi Koo and the attending managers recused themselves due to conflicts of interest.<br><b>Resolution:</b><br>The Board of Directors has authorized the Human Resources Director to submit this proposal to the Company for approval and to handle it with full authority. In the future, compensation issues of non-related managers will be included in the report for reference from the next meeting onwards.  |
| February 24, 2023<br>17 <sup>th</sup> meeting of the 24 <sup>th</sup> Board of Directors       | No. 8:<br>Proposal of the Group management and employees' subscription plan for treasury stocks   | <b>Proceedings of the meeting:</b><br>Mr. Kung-Yi Koo and the attending managers recused themselves due to conflicts of interest.<br><b>Resolution:</b><br>The proposal had been approved in the 11 <sup>th</sup> meeting of the 5 <sup>th</sup> Remuneration Committee and the 17 <sup>th</sup> meeting of the 3 <sup>rd</sup> Audit Committee. The rest attending directors passed it without objection.  |
| March 24, 2023<br>18 <sup>th</sup> meeting of the 24 <sup>th</sup> Board of Directors          | No.2<br>The allocation of employee and director remuneration for the fiscal year 2022.  | <b>Proceedings of the meeting:</b><br>Agenda Item 2 and Agenda Item 3: Except for independent directors, all attending directors and attending managers recused themselves due to conflicts of interest from the discussion and voting.<br><b>Resolution:</b><br>1. The meeting was then chaired by Independent Director Mr. Victor Wang.<br>2. This proposal was approved by the 12 <sup>th</sup> meeting of the 5 <sup>th</sup> term Remuneration Committee. The remaining attending directors passed it without objection.   |
|  | No.3<br>Proposal for establishing the allocation ratio of chairman and director remuneration for the fiscal year 2022.                        | <b>Proceedings of the meeting:</b><br>Agenda Item 2 and Agenda Item 3: Except for independent directors, all attending directors and attending managers recused themselves due to conflicts of interest from the discussion and voting.<br><b>Resolution:</b><br>1. The meeting was then chaired by Independent Director Mr. Victor Wang.<br>2. This proposal was approved by the 12 <sup>th</sup> meeting of the 5 <sup>th</sup> term Remuneration Committee. The remaining attending directors passed it without objection.   |
| April 28, 2023<br>19 <sup>th</sup> ad hoc meeting of the 24 <sup>th</sup> Board of Directors   | No.1:<br>Proposal to submit the Employee Subscription Plan for the repurchase of treasury shares by the Company's and subsidiaries' employee. | <b>Proceedings of the meeting:</b><br>The Chairman, Mr. An-Ping Chang and Mr. Kung-Yi Koo recused themselves due to conflicts of interest from the discussion and voting. All attending managers recused themselves as well. Mr. Kenneth C.M. Lo acted as the Acting Chairman.<br><b>Resolution:</b><br>The proposal had been approved in the 12 <sup>th</sup> meeting of the 5 <sup>th</sup> Remuneration Committee and the 19 <sup>th</sup> meeting of the 3 <sup>rd</sup> Audit Committee. The rest attending directors passed it without objection. The transferees shall proceed in accordance with the "Company's Regulations on Repurchasing Shares for Employee Transfer" and the "Detailed Rules for Employee Subscription and Trust Implementation of Treasury Shares." |

| Date   | Proposal   | The cause for the conflict of interest, and the participation of the voting  |
|--|--|--|
| August 10, 2023<br>21 <sup>st</sup> meeting of the 24 <sup>th</sup> Board of Directors           | Item 4 of the Report:<br>The subsidiary Energy Helper TCC Corp. plans to sign a "Corporate (Green) Power Purchase Agreement" with Winbond Electronics Corp. and its affiliated enterprises.  | <b>Proceedings of the meeting:</b><br>Mr. Yu-Cheng Chiao recused himself due to conflicts of interest from the discussion.   |
|  | No.3: To facilitate the dispatch of self-use cement for various RMC plants in the northern Taiwan, it is proposed to continue and sign an additional agreement (II) to the warehousing service contract with Chia Hsin Cement Corp.  | <b>Proceedings of the meeting:</b><br>Mr. Jason Kang-Lung Chang (represented by Mr. Chi-Te Chen in attendance) and Mr. Chi-Te Chen recused themselves due to a conflict of interest from the discussion and voting.<br><b>Resolution:</b><br>The proposal was approved by the 3 <sup>rd</sup> session of the 21 <sup>st</sup> Audit Committee. The remaining attending directors passed it without objection.  |
| September 28, 2023<br>23 <sup>rd</sup> ad hoc meeting of the 24 <sup>th</sup> Board of Directors | No. 1:<br>Taiwan Cement Energy Storage Technology Corp. plans to take over the 50MW feeder capacity from Chuang Neng Technology Co., Ltd. in Gangshan, facilitating the future establishment of its own energy storage project sites | <b>Proceedings of the meeting:</b><br>Mr. Jason Kang-Lung Chang and Mr. Chi-Te Chen recused themselves due to a conflict of interest from the discussion and voting.<br><b>Resolution:</b><br>The proposal was reported to the 3 <sup>rd</sup> session of the 23 <sup>rd</sup> ad hoc Audit Committee and was approved by the 3 <sup>rd</sup> session of the 24 <sup>th</sup> ad hoc Audit Committee. The remaining attending directors passed it without objection.   |
| December 21, 2023<br>28 <sup>th</sup> meeting of the 24 <sup>th</sup> Board of Directors         | No. 7:<br>To strengthen the Company's financial structure and activate idle assets, it is proposed to sell 20 plots of land in the Gongpu, Fushan, and Fulin sections of Luzhu District, Taoyuan City.                               | <b>Proceedings of the meeting:</b><br>Mr. Por-Yuan Wang and Mr. Yu-Cheng Chiao recused themselves due to a conflict of interest from the discussion and voting<br><b>Resolution:</b><br>The proposal was approved by the 3 <sup>rd</sup> session of the 29 <sup>th</sup> Audit Committee. The remaining attending directors passed it without objection.   |
|  | No.11:<br>Proposal for establishing the salary adjustment plan for the performance of employees (including managers) of our company for the year 2024.   | <b>Proceedings of the meeting:</b><br>1. The Chairman, Mr. An-Ping Chang, and the director, Mr. Kung-Yi Koo recused themselves due to conflicts of interest from the discussion and voting. Mr. Kenneth C.M. Lo acted as the Acting Chairman.<br>2. The attending managers recused themselves due to conflicts of interest.<br><b>Resolution:</b><br>The proposal was approved in the 16 <sup>th</sup> meeting of the 5 <sup>th</sup> Remuneration Committee. The remaining attending directors passed it without objection. |
| March 20, 2024<br>30 <sup>th</sup> meeting of the 24 <sup>th</sup> Board of Directors            | No.12: Proposal for the allocation of performance bonuses for the fiscal year 2023 (including managers) of our company.  | <b>Proceedings of the meeting:</b><br>1. The Chairman, Mr. An-Ping Chang, and the director, Mr. Kung-Yi Koo recused themselves due to conflicts of interest from the discussion and voting. Mr. Kenneth C.M. Lo acted as the Acting Chairman.<br>2. The attending managers recused themselves due to conflicts of interest.<br><b>Resolution:</b><br>The proposal was approved in the 16 <sup>th</sup> meeting of the 5 <sup>th</sup> Remuneration Committee. The remaining attending directors passed it without objection. |
|  | No. 2<br>The 2023 employee compensation and directors remuneration   | <b>Proceedings of the meeting:</b><br>Except for the independent directors, all other directors and attending managers have recused themselves from the discussion. Mr. Victor Wang, the convenor of the Audit Committee, acted as the Acting Chairman.<br><b>Resolution:</b><br>The proposal had been approved in the 18 <sup>th</sup> meeting of the 5 <sup>th</sup> Remuneration Committee, and the remaining attending independent directors passed the proposal with no objection.                                      |
|  | No. 3<br>Distribution proposal for chairman and director remuneration for the year 2023  | <b>Proceedings of the meeting:</b><br>Except for the independent directors, all other directors and attending managers have recused themselves from the discussion. Mr. Victor Wang, the convenor of the Audit Committee, acted as the Acting Chairman.<br><b>Resolution:</b><br>The proposal had been approved in the 18 <sup>th</sup> meeting of the 5 <sup>th</sup> Remuneration Committee, and the remaining attending independent directors passed the proposal with no objection.                                      |

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

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

The evaluations performed were as follows:

| Cycle                            | Periods                           | Scope   | Method          | Measures   | Result  |
|----------------------------------|-----------------------------------|---|-----------------|--|---|
| Conducted once a year (Internal) | January 1, 2023-December 31, 2023 | the Board of Directors, individual board members, and functional committees | Self-evaluation | The evaluation of the Board includes the following 5 aspects: <ol style="list-style-type: none"> <li>1. Level of participation in company operations;</li> <li>2. Improvement in the quality of the Board's decision-making;</li> <li>3. Composition and structure of the Board;</li> <li>4. Selection and continuing education of directors;</li> <li>5. Internal control.</li> </ol>   | The self-assessment results of our company's Board of Directors, Board Members, Audit Committee, Compensation Committee, Nomination Committee, Risk Management Executive Committee, and Corporate Sustainable Development Committee for the year 2023 had an overall average score of 4.9 out of 5. This score exceeds the standard, with no significant areas requiring improvement. The evaluation results were reported to the directors at the Board meeting on February 27, 2024, and will serve as a reference for performance, compensation, and nomination for reappointment of the Board and its functional committees' members. |
|                                  |                                   |   |                 | The evaluation of individual directors (self or peer) includes the following 6 dimensions: <ol style="list-style-type: none"> <li>1. Understanding of company goals and mission;</li> <li>2. Awareness of director's responsibilities;</li> <li>3. Level of participation in company operations;</li> <li>4. Management of internal relationships and communication;</li> <li>5. Professional knowledge and continuous education;</li> <li>6. Internal control.</li> </ol> |   |
|                                  |                                   |   |                 | The evaluation of Audit Committee includes the following 5 aspects: <ol style="list-style-type: none"> <li>1. Level of participation in company operations;</li> <li>2. Understanding of the responsibilities of the Audit Committee;</li> <li>3. Improvement in the quality of the functional committee's decision-making;</li> <li>4. Composition and selection of members of the Audit Committee;</li> <li>5. Internal control.</li> </ol>                              |   |
|                                  |                                   |   |                 | The evaluation of the Remuneration Committee includes the following 4 aspects: <ol style="list-style-type: none"> <li>1. Level of participation in company operations;</li> <li>2. Understanding of the responsibilities of the Remuneration Committee;</li> <li>3. Improvement in the quality of the functional committee's decision-making;</li> <li>4. Composition and selection of members of the Remuneration Committee.</li> </ol>                                   |   |
|                                  |                                   |   |                 | The evaluation of the Nomination Committee includes the following 4 aspects: <ol style="list-style-type: none"> <li>1. Level of participation in company operations;</li> <li>2. Understanding of the responsibilities of the Nomination Committee;</li> <li>3. Improvement in the quality of the functional committee's decision-making;</li> <li>4. Composition and selection of members of the Nomination Committee.</li> </ol>   |   |

| Cycle                            | Periods                           | Scope   | Method          | Measures  | Result  |
|----------------------------------|-----------------------------------|---|-----------------|---|---|
| Conducted once a year (Internal) | January 1, 2023-December 31, 2023 | the Board of Directors, individual board members, and functional committees | Self-evaluation | Risk Management Committee includes the following 5 aspects: <ol style="list-style-type: none"> <li>1. Level of participation in company operations;</li> <li>2. Understanding of the responsibilities of the Risk Management Committee;</li> <li>3. Improvement in the quality of the functional committee's decision-making;</li> <li>4. Composition and selection of members of the committee;</li> <li>5. Internal control.</li> </ol>   | The self-assessment results of our company's Board of Directors, Board Members, Audit Committee, Compensation Committee, Nomination Committee, Risk Management Executive Committee, and Corporate Sustainable Development Committee for the year 2023 had an overall average score of 4.9 out of 5. This score exceeds the standard, with no significant areas requiring improvement. The evaluation results were reported to the directors at the Board meeting on February 27, 2024, and will serve as a reference for performance, compensation, and nomination for reappointment of the Board and its functional committees' members. |
|                                  |                                   |   |                 | Corporate Sustainable Development Committee includes the following 4 aspects: <ol style="list-style-type: none"> <li>1. Level of participation in company operations;</li> <li>2. Understanding of the responsibilities of the Corporate Sustainable Development Committee;</li> <li>3. Improvement in the quality of the functional committee's decision-making;</li> <li>4. Composition and selection of members of the Corporate Sustainable Development Committee.</li> </ol> |   |

| Cycle                                       | Periods                             | Scope  | Method  | Measures   | Result  |
|---|-------------------------------------|--|---|--|---|
| Conducted once every three years (External) | January 1, 2023 - December 31, 2023 | The Board of Directors and individual board members, | <p>The Company appointed KPMG Advisory Services Co., Ltd. (the "KPMG"), an external and independent professional organization, to carry out the 2023 performance evaluation of the Board. KPMG is an independent and professional institution for the evaluation of corporate governance systems and the assessment of the effectiveness (performance) of Boards of Directors. Moreover, the institution and its assessment committee members have no business dealings with Taiwan Cement Corporation, ensuring their independence.</p> <p>The evaluation method involves questionnaires, data analysis, and interviews, and an performance assessment report is issued based on the evaluation results.</p> | <p>The external expert evaluation covered 9 aspects, composed of 87 measures:</p> <ol style="list-style-type: none"> <li>1. Establishment of an effective board</li> <li>2. Effective operations</li> <li>3. Professional development and continuous training</li> <li>4. Business foresight</li> <li>5. Accountability</li> <li>6. Management of the executive team</li> <li>7. Shaping corporate culture</li> <li>8. Communication with stakeholders</li> <li>9. Performance evaluation</li> </ol> | <p>KPMG issued a performance assessment report on the Board of Directors of Taiwan Cement Corporation on January 31, 2024. The overall assessment result was EXCELLENT, and it was reported to the Board of Directors on February 27, 2024.</p> <p>After evaluation, external experts believe that the Board of Directors of TCC has established relevant policies and procedures according to related laws and domestic corporate governance indicators. The members are composed of directors with relevant expertise and capabilities, and work assignments are appropriately distributed based on their experience to effectively operate the Board of Directors and its functional committees, resulting in an excellent overall assessment.</p> <p>External experts suggest: The performance evaluation results of the various aspects of the Board of Directors are excellent, and there is no immediate need for optimization measures.</p> <p>Improvement execution: The operation and execution of the Board of Directors of TCC are stricter than the legal requirements, with the management team providing comprehensive reports to the directors, hence no improvements are needed.</p> |
|   |                                     |  |   | <p>The evaluation of the directors included 6 aspects, composed of 26 measures:</p> <ol style="list-style-type: none"> <li>1. Understanding of company goals and tasks</li> <li>2. Awareness of duties</li> <li>3. Professional development and continuous training</li> <li>4. Accountability</li> <li>5. Level of participation in company operations</li> <li>6. Management of internal relationships and communication.</li> </ol>   |   |

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

Note 2: The overall meeting attendance rate of the 24th Board of Directors from January 1, 2023 to March 20, 2024 was 89%, which is better than the 80% required by the Regulations Governing the Self-Assessment of Directors.

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

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

- (1) Audit Committee (Please refer to page 79 of this annual report under section "3.3.2 Operations of Audit Committee")
- (2) Remuneration Committee (Please refer to page 97 of this annual report under section "3.3.4 Operations of Remuneration Committee")
- (3) Nomination Committee

Nomination Committee Professional Qualifications, Experience, and Operational Status:

|                    |   |
|--------------------|---|
| Establishment      | In order to strengthen the management mechanism and enhance the functionality of the board of directors, on June 21, 2022, the Board of Directors passed a resolution to establish a "Nomination Committee" and formulate the "Nomination Committee Organization Regulations." The Nomination Committee consists of five directors, including three independent directors.  |
| Primary duties     | <p>Based on the authorization of the board of directors, this committee shall faithfully fulfill the following duties with due care of a good administrator, and shall be accountable to the board of directors. The committee shall also submit its recommendations to the board of directors for discussion:</p> <ul style="list-style-type: none"> <li>• Develop the nomination procedures for directors (including independent directors) and senior executives.</li> <li>• Develop and periodically review plans for director training, evaluation of director performance, and succession planning for both the directors and senior executives.</li> <li>• Handle other matters assigned by the board of directors.</li> </ul> |
| Term               | From June 21, 2022 to July 4, 2024.   |
| Number of meetings | The Nomination Committee held a total of 2 meetings (A) from January 1, 2023 to March 20, 2024  |




| Members and professional qualifications |                       |   |                          |                      |                                     |
|---|-----------------------|---|--------------------------|----------------------|-------------------------------------|
| Title                                   | Name                  | Professional qualifications and experience  | Attendance in person (B) | Attendances by proxy | Attendance rate in person (%) [B/A] |
| Convener                                | An-Ping Chang         | <b>Expertise:</b> Possess expertise in management, leadership, decision-making, ESG, and other related fields.<br><b>Education and experience:</b><br><ul style="list-style-type: none"> <li>MBA, School of Business Administration, New York University;</li> <li>Chairman, Taiwan Cement Corporation;</li> <li>Group CEO, TCC Group;</li> <li>Chairman, NHOA S.A.</li> </ul>  | 2                        | 0                    | 100%                                |
| Committee member                        | Kenneth C.M. Lo       | <b>Expertise:</b> Possess expertise in management, leadership, decision-making, ESG, and other related fields.<br><b>Education and experience:</b><br><ul style="list-style-type: none"> <li>MS in Finance, Manderson School of Business, The University of Alabama;</li> <li>Honorary Chairman, O-Bank;</li> <li>President, CTBC Bank Co., Ltd.;</li> <li>Chairman, Chinese National Association of Industry and Commerce.</li> </ul>  | 2                        | 0                    | 50%                                 |
| Committee member                        | Yu-Cheng Chiao        | <b>Expertise:</b> Possess expertise in management, leadership, decision-making, ESG, and other related fields.<br><b>Education and experience:</b><br><ul style="list-style-type: none"> <li>MS in Electronic Engineering, University of Washington;</li> <li>BS in Communications Engineering, National Chiao Tung University;</li> <li>Chairman, Winbond Electronics Corp.</li> </ul>   | 2                        | 0                    | 100%                                |
| Committee member                        | Lynette Ling-Tai Chou | <b>Expertise:</b> Possess expertise in ESG evaluation, accounting and control management.<br><b>Education and experience:</b><br><ul style="list-style-type: none"> <li>Ph.D. of Accounting, University of Houston;</li> <li>Master of Accounting, University of Houston;</li> <li>BS in International Business, Department of Commerce, National Taiwan University;</li> <li>Chief of Student Affairs, Deputy Dean of Business School, Dean of Department of Accounting, National Chengchi University;</li> <li>Independent director of Next Commercial Bank Co.,LTD.</li> </ul> | 2                        | 0                    | 100%                                |
| Committee member                        | Sherry S. L. Lin      | <b>Expertise:</b> Possess expertise in ESG evaluation, financial and banking sectors.<br><b>Education and experience:</b><br><ul style="list-style-type: none"> <li>LLB, National Taiwan University;</li> <li>Chairman, KHL Venture Capital Co., Ltd.;</li> <li>Distinguished Consultant, Lee and Li, Attorneys-at-Law.</li> </ul>  | 2                        | 0                    | 100%                                |

| Implementation   |   |  |   |
|--|---|--|---|
| Meeting Date   | Proposals   | Proceedings  | The company's handling of the Committee's opinions  |
| November 10, 2023<br>3 <sup>rd</sup> meeting of 1 <sup>st</sup> Nomination Committee | 1. Revision of the "Nomination Committee Charter."<br>2. Arrangement for the director's continuing education in the year 2023 | <b>Resolution:</b><br>All the remaining attending members unanimously passed the proposal. | Submitted to the Board of Directors on November 10, 2023, and approved by all attending directors in the meeting. |
| March 20, 2024<br>4 <sup>th</sup> meeting of 1 <sup>st</sup> Nomination Committee    | Nomination of 15 candidates for the board of directors of the Company, including 5 independent directors.                     | <b>Resolution:</b><br>All the remaining attending members unanimously passed the proposal. | Submitted to the Board of Directors on March 20, 2024, and approved by all attending directors in the meeting.    |

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

(4) Risk Management Committee  
Operation of Risk Management Committee

|                    |  |
|--------------------|--|
| Establishment      | On May 12, 2020, the Board of Directors passed a resolution to establish a "Risk Management Committee" and formulated "Risk Management Policies and Principles," with three committee members appointed. In conjunction with the election of directors at the shareholders' meeting in 2021, the Board of Directors decided on July 15 to appoint members of the second session of the Risk Management Committee.  |
| Primary duties     | <p>To enhance corporate governance and establish sound risk management practices, the Company has formulated risk management policies and principles. TCC strives to control various business risks within a manageable range and achieve the goal of balancing risk and return.</p> <p>TCC Group identifies and analyzes risks in 7 major areas according to its business scope. Each department in the following chart develops corresponding strategies based on the results of risk identification. The Risk Management Committee submits an annual risk control report to the Board of Directors.</p>  |
| Term               | From July 15, 2021 to July 4, 2024.  |
| Number of meetings | The Committee held a total of 2 meeting (A) From January 1, 2023 to March 20,2024  |

| Members and professional qualifications |                       |  |                          |                      |                                     |
|---|-----------------------|--|--------------------------|----------------------|-------------------------------------|
| Title                                   | Name                  | Professional qualifications and experience   | Attendance in person (B) | Attendances by proxy | Attendance rate in person (%) [B/A] |
| Convener                                | Sherry S. L. Lin      | <b>Expertise:</b> Possess expertise in ESG evaluation, financial and banking sectors.<br><b>Education and experience:</b><br><ul style="list-style-type: none"> <li>LLB, National Taiwan University;</li> <li>Chairman, KHL Venture Capital Co., Ltd.;</li> <li>Distinguished Consultant, Lee and Li, Attorneys-at-Law.</li> </ul>   | 2                        | 0                    | 100%                                |
| Committee member                        | Victor Wang           | <b>Expertise:</b> Financial and risks management.<br><b>Education and experience:</b><br><ul style="list-style-type: none"> <li>BA in Accounting, Soochow University;</li> <li>EMBA, National Taiwan University;</li> <li>President of Auditing Service Division and Vice Chairman of Deloitte Taiwan.</li> </ul>  | 2                        | 0                    | 100%                                |
| Committee member                        | Lynette Ling-Tai Chou | <b>Expertise:</b> Audit and accounting management.<br><b>Education and experience:</b><br><ul style="list-style-type: none"> <li>Ph.D. of Accounting, University of Houston;</li> <li>Master of Accounting, University of Houston;</li> <li>BS in International Business, Department of Commerce, National Taiwan University;</li> <li>Chief of Student Affairs, Deputy Dean of Business School, Dean of Department of Accounting, National Chengchi University;</li> <li>Independent director of Next Commercial Bank Co.,LTD.</li> </ul> | 2                        | 0                    | 100%                                |

| Implementation  |  |  |   |
|---|--|--|---|
| Meeting Date  | Proposals  | Proceedings  | The company's handling of the Committee's opinions  |
| March 24, 2023<br>4 <sup>th</sup> meeting of 2 <sup>nd</sup> Risk Management Committee    | <ol style="list-style-type: none"> <li>Report on the annual update of the main risk identification matrix in seven major aspects: operations, finance, national, compliance, ESG (Environmental, Social, and Governance), personnel, and information security.</li> <li>To further clarify the supervision of climate risks and opportunities by the Risk Execution Management Committee, report on the "Climate-Related Performance Indicators and Targets" of the company.</li> </ol>  | <b>Resolution:</b><br>All reported matters are acknowledged. | <ol style="list-style-type: none"> <li>Acknowledged by all committee members.</li> <li>The report was submitted to the Board of Directors on March 24, 2023, and was acknowledged by all attending directors.</li> </ol>    |
| November 10, 2023<br>5 <sup>th</sup> meeting of 2 <sup>nd</sup> Risk Management Committee | <ol style="list-style-type: none"> <li>Report on the update of the main risk identification matrix in seven major aspects: operations, finance, national, compliance, ESG (Environmental, Social, and Governance), personnel, and information security, and the potential impact of Taiwan's carbon tax levy in 2024 on payment in 2025.</li> <li>Plan to report on the achievement status of the "Climate-Related Performance Indicators for the Year 2023" of our company as of the end of the third quarter of the current year.</li> </ol> | <b>Resolution:</b><br>All reported matters are acknowledged. | <ol style="list-style-type: none"> <li>Acknowledged by all committee members.</li> <li>The report was submitted to the Board of Directors on November 10, 2023, and was acknowledged by all attending directors.</li> </ol> |

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

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

|                    |   |
|--------------------|---|
| Establishment      | TCC actively promotes and execute strong corporate sustainability, ethical management and social responsibility practices, and as the Company continues to move towards internationalization, the Board of Directors passed a resolution on July 15, 2021 to set up a Corporate Sustainable Development Committee, with three members in accordance with the "Organization Regulations of the Corporate Sustainable Development Committee."<br><br>On December 21, 2023, the board of directors resolved to increase the number of members by two, totaling five members (including three independent directors). |
| Primary duties     | To fulfill the TCC's core values of "Total Climate Commitment" and "Total Care Commitment," the committee promotes and strengthens sustainability management by directing the company's ESG development, which includes corporate governance, CSR and operational mechanisms for sustainable operations.  |
| Term               | From July 15, 2021 to July 4, 2024.   |
| Number of meetings | The Committee held a total of 2 meetings (A) from January 1, 2023 to March 20, 2024.  |

| Members and professional qualifications |               |  |                          |                      |                                     |
|---|---------------|--|--------------------------|----------------------|-------------------------------------|
| Title                                   | Name          | Professional qualifications and experience   | Attendance in person (B) | Attendances by proxy | Attendance rate in person (%) [B/A] |
| Convener                                | An-Ping Chang | <b>Expertise:</b> Leads the enterprises towards sustainable development.<br><b>Education and experience:</b><br><ul style="list-style-type: none"> <li>MBA, School of Business Administration, New York University.</li> <li>Chairman, Taiwan Cement Corporation.</li> <li>Group CEO, TCC Group.</li> <li>Chairman, NHOA S.A.</li> </ul>   | 2                        | 0                    | 100%                                |
| Committee member                        | Victor Wang   | <b>Expertise:</b> Has served as an independent director for multiple listed companies and understands the importance of corporate sustainability.<br><b>Education and experience:</b><br><ul style="list-style-type: none"> <li>BA in Accounting, Soochow University.</li> <li>EMBA, National Taiwan University.</li> <li>Vice President of Auditing Service Division and Vice Chairman of Deloitte Taiwan.</li> </ul> | 1                        | 1                    | 50%                                 |

| Members and professional qualifications |                                |   |                          |                      |                                     |
|---|--------------------------------|---|--------------------------|----------------------|-------------------------------------|
| Title                                   | Name                           | Professional qualifications and experience  | Attendance in person (B) | Attendances by proxy | Attendance rate in person (%) [B/A] |
| Committee member                        | Roman Cheng                    | <b>Expertise:</b> Possesses professional expertise in ESG.<br><b>Education and experience:</b><br><ul style="list-style-type: none"> <li>MBA, National Chengchi University.</li> <li>President, Taiwan Cement Corporation.</li> </ul>   | 2                        | 0                    | 100%                                |
| Committee member                        | Lynette Ling-Tai Chou (Note 2) | <b>Expertise:</b> Audit and accounting management.<br><b>Education and experience:</b><br><ul style="list-style-type: none"> <li>Education and experience</li> <li>PhD of Accounting, University of Houston;</li> <li>Master of Accounting, University of Houston;</li> <li>BS in International Business, Department of Commerce, National Taiwan University;</li> <li>Chief of Student Affairs, National Cheng Chi University;</li> <li>Dean, Department of Accounting, National Cheng Chi University;</li> <li>Independent director of Next Commercial Bank Co.,LTD.</li> </ul> | -                        | -                    | -                                   |
| Committee member                        | Sherry S. L. Lin (Note 2)      | <b>Expertise:</b> Possess expertise in ESG evaluation, financial and banking sectors.<br><b>Education and experience:</b><br><ul style="list-style-type: none"> <li>LLB, National Taiwan University.</li> <li>Chairman, KHL Venture Capital Co., Ltd.</li> <li>Senior Consultant, Lee and Li, Attorneys-at-Law.</li> </ul>  | -                        | -                    | -                                   |

| Implementation   |  |  |  |
|--|--|--|--|
| Meeting Date   | Proposals  | Proceedings  | The company's handling of the Committee's opinions   |
| August 4, 2023<br>5 <sup>th</sup> meeting of 1 <sup>st</sup> Corporate Sustainable Development Committee   | <ol style="list-style-type: none"> <li>Report on the progress of sustainable business promotion from the 4th quarter of 2022 to the 2nd quarter of 2023, the greenhouse gas inventory required by the FSC, and the risks and recommended practices for TCC in aligning with the IFRSs in the future as mandated by the FSC.</li> <li>The TCC Group's sustainability task force was proposed to added a "Biodiversity" subgroup</li> </ol>  | <b>Resolution:</b><br>All attending members passed the proposals and submitted for the Board's resolution. | <ol style="list-style-type: none"> <li>Acknowledged by all committee members.</li> <li>The proposal was submitted to the Board of Directors on August 10, 2023, and was acknowledged and passed by all attending directors.</li> </ol>   |
| November 8, 2023<br>6 <sup>th</sup> meeting of 1 <sup>st</sup> Corporate Sustainable Development Committee | <ol style="list-style-type: none"> <li>Reported on the latest results of international ESG evaluations, analysis, and responsive actions; planning in response to the "2025 Environmental Protection Administration's carbon fee levy" and the "EU's new battery law requirements for disclosing the carbon footprint of EV batteries."</li> <li>Reported on the TCC being invited to participate in the "ISSB Climate Global Baseline COP28 Early Supporter Initiative."</li> </ol> | <b>Resolution:</b><br>All attending members passed the proposals and submitted for the Board's resolution. | <ol style="list-style-type: none"> <li>Acknowledged by all committee members.</li> <li>The proposal was submitted to the Board of Directors on November 10, 2023, and was acknowledged and passed by all attending directors.</li> </ol> |

Note 1: For more information, please refer to the Company's website: "Investors" > "Corporate Governance" > "Committees."

Note 2: On December 21, 2023, the board of directors resolved to approve the addition of two new members (independent directors).

2. For information on the Company's board diversity policy and implementation, please refer to page 40 of this annual report under section "3.2.1 Information regarding board members, 2. Diversification and Independence of Board of Directors."
3. The 24<sup>th</sup> Board of Directors of the Company held 15 meetings from January 1, 2023, to March 20, 2024. The proceedings and implementation of conflict of interest in each meeting were in compliance with the Company's regulations and the requirement of holding at least one meeting per quarter. Additionally, material resolutions were disclosed on MOPS and the Company's website to ensure transparency of information, maintain good governance, strengthen the Board's supervision function, and enhance management effectiveness.
4. Other corporate governance issues:

#### Corporate governance:

- (1) In January 2024, the Company completed self-performance evaluations of the board of directors, individual directors, and various functional committees. At the end of 2023, KPMG was commissioned to conduct external board performance evaluations for the 2023 fiscal year. On February 27, 2024, the board reported the performance evaluation results to the directors.
- (2) Corporate Governance Evaluation Report.
- (3) ESG Performance Report.
- (4) Information security report.
- (5) Integrity report.

#### Legal compliance:

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

#### Director training:

The Company regularly invites experts to provide training courses to the directors based on the latest regulatory and affairs, or provides external training information for the directors to attend. In the year 2023, the Company commissioned the Taiwan Corporate Governance Association to organize courses on "Risk Trends under Climate Change - Nature, Water, and Human Rights" and "Compliance with Laws and Regulations - Concerted Actions and Related Party Transactions" and etc.

For individual directors' training records, please refer to page 95 under section "3.3.3 Corporate conduct and ethics implementation as required by FSC, Note 2

### 3.3.2 Operations of Audit Committee

#### Establishment information:

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

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

- Adoption or amendment of an internal control system pursuant to Article 14-1 of Securities and Exchange Act.

- Assessment of the effectiveness of the internal control system.
- Adoption or amendment, pursuant to Article 36-1 of Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, lending funds to others, or endorsements or guarantees for others.
- A matter bearing on the personal interest of a director.
- A material asset or derivatives transaction.
- A material monetary loan, endorsement, or provision of guarantee.
- The offering, issuance, or private placement of any equity-type securities.
- The hiring or dismissal of an attesting CPA, or the compensation given thereto.
- The appointment or discharge of a financial, accounting, or internal auditing officer.
- Annual financial reports.
- M&A matters under the Business Mergers and Acquisition Act.
- Quarterly financial reports.
- Approval of matters related to the hired CPA's annual audit and non-audit related services.
- Communication and exchange of information with the CPA.
- Negotiation of disagreements of opinions on financial reporting between the Company's management and the CPA.
- Discussion of other required financial information and reports required by the US Securities Exchange Act with the Company's management team and the CPA.
- Other significant matters required by the company or regulatory authorities.

#### Committee Members, Professional Qualifications, and Independence:

For information on the members, professional qualifications, and independence of the Audit Committee, please refer to page 21 of the annual report "3.2.1 Information regarding board members" and page 35 "1. Directors' professional qualification and independent directors' status of independence."

The 3<sup>rd</sup> Audit Committee has held 16 meetings from January 1, 2023, to March 20, 2024. The attendance record of independent directors is as follows:

| Title                | Name                  | Attendance in person (B) | Attendances by proxy | Attendance rate in person (%) [B/A] | Note     |
|----------------------|-----------------------|--------------------------|----------------------|-------------------------------------|----------|
| Independent Director | Yu-Cheng Chiao        | 13                       | 3                    | 81%                                 |          |
| Independent Director | Victor Wang           | 16                       | 0                    | 100%                                | Convener |
| Independent Director | Lynette Ling-Tai Chou | 16                       | 0                    | 100%                                |          |
| Independent Director | Mei-Hua Lin           | 16                       | 0                    | 100%                                |          |
| Independent Director | Sherry S. L. Lin      | 14                       | 2                    | 88%                                 |          |

## Other required notes for Audit Committee meeting:

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

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

| Meeting Date   | Proposal  | Proceedings, Resolutions & Opinions of Audit Committee | The Company's Handling of the Audit Committee's Opinions  |
|--|---|--|---|
| January 4, 2023<br>16 <sup>th</sup> interim meeting of 3 <sup>rd</sup> Audit Committee | Proposal to implement the 5 <sup>th</sup> transfer of treasury shares to employees.   | Passed with all attending committee members            | All attending directors passed the proposal.  |
|  | To fully utilize Mainland China's funds, the Company proposes to distribute profits from TCC Yingde Cement Co., Ltd. to TCC International(Hong Kong) Co., Ltd., and reinvest in TCC (Hangzhou) Environmental Protection Technology Co., Ltd.  | Passed with all attending committee members            | All attending directors passed the proposal.  |
| February 24, 2023<br>17 <sup>th</sup> meeting of 3 <sup>rd</sup> Audit Committee       | Approval of 2022 financial statements for individual and consolidated accounts of the Company.  | Passed with all attending committee members            | All attending directors passed the proposal.  |
|  | Proposal to add new items to evaluate the professionalism, competence, and independence of the CPA.   | Passed with all attending committee members            | All attending directors passed the proposal.  |
|  | Proposal to establish a pre-approval procedure for non-assurance services provided by the audit firm and its global alliance members to TCC Group.  | Passed with all attending committee members            | All attending directors passed the proposal.  |
|  | Proposal to formulate the "Related Party Transaction and Supervision Policy."   | Passed with all attending committee members            | All attending directors passed the proposal.  |
|  | TCC Energy Storage Technology Corporation plans to change the leased land area and location for the construction of a large-scale energy storage system within the Hualien Plant to meet operational needs.                                   | Passed with all attending committee members            | All attending directors passed the proposal.  |
|  | TCC Energy Storage Technology Corporation plans to lease land from related company Taiwan Cement Engineering Corporation (99.20% owned by the Company) for the building of a large-scale energy storage system to meet its operational needs. | Passed with all attending committee members            | All attending directors passed the proposal.  |
|  | Capital expenditure budget increase proposal for the renovation and update of the cooling machines #1K and #2K at the Hopping plant.  | Passed with all attending committee members            | All attending directors passed the proposal.  |
|  | Proposal to offer the subsidiaries' employees to subscribe to the Company's treasury stock plan.  | Passed with all attending committee members            | Proceedings: Director Kung-Yi Ko abstained from the meeting due to a conflict of interest, and all executives also abstained. The proposal was unanimously approved by all attending directors. |
| March 24, 2023<br>18 <sup>th</sup> meeting of 3 <sup>rd</sup> Audit Committee          | Approval of the "Statement on Internal Control System" for fiscal year 2022.  | Passed with all attending committee members            | All attending directors passed the proposal.  |
|  | Proposal of raising long-term fund for the Company.   | Passed with all attending committee members            | All attending directors passed the proposal.  |
|  | The land development joint construction project in Zhudong proposed an adjustment of the collaboration partner to Chung Tai Construction Co., Ltd.  | Passed with all attending committee members            | All attending directors passed the proposal.  |
|  | TCC Lien-Hsin Green Energy Corporation plans to change the leased land area and location for the construction of a large-scale energy storage system within the Hualien Plant to meet operational needs.                                      | Passed with all attending committee members            | All attending directors passed the proposal.  |

| Meeting Date   | Proposal   | Proceedings, Resolutions & Opinions of Audit Committee | The Company's Handling of the Audit Committee's Opinions   |
|--|--|--|--|
| April 28, 2023<br>19 <sup>th</sup> interim meeting of 3 <sup>rd</sup> Audit Committee    | Proposal to offer the subsidiaries' employees to subscribe to the Company's treasury stock plan.   | Passed with all attending committee members            | The Chairman, Mr. An-Ping Chang and Director, Mr. Kung-Yi Koo recused themselves due to conflicts of interest from the discussion and voting. All remaining attending directors passed the proposal. |
|  | Intends to participate in the planned fundraising project of subsidiary NHOA S.A. through a wholly-owned subsidiary.   | Passed with all attending committee members            | All attending directors passed the proposal.   |
| May 11, 2023<br>20 <sup>th</sup> meeting of 3 <sup>rd</sup> Audit Committee              | Approval of the 2023 Q1 consolidated Financial Report of the Company.  | Passed with all attending committee members            | All attending directors passed the proposal.   |
|  | Evaluation of the professionalism, competence, and independence of the CPA.  | Passed with all attending committee members            | All attending directors passed the proposal.   |
|  | Proposal to hire a Chief Financial Officer.  | Passed with all attending committee members            | All attending directors passed the proposal.   |
|  | TCC Energy Storage Technology Co., Ltd. plans to invest in and establish a large-scale energy storage system at the Kaohsiung Linyuan Plant of Taiwan Cement Engineering Corporation Limited.  | Passed with all attending committee members            | All attending directors passed the proposal.   |
| August 10, 2023<br>21 <sup>st</sup> meeting of 3 <sup>rd</sup> Audit Committee           | Approval of the 2023 Q2 consolidated Financial Report of the Company.  | Passed with all attending committee members            | All attending directors passed the proposal.   |
| August 30, 2023<br>22 <sup>nd</sup> ad hoc meeting of 3 <sup>rd</sup> Audit Committee    | The Company proposes to conduct a cash capital increase through the issuance of common shares, participate in the issuance of global depository receipts, and issue the 2023 first unsecured euro-convertible bonds.   | Passed with all attending committee members            | All attending directors passed the proposal.   |
| September 28, 2023<br>24 <sup>th</sup> ad hoc meeting of 3 <sup>rd</sup> Audit Committee | Taiwan Cement Energy Storage Technology Corp. plans to take over the 50MW feeder capacity from Chuang Neng Technology Co., Ltd. in Gangshan, facilitating the future establishment of its own energy storage project sites.  | Passed with all attending committee members            | All attending directors passed the proposal.   |
|  | It is proposed to plan the strategic adjustment of the operations for Scitus Luzhou Cement Co., Ltd., Scitus Naxi Cement Co., Ltd., and Scitus Luzhou Concrete Co., Ltd.   | Passed with all attending committee members            | All attending directors passed the proposal.   |
| November 10, 2023<br>26 <sup>th</sup> ad hoc meeting of 3 <sup>rd</sup> Audit Committee  | Approval of the 2023 Q3 consolidated Financial Report of the Company.  | Passed with all attending committee members            | All attending directors passed the proposal.   |
| November 14, 2023<br>27 <sup>th</sup> ad hoc meeting of 3 <sup>rd</sup> Audit Committee  | TCC's subsidiary E-One Moli Energy Corp., through its subsidiary E-One Moli Energy (Canada) Limited and E-One Moli Quantum Energy (Canada) Limited, proposed to set up a new manufacturing facility in Canada. The total planned project amount is approximately CAD 1.09 billion. | Passed with all attending committee members            | All attending directors passed the proposal.   |
|  | TCC plans to directly/indirectly participate in the anticipated cash capital increase and fundraising of the newly established subsidiary, E-One Moli Quantum Energy (Canada) Limited, through its subsidiary E-One Moli Energy (Canada) Limited.                                  | Passed with all attending committee members            | All attending directors passed the proposal.   |



| Meeting Date  | Proposal   | Proceedings, Resolutions & Opinions of Audit Committee   | The Company's Handling of the Audit Committee's Opinions  |
|---|--|--|---|
| November 27, 2023<br>28 <sup>th</sup> ad hoc meeting of 3 <sup>rd</sup> Audit Committee | The Company proposes to increase its indirect shareholding in the investments of Oyak Denizli Çimento Anonim Şirketi and Cimpor Portugal Holdings SGPS S.A.  | Passed with all attending committee members  | All attending directors passed the proposal.  |
|   | To strengthen the company's financial structure, the subsidiary TCC Chemical Corporation has resolved to sell three parcels of land identified as No. 656 in the Lanya section of the Shilin District, Taipei City, along with four buildings identified as No. 11702. | Passed with all attending committee members  | All attending directors passed the proposal.  |
| December 21, 2023<br>29 <sup>th</sup> meeting of 3 <sup>rd</sup> Audit Committee        | To strengthen the Company's financial structure and activate idle assets, it is proposed to sell 20 parcels of land in Gongpu, Fushan, and Fulin sections of Luzhu District, Taoyuan City.   | Mr. Yu-Cheng Chiao, who is also the Chairman of Winbond Electronics Corp., recused himself from the meeting due to a conflict of interest, while the rest attending members passed the proposal. | Director Por-Yuan, Wang, and Independent Director Yu-Cheng, Chiao abstained and excused themselves from the discussion and voting due to conflicts of interest and did not participate in the deliberation. The case was approved by the 29 <sup>th</sup> meeting of the 3 <sup>rd</sup> term Audit |
| February 27, 2024<br>30 <sup>th</sup> meeting of 3 <sup>rd</sup> Audit Committee        | Approval of the financial statements for the individual and consolidated financial statements for the fiscal year 2023 of the company.   | Passed with all attending committee members  | All attending directors passed the proposal.  |
|   | Regular assessment of the professionalism, suitability, and independence of the certified public accountants.  | Passed with all attending committee members  | All attending directors passed the proposal.  |
|   | Approval of the "Statement on Internal Control System" for fiscal year 2023.   | Passed with all attending committee members  | All attending directors passed the proposal.  |
| March 20, 2024<br>31 <sup>st</sup> meeting of 3 <sup>rd</sup> Audit Committee           | Proposal of raising long-term fund for the Company.  | Passed with all attending committee members  | All attending directors passed the proposal.  |

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

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

| Meeting Date  | Proposal   | Reasons and situations for recusal due to conflicts of interest   |
|---|--|---|
| August 10, 2023 21 <sup>th</sup> meeting of 3 <sup>rd</sup> Audit Committee   | Report on the proposed "Corporate Power Purchase Agreement" between the subsidiary Energy Helper TCC Corporation and Winbond Electronics Corp. and its affiliated companies.               | Proceedings: Mr. Yu-Cheng Chiao recused himself due to a conflict of interest.  |
| December 21, 2023 29 <sup>th</sup> meeting of 3 <sup>rd</sup> Audit Committee | To improve the financial structure of the Company and utilize idle assets, it's proposed to sell 20 parcels of land in Gongpu, Fushan, and Fulin sections of Luzhu District, Taoyuan City. | Proceedings: In this case, independent director Yu-Cheng Chiao recused himself from the discussion and voting due to a conflict of interest. The remaining attending committee members raised no objections, and the motion was passed accordingly, pending resolution by the board of directors. |

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

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

| Meeting Date                              | Attendees   | with HIA  |  | with CPAs  |                            |
|---|---|---|--|--|----------------------------|
|   |   | Communication Matters   | Results of the Discussions   | Communication Matters  | Results of the Discussions |
| January 17, 2023<br>Independent symposium | Independent Director Mei-Hua Lin<br>Internal Audit Manager Chia-Hua Tsao  | Report on the execution and results of internal audit on Mainland China subsidiaries.               | The questions raised by Independent Director Mei-Hua Lin were discussed and communicated.  | -  | -                          |
| February 6, 2023<br>Independent symposium | Independent Director Sherry S. L. Lin<br>Internal Audit Manager Chia-Hua Tsao   | Report on the audit procedures and results on Mainland China subsidiaries.                          | The questions raised by Independent Director Sherry S. L. Lin were discussed and communicated.   | -  | -                          |
| February 24, 2023<br>The Audit Committee  | Independent Director Victor Wang<br>Independent Director Lynette Ling-Tai Chou<br>Independent Director Mei-Hua Lin<br>Independent Director Sherry S. L. Lin<br>Internal Audit Manager Chia-Hua Tsao<br>CPA of Deloitte & Touche, Hui-Min Huang<br>CPA of Deloitte & Touche, Cheng-Hong Kuo<br>CPA of Deloitte & Touche, Ya-Ling Wong<br>Senior Manager of Deloitte & Touche, Pei-Shan Hsieh | Report on the execution and results of internal audit for the period from October to December 2022. | Passed unanimously   | <ul style="list-style-type: none"> <li>CPA provided supplementary explanations on the financial statements for the 4<sup>th</sup> quarter of 2022</li> <li>The status of regulatory changes.</li> <li>CPA discussed and communicated regarding the questions raised by the attendees.</li> </ul> | Agreed and noted.          |
| April 18, 2023<br>Independent symposium   | Independent Director Mei-Hua Lin<br>Internal Audit Manager Chia-Hua Tsao  | Report on the internal control warning system.  | Independent Director Mei-Hua Lin advised to regularly review the system due to changes in regulations or discrepancies in the execution. The Company shall make revisions as necessary.<br>Progress: Conducts regular reviews of internal control warning systems as recommended | -  | -                          |

| Meeting Date                               | Attendees  | with HIA  |   | with CPAs  |                            |
|--|--|---|---|--|----------------------------|
|  |  | Communication Matters   | Results of the Discussions  | Communication Matters  | Results of the Discussions |
| May 11, 2023<br>The Audit Committee        | Independent Director Victor Wang<br>Independent Director Yu-Cheng Chiao<br>Independent Director Lynette Ling-Tai Chou<br>Independent Director Mei-Hua Lin<br>Independent Director Sherry S. L. Lin<br>Internal Audit Manager Chia-Hua Tsao<br>CPA of Deloitte & Touche, Hui-Min Huang<br>CPA of Deloitte & Touche, Cheng-Hong Kuo<br>CPA of Deloitte & Touche, Ya-Ling Wong<br>Senior Manager of Deloitte & Touche, Pei-Shan Hsieh | Report on the execution and results of internal audit.                          | Passed unanimously  | <ul style="list-style-type: none"> <li>CPA provided supplementary explanations on the financial statements for the 1st quarter of 2023.</li> <li>The status of regulatory changes</li> <li>CPA discussed and communicated regarding the questions raised by the attendees.</li> </ul>            | Agreed and noted.          |
| July 6, 2023<br>Independent symposium      | Independent Director Sherry S. L. Lin<br>Internal Audit Manager Chia-Hua Tsao  | Report on the audit procedures and results on Mainland China subsidiaries       | The questions raised by Independent Director Sherry S. L. Lin were discussed and communicated.  | -  | -                          |
| July 10, 2023<br>Independent symposium     | Independent Director Mei-Hua Lin<br>Internal Audit Manager Chia-Hua Tsao   | Report on the audit procedures and results on Mainland China subsidiaries       | The questions raised by Independent Director Mei-Hua Lin were discussed and communicated.   | -  | -                          |
| August 10, 2023<br>The Audit Committee     | Independent Director Victor Wang<br>Independent Director Yu-Cheng Chiao<br>Independent Director Lynette Ling-Tai Chou<br>Independent Director Mei-Hua Lin<br>Independent Director Sherry S. L. Lin<br>Internal Audit Manager Chia-Hua Tsao<br>CPA of Deloitte & Touche, Hui-Min Huang<br>CPA of Deloitte & Touche, Ya-Ling Wong<br>Senior Manager of Deloitte & Touche, Pei-Shan Hsieh   | Report on the audit procedures and results.                                     | Passed unanimously  | <ul style="list-style-type: none"> <li>CPA provided supplementary explanations on the financial statements for the 2<sup>nd</sup> quarter of 2023.</li> <li>the status of regulatory changes</li> <li>CPA discussed and communicated regarding the questions raised by the attendees.</li> </ul> | Agreed and noted.          |
| August 24, 2023<br>Independent symposium   | Independent Director Mei-Hua Lin<br>Internal Audit Manager Chia-Hua Tsao   | Report on the audit procedures and results on Mainland China subsidiaries       | The questions raised by Independent Director Mei-Hua Lin were discussed and communicated.   | -  | -                          |
| September 8, 2023<br>Independent symposium | Independent Director Mei-Hua Lin<br>Internal Audit Manager Chia-Hua Tsao   | Report on the internal audit methodology and processes driven by data analysis. | Independent Director Mei-Hua Lin: the Company shall continuously strengthen data analysis to audit high-risk items. Progress: Continues to implement data analysis models as recommended. | -  | -                          |

| Meeting Date                             | Attendees  | with HIA                                    |                            | with CPAs  |                            |
|--|--|---|----------------------------|--|----------------------------|
|  |  | Communication Matters                       | Results of the Discussions | Communication Matters  | Results of the Discussions |
| November 10, 2023<br>The Audit Committee | Independent Director Victor Wang<br>Independent Director Yu-Cheng Chiao<br>Independent Director Lynette Ling-Tai Chou<br>Independent Director Mei-Hua Lin<br>Independent Director Sherry S. L. Lin<br>Internal Audit Manager Chia-Hua Tsao<br>CPA of Deloitte & Touche, Hui-Min Huang<br>CPA of Deloitte & Touche, Ya-Ling Wong<br>Senior Manager of Deloitte & Touche, Pei-Shan Hsieh | Report on the audit procedures and results. | Passed unanimously         | <ul style="list-style-type: none"> <li>CPA provided supplementary explanations on the financial statements for the 3<sup>rd</sup> quarter of 2023.</li> <li>the status of regulatory changes</li> <li>CPA discussed and communicated regarding the questions raised by the attendees.</li> </ul> | Agreed and noted.          |
| February 27, 2024<br>The Audit Committee | Independent Director Victor Wang<br>Independent Director Lynette Ling-Tai Chou<br>Independent Director Mei-Hua Lin<br>Independent Director Sherry S. L. Lin<br>Internal Audit Manager Chia-Hua Tsao<br>CPA of Deloitte & Touche, Hui-Min Huang<br>CPA of Deloitte & Touche, Ya-Ling Wong<br>Senior Manager of Deloitte & Touche, Pei-Shan Hsieh  | Report on the audit procedures and results. | Passed unanimously         | <ul style="list-style-type: none"> <li>CPA provided supplementary explanations on the financial statements for the 4<sup>th</sup> quarter of 2023</li> <li>the status of regulatory changes</li> <li>CPA discussed and communicated regarding the questions raised by the attendees.</li> </ul>  | Agreed and noted.          |

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

| Evaluation items  | Implementation status |    |  | Differences & reasons |
|---|-----------------------|----|--|-----------------------|
|   | Yes                   | No | 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 Corporate 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 Corporate Governance Best Practice Principles on its website for the reference of shareholders. In addition, the Company has established an effective corporate governance framework, protects the rights and interests of shareholders, strengthens the competencies of the Board of Directors, respects the rights and interests of stakeholders, and enhances information transparency | No difference         |
| 2. Equity structure and shareholders' equity<br>(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 appointed a dedicated personnel to handle investor relations. The spokesperson and deputy spokesperson are responsible for receiving shareholder suggestions, inquiries, and resolving disputes. They may refer to relevant departments for assistance or to handle issues related to said departments. There have been no reported litigations involving shareholders.  | No difference         |

| Evaluation items  | Implementation status |    | Differences & reasons  |                     |
|---|-----------------------|----|--|---------------------|
|   | Yes                   | No |  | Summary description |
| (2)<br>Does the Company possess a list of its major shareholders as well as the ultimate owners of these shares?                                      | ✓                     |    | (2)<br>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. Monthly reports are submitted to the designated website of the Securities and Futures Bureau, the "Market Observation Post System (MOPS)."   | No difference       |
| (3)<br>Has the Company built and executed a risk management system and "firewall" between the company and its affiliates?                             | ✓                     |    | (3)<br>1. The Company established the "Related Party Transaction and Supervision Policy" on February 24, 2023. If any related party transactions are in compliance with the policy, they will be submitted for Board of Directors' approval and reported in the latest annual shareholders' meeting.<br>2. In order to implement the "Related Party Transaction and Supervision Policy" more effectively, Taiwan Cement Corporation has further developed the "Related Party Transaction Procedure Control Measures" based on regulations such as the "Guidelines for Public Issuing Companies on Acquisition or Disposal of Assets," "Guidelines for Public Issuing Companies on Fund Loans and Endorsement Guarantees," "Procedures for Acquisition or Disposal of Assets in Taiwan Cement Corporation," "Operating Procedures for Endorsement Guarantees in Taiwan Cement Corporation," and "Procedures for Fund Loans to Others in Taiwan Cement Corporation."<br>These measures aim to specify the control procedures and decision-making processes for transactions such as sales and purchases, services or technical assistance, acquisition or disposal of assets, fund loans, and endorsement guarantees between Taiwan Cement Corporation and related parties. Any related party transactions that require approval by the Board of Directors must be done by the Board before execution. At the end of each fiscal year, relevant report will be provided in the latest shareholder meeting to ensure the effective risk management between Taiwan Cement Corporation and related parties. The "Related Party Transaction Procedure Control Measures" have been approved by the General Manager and will be implemented from the date of announcement on September 28, 2023.<br>3. In order to ensure that employees comply with the requirements of the "Related Party Transaction and Supervision Policy" and the "Related Party Transaction Procedure Control Measures" regarding control procedures and decision-making processes, Taiwan Cement Corporation has established a "Related Party Transaction Inquiry Database." This database is available for employees to query before conducting transactions to confirm whether they qualify as related party transactions. | No difference       |
| (4)<br>Does the Company have internal regulations in place to prohibit insiders from using undisclosed information to trade securities on the market? | ✓                     |    | (4)<br>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.<br>The Company conducts annual training to prohibit insider trading and reminds directors that they are not allowed to trade their stocks during the 30-day period before the annual financial report announcement and the 15-day period before the quarterly financial report announcement. As of 2023, if the board discusses financial reports, reminders of the closed period will be included in the meeting notice for a total of five times per year.<br>In addition, the Company will disseminate the relevant regulations to existing directors, managers, and employees at least once a year, and provide education and training to newly appointed 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.)<br>On November 4, 2023, an insider trading prevention training session was conducted for current directors, managers, and employees of the Company. The content of the training included the handling of material nonpublic information, the process of identifying insider trading, and examples of insider trading cases. A presentation file of the training was also sent to all directors, managers, and employees for reference.   | No difference       |

| Evaluation items                                   | Implementation status |    | Differences & reasons  |                     |
|--|-----------------------|----|--|---------------------|
|  | Yes                   | No |  | Summary description |
| 3.Composition and duties of the Board of Directors | ✓                     |    | (1)<br>1. The Company revised its 'Corporate Governance Guidelines' and formulated a diversity policy in Chapter 3, 'Strengthening the Functions of the Board of Directors,' which was approved by the 23rd Board of Directors at its 16th meeting on March 20, 2020. The Company determines the appropriate number of director seats based on the business development scale and the shareholding status of major shareholders, in accordance with operational needs, laws, and the Company's articles of incorporation.<br>2. The members of the 24th Board of Directors of the Company emphasize diversity and are composed of industry and academic elites with expertise in various areas, such as energy, environmental protection, cement, mergers and acquisitions/ investment, and information technology (industry experience), as well as business management, international markets, risk management, accounting and financial analysis, law, ESG, and other areas (professional expertise). The Board members include Mr. An-Ping Chang, Mr. Por-Yuan Wang, Mr. Kung-Yi Koo, Mr. Kang-Lung Chang, Mr. Chi-Te Chen, Mr. Chi-Chia Hsieh, Mr. Chien Wen, and Mr. Yu-Cheng Chiao who possess rich industry knowledge, while financial expertise is provided by directors such as Mr. Kenneth C.M. Lo and Mr. Sun-Te Chen. Mr. Victor Wang, Ms. Lynette Ling-Tai Chou, and Ms. Mei-Hua Lin bring financial and accounting experience, and legal expertise is provided by Ms. Chun-Ying Liu and Ms. Siou-Ling Lin. The Company also provides diverse training courses for our directors to enhance their decision-making abilities and supervisory skills, thereby strengthening the function of the Board of Directors.<br>3. The proportion of directors who are employees of the Company is 13%, independent directors account for 33%, and female directors account for 27%. The age range of the directors is from 31 to 50 years old for 2 seats, while 13 seats are held by directors who are 51 years old or older.<br>4. Independence :<br>There is no spouse or first-degree relative relationship between the directors of the Company. For more details, please refer to page 35 "1. Directors' professional qualification and independent directors"<br>5. Specific Diversity Management Goals:<br>a. The board of directors of the Company guides the company's strategy, supervises management, and is accountable to the company and shareholders. The Company's corporate governance system should ensure that the board of directors carries out its duties in compliance with laws, regulations, the Company's articles of incorporation, or resolutions of the shareholders' meeting. At board meetings, directors receive reports from the management team, provide guidance and advice, and maintain good communication with them, all while working together to create the maximum benefit for shareholders.<br>b. The Company focuses on gender equality in the composition of the board of directors, with the goal of having at least 33% of board seats held by female directors. Currently, there are 4 female directors (27%) on the board, and in future board elections, the company will prioritize the recruitment of female directors.<br>c. The Board of Directors supports and oversees the actions taken by the management to increase the proportion of female senior managers in the Company.<br>6. Meetings:<br>In the 24th term of the board of directors of the Company (from July 5, 2021 to December 31, 2021), a total of 7 meetings were held with an attendance rate of 96%. From January 1, 2022 to December 31, 2022, a total of 8 meetings were held with an attendance rate of 93%. In the year 2023 and up to March 20, 2024, a total of 15 meetings were held with an attendance rate of 89%.<br>7. The Board of Directors discloses its policy on diversified membership composition on the Company's website and the Public Information Observation System | No difference       |

| Evaluation items  | Implementation status |    |   | Differences & reasons |
|---|-----------------------|----|---|-----------------------|
|   | Yes                   | No | Summary description   |                       |
| (2) Other than the Remuneration Committee and Audit Committee which are required by law, has the Company voluntarily established any other functional committees?   | ✓                     |    | <p>(2)</p> <p>In addition to the legally required "Remuneration Committee" and "Audit Committee," the Company has established the following committees:</p> <ol style="list-style-type: none"> <li>1. Corporate Sustainable Development Committee": On July 15, 2021, the Board of Directors resolved to establish the committee and appointed five members in accordance with the "Organizational Regulations of the Corporate Sustainable Development Committee."</li> <li>2. Risk Management Committee": On May 12, 2020, the Board of Directors resolved to establish the committee and formulated the "Risk Management Policy and Principles." The committee has three members, and the second committee was appointed on July 15, 2021, following the election of new directors at the 2021 Shareholders' Meeting.</li> <li>3. Nomination Committee": On June 21, 2022, the Board of Directors resolved to establish the committee and formulated the "Organizational Regulations of the Nomination Committee." The committee consists of five directors, including three independent directors</li> </ol> <p>For information on the establishment and execution of the above committees, please refer to the Company's official website and page 74 of this annual report, "4. Goals to improve the functions of the Board of Directors in the current and previous fiscal years."</p>   | No difference         |
| (3) Does the Company have a board performance evaluation method and process, conducted annually and reported to the board, which is also used as a reference for individual director compensation and nomination? | ✓                     |    | <p>(3)</p> <ol style="list-style-type: none"> <li>1. The Company has established the "Board of Directors Performance Evaluation Method" in the 21<sup>st</sup> meeting of the 22<sup>nd</sup> Board of Directors, and conducts regular performance evaluations annually.</li> </ol> <p>The performance evaluation of the board of directors, directors, and functional committees of the Company for the fiscal year 2022 was completed at the end of January 2023 and submitted to the 29<sup>th</sup> meeting of the 24<sup>th</sup> board of directors on February 27, 2024.</p> <p>According to Article 3, Paragraph 2 of the "Performance Evaluation Method for the Board of Directors" of Taiwan Cement Corporation, the execution of the performance evaluation of the board of directors of Taiwan Cement Corporation shall be conducted at least once every three years by an external professional independent organization or an external team of expert scholars.</p> <p>For the fiscal year 2023, Taiwan Cement Corporation commissioned KPMG, an external professional independent organization, to conduct the evaluation of the board of directors and self-evaluation of the directors. An evaluation report on the performance of the board of directors was issued by KPMG on January 31, 2024, with an overall assessment result of "excellent."</p> <p>KPMG is an independent and professional institution specialized in corporate governance system assessment/evaluation and board effectiveness (performance) evaluation. Both the institution and the evaluation committee maintain independence from the Company with no business dealings.</p> <p>(1)The evaluation of the Board includes the following 5 aspects:</p> <ul style="list-style-type: none"> <li>• Level of participation in company operations</li> <li>• Improvement in the quality of the Board's decision-making;</li> <li>• Composition and structure of the Board;</li> <li>• Selection and continuing education of directors;</li> <li>• Internal control</li> </ul> <p>The performance evaluation results of the Board of Directors for the year 2023 were as follows:</p> <p>The overall average score for the Board's self-evaluation was approximately 4.9 out of 5.</p> <p>(2) The evaluation of functional committees includes the following 6 aspects:</p> <ul style="list-style-type: none"> <li>• Mastery of company goals and missions</li> <li>• Understanding of the responsibilities of the committee;</li> <li>• Level of participation in company operations;</li> <li>• Internal relationship management and communication.</li> <li>• Directors' professionalism and continuous education.</li> <li>• Internal control</li> </ul> <p>The performance evaluation results of the Board of Directors for the year 2023 were as follows:</p> | No difference         |

| Evaluation items  | Implementation status |    |  | Differences & reasons |
|---|-----------------------|----|--|-----------------------|
|   | Yes                   | No | Summary description  |                       |
| (3) Does the Company have a board performance evaluation method and process, conducted annually and reported to the board, which is also used as a reference for individual director compensation and nomination? | ✓                     |    | <p>The overall average score for the Board's self-evaluation was approximately 4.9 out of 5.</p> <p>(3)The evaluation of Audit Committee includes the following 5 aspects:</p> <ul style="list-style-type: none"> <li>• Level of participation in company operations;</li> <li>• Understanding of the responsibilities of the committee;</li> <li>• Enhancing the decision-making quality of functional committees</li> <li>• Composition and appointment of members of the audit committee</li> <li>• Internal control</li> </ul> <p>The performance evaluation results of the Audit Committees for the year 2023 were as follows:</p> <p>The overall average score for the Audit Committee self-evaluation was approximately 4.9 out of 5.</p> <p>(4)The evaluation of Remuneration Committee includes the following 4 aspects:</p> <ul style="list-style-type: none"> <li>• Level of participation in company operations;</li> <li>• Understanding of the responsibilities of the committee;</li> <li>• Enhancing the decision-making quality of functional committees</li> <li>• Composition and appointment of members of the Remuneration Committee</li> </ul> <p>The performance evaluation results of the Remuneration Committees for the year 2023 were as follows:</p> <p>The overall average score for the Remuneration Committee self-evaluation was approximately 4.9 out of 5.</p> <p>(5) The evaluation of Nomination Committee includes the following 4 aspects:</p> <ul style="list-style-type: none"> <li>• Level of participation in company operations;</li> <li>• Understanding the Responsibilities of the Nomination Committee</li> <li>• Enhancing the decision-making quality of functional committees</li> <li>• Composition and appointment of members of the Nomination Committee</li> </ul> <p>The performance evaluation results of the Nomination Committee for the year 2023 were as follows:</p> <p>The overall average score for the Nomination Committee self-evaluation was approximately 4.9 out of 5.</p> <p>(6) The evaluation of Risk Management Committee includes the following 5 aspects:</p> <ul style="list-style-type: none"> <li>• Level of participation in company operations;</li> <li>• Understanding the responsibilities of the Risk Management Committee</li> <li>• Enhancing the decision-making quality of functional committees</li> <li>• Composition and appointment of members of the Risk Management Committee</li> <li>• Internal control</li> </ul> <p>The performance evaluation results of the Risk Management Committee for the year 2023 were as follows:</p> <p>The overall average score for the Risk Management Committee self-evaluation was approximately 4.9 out of 5.</p> <p>(7)The evaluation of Corporate Sustainable Development Committee includes the following 4 aspects:</p> <ul style="list-style-type: none"> <li>• Level of participation in company operations;</li> <li>• Understanding the responsibilities of the Sustainable Development Committee</li> <li>• Enhancing the decision-making quality of functional committees</li> <li>• Composition and appointment of members of the Sustainable Development Committee</li> </ul> <p>The performance evaluation results of the Sustainable Development Committee for the year 2023 were as follows:</p> <p>The overall average score for the Sustainable Development Committee self-evaluation was approximately 4.9 out of 5.</p> <p>2. The Company has completed the internal performance evaluation of the functional committees and submitted a report to the board of directors on February 27, 2024. For more details, please refer to the Corporate Governance section on the official website.</p> | No difference         |



| Evaluation items  | Implementation status |    |  | Differences & reasons |
|---|-----------------------|----|--|-----------------------|
|   | Yes                   | No | Summary description  |                       |
| (4) Does the company regularly evaluate its external auditors' independence?  | ✓                     |    | <p>The Company's Audit Committee conducts regular assessments of the independence of its external auditors every year and reports the evaluation results to the Board of Directors.</p> <p>In addition to requiring auditors to provide a "statement of independence" and "Audit Quality Indicators (AQIs)," as required by the Financial Supervisory Commission, the Committee also uses the AQI disclosure framework and template released on August 19, 2021, as an objective reference for auditor selection.</p> <p>After confirming that the auditor and the Company have no financial interest or business relationship beyond audit and tax services and that the auditor's family members do not violate the independence requirements, the Committee also reviewed the auditor's AQI information. The Committee found that the auditor and the firm's audit experience and training hours exceeded industry averages, and they have been continuously implementing digital audit tools to improve audit quality over the past three years.</p> <p>The evaluation results for the latest fiscal year were discussed and approved by the Audit Committee on February 24, 2023, May 11, 2023, and May 27, 2024, and reported to the Board of Directors on the same dates. Please refer to Note 1 for details on the assessment of the auditor's independence and suitability.</p>   | No difference         |
| 4. Has the Company ensured that it has an adequate and appropriate number of personnel responsible for corporate governance, and has it designated a corporate governance officer to oversee corporate governance-related matters (including, but not limited to, providing information necessary for the execution of the duties of directors and supervisors, assisting directors and supervisors in compliance with laws and regulations, handling matters related to board and shareholders meetings in accordance with the law, and preparing minutes of board and shareholders meetings)? | ✓                     |    | <p>On March 22, 2019, our Board of Directors resolved to establish a "Corporate Governance Unit" and, on August 11, 2020, approved the appointment of our Legal Director as the head of the unit. Our Legal Director has at least three years of experience as a manager of legal, financial, stock affairs, or corporate governance in publicly listed companies.</p> <p>The responsibilities of the Corporate Governance Unit include the following:</p> <ol style="list-style-type: none"> <li>Report to the BOD at least once a year: the annual corporate governance results were reported to the BOD on February 27, 2024.</li> <li>To ensure that the BOD members are promptly informed of any material information after its release.</li> <li>The BOD members are informed regularly about the latest regulations relevant to the company's operations and corporate governance.</li> <li>The "continuing education courses through home visits" for board members are as follows: <ol style="list-style-type: none"> <li>December 4, 2023 - Insider Trading and the Relationship between Directors, Supervisors, and Cases (3 hours)</li> <li>December 11, 2023 - Risk Trends under Climate Change - Nature, Water, and Human Rights (3 hours)</li> <li>December 11, 2023- Compliance with Laws and Regulations - Concerted Actions and Related Party Transactions (3 hours)</li> </ol> </li> <li>Evaluate the appropriateness of purchasing "Directors, Supervisors, and Key Personnel Liability Insurance" and report to the Board of Directors by February 27, 2024</li> <li>Coordinate meetings between CPAs, independent directors, and audit/financial accounting managers to discuss internal controls, and report the meeting minutes to the BOD.</li> <li>The agenda for each BOD meeting shall be provided to BOD members at least 7 days in advance. Relevant departments shall be coordinated to supplement the meeting materials in a timely manner. If a resolution involves the avoidance of conflict of interest by a director, the board shall be notified in advance. The minutes of BOD meetings shall be completed and provided to all directors within 20 days after the meeting.</li> <li>To promote corporate governance, regular performance evaluations of the Board of Directors and individual directors will be conducted in accordance with the "Performance Evaluation Policy for the Board of Directors and Functional Committees" established by the Company. The evaluations will be carried out by external institutions on an annual basis.</li> <li>Carry out pre-registration of the AGM date in accordance with the law, prepare the notice of meeting, agenda, minutes of meeting within the statutory deadline, and handle changes in registration matters in real-time, such as amendments to the articles of incorporation or the election of directors.</li> <li>Promote corporate governance-related matters, provide assistance in providing information needed by directors for their operations and ensure compliance with laws and regulations.</li> </ol> | No difference         |

| Evaluation items   | Implementation status |    |  | Differences & reasons |
|--|-----------------------|----|--|-----------------------|
|  | Yes                   | No | Summary description  |                       |
| 5. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), and created a stakeholder section on its website to appropriately address important corporate social responsibility issues that stakeholders may have? | ✓                     |    | <ol style="list-style-type: none"> <li>TCC values the opinions of stakeholders, including shareholders, employees, customers, upstream and downstream suppliers, banks, creditors, etc. We actively communicate and engage with stakeholders to identify significant sustainability issues and incorporate them into our corporate sustainability blueprint. Based on industry characteristics, we refer to indicators such as GRI Standards, Sustainability Accounting Standards Board (SASB), Dow Jones Sustainability Index (DJSI), and the AA 1000 Stakeholder Engagement Principles to identify and prioritize stakeholder relationships.</li> <li>Our Corporate Sustainable Development Committee submitted a report on stakeholder communication and future plans for the latest fiscal year to the board of directors on November 8<sup>th</sup>, 2023, after cross-departmental discussions and planning. This communication and reporting mechanism occurs at least twice annually.</li> <li>tcc_csr@taiwancement.com TCC not only maintains good communication with stakeholders on a regular basis but also provides a "Stakeholder" section on its website and an email address (tcc_csr@taiwancement.com) for stakeholders to contact us.</li> <li>Our official website features a "Corporate Governance" section that allows investors to access and download related regulations and policies regarding corporate governance.</li> </ol> | No difference         |
| 6. Has the Company appointed a professional transfer agent to handle shareholder meeting affairs?  | ✓                     |    | TCC has appointed CTBC Bank's Transfer Agency Department as its professional stock agency to handle matters related to shareholder meetings.   | No difference         |
| 7. Information Disclosure<br>(1) Has the Company established a corporate website to disclose information regarding its financials, business and corporate governance status?   | ✓                     |    | (1) TCC's official 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 and provided for investors to reference. In addition, the MOPS website also discloses relevant information.   | No difference         |
| (2) Does the Company adopt any other means of information disclosure (such as setting up an English website, designating dedicated personnel to collect and disclose company information, implementing a spokesperson system, webcasting investor conferences, etc.)?  | ✓                     |    | (2) TCC has established Chinese and English language websites and has designated a spokesperson and deputy spokesperson in accordance with regulations. It has also appointed dedicated personnel to declare and disclose various types of financial and business information to the Market Observation Post System (MOPS), as well as information on the Company's website. The Company also posts videos of investor conferences on its website.   | No difference         |
| (3) Does the Company announce and file its annual financial statements within two months after the end of the fiscal year, and announce and report its first, second, and third quarter financial statements as well as the operating status of each month prior to the prescribed deadline?                     | ✓                     |    | (3) In order to enhance information disclosure timeliness and strengthen corporate governance, TCC announces and files the annual financial reports within two months after the end of the fiscal year (the financial report for fiscal year 2023 was approved by the board of directors on February 27, 2024 and announced). Additionally, TCC also announces and files the quarterly financial reports and monthly operating results within the prescribed deadlines.  | No difference         |

| Evaluation items   | Implementation status |    | Differences & reasons  |                     |
|--|-----------------------|----|--|---------------------|
|  | Yes                   | No |  | Summary description |
| 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><b>1. Employee Rights and Care:</b><br/>TCC has set up an online platform and e-mail for employees to express their concerns on various issues in the workplace, including pandemic prevention, workplace safety and hygiene, gender equality, work hours and employee care. These concerns are handled confidentially by dedicated personnel to provide our employees with a secure working environment. We also have a policy and complaint channel in place to prevent discrimination and harassment in the workplace. New employees are provided with training on how to prevent discrimination and harassment. We actively protect the rights and safety of all our employees.</p> <p>Furthermore, we have developed a diverse range of employee benefits, including paid leave (e.g., caregiving leave), flexible work hours, work from home options, and cross-time zone shifts, to help employees balance their health, safety, family care, and work flexibility needs. We also provide employee health check-ups, medical insurance, scholarships for employee's children, marriage and childbirth benefits, festival bonuses, stock trusts, and emergency aid, among other measures, to offer comprehensive and caring welfare for our employees. We take our responsibility to care for our employees' physical and mental health seriously, and clear measures and regulations regarding employee performance and improper behavior are included in our work rules to protect our employees' rights.</p> <p><b>2. Investor Relationship:</b><br/>The Company discloses significant information in accordance with the law on MOPS to safeguard the interests of investors.</p> <p><b>3. Supplier Relationship:</b><br/>The Company holds regular supplier conferences every year to promote green and sustainable ESG practices, and to provide ESG-related education and training during the conference. We encourage our suppliers to invest in ESG practices and to assist in their transition towards sustainability. Our most recent conference was successfully held on September 22, 2023, with a total of 150 suppliers from both sides of the strait participating. We also communicate and manage our suppliers through annual audits, as well as periodic bidding meetings. We have set up a supplier feedback mailbox on our official website and communicate with suppliers through external mailboxes, telephone, and email.</p> <p>We have established a sound management mechanism to ensure effective supplier management and to maintain stable and long-term partnerships with our suppliers, allowing them to grow together with the Company.</p> <p><b>4. Rights of stakeholders:</b><br/>To further enhance communication channels with stakeholders has set up a "Stakeholder Relations" section on our website, providing stakeholders with transparent and effective communication channels to pursue sustainable business practices..</p> <p><b>5. Continuing education of directors and supervisors:</b><br/>In the latest fiscal year, the continuing education status of the directors of TCC is detailed in Note 2, in accordance with the "Guidelines for Continuing Education of Directors and Supervisors of Listed and OTC Companies"</p> <p><b>6. Implementation of risk management policy and risk measurement standards:</b><br/>On August 11, 2020, the Board of Directors passed the "Risk Management Policy and Principles" to strengthen the corporate governance of the TCC Group, establish sound risk management operations, control the risks that may arise in various businesses within a tolerable range, and achieve the goal of reasonable risk and return. In addition, internal regulations have been established in accordance with the law to carry out various risk management and assessment, and to execute them accordingly.</p> | No difference       |

| Evaluation items   | Implementation status |    | Differences & reasons   |                     |
|--|-----------------------|----|---|---------------------|
|  | Yes                   | No |   | Summary description |
| 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><b>7. Implementation of customer policies:</b><br/>TCC has established customer service and complaint procedures to provide customers with complete product quality services. We also have a dedicated research laboratory to work with various production and business units to provide customized services and complaint resolution solutions. We conduct regular customer satisfaction surveys each year as a basis for improvement and supervision.</p> <p>Regarding business partners, we conduct due diligence and assessment procedures for corruption and bribery risks during initial cooperation or regular execution, as a basis for evaluating subsequent cooperative relationships with them.</p> <p><b>8. Status of liability insurance for directors and managers:</b><br/>TCC's board of directors passed a resolution on February 27, 2024 to purchase liability insurance for directors and managers to reduce and distribute the significant damage caused to the company and shareholders by directors' illegal actions.</p> | No difference       |

The following is a list of improvements made after the 9th Corporate Governance Evaluation:

| No.  | Item  | Improvements made   |
|------|---|---|
| 2.27 | Does the company have an intellectual property management plan linked to its operational goals, and does it disclose the execution status on its website or in the annual report, with at least an annual report to the board of directors? | The Company has established and implemented the relevant plans. |

Issues that require improvement in the 9th Corporate Governance Evaluation but have not yet been addressed:

| No.  | Item  | Improvements made  |
|------|---|--|
| 1.1  | Does the Company report to the annual shareholders' meeting on the compensation received by directors, including the compensation policy, individual compensation details, and amounts?                                   | The Company will continuously evaluate the impact and feasibility. |
| 3.8  | Has the Company voluntarily published financial forecasts for all quarters, and has it not received any corrective action orders from the competent authority or demerits from TWSE or TPEX regarding related operations? | The Company will continuously evaluate the impact and feasibility. |
| 3.13 | Does the Company voluntarily disclose the remuneration of directors and supervisors in the annual report?   | The Company will continuously evaluate the impact and feasibility. |
| 3.14 | Has the Company disclosed in its annual report the rationale between performance evaluation of directors and executives and their remuneration?   | The Company will continuously evaluate the impact and feasibility. |

Note 1: Assessment of external auditor's independence

| Check items   | Results of assessment | Does it meet the independence requirement? |
|---|-----------------------|--|
| 1. Does the external auditor have a material financial interest, directly or indirectly, in the Company?  | No                    | Yes  |
| 2. Is the external auditor involved in any financing or guarantee activities with the Company or any of its directors?  | No                    | Yes  |
| 3. Does the external auditor have a close business relationship or potential employment with the Company?   | No                    | Yes  |
| 4. Is the external auditor or any member of the audit team also a director, manager, or in any position that could significantly influence the audit procedure during the audit period? | No                    | Yes  |
| 5. Does the external auditor provide any non-audit services that may directly affect the audit work for the Company?  | No                    | Yes  |
| 6. Does the external auditor hold any shares or other securities issued by the Company?   | No                    | Yes  |
| 7. Does the external auditor act as a defender for the Company or assist the Company in mediating conflicts with third parties?   | No                    | Yes  |
| 8. Is the external auditor related to the directors, managers, or anyone who influences the audit procedure?  | No                    | Yes  |
| 9. Does the auditor or the audit team receive significant gifts or presents from the Company's directors or managers?   | No                    | Yes  |
| 10. Has the Company failed to obtain the auditor's independence declaration?  | No                    | Yes  |

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

| Title    | Name                  | Date              | Course Provider                                       | Course  | Length | Compliance with Regulations |
|----------|-----------------------|-------------------|---|---|--------|-----------------------------|
| Chairman | An-Ping Chang         | July 4, 2023      | TWSE  | 2023 Cathay Sustainable Finance and Climate Change Summit   | 3.0    | Yes                         |
|          |                       | December 11, 2023 | Taiwan Corporate Governance Association               | Trends of Risks under Climate Change - Nature, Water, and Human Rights                                    | 3.0    | Yes                         |
| Director | Jason Kang-Lung Chang | December 11, 2023 | Taiwan Corporate Governance Association               | Compliance with laws- concerted actions and transactions with related parties                             | 3.0    | Yes                         |
|          |                       |                   |   | Trends of Risks under Climate Change - Nature, Water, and Human Rights                                    | 3.0    | Yes                         |
| Director | Kenneth C.M. Lo       | March 10, 2023    | Chinese National Association of Industry and Commerce | Sustainable Transformation Series Courses (I): Challenges and Opportunities in Global Net Zero Transition | 3.0    | Yes                         |
|          |                       | May 3, 2023       |   | Company Governance Response from Technological Trends and Cybersecurity Incidents                         | 1.0    | Yes                         |
|          |                       | August 21, 2023   | Taiwan Corporate Governance Association               | Anti-Money Laundering and Corporate Risk Management   | 2.0    | Yes                         |
|          |                       | November 1, 2023  |   | Integrity in Business Operations and Fair Customer Treatment  | 2.0    | Yes                         |

| Title                | Name                  | Date               | Course Provider   | Course  | Length   | Compliance with Regulations |
|----------------------|-----------------------|--------------------|---|---|--|-----------------------------|
| Director             | Por-Yuan Wang         | July 4, 2023       | TWSE  | 2023 Cathay Sustainable Finance and Climate Change Summit   | 6.0  | Yes                         |
| Director             | Sun-Te Chen           | May 29, 2023       | Taipei Fubon Bank   | Generative AI War Room: Anticipating Trends and Strategizing New Business Opportunities                       | 2.0  | Yes                         |
|                      |                       | July 5, 2023       | Securities and Futures Institute                            | CCP's Political Economy, International Situations, and Cross-Strait Relations                                 | 3.0  | Yes                         |
|                      |                       | October 13, 2023   |   |   | How Directors Supervise the Company in Implementing Enterprise Risk Management and Crisis Handling"          | 3.0                         |
| Director             | Kung-Yi Koo           | December 11, 2023  | Taiwan Corporate Governance Association                     | Trends of Risks under Climate Change - Nature, Water, and Human Rights  | 3.0  | Yes                         |
|                      |                       |                    |   | Compliance with laws- concerted actions and transactions with related parties                                 | 3.0  | Yes                         |
| Director             | Chi-Chia Hsieh        | July 27, 2023      | Corporate Operating and Sustainable Development Association | Protection of Trade Secrets and Prevention and Response to Insider Trading                                    | 3.0  | Yes                         |
|                      |                       | October 26, 2023   |   | Sustainable Governance in Enterprises - Gender Equality and Diverse Decision-Making                           | 3.0  | Yes                         |
| Director             | Chi-Te Chen           | August 29, 2023    | Taiwan Corporate Governance Association                     | Expanding Influence to Drive Sustainable SDGs and Enhance Corporate Value                                     | 3.0  | Yes                         |
|                      |                       | September 19, 2023 |   |   | Management of Corporate Carbon Rights and Carbon Assets in the Operation of Global Carbon Trading Mechanisms | 3.0                         |
| Director             | Chien Wen             | December 11, 2023  | Taiwan Corporate Governance Association                     | Trends of Risks under Climate Change - Nature, Water, and Human Rights  | 3.0  | Yes                         |
|                      |                       |                    |   | Compliance with laws- concerted actions and transactions with related parties                                 | 3.0  | Yes                         |
| Director             | Chun-Ying Liu         | December 11, 2023  | Taiwan Corporate Governance Association                     | Trends of Risks under Climate Change - Nature, Water, and Human Rights  | 3.0  | Yes                         |
|                      |                       |                    |   | Compliance with laws- concerted actions and transactions with related parties                                 | 3.0  | Yes                         |
| Independent Director | Yu-Cheng Chiao        | February 23, 2023  | Taiwan Corporate Governance Association                     | Lessons Learned in Amazon; AI Smart Operations Management and Its Applications                                | 3.0  | Yes                         |
|                      |                       | October 26, 2023   | Taiwan Corporate Governance Association                     | The Rise of Southeast Asia and the Changing Indo-Pacific  | 1.5  | Yes                         |
| Independent Director | Victor Wang           | December 11, 2023  | Taiwan Corporate Governance Association                     | Trends of Risks under Climate Change - Nature, Water, and Human Rights  | 3.0  | Yes                         |
|                      |                       |                    |   | Compliance with laws- concerted actions and transactions with related parties                                 | 3.0  | Yes                         |
| Independent Director | Lynette Ling-Tai Chou | July 4, 2023       | TWSE  | 2023 Cathay Sustainable Finance and Climate Change Summit   | 6.0  | Yes                         |
|                      |                       | August 7, 2023     | Next Commercial Bank Co., Ltd.                              | Advanced Training Course on Anti-Money Laundering for Directors and Senior Management                         | 2.0  | Yes                         |
|                      |                       |                    | Taiwan Academy of Banking and Finance                       | Advanced Course on Fair Customer Treatment Principles and Implementing Integrity in Business Practices        | 2.0  | Yes                         |
|                      |                       | September 27, 2023 | Taipei Foundation of Finance                                | Information Security Awareness Training Program   | 1.0  | Yes                         |
|                      |                       |                    |   | Corporate Governance - Financial Friendly Service Guidelines  | 2.0  | Yes                         |
|                      |                       | December 12, 2023  | Taiwan Corporate Governance Association                     | International Summit on Corporate Governance - Pioneering New Governance Practices to Enhance Corporate Value | 3.0  | Yes                         |
| Independent Director | Mei-Hua Lin           | December 11, 2023  | Taiwan Corporate Governance Association                     | Trends of Risks under Climate Change - Nature, Water, and Human Rights  | 3.0  | Yes                         |
|                      |                       |                    |   | Compliance with laws- concerted actions and transactions with related parties                                 | 3.0  | Yes                         |
| Independent Director | Sherry S. L. Lin      | July 4, 2023       | TWSE  | 2023 Cathay Sustainable Finance and Climate Change Summit   | 3.0  | Yes                         |
|                      |                       | December 11, 2023  | Taiwan Corporate Governance Association                     | Trends of Risks under Climate Change - Nature, Water, and Human Rights  | 3.0  | Yes                         |
|                      |                       |                    |   | Compliance with laws- concerted actions and transactions with related parties                                 | 3.0  | Yes                         |

### 3.3.4 Operations of Remuneration Committee

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

#### (1) Composition of Remuneration Committee

March 20, 2024

| Title                           | Conditions            |  | Professional qualifications and experience  | Independence Status   | Number of Members Serving on the Remuneration Committees of Other Public Companies |
|---------------------------------|-----------------------|--|---|---|--|
|                                 | Name                  |  |   |   |  |
| Convener & Independent director | Yu-Cheng Chiao        |  | The remuneration committee is composed of independent directors of the Company. For more information on the professional qualifications and independence of the independent directors, please refer to page 35 of this annual report, "Directors' Professional Qualification and Independent Directors" | The remuneration committee is composed of independent directors of the Company. For more information on the professional qualifications and independence of the independent directors, please refer to page 35 of this annual report, "Directors' Professional Qualification and Independent Directors" | 0  |
| Independent director            | Victor Wang           |  |   |   | 3  |
| Independent director            | Lynette Ling-Tai Chou |  |   |   | 0  |
| Independent director            | Mei-Hua Lin           |  |   |   | 0  |
| Independent director            | Sherry S. L. Lin      |  |   |   | 0  |

#### (2) Operational Information of Remuneration Committee

- TCC's Remuneration Committee has five members.
- The term of the current Remuneration Committee members is from July 15, 2021 to July 14, 2024. From January 1, 2023 to the date of printing of March 20, 2024, the Remuneration Committee held a total of 9 meetings

| Title            | Name                  | Attendance in person (B) | Attendances by proxy | Attendance rate in person (%) [B/A] | Note |
|------------------|-----------------------|--------------------------|----------------------|-------------------------------------|------|
| Convener         | Yu-Cheng Chiao        | 9                        | 0                    | 100%                                |      |
| Committee member | Victor Wang           | 9                        | 0                    | 100%                                |      |
| Committee member | Lynette Ling-Tai Chou | 9                        | 0                    | 100%                                |      |
| Committee member | Mei-Hua Lin           | 9                        | 0                    | 100%                                |      |
| Committee member | Sherry S. L. Lin      | 8                        | 1                    | 88.9%                               |      |

Other matters to be disclosed:

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

#### (3) Operations of Remuneration Committee

| Meeting Date      | Summary of Significant Proposals  | Proceedings, Resolutions & Opinions of the Committee | The Company's Handling of the Committee's Opinions |
|-------------------|---|--|--|
| January 4, 2023   | The Company's internal managerial staff promotion proposal.   | Passed with all attending committee members.         | All attending directors passed the proposal.       |
|                   | The proposal for 2023 performance-based salary adjustments for the managers in line with that of all employees. | Passed with all attending committee members.         | All attending directors passed the proposal.       |
|                   | The total amount of 2022 performance bonuses for managers of the Company to be set aside.                       | Passed with all attending committee members.         | All attending directors passed the proposal.       |
| February 24, 2023 | The proposal for an internal managerial staff subscription to a treasury stock repurchase plan.                 | Passed with all attending committee members.         | All attending directors passed the proposal.       |

| Meeting Date      | Summary of Significant Proposals  | Proceedings, Resolutions & Opinions of the Committee | The Company's Handling of the Committee's Opinions |
|-------------------|---|--|--|
| March 24, 2023    | The 2022 employee compensation and directors remuneration.  | Passed with all attending committee members.         | All attending directors passed the proposal.       |
|                   | Distribution proposal for chairman and director remuneration for the year 2022.   | Passed with all attending committee members.         | All attending directors passed the proposal.       |
| April 28, 2023    | The proposal for an internal managerial staff subscription to a treasury stock repurchase plan.                         | Passed with all attending committee members.         | All attending directors passed the proposal.       |
| December 21, 2023 | The proposal to establish the 2024 Employee Performance-based Salary Adjustment Plan for the Company.                   | Passed with all attending committee members.         | All attending directors passed the proposal.       |
|                   | The total amount of 2023 performance bonuses (including managers) of the Company to be set aside.                       | Passed with all attending committee members.         | All attending directors passed the proposal.       |
| March 20, 2024    | Proposal to distribute compensation for employees and directors for the fiscal year 2023.                               | Passed with all attending committee members.         | All attending directors passed the proposal.       |
|                   | Proposal for Determining the Distribution Ratio of Compensation for the Chairman and Directors for the Fiscal Year 2023 | Passed with all attending committee members.         | All attending directors passed the proposal.       |

### 3.3.5 Sustainable Development Implementation Status and Differences with the Sustainable Development Guidelines for TWSE/TPEX Listed Companies, as well as Reasons for any Differences

| Promotion items   | Implementation status |    |   | Differences & reasons |
|---|-----------------------|----|---|-----------------------|
|   | Yes                   | No | 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>The promotion of sustainable development and governance framework is directly supervised by the Board of Directors. The related sustainable development affairs are overseen by the Board of Directors, which established the "Corporate Sustainable Development Committee" in 2018, upgraded it to a functional committee in July 2021, and holds at least two meetings per year to approve and supervise sustainable development initiatives.</p> <p>The current TCC Sustainable Development Committee consists of three members, and on December 21, 2023, the Board of Directors resolved to increase the number of members by two (Independent Director Lynette Ling-Tai Chou and Independent Director Sherry S. L. Lin), bringing the total to five members (including three Independent Directors): Chairman An-Ping Chang, President Roman Cheng, Independent Director Victor Wang, Independent Director Lynette Ling-Tai Chou, and Independent Director Sherry S. L. Lin, with a proportion of independent directors accounting for 60%.</p> <p>The committee's convener is Chairman An-Ping Chang, and the members' expertise covers areas such as risk management, operations, energy technology, environmental protection, ESG, etc.</p> <p>Annually, through the reporting content of the Corporate Sustainable Development Committee, the Board of Directors confirms the Company's sustainable development and ESG management policies, supervises and tracks the annual implementation and performance of sustainable development by the management team, and enhances the corporate resilience.</p> <p>In 2022, the Company established a Sustainable Development Office responsible for coordinating and integrating corporate resources to promote sustainable projects and regularly reporting to the Corporate Sustainable Development Committee on the implementation of sustainable initiatives.</p> <p>The Committee has 9 functional subgroups under its jurisdiction, including the "Integrity Governance and Risk Control," "Circular Manufacturing," "Sustainable Environment and Products," "Employee Care," and "Social Care." In response to international trends, four ESG task forces were added: "Financial TCFD," "Information Security," "Sustainable Supply Chain," and "Biodiversity." The functional subgroups are composed of senior personnel and first-level managers from relevant departments cross the Group and are responsible for assigning ESG-related tasks according to departmental functions. The scope of their work extends to the subsidiaries of the Group.</p> | No difference         |



| Promotion items   | Implementation status |    | Differences & reasons |
|---|-----------------------|----|-----------------------|
|   | Yes                   | No |                       |
| 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?   | ✓                     |    | No difference         |
| II. Does the company carry out risk assessments based on the principle of materiality regarding environmental, social and corporate governance issues related to the company's operations to formulate relevant risk management policies or strategies? | ✓                     |    | No difference         |

| Promotion items   | Implementation status |    | Differences & reasons |
|---|-----------------------|----|-----------------------|
|   | Yes                   | No |                       |
| II. Does the company carry out risk assessments based on the principle of materiality regarding environmental, social and corporate governance issues related to the company's operations to formulate relevant risk management policies or strategies? | ✓                     |    | No difference         |
| III. Environmental Issues<br>1 Has the company established a fully appropriate environmental management system in line with its industrial characteristics?   | ✓                     |    | No difference         |
| 2. Is the company committed to improving energy efficiency in its operations and using recycled materials to minimize the impact on the environment?  | ✓                     |    | No difference         |
| 3. Does the company assess all current and future potential risks and opportunities connected to climate change for the enterprise, and take appropriate measures to deal with climate-related issues?  | ✓                     |    | No difference         |


| Promotion items  | Implementation status |    | Differences & reasons |
|--|-----------------------|----|-----------------------|
|  | Yes                   | No |                       |
| 4. Has the company calculated greenhouse gas emissions, water consumption and total waste weight for the past two years, and formulated appropriate policies to maximize energy conservation and carbon reduction, greenhouse gas reduction, water conservation, and other waste management? | ✓                     |    | No difference         |
| IV. Social Issues<br>1. Does the company implement relevant management policies and procedures that are in accordance with current laws and regulations and international human rights conventions?  | ✓                     |    | No difference         |

| Promotion items  | Implementation status |    | Differences & reasons |
|--|-----------------------|----|-----------------------|
|  | Yes                   | No |                       |
| 2. Has the company established and implemented reasonable employee benefits (including salary, leave, and other benefits), and appropriately reflected business performance or results in employee compensation? | ✓                     |    | No difference         |
| 3. Does the company provide employees with a safe and healthy working environment, and regularly implement safety and health education for employees?  | ✓                     |    | No difference         |

| Promotion items   | Implementation status |    | Differences & reasons |
|---|-----------------------|----|-----------------------|
|   | Yes                   | No |                       |
| 3. Does the company provide employees with a safe and healthy working environment, and regularly implement safety and health education for employees? | ✓                     |    | No difference         |
| 4) Has the company established an effective career development training program for employees?  | ✓                     |    | No difference         |

| Promotion items   | Implementation status |    | Differences & reasons |
|---|-----------------------|----|-----------------------|
|   | Yes                   | No |                       |
| 4) Has the company established an effective career development training program for employees?  | ✓                     |    | No difference         |
| 5) In areas such as customer health and safety, customer privacy, marketing and labeling of products and services, does the company follow relevant laws and international standards? Does it follow relevant consumer or customer rights protection policies and complaint procedures? | ✓                     |    | No difference         |



| Promotion items  | Implementation status |    | Differences & reasons   |
|--|-----------------------|----|---|
|  | Yes                   | No |   |
| 6) Does the company have supplier management policies that require suppliers to adhere to relevant norms on issues such as environmental protection, occupational safety and health or labor rights, and ensure that they are carefully followed?  | ✓                     |    | <p>6) TCC has established a supplier management policy and supplier code of conduct, which you can view in the supplier area on the Company's official website:</p>  <p>(1) Since 2020 the Company has held a supplier conference every year, conducting ESG-related education and training during the meeting. In these conferences, suppliers with good sustainable performance are given public recognition. The most recent conference was held September 22, 2023.</p> <p>(2) The Company distributes sustainability questionnaires every year to analyze the performance of suppliers in terms of ESG. After suppliers carry out self-assessments, the Company and external consultants conduct a second review. Companies with scores that do not meet TCC's standards are classified as high-risk manufacturers and are tracked regularly to monitor improvements.</p> <p>(3) A total of 216 suppliers completed sustainability audits in 2023.</p> <p>No difference</p>   |
| V. Does the company refer to internationally recognized standards or guidelines for preparing reports, and provide reports such as sustainability reviews that disclose non-financial information regarding company operations? Have previous disclosure reports obtained assurances or guarantees from a third-party verification unit? | ✓                     |    | <p>Taiwan Cement Corporation's sustainability report follows the Global Reporting Initiative's (GRI) GRI Sustainability Reporting Standards (GRI Standards) "Core Option," GRI "Mining and Metal Industry Sector Supplement," Sustainability Accounting Standards Board (SASB) standards for the construction materials industry, and the Global Cement and Concrete Association (GCCA) standards. Additionally, it refers to the International Financial Reporting Standards (IFRS) S1 and S2 sustainability reporting standards published by the International Sustainability Standards Board.</p> <p>Deloitte performed and provided independent limited assurance for the above criteria of GRI and SASB, based on the Assurance Standards Bulletin No. 1 issued by the Accounting Research and Development Foundation of the Republic of China. This bulletin clarifies the assurance procedures to non-historical financial information and is based on the ISAE (International Standard on Assurance Engagements) 3000 Revised. Besides, the verification was also conducted by the British Standards Institution Taiwan Branch (BSI) in accordance with the GRI Standards and AA1000AS v3 Type I moderate assurance level as well.</p> <p>The assurance items may change depending on current issues each year. Take the 2022 sustainability report, for example. Assurance items included confirmed corruption incidents and actions taken, energy consumption, water usage, air pollution emissions, the volume of waste, the amount of waste disposal and corresponding methods, the situation of occupational safety and health, and the stakeholder engagement with the local community, etc., covering the three major aspects of ESG.</p> <p>No difference</p> |

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

On March 18, 2011, Taiwan Cement Corporation's Board of Directors approved the establishment of the "Taiwan Cement Corporation Corporate Social Responsibility (CSR) Practices Guidelines." Subsequently, revisions to these guidelines were approved by the Board of Directors in December 2011, March 2016, March 2017, March 2020, and August 2020, to strengthen the implementation of corporate social responsibility. The Company regularly reviews its implementation in accordance with these guidelines and uses them as a basis for improvement. To date, there have been no deviations from these guidelines

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



VII. Other important information contributing to understanding the implementation of sustainable development operations:








1. In addition to disclosing related operational details in the "7.7 Sustainability and Climate-related Financial Information Disclosure" section on page 257 of this annual report and publishing a sustainability report, our company has also established a dedicated ESG section on our official website. This section includes information on annual performance and future plans, presented in an easy-to-understand format with visuals and charts, allowing external parties to immediately grasp our concrete performance on sustainability issues.

ESG section (Chinese)

ESG section (English):



2. The company leverages diverse media platforms to enhance communication with the public and engage with various groups, providing real-time updates on sustainability-related activities for maximum impact. Below are links to the company's major social media accounts:

|  |   |  |
|--|---|--|
| 1. Instagram<br>      | 4. YouTube<br>                                 | 7. Hanben Ocean Station Facebook Page<br> |
| 2. WeChat<br>         | 5. Facebook Page: Hoping<br>                   | 8. Earth Helper Facebook<br>              |
| 3. NHQA.TCC LINE<br> | 6. TCC DAKA Micro Travel in Facebook Page<br> | 9. TCC Suao Plant Facebook Page<br>      |

### 3.3.6 Implementation of Climate-Related Disclosure

#### 1. Climate-related information implementation status:

(1) Description of the supervision and governance of climate-related risks and opportunities by the Board of Directors and management:

The Board of Directors of the Company established the "Corporate Sustainable Development Committee" in 2018 and formulated the "Organizational Regulations of TCC Corporate Sustainable Development Committee." In 2021, it was upgraded to a functional committee. The Corporate Sustainable Development Committee is responsible for approving and supervising the implementation of sustainable development initiatives of the Company, including climate governance and low-carbon issues. It convenes meetings at least twice a year and reports to the Board of Directors. Through the reports submitted by the Corporate Sustainable Development Committee to the Board of Directors, the Board can confirm the Company's sustainable development and ESG management policies, supervise and track the implementation and performance of the Company's sustainable development and achievement of goals.

In May 2020, the Board of Directors resolved to establish the "Risk Management Execution Committee" and formulated the "Organization Regulations of TCC Risk Management Execution Committee" and "TCC Risk Management Policy and Principles." The president serves as the highest management responsible person for climate-related issues.

The Committee regularly identifies and manages risks in the Company's operations, including physical and transitional risks that may arise from climate change. It leads the planning of corresponding measures and implements risk management decisions approved by the Board of Directors. It supervises the establishment



of the framework for TCC's risk management mechanism, reviews risk control reports submitted by internal hierarchical units, handles risk management-related issues, and supervises the execution and coordination of overall risk management.

It also reports the execution of risk control to the Board of Directors at least once a year. Providing reference information for the Board's decision-making about the Company's strategies, major transactions, and risk management process. It also supervises and tracks the execution of risk management by the management team (including ESG and climate-related risks) and the achievement of goals.

In 2023, the Company established climate-related performance indicators and targets, which were approved by the Board of Directors. The Risk Management Executive Committee is responsible for regularly reporting the achievement of these indicators to the Board. The performance evaluation of the president, in addition to being linked to compensation indicators, also incorporates goals related to the development of a circular economy and the achievement of sustainable circulation.

(2) Description of how identified climate-related risks and opportunities affect the company's business, strategy, and finances (short-term, medium-term, long-term):

Every two years, TCC assesses climate risks and opportunities in accordance with the TCFD framework; the scope includes our cement business (including concrete) in Taiwan and Mainland China. The primary consideration is the concentration of carbon emissions in the cement sector of the Group, with revenues from these two regions accounting for 62.77% of the total consolidated revenue in 2023. Through collaboration between senior management of various departments and external consultants, we identify transitional and physical risks, as well as derived opportunities, by examining external changes and trends in policies, regulations, markets, and climate disasters, along with internal operational strategies.

In response to the operational impacts of global warming and extreme weather events, the Company has incorporated climate risks into its overall risk management policy and followed TCFD guidelines and industry recommendations. In the fiscal year 2022, the Company identified 11 key climate risks and 7 derivative opportunities. In the fiscal year 2023, the Company continued to utilize the identification results.

In addition to taking stock of existing specific response strategies and adaptation measures, the Company formulated and integrated them into six major climate actions:

- low-carbon cycles;
- disaster adaptation;
- supply chain collaboration;
- low-carbon products;
- research and development innovation; and
- new energy businesses,

based on the scope and duration of risk and opportunity impacts. These actions serve as the foundation for the Company's transformational layout, strengthening its operational resilience.

Depending on the duration and impact of the risks and opportunities, the Company has devised response measures and strategies. A summary of the impact of climate change risks and opportunities is as follows:

| Risks  | Opportunities                               | Financial Impact                        |                                      | Climate Actions  | Period     |
|--|---|---|--------------------------------------|--|------------|
|  |   | Risks                                   | Opportunities                        |  |            |
| Carbon Trading under carbon emission quotas; Carbon Fees; Carbon Taxes | Participation in carbon trading market      | Increased costs                         | Increased revenue                    | Carbon Trading under carbon emission quotas; Carbon Fees; Carbon Taxes | Short-term |
| Renewable Energy Regulations and Procurement                           | Participation in electricity trading market | Capital expenditures<br>Increased costs | Increased revenue<br>Decreased costs |  |            |

| Risks   | Opportunities   | Financial Impact                       |                                      | Climate Actions   | Period     |
|---|---|--|--------------------------------------|---|------------|
|   |   | Risks                                  | Opportunities                        |   |            |
| Phase-Out of the Coal-Fired Ho-Ping Power Plant   | Deployment of new energy projects   | Decrease in revenue<br>Increased costs | Increased revenue<br>Decreased costs | Low-Carbon Circular Development of New Energy Business  | Mid-term   |
| Breakthroughs in Carbon Capture and Storage (CCS) Advanced Technology                               | Application of enriched oxygen and pure oxygen combustion technology for carbon capture & reuse         | Capital expenditure<br>Increased costs | Decreased costs                      | Research and innovation   | Long-term  |
| Investment in Low-Carbon Technology, Equipment, and Management Costs                                | Smart and low-carbon production; co-processing of waste<br>Expanding the market for low-carbon products | Capital expenditure<br>Increased costs | Increased revenue<br>Decreased costs | Low-Carbon Circular Low-Carbon Products<br>Supply Chain Collaboration   | Short-term |
| Rising Prices of Raw Materials and Energy   |   |  |                                      |   | Mid-term   |
| Impact on the Company's Reputation  | Attract the long-term investors   | Reduced available funds                | Increased available funds            | Low-Carbon Circular Disaster Adaptation<br>Supply Chain Collaboration<br>Low-Carbon Products<br>Research and Innovation<br>Development of New Energy Business | Short-term |
| Affecting the Support Intensity for Investments, Financing, and Insurance by Financial Institutions |   |  |                                      |   |            |
| Floods (Production)   |   |  |                                      |   |            |
| Changes in Precipitation Patterns and Extreme Variations in Climate Models (Transportation)         | —   | Decrease in revenue<br>Increased costs | —                                    | Disaster Adaptation<br>Supply Chain Collaboration   | Short-term |
| Drought (Production)  |   |  |                                      |   |            |

(3) Describe the financial impact of extreme weather events and transformational actions:

In response to the operational impacts of global warming and extreme weather events, the Company has incorporated climate risks into its overall risk management policy. For detailed information, please refer to item (2) for explanation.

(4) Describe how the identification, assessment, and management process of climate risks are integrated into the overall risk management system:

To adapt to the rapid shifts in policy, market dynamics and the significant uncertainty of climate change, the Company leverages the identification and assessment of climate risks. This approach aims to grasp and estimate the impacts that various climate scenarios might entail. We have developed six major climate actions for proactive response.

The Board of Directors serves as the supreme decision-making entity for risk management, tasked with reviewing risk management policies and overseeing their implementation. Risk issues are scrutinized and analyzed across seven key areas—operations, finance, legal compliance, human resources, national concerns, cybersecurity, and ESG—aligned with the Company's business scope. Climate change risks are fully integrated into TCC's comprehensive risk management framework.

The process for managing climate risks and opportunities is as follows:

| 1. Risk and Opportunity Identification   | 2. Risk and Opportunity Assessment  | 3. Adaptation and Mitigation  | 4. Supervision and Monitoring   |
|--|---|---|---|
| <ul style="list-style-type: none"> <li>Based on previous risk and opportunity identification, international scientific and technological reports, local regulatory requirements, and industry trends, update relevant climate issues.</li> </ul> | <ul style="list-style-type: none"> <li>Convening cross-departmental workshop meetings to understand the substantial impacts, occurrence timings, origins, and potential financial effects of each risk and opportunity on TCC. (Note)</li> <li>Analyzing and evaluating questionnaires, and incorporating insights from external experts and senior executives, to identify key risks and opportunities.</li> <li>Analyze questionnaire results and incorporate input from external experts and senior management to identify key risks and opportunities.</li> </ul> | <ul style="list-style-type: none"> <li>Linking climate policies, operational production, product services, and external communications to existing climate mitigation and adaptation strategies, and formulating six major climate actions for implementation.</li> </ul> | <ul style="list-style-type: none"> <li>Regularly convene meetings to assess the progress of the six major climate actions aimed at addressing risks and opportunities, monitor carbon reduction efforts across all plants via the carbon management platform, and have the Risk Management Executive Committee submit reports on risk control to the Board of Directors.</li> </ul> |
| <p><b>Outcomes:</b><br/>Identified 13 key risks and 8 derived opportunities for the company in 2022, categorized according to the TCFD framework.</p>  | <p><b>Outcomes:</b><br/>Distributed 16 internal assessment questionnaires, ultimately identifying 11 key risks and 7 derived opportunities.</p>   | <p><b>Outcomes:</b><br/>The six major climate actions.</p>  | <p><b>Outcomes:</b><br/>Management indicators and the performance of various non-financial metrics for the six major climate actions.</p>   |

Note: The threshold for financial impact significance divides the level of impact into five categories, reflecting TCC's risk tolerance: Very High, High, Moderate, Low, and Very Low. The financial significance criteria correspond to the effects on assets, revenue, or costs, with classification based on the average of the last three years' consolidated pre-tax net profits exceeding 15%, between 10% and 15%, between 5% and 10%, between 0.1% and 5%, and 0.1% or less, respectively, as the grading standards.

(5) If using scenario analysis to evaluate resilience against climate change risks, it's necessary to detail the scenarios utilized, parameters, assumptions, analysis factors, and primary financial impacts involved:

The Company has carried out a climate risk scenario analysis and evaluation focusing on carbon pricing, carbon emission regulation, and extreme weather events, following the supplementary guidance recommended for the building materials sector by the TCFD.

**For the climate risk scenario related to carbon pricing and carbon emission regulations:**

TCC has analyzed the regulatory trends for greenhouse gas emissions in its primary operating countries by using three scenarios: the Stated Policies Scenario (STEPS), the Announced Pledges Scenario (APS), and the Net Zero Emissions by 2050 Scenario (NZE2050). These scenarios help evaluate the trends in carbon pricing and their potential financial impacts on the Company.

**For extreme weather climate risk scenarios:**

Considering the geographic locations of its operations and the potential risks from floods, droughts, typhoons, and high temperatures to its operational sites, the Company has selected the Low Emissions Mitigation Scenario (SSP1-2.6) and the High Emissions Impact Scenario (SSP5-8.5) for evaluation. These scenarios assess the financial impacts on the Company. Following the integration of these scenario analysis results, resilience strategies are taken into account, leading to active adjustments in the Company's mitigation and adaptation responses.

The table below summarized the assumptions regarding the various risks and different scenarios:

| Risk Types   | Selected Scenario   | Key Parameters  | Assessment Content  |
|--|---|---|---|
| Transition Greenhouse Gas Regulation and Carbon Pricing Policy | IEA Stated Policies Scenario (STEPS) - Established Policy Scenario (Note 1) | Assumed carbon prices under different scenarios for the operational locations or regions (Note 2) | Evaluate the corresponding carbon pricing trends and the potential operational impacts of carbon-related expenditures within 5-10 years, under scenarios of limiting temperature increases to approximately 2.5°C, 1.7°C, and 1.5°C. This assessment also considers the carbon regulation laws in the areas of operation. |
|  | IEA Announced Pledges Scenario (APS) - Commitment Target Scenario (Note 1)  |   |   |
|  | IEA NZE 2050 - Net Zero Emissions by 2050 Scenario                          |   |   |

| Risk Types  | Selected Scenario                   | Key Parameters  | Assessment Content   |
|---|-------------------------------------|---|--|
| Physical<br>Floods, droughts, typhoons, and long-term climate pattern changes | IPCC-AR6 SSP1-2.6, SSP5-8.5 (Note3) | Duration of droughts caused by extreme weather, variations in precipitation indices, frequency of typhoons, and the number of days with extreme high temperatures | Assessing the operational impacts of intensified droughts and the rise in severe typhoons caused by extreme climate conditions under the highest warming scenarios, potentially leading to increased costs for alternative transportation and equipment maintenance by the mid-century.<br><br>Assessing the changes in risks associated with extreme climate events, including high temperatures, floods, and droughts, under scenarios of ideal warming mitigation or maximum warming control. |

Note 1: Referencing the International Energy Agency (IEA) World Energy Outlook 2022 (WEO) for the STEPS and APS scenarios, representing current policy settings incorporating specific policies implemented by governments to control carbon emissions, with carbon pricing trends and reduction pathways indicating a global average temperature increase of approximately 2.5°C by the end of the century, and reflecting government climate commitments, including Nationally Determined Contributions (NDCs) and long-term net-zero targets, leading to a global average temperature increase of around 1.7°C.

Note 2: Carbon price assumptions are based on sources such as the World Energy Outlook 2022 and the Carbon pricing options for Taiwan 2020 from the Taiwan Environmental Protection Agency, excluding preferential carbon fee rates.

Note 3: Referring to the Intergovernmental Panel on Climate Change (IPCC) 6th Assessment Report 2021, the SSP1-2.6 and SSP5-8.5 scenarios are utilized. SSP1-2.6 represents a low greenhouse gas emissions scenario, where global CO<sub>2</sub> emissions are significantly reduced, achieving net-zero emissions after 2050, resulting in a global temperature increase of 1.8°C by the end of the century. SSP5-8.5, on the other hand, represents a very high greenhouse gas emissions scenario, assuming high emissions and substantial coal use growth, leading to a temperature increase of 4.4°C by the end of the century.

(6) If a transformation plan exists for managing climate-related risks, please outline the details of the plan, including the indicators and objectives for identifying and managing both physical and transitional risks.

TCC has made climate commitments based on the strictest scientific standards, setting a comprehensive carbon reduction strategy that includes achieving net zero by 2050, concrete carbon neutrality, and Science-Based Targets (SBT) for carbon reduction by 2025 as pathways. The strategy aims to implement carbon reduction in both operations and products of the cement business. Additionally, by expanding the green energy business, we aim to provide a range of green energy solutions to nations, cities, corporations, and EV holders, thus boosting the societal shift towards energy transformation.

Accordingly, TCC has formulated suitable indicators for this diverse strategy and established ambitious targets. We continuously monitor progress toward these targets annually, applying a stringent review process to evaluate outcomes. This method allows us to effectively manage climate-related risks and opportunities.

Climate-related indicators and targets are as follows:

| Indicators  | 2025 Targets     | 2030 Targets | 2050 Targets               |
|---|------------------|--------------|----------------------------|
| Greenhouse Gas Reduction   Taiwan   | 0.758 (SBT -11%) | 0.585 (-31%) | —                          |
| Greenhouse Gas Reduction   Mainland China   | 0.651 (-11%)     | 0.585 (-20%) | Concrete Carbon Neutrality |
| Greenhouse Gas Reduction   Taiwan and Mainland China (Weighted Average) (Base Year 2016   tons CO <sub>2</sub> e / ton of Cementing Material) | 0.663            | 0.585        | —                          |
| Water Withdrawal Intensity Reduced   Taiwan   | 0.000264         | 0.000240     | 0.000192                   |
| Water Withdrawal Intensity Reduced   Mainland China (Base Year: 2016   Million Liters per Metric ton of Cementing Material)                   | 0.000263         | 0.000245     | 0.000192                   |
| Alternative Fuel Calorific Value Replacement Rate   Taiwan  | 35%              | 45%          | 50%                        |
| Alternative Fuel Calorific Value Replacement Rate   Mainland China  | 35%              | 45%          | 50%                        |
| Alternative Raw Material Ratio   Taiwan   | 28%              | 35%          | 40%                        |
| Alternative Raw Material Ratio   Mainland China   | 30%              | 40%          | 45%                        |

| Indicators  | 2025 Targets                          | 2030 Targets | 2050 Targets |
|---|---------------------------------------|--------------|--------------|
| Accumulated Installed Renewable Energy Capacity   Taiwan and Mainland China       | Manage 500 MW                         | Manage 700MW | Manage 1GW   |
| Carbon Capture R&D Expenditure (Taiwan Dollar, starting from 2011)                | Accumulated investment of 1.3 billion | -            | -            |
| Carbon Capture (10,000 tons/year)   | -                                     | 10           | 160          |
| Proportion of effective Carbon Emission Data Collection from First-Tier Suppliers | -                                     | 90%          | -            |

(7) If internal carbon pricing is used as a planning tool, the basis for price determination should be explained.

To enhance the enforcement and management of carbon reduction targets across the plants, TCC has adopted stringent scientific standards from a 2020 study by the London School of Economics and Political Science, commissioned by the Environmental Protection Administration (renamed the Ministry of Environment). This study on Taiwan's carbon pricing system led to setting an internal carbon price of NT\$300 per ton as a benchmark for capital investments, operational transformation, and key decisions. For instance, the investment in adding fly ash equipment at the Hoping Plant was evaluated against this internal carbon price, projecting carbon reduction benefits of NT\$9 million annually.

Furthermore, from July 2022, the Company has initiated a pilot for an internal carbon trading platform within cement factories, drawing inspiration from the Guangdong carbon emission rights trading pilot and the EU Emission Trading Scheme. This approach, rooted in the Taiwan Cement Corporation Group's total carbon emission control strategy, involves the headquarters allocating annual carbon emission quotas to each cement plant based on their quarterly performance goals. This system is supported by an internal carbon trading information platform, which offers short-term carbon price references from Guangdong and long-term references from internal carbon pricing for independent bidding and transaction matching, culminating in year-end settlement transactions. Headquarters regularly reviews the outcomes to optimize the mechanism's operation, thereby encouraging each plant towards achieving carbon reduction objectives and advancing the Group's overall carbon management efforts.

Annually, the Company leverages an AI-based carbon management platform to automate the calculation of carbon emissions from raw materials and energy usage at the production level. This analysis identifies emission hotspots and offers reduction strategies, while managing the carbon reduction KPIs linked to compensation, affecting bonuses for executives and staff. This system is planned to progressively encompass core operations, extending its reach to oversee the conglomerate's total greenhouse gas emissions.

(8) If climate-related goals are set, details should be provided on the covered activities, scope of greenhouse gas emissions, planning timeframe, annual progress, etc. If carbon offsetting or Renewable Energy Certificates (RECs) are used to achieve these goals, information should be provided on the source and quantity of carbon offsets or the number of RECs exchanged:

The climate-related indicators and goals of TCC were shown in the item (6); The Company primarily focuses on reduction as its main approach and does not use carbon offsetting or RECs to achieve its goals.

## 2.Greenhouse Gas Inventory and Verification Status for the Past Two Years

### (1) Greenhouse Gas Inventory Information

The Most Recent Two-Year Greenhouse Gas Emissions (tons CO<sub>2</sub>e), Intensity (metric tons CO<sub>2</sub>e per million NT dollars), and Data Coverage Scope.

#### Basic Information of Taiwan Cement Corporation

- Companies with a capital of over NT\$10 billion, Steel Industry, or Cement Industry
- Companies with a capital of over NT\$5 billion but less than NT\$10 billion
- Companies with a capital of less than NT\$5 billion

#### According to the Sustainable Development Roadmap for Listed Companies, disclosure should include at least:

- Individual GHG inventory of the parent company
- GHG inventory of consolidated entities
- Assurance provided to the parent company's GHG inventory
- Assurance provided to the consolidated entities' GHG inventory

| FY 2023        |  |  | FY 2022                                  |  |
|----------------|--|--|--|--|
| Scope 1        | Total emissions (tons CO <sub>2</sub> e) | Intensity (tons CO <sub>2</sub> e/NT\$ millions) | Total emissions (tons CO <sub>2</sub> e) | Intensity (tons CO <sub>2</sub> e/NT\$ millions) |
| Parent company | 3,459,537                                | 1,329  | 4,314,312                                | 1,701  |
| Scope 2        | Total emissions (tons CO <sub>2</sub> e) | Intensity (tons CO <sub>2</sub> e/NT\$ millions) | Total emissions (tons CO <sub>2</sub> e) | Intensity (tons CO <sub>2</sub> e/NT\$ millions) |
| Parent company | 195,664                                  | 75   | 218,480                                  | 86   |
| Scope 3        | 530,904 (tons CO <sub>2</sub> e)         |  | 17,428 (tons CO <sub>2</sub> e)          |  |

Note 1: The coverage for Scope 1 (direct emissions) and Scope 2 (energy indirect emissions) data includes the Company's cement and concrete operations in Taiwan. This encompasses the Cement Manufacturing Division's Hoping and Su'ao plants; ready-mix concrete manufacturing plants in Taipei, Taichung, and Kaohsiung, along with their 21 locations; and the Kaohsiung and Taichung port shipping stations. In 2023, the inventory was expanded to include the Hualien shipping station. The scope also covers the group's operational headquarters and the Low Carbon Research and Development Center.

Note 2: The intensity for the years 2023 and 2022 was calculated using the standalone net revenues of Taiwan Cement Corporation, which were NT\$26,021,513 thousand and NT\$25,360,898 thousand, respectively.

Note 3: For the years 2023 and 2022, the data for Scope 1 (direct emissions), Scope 2 (energy indirect emissions), and Scope 3 (other indirect emissions) of the Company were verified by third-party organizations, including the British Standards Institution Pacific Limited Taiwan Branch (BSI) and the Taiwan Inspection Technology Corporation (SGS). Certificates related to these verifications are accessible on the Company's official website under the sustainability certification page. However, the Scope 3 data for the Hoping and Su'ao plants of the Taiwan Cement Corporation's Cement Manufacturing Division for the year 2023 were not verified by a third party by the time of this annual report's publication. A preliminary estimate of these emissions stands at 349,534 tons of CO<sub>2</sub>e. Should there be any discrepancy between this preliminary figure and the final verified data, the third-party certificates disclosed on the company's website will prevail.

Note 4: Regarding Scope 3 emissions, the Company has audited and verified partial emissions from upstream and downstream transportation (Category 3) for cement and product manufacturing plants. Additionally, based on the outcomes of materiality assessments, the headquarters and the Low Carbon Research and Development Center have surveyed certain purchased goods and services (Category 4) and downstream leases (Category 5). It is important to clarify that the Scope 3 emissions categories disclosed by the Company do not encompass all 15 categories as specified by the GHG Protocol guidelines.

Note 5: The reason for the increase in Scope 3 emissions in 2023 compared to 2022 is that the 2022 assessment only accounted for cement factories and office locations within Taiwan, while the 2023 assessment expanded to include additional scope items and locations.

### (2) Assurance Information

As of the date of this annual report's publication, the assurance details for the greenhouse gas emissions over the two most recent years include the scope of assurance, the assuring body, the assurance standards, and the assurance opinions provided.

2023: Complete greenhouse gas assurance opinion for the greenhouse gas data was not obtained before the printing date of the annual report. The complete assurance information will be disclosed in the 2023 Sustainable Report of the TCC Group.

2022: Taiwan Cement Corporation reported total greenhouse gas emissions of 4,532,792 metric tons of CO<sub>2</sub>e, which constituted 100% of the parent company's total emissions. This data was assured by Deloitte & Touche following the ISAE 3000 Revised standards, with a limited assurance opinion provided.

### (3) Greenhouse Gas Emission Reduction Targets, Strategies and Specific Action Plans

Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, and specific action plans, as well as the status of achieving reduction targets.

- In line with the SBT, Taiwan Cement Corporation has set its greenhouse gas baseline year as 2016. The emission intensity for that year was 0.849 (tons CO<sub>2</sub>e / ton of cementing material), with total emissions amounting to 4,621,312 tons CO<sub>2</sub>e. These greenhouse gas emission figures are audited annually by a third party as mandated by the Environmental Protection Administration and are disclosed in the TCC's ESG report.



2. The Company's greenhouse gas reduction target aligns with the internationally recognized SBT, setting 2025 as the target year for achieving an 11% decrease in carbon emissions intensity.
3. Our greenhouse gas reduction strategy aligns with that of the international cement industry, incorporating specific action plans such as increasing the use of alternative materials, boosting alternative fuel usage, enhancing waste heat generation technology, improving process equipment, establishing renewable energy installations, and developing carbon capture technologies. These measures have enabled us to achieve approximately 50% of our reduction target compared to the baseline year. Furthermore, Taiwan Cement Corporation continues to advance carbon reduction technologies, and in 2023, we introduced low-carbon products that reduce emissions without compromising strength or safety, committing to a collaborative effort in carbon reduction across related industries.

### 3.3.7 Situation of Implementing Ethical Corporate Management and Discrepancies and Reasons Compared to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies

| Assessment Items   | Implementation Status |   |   | Discrepancies and the Reasons |
|--|-----------------------|---|---|-------------------------------|
|  | Y                     | N | Summary Description   |                               |
| I. Establishment of ethical corporate management policies and programs<br>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?   | ✓                     |   | 1. To establish a culture of integrity in business operations and promote healthy development, the Company resolved and established the "Ethical Corporate Management Best Practice Principles" during the board meeting held on March 18, 2011. 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. | No difference                 |
| 2. Does the Company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies? | ✓                     |   | 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. The Company has established internal procedures with relevant regulations in accordance with the "Ethical Corporate Management Best Practice Principles". Please refer to the "Investors" - "Corporate Governance" - "Corporate Integrity" section on the Company's official website for details.  | No difference                 |
| 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 has established the "Ethical Corporate Management Best Practice Principles", the "Code of Ethics", the "Reporting Mechanism for Violation of Code of Conduct", the "Anti-Corruption and Anti-Bribery Policy", the "Procedure of Anti-Corruption and Anti-Bribery Training Program", and the "Procedures for Handling Material Inside Information" to prevent dishonest behavior. We implement and enforce these relevant operational norms, and regularly review and revise the operational norms or submit them to the board of directors for discussion and revision.  | No difference                 |
| II. To implement integrity management<br>1. Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?   | ✓                     |   | 1. For business partners, the Company conducts due diligence procedures on corruption and bribery risks for initial cooperation or regularly as a basis for evaluating the subsequent cooperation relationship with the business partner. The Company has established the "Integrity Commitment Statement" which is attached to the signed contract to require the promisors to abide by all integrity standards set by TCC Group, and confirm that they have read TCC Group's "Ethical Corporate Management Best Practice Principles", the "Anti-Corruption and Anti-Bribery Policy", the "Supplier Corporate Social Responsibility Code of Conduct", etc. Furthermore, the promisors guarantee that they will require their responsible persons, managers, employees, agents, affiliates, or users to strictly adhere to the obligations of this commitment clause.   | No difference                 |

| Assessment Items   | Implementation Status |   |   | Discrepancies and the Reasons |
|--|-----------------------|---|---|-------------------------------|
|  | Y                     | N | Summary Description   |                               |
| 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? | ✓                     |   | <p>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 (highest), and various units have been established under the committee, which must regularly report to the Board.</p> <p>The Company also started to operate ISO 37001 anti-corruption and anti-bribery management systems on April 1, 2021 and established "Anti-corruption and Anti-bribery Task Force" 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, which has been reported to the board of directors on November 10, 2023.</p> <p>2) The Company implements the policy of ethical corporate management, and the relevant implementation status in 2023 is as follows:</p> <p>(1) On March 24, 2023, the "Legal Director" reported to the Audit Committee and the Board of Directors on the management system objectives and plans, the results of risk assessments, and the internal audit proposals put forward by the task force for 2023. The completion of these tasks was scheduled to be done by June of the same year.</p> <p>(2) The internal audit operation was completed on June 15, 2023. The "Anti-Corruption and Anti-Bribery Task Force" summarized and organized the audit findings. Preliminary improvement plans have been formulated targeting those business partners who do not cooperate with the risk assessment and due diligence operation, supplier file process integration supplier investigation operation, and measures for exemption of overdue default penalties for suppliers.</p> <p>(3) On July 4, 2023, the "Anti-Corruption and Anti-Bribery Task Force" held a "Management Review Meeting." It presented preliminary improvement plans to the general manager and invited external consultants to assist in auditing operations for a briefing. The meeting directed that the management system should be accelerated towards online integration and could consider adopting a supply platform model to gradually integrate supplier evaluation and investigation operations, master file establishment, bidding, regulatory review, and bid opening in the future.</p> <p>(4) The annual review by the external certification unit was completed on July 6, 2023. The ISO 37001 system operation has been effectively maintained, and all new employees of the Company have signed the "Code of Conduct and Ethics Declaration," achieving a 100% compliance rate.</p> <p>In addition, all directors, executives, and employees of the Company have completed the signing of the "Code of Conduct and Ethics Declaration" (directors) (employees). The total number of signatories exceeds 1,300. For middle and high-risk managers involved in business dealings with suppliers and customers, an additional "Job Class Code of Integrity" (middle- and high-risk managers) was signed in addition to the "Code of Conduct and Ethics Declaration" with a signing rate also reaching 100%.</p> <p>(5) On July 10, 2023, the employees of the General Affairs Division conducted an online policy advocacy and educational training course on ISO 37001 anti-corruption and anti-bribery management systems, including detection indicators of corrupt behavior, management of interactions with the public sector, and guidelines for receiving hospitality/gifts. The response rate for viewing the tutorial materials and completing the post-training assessment reached 100%.</p> <p>(6) The "Anti-Corruption and Anti-Bribery Task Force Meeting" was convened in early October 2023 to track the implementation of improvement measures proposed in the audit operations. Comprehensive procedures were prepared to address business partners who do not cooperate with risk assessments and due diligence investigations, and work plans were arranged according to the instructions of the "Management Review Meeting."</p> <p>(7) On November 10, 2023, the "Legal Director" reported to the Audit Committee and the Board of Directors on the tracking conclusions of the audit report and improvement matters, as well as the various measures proposed in response to the audit results.</p> | No difference                 |
| 3. Whether the Company has established policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly  | ✓                     |   | 3. The "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.  | No difference                 |



| Assessment Items  | Implementation Status |   |  | Discrepancies 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. The shipping anomalies generated by GPS track management of goods flow have been repeatedly detected for smuggling and penalties, and have been tracked and improved, resulting in a decrease in dishonest behavior. Also, there were many instances in generator rooms in the past where on-duty personnel left their posts or were caught sleeping on the job, showing a lack of risk awareness. After repeated audits and follow-ups, there has been a significant improvement in the conduct of on-duty personnel in generator rooms.   | No difference                 |
| 5. Does the Company provide internal and external ethical conduct training programs on a regular basis?   | ✓                     |   | 5. To enhance high standards of integrity, the Company regularly promotes the Ethical Corporate Management Best Practice Principles to directors, managers, employees, and business partners. The implementation status in 2023 was as follows:<br><br>1. In 2023, the Company conducted training related to integrity management issues, including "ISO 37001 education and training for anti-corruption and bribery management systems operation mechanisms," "ISO 37001 education and training for task force members," "Introduction and implementation of procedures for controlling related party transactions," and "Interest relationship between insider trading and directors/ supervisors and explanation of case studies," for directors, managers, and employees through physical and online learning methods. A total of 1,640 participants attended online and physical sessions with a total course duration of 9 hours.<br><br>2. The annual review by the external certification unit was completed on July 6, 2023. The ISO 37001 system operation has been effectively maintained, and all new employees of the Company have signed the "Code of Conduct and Ethics Declaration," achieving a 100% compliance rate.<br><br>In addition, all directors, executives, and employees of the Company have completed the signing of the "Code of Conduct and Ethics Declaration". The total number of signatories exceeds 1,300. For middle and high-risk managers involved in business dealings with suppliers and customers, an additional "Job Class Code of Integrity" (middle and high-risk managers) was signed in addition to the "Code of Conduct and Ethics Declaration", with a signing rate also reaching 100%.<br><br>Please refer to the "Investors" - "Corporate Governance" - "Operations" - "Employee Training and Education" section on the Company's official website for the above-mentioned course information | No difference                 |
| III. Operation of the Company's Reporting Mechanism   |                       |   |  |                               |
| 1. Has the company established specific reporting and reward systems, set up convenient reporting channels, and assigned appropriate personnel to handle reported cases?  | ✓                     |   | 1. The Company has established the "Reporting Mechanism for Violation of Code of Conduct". Although specific reward systems have not been set up, any illegal or unethical behavior is encouraged to be reported. The advocacy of ethical values is emphasized, and the employees are encouraged to report to the Audit Office when they suspect or discover any violations of laws, regulations, or the Code of Ethics. In addition to the aforementioned reporting channels, whistleblowers may also choose to report to the Company's audit committee in order to assign appropriate personnel for different targets of the report, if the matters reported by internal and external personnel involve senior managers of the Company.  | No difference                 |
| 2. Has the company established standard operating procedures for investigating the complaints received, as well as follow-ups after investigations are completed, and has the Company ensured these investigations are handled confidentially?  | ✓                     |   | 2. The Company established the "Reporting Mechanism for Violation of Code of Conduct" 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.  | No difference                 |

| Assessment Items   | Implementation Status |   |   | Discrepancies and the Reasons |
|--|-----------------------|---|---|-------------------------------|
|  | Y                     | N | Summary Description   |                               |
| 3. Does the company take measures to protect whistleblowers from being subjected to retaliation for their reports?   | ✓                     |   | 3. The "Reporting Mechanism for Violation of Code of Conduct" set up by the Company has established the whistleblower confidentiality policy, and has handled these reported infractions with the utmost confidentiality. Furthermore, whistleblowers are promised that they will be protected from any improper treatment related to their whistleblowing, so that the employees are aware that the Company will do its utmost to ensure the safety of those who report in good faith. | No difference                 |
| IV. Strengthening information disclosure<br>Does the company disclose its guidelines on the Ethical Corporate Management Best Practice Principles as well as information about implementation of such guidelines on its website and Market Observation Post System (MOPS)? | ✓                     |   | The Company's official website ( <a href="https://www.taiwancement.com">https://www.taiwancement.com</a> ) has a dedicated section titled "Investors" - "Corporate Governance" - "Corporate Integrity", where the Company's commitment to integrity in operations is clearly disclosed. Both English and Simplified Chinese versions of the webpage are available.  | No difference                 |

V. According to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," if a company has its own code of conduct for ethical operation, please describe the differences between its operation and the established code of conduct. 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 the Principles. The Audit Office is responsible for monitoring the implementation of TCC's ethical corporate management policies. The operation and the Ethical Corporate Management Best Practice Principles established by the Company are implemented step by step in accordance with the provisions of "the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies". Subsequently, the 26th meeting of the Company's 23rd Board of Directors resolved to align the provisions of the "Ethical Corporate Management Best Practice Principles" whistleblowing system with the Company's "Reporting Mechanism for Violation of Code of Conduct" to enhance access rights to whistleblowing information. Furthermore, the "Reporting Mechanism for Violation of Code of Conduct" was amended in the 6th meeting of the Company's 24th Board of Directors. As a result, complaints from individuals of different levels are now handled by the corresponding units, and the Audit Committee has been added outside the Company's Audit Office to serve as a reporting channel for senior managers as the accused to strengthen the whistleblowing communication channel.

VI. Other important information facilitating a better understanding of the Company's ethical corporate management policies: (such as the Company's review and revision of the Ethical Corporate Management Best Practice Principles)  
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. The Company has disclosed ethical corporate management policies on the regulations section of the official website, and detailed the specific practices, prevention measures for dishonest behavior, implementation status, and measures.

### 3.3.8 The query mode, if the company has established corporate governance guidelines and related regulations

The amendments to the "Application for Suspension and Resumption of Trading Procedures" were approved in the 22nd meeting of the Company's 8th Board of Directors, the amendments to the "Corporate Social Responsibility Best Practice Principles" were approved in the 19th meeting of the 23rd Board of Directors, and the amendments to the "Corporate Governance Guidelines" were approved in the 16th meeting of the 23rd Board of Directors.

The Code of Ethics and the Ethical Corporate Management Best Practice Principles were revised and established in the 5th meeting of the 22th Board of Directors of the Company. The Ethical Corporate Management Best Practice Principles were revised and established by the Shareholders Meetings of the Company on July 5, 2011. NHOA S.A., a corporate group, approved the Code of Ethics in a board meeting on October 12, 2021.

Regarding the Code of Ethics and other related regulations, please refer to the "Investors" section on the Company's website to inquire about the relevant regulations on corporate governance and other content. The website address is as follows:



### 3.3.9 Other important information that can enhance understanding of the operation of corporate governance

1. The Company discloses material information in a timely manner and regularly holds investor conferences.
2. The 14th meeting of the 20th Board of Directors approved the Code of Ethics, the Ethical Corporate Management Best Practice Principle and the Corporate Social Responsibility Best Practice Principles.
3. Adhering to the principles of openness, transparency, and integrity, the Company issues a sustainability report annually to faithfully express the engagement with stakeholders and the commitment to sustainability issues.
  - (1) Internal audit: The data or information disclosed in this report is provided by each relevant department and verified by the ESG 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.
  - (2) External audit: Deloitte & Touche (Deloitte Taiwan) conducted an independent limited assurance on GRI and SASB indicators, in accordance with the Standards on Assurance Engagements (TWSAE) 1 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" published by the Accounting Research and Development Foundation (based on ISAE 3000 Revised). Additionally, The British Standards Institution Taiwan Branch (BSI) verified compliance with GRI Standards and AA1000AS v3 Type 1 Moderate level of assurance.


The sustainability report is disclosed on the Company's website and on MOPS.

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

| Job Title   | Name   | Organization  | Course   | Date                | Length (hours) |
|---|--|---|--|---------------------|----------------|
| Senior Assistant Vice President and Chief Accounting Officer                        | Guo-Hong Yeh   | Accounting Research and Development Foundation      | Continuing education for accounting managers at issuers, securities firms, and securities exchanges  | 2024/1/18~2024/1/19 | 12             |
| Assistant Vice President and Corporate Governance Manager                           | Jia-Ro Lai   | Computer Audit Association                          | Interest relationship between insider trading and directors/supervisors and explanation of case studies  | 2023/12/4           | 3              |
|   |  | Taiwan Corporate Governance Association             | Global economic outlook and industry trends for 2024   | 2023/12/5           | 3              |
|   |  |   | Trends of risks under climate change - nature, water, and human rights   | 2023/12/11          | 3              |
| Manager and Internal Audit Manager  | Chia-Hua Tsao  | Internal Audit Association of the Republic of China | Compliance - joint actions and related party transactions  |                     | 3              |
|   |  |   | Discussion on the future trends and internal control processes of ESG monetization and valorization.   | 2023/4/12           | 3              |
|   |  |   | Discussion on the new positioning of internal audit through case studies - the intersection of ethics, morality, and law                           | 2023/6/6            | 6              |
|   |  |   | Discussion on the new paradigm of ethics and morality of internal auditors through the draft of the new version of Global Internal Audit Standards | 2023/6/15           | 3              |
|   |  |   | Can artificial intelligence be implemented in Excel?   | 2023/7/5            | 3              |
|   |  |   | Practical workshop on audit of information technology services   | 2023/7/6            | 6              |
|   |  |   | Forum on corporate technology security   | 2023/7/20           | 6              |
|   |  |   | Exploring the new context of corporate governance through Corporate Governance 3.0   | 2023/8/9            | 3              |
|   |  |   | Change management that enterprises should do well as the AI era approaches   | 2023/9/14           | 3              |
|   |  |   | Relationship between false financial reports and internal control and audit  | 2023/10/18          | 3              |
|   |  |   | Practical seminar on the digital transformation of internal audit  | 2023/11/06          | 6              |
|   |  |   | Driving the future control of enterprises through technology - the control intelligence of the future controls the future                          | 2023/11/14          | 3              |
|   |  | Risk-oriented internal audit methods and practices  | 2023/11/16   | 6                   |                |
| New financial reporting: trends in value management under the challenge of net zero | 2023/12/11   | 3   |  |                     |                |
| Taiwan Corporate Governance Association   | Trends of risks under climate change - nature, water, and human rights | 2023/12/11  | 3  |                     |                |
|   | Compliance - joint actions and related party transactions              |   | 3  |                     |                |

### 3.3.10 Implementation status of internal control systems

#### 3.3.10.1 Statement of internal controls

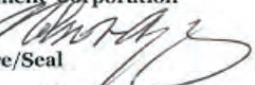
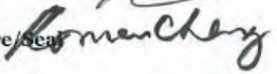


**Taiwan Cement Corporation**  
**Statement of Internal Control System**

February 27, 2024

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, 2023:

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, 2023, in all material respects, our effective internal control system (including the supervision and management of our subsidiaries) provides reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.
6. This statement shall form an integral part of our annual report and prospectus, and it will be disclosed to the public. If there is any fraud, concealment, or other illegality in the above contents, we shall be liable to the legal consequences under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This Statement was approved by the Board of Directors in their meeting held on February 27, 2024, and of the 15 directors present, 0 held opposing views, while the rest agreed to the contents of this Statement.

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

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

3.3.11 Up to recent year and the publication date of this annual report, has

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

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

Implementation status of the resolutions of regular shareholder meetings held in 2023 and 2024, and up to the publication date of this annual report:

| Major resolutions of shareholders' meetings |   |   |   |
|---|---|---|---|
| Meeting Date                                | Subject   | Resolution And Result   | Implementation Status   |
| 2023/5/31<br>Regular shareholders' meeting  | 1.Submission of the 2022 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 2022 Business Report and Financial Statements were accepted as submitted.   |
|   | 2.Submission of the 2022 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 2022 earnings distribution was as follows: Cash dividends: a total of NT\$3,566,090,871 distributed (NT\$0.49971973 per share). Ex-dividend date: July 17, 2023. Distribution of cash dividend: August 9, 2023.   |
|   | 3.Submission of plan to raise long-term funds for the Company for approval.   | The motion proposed and approved by the Board of Directors was approved based on the voting results.              | 1. Announced on MOPS and the Company's website on May 31, 2023.<br>2. On August 30, 2023, the Corporation's Board of Directors approved to issue overseas unsecured convertible bonds for the first time in 2023, and completed the pricing on October 17 of the same year. The relevant details are as follows:<br>(1)The date of approval and letter number from the Financial Supervisory Commission: Jin-Guan-Zheng-Fa-Zi No.11203562931 dated October 2, 2023.<br>(2)Total amount of bonds raised amounted to USD420,000,000.<br>(3)Issuance date: October 24, 2023<br>(4)Issuance and trading location: Singapore Stock Exchange<br>3. On August 30, 2023, the Company's board of directors resolved to issue global depository receipts, and completed the pricing on October 17 of the same year. The relevant details are as follows:<br>(1)The date of approval and letter number from the Financial Supervisory Commission: Jin-Guan-Zheng-Fa-Zi No.1120356293 dated October 2, 2023.<br>(2)Total amount of issuance: USD384,730,000<br>(3)Issuance price per unit: USD4.87 per unit<br>(4)Total number of issuance units: Issuance of 79,000,000 units for global depository receipts, representing 395,000,000 shares of ordinary shares<br>(5)Date of pricing: October 17, 2023<br>(6)Date of issuance: October 20, 2023<br>(7)Issuance and trading location: Luxembourg Stock Exchange<br>4. For more detailed information, please refer to MOPS/ Investors section. |
|   | 4. Submission of the amendments on part of the Rules and Procedures for the Articles of Incorporation for approval. | The motion proposed and approved by the Board of Directors was approved based on the voting results.              | Announced on MOPS and the Company's website on May 31, 2023, and processed the change registration with the Administration of Commerce, MOEA according to the revised procedures.   |



Major resolutions of the board meeting in 2023 and 2024, and up to the publication date of this annual report:

| Major resolutions of board meetings |  |   |
|-------------------------------------|--|---|
| Meeting Date                        | Subject  | Resolution And Result   |
| 2023/1/4                            | Submission of the Company's proposal to implement the fifth round of treasury stock transfer to employees.   | It was approved by the 16th ad hoc meeting of the 3rd Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.  |
| 2023/2/24                           | Submission of the 2022 financial statements and the 2022 consolidated financial statements of the Company.   | It was approved by the 17th meeting of the 3rd Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.   |
|                                     | Submission of the proposal that the subsidiary, TCC Energy Storage Technology Corporation, originally had planned to lease a portion of land within the Hualien Cement Plant from the Company to build a large-scale energy storage system, but then planned to change the leased land area and location in response to operational needs. | It was approved by the 17th meeting of the 3rd Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.   |
|                                     | Submission of the proposal that the subsidiary, TCC Energy Storage Technology Corporation, planned to lease land from the affiliated enterprises, Taiwan Cement Engineering Corporation, to establish a large-scale energy storage system in response to operational needs.  | It was approved by the 17th meeting of the 3rd Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.   |
|                                     | Submission of matters related to the convening of the 2023 Annual General Meeting of Shareholders of the Company.  | Unanimously approved by all directors attending the meeting with no objections.   |
| 2023/3/24                           | Submission of proposal on the distribution of profits for the fiscal year 2022 of the Company.   | It was approved by the 18th meeting of the 3rd Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.   |
|                                     | Submission of plan to raise long-term funds for the Company.   | It was approved by the 18th meeting of the 3rd Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.   |
|                                     | Submission of plan to supplement the meeting method and add reasons for convening the 2023 shareholders' annual meeting.   | Unanimously approved by all directors attending the meeting with no objections.   |
|                                     | Submission of plan to adjust the cooperation partner to Jut Land Development Company Limited for the land development and construction project planned by the Company in Zhudong.  | It was approved by the 18th meeting of the 3rd Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.   |
|                                     | Submission of plan to adjust the rental area for the subsidiary, TCC Lien-Hsin Green Energy Corporation, to lease land at the HoPing Industrial Area in Hualien from the Company for the construction of an energy storage system.   | It was approved by the 18th meeting of the 3rd Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.   |
| 2023/4/28                           | Submission of proposal on fundraising plan for the Company's participation in the subscription of subsidiary, NHOA S.A., through a wholly-owned subsidiary.  | It was approved by the 19th ad hoc meeting of the 3rd Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.  |
| 2023/5/11                           | Proposal of the 2023 Q1 consolidated financial statements of the Company.  | It was approved by the 20th meeting of the 3rd Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.   |
|                                     | TCC Energy Storage Technology Corporation's plan to invest in the construction of a large-scale energy storage system at the Linyuan plant in Kaohsiung, owned by Taiwan Cement Engineering Corporation.   | It was approved by the 20th meeting of the 3rd Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.   |
| 2023/8/10                           | Proposal of the 2023 Q2 consolidated financial statements of the Company.  | It was approved by the 21st meeting of the 3rd Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.   |
| 2023/8/30                           | Submission of the Company's proposal on the issuance of new ordinary shares by capital increase for participating the issuance of global depository receipts and overseas unsecured convertible bonds issued for first time in 2023.   | It was approved by the 22nd ad hoc meeting of the 3rd Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.  |
|                                     | Submission of proposal on the increase of investment in the Company's wholly-owned overseas subsidiary, TCC International Holdings Ltd. (the British Virgin Islands).  | It was approved by the 22nd ad hoc meeting of the 3rd Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.  |
| 2023/9/28                           | Submission of plan on the adjustment of business strategy of Scitus Luzhou Cement Co., Ltd. ("Scitus Luzhou Cement"), Scitus Naxi Cement Co., Ltd., and Scitus Luzhou Concrete Co., Ltd.   | It was approved by the 23rd ad hoc meeting of the 3rd Audit Committee and the 24th ad hoc meeting of the 3rd Audit Committee, and was unanimously approved by all directors attending the meeting with no objections. |
| 2023/11/10                          | Proposal of the 2023 Q3 consolidated financial statements of the Company.  | It was approved by the 26th meeting of the 3rd 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  |
| 2023/11/14                          | Submission of the plan for E-One Moli Energy (Canada) Limited, a subsidiary of the Company's subsidiary, E-One Moli Energy Corp., for the establishment of a new plant in the Canadian region through the establishment of a new subsidiary, E-One Moli Quantum Energy (Canada) Limited, with a total amount of about CAD 1,090 million. | It was approved by the 27th ad hoc meeting of the 3rd Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.   |
|                                     | Submission of proposal for the planned cash capital increase fundraising for the direct/indirect participation of the Company in subscribing to the newly established subsidiary, E-One Moli Quantum Energy (Canada) Limited, through the subsidiary, E-One Moli Energy (Canada) Limited.  | It was approved by the 27th ad hoc meeting of the 3rd Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.   |
| 2023/11/27                          | Submission of proposal on an increase in the indirect shareholding of the Company to the reinvestment companies, Oyak Denizli Çimento Anonim Şirketi and Cimpor Portugal Holdings SGPS S.A.  | It was approved by the 28th ad hoc meeting of the 3rd Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.   |
|                                     | Submission of proposal on the sale of 3 lots of land, including parcel 656 in Section 1 of Lanya Duan, Shilin District, Taipei City, and 4 buildings with building numbers 11702, of the subsidiary, TCC Chemical Corporation, to strengthen the financial structure of the Company.   | It was approved by the 29th ad hoc meeting of the 3rd Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.   |
| 2023/12/21                          | Submission of proposal on the sale of 20 plots of land in the Gongpu section, Fushan section, Fulin section, etc. in Luzhu District, Taoyuan City to strengthen the financial structure and activate the idle assets of the Company.   | Director Po-Yuan Wang and independent director Yu-Chun Chiao had recused themselves from the discussion and voting on this proposal due to their own conflicts of interest; It was approved by the 29th meeting of the 3rd Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.  |
|                                     | Submission of proposal to add 2 members to the Corporate Sustainable Development Committee of the Company, to be appointed by independent directors.   | Unanimously approved by all directors attending the meeting with no objections.  |
| 2024/2/27                           | Proposal of the 2023 financial statements and the 2023 consolidated financial statements of the Company.   | It was approved by the 30th ad hoc meeting of the 3rd Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.   |
|                                     | Submission of plan for matters related to the convening of the 2024 Annual General Meeting of Shareholders of the Company.   | Unanimously approved by all directors attending the meeting with no objections.  |
| 2024/3/20                           | Submission of proposal on the distribution of compensation of employees and remuneration of directors for the Company in 2023.   | Except for the independent director, all other directors attending this proposal had recused themselves, and it was presided over by the independent director, Chin-Shan Wang. It was approved by the 18th meeting of the 5th Remuneration Committee and submitted for review by the Board of Directors, and was unanimously approved by all independent directors attending the meeting with no objections. |
|                                     | Submission of the 2023 earning distribution plan of the Company for approval.  | It was approved by the 31st meeting of the 3rd Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.  |
|                                     | Submission of plan to raise long-term funds for the Company.   | It was approved by the 31st meeting of the 3rd Audit Committee, and was unanimously approved by all directors attending the meeting with no objections.  |
|                                     | Submission of proposal for "election of 15 directors for the 25th term (including 5 independent directors)" to be included in the agenda of the 2024 Annual Shareholders' Meeting.   | Unanimously approved by all directors attending the meeting with no objections.  |
|                                     | Submission of proposal to include the remove of non-compete restrictions for newly appointed directors in the agenda of the 2024 Annual Shareholders' Meeting.   | Unanimously approved by all directors attending the meeting with no objections.  |
|                                     | Submission of proposal on matters related to the nomination of directors (including independent directors), review criteria, and operational procedures for the Company's 2024 Annual General Meeting of Shareholders.   | Unanimously approved by all directors attending the meeting with no objections.  |
|                                     | Submission of plan to supplement the meeting method and add reasons for convening the 2024 shareholders' annual meeting.   | Unanimously approved by all directors attending the meeting with no objections.  |
|                                     |  |  |



3.3.13 Up to recent year and the publication date of this annual report, major issues of record or written statements made by any director dissenting to important resolutions passed by the Board of Directors: None.

3.3.14 Up to recent year and the publication date of this annual report, 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

| Job title   | Name          | Onboard Date | Resignation Date | Reason for Resignation or Dismissal |
|---|---------------|--------------|------------------|-------------------------------------|
| Assistant Vice President(Research and Development Director) | Kuang-Si Chen | 1978/9/6     | 2023/6/30        | Retirement                          |

3.3.15 Personnel Related to Financial Information Transparency Have Obtained the Relevant Certifications Designated by the Competent Authority as Follows

| Name of the License or Certificate           | Number of People |       |
|--|------------------|-------|
|  | Finance          | Audit |
| Certified Public Accountant (CPA)            | 3                | 1     |
| Certified Management Accountant (CMA)        | 0                | 1     |
| Certified Internal Auditor (CIA)             | 0                | 2     |
| Certified Information Systems Auditor (CISA) | 0                | 1     |

### 3.4 Audit Fees

Unit:NT \$ thousands

| Accounting Firm   | Name of CPA    | CPA's Audit Period  | Audit Fee | Non-audit Fee | Total  | Remarks   |
|-------------------|----------------|---------------------|-----------|---------------|--------|---|
| Deloitte & Touche | Hui-Min Huang  | 2023/1/1-2023/3/31  | 40,640    | 25,443        | 66,083 | 1. To maintain the independence of accountants and comply with corporate governance regulations, as well as to implement Deloitte & Touche's internal rotation mechanism, the Company, starting from the 2nd quarter of 2023, changed its certified public accountants from Hui-Min Huang and Cheng-Hong Kuo to Ya-Ling Wong and Hui-Min Huang.<br>2. Non-audit fees mainly included fees for consulting services, Reviewing marketable securities issuance and other related services. |
|                   | Cheng-Hong Kuo |                     |           |               |        |   |
|                   | Ya-Ling Wong   | 2023/4/1-2023/12/31 |           |               |        |   |
|                   | Hui-Min Huang  |                     |           |               |        |   |

3.4.1 Change of auditing firm with reduced audit fees compared to the previous year: None.

3.4.2 Audit fees decreased by over 10% from the previous year: None.

3.5 Change in independent auditors:

### 3.5.1 Former CPAs

| Date of Change   | Approved by BOD on May 11, 2023  |        |                                    |
|--|--|--------|------------------------------------|
| Reasons and Explanation of Changes   | To maintain the independence of accountants and comply with corporate governance regulations, as well as to implement Deloitte & Touche's internal rotation mechanism, the Company, starting from the 2nd quarter of 2023, changed its certified public accountants from Hui-Min Huang and Cheng-Hong Kuo to Ya-Ling Wong and Hui-Min Huang. |        |                                    |
| State Whether the Appointment is Terminated or Rejected by the Consignor or CPAs                                     | Status   | Client | Consignor                          |
|  | Appointment terminated automatically   | CPA    | Not available                      |
|  | Appointment rejected (discontinued)  | CPA    | Not available                      |
| The Opinions Other than Unmodified Opinion Issued in the Last Two Years and the Reasons for the Said Opinions (Note) | None   |        |                                    |
| Is There Any Disagreement in Opinion with the Issuer   | Yes  |        | Accounting principle or practice   |
|  |  |        | Disclosure of financial statements |
|  |  |        | Auditing scope or procedures       |
|  |  |        | Others                             |
| No   | ✓  |        |                                    |
| Explanation  |  |        |                                    |
| Supplementary Disclosure (Disclosures Specified in Article 10.6.1.4~7 of the Standards)                              | None   |        |                                    |

### 3.5.2 Successor CPAs

|  |                                 |
|--|---------------------------------|
| Accounting Firm  | Deloitte & Touche               |
| CPA  | Ya-Ling Wong and Hui-Min Huang  |
| Date of Engagement   | Approved by BOD on May 11, 2023 |
| Prior to the Formal Engagement, Any Inquiry or Consultation on the Accounting Treatment or Accounting Principles for Specific Transactions, and the Type of Audit Opinion that Might be Rendered on the Financial Report | None                            |
| Written Opinions from the Successor CPAs that are Different from the Former CPAs' Opinions   | None                            |

3.5.3 The Reply of Former CPAs on Article 10.6.1 and Article 10.6.2.3 of the Standards: None.

3.6 TCC's Chairman, Directors, Chief Executive Officer, Chief Financial Officer, and Managers in Charge of Its Finance and Accounting Operations Hold Any Positions within TCC's Independent Audit Firm or Its Affiliates in the Most Recent Year:

None.

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

### 3.7.1 Changes in equity transfer, and pledge status

| Title                 | Name   | 2023                     |                           | January 1, 2024- March 20, 2024 |                           |
|-----------------------|--|--------------------------|---------------------------|---------------------------------|---------------------------|
|                       |  | Changes in Shareholdings | Changes in Shares Pledged | Changes in Shareholdings        | Changes in Shares Pledged |
| Chairman              | Chai Hsin R.M.C. Corporation Representative: An-Ping Chang                                     | 0                        | 0                         | 0                               | 0                         |
| Director              | C. F. Koo Foundation Representative: Sun-Te Chen   | 0                        | 0                         | 0                               | 0                         |
| Director              | Chia Hsin Cement Corporation Representative: Jason Kang-Lung Chang Representative: Chi-Te Chen | 0                        | 0                         | 0                               | 0                         |
| 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 Representative: Chi-Chia Hsieh       | 0                        | 0                         | 0                               | 0                         |
| Director              | Heng Qiang Investment Co., Ltd. Representative: Chien Wen Representative: Chun-Ying Liu        | 0                        | 0                         | 0                               | 0                         |
| Independent Director  | Yu-Cheng Chiao   | 0                        | 0                         | 0                               | 0                         |
| Independent Director  | Victor Wang  | 0                        | 0                         | 0                               | 0                         |
| Independent Director  | Lynette Ling-Tai Chou  | 0                        | 0                         | 0                               | 0                         |
| Independent Director  | Mei-Hua Lin  | 0                        | 0                         | 0                               | 0                         |
| Independent Director  | Sherry S. L. Lin   | 0                        | 0                         | 0                               | 0                         |
| Group CEO             | An-Ping Chang  | 1,416,000 (1,416,000)    | 0                         | 0                               | 0                         |
| President             | Roman Cheng  | 350,000 (350,000)        | 0                         | 0                               | 0                         |
| Senior Vice President | Chien-Chiang Huang   | 165,996 (100,000)        | 0                         | 0                               | 0                         |
| Senior Vice President | Ker-Fu Lu  | 165,996 (100,000)        | 0                         | 0                               | 0                         |
| VP                    | Bao-Luo Ge   | 95,895 (20,000)          | 0                         | 0                               | 0                         |
| VP                    | Chien-Chuan Wang   | 16,499                   | 0                         | 0                               | 0                         |
| VP                    | Feng-Ping Liu  | 19,798                   | 0                         | 0                               | 0                         |

| Title  | Name   | 2023                     |                           | January 1, 2024- March 20, 2024 |                           |
|--|--|--------------------------|---------------------------|---------------------------------|---------------------------|
|  |  | Changes in Shareholdings | Changes in Shares Pledged | Changes in Shareholdings        | Changes in Shares Pledged |
| VP   | Yu-Jun Yeh                                       | 36,297                   | 0                         | 0                               | 0                         |
| CFO  | Randy Yu   | 130,000 (130,000)        | 0                         | 0                               | 0                         |
| Senior AVP   | Kuo-Yu Tsai                                      | 69,396 (10,000)          | 0                         | 0                               | 0                         |
| Senior Assistant Vice President and Chief Accounting Officer | Guo-Hong Yeh                                     | 46,297 (10,000)          | 0                         | 0                               | 0                         |
| Senior AVP   | Huei-Sheng Chiou                                 | 0                        | 0                         | 0                               | 0                         |
| Senior AVP   | Yu-Wen Chiu                                      | 26,498 (10,000)          | 0                         | 0                               | 0                         |
| Director and Assistant Vice President                        | Kung-Yi Koo                                      | 49,497                   | 0                         | 0                               | 0                         |
| Assistant Vice President                                     | Cen-Wei Lan                                      | 19,799                   | 0                         | 0                               | 0                         |
| Assistant Vice President and Corporate Governance Manager    | Jia-Ro Lai                                       | 16,498                   | 0                         | 0                               | 0                         |
| Assistant Vice President                                     | Chia-Pei Wei                                     | 82,997 (50,000)          | 0                         | 0                               | 0                         |
| Assistant Vice President                                     | Guo-Yuan Li                                      | 38,148 (20,000)          | 0                         | 0                               | 0                         |
| Assistant Vice President                                     | Cheng-Dao Qiang                                  | 26,398                   | 0                         | 0                               | 0                         |
| Assistant Vice President                                     | Yin-Hua Chen                                     | 32,998                   | 0                         | 0                               | 0                         |
| Assistant Vice President                                     | Katrina Chen                                     | 39,597                   | 0                         | 0                               | 0                         |
| Chief Information Security Officer                           | Nien-Wang Chang                                  | 46,498 (30,000)          | 0                         | 0                               | 0                         |
| Assistant Vice President                                     | Xiu-Fen Lu (appointed on February 1, 2024)       | 0                        | 0                         | 0                               | 0                         |
| Senior Manager   | Jin-Yi Chen                                      | 19,799                   | 0                         | 0                               | 0                         |
| Senior Manager   | Yun-De Wu  | 9,899                    | 0                         | 0                               | 0                         |
| Senior Manager   | Chi-Ching Chen                                   | 59,899 (50,000)          | 0                         | 0                               | 0                         |
| Senior Manager   | Shih-Sheng Liang                                 | 18,149                   | 0                         | 0                               | 0                         |
| Senior Manager   | Hsueh-Ching Hsu (appointed on February 19, 2024) | 0                        | 0                         | 0                               | 0                         |

| Title                              | Name  | 2023                     |                           | January 1, 2024- March 20, 2024 |                           |
|------------------------------------|---|--------------------------|---------------------------|---------------------------------|---------------------------|
|                                    |   | Changes in Shareholdings | Changes in Shares Pledged | Changes in Shareholdings        | Changes in Shares Pledged |
| Manager and Internal Audit Manager | Chia-Hua Tsao                                   | 6,000                    | 0                         | 0                               | 0                         |
| Manager                            | Li-Chi Hsiao<br>(appointed on March 1, 2024)    | 0                        | 0                         | 0                               | 0                         |
| Senior Assistant Manager           | Yu-Yang Zhang                                   | 11,549<br>(11,549)       | 0                         | 0                               | 0                         |
| Assistant Vice President           | Jin-Lung Yu<br>(resigned on December 31, 2023)  | 13,199                   | 0                         | 0                               | 0                         |
| Assistant Vice President           | Kuang-Si Chen<br>(resigned on June 30, 2023)    | 13,199                   | 0                         | 0                               | 0                         |
| Senior Assistant Manager           | Tzu-Yang Wu<br>(resigned on September 25, 2023) | 3,300                    | 0                         | 0                               | 0                         |

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

### 3.8 Relationships among TCC's ten largest shareholders

Data as of the ex-dividend date: July 17, 2023

| Name  | Shares held |      | Shares held by spouse and minors |      | Shares held by others |      | Name and the Relationship with Other TCC's Top 10 Shareholders |                                  | Note |
|---|-------------|------|----------------------------------|------|-----------------------|------|--|----------------------------------|------|
|   | Shares      | %    | Shares                           | %    | Shares                | %    | Name   | Relationship                     |      |
| Chia Hsin Cement Corporation<br>Representative:<br>Jason Kang-Lung Chang                                | 239,629,826 | 3.35 | -                                | -    | None                  | None | Chia Hsin International Co., Ltd.                              | The same person as the chairman. |      |
|   | -           | -    | 264,484                          | 0.00 | None                  | None | Chia Hsin International Co., Ltd.                              | Director of the Company          |      |
|   | -           | -    | 264,484                          | 0.00 | None                  | None | Chia Hsin International Co., Ltd.                              | The same person as the chairman. |      |
| Chinatrust Investment Co., Ltd.<br>Representative:<br>Tian-Yi Huo                                       | 196,189,210 | 2.74 | -                                | -    | None                  | None | Heng Qiang Investment Co., Ltd.                                | Director of the Company          |      |
|   | 9,460,616   | 0.13 | -                                | -    | None                  | None | Heng Qiang Investment Co., Ltd.                                | The same person as the chairman. |      |
| Taishin International Bank, Custodian for Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF | 137,062,748 | 1.92 | -                                | -    | None                  | None | None   | None                             |      |
| Labor Retirement Fund (Old-Age)   | 135,744,767 | 1.90 | -                                | -    | None                  | None | None   | None                             |      |

| Name   | Shares held |      | Shares held by spouse and minors |      | Shares held by others |      | Name and the Relationship with Other TCC's Top 10 Shareholders |                                  | Note |
|--|-------------|------|----------------------------------|------|-----------------------|------|--|----------------------------------|------|
|  | Shares      | %    | Shares                           | %    | Shares                | %    | Name   | Relationship                     |      |
| Chia Hsin International Co., Ltd<br>Representative:<br>Jason Kang-Lung Chang       | 116,912,847 | 1.63 | -                                | -    | None                  | None | Chia Hsin Cement Corporation                                   | The same person as the chairman. |      |
|  | -           | -    | 264,484                          | 0.00 | None                  | None | Chia Hsin Cement Corporation                                   | Director of the Company          |      |
|  | -           | -    | 264,484                          | 0.00 | None                  | None | Chia Hsin Cement Corporation                                   | The same person as the chairman. |      |
| International CSRC Investment Holdings Co., Ltd.<br>Representative:<br>Kung-Yi Koo | 113,896,285 | 1.59 | -                                | -    | None                  | None | None   | None                             |      |
|  | 700,451     | 0.01 | -                                | -    | None                  | None | None   | None                             |      |
| Heng Qiang Investment Co., Ltd.<br>Representative:<br>Tian-Yi Huo                  | 112,457,746 | 1.57 | -                                | -    | None                  | None | Chinatrust Investment Co., Ltd.                                | Director of the Company          |      |
|  | 9,460,616   | 0.13 | -                                | -    | None                  | None | Chinatrust Investment Co., Ltd.                                | The same person as the chairman. |      |
| Taiwan Life Insurance Co., Ltd<br>Representative:<br>Tai-Teck Cheng                | 110,531,192 | 1.40 | -                                | -    | None                  | None | None   | None                             |      |
|  | 101,193     | 0.00 | -                                | -    | None                  | None | None   | None                             |      |
| BankTaiwan Life Insurance - Government Employees & School Staffs Insurance         | 99,391,262  | 1.39 | -                                | -    | None                  | None | None   | None                             |      |
| Chunghua Post Co., Ltd.<br>Representative:<br>Hong-Mo Wu                           | 98,949,746  | 1.38 | -                                | -    | 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, 2023. Unit: share / %

| Affiliates                                | Ownership held by TCC (Note 1) |        | Ownership held by directors, managers, and directly/indirectly owned subsidiaries |        | Total ownership |        |
|---|--------------------------------|--------|---|--------|-----------------|--------|
|   | Shares                         | %      | Shares  | %      | Shares          | %      |
| Taiwan Transport & Storage Co., Ltd.      | 52,410,366                     | 83.88% | 419,013   | 0.67%  | 52,829,379      | 84.55% |
| Taiwan Cement Engineering Corporation     | 59,748,593                     | 99.31% | -   | -      | 59,748,593      | 99.31% |
| Kuan-Ho Refractories Industry Corporation | 52,316,208                     | 95.29% | -   | -      | 52,316,208      | 95.29% |
| Hong Kong Cement Manufacturing Co., Ltd.  | 38,094                         | 84.65% | -   | -      | 38,094          | 84.65% |
| Ta-Ho Maritime Corporation                | 204,491,711                    | 64.79% | 92,792,710  | 29.40% | 297,284,421     | 94.19% |

As of December 31, 2023. Unit: share / %

| Affiliates                                  | Ownership held by TCC (Note 1) |         | Ownership held by directors, managers, and directly/indirectly owned subsidiaries |        | Total ownership |         |
|---|--------------------------------|---------|---|--------|-----------------|---------|
|   | Shares                         | %       | Shares  | %      | Shares          | %       |
| TCC Investment Corporation                  | 239,800,000                    | 100.00% | -   | -      | 239,800,000     | 100.00% |
| TCC Chemical Corporation                    | 140,000,000                    | 100.00% | -   | -      | 140,000,000     | 100.00% |
| TCC Information Systems Corporation         | 14,904,000                     | 99.36%  | -   | -      | 14,904,000      | 99.36%  |
| Jin Chang Minerals Corporation              | 9,100,000                      | 100.00% | -   | -      | 9,100,000       | 100.00% |
| Ho-Ping Industrial Port Corporation         | 319,990,000                    | 100.00% | -   | -      | 319,990,000     | 100.00% |
| TCC International Ltd.                      | 1,100,875,900                  | 100.00% | -   | -      | 1,100,875,900   | 100.00% |
| Ho-Ping Power Company                       | 805,940,306                    | 59.50%  | 6,772,608   | 0.50%  | 812,712,914     | 60.00%  |
| HPC Power Services Corporation              | 6,000                          | 60.00%  | -   | -      | 6,000           | 60.00%  |
| Synpac Ltd.                                 | 2,700,000                      | 25.00%  | 8,100,000   | 75.00% | 10,800,000      | 100.00% |
| CCC USA CORP.                               | 79,166                         | 33.33%  | 158,334   | 66.67% | 237,500         | 100.00% |
| Feng Sheng Enterprise Co., Ltd.             | 27,260,611                     | 45.43%  | -   | -      | 27,260,611      | 45.43%  |
| E.G.C. Cement Corporation                   | 8,062,600                      | 50.64%  | 7,587,400   | 49.36% | 15,650,000      | 100.00% |
| Onyx Ta-Ho Environmental Services Co., Ltd. | 84,212,462                     | 50.00%  | -   | -      | 84,212,462      | 50.00%  |
| Ta-Ho RSEA Environment Co., Ltd.            | 19,980,000                     | 66.60%  | -   | -      | 19,980,000      | 66.60%  |
| TCC Green Energy Corporation                | 1,350,898,696                  | 100.00% | -   | -      | 1,350,898,696   | 100.00% |
| Ho Sheng Mining Co., Ltd.                   | 30,100,000                     | 100.00% | -   | -      | 30,100,000      | 100.00% |

| Affiliates                                    | Ownership held by TCC (Note 1) |         | Ownership held by directors, managers, and directly/indirectly owned subsidiaries |        | Total ownership |         |
|---|--------------------------------|---------|---|--------|-----------------|---------|
|   | Shares                         | %       | Shares  | %      | Shares          | %       |
| TCC International Holdings Ltd.               | 3,734,927,496                  | 47.29%  | 4,163,097,279   | 52.71% | 7,898,024,775   | 100.00% |
| Taicorn Minerals Corp. (Note 2)               | 119,997                        | 72.70%  | -   | -      | 119,997         | 72.70%  |
| Trans Philippines Mineral Corp.               | 19,996                         | 40.00%  | -   | -      | 19,996          | 40.00%  |
| TCC Sustainable Energy Investment Corporation | 100,000                        | 100.00% | -   | -      | 100,000         | 100.00% |
| TCC Energy Storage Technology Corporation     | 250,600,000                    | 100.00% | -   | -      | 250,600,000     | 100.00% |
| TCC Recycle Energy Technology Company         | 1,044,430,628                  | 36.71%  | 1,575,910,482   | 55.39% | 2,620,341,110   | 92.10%  |
| Tuo Shan Recycle Technology Company           | 100,000                        | 100.00% | -   | -      | 100,000         | 100.00% |
| International CSRC Investment Holdings        | 153,476,855                    | 15.59%  | 35,527,529  | 3.61%  | 189,004,384     | 19.19%  |
| Taiwan Cement(Dutch) Holdings B.V.            | 1,179,219                      | 82.51%  | 250,000   | 17.49% | 1,429,219       | 100.00% |

Note 1: The Company's investment 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, 2024. Unit: Share

| Type of shares | Authorized share capital |            |               |                 |               |
|----------------|--------------------------|------------|---------------|-----------------|---------------|
|                | Outstanding shares       |            |               | Unissued shares | Total         |
|                | Listed*                  | Non-listed | Total         |                 |               |
| Ordinary       | 7,551,181,742            | -          | 7,551,181,742 | 2,248,818,258   | 9,800,000,000 |
| Preferred      | 200,000,000              | -          | 200,000,000   | -               | 200,000,000   |

\*Includes treasury shares, see Section 4.9 for details.

### 4.1.2 Issued shares

As of March 20, 2024. 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                 |
| 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) |

| Month / Year   | Issue price (NT\$ per share) | Authorized capital |                | Paid-in capital |                | Note                                |                                    |   |   |                          |
|----------------|------------------------------|--------------------|----------------|-----------------|----------------|-------------------------------------|------------------------------------|---|---|--------------------------|
|                |                              | Shares             | Amount         | Shares          | Amount         | Sources of capital                  |                                    |   | Issuance of shares for assets other than cash | Others                   |
|                |                              |                    |                |                 |                | Capitalization of retained earnings | Capitalization of capital reserves | Issuance of shares for cash               |   |                          |
| June 2006      | 10                           | 4,007,386,600      | 40,073,866,000 | 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 (Note 9) (preferred shares) | None  | None                     |
| June 2019      | 10                           | 7,000,000,000      | 70,000,000,000 | 5,308,059,911   | 53,080,599,110 | -                                   | -                                  | -   | None  | None                     |
| September 2019 | 10                           | 7,000,000,000      | 70,000,000,000 | 5,665,619,204   | 56,656,192,040 | 3,575,592,930                       | -                                  | -   | None  | None                     |
| September 2020 | 10                           | 7,000,000,000      | 70,000,000,000 | 5,938,500,164   | 59,385,001,640 | 2,728,809,600                       | -                                  | -   | None  | None                     |
| October 2020   | 10                           | 7,000,000,000      | 70,000,000,000 | 5,941,400,721   | 59,414,007,210 | -                                   | -                                  | -   | None  | 29,005,570 (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 | 6,095,645,647   | 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)    |
| 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)     |
| August 2022    | 10                           | 8,500,000,000      | 85,000,000,000 | 6,936,851,342   | 69,368,513,420 | 6,116,173,400                       | -                                  | -   | None  | None                     |

| 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 |   |                     |
| September 2022 | 10                           | 8,500,000,000      | 85,000,000,000  | 6,936,181,742   | 69,361,817,420 | -                                   | -                                  | -                           | None  | 6,696,000 (Note 11) |
| October 2022   | 10                           | 8,500,000,000      | 85,000,000,000  | 7,356,181,742   | 73,561,817,420 | -                                   | -                                  | 4,200,000,000 (Note 12)     | None  | None                |
| November 2023  | 10                           | 10,000,000,000     | 100,000,000,000 | 7,751,181,742   | 77,511,817,420 | -                                   | -                                  | 3,950,000,000 (Note 13)     | None  | None                |

- (1) The issuance of ordinary shares for cash at NT\$36 per share in accordance with Tai-Cai-Cheng-(1) No. 50087, which was approved by the Securities and Futures Bureau of the Ministry of Finance (MOF) on July 7, 1997.
- (2) The issuance of ordinary shares for cash at NT\$20 per share in accordance with Tai-Cai-Cheng-(1) No. 29130, which was approved by the Securities and Futures Bureau of the MOF on April 20, 1999.
- (3) The issuance of 164,000,000 preferred shares for cash in accordance with Tai-Cai-Cheng-(1) No. 143691, which was approved by the Securities and Futures Bureau of the MOF on July 31, 2001.
- (4) The conversion of unsecured Euro-convertible bonds into ordinary shares in accordance with Tai-Cai-Cheng-(1)-Zi No. 0920162472, which was approved by the Securities and Futures Bureau of the MOF on February 6, 2004.
- (5) Represented a capital reduction associated with the redemption of preferred shares upon their maturity.
- (6) The issuance of 400,000,000 ordinary shares for cash in accordance with Jin-Guan-Zheng-Fa-Zi (JGZFZ) No. 0990059240, which was approved by the Financial Supervisory Commission (FSC) on November 5, 2010.
- (7) The issuance of 554,333,141 new shares for the acquisition of TCC International Holdings Limited in accordance with JGZFZ No. 106004101, which was approved by the FSC on November 6, 2017.
- (8) The issuance of 375,000,000 to 468,750,000 shares for cash and 75,000,000 to 93,750,000 units of Global Depository Receipt for a total of USD440,000,000 to USD550,000,000 in accordance with JGZFZ No. 10703258531, which was approved by the FSC on July 25, 2018.
- (9) The issuance of 200,000,000 Series 2 preferred shares in accordance with JGZFZ No. 1070325853, which was approved by the FSC on July 25, 2018.
- (10) The share issuance resulted from the conversion of the 2018 first series unsecured Euro convertible bonds. The Financial Supervisory Commission approved the total amount of these corporate bonds on July 25, 2018, under reference JGZFZ No. 10703258532..
- (11) The cancellation of 669,600 treasury shares was approved by the Ministry of Economic Affairs on September 2, 2022, under the reference number 11101163360.
- (12) The issuance of 420,000,000 ordinary shares and 84,000,000 units of Global Depository Receipts for a total of USD 425,040,000 in accordance with JGZFZ No. 1110356873, which was approved by the FSC on September 27, 2022.
- (13) The issuance of 395,000,000 ordinary shares and 79,000,000 units of Global Depository Receipts for a total of USD 384,730,000 in accordance with JGZFZ No. 1120356293, which was approved by the FSC on October 2, 2023.

## 4.2 Shareholder Structure

### 4.2.1 Ordinary shares

Data as of July 17, 2023 (Note). Unit: share

| Type of Shareholders       | Government agencies | Financial institutions | Other Juridical Persons | Domestic Natural Persons | Foreign Institutions and Natural Persons | Treasury shares | Total         |
|----------------------------|---------------------|------------------------|-------------------------|--------------------------|--|-----------------|---------------|
| Number of shareholders     | 41                  | 185                    | 2,113                   | 515,763                  | 1,502                                    | 1               | 519,605       |
| Shareholding               | 12,853,513          | 623,532,574            | 2,029,145,778           | 3,140,345,202            | 1,330,304,675                            | 20,000,000      | 7,156,181,742 |
| Shareholding Percentage(%) | 0.18                | 8.71                   | 28.36                   | 43.88                    | 18.59                                    | 0.28            | 100.00        |

Note: The record date for dividend exclusion.

### 4.2.2 Preferred shares

Data as of July 17, 2023 (Note). Unit: share

| Type of Shareholders        | Government agencies | Financial institutions | Other Juridical Persons | Domestic Natural Persons | Foreign Institutions and Natural Persons | Treasury shares | Total       |
|-----------------------------|---------------------|------------------------|-------------------------|--------------------------|--|-----------------|-------------|
| Number of shareholders      | 2                   | 22                     | 85                      | 8,708                    | 26                                       | -               | 8,843       |
| Shareholding                | 6,494               | 119,482,088            | 69,981,708              | 10,345,669               | 184,041                                  | -               | 200,000,000 |
| Shareholding Percentage (%) | 0.00                | 59.75                  | 34.99                   | 5.17                     | 0.09                                     | -               | 100.00      |

Note: The record date for dividend exclusion.

## 4.3 Distribution of Share Ownership

### 4.3.1 Ordinary shares

Data as of July 17, 2023 (Note). Unit: share

| Shareholding Range  | Number of shareholders | Number of shares held | Shareholding percentage(%) |
|---------------------|------------------------|-----------------------|----------------------------|
| 1-999               | 129,484                | 25,810,819            | 0.36                       |
| 1,000-5,000         | 265,152                | 569,915,441           | 7.96                       |
| 5,001-10,000        | 61,080                 | 435,801,527           | 6.09                       |
| 10,001-15,000       | 25,191                 | 305,328,980           | 4.27                       |
| 15,001-20,000       | 11,067                 | 195,298,278           | 2.73                       |
| 20,001-30,000       | 11,237                 | 273,798,312           | 3.83                       |
| 30,001-40,000       | 4,984                  | 173,044,100           | 2.42                       |
| 40,001-50,000       | 2,863                  | 129,849,467           | 1.81                       |
| 50,001-100,000      | 4,851                  | 333,895,298           | 4.67                       |
| 100,001-200,000     | 2,027                  | 272,745,323           | 3.81                       |
| 200,001-400,000     | 811                    | 222,266,748           | 3.11                       |
| 400,001-600,000     | 271                    | 131,742,728           | 1.84                       |
| 600,001-800,000     | 116                    | 80,261,786            | 1.12                       |
| 800,001-1,000,000   | 84                     | 75,460,186            | 1.05                       |
| 1,000,001 and above | 387                    | 3,930,962,749         | 54.93                      |
| Total               | 519,605                | 7,156,181,742         | 100.00                     |

Note: The record date for dividend exclusion.

### 4.3.2 Preferred shares

Data as of July 17, 2023 (Note). Unit: share

| Shareholding Range | Number of shareholders | Number of shares held | Shareholding percentage (%) |
|--------------------|------------------------|-----------------------|-----------------------------|
| 1-999              | 6,723                  | 838,636               | 0.42                        |
| 1,000-5,000        | 1,824                  | 2,611,431             | 1.31                        |
| 5,001-10,000       | 117                    | 896,486               | 0.45                        |
| 10,001-15,000      | 40                     | 477,328               | 0.24                        |
| 15,001-20,000      | 33                     | 598,096               | 0.30                        |
| 20,001-30,000      | 22                     | 528,212               | 0.26                        |
| 30,001-40,000      | 15                     | 559,317               | 0.28                        |
| 40,001-50,000      | 11                     | 506,362               | 0.25                        |
| 50,001-100,000     | 21                     | 1,624,232             | 0.81                        |
| 100,001-200,000    | 7                      | 945,336               | 0.47                        |

| Shareholding Range  | Number of shareholders | Shares held | Shareholding percentage (%) |
|---------------------|------------------------|-------------|-----------------------------|
| 200,001-400,000     | 5                      | 1,566,300   | 0.78                        |
| 400,001-600,000     | 3                      | 1,616,000   | 0.81                        |
| 600,001-800,000     | 5                      | 3,555,130   | 1.78                        |
| 800,001-1,000,000   | 5                      | 4,644,737   | 2.32                        |
| 1,000,001 and above | 12                     | 179,032,397 | 89.52                       |
| Total               | 8,843                  | 200,000,000 | 100.00                      |

Note: The record date for dividend exclusion.

## 4.4 List of Major Shareholders

### 4.4.1 Ordinary shares

Data as of July 17, 2023 (Note). Unit: share

| Major Shareholders  | Shares Held | Shareholding percentage (%) |
|---|-------------|-----------------------------|
| Chia Hsin Cement Corporation  | 239,629,826 | 3.35                        |
| CTCB Investments Co., Ltd.  | 196,189,210 | 2.74                        |
| Taishin International Bank, Custodian for Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF | 137,062,748 | 1.92                        |
| Labor Retirement Fund (Old-Age)   | 135,744,767 | 1.90                        |
| Chia Hsin International Co., Ltd.   | 116,912,847 | 1.63                        |
| International CSRC Investment Holdings Co., Ltd.  | 113,896,285 | 1.59                        |
| Heng Qiang Investment Co., Ltd.   | 112,457,746 | 1.57                        |
| Taiwan Life Insurance Co., Ltd  | 100,531,192 | 1.40                        |
| BankTaiwan Life Insurance - Government Employees & School Staffs Insurance                              | 99,391,262  | 1.39                        |
| Chunghwa Post Co., Ltd.   | 98,949,746  | 1.38                        |

Note: The record date for dividend exclusion.

### 4.4.2 Preferred shares

Data as of July 17, 2023 (Note). Unit: share

| Major Shareholders  | Shares Held | Shareholding percentage (%) |
|---|-------------|-----------------------------|
| China Life Insurance Co., Ltd.                                  | 40,000,000  | 20.00                       |
| Nan Shan Life Insurance Company, Ltd.                           | 30,000,000  | 15.00                       |
| Yuanta Commercial Bank  | 29,467,000  | 14.73                       |
| Chunghwa Post Co., Ltd. labor pension fund management committee | 27,640,000  | 13.82                       |
| Labor Pension Fund (the New Fund)                               | 20,000,000  | 10.00                       |
| Labor Insurance Fund (LIF)                                      | 12,000,000  | 6.00                        |
| BankTaiwan Life Insurance- Army Insurance Reserve               | 6,337,000   | 3.17                        |
| Yuanta Life Insurance Co., Ltd.                                 | 3,825,000   | 1.91                        |
| Far Eastern Int'l Bank  | 2,798,000   | 1.40                        |
| Union Insurance Company   | 2,785,000   | 1.39                        |

Note: The record date for dividend exclusion.

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

Unit: NT\$/thousand shares

| Item                            | Year  | 2022                         | 2023      | As of March 20, 2024 |    |
|---------------------------------|---|------------------------------|-----------|----------------------|----|
| Market price per share (Note 1) | High  | 50.20                        | 40.25     | 34.85                |    |
|                                 | Low   | 29.80                        | 31.35     | 30.80                |    |
|                                 | Average                                     | 40.51                        | 36.02     | 32.31                |    |
| Net worth per share (Note 2)    | Before distribution                         | 29.64                        | 29.87     | NA                   |    |
|                                 | After distribution (Note 2)                 | 29.10                        | NA        | NA                   |    |
| Earnings per share              | Weighted average shares                     | 7,192,853                    | 7,659,839 | NA                   |    |
|                                 | EPS (Note 3)                                | 0.74                         | 1.06      | NA                   |    |
| Dividends per share             | Cash dividends                              | 0.5                          | 1.00      | NA                   |    |
|                                 | Share dividend                              | Earnings distribution        | -         | -                    | NA |
|                                 |   | Capital Reserve distribution | -         | -                    | NA |
|                                 | Accumulated undistributed dividends (Note4) | -                            | -         | NA                   |    |
| Return on investment            | Price/Earnings ratio (Note 5)               | 54.74                        | 33.98     | NA                   |    |
|                                 | Price/Dividend ratio (Note 6)               | 81.02                        | 36.02     | NA                   |    |
|                                 | Cash dividend yield (Note 7)                | 0.01                         | 0.03      | NA                   |    |

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

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

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

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

Note 4: If there are provisions regarding the issuance conditions of equity securities, the accumulated unpaid dividends as of the end of that year shall be disclosed separately, and should be accumulated until they are distributed in a profitable year.

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

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

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

Note 8: The net asset value per share and EPS should reflect the most recent quarterly data audited or reviewed by a CPA up to the annual report's printing date. All other fields should include data from the current year up to the annual report's printing date.

## 4.6 Dividend Policy and Distribution of Earnings

### 4.6.1 Dividend Policy

If TCC makes profits in a fiscal year, these shall be used to pay outstanding taxes and offset prior years' losses. The company is also required to set aside 10% annual net income as legal reserve until the accumulated legal reserve equals the company's paid-in capital. TCC may set aside or reverse a special reserve as required by laws or regulations. The remaining profits in the fiscal year together with any undistributed retained earnings may first be allocated to preferred shares, pursuant to Article 5-1 of TCC's Article of Incorporation, and then to ordinary shares. Each year, the Board of Directors shall prepare a dividend distribution proposal and report it to the Annual Shareholders' Meeting.

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

#### 4.6.2 Earnings Distribution

At the 30th meeting of the 24th Board of Directors on March 20, 2024, the Company proposed the following distribution of profits for the fiscal year 2023, as shown in the table below. It is proposed to distribute a preferred stock dividend of NT\$352,724,658 and a cash dividend of NT\$1 per ordinary share. This proposal is subject to approval at the shareholders' meeting on May 21, 2024, and will be processed in accordance with relevant regulations thereafter.

Unit: NT\$

|   |               |
|---|---------------|
| Preferred share cash dividend (NT\$1.76362329/Shares) | 352,724,658   |
| Ordinary share cash dividend (NT\$1/ Shares)          | 7,531,181,742 |

### 4.7 The Impact of the Proposed Share Dividend Distribution on Company's Operating Results and Earnings Per Share: Not applicable.

## 4.8 Director and Employee Compensation

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

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

1. Employee Compensation: ranging from 0.01% to 3% and
2. Director Compensation: not exceeding 1%.

However, if the company still has accumulated losses, an amount must first be set aside to offset these losses before distributing employee and director compensation in accordance with the proportions specified above.

Employee compensation can be distributed either in stocks or cash, and may be awarded to employees of controlling or subsidiary companies who fulfill specific criteria.

### 4.8.2 Basis for Estimating Director and Employee Compensation in Cash or Shares for the Current Fiscal Year, Calculation Basis for Shares Distributed as Employee Compensation, and Accounting Treatment for Discrepancies Between Estimated and Actual Distributed Amounts

Accruals for employee and director compensation were made based on a percentage range of 2023 profits as previously mentioned. Any differences between the subsequent payout amount and the estimated/accrued amount will be recorded in the year of payment as a change in the accounting estimate.

### 4.8.3 Proposed Compensation to Directors and Employees

(1) The amount of employee and director compensation distributed in cash or stock (If there is a discrepancy with the estimated amount recognized in the year of expense, the difference, reasons, and handling should be disclosed)

On March 20, 2024, TCC's board of directors approved the cash distribution of NT\$73,954,817 for employee compensation and NT\$88,018,454 for director compensation for the fiscal year 2023. The amount distributed for employee compensation matched the estimate for fiscal year 2023, while the amount for director compensation was NT\$16,432 less than the estimated figure for fiscal year 2023. This discrepancy was attributed to a change in accounting estimates and has been adjusted in the profit and loss for fiscal year 2024.

(2) The amount of employee compensation distributed in stock and its proportion to the total of the net profit after tax for the current period and the total employee compensation as reported in the individual or standalone financial statements: There were no instances of employee compensation being distributed in stock this time, thus not applicable.

### 4.8.4 Distribution of Previous Year's Compensation for Employees, Directors, and Supervisors: Shares, Amounts, Stock Prices, and Discrepancies

| Item                                    | Amount Resolved by the Board of Directors (March 24, 2023) |
|---|--|
| Employee Cash Compensation Distribution | 79,122,866   |
| Director Cash Compensation Distribution | 61,621,868   |

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

## 4.9 Company Share Repurchase Details

### 4.9.1 Completed Repurchases

| Implementation of buybacks  | Fifth round                          |
|---|--------------------------------------|
| Purpose   | Transfer to employees                |
| Period  | January 11, 2023 – February 15, 2023 |
| Price range (NT\$)  | 36.62 in average                     |
| Class and Quantity  | 20,000,000 common shares             |
| Repurchase amount (NT\$)  | 732,458,798                          |
| Percentage of Shares Repurchased to Total Proposed Repurchases (%)      | 100%                                 |
| Number of Shares Canceled and Transferred                               | -                                    |
| Total Accumulated Number of Company Shares Held                         | 20,000,000 shares                    |
| Percentage of Accumulated Repurchased Shares to Total Issued Shares (%) | 0.26%                                |

Note: The above information is as of March 20, 2024.

### 4.9.2 Ongoing Repurchases: None.



## 4.10 Issuance of Corporate Bonds

### 4.10.1 Details of Corporate Bond Issuance

Data as of March 20, 2024 Unit: NT\$

| Item  | Type  | 2018 First Series Unsecured Corporate Bonds                             | 2019 First Series Unsecured Corporate Bonds                                |
|---|---|---|--|
| Issuance date   |   | June 21, 2018   | June 14, 2019  |
| Face value  |   | NT\$1 million   | NT\$1 million  |
| Issuance and Trading Venue  |   | None  | None   |
| Offering price  |   | NT\$100 per unit at par   | NT\$100 per unit at par  |
| Total amount  |   | NT\$12 billion  | NT\$12.6 billion   |
| Coupon rate   |   | Fixed Annual Interest Rate of 1.70%                                     | Fixed Annual Interest Rate of 0.85%  |
| Term and Maturity Date  |   | 15 years (maturity date: June 21, 2033)                                 | 5 years (maturity date: June 14, 2024)                                     |
| Guarantor   |   | None  | None   |
| Trustee   |   | CTBC Bank Co., Ltd.   | CTBC Bank Co., Ltd.  |
| Underwriter   |   | HSBC Bank (Taiwan) Co., Ltd.  | HSBC Bank (Taiwan) Co., Ltd.   |
| Legal counsel   |   | Hui-Chi Kuo   | Hui-Chi Kuo  |
| Auditor   |   | Deloitte & Touche<br>(Ya-Ling Wong and Chih-Ming Shao)                  | Deloitte & Touche<br>(Ya-Ling Wong and Chih-Ming Shao)                     |
| Repayment   |   | Bullet  | Bullet   |
| Outstanding principal   |   | NT\$ 12 billion   | NT\$ 12.6 billion  |
| Redemption or Early Repayment Terms   |   | None  | None   |
| Covenants   |   | None  | None   |
| Credit Rating: Agency, Date, and Bond Rating Outcome                          |   | Agency: Taiwan Ratings Corporation<br>Rating: twA+<br>Date: May 8, 2018 | Agency: Taiwan Ratings Corporation<br>Rating: twA+<br>Date: April 25, 2019 |
| Additional Rights of Bondholders  | Amount Converted or Exchanged into Ordinary Shares, GDRs, or Other Securities as of the Annual Report Printing Date | None  | None   |
|   | Issuance, Conversion, Exchange, and Subscription Procedures   | None  | None   |
| Dilution Effects on Share Equity, and Impact on Existing Shareholders' Rights |   | None  | None   |
| Name of Custodian   |   | None  | None   |

Data as of March 20, 2024 Unit: NT\$

| Item  | Type  | 2020 First Series Unsecured Corporate Bonds   |
|---|---|---|
| Issuance date   |   | April 15, 2020  |
| Face value  |   | NT\$1 million   |
| Listing exchange  |   | None  |
| Offering price  |   | NT\$100 per unit at par   |
| Total amount  |   | NT\$20 billion<br>Tranche A: NT\$5.2 billion<br>Tranche B: NT\$14.8 billion                               |
| Coupon rate   |   | Fixed Annual Interest Rate of:<br>Tranche A- 0.69%<br>Tranche B- 0.93%                                    |
| Term and maturity date  |   | Tranche A: 7 years (maturity date: April 15, 2027)<br>Tranche B: 15 years (maturity date: April 15, 2035) |
| Guarantor   |   | None  |
| Trustee   |   | CTBC Bank   |
| Underwriter   |   | HSBC Bank (Taiwan) Co., Ltd.  |
| Legal counsel   |   | Hui-Chi Kuo   |
| Auditor   |   | Deloitte & Touche<br>(Ya-Ling Wong and Chih-Ming Shao)  |
| Repayment   |   | Bullet  |
| Outstanding principal   |   | NT\$20 billion  |
| Terms for redemption or early repayment                                       |   | None  |
| Covenants   |   | None  |
| Credit rating   |   | Agency: Taiwan Ratings Corporation<br>Rating: twA+<br>Date: April 25, 2019                                |
| Additional Rights of Bondholders  | Amount Converted or Exchanged into Ordinary Shares, GDRs, or Other Securities as of the Annual Report Printing Date | None  |
|   | Issuance, Conversion, Exchange, and Subscription Procedures   | None  |
| Dilution Effects on Share Equity, and Impact on Existing Shareholders' Rights |   | None  |
| Name of Custodian   |   | None  |

Data as of March 20, 2024 Unit: NT\$

| Item  | Type   | 2021 First Series Unsecured Corporate Bonds  |
|---|--|--|
| Issuance date   |  | August 31, 2021  |
| Face value  |  | NT\$1 million  |
| Listing exchange  |  | None   |
| Offering price  |  | NT\$100 per unit at par  |
| Total amount  |  | NT\$16.6 billion<br>Tranche A: NT\$5.8 billion<br>Tranche B: NT\$3.1 billion<br>Tranche C: NT\$1.2 billion<br>Tranche D: NT\$6.5 billion   |
| Coupon rate   |  | Fixed Annual Interest Rate of:<br>Tranche A- 0.59%<br>Tranche B- 0.68%<br>Tranche C- 0.78%<br>Tranche D- 0.95%   |
| Term and maturity date  |  | Tranche A: 5 years (maturity date: August 31, 2026)<br>Tranche B: 7 years (maturity date: August 31, 2028)<br>Tranche C: 10 years (maturity date: August 31, 2031)<br>Tranche D: 15 years (maturity date: August 31, 2036) |
| Guarantor   |  | None   |
| Trustee   |  | CTBC Bank  |
| Underwriter   |  | Yuanta Securities Co.  |
| Legal counsel   |  | Hui-Chi Kuo  |
| Auditor   |  | Deloitte & Touche<br>(Chih-Ming Shao and Hui-Ming Huang)   |
| Repayment   |  | Bullet   |
| Outstanding principal   |  | NT\$16.6 billion   |
| Terms for redemption or early repayment                                       |  | None   |
| Covenants   |  | None   |
| Credit rating   |  | Agency: Taiwan Ratings Corporation<br>Rating: twA+<br>Date: April 27, 2021   |
| Additional Rights of Bondholders  | Amount of converted or exchanged into Ordinary Shares, GDRs, or Other Securities as of the Annual Report Printing Date | None   |
|   | Issuance, Conversion, Exchange, and Subscription Procedures  | None   |
| Dilution Effects on Share Equity, and Impact on Existing Shareholders' Rights |  | None   |
| Name of Custodian   |  | None   |

Data as of March 20, 2024 Unit: NT\$

| Item  | Type  | 2022 First Series Unsecured Corporate Bonds   |
|---|---|---|
| Issuance date   |   | June 8, 2022  |
| Face value  |   | NT\$1 million   |
| Listing exchange  |   | None  |
| Offering price  |   | NT\$100 per unit at par   |
| Total amount  |   | NT\$7.75 billion<br>Tranche A: NT\$4.95 billion<br>Tranche B: NT\$2.8 billion                         |
| Coupon rate   |   | Fixed Annual Interest Rate of:<br>Tranche A- 1.90%<br>Tranche B- 2.15%                                |
| Term and maturity date  |   | Tranche A: 6 years (maturity date: June 8, 2028)<br>Tranche B: 10 years (maturity date: June 8, 2032) |
| Guarantor   |   | None  |
| Trustee   |   | CTBC Bank   |
| Underwriter   |   | Yuanta Securities Co.   |
| Legal counsel   |   | Hui-Chi Kuo   |
| Auditor   |   | Deloitte & Touche<br>(Hui-Ming Huang and Cheng-Hung Kuo)  |
| Repayment   |   | Bullet  |
| Outstanding principal   |   | NT\$7.75 billion  |
| Terms for redemption or early repayment                                       |   | None  |
| Covenants   |   | None  |
| Credit rating   |   | Agency: Taiwan Ratings Corporation<br>Rating: twA+<br>Date: April 21, 2022                            |
| Additional Rights of Bondholders  | Amount Converted or Exchanged into Ordinary Shares, GDRs, or Other Securities as of the Annual Report Printing Date | None  |
|   | Issuance, Conversion, Exchange, and Subscription Procedures   | None  |
| Dilution Effects on Share Equity, and Impact on Existing Shareholders' Rights |   | None  |
| Name of Custodian   |   | None  |

Data as of March 20, 2024 Unit: NT\$

| Item  | Type  | 2022 Second Series Unsecured Corporate Bonds  |
|---|---|---|
| Issuance date   |   | November 25, 2022   |
| Face value  |   | NT\$1 million   |
| Listing exchange  |   | None  |
| Offering price  |   | NT\$100 per unit at par   |
| Total amount  |   | NT\$3.3 billion<br>Tranche A: NT\$2.1 billion<br>Tranche B: NT\$1.2 billion                                     |
| Coupon rate   |   | Fixed Annual Interest Rate of:<br>Tranche A- 2.10%<br>Tranche B- 2.65%  |
| Term and maturity date  |   | Tranche A: 5 years (maturity date: November 25, 2027)<br>Tranche B: 10 years (maturity date: November 25, 2032) |
| Guarantor   |   | None  |
| Trustee   |   | CTBC Bank   |
| Underwriter   |   | Yuanta Securities Co.   |
| Legal counsel   |   | Hui-Chi Kuo   |
| Auditor   |   | Deloitte & Touche<br>(Hui-Ming Huang and Cheng-Hung Kuo)  |
| Repayment   |   | Bullet  |
| Outstanding principal   |   | NT\$3.3 billion   |
| Terms for redemption or early repayment                                       |   | None  |
| Covenants   |   | None  |
| Credit rating   |   | Agency: Taiwan Ratings Corporation<br>Rating: twA+<br>Date: April 21, 2022                                      |
| Additional Rights of Bondholders  | Amount Converted or Exchanged into Ordinary Shares, GDRs, or Other Securities as of the Annual Report Printing Date | None  |
|   | Issuance, Conversion, Exchange, and Subscription Procedures   | None  |
| Dilution Effects on Share Equity, and Impact on Existing Shareholders' Rights |   | None  |
| Name of Custodian   |   | None  |

Data as of March 20, 2024 Unit: NT\$

| Item  | Type  | 2022 Third Series Unsecured Corporate Bonds   |
|---|---|---|
| Issuance date   |   | January 13, 2023  |
| Face value  |   | NT\$1 million   |
| Listing exchange  |   | None  |
| Offering price  |   | NT\$100 per unit at par   |
| Total amount  |   | NT\$9.3 billion<br>Tranche A: NT\$6.1 billion<br>Tranche B: NT\$3.2 billion                                   |
| Coupon rate   |   | Fixed Annual Interest Rate of:<br>Tranche A- 2.40%<br>Tranche B- 2.65%  |
| Term and maturity date  |   | Tranche A: 7 years (maturity date: January 13, 2030)<br>Tranche B: 10 years (maturity date: January 13, 2033) |
| Guarantor   |   | None  |
| Trustee   |   | CTBC Bank   |
| Underwriter   |   | Yuanta Securities Co.   |
| Legal counsel   |   | Hui-Chi Kuo   |
| Auditor   |   | Deloitte & Touche<br>(Hui-Ming Huang and Cheng-Hung Kuo)  |
| Repayment   |   | Bullet  |
| Outstanding principal   |   | NT\$9.3 billion   |
| Terms for redemption or early repayment                                       |   | None  |
| Covenants   |   | None  |
| Credit rating   |   | Agency: Taiwan Ratings Corporation<br>Rating: twA+<br>Date: April 21, 2022                                    |
| Additional Rights of Bondholders  | Amount Converted or Exchanged into Ordinary Shares, GDRs, or Other Securities as of the Annual Report Printing Date | None  |
|   | Issuance, Conversion, Exchange, and Subscription Procedures   | None  |
| Dilution Effects on Share Equity, and Impact on Existing Shareholders' Rights |   | None  |
| Name of Custodian   |   | None  |

Data as of March 20, 2024 Unit: US\$

| Item                                    | Type  | 2021 First Series Unsecured Euro-Convertible Corporate Bonds   | 2023 First Series Unsecured Euro-Convertible Corporate Bonds   |
|---|---|--|--|
| Issuance date                           |   | December 7, 2021   | October 24, 2023   |
| Face value                              |   | US\$200 thousand   | US\$200 thousand   |
| Listing exchange                        |   | Singapore Exchange Limited (SGX)   | Singapore Exchange Limited (SGX)   |
| Offering price                          |   | NT\$100 per unit at par  | US\$100 per unit at par  |
| Total amount                            |   | US\$0.8 billion  | US\$0.42 billion   |
| Coupon rate                             |   | 0%   | 0%   |
| Term and maturity date                  |   | 5 years (maturity date: December 7, 2026)  | 5 years (maturity date: October 24, 2028)  |
| Guarantor                               |   | None   | None   |
| Trustee                                 |   | Citicorp International Limited   | Citicorp International Limited   |
| Underwriter                             |   | Credit Suisse (Hong Kong) Limited  | Citigroup Global Markets Inc.  |
| Legal counsel                           |   | Abe T.S. Sung  | Abe T.S. Sung  |
| Auditor                                 |   | Deloitte & Touche<br>(Chih-Ming Shao and Hui-Ming Huang)   | Deloitte & Touche<br>(Ya-Ling Wong and Hui-Ming Huang)   |
| Repayment                               |   | Excluding early redemptions, buybacks and cancellations, or conversions, bonds will be redeemed at maturity at par value with a 0.00% annual yield (semi-annually calculated), in U.S. dollars.  | Excluding early redemptions, buybacks and cancellations, or conversions, bonds will be redeemed at maturity at par value with a 2.65% annual yield (semi-annually calculated), in U.S. dollars.  |
| Outstanding Principals                  |   | 0  | US\$0.42 billion   |
| Terms for Redemption or Early Repayment |   | <p>(a) The Issuer can redeem all or part of the bonds early, from two years post-issuance until maturity, if the company's stock closing price on the TWSE is above 130% of the early redemption trigger price for 20 out of 30 trading days.</p> <p>(b) The Issuer can redeem any remaining bonds early if over 90% have been redeemed, converted, repurchased, or canceled.</p> <p>(c) In response to tax law changes increasing taxes or costs due to these bonds post-issuance, the Issuer may redeem all bonds early. Bondholders not participating in redemption cannot claim additional tax or cost reimbursements from the Issuer.</p> | <p>(a) The Issuer can redeem all or part of the bonds early, from three years post-issuance until maturity, if the company's stock closing price on the TWSE is above 130% of the early redemption trigger price for 20 out of 30 trading days.</p> <p>(b) The Issuer can redeem any remaining bonds early if over 90% have been redeemed, converted, repurchased, or canceled.</p> <p>(c) In response to tax law changes increasing taxes or costs due to these bonds post-issuance, the Issuer may redeem all bonds early. Bondholders not participating in redemption cannot claim additional tax or cost reimbursements from the Issuer.</p> |
| Covenants                               |   | None   | None   |
| Credit rating                           |   | None   | None   |
| Additional Rights of Bondholders        | Amount Converted or Exchanged into Ordinary Shares, GDRs, or Other Securities as of the Annual Report Printing Date | 0  | 0  |

Data as of March 20, 2024 Unit: US\$

| Item  | Type  | 2021 First Series Unsecured Euro-Convertible Corporate Bonds   | 2023 First Series Unsecured Euro-Convertible Corporate Bonds  |
|---|---|--|---|
| Additional Rights of Bondholders  | Issuance, Conversion, Exchange, and Subscription Procedures | <p>Unless redeemed or repurchased in advance, aside from during designated Non-conversion Periods, bondholders are allowed to convert their bonds into the issuer's common shares either beginning three months after issuance (i.e., March 8, 2022) until: (1) 10 days prior to the bond's maturity date, or (2) 5 business days before either the bondholder exercises the put option or the company exercises the redemption option, excluding the maturity date. This conversion is subject to applicable laws and the terms outlined in the trust agreement.</p> <p>The Non-conversion Periods are defined as:</p> <p>(a) The 60 days preceding the annual general meeting or 30 days before any special shareholders' meeting.</p> <p>(b) The 15 business days leading up to the issuance of bonus shares, the distribution of cash dividends, or cash capital increases, continuing until the rights distribution record date.</p> <p>(c) The period from the capital reduction reference date until the day before the trading of shares with reduced capital begins.</p> <p>(d) The period from the approval of a stock denomination change and suspension of conversion until the day before the trading of the new denomination shares begins.</p> <p>(e) Any periods during which transfers are suspended as per ROC laws or TWSE regulations.</p> <p>(f) Any adjustments will be implemented in accordance with legal amendments impacting transfer suspension periods.</p> | <p>Unless redeemed or repurchased in advance, aside from during designated Non-conversion Periods, bondholders are allowed to convert their bonds into the issuer's common shares either beginning three months after issuance (i.e., January 25, 2024) until: (1) 10 days prior to the bond's maturity date, or (2) 5 business days before either the bondholder exercises the put option or the company exercises the redemption option, excluding the maturity date. This conversion is subject to applicable laws and the terms outlined in the trust agreement.</p> <p>The Non-conversion Periods are defined as:</p> <p>(a) The 60 days preceding the annual general meeting or 30 days before any special shareholders' meeting.</p> <p>(b) The 15 business days leading up to the issuance of bonus shares, the distribution of cash dividends, or cash capital increases, continuing until the rights distribution record date.</p> <p>(c) The period from the capital reduction reference date until the day before the trading of shares with reduced capital begins.</p> <p>(d) The period from the approval of a stock denomination change and suspension of conversion until the day before the trading of the new denomination shares begins.</p> <p>(e) Any periods during which transfers are suspended as per ROC laws or TWSE regulations.</p> <p>(f) Any adjustments will be implemented in accordance with legal amendments impacting transfer suspension periods.</p> |
| Dilution Effects on Share Equity, and Impact on Existing Shareholders' Rights |   | <p>If all of the bonds were converted into Ordinary Shares, the potential dilution impact on existing shareholders' equity would be approximately 5.72%. While this conversion would lead to an expansion of share capital and dilute earnings per share (EPS), it would also enhance the financial structure by increasing equity and reducing the debt-to-equity ratio, thereby benefitting the Group's future operations and development.</p>   | <p>If all of the bonds were converted into Ordinary Shares, the potential dilution impact on existing shareholders' equity would be approximately 4.84%. While this conversion would lead to an expansion of share capital and dilute earnings per share (EPS), it would also enhance the financial structure by increasing equity and reducing the debt-to-equity ratio, thereby benefitting the Group's future operations and development.</p>  |
| Name of Custodian   |   | None   | None  |



## 4.10.2 Convertible Bond Information

| Types  |         | 2023 First Series Unsecured Euro-Convertible Corporate Bonds         |                 |                   |
|--|---------|--|-----------------|-------------------|
| Items  | Periods | Date of Issuance   | FY 2023         | FY 2024 ( Note 1) |
| Market Prices                                  | High    | US\$99.69  | US\$112.852     | US\$112.091       |
|  | Low     | US\$99.69  | US\$99.489      | US\$107.452       |
|  | Average | US\$99.69  | US\$105.991     | US\$109.395       |
| Conversion Price (NT\$/share)                  |         | NT\$37.27/share  | NT\$37.27/share | NT\$37.27/share   |
| Issuance Date and Conversion Price at Issuance |         | Issuance Date: October 24, 2023<br>Conversion Price: NT\$37.27/share |                 |                   |
| Fulfillment of Conversion Obligation           |         | To deliver issued shares   |                 |                   |

Note 1: Data for FY 2024 was up to the cutoff date of March 20, 2024.

### 4.10.3 Exchangeable Bond Information: None.

### 4.10.4 Summary Report on Bond Issuance Shelf Registration: None.

### 4.10.5 Information on Corporate Bonds with Warrants: None.

## 4.11 Issuance of Preferred Shares

### 4.11.1 Details of Preferred Shares Issuance

Data as of March 20, 2024

| Items                        |  | Issuance Date   | December 13, 2018<br>Taiwan Cement Corp. Series 2 Preferred Shares (TWSE: 1101B) |
|------------------------------|--|---|--|
| Face Value                   |  | NT\$10  |  |
| Issued Price                 |  | NT\$50 per share  |  |
| Number of Shares             |  | 200 million shares  |  |
| Total Amount                 |  | NT\$10 billion  |  |
| Rights and obligations       | Distribution of Dividends                  | <p>1. Dividends: The Series 2 Preferred Shares carry a fixed annual dividend rate of 3.5%. However, starting from the day after the fifth anniversary of the issuance date (i.e., December 14, 2023), the dividend rate was reset. This reset was based on the average of the 5-year IRS rates for "TAIFXIRS" and "COSMOS3" from Reuters at 11:00 am two Taipei business days before the reset date (i.e., December 12, 2023). The reset rate was calculated by adding the average IRS rate of 1.490% to the fixed spread rate of 2.5625% at the issuance, resulting in a new dividend rate of 4.0525% effective from December 14, 2023.</p> <p>2. Dividend Policy:</p> <p>(1) Series 2 Preferred Share dividends are annually paid in cash following board approval post-annual shareholders' meeting. Dates are board-set, with payments prorated based on actual share days.</p> <p>(2) After fulfilling statutory tax obligations, offsetting prior losses, and setting aside legal reserves, any remaining profits may be allocated to Series 2 Preferred Shares. The Company may also allocate or reverse special reserves as required by laws or regulations.</p> <p>(3) Dividend distribution is discretionary; no dividends if there are no profits or if insufficient. Company may opt not to distribute dividends on preferred shares, without breach.</p> <p>(4) Series 2 Preferred Shares dividends are non-cumulative and discretionary.</p> <p>(5) Series 2 Preferred Shareholders are not entitled to ordinary dividends.</p> |  |
|                              | Liquidation Preferences                    | <p>1. Holders of Series 2 Preferred Shares are prioritized over ordinary shareholders when distributing the Company's remaining assets. They are entitled to receive payments concurrently and on an equal basis with other classes of preferred shares, provided that the amount does not exceed the issue price of the outstanding preferred shares at the time of distribution.</p>  |  |
|                              | Voting Rights                              | <p>1. Preferred Shareholders of Series 2 do not possess voting rights or election rights during the Company's shareholders' meetings. However, they may qualify for election as directors. Nonetheless, they retain voting privileges during Preferred Shareholders' meetings and discussions on related matters.</p>   |  |
|                              | Others                                     | <p>1. Preferred shareholders of Series 2 have equal preemptive rights as ordinary shareholders to subscribe to newly issued shares before they are offered to others.</p>   |  |
| Outstanding preferred shares | Amount of Redeemed or Converted Shares     | NT\$ 0  |  |
|                              | Amount of Unredeemed or Unconverted Shares | NT\$ 10 billion   |  |
|                              | Redemption or Conversion Rights            | <p>1. Series 2 Preferred Shares cannot be converted into common shares, and shareholders have no right to request the redemption of their Series 2 Preferred Shares.</p> <p>2. The Company may redeem all or a portion of the issued Preferred Shares at the issuance price, starting from the day after the fifth anniversary of the issuance date. Unredeemed Series 2 Preferred Shares will continue to retain the same rights and obligations as outlined in the issuance terms.</p>  |  |
| Market Price Per Share       | FY 2023                                    | High  | NT\$49.55  |
|                              |  | Low   | NT\$46.75  |
|                              |  | Average   | NT\$48.21  |

| Items   |   | Issuance Date | December 13, 2018<br>Taiwan Cement Corp. Series 2 Preferred Shares (TWSE: 1101B) |
|---|---|---------------|--|
| Market Price Per Share  | Period up to March 20, 2024 (Note)                            | High          | NT\$49.40  |
|   |   | Low           | NT\$48.10  |
|   |   | Average       | NT\$49.08  |
| Additional Rights Attached  | Amount of Converted or Subscribed Shares as of March 20, 2024 |               | Not applicable   |
|   | Procedure for Issuance, Conversion, or Subscription           |               | None   |
| Dilution Effects on Share Equity, and Impact on Existing Shareholders' Rights |   |               | None   |

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

#### 4.11.2 Preferred Shares with Warrants:None.

### 4.12 Implementation Status of Global Depositary Receipts (GDRs)

Data as of March 20, 2024

| Items   |                                    | Issuance Date | August 3, 2018  | October 3, 2022   | October 17, 2023  |
|---|------------------------------------|---------------|---|---|---|
| Issue and Trading Venue                                 |                                    |               | EuroMTF   | EuroMTF   | EuroMTF   |
| Total Issued Amount                                     |                                    |               | USD\$548,625,000  | USD\$425,040,000  | USD\$384,730,000  |
| Unit Offering Price                                     |                                    |               | USD\$6.27 per unit  | USD\$5.06 per unit  | USD\$4.87 per unit  |
| Total Units Issued                                      |                                    |               | 87,500,000  | 84,000,000  | 79,000,000  |
| Underlying securities                                   |                                    |               | Common Shares Issued by the Company for Cash Capital Increase | Common Shares Issued by the Company for Cash Capital Increase | Common Shares Issued by the Company for Cash Capital Increase |
| Common shares Represented                               |                                    |               | 437.5 million shares  | 420 million shares  | 395 million shares  |
| Rights and Obligations of Holders                       |                                    |               | Same as common shares   | Same as common shares   | Same as common shares   |
| Trustee   |                                    |               | Not Applicable  | Not Applicable  | Not Applicable  |
| Depositary Institution                                  |                                    |               | CitiBank  | CitiBank  | CitiBank  |
| Custodian Institution                                   |                                    |               | First Bank  | First Bank  | First Bank  |
| Outstanding Units                                       |                                    |               | 100 units   |   |   |
| Allocation of Issuance and Tenure-Related Expenses      |                                    |               | Borne by the Company  | Borne by the Company  | Borne by the Company  |
| Key Provisions of the Depositary and Custody Agreements |                                    |               | Refer to the Depositary and Custody Contract                  | Refer to the Depositary and Custody Contract                  | Refer to the Depositary and Custody Contract                  |
| Market Price per Unit                                   | FY 2023                            | High          | US\$6.500   |   |   |
|   |                                    | Low           | US\$4.840   |   |   |
|   |                                    | Average       | US\$5.285   |   |   |
|   | Period up to March 20, 2024 (Note) | High          | US\$5.600   |   |   |
|   |                                    | Low           | US\$4.840   |   |   |
|   |                                    | Average       | US\$5.189   |   |   |

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

#### 4.13 Employee Stock Options Implementation: None.

#### 4.14 Employee Restricted Share Implementation: None.

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

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

#### 4.15.2 Basic Information of Newly Acquired Company: Not applicable.

### 4.16 Financing Plans and Execution

#### 4.16.1 Plan Details and Implementation Status

##### A. Issuance of the Global Depositary Receipts (2022):

1. Use of Proceeds: Investment in overseas subsidiaries and purchase of raw materials in foreign currency.
2. Date of Approval and Document Number: September 27, 2022, Approval No. 1110356873 issued by the Financial Supervisory Commission.
3. Total Funding Required: USD\$ 425.04 million.
4. Source of Funds: Cash raised from the issuance of new shares participating in the issuance of global depositary receipts, amounting to USD\$ 425.04 million.
5. Project Overview and Execution Status:

Unit: USD\$ thousands

| Projects                             | Execution Status |        | As of March 20, 2024 | Reasons for deviation from the plan |
|--------------------------------------|------------------|--------|----------------------|-------------------------------------|
| Invest in foreign subsidiary – TCCIH | Amount           | Budget | 380,000              | Completed as planned.               |
|                                      |                  | Actual | 380,000              |                                     |
|                                      | Progress (%)     | Budget | 100.00%              |                                     |
|                                      |                  | Actual | 100.00%              |                                     |
| Raw material purchase                | Amount           | Budget | 45,040               | Completed as planned.               |
|                                      |                  | Actual | 45,040               |                                     |
|                                      | Progress (%)     | Budget | 100.00%              |                                     |
|                                      |                  | Actual | 100.00%              |                                     |
| Total                                | Amount           | Budget | 425,040              |                                     |
|                                      |                  | Actual | 425,040              |                                     |
|                                      | Progress (%)     | Budget | 100.00%              |                                     |
|                                      |                  | Actual | 100.00%              |                                     |

## B. Issuance of the Unsecured Euro-Convertible Bonds in 2023:

1. Use of Proceeds: Repayment of the principal from the repurchase of the Unsecured Euro-Convertible Bonds issued in 2021.
2. Date of Approval and Document Number: October 2, 2023, Approval No. 11203562931 issued by the Financial Supervisory Commission.
3. Total Funding Required: USD\$420 million.
4. Source of Funds: The issuance of the first unsecured euro-convertible bonds in 2023, totaling USD\$ 420 million.
5. Project Overview and Execution Status:

Unit: USD\$ thousands

| Projects   | Execution Status |        | As of March 20, 2024 | Reasons for deviation from the plan |
|--|------------------|--------|----------------------|-------------------------------------|
| Repayment of the principal from the execution of the repurchase of the Unsecured Euro-Convertible Bonds issued in 2021 | Amount           | Budget | 420,000              | Completed as planned.               |
|  |                  | Actual | 420,000              |                                     |
|  | Progress (%)     | Budget | 100.00%              |                                     |
|  |                  | Actual | 100.00%              |                                     |
| Total  | Amount           | Budget | 420,000              |                                     |
|  |                  | Actual | 420,000              |                                     |
|  | Progress (%)     | Budget | 100.00%              |                                     |
|  |                  | Actual | 100.00%              |                                     |

## C. Issuance of the Global Depository Receipts (2023):

1. Use of Proceeds: Repayment of the principal from the repurchase of the Unsecured Euro-Convertible Bonds issued in 2021 and investment in the overseas subsidiary, TCCIH.
2. Date of Approval and Document Number: October 2, 2023, Approval No. 1120356293 issued by the Financial Supervisory Commission.
3. Total Funding Required: USD\$384.73 million.
4. Source of Funds: Cash raised from the issuance of new shares participating in the issuance of global depository receipts, amounting to USD\$ 384.73 million.
5. Project Overview and Execution Status:

Unit: USD\$ thousands

| Projects  | Execution Status |        | As of March 20, 2024 | Reasons for deviation from the plan |
|---|------------------|--------|----------------------|-------------------------------------|
| Repayment of the principal from the repurchase of the Unsecured Euro-Convertible Bonds issued in 2021 | Amount           | Budget | 182,730              | Completed as planned.               |
|   |                  | Actual | 182,730              |                                     |
|   | Progress (%)     | Budget | 100.00%              |                                     |
|   |                  | Actual | 100.00%              |                                     |
| Investment in the overseas subsidiary, TCCIH.   | Amount           | Budget | 202,000              | Completed as planned.               |
|   |                  | Actual | 202,000              |                                     |
|   | Progress (%)     | Budget | 100.00%              |                                     |
|   |                  | Actual | 100.00%              |                                     |
| Total   | Amount           | Budget | 384,730              |                                     |
|   |                  | Actual | 384,730              |                                     |
|   | Progress (%)     | Budget | 100.00%              |                                     |
|   |                  | Actual | 100.00%              |                                     |

## 4.16.2 Assessment of Plan Effectiveness

- (1) In the fiscal year 2022, one of the intended use of funds raised from the issuance of global depository receipts to reinvest in the overseas subsidiary, TCCIH, aimed to facilitate the repayment of TCCIH's bank loans. While the projected benefits in terms of savings from reduced interest expenses were in line with expectations, unforeseen increases in coal prices in mainland China led to escalated costs and subsequently reduced net profits. Consequently, the investment gains and losses recognized for TCCIH in 2022 decreased compared to the previous fiscal year.

Investment Gains and Losses Recognized from TCCIH (Fiscal Years 2020-2022)

Unit: NT\$ thousand

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

- (2) In addition to the aforementioned utilization of the funds raised from the issuance of global depository receipts in 2022, a portion of the funds was allocated for the procurement of raw materials. The projected benefit aimed to moderately alleviate financial burdens. Notably, there were no substantial disparities between the anticipated and realized outcomes in terms of this intended benefit.
- (3) The proceeds from the issuance of the Unsecured Euro-Convertible Bonds in fiscal year 2023 were allocated for repaying the principal from the repurchase of the Unsecured Euro-Convertible Bonds issued in 2021. The anticipated benefit was to decrease reliance on bank loans and increase flexibility in capital utilization. With the successful repayment of the principal from the repurchase of the Unsecured Euro-Convertible Bonds issued in 2021, the expected benefit of interest savings should now be realized.
- (4) The issuance of global depository receipts in fiscal year 2023 had one purpose: to repay the principal amount from the repurchase of the Unsecured Euro-Convertible Bonds issued in 2021. This was aimed at reducing dependence on bank loans and improving flexibility in capital allocation. The Company has successfully repaid the principal from the repurchase of the Unsecured Euro-Convertible Bonds issued in 2021 as planned, and the anticipated interest savings should be realized.
- (5) Additionally, the funds raised from the issuance of global depository receipts in 2023 were also intended for reinvestment in the overseas subsidiary TCCIH, with the goal of facilitating the repayment of TCCIH's bank loans. While the anticipated benefit of saving on interest expenses resulting from loan repayment showed no significant differences between the projected and actual outcomes, the impact on the investment gains and losses recognized for TCCIH will be evident in fiscal year 2024 due to the scheduled repayment at the end of fiscal year 2023.

# 5 Business Overview

## 5.1 Descriptions of Business

### 5.1.1 Business Scope

Taiwan Cement Corporation primarily focuses on the production and sales of cement products. Additionally, it operates in the electric power and battery sectors, among others, through various divisions.

#### The Cement Department

Produces, processes, and sells various cement products.

#### The Electricity & Energy Department

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

#### Other Departments

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

Current main products and their sales ratio:

| Department             | Main Products   | Sales Ratio |
|------------------------|---|-------------|
| Cement                 | Cement and ready-mixed concrete                                   | 62.77%      |
| Electricity and Energy | Power supply, Energy storage and Rechargeable lithium-ion battery | 34.37%      |
| Others                 | Marine and Land Transportation                                    | 2.86%       |
| Total                  |   | 100.00%     |

### 5.1.2 Industry Overview

#### 5.1.2.1 The Cement Sector

##### Current Status and Future Development

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

Statistics from Taiwan Cement Manufacturers' Association showed that in 2023, their member companies produced a total of 10.25 million tons of cement. The annual domestic cement consumption stood at 13.02 million tons, with an average of 555.7 kg per person per year.

Looking forward to 2024, impacted by the recent COVID-19 pandemic, the Russia-Ukraine conflict, inflation, and rising interest rates from the past few years, the majority of research institutions expect global GDP growth to slow down further.

In mainland China, due to population shrinkage and aging, the economy has returned to a state of weaker

potential growth. The massive increase in local government debt not only suppresses investment but also limits the opportunity for productivity to catch up to some extent. It is expected that the problems in China's real estate market will continue, persistently dragging down domestic investment and consumption.

From a medium to long-term perspective, the overall economy will be affected by three major issues: the bubble in the real estate market, the shift in supply chains, and population aging, leading to a gradual slowdown in the economic growth rate of the mainland China.

In Taiwan, due to easing inflationary pressures, growth in consumer demand, and a rebound in export momentum, investment growth has also turned positive, leading to an overall improvement in the economic outlook. Influenced by favorable monetary and fiscal policies, alongside economic recovery, the real estate market has not suffered a significant decline despite the impact of the equalization of land rights regulations and policy. Though there are signs of contraction seen in the applications for construction permits and the floor area of new starts, indicating a gradual decrease in future construction volumes, projects under the Forward-looking Infrastructure Development Program and early rush construction projects are still progressing. It is estimated that the overall market development will remain stable in 2024.

TCC's product range primarily consists of Portland Type I cement, alongside a specialized demand for special cements in public construction projects. In an effort to provide more environmentally friendly, low-carbon alternatives, TCC formally introduced low-carbon Portland limestone cement on January 1, 2024. This initiative offers consumers a more sustainable, carbon-reducing choice. Additionally, pre-mixed concrete plants have concurrently begun producing low-carbon limestone cement concrete. In an era where awareness of carbon reduction and environmental protection is increasingly paramount, this innovative product is anticipated to be a more competitive option in the market.

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

The upstream sectors in the cement industry includes the quarrying of raw materials such as limestone and clay, metal mining with silica sand, steelmaking with cinder and furnace slag, non-metal mining with gypsum and limestone, and coal-fired power generation with fly ash and flue gas desulphurization gypsum. The key midstream sectors include electricity supply, gas fuel supply, rail freight transport, trucking, and maritime transport.

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

#### 5.1.2.2 The Electricity and Energy Sector

##### Current Status and Future Development

##### 1. The Electricity Department

A stable supply of electricity and sustainable development of the electricity industry are both essential to the needs of the people's livelihood, industrial competition, environmental protection and national security. Taiwan's electricity industry is now in the 29th year since it was opened to the private sector to set up power plants in 1995. Yet the overall power industry has not gone through any major changes since 2009. For a long time the state-owned Taiwan Power Company ("Taipower") practically operated the entire power industry, and although Taipower operated in coordination with the country's direction of economic development, it also acted according to its own "Long-term Power Development Program" in introducing new developments in the power industry.

After 1989, however, vigorous growth in the economy led to skyrocketing demand for electricity (see the figure below – Power Generation and Purchases by the Taipower System over the Years), and the ratio of reserve capacity dropped sharply from 2014 to 2018. Actual reserve capacity rate is even lower than the 15% target value mandated by the government (see the figure below - Reserve Capacity Rate). In 2019, the peak load was 37.07 million kW, and deactivation of the No. 2 generator of the First Nuclear Power Plant was followed by transfer of the new Tunghsiao Gas-fired Power Plant and increased installation of

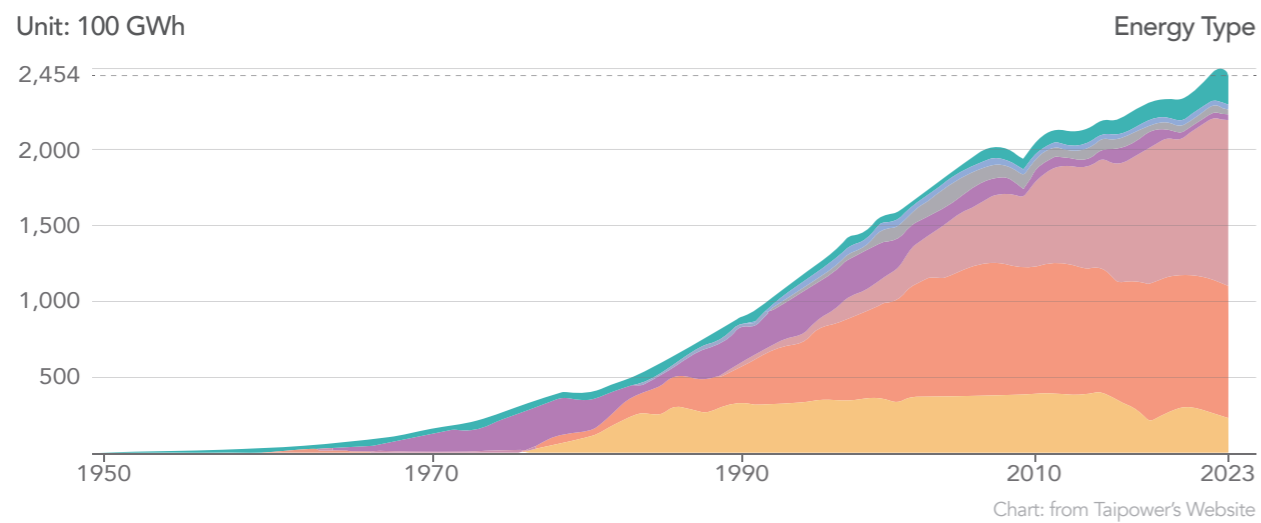


solar photovoltaics. Units 1 and 2 of the Xiehe Oil-fired Power Plant were decommissioned in 2020, but new units such as the Linkou (ultra-supercritical coal-fired), Talin (gas-fired) and Tunghsiao (gas-fired) power plants were installed in succession. At present, with commercial transfers of power and renewable energy injection, the reserve capacity rate reached at 16.4%.

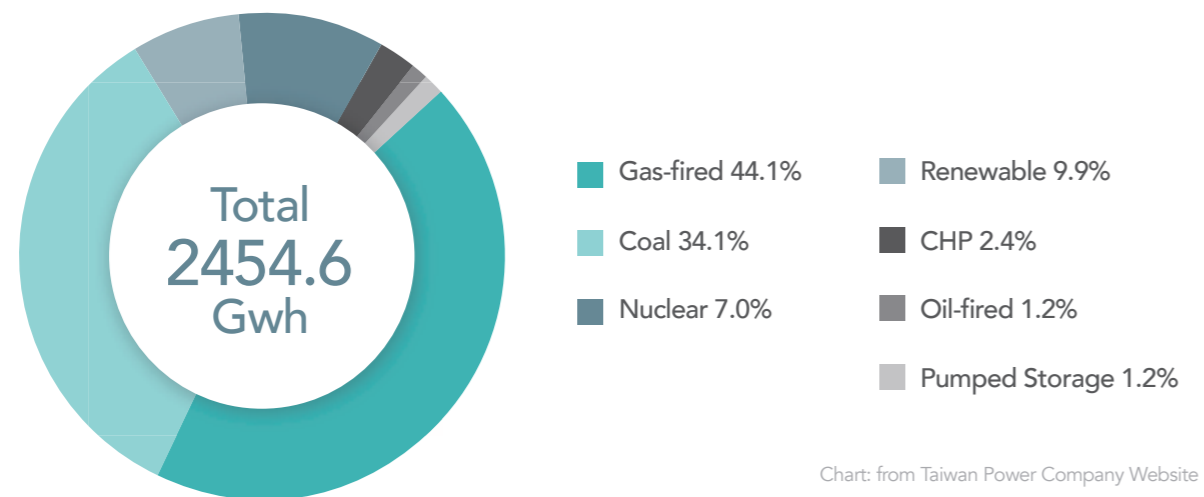
In May 2023, the Directorate-General of Budget, Accounting and Statistics of the Executive Yuan forecasted an annual economic growth rate of 2.04%. Despite a preliminary estimated economic growth rate of -2.87% for the first quarter of 2023 and a decrease in electricity consumption by about 3.20%, advancements in emerging technologies, such as AI, are anticipated to boost the expansion of capacity and enhance the economic outlook in semiconductor and server-related industries in the second half of 2023. As a result, the electricity demand for 2023 is projected to match that of 2022.

Taking into account adjustments in the semiconductor industry's demand schedule, continuous major industrial investments, and the influence of forthcoming electrification policies, the national electricity demand is expected to grow by approximately 2.03% from 2023 to 2029.

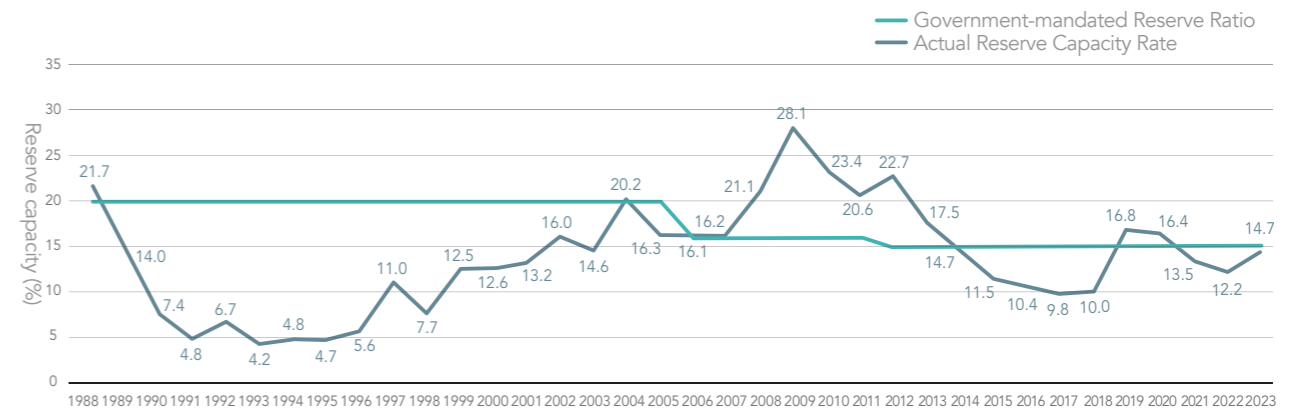
**Power Generation and Purchases by the Taipower System over the Years**



**% of Total Supply by Energy Source- 2023**



**Reserve Capacity Rate**



Reserve rate = (Peak period supply – Peak period demand) / Peak period demand

Note 1: In 2012 the MOEA adjusted the reserve ratio to 15%

Note 2: From 2022, it turns to show the nighttime reserve ratio

Since 2006, international fossil fuel prices have soared, severely impacting the operating environment of the electric industry, which also faces the problem of global warming. Low-carbon economy, low-carbon energy and low-carbon electricity will be the main axes for global development in the future. The lack of self-produced energy in Taiwan means that the public and businesses face the inevitable trend of striving for reduced GHG production in order to ensure sustainable development of the electric power industry. To do this, Taiwan will work to develop low-carbon electricity on the supply side, at the same time fully promoting electricity conservation and improve electricity efficiency on the demand side. As a result, the electrical industry market finds itself in the age of "energy saving and carbon reduction."

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

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

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

- In 1995 the first and second phases of privately established power plants began
- The Kyoto Protocol was enacted in 1997
- In 1999 the third phase of privately operated power plants began
- Exhaustive inventories of GHGs in the energy industry were first taken in 2005
- The fourth phase of opening private power plants began in 2006
- The Greenhouse Gas Reduction and Management Law was announced in 2015
- In 2017 the Electricity Act Amendments were announced
- A referendum on energy issues was held in 2018

- Renewable Energy Development Act were released in 2019
- The government announced key points for setting up trial platforms for auxiliary services and spare capacity transactions in 2020
- A pilot platform for ancillary services and reserve capacity transactions was officially launched in 2021
- The Greenhouse Gas Reduction and Management Act was amended and replaced by the "Climate Change Response Act" in 2023

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

**TCC Group's Green Energy is dedicated to the construction and operational management of a varied collection of renewable energy power plants, aiming to strategically expand its development by integrating the benefits of different renewable energy sources. As of now, the aggregate installed capacity of its renewable energy power plant systems is around 200 MW.**

| Installed and in Operation                    |               |                  | Under Construction       |               |          |
|---|---------------|------------------|--------------------------|---------------|----------|
| Site Location                                 | Energy Source | Capacity         | Site Location            | Energy Source | Capacity |
| Zhangbin Industrial Zone                      | Solar         | 2 MW             | Chiayi Yiju              | Solar         | 22.1 MW  |
|   | Solar         | 10.1 MW          | Zhangbin Industrial Zone | Wind          | 9 MW     |
|   | Wind          | 7.2 MW           | Taitung Hongye           | Geothermal    | 1 MW     |
| Chiayi Yiju                                   | Solar         | 43.4 MW          | Chiayi Budai             | Solar         | 60 MW    |
| Changhua Fangyuan                             | Wind          | 14.4 MW          | New Taipei Wanli         | Wind          | 15 MW    |
| CSRC Group LAMT plant                         | Solar         | 725 KW           | New Taipei Shimen        | Wind          | 6 MW     |
| TTSC Dadu plant                               | Solar         | 424 KW           |                          |               |          |
| TTSC Linyuan plant                            | Solar         | 456 KW           |                          |               |          |
| E-One Moli Tainan plant                       | Solar         | 497 KW           |                          |               |          |
| FDC Int'l Hotels Employee Dormitory           | Solar         | 99 KW            |                          |               |          |
| Molie Quantum Energy Kaohsiung Xiaogang Plant | Solar         | 2.1 MW           |                          |               |          |
| Zhangbin Industrial Zone                      | AFC ESS       | 5 MW             |                          |               |          |
|   | E-dReg ESS    | 4.9 MW/6.8 MWh   |                          |               |          |
| Hoping Industrial Zone                        | E-dReg ESS    | 100 MW/311.4 MWh |                          |               |          |

## 2. The Energy Department

(1) In response to the Taiwanese government's push for renewable energy to make up 15.5% of power generation by 2025, Taipower had planned to increase its energy storage equipment and auxiliary services to 590 MW by 2025 to meet the need for infrastructure to stabilize the power grid. During this period of development, peak power consumption shifted from daytime to nighttime, resulting in aggravated demands on the power grid. Thus the target value for energy storage was further increased to 1 GW, in hopes it could be used to transfer surplus power from peak power generation to times when more power is needed. For this reason, in addition to frequency regulations (dReg, sReg) for original auxiliary units to stabilize the power grid, services have also added enhanced frequency regulation functions as overall demand has increased.

The MOEA also released "Administrative Measures for Power Users with a Certain Contracted Capacity and Above to Install Renewable Energy Power Generation Equipment" at the end of 2020. This regulation mandates that electricity users with a contracted capacity of 5MW or more are required to either install renewable energy or energy storage facilities amounting to 10% of their contracted capacity, purchase green electricity certificates, or pay a fee, by 2025. Given the current consumption of over 10GW by large power users, the market's requirement for green electricity or energy storage is projected to reach 1GW.

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

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

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

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

(3) Energy transition, aside from spurring the development of low-carbon technologies in ground transportation, is also propelling the aviation industry towards decarbonization reforms. At COP26, the aviation

industry made a commitment to achieve net-zero emissions by 2050, making it the only sector to have made such a global pledge to date. According to the Waypoint 2050 report by the Air Transport Action Group (ATAG), it is anticipated that by 2050, short-haul flights accommodating fewer than 100 passengers will transition to electric and hybrid power systems, with this shift beginning in 2035.

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

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

Under the current renewable energy policy of the Taiwanese government, the goal for 2025 is to have natural gas make up 50% of the energy mix, coal 27%, green energy 20%, and other sources 3%. By 2050, the target is to achieve net-zero emissions. Within this policy framework for electricity generation, the allocation of various energy sources includes renewable energy accounting for 60-70%, hydrogen 9-12%, and thermal power with carbon capture 20-27%. Priority is given to the deployment of mature technologies such as solar photovoltaics (PV) and wind power, with a commitment to achieve a cumulative installation of 20 GW of solar PV by 2025 and an additional 2 GW per year from 2026 to 2030; and a cumulative installation of 5.6 GW of offshore wind power with an annual target of 1.5 GW from 2026 to 2030.

TCC Group's Green Energy is currently aligning its renewable energy power plant portfolio with the national energy transition goals and the anticipated demand for green energy in response to domestic and international carbon taxes.

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

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

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

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

As the 2025 deadline for meeting the obligations under the large electricity users' clause draws near, the requirements for greenhouse gas and carbon inventory are set to broaden. Emerging issues such as grid stability in industrial and science parks, alignment with RE100 initiatives, and the EV100 trend are increasingly coming into focus. In response, TCC Group's TCC Energy Storage Technology is initially focusing on six key customer segments: large electricity users, commercial office buildings, large shopping centers, logistics companies, small users, and science parks. The aim is to develop bespoke new energy solutions for these groups.

An integrated charging and storage setup has become a foundational model for both energy storage sites and charging stations. TCC Group's approach is to offer a Total Solution that encompasses charging, storage, and green energy, catering to the growing demand for renewable electricity. Through energy storage systems, large power users can meet their obligations, shave off peak demands to reduce contracted capacities, mitigate the grid's high instantaneous loads from charging piles, and fine-tune the use of self-generated green energy to meet RE targets. Additionally, these systems double as uninterruptible power supplies within facilities.

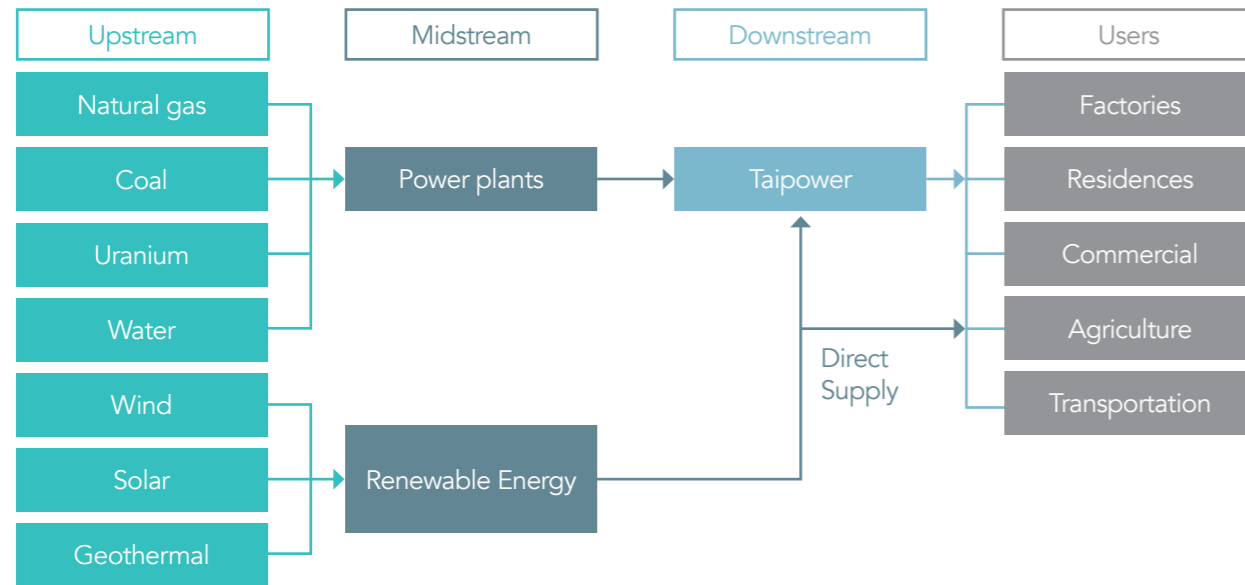
Working in tandem with EnergyArk and its charging piles, TCC Group employs DC-DC integrated charging and storage equipment to enhance grid stability and deliver swift, dependable charging services for electric vehicle owners. In 2023, a partnership with leading Taiwanese financial institutions saw the installation of rapid charging storage solutions in parking lots, alleviating charging anxiety for employees driving electric vehicles and marking a significant advancement in TCC's commitment to energy transition. Building on its history of collaboration with the government, TCC is set to continue advocating for the integrated use of energy storage systems and charging stations, supporting Taiwan's efforts towards enhancing grid resilience and facilitating energy transitions for cities and businesses alike.

To mitigate the concerns of businesses and the public regarding battery fire risks in energy storage, a groundbreaking approach has been adopted through the use of TCC's low-carbon, high-performance Ultra-High Performance Concrete (UHPC). This led to the creation of EnergyArk, the world's first fireproof and exceptionally safe energy storage cabinet. Showcased at both domestic energy exhibitions and the 2023 CES in the USA, EnergyArk has distinguished itself by its superior safety features compared to existing energy storage products on the market. This achievement garnered significant praise from industry peers, businesses, and government bodies, paving the way for potential future collaborations and establishing EnergyArk as a frontrunner in safety innovation within the energy storage industry.

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

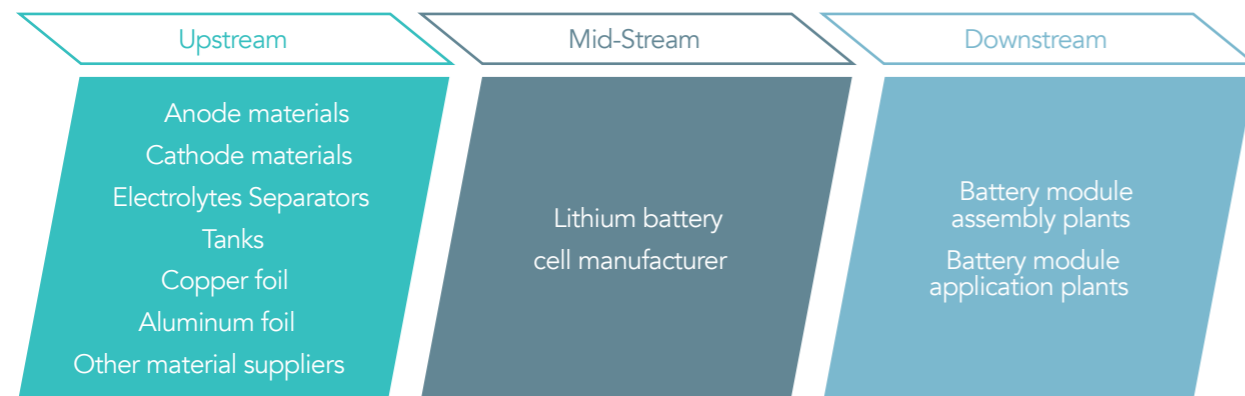
(1) The Electricity Department

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

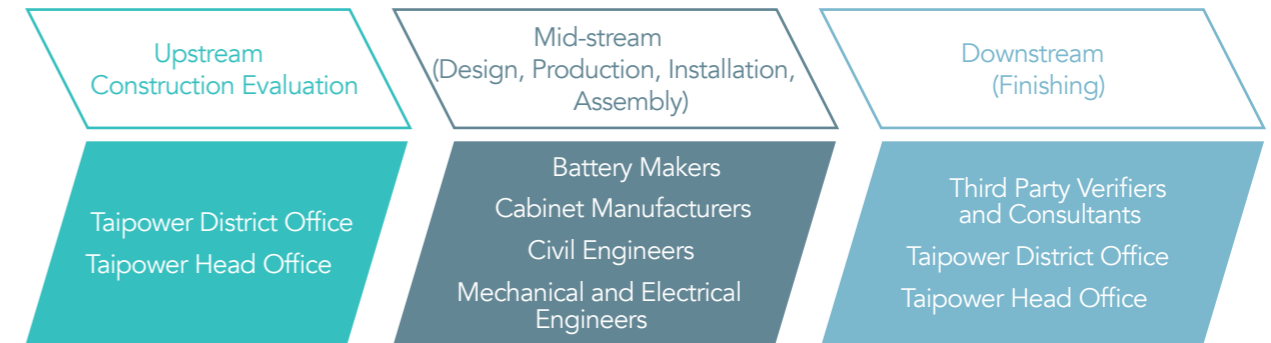


(2) The Energy Department

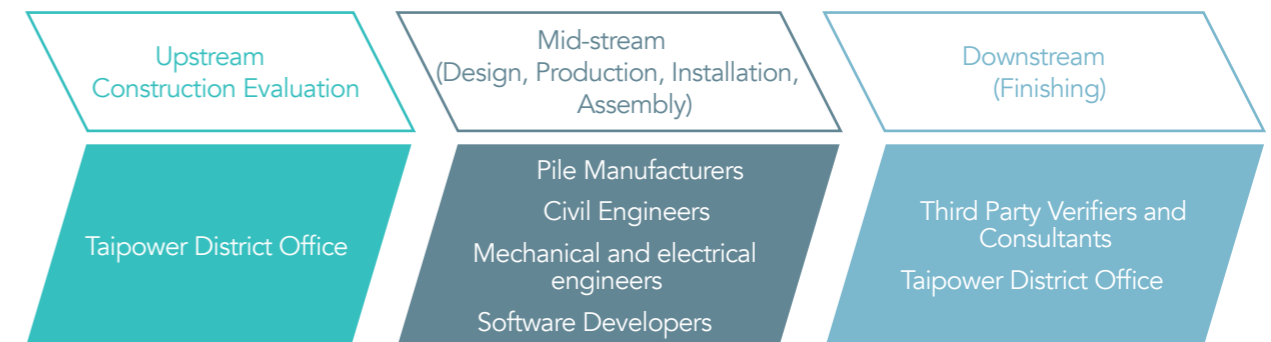
Battery Business



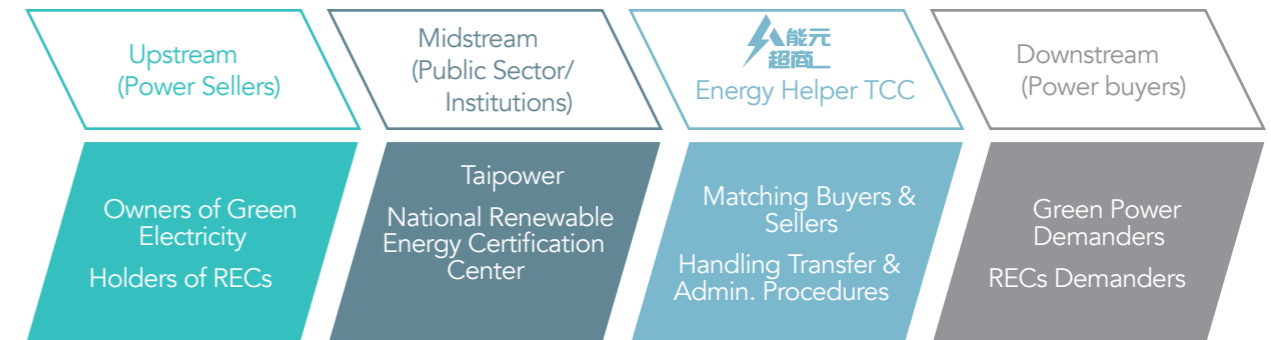
Energy storage business:



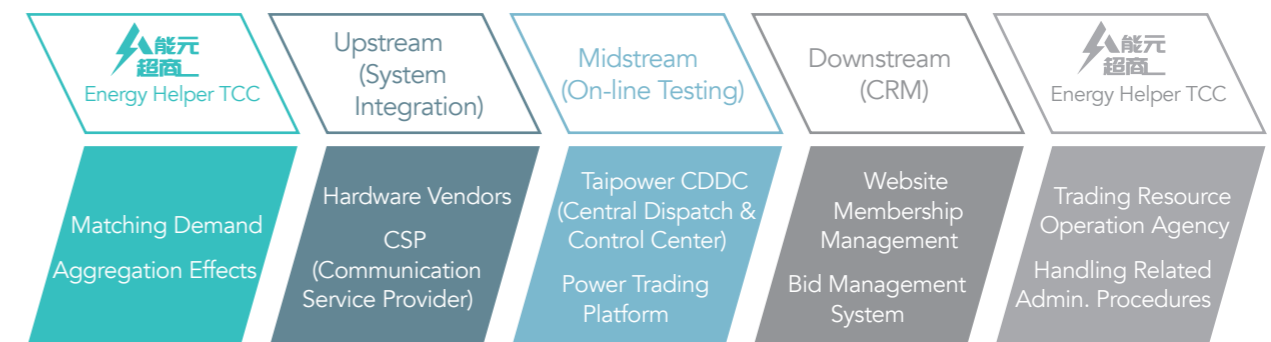
Charging Pile Operations:



Green Electricity Purchases and Sales:



Power Trading Resource Aggregator:



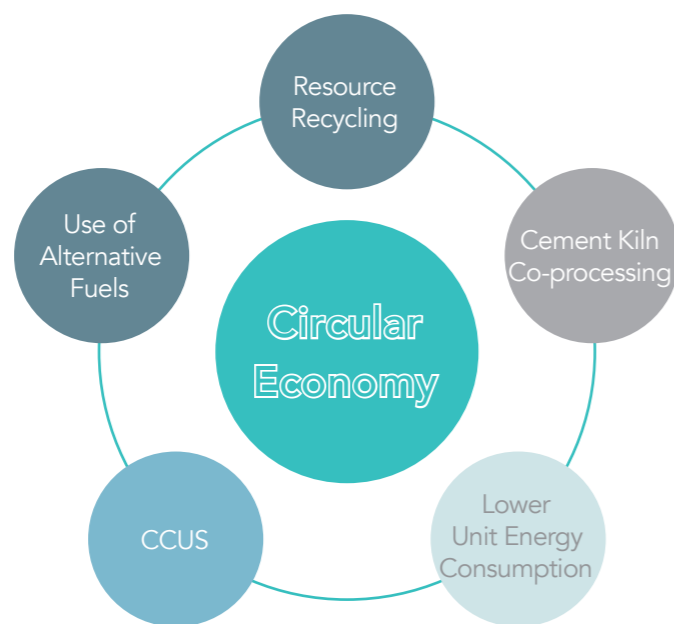


### 5.1.3 Overview of Technology and R&D

As of the publication date of this annual report for 2023 and 2024, the Group invested NT\$1,440,310 thousands and NT\$160,118 thousands in R&D expenses respectively. The technology and R&D overview for the major operating departments are as follows:

#### 5.1.3.1 The Cement Sector

- TCC operates the only professional cement and concrete research laboratory in Taiwan.** The lab's research scope covers three major fields — cement, concrete and resource recycling, and its operations are focused on the company's three core values: low-carbon cement, a circular economy, and green energy.
- To enhance TCC's technical capabilities and competitive edge in low-carbon construction materials,** the TCC Low-Carbon Construction Materials R&D Center has been established. This facility not only aims to train and elevate the technical proficiency of staff and control the quality of raw materials and products for cement and concrete, but also seeks to boost the Company's professional image, competitiveness, and the development of new materials and low-carbon products, with a continuous focus on advancing low-carbon construction materials.
- In line with the TCC's core development direction of a circular economy,** in addition to continuing research on introducing various product upgrades and optimizing quality, the Company will be more active in R&D of technology in the following areas:



- Widen the scope of resource recycling, such as blending and utilizing recycled pellets as well as industrial waste, waste incineration, and use of coal ash from power plants and slag from steel plants; plus treatment and applications for solid recovered fuel (SRF).
- Co-process municipal solid waste and hazardous waste in cement kilns.
- Lowering unit energy consumption, saving energy and reducing our carbon footprint at the same time.
- Our CCS (CO<sub>2</sub> capture, storage and reuse) technology combines the calcium loop capture CO<sub>2</sub> system with a microalgae cultivation system.
- Adding oxygen-enriched combustion equipment allows the use of alternative fuels, a follow-up to developing pure oxygen calcination carbon capture technology.

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

- Research and mass-production of Type II high-performance cement and Type II/V high-strength cement.
- Development and mass-production of Type IV cement with quality conforming to CNS specifications and special engineering requirements, earning qualification to use the CNS “ 正 ” mark and the MIT smile mark.
- Development and mass-production of 10000 psi high-performance concrete.
- Development and mass-production of self-infilling concrete.
- Development and mass-production of high impermeability concrete.
- Development of testing and reutilization technology for calcium fluoride sludge.
- Development of detection technology for cement trace elements.
- Development of detection technology for trace elements in reducing slag.
- Development of applications and technology for oil mud and ash residues.
- Technology used in cement kiln treatment of household waste.
- Treatment technology to reduce crusting in the cyclone preheater for the cement kiln.
- Research and development of energy-saving and carbon-reduction technologies involving the application of thermoelectric materials, installed in rotary kilns for waste heat power generation.
- Algae breeding technology to expand the scope of cultivation; and trial development of astaxanthin cosmetics has been completed.
- Completed trial production of medical and beauty cosmetics and skin care products, including four products — a cleansing bubble mask, crystal serum, anti-ageing double-effect pearls, hydrating energy-boosting cream and other cosmetics-related products. Meanwhile, we are developing health-related testing systems to ensure product quality.
- Developed a Haematococcus pluvialis red algae gift box, including red algae buckwheat noodles, seaweed, litsea cubeba and shichimi seven-flavored powder.
- Registration of the trade name and INCI for Astarose cosmetics and ingredients has been completed.
- The 1.9 MWt pilot calcium circuit test plant carried out a 100-hour continuous operation test, with CO<sub>2</sub> capture efficiency reaching 85 to 93%.
- The new-generation 500kWt steam hydration and multi-stage cyclone calcium loop carbon capture system was installed, with 1,200 hours of cumulative operating time.
- 15 items and 31 patents have been proposed for calcium-based carbon dioxide capture technology and microalgae cultivation-related technologies.
- Developed the concrete mix ratios to mortar in grout, and implemented DIY workshops for cement.
- Formulated complete reduction targets with a scientific basis.

TCC's SBTi (Science Based Targets initiative) goal is: taking 2016 as the base year, reduce greenhouse gas (GHG) emission in Scope 1 by 11% by the target year 2025. The Company is also committed to reducing Scope 2 GHG intensity by 32% over the same period.

- Completed formulation of the National Portland Cement Products Carbon Footprint Product Category Regulations (PCR), obtaining Taiwan's first carbon footprint label for cement products.
- Completed the carbon footprint check and obtained certification for Type I cement (bulk) products from the Ho-Ping Plant.
- Completed the carbon footprint inspection and obtained certification for 3000psi ready-mixed concrete products from the Daya Plant.
- The Company's Ho-Ping, Suao, and RMC Plants have successively obtained the EPA's carbon footprint reduction label for cement products, marking the first such certification in Taiwan.
- The Company joined GCCA, an international organization of cement and concrete producers, to be in line with international standards, discuss and study possible paths for carbon neutrality with international benchmarking enterprises and scholars, and formulated the carbon reduction path for the Company's cement and concrete in 2050.

- (27) Obtained certification for low-carbon green building materials for concrete.
- (28) TCC's Suao Plant has received the CNS "正" mark for Portland limestone cement, while the Ho-Ping Plant has been certified for both Portland limestone cement and Pozzolanic cement.
- (29) Acquired the carbon footprint reduction label certificate for concrete.
- (30) Passed the assessment for low-carbon circular building materials certification, becoming the first company in Taiwan to be certified under the Ministry of the Interior's Architectural Research Institute's "Low Carbon (Low Embodied Carbon) Building Assessment and Certification System" for low-carbon circular building materials.
- (31) Obtained TAF laboratory accreditation for concrete.
- (32) Launched a series of low-carbon building materials: low-carbon cement, low-carbon concrete, and innovative, high-value building materials, including Ultra-High Performance Concrete (UHPC).

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

- (1) The development of the "UHPC (Ultra-High Performance Concrete) New Materials and Cladding Panel Production Technology" project will position us as the first enterprise in the country with the capability to produce UHPC products. The project will focus on:
  - Developing the optimal mix ratio for UHPC Cladding Panels.
  - Conducting feasibility studies on the carbonation method for surface modification of UHPC.
  - Planning for precast plant production equipment.
  - Developing manufacturing processes and mass production capabilities.

The outcomes of this research have already led to the establishment of a UHPC production facility at TCC's Ho-Ping Plant, which has begun producing curtain walls for the DAKA Recycling Resource Recycling Center. The use of UHPC has now started in Cladding Panels and UHPC energy storage cabinets at the "Recycling Resource Utilization Center". This serves as a foundation for the future development of various UHPC products, further enhancing TCC's technological level.

- (2) Continuing the independent development of low-carbon products, the current research directions include:
  - Ongoing development of optimized production conditions for producing Portland limestone cement.
  - Investing in research on the reuse of construction waste, applying optimally processed construction waste in concrete and cement to reduce the proportion of cement and clinker, thereby achieving product decarbonization.
  - Continual development of low-carbon UHPC formulations.
  - Expanding the use of waste to extend the product lifecycle involves initiatives like evaluating the application of recycled waste glass in concrete to replace existing fine aggregates.
- (3) Development of carbon capture technology:
  - In collaboration with thyssenkrupp Polysius (tkPOL), a subsidiary of the renowned German ThyssenKrupp Industrial Group, we are co-developing the third-generation oxy-fuel combustion process and technology.
  - Introducing pure oxygen in the cement calcination process to increase the concentration of captured CO<sub>2</sub> to over 90%, while reducing the energy required for carbon capture.
  - Expected to complete by 2026, with the goal of mastering the core technology for commercialization by 2030, achieving an annual CO<sub>2</sub> capture of 100,000 tonnes.
- (4) Co-firing and Clean Integration System Development Plan for High Calorific Value SRF in Cement Kilns:
  - Technology Development of High Calorific Value SRF Material:
    - Developing high calorific value SRF material technology from waste polarizing films.
    - Verification of high calorific value SRF material technology.
  - Technology Development of High Calorific Value SRF Co-firing System:

- Development of SRF fuel transport systems.
- Development of co-firing system equipment.
- Verification of SRF transport and co-firing systems.

### 5.1.3.2 The Electricity and Energy Sector

#### 1. The Electricity Department

The core business of the Group's Ho-Ping Power Company is coal-fired power generation. To reduce pollution emissions, the "Boiler Combustion Efficiency Improvement" Project for Unit No. 1 and "AQCS-Air Quality Control System Optimization" EPC Project for Unit No. 2 were completed in 2019 and 2022. Besides, in a move to improve equipment efficiency and stable operation, the DCS control systems upgrade plan for the two equipment units will be implemented in 2024.

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

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

#### 1. Solar photovoltaic installations

The Hoping Power Plant has completed the installation of rooftop solar photovoltaic systems in three phases across 14 buildings, with a total installed capacity of 774.18 kWp. This setup is expected to generate 876 certificates annually. The plant is continuing with the rooftop solar PV installation for the fourth to sixth phases, with an estimated capacity of 750 kWp for the turbine building. The interconnection work is expected to be completed by the end of 2024. Once the rooftop solar PV installations are fully operational, it's estimated that they will contribute to an annual carbon reduction of 1,409 tons.

#### 2. Biofuel program

In 2023, in collaboration with the gasification furnace specialist Valmet, the "Pre Study for the Gasification Furnace at the Ho-Ping Power Plant" was completed in November. This assessment included:

- Scope of supply for the gasification furnace
- Configuration of the gasification furnace
- Process design for the gasification furnace
- Basic engineering design for the gasification furnace

In 2024, the continuation of evaluations related to biomass alternative fuels will be carried out, entrusting a domestic engineering consultancy to assist with the related assessment plan, which includes:

- Assessment and analysis of the transportation, storage, and handling of SRF (Solid Recovered Fuel) and wood pellets.
- Feasibility evaluation of co-firing synthetic gas produced by the gasification furnace with boilers and the direct burning of biomass fuel.

#### 3. Micro hydropower project

The Hoping Power Plant utilizes cooling water, with volumes up to 22 cms, primarily to condense the low-pressure steam generated during operations back into water. This water is discharged into the ocean through

a seawater cofferdam, which can provide potential energy. Consequently, there are plans to install micro-hydropower units within the existing thermal discharge channels. A feasibility study has led to plans for a micro-hydropower generation system in the cooling water discharge channel of Unit 1, with an estimated capacity of 572 kWp.

Following the budget approval in 2023, procurement processes are underway, with completion anticipated by the end of 2024. This project is expected to generate approximately 3.9 million kWh of electricity annually, contributing to a reduction of about 3,245 tons of carbon emissions.

#### 4. Ocean thermal energy conversion and the related industry

To effectively utilize the cooling capacity of deep-sea water and reduce the energy consumption of auxiliary equipment in ocean thermal energy conversion (OTEC) plants, an advanced assessment and supplementary research project was conducted in 2023. The assessment included:

- Evaluation of the Rankine cycle system for ocean thermal energy generation.
- Advanced cost and equipment assessment for a 2MW ocean thermal energy generation plant.
- Evaluation of energy consumption reduction in ocean thermal energy generation.
- Constructability studies of UHPC products.
- Research on deep-sea water transport pipelines.

Regarding regulations and applications, the Ministry of the Interior provided preliminary approval for the submarine pipeline route survey results of the Hualien Ho-Ping Ocean Thermal Energy Development Project on September 11, 2023. A review meeting for the underwater cultural heritage survey report of the project was conducted by the Ministry of Culture on January 18, 2024. Following the notification of approval from the Ministry of Culture on February 6, 2024, and after making revisions based on committee feedback, the revised report was submitted back to the Ministry of Culture. Confirmation of these corrections was sought before expecting the final approval to be granted.

In the realm of associated industries, alongside ongoing information gathering on deep-sea water-related sectors, an analysis on the benefits of using deep-sea water within these industries is slated for 2024. This evaluation is intended to lay the groundwork for subsequent developments.

## 2. The Energy Department

E-One Moli Energy, a subsidiary of the TCC Group, is dedicated to the R&D and production of high-energy and high-power cylindrical lithium batteries, focusing on:

- (1) The scope of battery R&D spans advanced material research, interfacial chemistry development, cell design, advanced equipment and process development, and simulations of battery electrical properties and thermal distribution.
- (2) Based on the concept of battery recycling, in addition to continuous research in advanced material development and quality optimization, the following technical R&D efforts are actively pursued:
  - Beyond improving the high-power output foundation, efforts are being made to enhance the cycle life of battery cells. This not only solidifies market positioning and competitive product pricing but also realizes the concept of secondary use of batteries.
  - Evaluation of alternatives to organic solvents in the manufacturing process, aiming to achieve the goal of a green manufacturing process.
- (3) Technologies and products that have been successfully developed include:
  - The 21700-P50B product has entered the mass production verification stage.
  - The 21700-P60B product has completed R&D engineering verification
  - The 21700-XA2 product has completed R&D engineering verification.
  - Engineering verification of multipolar ear copper-aluminum welding has been completed.

- Development and verification of the X Series high ion conductivity and high-rate electrolyte have been completed.
- Completion of battery formation/ regulation design, improving fast charging cycle life to +5/-1 1000 cycles with an 80% capacity retention rate.
- Certification of fast-charging anode graphite system development, enabling 5C charging and enhancing product competitiveness.
- High-capacity silicon anode material development completed, achieving reversible capacity of over 1900 mAh/g.
- Establishment of the next-generation Ni91 cathode system completed, incorporating concentration gradient structure concept to enhance cycle stability.

(4) Future R&D plans for participation in and assistance, as well as new products slated for development:

- Development of High-Capacity and Stability Advanced Cathode Materials:
  - Development of Ni94 single crystal high-nickel cathode materials.
  - Stability enhancement project for high-nickel cathode materials with concentration gradients and radial structures.
  - Development of high-nickel cathode materials with nanoparticles.
- Development of High-Capacity and Fast-Charging Advanced Anode Material Platforms:
  - Research on small particle size and high compaction synthetic graphite to reduce ion diffusion resistance.
  - Enhancements in anode efficiency and usability stability, including improvements from the material's intrinsic properties, assistance from conductive materials, and performance boosts from new adhesives.
  - Development of high stability, high-capacity silicon materials.
- Development of the 21700-P60B Cell and Multipole Shanks System Design and Manufacturing:
  - Introduction of a new generation of anode and cathode material systems.
  - Design and development of cell safety.
  - Design and development of multipole shanks.
  - Implementation of artificial intelligence for battery life prediction and health analysis.
- Development of Ultra-High Power 21700-XA3 Cells and Non-polar Ear System Design and Manufacturing:
  - Optimization of multipolar ear welding.
  - High-rate electrode design.
  - Development of non-polar ear processes.

TCC Energy Storage Technology marks a significant milestone for the Group in the fields of energy research and the establishment of energy storage systems (ESS). Its operations extend to ESS, microgrids, and EV charging stations, positioning itself as a provider of energy management solutions and services. Technological advancements within TCC Energy Storage Technology are divided into three main areas: software, hardware, and renewable energy.

### (1) Software Aspect

Continued R&D efforts are focused on developing Cloud-EMS. With the growth in the number of project sites and the expansion of the market, remote monitoring becomes increasingly effective in capturing real-time dynamics at each site. The development of dynamic power dispatch functionalities for microgrids and predictive capabilities for electricity consumption will significantly assist customers in managing their energy resources more efficiently.

Furthermore, in response to various offerings on the electricity trading platform, including frequency regulation reserve, dynamic regulation reserve for energy transfer, real-time reserve, and supplemental reserve, EMS will play a crucial role in adapting to the dispatching needs of Taipower. Finally, in alignment with the latest international standard for substation communication, IEC-61850, both Server and Client functionalities are expected to be upgraded.



## (2) Hardware

The TCC Group, utilizing its expertise in cement R&D, energy storage technology, and battery production, is advancing the development of UHPC energy storage cabinets. The first-generation product, incorporating a charging station, made its debut in September 2022 at a 7-11 store in Awan, with a battery capacity of 145 kWh. The second generation has increased capacity to 1 MWh, with a 4MW capacity going live at the Group's Molie Quantum Energy Corporation's Energy Battery Factory in the fourth quarter of 2023.

Beyond expanding capacity, the R&D team is diligently working on developing small-scale, high-energy-density standardized UHPC energy storage cabinets that comply with indoor building regulations and incorporating battery cooling technology to maintain controlled temperature variations throughout the charging and discharging cycles.

## (3) Renewable energy

In addition to existing projects in solar photovoltaic, onshore wind, biomass, and geothermal energy, the TCC Group is exploring ocean thermal energy conversion (OTEC) technology, leveraging the stable ocean thermal gradient generated by the Hoping Power Plant and the deep-sea water from the east. This initiative positions the TCC Group as a pioneering enterprise in the development of OTEC in Taiwan.

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

### 5.1.4.1 The Cement Sector

#### Short-term Development Plan

1. The cement industry in Taiwan is mature, so the company aims to maintain its market share, reduce costs and increase profits as its primary goals in Taiwan. In 2024, TCC is dedicated to advancing the promotion of low-carbon Portland limestone cement and concrete, aiming to increase their share in sales, reduce carbon emissions, and fulfill the company's Science Based Targets initiative (SBTi) commitments.
2. As for business in Mainland China, TCC Group has used self-construction and mergers and acquisitions over the past few years to establish cement plants in Guangdong, Guangxi, Jiangsu, Liaoning, Guizhou, Sichuan, Chongqing, Hunan, and Yunnan. And in Liuzhou (Guangxi), Fuzhou (Fujian), and Naxi (Sichuan), there are also grinding stations. In 2023, our total annual production capacity in Mainland China reached 66.54 million metric tons, ranking 7th in clinker production capacity in the cement industry. After privatization of TCC International Holdings Ltd. in 2017, in line with the industry's "green development", "supply-side reform" and "environmental protection" and other policies, we will hold our position as leader in regional market share in environmental protection processes while continuing to increase profits.
3. Beyond its operations in the cross-strait cement business, in 2020, TCC established a wholly-owned subsidiary in the Netherlands, Dutch TCC Holdings. This subsidiary, in collaboration with Turkey's OYAK Group, formed a joint venture company (JVC). On November 27, 2023, it was announced that they would expand their investment in low-carbon cement markets in Europe, Asia and Africa. TCC intends to increase its stake in the Turkish OYAK Cement from 40% to 60% and to increase its Stake in the Portuguese Cimpor Cement from 40% to 60%.

Cimpor, based in Portugal, runs three cement plants, two grinding stations, and forty-two ready-mix concrete plants, boasting a clinker production capacity of 5 million metric tons and a cement production capacity of 8.4 million metric tons annually. Its grinding station in Cameroon is distinguished as one of only two worldwide utilizing 90% biomass fuel for the commercial production of cement. Furthermore, the cement plant in Ivory Coast hosts the world's first large-scale production facility for calcined clay cement, achieving at least a 40% reduction in carbon emissions compared to traditional cement, marking a significant stride towards sustainability in the cement industry.

4. TCC's decision to increase its stakes is primarily focuses on the leading global low-carbon cement research and production technologies of OYAK Cement and Cimpor Cement, TCC aims to potentially become one of the few major suppliers worldwide capable of providing the lowest carbon cement, showcasing

significant carbon competitiveness.

#### Long-term development plans

1. TCC is dedicated to significantly boosting the sales share of low-carbon Portland limestone cement, aiming to eventually substitute the higher carbon Type I ordinary cement entirely. The company is also on a continuous quest for products with even lower carbon footprints to meet a NET ZERO carbon reduction target.
2. Using the aforementioned JVC as a launching platform, TCC aims to extend its reach into European and African countries, actively seeking suitable partners or locations to broaden its cement business footprint globally.
3. In mainland China, the TCC Group has proactively founded environmental companies, working alongside cement plants to co-process urban waste, industrial waste, hazardous waste, among other circular economy initiatives, thereby continually reducing carbon emissions.
4. TCC is committed to preserving its brand status in Taiwan and aims to enhance product quality and customer service in South China, Southwest China, and East China. The objective is to stay rooted in Taiwan while expanding into mainland China, especially focusing on the South and Southwest markets, to sustain its leadership position in China's cement industry as a long-term development goal. Furthermore, TCC is dedicated to developing alternative fuels and materials, reducing carbon emissions, and investing in renewable energy and energy storage solutions, with the ambition of achieving carbon neutrality by 2050.

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

- In December 2015, TCC (Anshun) Cement Co., Ltd. in Pingba District, Anshun City, Guizhou Province, launched the first cement kiln co-processing facility for renewable resources utilization in mainland China, with a capacity of 200 tons/day.
- The TCC Shaoguan Plant in Qujiang District, Shaoguan City, Guangdong Province, developed as a supporting co-processing facility for renewable resources in a cement kiln. A 25-year domestic waste treatment agreement was signed with the district government in July 2016. The cement production line was established in the fourth quarter of 2021, and the renewable resource co-processing project, with a capacity of 200 tons/day, commenced operation in August 2022.
- TCC's Ho-Ping Cement Plant co-processes general waste in Hualien County. At the end of 2019, the Ho-Ping Plant signed a BOO (Build, Own, Operate) contract with the Hualien County Environmental Protection Bureau. The project passed the Environmental Impact Assessment (EIA) review in September 2020, obtained a building permit in March 2021, began construction in July. Trial operations started in July 2023, with formal operations approved by the Hualien County government in December 2023.
- The Hunan Jingzhou Plant's cement kiln renewable resource co-processing project, with a capacity of 200 tons/day, received Environmental Impact Assessment approval in November 2021 and commenced operations in September 2022.

#### (2) Cement Kiln Co-processing of Solid and Hazardous Waste Projects

- The TCC Suao Plant's Projects for Processing Other Industrial Wastes: In 2024, the Suao Plant took on the task of handling a wide array of industrial waste materials. This included calcium fluoride sludge, inorganic sludge, recycled granules, stone powder, electric arc furnace steelmaking slag, waste ceramics, waste plastics, non-hazardous oil sludge, waste synthetic fibers, metal smelting slag, waste foundry sand, and waste wood.
- The Ho-Ping Plant's Projects for Processing Other Industrial Wastes: In 2024, the facility extended its waste management capabilities to address a variety of industrial waste, such as calcium fluoride sludge, coal ash inorganic sludge, electric arc furnace steelmaking slag, waste compression molding rubber, mineral fines, and converter slag.
- The Guigang TCC Dongyuan Environmental Protection Technology Co., Ltd. 300,000 tons hazardous waste project: The first phase (with a disposal capacity of 200,000 tons/year) commenced operation in April 2020. On November 30, 2021, the company was recognized by the Guigang City Ecological Environment Bureau as one of the first batch of demonstration bases for ecological environment protection publicity and education in Guigang City.
- Jiangsu Jurong Plant's Second-Line Treatment Project: This project, handling 15,500 tons/year of power plant fly ash, commenced operations in October 2021.
- Guizhou Kaili Plant's 50,000-ton Annual Hazardous Waste Project: Received a five-year hazardous waste business license on November 9, 2021, and production started in February 2022.
- Sichuan Guangan Plant's Solid and Hazardous Waste Project: With a capacity for hazardous waste of 100,000 tons/year and general solid waste of 150,000 tons/year, this project received Environmental Impact Assessment (EIA) approval on May 14, 2021, a hazardous waste management license on December 30, 2022, and began operations in January 2023.
- Guizhou Anshun Plant's Fly Ash Treatment Project (Phase 1: 50,000 tons/year): Construction began on January 29, 2023, for the 150 tons/day fly ash water washing production line. This marks Guizhou Province's first fly ash resource utilization project, expected to start operations in the first quarter of 2024.



### 5.1.4.2 The Electricity and Energy Sector

#### Short-term Development Plan

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

#### 1. ISO 14001 Environmental Policy:

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

#### 2. Promote the ISO 9001 quality management system:

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

#### 3. Foster the ISO 45001 HSE management system:

Guided by the ISO45001 environmental protection system for safety and hygiene, the company helps provide a sound facility environment, reduces the incidence of accidents that could lead to disability, keeps zero incidents in the workplace, improves communication and harmonious development, and thereby boosts the Group's image.

#### 4. Implement ISO 27001 information security management certification:

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

TCC Energy Storage Technology Corp. and TCC Green Energy Corp. plan to adopt the NHOA's advanced energy storage solutions and self-developed technology in the setup of 7 large-scale energy storage projects in Suao Cement Plant, Ho-Ping Cement Plant, Hualien Cement Plant, Changbin Energy Plant Phase II, and Molie Quantum Energy Plant. These projects have a total transaction service volume that exceeds 200 MW.

- (1) In 2023, 110 MW of the E-dReg energy storage system was completed, accounting for 94.83% of the current electricity trading market. An additional 85 MW E-dReg energy storage system is also set to gradually come into operation in the first half of 2024. Moreover, the completed Changbin Phase II AFC 4.9 MW, Molie Quantum Energy 4MW s-Reg storage, and other cement plant operation dispatch trading capabilities reaching 40MW of supplemental reserve services are in operation, maintaining high utilization and execution rates for energy storage projects participating in the electricity trading platform to ensure continued revenue and profitability.
- (2) Ensuring the early completion of the Suao Plant's 35MW E-dReg and Hualien's 50MW E-dReg energy storage and their integration into the electricity trading platform operations to increase company revenue and profitability.
- (3) Collaborating with peers in response to Taipower's electricity price adjustment plans, advocating for a reasonable adjustment of energy rates for E-dReg energy storage projects.
- (4) Integrating TCC Group's in-house renewable energy resources to offer diverse integrated solutions,

including green electricity supply to assist other companies in energy transformation, achieving RE100, EV100, green logistics, and low-carbon backup power goals. Additionally, introducing leasing options to alleviate the initial investment pressure on businesses purchasing ESS, providing customers with more flexible and comprehensive choices to increase company revenue and profitability.

- (5) Leveraging TCC's production of low-carbon, high-performance Ultra-High Performance Concrete (UHPC) building materials, the world's first fireproof and highly safe energy storage cabinet, EnergyArk, was developed. EnergyArk sets itself apart from competitors with its fire resistance, heat insulation, and automatic fire extinguishing features, aiming to promote its use in large industrial facilities and urban energy storage applications. To date, EnergyArk has been progressively integrated into Molie Quantum Energy's Phase I and II energy storage projects for peak shaving, s-Reg, and d-Reg applications. Furthermore, it's slated for use in the 25MW second phase of the Hualien 50MW E-dReg energy storage initiative, establishing an all-encompassing EnergyArk energy storage solution.

Several domestic traditional industry and high-tech companies are currently in discussions to utilize EnergyArk for developing various energy storage projects tailored to their needs. This solution is also planned to be progressively introduced to the markets in Mainland China and Southern Europe starting in 2024.

E-One Moli's Tainan plant has indeed ramped up its overall production capacity. Despite facing a global economic downturn, the company is proactively initiating factory renewal projects aimed at continuously improving both production efficiency and product quality.

In the high-end application market, Molie Quantum Energy's super battery factory in Kaohsiung officially completed and started trial production in 2023. The facility is equipped with state-of-the-art technology for enhanced material management, production line automation, AI for analyzing production data, and process management extending to back-end order management and shipping. With an annual production capacity of 1.8 GWh, equivalent to powering 24,000 electric vehicles annually, the plant focuses on manufacturing advanced, high-capacity, high charge-discharge 21700 high-nickel lithium ternary batteries. To align with the evolving demands of the electric vehicle market for larger battery sizes, production can be flexibly adjusted up to a 22900 design, ensuring the new facility can meet market needs with the best mass production efficiency and bring R&D achievements to fruition.

#### Mid-term development plans

The Group's Hoping Power Plant is poised for equipment upgrades to boost efficiency and secure stable operations:

1. Upgrading the DCS/TGC/AVR control systems for two generating units is intended to enhance their efficiency and ensure steady operation.
2. Implementing EP high unburned carbon fly ash recovery and reburning in two units is designed to meet carbon reduction and coal conservation goals.
3. Converting gas-consuming drying equipment to electric heating dryers as part of an energy-saving renovation.

#### Long-term development plans

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

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

| Item                        | NOx ppm   | SOx ppm   | PM mg/Nm3   |
|-----------------------------|---|---|---|
| Current standards           | 50  | 50  | 20  |
| Emission reduction targets  | 23  | 23  | 7   |
| Technical improvement plans | <ul style="list-style-type: none"> <li>• Increase volume of catalytic reactors</li> <li>• Invest in low nitrogen burners</li> </ul> | <ul style="list-style-type: none"> <li>• Renovate FGD absorption towers</li> <li>• Use non-leakage gas reheaters</li> </ul> | <ul style="list-style-type: none"> <li>• Add wet electrostatic dust collectors</li> </ul> |

2. Build clean energy units near the Ho-Ping Plant or other places in Taiwan, continue to evaluate the construction of clean energy units, set up renewable energy power sites and participate in relevant investments, increase device capacity and profits, and support the government's policy to promote green energy.

TCC Green Energy Corp. will maintain its dedication to the renewable energy sector. This includes the development, construction, and operation of power plants in areas such as solar photovoltaic, wind power, geothermal energy, ocean energy, and small hydroelectric power. Additionally, it will engage in research on ocean energy, which harbors significant potential for power generation.

E-One Moli Energy plans to establish Canada's largest high-performance ternary lithium battery cell factory in Vancouver. Groundbreaking is expected in 2024, with production commencing in 2028. The facility will have a capacity of 2.8 GWh, producing 135 million cylindrical ternary lithium batteries annually. It will also be the world's first low-carbon, high-power cell factory to operate entirely on 100% green electricity.

TCC Energy Storage Technology and Energy Helper have distinct development focuses, aiming to integrate and create more comprehensive energy services and develop various business models in the new energy sector:

1. Microgrid Construction: In suitable locations, the companies plan to combine EnergyArk with DC-DC charging stations equipped with reverse power flow capabilities to construct microgrid frameworks. This ensures grid stability and provides EV owners with rapid and reliable charging services.
2. High-Energy Density Battery Modules: Building on existing foundations, the companies aim to collaborate with international design firms that specialize in creating high-energy density, stackable battery modules usable across multiple domains, targeting indoor energy storage solutions.
3. High-Rate Battery Modules Development: the companies are developing battery modules with charging/discharging capabilities of 2C/6C or higher, coupled with in-house developed solutions for industrial voltage sags and UPS Energy Management Systems (EMS). This initiative is supported by leveraging the brand value of Eaton's Ferrups to penetrate the UPS market.
4. eVTOL Battery Systems: Collaborating with eVTOL companies, the companies are designing products that repurpose retired battery modules to create battery energy storage systems for eVTOL charging.

## 5.2 Market and Sales Overview

### 5.2.1 Market Analysis

#### 5.2.1.1 The Cement Sector

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

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

The amount of Taiwan cement consumption in 2023 was 13.02 million tons, down 3.4% from 13.48 million tons in 2022. In 2023, TCC sold 4.51 million tons of cement and clinker (including materials used in the ready-mix concrete plants) in the domestic market, down 10.9% from 5.07 million tons a year earlier. The Company commanded a 34.7% market share in 2023.

In 2023, Taiwan's cement market experienced a minor downturn due to stringent real estate policies, though it was buoyed by continuous infrastructure projects, which helped stabilize prices and preserve profitability.

Moving into 2024, amidst the persistent economic uncertainties between Taiwan and China, the electronic technology and manufacturing sectors are beginning to show signs of gradual recovery. This revival, along with the steady advancement of forward-looking infrastructure projects and consistent real estate construction activities, is anticipated to keep cement demand stable in Taiwan. TCC projects its domestic sales of cement and clinker to hit 4.4 million metric tons for the year. The company plans to adjust cement market prices in response to the trends in raw material costs, freight expenses, and the impact of carbon tax levies, with a strategy to pass on these costs judiciously to maintain reasonable pricing.

TCC's primary export products in Taiwan are bulk cement and clinker. In 2023, TCC exported 176,000 metric tons of these products, a significant decrease of 68.1% from 550,000 metric tons in 2022.

For 2024, TCC expects its export volume to be around 100,000 metric tons, anticipating further price declines in the international cement market due to a global economic slowdown. Despite TCC raising its export prices in 2024, high production costs have adversely affected sales. Furthermore, in line with government export control policies aimed at volume reduction, TCC will continue to decrease its export quantities.

In 2023, the total domestic and export sales of cement and clinker (including material used in ready-mix concrete batching plants) at home and abroad were 4.689 million tons, a decrease of 16.5% from 5.617 million tons a year earlier. The decrease was primarily driven by the reduction of export volumes and a large number of low-priced imported cement from Vietnam into the market.

In 2024, TCC will continue its strategy of stable profits. The sales target for the Company's cement and clinker (including material used in ready-mix concrete batching plants) in Taiwan and abroad in 2024 will be 4.5 million tons, an decrease of 1.8% from 4.58 million tons in 2023.

In 2023, TCC sold 5.162 million cubic meters of ready-mix concrete, marking a 1.8% decrease from the 5.259 million cubic meters sold in 2022.

For 2024, despite a gradual slowdown in the real estate market, factory construction, and public works, the Company anticipates that the sales volume of ready-mix concrete will remain steady due to numerous ongoing construction projects. Therefore, it estimates that the shipping volume will hover around 4.765 million cubic meters. Given the persistently high costs of raw materials, the Company will adjust the selling price of its products to maintain reasonable and stable profits.

### Competitive Niches and Favorable Factors for Industry Development

TCC, as Taiwan's largest and most historic cement and ready-mix concrete producer and seller, exemplifies successful product vertical integration. Known for its strong R&D capability and strict process control, TCC's products stand out for their superior quality and brand image. With cement shipping locations and ready-mix concrete plants across Taiwan, TCC boasts comprehensive coverage and sales networks in major metropolitan areas, offering customers the best products and services, forming its competitive edge.

Starting in 2021, TCC implemented a raw material and product traceability system for ready-mix concrete, certified by an impartial third party (TCRI - Taiwan Construction Research Institute). Customers can access inspection reports for materials and finished products through QR codes or email, entering TCC's system to

check for quality variability, demonstrating TCC's commitment to quality. In 2022, TCC's cement and concrete products were certified by BSI for ISO 14064 greenhouse gas inventories and ISO 14067 carbon footprint, also earning the EPA's carbon footprint label.

From 2023, TCC disclosed the carbon emissions of cement and concrete shipments, highlighting its efforts in carbon reduction. In October 2023, TCC launched its low-carbon Portland limestone cement, focusing on carbon competitiveness towards achieving the 2050 carbon neutrality goal.

1. For Taiwan, despite government real estate policy tightening and the wrap-up of forward-looking projects, private and public construction, urban renewal projects, and social housing are ongoing, keeping cement demand relatively stable. With inflation easing and signs of recovery in exports and the electronics industry, Taiwan's economy is expected to improve, suggesting stable operation in the cement industry.
2. Regarding Mainland China, industrialization, urbanization, and the rigid demand for economic construction persist, along with increasingly stringent environmental standards limiting new capacity construction and implementing off-peak production and carbon reduction policies. These measures are gradually improving the oversupply situation. As the Chinese market matures, consolidation and increased concentration will continue, and TCC will carefully assess the economic situation in Mainland China, utilizing its advancements in carbon reduction and efficiency to maintain its leadership in the cement industry.

#### Unfavorable Factors and Countermeasures for Industrial Development

1. The domestic cement industry faces negative impacts due to various taxes imposed by the government, including commodity tax, air pollution fees, waste disposal fees, and local government mining taxes. Furthermore, the mature and small-scale Taiwanese cement market is restricted by government policies against expansion and increased production.
2. In recent years, heightened environmental awareness has led to increasing external interference and obstacles, including the application and renewal of mining permits for raw material quarries. With global commitments to reduce carbon emissions, governments worldwide may adopt aggressive measures such as carbon taxes or production limits to adhere to carbon reduction pledges. The Taiwanese government also plans to levy a carbon fee in 2025.
3. The economic slowdown in Mainland China, coupled with unresolved real estate issues, leads to continued demand decline and severe overcapacity problems. Achieving industrial structural adjustments in the short term is challenging.

#### To address these challenges, TCC has formulated several strategies

- For the Taiwanese Market: TCC is focusing on stringent cost control and leveraging information systems to integrate the Taiwanese and Mainland China markets, thereby enhancing overall operational efficiency. The Company continues to deepen its engagement in the domestic market to maintain its industry-leading position. TCC is actively coordinating with the government to implement cement industry policies, promote the circular economy, co-process waste and industrial residues, and introduce low-carbon products for sustainable business operations.
- Response to the Mature Taiwanese Cement Market: Given the limited growth potential in Taiwan's mature cement market, TCC has ventured into the cement market in Mainland China, targeting the South China region and extending into East and Southwest China. As of 2023, TCC's annual production capacity in Mainland China reached 66.54 million metric tons. Aligning with China's goals for peak carbon emissions by 2030 and carbon neutrality by 2060, along with energy consumption control policies, TCC will accelerate the development of alternative energy sources and scientific carbon reduction actions for sustainable operations.
- Global Expansion: Since 2018, TCC has expanded beyond the Greater China region, starting with Turkey, and has moved into Europe and Africa. The Company has recently announced increased investments in OYAK and Portugal's Cimpor to expand its global low-carbon cement footprint.

TCC's joint venture with OYAK in Turkey is noted for its exemplary carbon reduction efforts. The World Bank estimates Turkey will invest US\$600 billion in strengthening the seismic resilience of existing buildings and post-disaster reconstruction, benefiting the industry. In Ivory Coast (Cote d'Ivoire), TCC owns the world's largest calcined clay base, with its products reducing carbon emissions by about 40% compared to traditional cement.

Cimpor's Kribi plant in Cameroon, unlike traditional cement plants, boasts high overall energy efficiency, especially with a biomass fuel utilization rate of up to 90%, aiding TCC's global low-carbon cement initiative to achieve its 2030 carbon reduction target. By 2024, TCC aims to align its global cement operations with the SBT 1.5°C pathway goals.

• Sustainable Development Governance: TCC has established a Corporate Sustainable Development Committee under its Board of Directors, which regularly reviews climate change risks, sets execution goals, and formulates supportive measures. Additionally, TCC continues to exceed current environmental standards by using information technology for real-time monitoring of environmental data.

The cement division also reviews environmental performance indicators in regular operational meetings, sets clear carbon reduction targets, and tracks progress. Through a "one-stop environmental solution" operating model that links cement production with waste management, TCC plays an active role in managing the complex relationship between humanity and nature, aiming to fulfill its corporate social responsibility and create win-win situations for all stakeholders.

### 5.2.1.2 The Electricity and Energy Sectors

#### 1. The Electricity Department:

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

The electricity produced by the Hoping Power Plant of the Group is currently sold in bulk to Taiwan Power Company (Taipower) under a power purchase agreement, with Taipower coordinating the power distribution. In addition to selling power to Taipower, TCC Green Energy Corp. also adjusts its power supply to general businesses in response to the global carbon reduction policy and the implementation of a carbon tax, depending on the market demand for green electricity.

According to official statistics from Taipower, in 2023, Taiwan's total installed capacity was 55.439 GW, with a net electricity generation of 245.46 billion kWh. Of this, coal-fired power plants had a total installed capacity of 14.1971 GW and a net electricity generation of 83.605 billion kWh; renewable energy sources had a total installed capacity of 17.0855 GW and a net electricity generation of 24.334 billion kWh.

The Hoping Power Plant's two units have an installed capacity of 1.31 GW, with an electricity sale of about 8.76 billion kWh in 2023, accounting for approximately 3.6% of Taiwan's total power generation. Additionally, TCC Green Energy Corp. had an operational grid-connected capacity of approximately 59.8 MW for solar photovoltaic systems and 21.6 MW for onshore wind power in 2023, with a total electricity sale of about 1.22 billion kWh, accounting for approximately 0.05% of Taiwan's total power generation.

In line with renewable energy policies and the characteristics of power generation, TCC Group will continue to develop and integrate renewable energy power plants into the grid. Through the synergistic use of Group resources, TCC aims to achieve more stable growth compared to its peers in power plant operations. Existing grid-connected power plants will also seek new contracts through contract extension or equipment upgrades.

Additionally, TCC will actively set up battery storage and pumped hydro storage facilities and collaborate with Taipower and private power plants to promote various gas power generation projects. This will gradually build a low-pollution and low-carbon energy supply system. Given the recent significant changes in global energy and economic conditions, TCC will continually review the annual growth in industrial development and domestic electricity demand. Aligning with the national energy policy and the carbon neutrality path, TCC will promote various power source development projects to maintain an adequate reserve capacity and ensure a stable power supply.



## Competitive Niches and Favorable Factors for Industry Development

### 1. Geographical Advantage Near Northern Power Load Center:

With the sequential decommissioning of major power generation units like Nuclear Power Plant II and Hsien-ho Plant in the North, and the unsuccessful execution of planned power development projects in the northeastern region such as Shen'ao, Nuclear Power Plant IV, and the third LNG terminal affecting the Datan Power Plant, the North faces a shortage of power supply. The Hoping Power Plant's generation units, connected to the northern grid, play a critical role in addressing the power shortage in Northern Taiwan.

### 2. Rising Environmental Awareness Among the Public:

Taiwan's social environment has rapidly changed towards greater diversity and heightened environmental awareness. Despite coal-fired power plants and the government adopting several environmental protection measures to reduce pollution, public concerns over environmental issues related to coal-fired power plants persist, complicating the acquisition of new plant sites and land for power transmission towers.

### 3. Synergistic Use of Group Resources:

From the outset, Hoping Power Plant was designed to utilize coal ash as an alternative raw material for clay in cement production, addressing the need for ash ponds to bury coal ash. Limestone required for the power plant's desulfurization equipment is directly supplied by the cement plant, and the gypsum produced from desulfurization can be used by the cement plant as a setting retarder. This complies with industrial resource regeneration and environmental protection requirements. To combat air and water pollution, a 250-meter high chimney is constructed for exhaust gas discharge, and indoor coal storage along with a fully enclosed conveyor system are implemented to prevent coal dust and water pollution.

In addition to implementing the aforementioned plans and installing related equipment to reduce pollution, TCC Group also engages professional consulting firms, academic units, and environmental testing companies certified by the Ministry of Environment to conduct environmental quality monitoring, nearby marine ecological surveys, and whole-plant flue gas and effluent testing on a quarterly or monthly basis. These efforts aim to enhance environmental protection and strengthen the mutual trust between the Group and the community. Collectively, these actions serve as a foundation for TCC Group's sustainable operation.

## Unfavorable Factors and Countermeasures for Industrial Development

### International Fuel Price Fluctuations:

Power generation costs for coal-fired power plants stem mainly from the price of coal, which is an international bulk raw material transaction item, meaning that the market price is easily affected by economic cycles and varying demand. This in turn directly affects operating costs and profitability of coal-fired power plants.

### Mitigation Measures

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

### 2. The Energy Department:

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

TCC Group's E-One Moli Energy Corp. (E-One Moli) battery products exported to Asia accounted for 70% of the unit's sales, while North America accounted for 20% and other regions accounted for about 8%. Domestic sales accounted for the remaining 2% of total sales. Based on SNE Research's statistics, the top ten players in installed power battery capacity in 2023 were Contemporary Amperex Technology (CATL), BYD Auto, LG New Energy, Panasonic, China Innovation Aviation (China Aviation Lithium Batteries), SK On, Samsung SDI, Gotion High-Tech, EVE Energy and Sunwoda.

In 2023, E-One Moli's total production capacity accounted for approximately 0.5 to 1% of the global market share. In terms of installed power battery capacity globally, there was a 38.6% growth in 2023 compared to the same period last year, reaching 705.5 GWh, although it was slightly below the expected 749 GWh.

In 2023, the main sales regions for EVs worldwide were China, Europe, and the United States, accounting for over 90% of global sales. The DIGITIMES Research Center predicts that due to countries setting net zero carbon goals and the gradual decline in EV prices, global EV sales in 2023 will increase by 28.3% compared to 2022. China, the largest market, is expected to sell a total of 8.5 million units, but it faces issues of overcapacity. China's four major power battery giants, CATL, BYD, SVOLT, and CALB, have set capacity targets for 2025 at 670 GWh, 600 GWh, 600 GWh, and 500 GWh, respectively, totaling nearly 2,400 GWh by 2025. However, with the slowdown in EV sales, excess production beyond terminal demand is a current challenge in China.

Therefore, E-One Moli is actively developing a leading series of ultra-high-power batteries with higher density, capacity, and charge-discharge rates for high-end markets such as electric supercars, electric vertical take-off and landing aircraft, electric off-road motorcycles, micro vehicles, and cargo drones, consolidating the position of ultra-high-power batteries in the high-end application market.

Furthermore, as EV sales and ownership increase, demand for the second-hand car market and scrap battery recycling will also rise. E-One Moli has already laid out plans for relevant recycling technologies.

TCC Group is increasingly firm in its energy sector construction, simultaneously acquiring NHOA and establishing TCC Energy Storage Technology Corporation. NHOA has projects in Europe, the Americas, Oceania, and Africa, holding various patents and products in advanced Battery Energy Storage Systems (BESS), electric vehicle fast charging devices, smart grids, and hydrogen energy. Meanwhile, TCC Energy Storage Technology Corporation focuses on the Asia-Pacific market, aiming to jointly create a global energy ecosystem.

TCC Group's TCC Energy Storage business centers on energy storage, charging piles, green power purchases and sales, energy aggregation and operation, etc. Since 2022 the Group's Suao Cement Factory, Ho-Ping Cement Factory and Hualien Cement Factory have been joined by seven large-scale energy storage projects including Changhua Coastal Park Service Center and Molie Quantum Energy Corporation, with a total capacity of more than 200 MW.

By 2023, 110 MW of E-dReg energy storage systems have been completed, accounting for 94.83% of the current market for this type of electricity trading. TCC Group's renewable energy power plant resources offer integrated solutions, including green electricity supply, aiding other enterprises in energy transformation, RE100, EV100, green logistics, and low-carbon backup power goals.

Additionally, a leasing program has been introduced to alleviate the initial investment pressure for businesses purchasing energy storage system equipment, providing customers with more flexible and comprehensive choices. The introduction of the EnergyArk, the world's first fireproof and highly safe energy storage cabinet made of low-carbon, high-performance UHPC building materials, distinguishes it from competitors with features like fire resistance, heat insulation, and automatic fire extinguishing, promoting its application in industrial and urban energy storage.

## Competitive Niches and Favorable Factors for Industry Development

### 1. Global Environmental Policies and Targets:

Countries are setting electric vehicle (EV) policies and targets to expand the global EV market. Incentives such as tax reductions, subsidies, infrastructure development, and emissions regulations are being implemented to promote EV development. To accelerate the industry, battery technology has become a focus in many countries, with the U.S. government offering policy incentives for advanced battery research and development to encourage technological progress in the battery industry. TCC Group's E-One Moli possesses expertise in the development of battery anode and cathode material formulations and electrolyte formulations, holding over 70 domestic and international patents. Its products are stable, comply with the EU's RoHS and green product specifications, and have received UL, UN, CE certifications, and BSMI certification since 2014. Its products are widely used by the U.S. military.



## 2. Large Electricity Users Clause Review Mechanism:

According to the large electricity users' clause, the mandatory compliance deadline is approaching in 2025. Data from the Ministry of Economic Affairs Energy Bureau in 2023 shows that most large power users fulfill their obligations primarily through the purchase of renewable energy electricity and certificates (52%). The global pursuit of carbon reduction, RE100, and SBTi goals is continuous and non-conflicting. TCC Group offers a comprehensive new energy integration solution for customers to choose from. Even if large power users opt to fulfill their obligations by purchasing green electricity, TCC Group can provide optimized services, making compliance no longer a resource and cost burden.

## 3. Increased Demand for EV Charging Facilities:

Legislation is now focusing on the establishment of EV-exclusive parking spaces and charging facilities, regulating specific areas such as public parking lots or commercial office buildings. As charging demand increases, the importance of energy storage facility construction is highlighted. Addressing common concerns about fire and explosion safety, TCC Group uses Ultra-High Performance Concrete for its energy storage cabinets. Both data and practical tests have proven its effectiveness. Officially launched in July 2022, it's being optimized for various sizes and use cases, aiming to provide efficient and secure services.

## Unfavorable Factors and Countermeasures for Industrial Development

### Global Battery Raw Material Supply Chain Instability:

Market research forecasts by BMI indicate that global lithium demand will surge from 320,000 tons in 2020 to 1 million tons by 2025, and further to 3 million tons by 2030. Bloomberg New Energy Finance estimates a fourfold increase in global lithium consumption by the end of 2029. The massive market demand, coupled with rising raw material prices, may force battery manufacturers to raise prices or face shortages.

Recent market data indicates that cobalt prices have more than doubled compared to nickel, both of which are critical materials for the production of electric vehicle (EV) batteries. The majority of EV battery factories are located in South Korea, Mainland China, and Japan, with China having a significant influence over this sector. Any issues with material supply can lead to production halts. Given the ongoing U.S.-China trade tensions, it is anticipated to persist. The U.S. is currently planning to decouple its battery supply chain from China and will further regulate to ensure battery materials are not produced in China. This instability in the supply chain will pose a long-term challenge for the battery industry.

### Mitigation Measures:

In response to the renewed demand for lithium batteries following COP 26, leading to shortages and significant price increases of raw materials and exacerbated supply and price volatility, two main strategies are adopted to mitigate the increasing risks:

1. Increasing raw material inventory levels: Aiming to maintain an inventory sufficient for 3-4 months to manage potential supply chain shortages.
2. Actively developing alternative sources: For critical materials or those under supply pressure, evaluating alternative sources to diversify risk. Currently, over ten alternative materials are under consideration to avoid the risk of supply disruption from a single source.

## 5.2.2 Production Processes and Uses of Main Products

### 5.2.2.1 The Cement Sector

| Main Products                   | Uses  |
|---------------------------------|---|
| Portland-Limestone Cement (PLC) | Lower carbon emissions and stronger early strength, making it suitable for general construction and engineering projects. |
| Portland Type I Cement          | Suitable for use in general construction and engineering.   |
| Portland Type II (MH) Cement    | Lower hydration heat, resistant to sulfates, suitable for bridge piers and large dams.                                    |

The main raw materials for clinker in Portland cement include limestone, clay, silica sand, and iron slag. The manufacturing process begins by grinding the raw materials after computerized batching into raw meal powder, which is then heated and decarbonized in a preheater before entering the rotary kiln. High-temperature firing and subsequent cooling form the clinker, which is finally turned into cement products after being ground with gypsum, limestone and inorganic process additives according to CNS quality specifications.

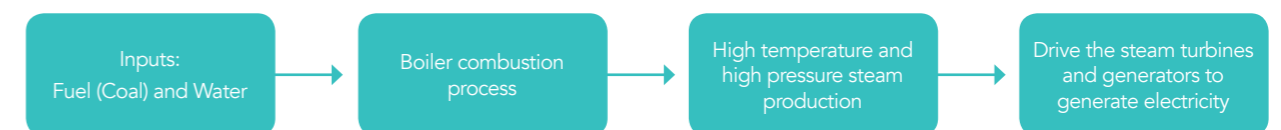
Portland Limestone Cement's clinker composition is the same as that of Portland Type I Cement but includes 10-15% limestone as a clinker substitute. Its characteristics include stronger early strength and lower carbon footprint, achieving carbon reduction without sacrificing strength.

### 5.2.2.2 The Electricity and Energy Sector

#### 1. The Electricity Department

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

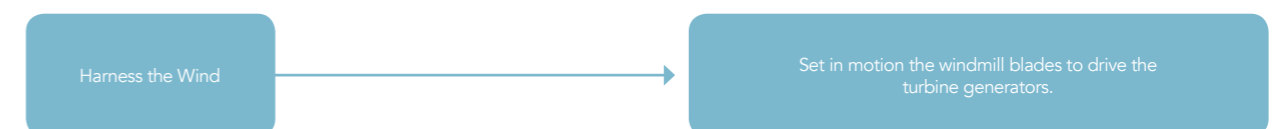
Thermal power production process is as follows:



Geothermal power production process is as follows:



Wind power generation process:



The power generation process of solar energy is as follows:



#### 2. The Energy Department

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

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

They are also used for medical equipment, BEV (pure electric vehicles), HEV (hybrid electric vehicles), various mobile electric vehicles, data center backup power supplies, agricultural machinery, unmanned guided

vehicles (AGV), electric skateboards, heavy electric motorcycles, off-road racing motorcycles, electric bicycles, unmanned aircraft, and energy storage systems. In recent years, they have also been utilized for the active development of vertical take-off and landing flying vehicles (EVTOL) and low-orbit satellites.

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

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

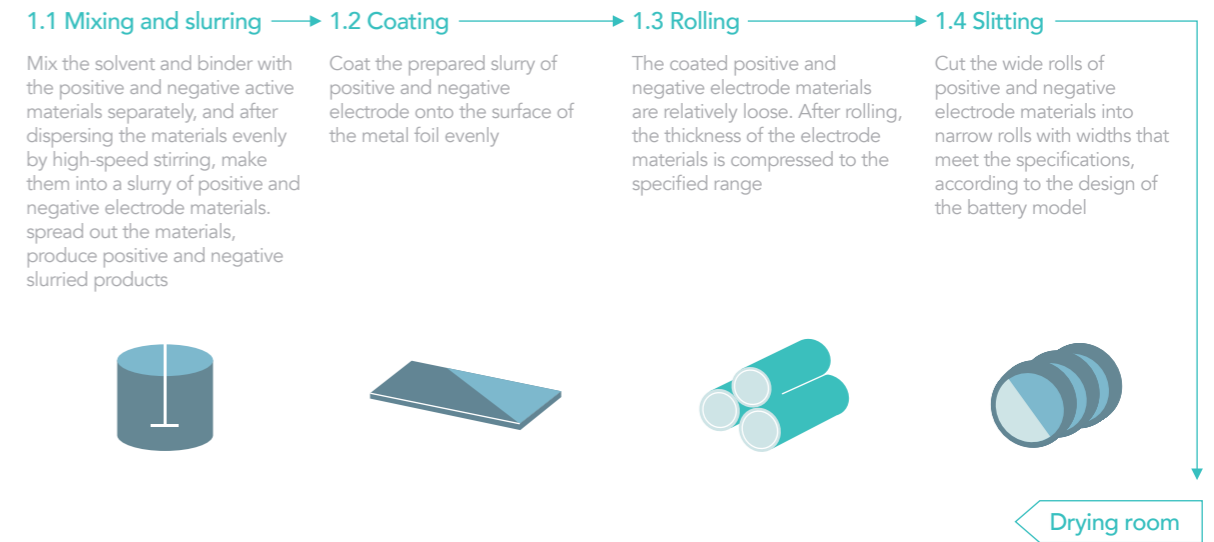
The construction of charging piles is guided by the goals set by RE100/EV100. The use of electric vehicles will become a trend and relevant laws and regulations will also be gradually formulated. For example, public parking lots should be equipped with special parking spaces for electric vehicles and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

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

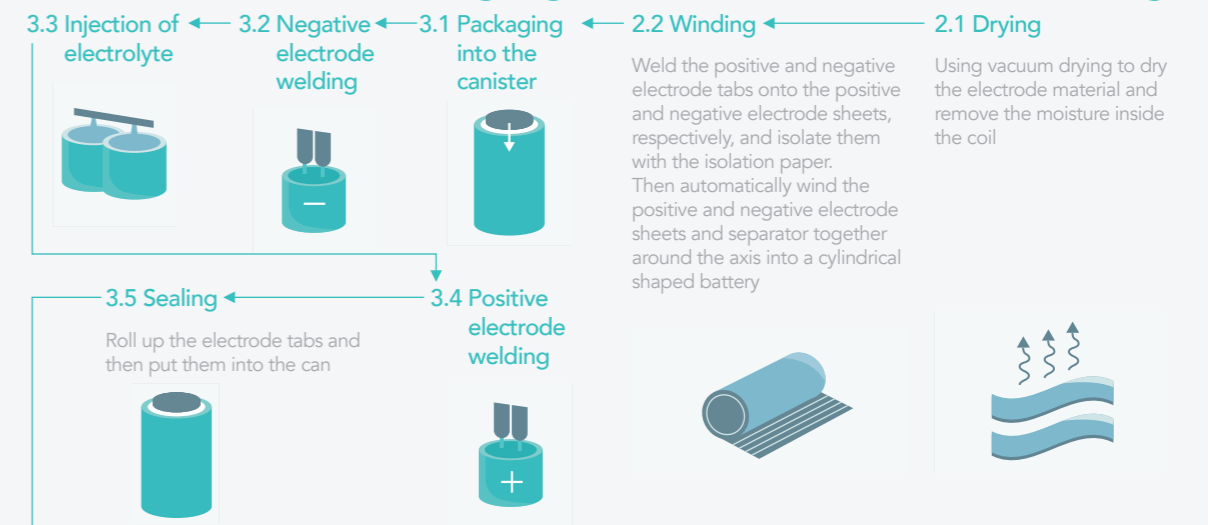
The adequate management and aggregation of power resources, such as energy storage systems, and the timely power demand response can enable users to participate in Taipower's power trading platform or achieve energy savings and carbon reduction, bringing actual benefits.

### Lithium Secondary Batteries Production Process

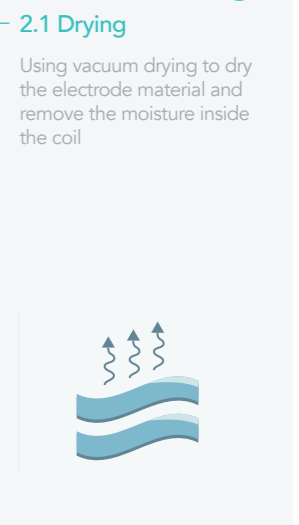
## 1. Pole piece



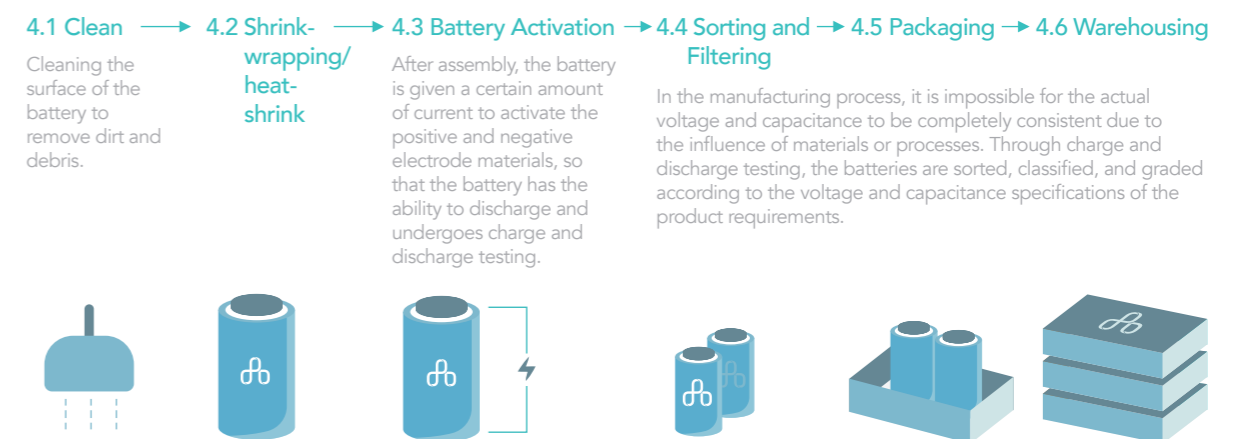
## 3. Packaging



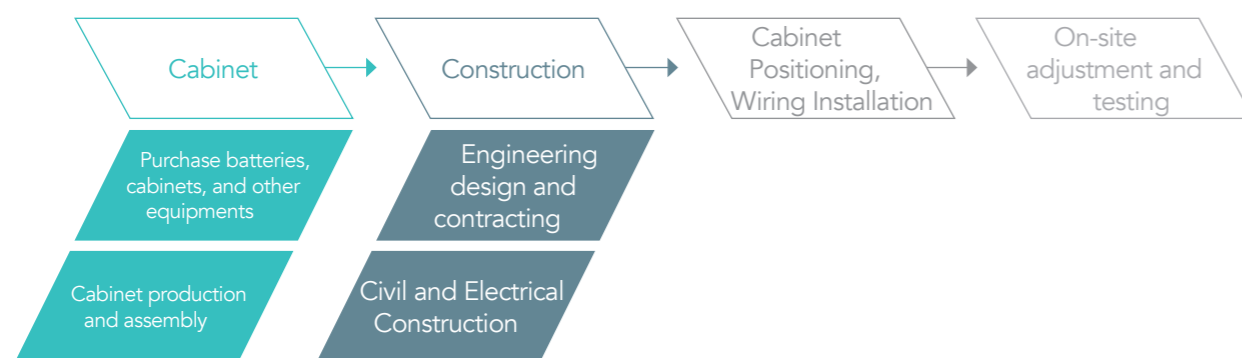
## 2. Winding



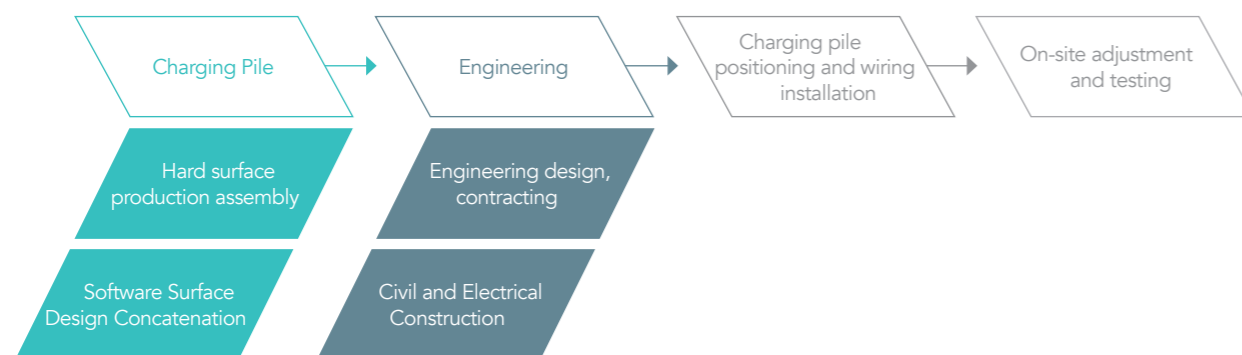
## 4. Formation



**Energy Storage Systems Construction Process:**



**Charging Pile Construction Process:**



**Green Electricity Purchase and Sale Process:**



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



**5.2.3 Supply of Main Raw Materials**

**5.2.3.1 Cement Department:**

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

Limestone is both self-produced and sourced through long-term supply contracts signed with domestic manufacturers. Similarly, clay and silica sand are procured from domestic suppliers. On the other hand, gypsum, low-alkali sand, and iron slag are purchased from high-quality domestic and foreign suppliers.

Taiwan imports coal mainly from Australia and Russia, mostly through spot bidding. Mainland China produces

its own local coal. Other auxiliary materials are obtained through long-term contracts with mainland Chinese companies. Alternative fuels in Taiwan are mainly made up of sawdust and waste wood and soild recoreded fuel (SRF), whereas in mainland China, they mainly comprise wood chips, waste wood, and waste spinning materials.

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

**5.2.3.2 The Electricity and Energy Sector**

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

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

The Energy Department of the TCC Group continues to strengthen supply chain management and deepen cooperation with strategic partners. In addition to ensuring the stability and cost competitiveness of raw materials, we collaborate with our suppliers on technological advancements and innovations.

This strategy ensures we maintain a leading position in the battery market, meeting customers' demands for high-quality and high-performance products. We are also actively developing new partnerships to increase the flexibility of our sourcing and are gradually launching various sustainability projects in response to international environmental trends and requirements. We actively provide assistance and guidance to our suppliers, working together towards carbon reduction and sustainable efforts.

**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: NTS thousands

| Item | Supplier                         | 2022               |                                    |                 | 2023                             |                    |                                    |                 |
|------|----------------------------------|--------------------|------------------------------------|-----------------|----------------------------------|--------------------|------------------------------------|-----------------|
|      |                                  | Procurement amount | As % of 2022 total net procurement | Relation to TCC | Supplier                         | Procurement amount | As % of 2022 total net procurement | Relation to TCC |
| 1    | Yancoal Australia Sales Pty Ltd. | 8,281,045          | 11%                                | None            | Yancoal Australia Sales Pty Ltd. | 3,169,353          | 5%                                 | None            |
| 2    | Others                           | 67,637,307         | 89%                                | -               | Others                           | 57,147,164         | 95%                                | -               |
|      | Total net procurement            | 75,918,352         | 100%                               |                 | Total net procurement            | 60,316,517         | 100%                               |                 |

Note: The reduction in purchases from Yancoal Australia Sales Pty Ltd. compared to the previous period is primarily due to a decrease in coal market prices and increased purchases from other coal suppliers.

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

Unit: NT\$ thousands

| Item | 2022              |             |                                |          | 2023              |             |                                |          |
|------|-------------------|-------------|--------------------------------|----------|-------------------|-------------|--------------------------------|----------|
|      | Customer          | Net revenue | As % of 2021 total net revenue | Customer | Customer          | Net revenue | As % of 2022 total net revenue | Customer |
| 1    | Taipower          | 23,605,027  | 21%                            | None     | Taipower          | 27,901,872  | 26%                            | None     |
| 2    | Others            | 90,324,679  | 79%                            | -        | Others            | 81,412,463  | 74%                            | -        |
|      | Total net revenue | 113,929,706 | 100%                           |          | Total net revenue | 109,314,335 | 100%                           |          |

## 5.2.5 Production Volume for the Past Two Fiscal Years

Unit: Production: NT\$ in thousands

| Major Product | Production  | 2022              |           |             | 2023              |            |             |
|---------------|---|-------------------|-----------|-------------|-------------------|------------|-------------|
|               |   | Capacity (Note 1) | Output    | Amount      | Capacity (Note 1) | Output     | Amount      |
|               | Cement and clinker (thousand tons)                              | 74,430            | 42,082    | 61,824,358  | 74,430            | 40,076     | 51,568,140  |
|               | Ready-mixed concrete (thousand m3)                              | 20,862            | 6,894     | 17,418,385  | 20,430            | 6,507      | 18,045,077  |
|               | Electricity (Capacity: MW<br>Production: GWh)                   | 1,297.10          | 8,119.41  | 22,985,566  | 1,297.10          | 8,756.32   | 26,931,765  |
|               | Batteries (1,000 peaces, 1,000 units)                           | 84,156            | 67,910    | 6,077,150   | 117,551           | 40,979     | 5,342,825   |
|               | Renewable energy (GWh)  | 79                | 101       | 371,208     | 79                | 101        | 515,538     |
|               | AFC (5MWh)  | 5                 | -         | 28,586      | 5                 | 43,292.50  | 28,234      |
|               | Power Resource Trading Platform (MW, Capacity Awarded) (Note 2) | 0.00              | 16,269.40 | 1,428       | 104.90            | 240,991.02 | 136,547     |
|               | Energy storage and EV Chargers and etc. (Note 2)                | 0.00              | 0.00      | 0           | 0.00              | 0.00       | 0           |
|               | Others  | 0.00              | 0.00      | 3,363       | 0.00              | 0.00       | 11,013      |
|               | Total   |                   |           | 108,710,044 |                   |            | 102,579,139 |

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: Starting from the year 2023, due to expanded independent operations classification.

Note 3: The data in the table does not reflect offsetting related-party transactions included in the consolidated entity.

Note 4: In alignment with climate-related information disclosure in 2023, additional product-specific information for the year 2022 has been provided.

## 5.2.6 Sales Volume for the Past Two Fiscal Years

Unit: Sales amount: NT\$ in thousand

| Major products | Sales  | 2022      |             |           |            | 2023       |             |           |            |
|----------------|--|-----------|-------------|-----------|------------|------------|-------------|-----------|------------|
|                |  | Domestic  |             | Export    |            | Domestic   |             | Export    |            |
|                |  | Volume    | Amount      | Volume    | Amount     | Volume     | Amount      | Volume    | Amount     |
|                | Cement and clinker (thousand tons)                                       | 40,938    | 59,559,438  | 551       | 1,037,388  | 39,168     | 49,590,781  | 624.00    | 1,206,333  |
|                | Ready-mixed concrete (thousand m3)                                       | 7,071     | 17,886,161  | 0.00      | 0          | 6,746      | 18,731,582  | 0.00      | 0          |
|                | Electricity (Capacity: MW<br>Production: GWh)                            | 8,119.41  | 22,985,566  | 0.00      | 0          | 8,756.32   | 26,931,765  | 0.00      | 0          |
|                | Batteries (1,000 peaces, 1,000 units)                                    | 7,162     | 137,937     | 60,705.00 | 6,082,633  | 15,371.00  | 72,748      | 46,290.00 | 4,734,972  |
|                | Renewable energy (GWh)   | 101.16    | 371,208     | 0.00      | 0          | 122.30     | 515,538     | 0.00      | 0          |
|                | AFC (5MWh)   | 43,710.00 | 28,586      | 0.00      | 0          | 43,292.50  | 28,234      | 0.00      | 0          |
|                | Power Resource Trading Platform (MW, Capacity Awarded) (Note 2)          | 22,203.93 | 6,074       | 0.00      | 0          | 240,991.02 | 198,091     | 0.00      | 0          |
|                | Equipment sales, site construction, and related services(units) (Note 2) | 4.00      | 1,420,059   | 11.00     | 4,158,767  | 19.00      | 4,724,627   | 12.00     | 5,068,469  |
|                | Energy storage EV Chargers etc. (Note 2)                                 | 0.00      | 0           | 0.00      | 0          | 0.00       | 17,635      | 0.00      | 0          |
|                | Others   | 0.00      | 3,363       | 0.00      | 0          | 0.00       | 11,013      | 0.00      | 0          |
|                | Total  |           | 102,398,392 |           | 11,278,788 |            | 100,822,014 |           | 11,009,774 |

Note 1: Domestic sales of cement and clinker exclude cement and clinker used in the manufacture of ready-mix concrete. The Company used 1,173,000 tons of cement and clinker in 2022 and 1,133,000 tons in 2022 for the production of ready-mix concrete.

Note 2: Starting from the year 2023, due to expanded operations, it has been classified independently.

Note 3: The data in the table above does not reflect the offsetting of related-party transactions included in the consolidated entity.

Note 4: In alignment with climate-related information disclosure in 2023, additional product-specific information for the year 2022 has been provided.

## 5.3 Employees for the Past Two Fiscal Years

| Item                      | Year        | 2022   | 2023   | As of March 20, 2024 |
|---------------------------|-------------|--------|--------|----------------------|
| Total number of employees |             | 12,188 | 9,984  | 9,576                |
| Average age               |             | 40.68  | 41.26  | 41.46                |
| Average years of service  |             | 7.60   | 8.55   | 8.74                 |
| Education                 | Ph.D.       | 0.35%  | 0.49%  | 0.43%                |
|                           | Master's    | 3.24%  | 4.80%  | 4.72%                |
|                           | Bachelor's  | 31.33% | 35.46% | 34.93%               |
|                           | High school | 33.66% | 33.21% | 33.04%               |
|                           | Others      | 31.42% | 26.04% | 26.88%               |

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



## 5.4 Environmental Expenditures

### 5.4.1 The Cement Sector

TCC has implemented an environmental management policy with the goals of "zero waste, zero pollution, zero emissions," incorporating international certifications such as ISO 14001, ISO 50001, ISO 14046, ISO 46001, and BS 8001. This approach enhances the management of products, energy, water, and waste, exceeding environmental regulatory standards to evaluate energy-saving, eco-friendly production improvements. It commits to sustainable environmental practices to minimize environmental impact. TCC also mandates suppliers and contractors to lessen environmental harm in production and transportation, fostering sustainable value with its supply chain partners.

#### 1. Certifications and Environmental Initiatives

TCC adheres to ISO 14001 standards for ongoing environmental maintenance and improvement. It strictly controls emissions well beyond government standards, using equipment modifications, enclosed conveyors, and nitrogen oxide control technologies, resulting in nitrogen oxides (NOx), sulfur oxides (SOx), particulate pollutants (TSP), and dioxin emission concentrations significantly below government standards.

To enhance water resource management, TCC was the first in its industry to secure the ISO 46001 Water Efficiency Management System certification in 2021, optimizing water use to achieve a recycling rate of over 85%, exceeding the 30-80% range set by the Water Resources Agency. In 2023, TCC further embraced the Alliance for Water Stewardship (AWS) standard to rigorously assess water management performance against international benchmarks, aiming for certification in the first quarter of 2024.

TCC participates in various organizations, including the Taiwan Cement Association, Taiwan Stone and Quarry Union, China Society for Metals, Chinese National Federation of Industries, Chinese National Association of Industry and Commerce, and Taiwan Circular Economy Association. TCC actively exchanges environmental protection insights with these entities and directly communicates with governmental and academic institutions. Leveraging its technical expertise and gathering the latest information both domestically and internationally, TCC contributes significantly to environmental protection and resource recycling, aiding in the refinement of regulations and policies.

#### 2. Investment in Environmental Protection and Remediation

TCC utilizes Low NOx preheaters and combustion technology in its production lines to effectively minimize pollutants. Every year, it allocates a specific budget for the maintenance and modernization of its environmental protection equipment. In 2019, TCC successfully upgraded the electrostatic precipitators at its Ho-Ping and Suao plants to hybrid electrostatic precipitator/bag filter systems, achieving particulate emission levels well below government standards.

In response to increasingly stringent environmental regulations, TCC initiated ultra-low NOx emission retrofit projects across its plants in China starting in 2021. From 2022, it has completed the installation of SCR (Selective Catalytic Reduction) de-NOx systems in several plants, including the Guigang Plant in Guangxi, the Yingde Plant and the Shaoguan Plant in Guangdong, the Chongqing Plant in Sichuan, the Xuyong Plant, the Jurong Plant in Jiangsu, the Anshun Plant, and the Kaili Plant in Guizhou, further reducing NOx emissions to levels surpassing government standards.

In the fiscal year of 2023, TCC's cement division allocated NT\$162.12 million in Taiwan and RMB 249.55 million in China for environmental protection.

Environmental-related losses (including compensation) in the latest fiscal year and up to the date of the annual report's publication: NT\$12,000.

| Date levied       | Case number    | Laws and regulations Violated                                 | Description of Violations  |
|-------------------|----------------|---|--|
| September 1, 2023 | No. 1120021634 | Waste Disposal Act<br>Article 31, Paragraph 1, Subparagraph 2 | Discrepancies in the quantities of some items in waste declarations. |

Following improvement steps were taken:

- (1) TCC developed a reporting SOP and strengthened personnel education and training to avoid discrepancies in the amount of waste collected and re-used.
- (2) Future changes in plant equipment must first be verified for compliance with environmental permits; non-compliant changes require immediate application for modification to the regulatory authorities.

Future environmental focus areas include:

- (1) Strengthening equipment operation management, staff training, inspection and maintenance of dust collection equipment to ensure all environmental equipment functions properly.
- (2) Enhancing environmental cleaning, controlling wastewater treatment and discharge, strictly managing waste disposal processes, and reinforcing subcontractor management, including mobile washing of vehicle tires and greening factory premises.
- (3) Upgrading outdated air and water pollution control equipment and installing necessary new equipment to reduce environmental impact.
- (4) Regularly commissioning third-party environmental monitoring and strictly controlling air pollutant emissions, with ongoing greening and maintenance of the plant area.

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

| Area           | Currency | 2024           | 2025           | 2026           | 3-yr Total     |
|----------------|----------|----------------|----------------|----------------|----------------|
| Taiwan         | NTD      | 149.83 million | 105.60 million | 105.60 million | 361.03 million |
| Mainland China | RMB      | 297.67million  | 163.94 million | 94.51 million  | 556.12 million |

### 5.4.2 The Electricity and Energy Sector

1. Environmental-related losses (including compensation) in the latest fiscal year and up to the date of the annual report's publication: None.

2. Future countermeasures and possible expenditures:

To continuously improve environmental protection, the power division of the TCC Group, beyond maintaining the normal operation of pollution prevention equipment, is also implementing improvement projects for Air Quality Control Systems (AQCS) and enhancing the efficiency of wastewater treatment processes.

Moreover, professional consulting firms, academic bodies, and testing companies certified by the Ministry of Environmental Protection are commissioned to conduct environmental quality monitoring programs, ecological surveys of nearby maritime areas, and inspections of the plant's flue gas and

wastewater discharge on a quarterly or monthly basis. The estimated environmental expenditure over the next three years amounts to approximately NT\$841 million.

- (1) Indoor coal storage bunkers are established, and coal is transported through entirely sealed corridors, eliminating coal dust and mitigating water contamination.
- (2) All raw materials and by-products are conveyed in sealed conditions to prevent pollution.
- (3) Coal ash generated by the power plant serves as a raw material or additive in cement production at the nearby Ho-Ping Cement Plant, avoiding the need for ash ponds or sea disposal, thereby preventing marine pollution.
- (4) Electrostatic precipitators, wet limestone/gypsum flue gas desulfurization equipment, and selective catalytic reduction units are utilized to lower the emissions of particulate pollutants to 20 mg/m<sup>3</sup> (matching regulatory standards), sulfur oxides to 50 ppm (below the 60 ppm standard), and nitrogen oxides to 50 ppm (below the 70 ppm standard). A 250-meter chimney aids in the dispersion.
- (5) Controls on warm water discharge, noise, and wastewater treatment comply with the nation's most stringent environmental standards.
- (6) The expansion of physicochemical treatment units at wastewater treatment facilities enhances the efficiency of wastewater treatment and reduces the concentration of pollutants in effluent.

TCC Group's energy sector continually advances processing technologies and expands production capabilities. The complexity of developing new processes and the surge in raw material usage result in increased waste generation. Committed to minimizing environmental impact and embracing resource recycling, we strive to reduce waste output and enhance recycling rates. In 2023, we repurposed 5.6 tons of waste fiber bags from raw material packaging, recovered 166.33 tons of carbon from waste sludge through physical processes, and utilized waste wood for gasification power generation, producing 53,600 kWh of electricity, embodying our commitment to waste reduction and resource reuse.

On the environmental management front, we have established and obtained third-party certification for the ISO 14001 environmental management system. Through the ISO framework, we continuously seek to enhance our environmental performance, employing environmental management plans and improvement programs to bolster our management efforts.

Additionally, in response to net-zero emissions initiatives, we designated 2022 as the greenhouse gas emissions baseline year, completing a greenhouse gas inventory in 2023. Direct emissions and indirect energy emissions (Scope 1 and Scope 2) totaled 34,996 tons of CO<sub>2</sub>, with energy (electricity) use being the primary source, accounting for approximately 83.07%.

Committed to fulfilling our responsibility as global citizens and minimizing environmental impact, we will continue to invest in energy conservation, waste reduction, and pollution improvement initiatives. We have outlined 12 energy conservation measures, with an expenditure of approximately NT\$5.339 million, resulting in an annual electricity saving of 2.4 million kWh and reducing about 1,225 tons of CO<sub>2</sub> emissions.

- Optimize the operation mode of frequency conversion ice machines during winter.
- Implement an optimized connection operation mode between the first and second factories in winter.
- Renew the cooling materials of the EMT1 cooling tower.
- Upgrade and replace old CDA 150HP with new variable frequency drives.
- Switch restaurant and corridor spiral lamps to LED bulbs.
- Replace 220 T8 lamps with LED lights.
- Increase the outlet temperature of EMT1 chilled water from 6°C to 8.2°C.
- Increase the outlet temperature of EMT2 chilled water from 6°C to 8.2°C.

- Remove light tubes in offices and production lines to achieve 350-500 lux luminance (excluding special operations).
- Modify parking lot lighting to dual-stage sensor lamps.
- Decrease the temperature of the EMT CDA rear cooler to reduce the regeneration cycle of dryers by 50%.
- Operate air conditioning units independently during winter (December to February).

The TCC Group's Energy Division integrates climate change considerations into its risk assessments to inform improvements aimed at reducing energy consumption and carbon emissions, thereby enhancing the carbon management effectiveness. Additionally, the division conducts comprehensive evaluations of waste reuse rates alongside energy-saving and waste-reduction strategies. Expected future environmental investments, detailed below, are designed to lessen our environmental footprint, uphold our global citizenship responsibilities, and advance our commitment to sustainability.

- Installation of frequency converters and replacement of heat exchange fins in cooling towers: NT\$1.8 million.
- Energy efficiency improvements and updates to air compressors: NT\$4.7 million.
- Installation of a 400KW solar energy system: NT\$60 million.
- Greenhouse gas inventory and third-party verification: NT\$300,000.

## 5.5 Labor Relations

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

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

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

As of 2023 and up to the publication date of the annual report, TCC has not incurred any losses due to labor disputes. However, there was an instance where, following labor inspection results, the Company was fined for a violation of the law as follows:

On April 20, 2023, a ruling based on a letter numbered 1120072870 from the Taipei City Department of Labor found that the combination of regular and extended working hours exceeded 12 hours, violating Article 32, Paragraph 2, of the Labor Standards Act, resulting in a fine of NT\$50,000.

In response to this, TCC has reiterated daily reminders to all staff about work hours and enhanced internal communication. Additionally, for work demands that require extended hours, employees are reminded to apply for overtime in advance, choosing between overtime pay or compensatory leave. TCC is committed to strengthening employer-employee relations and supporting employees in balancing work and family care.

### 5.5.1 Educational Development

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

domain and diverse professional functions:

### 1. Sustainable Professional Development:

To internalize sustainable thinking and practice environmental sustainability, the TCC Group aims to transform its entire staff into well-rounded professionals with a sustainable action DNA.

Therefore, we have launched a variety of inclusive lectures, Earth Day, volunteer series courses, and service practice certification actions. To integrate the concept of energy saving and carbon reduction into the workplace, we have also initiated a Sustainable Action Proposal Competition, inviting colleagues to submit innovative proposals to maximize impact.

Moreover, we have drawn on academic resources by inviting renowned local scholars and university professors to share their visionary perspectives on topics such as trends and applications of low-carbon buildings, moving towards a zero-carbon era, and the challenges and opportunities of corporate carbon credits. By injecting diverse external knowledge, we aim to stimulate innovative thinking among our staff.

### 2. Carbon Academy Program:

In light of stricter regulations and carbon emissions becoming a significant operational expense, carbon reduction is a collective goal for all TCC Group enterprises. To enhance our team's carbon knowledge and skills, the TCC Carbon Academy covers everything from basic greenhouse gas inventories and carbon footprints to advanced corporate carbon management and global trends. This comprehensive training empowers our staff to effectively manage and reduce carbon across all aspects of our operations, fostering a culture of sustainability and innovation.

In 2023, the Group continued to optimize the online learning platform, TCC Lyceum, integrating it with the MIT/ILP platform (MIT Industrial Liaison Program). With regularly updates of the platform with online seminar information related to TCC Group's development, covering diverse topics such as ESG trends, AI applications, energy technology, and strategic management. This provides employees with first-hand research and development information and insights into international R&D innovations.

The TCC Group is committed to creating a quality environment for talent development, enabling colleagues to grow and thrive alongside the Company. Throughout the year, the total number of training hours reached 64,447.8, with an investment of NT\$20.8 million in educational training expenses.

## 5.5.2 Employee Benefits

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

1. A comprehensive compensation system: Performance bonuses, a quarterly bonus system, employee stock ownership trust, and employee welfare savings trust.
2. Health care: Group insurance for employees and their dependents, medical expenses subsidies for employees and their dependents, health examination subsidies, maternity subsidies and gifts, hospitalization consolation grants, on-site health consultation services, health promotion lectures, and stress-relieving massage services.
3. Life care: Travel subsidies, festival gifts, birthday gifts, wedding gifts, funeral subsidies for employees and their families, emergency relief funds, community subsidies, and after-school rest space for employees' children.
4. Learning support: Children's education scholarships, advanced study grants, digital learning platforms, and English courses.

5. Retirement care: Additional appropriations of employee share trust, employee health check-ups, retirement parties, and retirement insurance plans (triple protection of medical, accident and life insurance subsidized by the company).

In addition, the Company also holds or subsidizes a wide range of events to benefit the physical and mental development of employees and improve communication between workers and managers. These events include clubs and sports events (dragon boat races, swimming across the Sun Moon Lake, and Taroko marathon), labor union activities, Christmas parties, year-end parties, social activities for employees, family days, meetings between workers and managers, and staff meetings.

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

Faced with the COVID-19 pandemic in recent years, TCC has offered comprehensive preventive measures, encouraging employees to get vaccinated and providing them with paid vaccine leave. The Company also invested nearly NT\$3.21 million in providing free flu vaccines for all employees. Through corporate propaganda, we encourage them to get vaccinated as soon as possible in a bid to protect themselves and others.

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

For employees who need to care for some family members, we launched the Diverse and Agile Working Hours Plan with three days of "paid family leave" every year. Our employees can also apply for "working from home" and ask their supervisors to give them a day off to help overcome jet lag. Such measures help our colleagues have health and safety, work flexibility, and take care of their families.

## 5.5.3 Retirement System

In an effort to help employees feel financially comfortable after retirement, TCC laid out a retirement plan.

1. Pensions, given to employees who worked before the implementation of the Labor Standards Act, are more generous than those in accordance with the laws.
2. TCC set up the Labor Retirement Reserve Fund Supervision Committee in accordance with the laws to regularly allocate and deposit pension funds to the Bank of Taiwan Co., Ltd. (formerly known as the Central Trust Bureau). The committee regularly meets to review the allocation and use of pension funds.

By the end of each year, the committee checks the balance of the special account. If the balance is insufficient to pay the workers who are qualified to retire the next year, the amount will be replenished before the end of March of the next year to protect the rights and interests of employees.

3. The government enacted a new retirement scheme on July 1, 2005. Under this new scheme, all employers were required to deposit no less than 6% of a worker's monthly wages into an individual labor pension account. Individuals could also make additional voluntary deposits into a personal pension account managed by the Labor Insurance Bureau. The deposits will be withheld from their monthly salary based on their voluntary contribution rate.
4. In a move to help colleagues accumulate wealth and plan for future retirement, TCC has increased the amount of employee stock ownership trust for those who are about to retire at the age of 60.

## 5.6 Management of Information Security

TCC Group follows an established notification procedure for information security incidents to ensure immediate and effective implementation of response measures when information security incidents occur. This reduces the risk of loss to the Group resulting from information security incidents.

As of 2023 and the publication date of the annual report, no major information security incidents have occurred in TCC Group.

### 5.6.1 Security Policy

Riding on its carbon reduction mission in the cement industry, TCC Group has been dedicated to developing new energy businesses. Ensuring information security and sensitive data protection is a commitment to society, shareholders, and business partners, setting industry benchmarks and exemplifying best practices.

To ensure adequate protection of internal information and systems, TCC Group advances its information security management system in line with ISO/IEC 27001:2013 standards, aiming to deliver safer and more stable information services through ongoing enhancement of system effectiveness.

### 5.6.2 Management Plan

1. Throughout the past year, there were no major information security incidents, ensuring the highest level of protection for data utilized by TCC Group and our business partners.

- (1) In compliance with the ISO/IEC 27001:2013 standard, we successfully passed an external audit in December 2021 without any deficiencies, and in December 2022, we achieved certification for the updated ISO/IEC 27001:2022. The certificate is valid from January 5, 2023, to January 4, 2026.
- (2) An annual disaster recovery exercise for our core business systems is conducted to verify the effectiveness of backup and data backup procedures. Through actual drills, we ensure that information system services can seamlessly transition in the event of a disaster, laying a foundation for TCC Group's sustainable operations.
- (3) TCC Group classifies all data and implements rigorous data leakage prevention measures and monitoring for sensitive data being stored or transmitted, ensuring the security of trade secrets.
- (4) Measures are in place to mitigate the impact of potential security incidents such as damage, theft, leakage, tampering, misuse, and infringement.
- (5) We continuously enhance the confidentiality, integrity, and availability of all operations within our information service systems.



### 5.6.3 Organizational structure

In 2020, TCC established an Information Security Management Committee, which includes two board members with expertise in information security. This committee convenes annually to assess the advancements and actions within the Company's information security management system.

Furthermore, on April 11, 2022, the Company's Board of Directors resolved and announced the establishment of a Chief Information Security Officer (CISO), responsible for designing the overall information security architecture, maintaining and monitoring security, responding to and investigating internal and external security incidents for TCC Group. They report regularly to the CISO, who in turn updates the Chairman and the President of TCC Group, and presents an annual report on information security management to the Board.

### 5.6.4 Resource Management

#### 1. Information Security Enhancement

TCC Group, aligning with its sustainable development, sensitive business data protection, and hacker defense, established and continues to optimize the following measures from 2023 to ensure network security within the organization:

- Annual inventory and appropriate access permissions for core business systems based on Need-to-know, managed by Privileged Account Management (PAM) for high-access accounts.
- Implementation of Mobile OTP (MOTP) as a two-factor authentication mechanism, utilizing fingerprint login to reduce password-related risks.
- Introduction of vulnerability scanning tools, regular scanning for TCC Group's core systems to patch identified medium to high-risk vulnerabilities, and follow-up until no such vulnerabilities exist.
- Real-time monitoring and alert systems (PRTG) for core business systems and devices, ensuring immediate notification and action on abnormalities, with backup mechanisms and regular drills to maintain system availability.
- Annual disaster recovery drills for core systems, ensuring normal operation post-failover to an alternate site.
- Installation of antivirus software on all PCs in the office, regular system and virus definition updates to mitigate risks of cyberattacks and ransomware.
- Deployment of Operational Technology (OT) protection to safeguard production lines from operational disruption due to malware, including pre-scanning of new devices with antivirus USB drives before network integration.
- Introduction of an encryption system for sensitive files to prevent theft of business secrets.
- Strict control of external file transmission channels including portable devices, cloud storage, instant messaging (IM), File Transfer Protocol (FTP), and email systems.
- Establishment and maintenance of network security operations, including firewall management, VPN settings, intrusion detection and prevention systems, WAF firewalls, and online behavior monitoring.
- Regular review of audit trails for core systems and devices to prevent unauthorized access.
- Ensuring outsourced vendors' information security compliance, and all cooperate under TCC



Group's confidentiality agreements to secure company safety.

- Membership in TW-CERT and access to trend technology and other threat intelligence centers for timely updates on vulnerabilities and risks; major improvements addressed in 6 bulletins in 2023.
- To address the popularity of AI tools such as ChatGPT, TCC Group has established an exclusive ChatGPT that requires application for use. Prior to deployment, a comprehensive vulnerability scan was conducted on the system, and two-factor authentication (2FA) was required for login, with logging of user login trails and prompt logs.
- Establishment of HoneyPot systems, successfully blocking two hacking attempts, one from internal red team exercises and one from external red team testing.
- External penetration testing on core systems, patching discovered medium to high-risk vulnerabilities within two months and ensuring continuous monitoring.
- Simulated cyberattacks by external security companies to identify 33 vulnerabilities, with all identified issues rectified within a month to reach zero risk.
- For energy business units, prohibiting devices capable of recording in sensitive areas and offices, providing camera-less corporate phones, locker facilities, and metal detectors to prevent unauthorized device entry.
- Comprehensive adoption of DDI and EDR with managed detection and response (MxDR) by external security teams, handling 4 billion logs, 547 potential threats analyzed, and 34 incidents reported with 16 actual threats timely blocked in 2023. Four potential ransomware incidents were also successfully defended against.

## 2. Enhanced Information Security Awareness

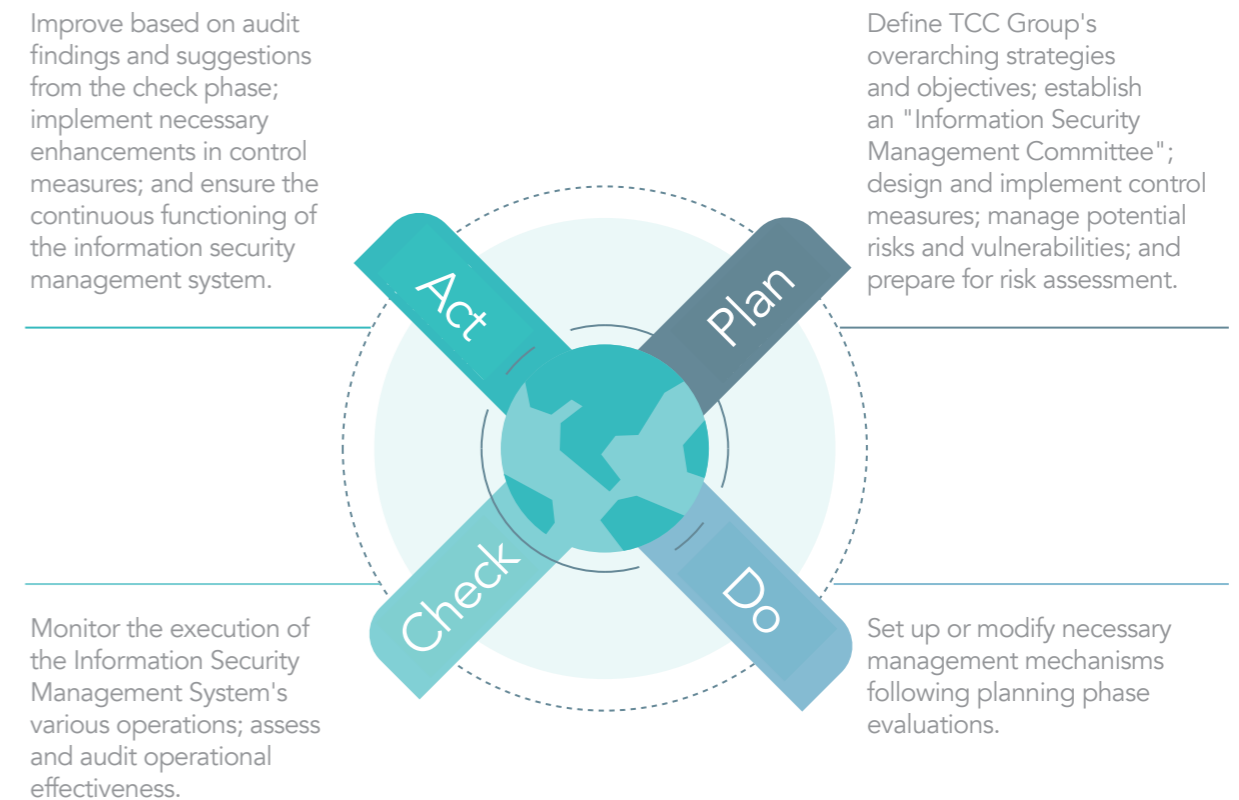
Amid a robust information security environment, employee awareness is vital. To perpetually boost TCC Group's information security awareness, annual training is conducted by the security unit to impart core principles, current trends, and the latest hacking strategies. Furthermore, an information security platform keeps staff abreast of current threats and countermeasures, and periodic communications highlight rule changes and potential risks, lessening the chance of security breaches.

In 2023, four awareness training sessions covered topics like AI hacking techniques, response measures, and Information Security Management System (ISMS) concepts. Courses were uploaded to an online academy for access anytime, with about 1,600 participants and 1,800 cumulative hours of training. Additionally, six social engineering drills were performed across the company, including two group-wide and four targeting specific energy and core units, resulting in a violation rate of 3.15%.

## 3. Construction of Protective Mechanism

Adopting a zero-trust approach, TCC Group enforces a multi-layered defense strategy to shield its operating systems from various attacks. By providing training and regular updates, we instill a culture of information security awareness among employees. Regular assessments of the appropriateness and effectiveness of our information security policies and procedures lead to continuous enhancements in our safeguards, thus

minimizing security risks. Furthermore, aligning with the ISO/IEC 27001:2022 standards, we use the Plan-Do-Check-Act (PDCA) cycle to establish and manage our information security system, consistently improving its effectiveness to ensure secure and stable information services.



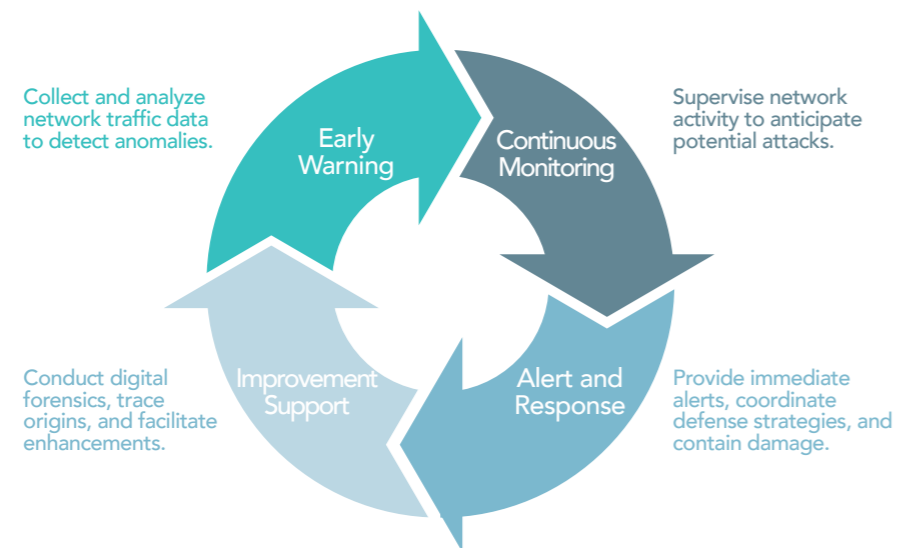
## 5.6.5 Impact of Information Security Risks on the Company's Financial Operations and Countermeasures

### 5.6.5.1 Information Security Risk Management

To comprehend the information security risks within the organization, the Information Security Committee conducts annual evaluations of information assets, reassessing their classification and acceptable risk levels. Based on these levels, risk assessments across various aspects of information security are carried out to mitigate high-risk elements internally. Additionally, assessments and ongoing monitoring of internal anomalies and external information security events and topics are performed.

1. Planning and Assessment: Following ISO/IEC 27001: 2022 standards, threats, vulnerabilities, and existing control mechanisms affecting information asset security are evaluated.
2. Implementation and Execution: Control mechanisms are designed, established, and executed based on risk assessment outcomes.
3. Review and Audit: Regular risk assessments and internal information security audits ensure the effectiveness of the information security management system, with management reviews to reinforce information security governance.

4. Tracking and Continuous Improvement: Corrective and preventive actions are taken following audit results to enhance and execute appropriate control mechanisms, including information security awareness and training for employees.
5. Practical Measures: An annual inventory of information assets is taken, with a comprehensive risk analysis based on assets, vulnerabilities, and threats. Risk improvement is managed with dedicated tools to embody the spirit of information security management. In 2022, asset inventory tools for both software and hardware were introduced, effectively tracking usage and preventing the installation of unauthorized or intellectual property-infringing software by employees.



#### 5.6.5.2 Information and Communication Technology (ICT) Audit

To ensure the effectiveness of the information security management system designed according to ISO/IEC 27001:2022 standards, TCC Group has clearly defined roles and responsibilities within its information security organization. This facilitates the promotion and maintenance of various management, execution, and auditing tasks under the information security management system. At least one ICT audit and management review meeting is conducted internally each year to confirm the applicability, adequacy, and effectiveness of the information security management system.

- (1) Develop and implement internal and external audit processes in accordance with ISO/IEC 27001:2022 standards.
- (2) Conduct audits of information records and manage the implementation and maintenance of alarm devices.
- (3) Correct and continuously improve the information security management system and its associated improvement projects.
- (4) Educate and advocate for information security incident management and analyze compliance with regulations.

#### 5.6.5.3 Information and Communication Technology (ICT) Processes and Legal Compliance

Each company within the TCC Group must establish management norms according to information security management requirements and set operational management standards for its business. Any anomalies or information security incidents that occur during routine business operations are reported

to the relevant departments of information security, auditing, and management.

In addition to internal management processes, each company should also regularly review standards and requirements related to personal data privacy and other aspects of information security, ensuring compliance with relevant laws and regulations to avoid breaches of information security laws and contractual obligations.

#### 5.6.5.4 Information and Communication Technology (ICT) Development

Information security is a crucial issue for TCC Group. TCC Information follows the Group's strategy, strengthening information security technology development plans, such as enhancing protection against cyber attacks, detecting external threats in real-time, and reducing the risk of sensitive data leakage. These have been the focus of information security development.

TCC Group's information security technology development and operational planning are reinforced based on the three pillars of information security and recent common information security risks, as well as future business-related information security issues. This includes remote working security risks, employee information security awareness, system availability enhancement, sensitive data protection, privileged account management, event logging and analysis, and cloud environment security assessments, with the following enhancements:

1. Due to pandemic prevention measures, strengthen remote secure connections with two-factor authentication for enhanced cyber control.
2. Raise employee security awareness through education and drills to reduce risk due to personnel negligence.
3. Implement network traffic and behavior analysis to increase the security of external services.
4. Establish a sensitive data protection area to enhance monitoring of data access and use in core business.
5. Tighten control over external file transfers within the Group, providing only authorized transmission methods, defining external transfer rules, and enhancing monitoring to prevent data leakage.
6. Enhance physical security in core business areas, adopting two-factor authentication to protect important corporate assets and data.
7. Ensure system stability with monitoring tools for core systems.
8. Perform regular off-site backup drills and recovery exercises for core systems to ensure prompt restoration in the event of an information security incident.

## 5.7 Important Contracts

### 5.7.1 Supply and Marketing

| Types       | Counterparty                                | Terms   | Summary  | Restrictive Terms          |
|-------------|---|---|--|----------------------------|
| Sales       | Taipower                                    | August 4, 1998 to June 29, 2027   | Power purchase agreement   | No significant restriction |
| Sales       | FreetoX S.r.l.                              | May 27, 2022 to May 27, 2023  | Provide services for EVC design, operation and leasing, hardware installation, construction management, and removal. | No significant restriction |
| Procurement | Pt. Indominco                               | August 1, 2004 to December 31, 2024   | Purchase of coal   | No significant restriction |
|             | Yancoal                                     | December 1, 2020 to June 30, 2023   |  |                            |
|             | Bayan                                       | December 2, 2022 to December 31, 2024   |  |                            |
|             | Eaglecrest                                  | September 5, 2022 to March 31, 2024   |  |                            |
|             | Noble                                       | October 7, 2022 to March 31, 2024   |  |                            |
|             | Blacksand                                   | 112.02.27~February 27, 2023 to December 31, 2023.12.31  |  |                            |
|             | KRU   | September 1, 2022 to January 31, 2023   |  |                            |
|             | Glencore                                    | September 28, 2022 to May 31, 2024  |  |                            |
|             | Vitol                                       | December 29, 2022 to January 31, 2024   |  |                            |
|             | MSJ   | July 17, 2023 to December 31, 2023  |  |                            |
|             | TD  | November 2, 2023 to December 31, 2023   |  |                            |
|             | CCS   | November 2, 2023 to February 29, 2024   |  |                            |
|             | Macquaire                                   | November 2, 2023 to March 31, 2024  |  |                            |
| Bengalla    | January 17, 2024 to March 31, 2024          |   |  |                            |
| Procurement | Hsin Tai Chemical Co., Ltd.                 | September 1, 2023 to August 31, 2024  | Purchase of liquid ammonia   | No significant restriction |
| Procurement | Toray Engineering Co., Ltd.                 | December 14, 2021 to the end of the warranty period; August 24, 2022 to the end of the warranty period  | Purchase of pole piece coating production equipment  | No significant restriction |
| Procurement | Sintokogio, Ltd.                            | December 10, 2021 to the end of the warranty period   | Purchase of pole piece rolling production equipment  | No significant restriction |
| Procurement | Wuxi Rich Intelligent Equipment Co., Ltd.   | December 1, 2021 to the end of the warranty period  | Purchase of pole piece feeding production equipment  | No significant restriction |
| Procurement | Nishimura MFG. Co., Ltd.                    | December 15, 2021 to the end of the warranty period   | Purchase of pole piece slitting production equipment   | No significant restriction |
| Procurement | Hana Technology Co., Ltd.                   | November 30, 2021 to the end of the warranty period; November 2, 2022 to the end of the warranty period | Purchase of assembly line production equipment   | No significant restriction |
| Procurement | Maschinenfabrik Gustav Eirich GmbH & Co. KG | February 24, 2022 to the end of the warranty period   | Purchase of pole piece mix production equipment  | No significant restriction |
| Procurement | Kaido Manufacturing Co., Ltd.               | November 30, 2021 to the end of the warranty period   | Purchase of winder production equipment  | No significant restriction |
| Procurement | MACCOR INC                                  | June 8, 2022 to the end of the warranty period  | Purchase of testing system equipment   | No significant restriction |
| Procurement | Sintokogio, Ltd.                            | October 17, 2022 to the end of the warranty period  | Purchase of pole piece rolling production equipment  | No significant restriction |

| Types       | Counterparty  | Terms  | Summary   | Restrictive Terms          |
|-------------|---|--|---|----------------------------|
| Procurement | KATAOKA CORPORATION   | December 1, 2022 to the end of the warranty period   | Purchase of lithium-ion batteries formation production equipment.                                     | No significant restriction |
| Procurement | MARUBENI CORPORATION  | March 2022 to delivery   | Contracts to build bulk carrier   | No significant restriction |
| Procurement | Samsung SDI CO., Ltd  | January 10, 2023 to the completion acceptance; September 1, 2022 to the completion acceptance  | Procurement of a 35 MW/123.6 MWh battery energy storage system  | No significant restriction |
| Procurement | Samsung SDI CO., Ltd  | February 28, 2022 to the completion acceptance   | Procurement of a 40 MW/132.52 MWh battery energy storage system                                       | No significant restriction |
| Procurement | Samsung SDI CO., Ltd  | May 7, 2022 to September 30, 2022  | Procurement of a 30.517 MWh energy storage equipment; Expansion of storage capacity                   | No significant restriction |
| Procurement | Samsung SDI CO., Ltd  | November 10, 2022 to the completion acceptance   | Procurement of a 50 MW battery energy storage system at TCC Energy Storage Technology (Shih Min) site | No significant restriction |
| Procurement | PTLK INTERNATIONAL LTD.   | April 28, 2022 to the end of the warranty period   | PCS equipment for the energy storage plant  | No significant restriction |
| Procurement | ETICA BATTERY INC.  | December 26, 2022 to the end of the warranty period  | Purchase and installation of energy storage container E4L-20P and accessories                         | No significant restriction |
| Procurement | Jinko Solar Technology Sdn. Bhd   | September 20, 2022 to February 20, 2023  | Purchase of solar modules for TCC Chia-Chien Green Energy Corporation Fishery Electricity Phase 2     | No significant restriction |
| Procurement | ENERCON GmbH  | August 30, 2022 to September 15, 2023  | Purchase of wind turbines for Chang-Bin Green Energy Phase 2 Wind Power Plant                         | No significant restriction |
| Procurement | Contemporary Amperex Technology Co. Limited.  | October 1, 2021 to December 13, 2024   | Procurement of specific products  | No significant restriction |
| Procurement | Freyr Battery Norway A.S.   | May 9, 2022 till both parties establish a sales contract or one party terminates the contract. | Established key purchasing terms and conditions for potential future business relationships.          | No significant restriction |
| Services    | NYK   | April 1, 2011 to March 31, 2023  | Transportation of coal  | No significant restriction |
|             | Bocimar   | April 1, 2011 to March 31, 2026  |   |                            |
|             | Norden  | April 1, 2011 to March 31, 2026  |   |                            |
| Services    | Cathay Insurance, Fuban, Shin Kong, First, Huana, Tokio Marine Nawa Insurance, Mega, Union Insurance, Nanshang General, MSIG, Taiwan Fire and Marine Insurance, HoTaim, and other insurance companies | December 31, 2022 to December 31, 2023   | Property insurance and operational insurance for power plants   | No significant restriction |
| Services    | Taipower  | January 4, 2021 to December 31, 2026   | Repair of generators and maintenance  | No significant restriction |
| Services    | GE Power  | July 1, 2020 to June 30, 2027  | Repair of generators and maintenance  | No significant restriction |
| Services    | TANG SHI CHUN ENTERPRISE CO., LTD and 60 other companies  | January 1, 2023 to December 31, 2023   | Commissioned to sell cement   | No significant restriction |

| Types                 | Counterparty                        | Terms  | Summary  | Restrictive Terms                |
|-----------------------|-------------------------------------|--|--|----------------------------------|
| Services              | FIAT CHRYSLER AUTOMOBILES ITALY SPA | December 22, 2021 to 20 years from the beginning of amortization             | Logistic service of electric vehicle and V2G vehicle to grid services  | No significant restriction       |
| Services              | FDC International Hotels            | May 27, 2020 to May 27, 2045 (Can be extended for 10 years after expiration) | Contracted to manage and operate the hotel service; the authorization of the hotel trademark; provide strategic services                 | Operate before December 31, 2025 |
| Cooperation Agreement | Accenture S.p.A.                    | November 12, 2021 to December 31, 2025                                       | Scope of cooperation:<br>1. enhancing technical platforms<br>2. market approaches<br>3. operational services<br>4. building eco-momentum | No significant restriction       |
| Cooperation Agreement | FreetoX S.r.l.                      | May 27, 2022 to May 27, 2034   | Collaboration agreement for profit and loss sharing for EVC at Milan Linate Airport  | No significant restriction       |

## 5.7.2 Construction and Labor Services

| Types        | Counterparty                                | Terms  | Summary   | Restrictive Terms          |
|--------------|---|--|---|----------------------------|
| Construction | CTCI  | February 4, 2010 to July 31, 2024                  | Construction to upgrade to #2 Air pollution equipment at Ho-Ping Power Plant (AQCS project)                                   | No significant restriction |
| Construction | CTCI  | May 1, 2021 to the end of the warranty period      | EPsCm service   | No significant restriction |
| Construction | Ruentex Engineering & Construction Co. Ltd. | August 20, 2021 to the end of the warranty period  | Early stage of the construction preparation work for the plants   | No significant restriction |
| Construction | Ruentex Engineering & Construction Co. Ltd. | October 20, 2021 to the end of the warranty period | Civil engineering construction for the plants   | No significant restriction |
| Construction | CTCI Smart Engineering Corporation          | October 20, 2021 to the end of the warranty period | Electromechanical systems engineering   | No significant restriction |
| Construction | GE Power                                    | November 8, 2019 to April 30, 2023                 | Construction for the improvements of the #2 low pressure steam turbine  | No significant restriction |
| Construction | GE Power                                    | June 20, 2020 to December 31, 2025                 | Construction to improve the DCS module control system   | No significant restriction |
| Construction | Chunghwa Telecom Co., Ltd.                  | December 2017 to January 2024                      | Construction of Phase I solar power plant in Chang-Bin  | No significant restriction |
| Construction | Chunghwa Telecom Co., Ltd.                  | December 2017 to July 2025                         | Construction of Phase II solar power plant in Chang-Bin   | No significant restriction |
| Construction | Star Energy Corporation                     | November 2017 to April 2025                        | Construction of Phase I wind power plant in Chang-Bin   | No significant restriction |
| Construction | Taiyen Green Energy Co., Ltd.               | November 2010 to completion of construction        | Construction of fishery & power symbiosis plant in Yi-Chu   | No significant restriction |
| Construction | CTCI Resources Engineering Inc.             | July 1, 2021 to April 30, 2024                     | Civil engineering, mechanical and electrical construction of the TCC DAKA Renewable Resource Utilization Center               | No significant restriction |
| Construction | CTCI Resources Engineering Inc.             | July 1, 2021 to April 30, 2024                     | Civil engineering, mechanical and electrical construction of the TCC DAKA Renewable Resource Recycling Center - the 2nd order | No significant restriction |

| Types        | Counterparty                            | Terms   | Summary   | Restrictive Terms          |
|--------------|---|---|---|----------------------------|
| Construction | CTCI Resources Engineering Inc.         | June 1, 2022 to April 22, 2023  | Steel structure engineering of the TCC DAKA Renewable Resource Recycling Center   | No significant restriction |
| Construction | CTCI Resources Engineering Inc.         | April 30, 2023 to completion of construction (agreed upon in 11 months) | Curtain wall engineering of the TCC DAKA Renewable Resource Recycling Center  | No significant restriction |
| Construction | CTCI Resources Engineering Inc.         | August 19, 2022 to January 10, 2023                                     | VMU showcase center construction and elevator engineering of TCC DAKA Renewable Resource Recycling Center   | No significant restriction |
| Construction | Futai Engineering Ltd.                  | January 5, 2022 to July 16, 2023  | Engineering, supply and installation of process mechanical and electrical equipment of TCC DAKA Renewable Resource Recycling Center                   | No significant restriction |
| Construction | Futai Engineering Ltd.                  | January 10, 2023 to February 4, 2024                                    | Renewal project for the AQC boiler exhaust duct and preheaters at the Hoping plant  | No significant restriction |
| Construction | Taiwan Jiuyueng Engineering Corporation | February 7, 2022 to November 4, 2023                                    | The installation of UHPC factory and equipment at the Hoping plant  | No significant restriction |
| Construction | ADL Energy Corp.                        | September 1, 2022 to June 30, 2023.                                     | The construction of solar power generation system at the Hoping plant   | No significant restriction |
| Construction | ALLIS ELECTRIC CO., LTD.                | August 5, 2022 till obtaining the Electricity Business License          | EPC turnkey project for TCC Chia-Chien Green Energy Corporation's Fishery & Electricity symbiosis- the Phase 2  | No significant restriction |
| Construction | CPC CORPORATION, TAIWAN                 | August 8, 2022 to September 2, 2023                                     | Geothermal drilling project for the Yanping geothermal project  | No significant restriction |
| Construction | San Yuan Hsing Construction Co., Ltd.   | January 1, 2023 to June 30, 2023  | Turnkey project for civil, mechanical, electrical, and substation construction for TCC Lien-Hsin Green Energy Corporation Ho-Ping 100 MW project site | No significant restriction |
| Construction | ENERCON GmbH                            | August 30, 2022 to February 15, 2024                                    | Construction of Phase II wind power plant in Chang-Bin  | No significant restriction |
| Construction | Engie Servizi S.p.A.                    | March 21, 2021 to June 23, 2023   | The construction, procurement, installation, and 15 years of maintenance and operation of the Nera Montoro power storage system in Italy              | No significant restriction |
| Construction | Engie Rinnovabili S.p.A.                | March 31, 2021 to June 23, 2023   | The construction, procurement, installation, and 15 years of maintenance and operation of the Salemi (Trapani) power storage system in Italy.         | No significant restriction |



| Types        | Counterparty              | Terms                                   | Summary  | Restrictive Terms   |
|--------------|---------------------------|---|--|---|
| Construction | Blyth Battery Pty Ltd.    | December 31, 2022 to April 3, 2030      | EPC contract for the Blyth 200 MW battery energy storage system in South Australia   | If the financial institution issuing the bond no longer holds the required rating (A- from Standard & Poor's or A3 from Moody's), the contractor must immediately notify the client and provide an alternative bond from another bank within 10 days of issuance. |
| Construction | Kallpa Generacion S.A.    | September 16, 2022 to December 18, 2024 | The design, build, and installation of electronic energy storage system  | The required rating for this project is at least A3 from Moody's or A- from Standard & Poor's for long-term senior unsecured debt.  |
| Construction | ENGIE ENERGIA PERU S.A.   | March 21, 2022 to June 12, 2025         | EPC contract for the 26.5 MW battery energy storage system   | No significant restriction  |
| Construction | Kearsarge William Way LLC | March 11, 2021 to December 15, 2023     | Construction, procurement, testing, and maintenance of the 2.64MW/9.6MWh battery energy storage system   | If the issuing bank's credit rating falls below the minimum of BBB by Standard & Poor's or Baa2 by Moody's, the contractor is obliged to furnish a bank guarantee from a London branch of a bank meeting these rating criteria within thirty days.                |
| Construction | Kearsarge Kingston LLC    | March 21, 2022 to May 9, 2025           | Construction, procurement, testing, and maintenance of the 1 MW AC/4.58MWh DC battery energy storage system  | If the issuing bank's credit rating falls below the minimum of BBB by Standard & Poor's or Baa2 by Moody's, the contractor is obliged to furnish a bank guarantee from a London branch of a bank meeting these rating criteria within thirty days.                |
| Construction | Kearsarge Beverly LLC     | March 21, 2022 to May 9, 2025           | Construction, procurement, testing, and adjustment of the 1.7MW AC/7.44MWh DC battery energy storage system  | If the issuing bank's credit rating falls below the minimum of BBB by Standard & Poor's or Baa2 by Moody's, the contractor is obliged to furnish a bank guarantee from a London branch of a bank meeting these rating criteria within thirty days.                |
| Construction | Italiana Petroli S.p.A.   | July 14, 2022 to June 30, 2023          | (1) Design, procurement, and construction of 5 electric vehicle charging stations<br>(2) Software service contracts (creating two digital platforms to manage electric vehicle charging stations and energy storage systems) | No significant restriction  |
| Construction | Kearsarge Fordham ESS LLC | March 27, 2023 to September 30, 2024    | Battery storage system supply and commissioning  | No significant restriction  |
| Construction | BASILDON BESS LIMITED     | June 30, 2023 to December 20, 2024      | Battery storage system supply and commissioning  | No significant restriction  |
| Construction | LOUDWATER BESS LIMITED    | June 30, 2023 to November 1, 2024       | Battery storage system supply and commissioning  | No significant restriction  |

| Types        | Counterparty   | Terms  | Summary   | Restrictive Terms          |
|--------------|--|--|---|----------------------------|
| Construction | A2A GENCOGAS S.p.A.  | July 31, 2023 to December 9, 2024  | Construction, procurement and Installation of the BSS   | No significant restriction |
| Construction | Green Vicari S.r.l.  | December 22, 2023 to August 7, 2025  | Construction, procurement and Installation of the BSS   | No significant restriction |
| Construction | China Construction First Building (Group) Corporation Limited              | February 12, 2020 to the completion of construction (The total agreed upon construction period is 1,083 calendar days) | Construction project execution: General contractor for civil engineering  | No significant restriction |
| Construction | Zhongzhou Construction Co., Ltd.   | June 27, 2022 to May 23, 2023  | Turnkey construction project for a 5.6 MW/33.62 MWh energy storage station at the TCC Guigang plant                           | No significant restriction |
| Construction | CNBM (Hefei) Powder Technology Equipment Co., Ltd.                         | May 23, 2022 to March 3, 2023  | General contract of turnkey construction project for the pre-grinding system retrofit of the rolling mill at the Fuzhou plant | No significant restriction |
| Construction | CNBM Environmental Protection Research Institute (Jiangsu) Co., Ltd.       | November 30, 2022 to May 11, 2025  | Ultra-low emission retrofit project for denitrification of kiln exit gas at the Yingde plant                                  | No significant restriction |
| Construction | Qingyuan City Dianchuang Electric Power Engineering Installation Co., Ltd. | September 8, 2022 to the end of the warranty period  | Turnkey construction project for a 7 MWp solar photovoltaic power station at the Yingde plant                                 | No significant restriction |
| Construction | Jiangsu Yumeng Environmental Protection Technology Co., Ltd.               | April 8, 2022 to the end of the warranty period  | Turnkey construction project for the fourth generation grate cooler retrofit of the 3K line at the Yingde plant               | No significant restriction |
| Construction | Dongfang Electric Automatic Control Engineering Co. Ltd.                   | September 13, 2022 to April 11, 2023   | Turnkey construction project for a 6.5 MWp solar photovoltaic power station at the Guigang plant                              | No significant restriction |
| Construction | China Non-metal Materials Mine Engineering Co., Ltd. (NanJing)             | November 16, 2021 to May 20, 2023  | First-phase development and construction project of the Longzu Mountain limestone mine at the Guigang plant                   | No significant restriction |
| Construction | Tianjin Cement Industry Design and Research Institute Co., Ltd.            | December 5, 2022 to the end of the warranty period   | EPC contract for the technical renovation of the rolling machine system and pre-grinding system at Yingde Plant.              | No significant restriction |
| Construction | Zhejiang Baosheng Construction Group Co., Ltd.                             | December 9, 2021 to March 31, 2023   | Construction project for co-processing municipal solid waste in the cement kiln at Jingzhou plant.                            | No significant restriction |
| Construction | Jang-Dien Industry Co., Ltd.   | November 29, 2023 to the end of the warranty period  | Electromechanical System Engineering of 50MW Energy Storage Project   | No significant restriction |
| Construction | CNBM (Hefei) Powder Technology Equipment Co., Ltd.                         | September 15, 2023 to the end of the warranty period   | Energy-saving technology transformation of cement mills   | No significant restriction |
| Construction | Anhui Conch Design & Research Institute of Building Materials CO., LTD.    | July 20, 2023 to the end of the warranty period  | General contracting project for ultra-low emission transformation of secondary kilns  | No significant restriction |

| Types        | Counterparty                   | Terms   | Summary  | Restrictive Terms          |
|--------------|--------------------------------|---|--|----------------------------|
| Construction | JUT Land Development Co., Ltd. | November 8, 2023 to the handover of the property                | Co-construction project for Land Lots 4, 5, and 10 in Tai-Ni Area, Zhudong Township, Hsinchu County      | No significant restriction |
| Construction | Taiyen Green Energy Co., Ltd.  | February 2018 to completion of 20 years of commercial operation | Operation and management of fishery farms in Chia-Chien fishery and electricity symbiosis sites- phase I | No significant restriction |
| Construction | Wei Chen Development Co., Ltd. | July 7, 2021 to completion of grid connection                   | Labor management for land development of the Chia-Ho Longjiang fishery and electricity symbiosis project | No significant restriction |

### 5.7.3 Financing

| Types              | Counterparty   | Terms                                  | Summary   | Restrictive Terms                      |
|--------------------|--|--|---|--|
| Syndicated Loans   | Consortium bank led by the Mega International Bank                       | May 17, 2022 to May 17, 2027           | Credit period: five years                         | Maintenance of agreed financial ratios |
|                    | Consortium bank led by the CTBC Bank                                     | December 7, 2018 to December 7, 2025   | Credit period: seven years                        | Maintenance of agreed financial ratios |
|                    | Consortium of banks including Credit Agricole                            | March 4, 2024 to March 4, 2026         | Two-year credit agreement                         | None                                   |
| Purchase Agreement | Credit Suisse (Hong Kong) Limited  | November 30, 2021 to November 30, 2026 | Subscription agreement for Euro convertible bonds | None                                   |
|                    | Citigroup Global Markets Limited, UBS AG Hong Kong Branch, DBS Bank Ltd. | October 17, 2023 to October 17, 2028   | Subscription agreement for Euro convertible bonds | None                                   |
| Indenture          | CITICORP INTERNATIONAL LIMITED   | December 7, 2021 to December 7, 2026   | Subscription agreement for Euro convertible bonds | None                                   |
|                    | CITICORP INTERNATIONAL LIMITED   | October 24, 2023 to October 24, 2028   | Subscription agreement for Euro convertible bonds | None                                   |

# 6 Financial Information

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

### 6.1.1 Condensed Balance Sheets from 2019 to 2023 (Consolidated)

Unit: NT\$ thousands

| Item  | Year                | Financial information for the last five years (Note 1) |             |             |             |             |
|---|---------------------|--|-------------|-------------|-------------|-------------|
|   |                     | 2023   | 2022        | 2021        | 2020        | 2019        |
| Current assets  |                     | 153,113,300  | 175,624,058 | 169,353,435 | 124,309,171 | 118,145,990 |
| Property, plant and equipment                             |                     | 124,115,635  | 114,739,983 | 98,196,032  | 92,108,972  | 89,881,319  |
| Intangible assets   |                     | 29,757,225   | 27,934,663  | 27,650,861  | 19,563,960  | 19,656,118  |
| Other assets  |                     | 162,452,362  | 142,510,257 | 146,484,231 | 153,524,133 | 139,798,958 |
| Total assets  |                     | 469,438,522  | 460,808,961 | 441,684,559 | 389,506,236 | 367,482,385 |
| Current liabilities                                       | Before distribution | 72,581,236   | 75,209,411  | 88,687,968  | 72,103,708  | 66,532,743  |
|   | After distribution  | Note 2   | 79,125,502  | 95,154,141  | 93,048,142  | 80,526,791  |
| Non-current liabilities                                   |                     | 142,956,245  | 147,323,770 | 127,341,918 | 98,572,475  | 92,487,775  |
| Total liabilities   | Before distribution | 215,537,481  | 222,533,181 | 216,029,886 | 170,676,183 | 159,020,518 |
|   | After distribution  | Note 2   | 226,449,272 | 222,496,059 | 191,620,617 | 173,014,566 |
| Equity attributable to shareholders of the parent company |                     | 230,933,254  | 217,894,766 | 204,477,333 | 204,071,817 | 193,684,068 |
| Share capital   |                     | 77,511,817   | 73,561,817  | 63,252,340  | 60,102,549  | 56,656,192  |
| Capital surplus   |                     | 74,119,162   | 65,985,865  | 56,757,470  | 49,122,450  | 48,015,947  |
| Retained earnings   | Before distribution | 70,576,781   | 66,527,594  | 73,939,852  | 74,199,518  | 65,626,033  |
|   | After distribution  | Note 2   | 62,611,503  | 61,357,506  | 53,255,084  | 48,903,175  |
| Others  |                     | 9,457,953  | 11,991,090  | 10,920,014  | 21,146,991  | 23,734,855  |
| Treasury share  |                     | (732,459)  | (171,600)   | (392,343)   | (499,691)   | (348,959)   |
| Non-controlling interests                                 |                     | 22,967,787   | 20,381,041  | 21,177,340  | 14,758,236  | 14,777,799  |
| Total equity  | Before distribution | 253,901,041  | 238,275,780 | 225,654,673 | 218,830,053 | 208,461,867 |
|   | After distribution  | Note 2   | 234,359,689 | 219,188,500 | 197,885,619 | 194,467,819 |

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

Note 2 : The proposal to distribute 2023 earnings is subject to shareholders' approval at the Annual Shareholders' Meeting.

### 6.1.2. Condensed Statements of Comprehensive Income from 2019 to 2023 (Consolidated)

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

| Item  | Year | Financial information for the last five years (Note 1) |             |             |             |             |
|---|------|--|-------------|-------------|-------------|-------------|
|   |      | 2023   | 2022        | 2021        | 2020        | 2019        |
| Net revenue   |      | 109,314,335  | 113,929,706 | 107,041,452 | 105,911,223 | 122,783,014 |
| Gross profit  |      | 20,533,769   | 10,135,149  | 26,650,099  | 37,403,477  | 35,910,255  |
| Income from operations  |      | 10,030,160   | 1,162,138   | 19,786,475  | 31,637,210  | 30,156,721  |
| Non-operating income and expenses                                     |      | 4,326,671  | 5,483,959   | 6,291,609   | 4,181,873   | 2,476,698   |
| Income before income tax  |      | 14,356,831   | 6,646,097   | 26,078,084  | 35,819,083  | 32,633,419  |
| Income from continuing operations                                     |      | 10,004,613   | 4,157,085   | 20,147,697  | 28,474,852  | 25,455,090  |
| Income (Loss) from discontinued operations (Note 2)                   |      | -  | -           | 1,053,559   | (483,459)   | -           |
| Net income  |      | 10,004,613   | 4,157,085   | 21,201,256  | 27,991,393  | 25,455,090  |
| Other comprehensive income for the year, net of income tax            |      | (2,534,440)  | 1,144,923   | (9,066,133) | (2,495,498) | 5,024,759   |
| Total comprehensive income for the year                               |      | 7,470,173  | 5,302,008   | 12,135,123  | 25,495,895  | 30,479,849  |
| Net income attributable to shareholders of the parent                 |      | 7,997,814  | 5,404,984   | 20,256,366  | 25,099,309  | 24,211,081  |
| Net income attributable to noncontrolling interests                   |      | 2,006,799  | (1,247,899) | 944,890     | 2,892,084   | 1,244,009   |
| Total comprehensive income attributable to shareholders of the parent |      | 5,438,043  | 6,253,579   | 11,281,319  | 22,708,608  | 29,178,084  |
| Total comprehensive income attributable to noncontrolling interests   |      | 2,032,130  | (951,571)   | 853,804     | 2,787,287   | 1,301,765   |
| EPS (Note 3)  |      | 1.06   | 0.74        | 3.00        | 3.90        | 3.81        |

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

Note 2: To present a comparison of the discontinued operations in the consolidated income statement for the year ended December 31, 2021, the Group reclassified the income/loss of discontinued operations for the year ended December 31, 2020 so that the related period information in the consolidated income statement is more relevant.

Note 3: The EPS was calculated based on the weighted average of shares outstanding in each year. The prior year EPS was retrospectively adjusted to account for share dividend dilution.

### 6.1.3 Condensed Balance Sheets from 2019 to 2023 (Standalone)

Unit: NT\$ thousands

| Item                          | Year                | Financial information for the last five years (Note 1) |             |             |             |             |
|-------------------------------|---------------------|--|-------------|-------------|-------------|-------------|
|                               |                     | 2023   | 2022        | 2021        | 2020        | 2019        |
| Current assets                |                     | 14,758,811   | 16,682,727  | 38,730,514  | 27,303,220  | 17,669,898  |
| Property, plant and equipment |                     | 28,052,603   | 35,583,596  | 33,820,654  | 30,590,559  | 26,864,808  |
| Intangible assets             |                     | 58,840   | 64,956      | 10,709      | 10,710      | 10,711      |
| Other assets                  |                     | 339,764,866  | 322,010,958 | 283,716,469 | 260,990,344 | 244,330,544 |
| Total assets                  |                     | 382,635,120  | 374,342,237 | 356,278,346 | 318,894,833 | 288,875,961 |
| Current liabilities           | Before distribution | 28,556,196   | 33,811,693  | 39,964,799  | 32,013,057  | 20,510,314  |
|                               | After distribution  | Note 2   | 37,727,784  | 46,430,972  | 52,957,491  | 34,504,362  |
| Non-current liabilities       |                     | 123,145,670  | 122,635,778 | 111,836,214 | 82,809,959  | 74,681,579  |
| Total liabilities             | Before distribution | 151,701,866  | 156,447,471 | 151,801,013 | 114,823,016 | 95,191,893  |
|                               | After distribution  | Note 2   | 160,363,562 | 158,267,186 | 135,767,450 | 109,185,941 |
| Share capital                 |                     | 77,511,817   | 73,561,817  | 63,252,340  | 60,102,549  | 56,656,192  |
| Capital surplus               |                     | 74,119,162   | 65,985,865  | 56,757,470  | 49,122,450  | 48,015,947  |
| Retained earnings             | Before distribution | 70,576,781   | 66,527,594  | 73,939,852  | 74,199,518  | 65,626,033  |
|                               | After distribution  | Note 2   | 62,611,503  | 61,357,506  | 53,255,084  | 48,903,175  |
| Others                        |                     | 9,457,953  | 11,991,090  | 10,920,014  | 21,146,991  | 23,734,855  |
| Treasury share                |                     | (732,459)  | (171,600)   | (392,343)   | (499,691)   | (348,959)   |
| Total equity                  | Before distribution | 230,933,254  | 217,894,766 | 204,477,333 | 204,071,817 | 193,684,068 |
|                               | After distribution  | Note 2   | 213,978,675 | 198,011,160 | 183,127,383 | 179,690,020 |

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

Note 2: The proposal to distribute 2023 earnings is subject to shareholders' approval at the Annual Shareholders' Meeting.

### 6.1.4 Condensed Statements of Comprehensive Income from 2019 to 2023 (Standalone)

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

| Item   | Year | Financial information for the last five years (Note 1) |            |             |             |            |
|--|------|--|------------|-------------|-------------|------------|
|  |      | 2023   | 2022       | 2021        | 2020        | 2019       |
| Net revenue  |      | 26,082,074   | 25,428,507 | 23,799,505  | 21,495,430  | 19,122,776 |
| Gross profit   |      | 6,573,127  | 5,494,596  | 4,932,220   | 3,824,413   | 1,824,021  |
| Income from operations                                     |      | 4,881,100  | 3,972,935  | 2,925,582   | 2,176,211   | 297,838    |
| Non-operating income and expenses                          |      | 3,758,773  | 2,048,535  | 16,728,380  | 23,335,829  | 23,913,527 |
| Income before income tax                                   |      | 8,639,873  | 6,021,470  | 19,653,962  | 25,512,040  | 24,211,365 |
| Income from continuing operations                          |      | 7,997,814  | 5,404,984  | 19,182,427  | 25,279,796  | 24,211,081 |
| Income (Loss) from discontinued operations (Note 2)        |      | -  | -          | 1,073,939   | (180,487)   | -          |
| Net income   |      | 7,997,814  | 5,404,984  | 20,256,366  | 25,099,309  | 24,211,081 |
| Other comprehensive income for the year, net of income tax |      | (2,559,771)  | 848,595    | (8,975,047) | (2,390,701) | 4,967,003  |
| Total comprehensive income for the year                    |      | 5,438,043  | 6,253,579  | 11,281,319  | 22,708,608  | 29,178,084 |
| EPS (Note 3)   |      | 1.06   | 0.74       | 3.00        | 3.90        | 3.81       |

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

Note 2: To present a comparison of the discontinued operations in the consolidated income statement for the year ended December 31, 2021, the Group reclassified the income/loss of discontinued operations for the year ended December 31, 2020 so that the related period information in the consolidated income statement is more relevant.

Note 3: The EPS was calculated based on the weighted average of shares outstanding in each year. The prior year EPS was retrospectively adjusted to account for share dividend dilution.

### 6.1.5 Independent Auditors' Opinions from 2019 to 2023:

| Year | CPA                              | Audit Opinion                                   |
|------|----------------------------------|---|
| 112  | Ya-Ling Wong and Hui-Min Huang   | Unqualified opinion with other matter paragraph |
| 111  | Hui-Min Huang and Cheng-Hung Kuo | Unqualified opinion                             |
| 110  | Hui-Min Huang and Cheng-Hung Kuo | Unqualified opinion                             |
| 109  | Chih-Ming Shao and Hui-Min Huang | Unqualified opinion                             |
| 108  | Ya-Ling Wong and Chih-Ming Shao  | Unqualified opinion                             |

Note 1: The adjustments made in the fiscal years 2020, 2021 and 2023 were to maintain the independence of the auditors and comply with corporate governance, as well as to implement internal rotation within the signing CPA firms.

Note 2: Deloitte &amp; Touche | 20F, No. 100, Songren Rd., Xinyi Dist., Taipei, Taiwan, R.O.C. | TEL: 886-2-2725-9988

## 6.2 Financial Analysis

### 6.2.1 Financial Analysis from 2019 to 2023 (Consolidated)

| Item                           | Year  | Financial analysis for the last five years (Note 1) |        |        |        |        |
|--------------------------------|---|---|--------|--------|--------|--------|
|                                |   | 2023  | 2022   | 2021   | 2020   | 2019   |
| Capital structure analysis     | Debt ratio (%)  | 45.91   | 48.29  | 48.91  | 43.82  | 43.27  |
|                                | Long-term fund to property, plant and equipment (%)                   | 319.75  | 336.06 | 359.48 | 344.59 | 334.83 |
| Liquidity analysis             | Current ratio (%)   | 210.95  | 233.51 | 190.95 | 172.40 | 177.58 |
|                                | Quick ratio (%)   | 194.22  | 211.47 | 175.30 | 160.92 | 164.66 |
|                                | Times interest earned (times)   | 5.29  | 3.48   | 18.50  | 20.59  | 18.36  |
| Operating performance analysis | Average collection turnover (times)                                   | 3.70  | 3.21   | 3.06   | 2.87   | 3.12   |
|                                | Days sales outstanding  | 98.64   | 113.70 | 119.28 | 127.17 | 116.98 |
|                                | Average inventory turnover (times)                                    | 6.44  | 7.04   | 8.20   | 9.55   | 9.87   |
|                                | Average payment turnover (times)                                      | 6.70  | 8.75   | 10.83  | 11.32  | 11.40  |
|                                | Average inventory turnover days                                       | 56.67   | 51.84  | 44.51  | 38.21  | 36.98  |
|                                | Property, plant and equipment turnover (times)                        | 0.92  | 1.07   | 1.21   | 1.26   | 1.36   |
|                                | Total assets turnover (times)   | 0.24  | 0.25   | 0.28   | 0.30   | 0.35   |
| Profitability analysis         | Return on total assets (%) (ROA)                                      | 2.73  | 1.40   | 5.40   | 7.78   | 7.58   |
|                                | Return on equity attributable to shareholders of the parent (%) (ROE) | 4.07  | 1.79   | 9.54   | 13.10  | 12.54  |
|                                | Pre-tax income to paid-in capital ratio (%)                           | 12.94   | 1.58   | 42.89  | 58.82  | 57.60  |
|                                | Net margin (%)  | 9.15  | 3.65   | 18.41  | 24.48  | 20.73  |
|                                | Earnings per share (NT\$) (Note 2)                                    | 1.06  | 0.74   | 3.00   | 3.90   | 3.81   |
| Cash flow                      | Cash flow ratio (%)   | 46.50   | 8.23   | 21.39  | 43.38  | 43.91  |
|                                | Cash flow adequacy ratio (%)  | 70.76   | 57.53  | 67.18  | 85.40  | 81.70  |
|                                | Reinvestment ratio (%)  | 5.98  | (0.30) | (0.92) | 3.55   | 2.56   |
| Leverage                       | Operating leverage  | 2.97  | 16.06  | 1.70   | 1.43   | 1.43   |
|                                | Financial leverage  | 1.50  | 0.76   | 1.08   | 1.06   | 1.07   |

1. Increases in Times interest earned, ROA, ROE, pre-tax income to paid-in capital ratio, net margin, earnings per share, and financial leverage, along with decreases in average payment turnover and operating leverage, primarily resulted from reduced market raw material costs, which led to decreased cost of goods sold and enhanced profitability.

2. The cash flow ratio, cash flow adequacy ratio and reinvestment ratio increased mainly due to an increase in net cash inflows from operating activities in 2023.

Note 1: The financial information has been audited by independent CPAs. The calculation of the financial analysis reclassified income/loss of discontinued operations for each item for the year ended December 31, 2021.

Note 2: The prior year EPS was retrospectively adjusted to account for share dividend dilution.



## 6.2.2 Financial Analysis from 2018 to 2022 (Standalone)

| Item                           | Year  | Financial analysis for the last five years (Note 1) |        |        |        |        |
|--------------------------------|---|---|--------|--------|--------|--------|
|                                |   | 2023  | 2022   | 2021   | 2020   | 2019   |
| Capital structure analysis     | Debt ratio (%)  | 39.65   | 41.79  | 42.61  | 36.01  | 32.95  |
|                                | Long-term fund to property, plant and equipment (%)                   | 1,262.20  | 956.99 | 935.27 | 937.81 | 998.95 |
| Liquidity analysis             | Current ratio (%)   | 51.68   | 49.34  | 96.91  | 85.29  | 86.15  |
|                                | Quick ratio (%)   | 45.38   | 42.41  | 92.74  | 81.37  | 79.03  |
|                                | Times interest earned (times)   | 4.70  | 4.18   | 16.59  | 18.04  | 19.70  |
| Operating performance analysis | Average collection turnover (times)                                   | 4.21  | 4.29   | 4.29   | 4.14   | 4.04   |
|                                | Days sales outstanding  | 86.69   | 85.08  | 85.08  | 88.16  | 90.34  |
|                                | Average inventory turnover (times)                                    | 9.48  | 10.03  | 13.15  | 13.36  | 12.39  |
|                                | Average payment turnover (times)                                      | 7.09  | 7.21   | 9.30   | 11.40  | 10.00  |
|                                | Average inventory turnover days                                       | 38.50   | 36.39  | 27.75  | 27.32  | 29.45  |
|                                | Property, plant and equipment turnover (times)                        | 0.82  | 0.73   | 0.74   | 0.75   | 0.71   |
|                                | Total assets turnover (times)   | 0.07  | 0.07   | 0.07   | 0.07   | 0.07   |
| Profitability analysis         | Return on total assets (%) (ROA)                                      | 2.61  | 1.89   | 6.32   | 8.65   | 9.14   |
|                                | Return on equity attributable to shareholders of the parent (%) (ROE) | 3.56  | 2.56   | 9.92   | 12.62  | 12.90  |
|                                | Pre-tax income to paid-in capital ratio (%)                           | 11.15   | 8.19   | 32.77  | 42.15  | 42.73  |
|                                | Net margin (%)  | 30.74   | 21.31  | 85.11  | 116.77 | 126.61 |
|                                | Earnings per share (NT\$) (Note 2)                                    | 1.06  | 0.74   | 3.00   | 3.90   | 3.81   |
| Cash flow                      | Cash flow ratio (%)   | 16.49   | 10.76  | 9.17   | 10.19  | 0.40   |
|                                | Cash flow adequacy ratio (%)  | 10.81   | 5.54   | 5.22   | 5.87   | 5.55   |
|                                | Reinvestment ratio (%)  | 0.21  | (0.76) | (4.97) | (3.37) | (5.61) |
| Leverage                       | Operating leverage  | 1.58  | 1.64   | 2.02   | 2.18   | 9.10   |
|                                | Financial leverage  | 1.92  | 1.91   | 1.83   | 3.16   | (0.30) |

1. The increase in the ratio of long-term fund to property, plant and equipment was primarily attributed to the issuance of financing activities, resulting in an increase in non-current liabilities and equity.

2. The increase in ROA, ROE, pre-tax income to paid-in capital ratio, net margin and earnings per share primarily resulted from reduced market raw material costs, which led to decreased cost of goods sold and enhanced profitability.

3. The cash flow ratio, cash flow adequacy ratio and reinvestment ratio increased mainly due to an increase in net cash inflows from operating activities in 2023.

Note 1: The financial information has been audited by independent CPAs. The calculation of the financial analysis reclassifies 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

### 1. Capital structure analysis

(1) Debt ratio = Total liabilities / Total assets

(2) Long-term fund to property, plant and equipment ratio = (Shareholders' equity + Non-current liabilities) / Net property, plant, and equipment

### 2. Liquidity analysis

(1) Current ratio = Current assets / Current liabilities

(2) Quick ratio = (Current assets – Inventory – Prepaid Expenses) / Current liabilities

(3) Times interest earned = Earnings before Interest and Taxes / Interest expense

### 3. Operating performance analysis

(1) Average collection turnover = Net revenue / Average accounts receivable (including accounts receivable and notes receivable)

(2) Days sales outstanding = 365 / Average collection turnover

(3) Average inventory turnover = Cost of sales / Average inventory

(4) Average payment turnover = Cost of goods sold / Average accounts payable (including account payable and notes payable)

(5) Average inventory turnover days = 365 / Average inventory turnover

(6) Property, plant, and equipment turnover = Net revenue / Average net property, plant and equipment

(7) Total assets turnover = Net revenue / Average total assets

### 4. Profitability analysis

(1) Return on total assets = [Net income + Interest expense × (1 - Tax rate)] / Average total assets

(2) Return on equity = Net income / Average shareholders' equity

(3) Pre-tax income to paid-in capital ratio = Income before tax / Paid-in Capital

(4) Net margin = Net income / Net revenue

(5) Earnings per share = (Net income attributable to shareholders of the parent – Preferred share dividend) / Weighted average number of shares outstanding

### 5. Cash flow

(1) Cash flow ratio = Net cash provided by operating activities / Current liabilities

(2) Cash flow adequacy ratio = Five-year sum of cash from operations / Five-year sum of capital expenditures, inventory additions, and cash dividend

(3) Reinvestment ratio = (Cash provided by operating activities – Cash dividends) / (Gross property, plant and equipment + Long-term investments + Other noncurrent assets + Working capital)

### 6. Leverage

(1) Operating leverage = (Net revenue – Variable operating costs and expenses) / Operating income

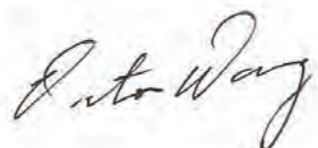
(2) Financial leverage = Operating income / (Operating income - Interest expense)

## 6.3 Audit Committee's Review Report

### Audit Committee's Review Report

The Board of Directors of Taiwan Cement Corporation has prepared the Company's 2023 Business Report, Consolidated and Standalone Financial Statements, and the proposal for the allocation of earnings. The CPA firm Deloitte & Touche was retained to audit the Company's Financial Statements and it has issued an audit report on the Financial Statements. The Business Report, Financial Statements, and the earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Taiwan Cement Corporation. According to Article 14-4 of the Securities Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Taiwan Cement Corporation  
Chairman of the Audit Committee: Victor Wang  
March 20, 2024



## 6.4 Recent Year Consolidated Financial Statements and Independent Auditor's Report



**勤業眾信**

勤業眾信聯合會計師事務所  
110016 台北市信義區松仁路70號20樓

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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, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

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

#### Basis for Opinion

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

#### Key Audit Matters

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

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

#### Revenue Recognition of Cement Sales

The Group is mainly engaged in the production and sale of various cement and cement products. Revenue from the sale of cement fluctuates frequently due to changes in raw material prices, market supply and demand and the economic environment; in addition, related revenue is recognized at the point in time when the customer collects the cement and the performance obligations are satisfied. Therefore, the validity of revenue recognition of cement sales is considered a key audit matter for the year ended December 31, 2023. Our main audit procedures performed in respect of the aforesaid key audit matter include understanding and testing the design and operating effectiveness of the internal controls related to the revenue from cement sales, and random inspection of the contracts, factory orders and delivery documents from the sales details and testing the collection information of the samples before the end of the reporting period in order to verify the validity of revenue recognition of cement sales.

#### **Other Matter**

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

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

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

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

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

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

#### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

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



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Ya-Ling Wong Hui-Min Huang

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 27, 2024

#### Notice to Readers

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

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

#### TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

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

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

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



## TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

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

(Continued)

## TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

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

(Continued)

**TAIWAN CEMENT CORPORATION AND SUBSIDIARIES**

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

|                              | 2023    |   | 2022    |   |
|------------------------------|---------|---|---------|---|
|                              | Amount  | % | Amount  | % |
| EARNINGS PER SHARE (Note 27) |         |   |         |   |
| Basic earnings per share     | \$ 1.06 |   | \$ 0.74 |   |
| Diluted earnings per share   | \$ 1.04 |   | \$ 0.73 |   |

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

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

(Concluded)

**TAIWAN CEMENT CORPORATION AND SUBSIDIARIES**

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

|  | Share Capital   |                   | Capital Surplus | Retained Earnings |                 | Legal Reserve | Special Reserve | Unappropriated Earnings | Total         | Exchange Differences on Translating Foreign Operations | Cash (Less than) Hedge Instruments | Treasury Shares | Total          | Noncontrolling Interests | Total Equity   |
|--|-----------------|-------------------|-----------------|-------------------|-----------------|---------------|-----------------|-------------------------|---------------|--|------------------------------------|-----------------|----------------|--------------------------|----------------|
|  | Ordinary Shares | Preference Shares |                 | Residual Earnings | Special Reserve |               |                 |                         |               |  |                                    |                 |                |                          |                |
| BALANCE AT JANUARY 1, 2022   | \$ 61,252,140   | \$ 2,000,000      | \$ 38,757,670   | \$ 13,039,860     | \$ 39,018,077   | \$ 2,088,877  | \$ 21,881,315   | \$ 73,593,852           | \$ 73,593,852 | \$ (1,608,395)   | \$ -                               | \$ (992,453)    | \$ 204,473,533 | \$ 21,172,340            | \$ 225,645,873 |
| Appropriation of 2021 earnings   | -               | -                 | -               | -                 | (2,088,877)     | 2,088,877     | -               | (2,088,877)             | (6,116,173)   | -  | -                                  | -               | (6,116,173)    | -                        | (6,116,173)    |
| Cash dividend distributed by the Corporation   | -               | -                 | -               | -                 | (350,000)       | (350,000)     | -               | (350,000)               | (6,116,173)   | -  | -                                  | -               | (350,000)      | -                        | (350,000)      |
| Share dividend distributed by the Corporation  | 6,116,173       | -                 | -               | -                 | (6,116,173)     | -             | -               | (6,116,173)             | -             | -  | -                                  | -               | -              | -                        | -              |
| Cash dividend distributed by subsidiaries  | -               | -                 | -               | -                 | -               | -             | -               | -                       | -             | -  | -                                  | -               | -              | (1,811,092)              | (1,811,092)    |
| Net income (loss) for the year ended December 31, 2022   | -               | -                 | -               | -                 | 5,484,984       | -             | -               | 5,484,984               | 5,484,984     | -  | -                                  | -               | 5,484,984      | (1,247,899)              | 4,237,085      |
| Other comprehensive income (loss) for the year ended December 31, 2022   | -               | -                 | -               | -                 | (222,581)       | -             | -               | (222,581)               | (222,581)     | 7,742,200  | (1,651)                            | -               | 888,525        | 296,328                  | 1,144,523      |
| Total comprehensive income (loss) for the year ended December 31, 2022   | -               | -                 | -               | -                 | 5,112,923       | -             | -               | 5,112,923               | 5,112,923     | 7,742,200  | (1,651)                            | -               | 6,233,529      | (941,571)                | 5,292,028      |
| Issuance of global depositary receipts   | 4,200,000       | -                 | -               | -                 | -               | -             | -               | -                       | -             | -  | -                                  | -               | 13,933,957     | -                        | 13,933,957     |
| Change in ownership interests in subsidiaries and joint ventures accounted for using the equity method                             | -               | -                 | (42,912)        | -                 | -               | -             | -               | -                       | -             | -  | -                                  | -               | (42,912)       | -                        | (42,912)       |
| Difference between consideration received and the carrying amount of consideration received during the acquisition of subsidiaries | -               | -                 | 67,744          | -                 | (12,415)        | -             | -               | (12,415)                | (12,415)      | -  | -                                  | -               | (12,415)       | 1,529,081                | 1,516,666      |
| Change in ownership interests of subsidiaries  | -               | -                 | 66,820          | -                 | -               | -             | -               | -                       | -             | -  | -                                  | -               | 66,820         | (212,524)                | (145,704)      |
| Compensation costs of treasury shares transferred to employees   | -               | -                 | (1,702)         | -                 | -               | -             | -               | -                       | -             | -  | 19,555                             | -               | 19,555         | -                        | 19,555         |
| Cancellation of treasury shares  | (6,696)         | -                 | (23,512)        | -                 | -               | -             | -               | -                       | -             | -  | 29,208                             | -               | -              | -                        | -              |
| Reversal of special reserve recognized from asset disposals  | -               | -                 | -               | (15,529)          | 15,529          | -             | -               | -                       | -             | -  | -                                  | -               | -              | -                        | -              |
| BALANCE AT DECEMBER 31, 2022   | 71,561,817      | 2,000,000         | 65,945,865      | 13,094,401        | 29,572,801      | 23,560,392    | 13,094,401      | 66,577,594              | 66,577,594    | (8,241,175)  | (1,651)                            | (171,600)       | 217,894,756    | 20,381,014               | 238,275,770    |
| Appropriation of 2022 earnings   | -               | -                 | -               | -                 | (20,855)        | 20,855        | -               | (20,855)                | (3,566,091)   | -  | -                                  | -               | (3,566,091)    | -                        | (3,566,091)    |
| Legal reserve, also paid by the Corporation  | -               | -                 | -               | -                 | (350,000)       | (350,000)     | -               | (350,000)               | -             | -  | -                                  | -               | -              | -                        | -              |
| Preferred share dividend distributed by the Corporation  | -               | -                 | -               | -                 | -               | -             | -               | -                       | -             | -  | -                                  | -               | -              | (145,345)                | (145,345)      |
| Cash dividend distributed by subsidiaries  | -               | -                 | -               | -                 | -               | -             | -               | -                       | -             | -  | -                                  | -               | -              | (100,200)                | (100,200)      |
| Proceeds from capital reduction of subsidiaries  | -               | -                 | -               | -                 | 7,997,814       | -             | -               | 7,997,814               | 7,997,814     | -  | -                                  | -               | 7,997,814      | 2,096,799                | 10,094,613     |
| Net income (loss) for the year ended December 31, 2023   | -               | -                 | -               | -                 | (26,053)        | -             | -               | (26,053)                | (26,053)      | (85,429)   | 702                                | -               | (25,297,713)   | 25,331                   | (25,348,440)   |
| Other comprehensive income (loss) for the year ended December 31, 2023   | -               | -                 | -               | -                 | 7,971,180       | -             | -               | 7,971,180               | 7,971,180     | (85,429)   | 702                                | -               | 8,146,533      | 3,032,130                | 11,178,663     |
| Total comprehensive income (loss) for the year ended December 31, 2023   | -               | -                 | -               | -                 | 7,705,127       | -             | -               | 7,705,127               | 7,705,127     | (184,858)  | 702                                | -               | 8,061,652      | 3,057,461                | 11,119,113     |
| Issuance of global depositary receipts   | 3,900,000       | -                 | -               | -                 | -               | -             | -               | -                       | -             | -  | -                                  | -               | -              | -                        | -              |
| Change in ownership interests in subsidiaries and joint ventures accounted for using the equity method                             | -               | -                 | 8,398,525       | -                 | -               | -             | -               | -                       | -             | -  | -                                  | -               | 8,398,525      | -                        | 8,398,525      |
| Buy-back of treasury shares  | -               | -                 | 54,540          | -                 | -               | -             | -               | -                       | -             | -  | -                                  | (732,459)       | 54,540         | -                        | (732,459)      |
| Difference between consideration received and the carrying amount of subsidiary net assets during actual acquisition of disposals  | -               | -                 | -               | -                 | (1,754)         | -             | -               | (1,754)                 | (1,754)       | -  | -                                  | -               | (1,754)        | 802,044                  | 800,290        |
| Change in ownership interests of subsidiaries  | -               | -                 | (99,134)        | -                 | (4,181)         | -             | -               | (4,181)                 | (4,181)       | -  | -                                  | -               | (4,181)        | (61,856)                 | (75,138)       |
| Compensation costs of treasury shares transferred to employees   | -               | -                 | 37,766          | -                 | -               | -             | -               | -                       | -             | -  | -                                  | -               | 37,766         | -                        | 37,766         |
| Treasury shares transferred to employees   | -               | -                 | (60,400)        | -                 | -               | -             | -               | -                       | -             | -  | 171,600                            | -               | -              | -                        | 111,200        |
| Reversal of special reserve recognized from asset disposals  | -               | -                 | -               | (5,509)           | 5,509           | -             | -               | -                       | -             | -  | -                                  | -               | -              | -                        | -              |
| BALANCE AT DECEMBER 31, 2023   | 75,511,817      | 2,000,000         | 74,319,862      | 13,099,415        | 37,577,928      | 24,470,867    | 13,099,415      | 70,577,231              | 70,577,231    | (8,426,333)  | (949)                              | (171,600)       | 230,333,242    | 23,867,767               | 254,191,009    |

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

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

## TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

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

(Continued)

## TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

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

(Continued)

## 6.5 Recent Year Standalone Financial Statements and Independent Auditor's Report

### TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

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

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

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

(Concluded)



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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, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

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

#### Basis for Opinion

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

#### Key Audit Matters

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



The description of the key audit matter of the Corporation's financial statements for the year ended December 31, 2023 is as follows:

#### Revenue Recognition of Cement Sales

The Corporation is mainly engaged in the production and sale of various cement and cement products. Revenue from the sale of cement fluctuates frequently due to changes in raw material prices, market supply and demand and the economic environment; in addition, related revenue is recognized at the point in time when the customer collects the cement and the performance obligations are satisfied. Therefore, the validity of revenue recognition of cement sales is considered a key audit matter for the year ended December 31, 2023. Our main audit procedures performed in respect of the aforesaid key audit matter include understanding and testing the design and operating effectiveness of the internal controls related to the revenue from cement sales, and random inspection of the contracts, factory orders and delivery documents from the sales details and testing the collection information of the samples before the end of the reporting period in order to verify the validity of revenue recognition of cement sales.

#### **Other Matter**

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

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

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

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

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

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Ya-Ling Wong      Hui-Min Huang

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 27, 2024

#### Notice to Readers

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

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

## TAIWAN CEMENT CORPORATION

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

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

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

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

## TAIWAN CEMENT CORPORATION

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

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

(Continued)

## TAIWAN CEMENT CORPORATION

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

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

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

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

(Concluded)

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

|   | Share Capital   |                   | Capital Surplus |                  | Legal Reserve | Retained Earnings    |               | Exchanges Differences on Foreign Exchange Operations | Other Equity Items on Financial Assets at Fair Value Through Other Comprehensive Income | Gain (Loss) on Hedging Instruments | Treasury Shares | Total Equity   |
|---|-----------------|-------------------|-----------------|------------------|---------------|----------------------|---------------|--|---|------------------------------------|-----------------|----------------|
|   | Ordinary Shares | Preference Shares | Capital Surplus | Special Reserves |               | Accumulated Earnings | Total         |  |   |                                    |                 |                |
| BALANCE AT JANUARY 1, 2022  | \$ 4,123,240    | \$ 2,000,000      | \$ 86,757,470   | \$ 13,039,860    | \$ 23,881,915 | \$ 39,014,077        | \$ 73,939,852 | \$ (16,068,853)                                      | \$ 26,988,909   | \$ -                               | \$ (192,243)    | \$ 204,472,333 |
| Appropriation of 2021 earnings  | -               | -                 | -               | -                | 2,068,477     | 62,064,773           | 6,116,103     | -  | -   | -                                  | -               | (6,116,103)    |
| Gain on disposal of property, plant and equipment, net  | -               | -                 | -               | -                | -             | 6,116,103            | 6,116,103     | -  | -   | -                                  | -               | 6,116,103      |
| Share dividend distributed by the Corporation   | 6,116,173       | -                 | -               | -                | -             | 6,116,173            | 6,116,173     | -  | -   | -                                  | -               | (6,116,173)    |
| Share dividend distributed by the Corporation   | -               | -                 | -               | -                | -             | 5,404,984            | 5,404,984     | -  | -   | -                                  | -               | 5,404,984      |
| Net income for the year ended December 31, 2022   | -               | -                 | -               | -                | -             | (22,481)             | (22,481)      | 2,724,220  | (6,203,923)   | (1,681)                            | -               | 848,885        |
| Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax   | -               | -                 | -               | -                | -             | 3,182,262            | 3,182,262     | (2,724,220)  | (6,203,923)   | (1,681)                            | -               | 13,393,857     |
| Total comprehensive income (loss) for the year ended December 31, 2022  | -               | -                 | 9,193,957       | -                | -             | -                    | -             | -  | -   | -                                  | -               | (62,912)       |
| Issuance of global depositary receipt   | -               | -                 | (42,912)        | -                | -             | -                    | -             | -  | -   | -                                  | -               | (42,912)       |
| Change in capital surplus from investments in associates and joint ventures accounted for using the equity method                     | -               | -                 | -               | -                | -             | (12,415)             | -             | -  | -   | -                                  | -               | (12,415)       |
| Difference between consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals | -               | -                 | 64,744          | -                | -             | -                    | -             | -  | -   | -                                  | -               | 64,744         |
| Change in ownership interests of subsidiaries   | -               | -                 | 66,820          | -                | -             | -                    | -             | -  | -   | -                                  | -               | 66,820         |
| Compensation costs of treasury shares transferred to employees  | -               | -                 | (31,202)        | -                | -             | -                    | -             | -  | -   | -                                  | 191,535         | 159,833        |
| Treasury shares transferred to employees  | -               | -                 | (22,512)        | -                | -             | -                    | -             | -  | -   | -                                  | 29,208          | -              |
| Cancellation of treasury shares   | (6,666)         | -                 | -               | -                | -             | -                    | -             | -  | -   | -                                  | -               | -              |
| Reversal of special reserve recognized from asset disposals   | -               | -                 | -               | (15,429)         | -             | 34,462               | 34,462        | -  | -   | -                                  | -               | -              |
| BALANCE AT DECEMBER 31, 2022  | 71,561,817      | 2,000,000         | 68,985,865      | 13,094,401       | 23,940,392    | 28,572,801           | 66,527,894    | (8,294,175)  | 20,289,916  | (1,681)                            | (171,609)       | 217,894,786    |
| Appropriation of 2022 earnings  | -               | -                 | -               | -                | 20,555        | (20,555)             | (20,555)      | -  | -   | -                                  | -               | (20,555)       |
| Gain on disposal of property, plant and equipment, net  | -               | -                 | -               | -                | -             | (30,000)             | (30,000)      | -  | -   | -                                  | -               | (30,000)       |
| Share dividend distributed by the Corporation   | -               | -                 | -               | -                | -             | 7,997,814            | 7,997,814     | -  | -   | -                                  | -               | 7,997,814      |
| Preferred share dividend distributed by the Corporation   | -               | -                 | -               | -                | -             | (26,424)             | (26,424)      | (852,729)  | (1,629,110)   | 202                                | -               | (2,509,221)    |
| Net income for the year ended December 31, 2023   | -               | -                 | -               | -                | -             | 3,971,180            | 3,971,180     | (852,729)  | (1,629,110)   | 202                                | -               | 5,638,683      |
| Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax   | -               | -                 | -               | -                | -             | -                    | -             | (852,729)  | (1,629,110)   | 202                                | -               | 12,340,525     |
| Total comprehensive income (loss) for the year ended December 31, 2023  | -               | -                 | 8,390,525       | -                | -             | -                    | -             | -  | -   | -                                  | (732,409)       | (732,409)      |
| Issuance of global depositary receipt   | -               | -                 | -               | -                | -             | -                    | -             | -  | -   | -                                  | -               | -              |
| Buy-back of treasury shares   | -               | -                 | -               | -                | -             | -                    | -             | -  | -   | -                                  | -               | -              |
| Change in capital surplus from investments in associates and joint ventures accounted for using the equity method                     | -               | -                 | 54,540          | -                | -             | -                    | -             | -  | -   | -                                  | -               | 54,540         |
| Difference between consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals | -               | -                 | -               | -                | -             | (1,784)              | -             | -  | -   | -                                  | -               | (1,784)        |
| Change in ownership interests of subsidiaries   | -               | -                 | (109,134)       | -                | -             | (4,148)              | -             | -  | -   | -                                  | -               | (113,282)      |
| Change in ownership interests of subsidiaries   | -               | -                 | 37,766          | -                | -             | -                    | -             | -  | -   | -                                  | -               | 37,766         |
| Compensation costs of treasury shares transferred to employees  | -               | -                 | (40,000)        | -                | -             | -                    | -             | -  | -   | -                                  | 177,600         | 137,600        |
| Treasury shares transferred to employees  | -               | -                 | -               | (4,369)          | -             | 4,362                | -             | -  | -   | -                                  | -               | -              |
| Reversal of special reserve recognized from asset disposals   | -               | -                 | -               | (4,369)          | -             | 4,362                | -             | -  | -   | -                                  | -               | -              |
| BALANCE AT DECEMBER 31, 2023  | 75,551,817      | 2,000,000         | 74,119,382      | 12,959,032       | 24,020,647    | 31,106,902           | 70,526,234    | (9,148,904)  | 18,667,806  | (682)                              | (732,409)       | 240,883,284    |

The accompanying notes are an integral part of the financial statements.  
(With Deloitte & Touche auditors' report dated February 27, 2024)

**TAIWAN CEMENT CORPORATION**

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

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

(Continued)



## TAIWAN CEMENT CORPORATION

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

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

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

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

(Concluded)

# 7 Financial Position, Financial Performance, and Risk Management

## 7.1 Financial Position

Unit: NT\$ thousands

| Items                                   | Fiscal Year |             | Difference   |      |
|---|-------------|-------------|--------------|------|
|   | 2023        | 2022        | Amount       | %    |
| Current Assets                          | 153,113,300 | 175,624,058 | (22,510,758) | -13% |
| Property, Plant and Equipment           | 124,115,635 | 114,739,983 | 9,375,652    | 8%   |
| Intangible Assets                       | 29,757,225  | 27,934,663  | 1,822,562    | 7%   |
| Other Assets                            | 162,452,362 | 142,510,257 | 19,942,105   | 14%  |
| Total Assets                            | 469,438,522 | 460,808,961 | 8,629,561    | 2%   |
| Current Liabilities                     | 72,581,236  | 75,209,411  | (2,628,175)  | -3%  |
| Non-Current Liabilities                 | 142,956,245 | 147,323,770 | (4,367,525)  | -3%  |
| Total Liabilities                       | 215,537,481 | 222,533,181 | (6,995,700)  | -3%  |
| Share Capital                           | 77,511,817  | 73,561,817  | 3,950,000    | 5%   |
| Capital Reserve                         | 74,119,162  | 65,985,865  | 8,133,297    | 12%  |
| Retained Earnings                       | 70,576,781  | 66,527,594  | 4,049,187    | 6%   |
| Other Equity                            | 9,457,953   | 11,991,090  | (2,533,137)  | -21% |
| Equity Attributable to Owners of Parent | 230,933,254 | 217,894,766 | 13,038,488   | 6%   |
| Non-Controlling Interests               | 22,967,787  | 20,381,014  | 2,586,773    | 13%  |

Note: The decrease in Other Equity mainly results from exchange differences arising from the translation of financial statements of foreign operations and changes in unrealized gains and losses on financial assets measured at fair value through other comprehensive income.

## 6.6 Financial Difficulties of the Company and Its Affiliates: None.

## 7.2 Financial Performance

Unit: NT\$ thousands

| Items                             | Fiscal Year | 2023        | 2022        | Difference   | Difference (%) |
|-----------------------------------|-------------|-------------|-------------|--------------|----------------|
| Net Revenue                       |             | 109,314,335 | 113,929,706 | (4,615,371)  | -4%            |
| Operating Costs                   |             | 88,780,566  | 103,794,557 | (15,013,991) | -14%           |
| Gross Profit                      |             | 20,533,769  | 10,135,149  | 10,398,620   | 103%           |
| Operating Expenses                |             | 10,503,609  | 8,973,011   | 1,530,598    | 17%            |
| Operating Income                  |             | 10,030,160  | 1,162,138   | 8,868,022    | 763%           |
| Non-Operating Income and Expenses |             | 4,326,671   | 5,483,959   | (1,157,288)  | -21%           |
| Pretax Income                     |             | 14,356,831  | 6,646,097   | 7,710,734    | 116%           |
| Income Tax                        |             | 4,352,218   | 2,489,012   | 1,863,206    | 75%            |
| Net Profit                        |             | 10,004,613  | 4,157,085   | 5,847,528    | 141%           |

Analysis:

- Increases in Gross Profit, Operating Income, Pre-Tax Income, and Net Profit for the current year are mainly due to reduced costs resulting from decreased market coal prices and other raw materials.
- A decrease in Non-Operating Income And Expenses is mainly due to lower dividend income and increased exchange losses.
- The rise in Income Tax is primarily due to increased pre-tax net profits resulting from decreased costs of market raw materials.
- Sales forecast for the next year and its basis: Considering the market demand and planned capacity for 2024, the sales targets for Taiwan and Mainland China are set at 40.09 million tons for cement and clinker, and 4.74 million cubic meters for ready-mixed concrete.
- Recent financial performance changes over the last two years could impact the following: In 2023, the global economy faced multiple challenges, including high interest rates, high inflation, and a slower-than-expected economic recovery in China post-pandemic. Additionally, the Russo-Ukrainian War, the conflict between Israel and Hamas, and the ongoing Red Sea crisis have continued to this day, causing international political instability that further drags down economic recovery. Despite some easing in inflation, the overall economy remains weak.

While the cement and concrete business in Taiwan has remained stable this year, the outlook in Mainland China is less optimistic. The economic forecast is dampened by the ongoing restructuring of the global supply chain and unresolved tensions in US-China relations, leading to subdued expectations for the cement market.

- Future plans: TCC Group continues to actively pursue its green transformation by reducing carbon emissions. We have developed and launched Portland limestone low-carbon cement and further expanded investments in low-carbon cement in Turkey, Portugal, and Africa in 2024. These initiatives not only diversify TCC Group's revenue structure but also mark its entry into new low-carbon cement markets in Europe, Asia, and Africa, reducing dependence on a single cement market.

Our efforts extend beyond the cement industry to new energy sectors such as green electricity, energy storage, batteries, charging stations, and electricity trading. These actions lay a solid foundation for competitiveness in the new era of carbon and energy, helping to meet global economic challenges while bringing new opportunities and momentum for the Company's development.

## 7.3 Cash Flow

### Analysis of Consolidated Cash Flows in the most recent year

Unit: NT\$ thousands

| Cash balance as of January 1, 2023 | Net cash provided by operating activities in 2022 | Net cash flow in 2022 | Cash balance as of December 31, 2022 | Remedy for Cash Shortfall |                |
|------------------------------------|---|-----------------------|--------------------------------------|---------------------------|----------------|
|                                    |   |                       |                                      | Investment Plan           | Financing Plan |
| 88,842,494                         | 33,751,150  | (56,227,022)          | 66,366,622                           | -                         | -              |

- Analysis of Cash Flow Changes This Year:
  - Operating Activities: Mainly from operating profits, etc.
  - Investment Activities: Primarily due to acquisitions of properties, plants, and equipment, and an increase in financial assets measured at amortized cost.
  - Financing Activities: Mainly cash outflows from repaying bank loans (both long and short term) and distributing cash dividends.
- Remedies for Cash Shortfall and Liquidity Analysis: None.

### Liquidity analysis for the most recent two years

| Items                    | Fiscal Year | 2023  | 2022  | Difference (%) |
|--------------------------|-------------|-------|-------|----------------|
| Cash Flow Ratio          |             | 46.5  | 8.23  | 465            |
| Cash Flow Adequacy Ratio |             | 70.76 | 57.53 | 23             |
| Reinvestment Ratio       |             | 5.98  | (0.3) | 2097           |

Analysis of Changes in Ratios:

The increase in Cash Flow Ratio, Cash Flow Adequacy Ratio, and Reinvestment Ratio is mainly due to an increase in net cash inflow from operating activities in 2023.

### Liquidity Analysis for the Next Year

Unit: NT\$ thousands

| Cash balance as of January 1, 2023 | Net cash provided by operating activities in 2022 | Net cash flow in 2022 | Cash balance as of December 31, 2022 | Remedy for Cash Shortfall |                |
|------------------------------------|---|-----------------------|--------------------------------------|---------------------------|----------------|
|                                    |   |                       |                                      | Investment Plan           | Financing Plan |
| \$66,366,622                       | 42,039,116  | (3,926,192)           | 104,479,546                          | -                         | -              |

Cash Flow Projection

- Operating Activities: Mainly from operating profits.
- Investment Activities: Mainly from capital expenditures.
- Financing Activities: Mainly cash outflows from distributing cash dividends and other financing activities.

## 7.4 Impact of Major Capital Expenditures on Financial Business in Recent Years

Capital expenditure for 2023 amounted to approximately NT\$24.7 billion, expected to significantly impact the Group's revenue and the layout of its circular economy initiatives. The major capital expenditures include:

- The Company, through its subsidiaries including TCC Green Energy, TCC Storage Energy, NHOA, and

others in Mainland China like TCC (Yingde) and TCC (Guigang), is setting up energy storage systems in Suao, Hualien, Gangshan, Europe, and Mainland China, with a planned capacity exceeding 300MW. These projects, beginning in 2023, will be gradually completed and grid-connected, aiming to enhance electricity trading service revenues by meeting peak and off-peak power demands.

- (2) By integrating renewable energy sources like wind, sunlight, and geothermal, TCC is installing photovoltaic modules in its plants and developing potential energy sources, planning more than 100MW of capacity. These projects, expected to be grid-connected from 2024, aim to contribute to new energy business revenue through green electricity matching services by Energy Helper.
- (3) Molie Quantum Energy Corporation in Kaohsiung's Xiaogang is completing Taiwan's first super battery factory, with an annual capacity of up to 1.8GWh upon completion. This makes it one of the few manufacturers capable of producing high-energy and high-power output lithium batteries safely. The company has secured high-end clients, including sports cars, heavy-duty and off-road electric bikes, and has official orders for electric VTOL aircraft, with plans to explore markets in drones, machine tools, military, and ultra-safe power backup systems.
- (4) Ongoing investments in NOx emission reduction, waste heat power generation system upgrades, cement process improvements, and alternative fuel equipment aim to lower air pollution, boost energy efficiency, and decrease carbon costs.

In 2023, key initiatives include ultra-low emission upgrades at Yingde, Guigang, Jurong, and Kaili plants; enhancements to Suao plant's waste heat power generation; cooling system upgrades; efficiency improvements in cement grinding at Yingde and Jurong; and expanding alternative fuel processing at the Suao plant. These projects are expected to significantly cut electricity and coal usage, demonstrating the industry's commitment to sustainable development.

- (5) The DAKA Resource Recycling Center, established at the Hoping Cement Plant, began trial operations in July 2023. It's Taiwan's first eco-park using cement kilns for high-temperature waste treatment, capable of processing up to 200 tons of domestic waste daily, completely breaking down dioxins and other harmful substances, achieving the environmental goals of resource recycling and zero residue. Once fully operational, it will integrate waste treatment, cement production, and pollution-free recreation, becoming a landmark eco-cluster.
- (6) TCC Energy Storage Technology Corporation has invested in 35MW/123.6MWh and 50MW/160.8MWh energy storage systems at the Suao and Hualien cement plants, respectively, expected to be operational in 2024. These projects will actively participate in and assist the Group in engaging in electricity trading platform auxiliary service market transactions, expected to enhance new energy business revenue.

## 7.5 Latest Investment Policy, Main Reasons for Gains or Losses, Improvement Plan, and Investment Plans for the Next Year

The Company's net investment income in 2023, recorded using the equity method on a consolidated basis, was NT\$4.57 billion.

CSRC, an associate of TCC specializing in the carbon black sector, found the Taiwanese market relatively stable. However, the U.S. market struggled with diminished demand for tire replacements in commercial vehicles, and India faced challenges from competitively priced imports. Furthermore, the Chinese market was impacted by substantial fluctuations in coal tar prices and subdued domestic demand.

Factors such as inflation, interest rate hikes in the U.S., and China's tepid recovery led to ongoing inventory reduction in downstream industries. Consequently, CSRC experienced rising operational costs amidst a high-interest environment and saw new vehicle sales growth fall below expectations. On the other hand, the investment in Cimpor Global, which operates in the cement industry in Turkey and Portugal, exhibited stable growth.

Going forward, TCC will continue its long-term strategic investments aimed at becoming a comprehensive energy group with research, development, and self-production capabilities in green energy, batteries, energy storage, and fast charging for electric vehicles.

## 7.6 Risk Analysis and Assessment

### 7.6.1 Impact of Fluctuation in Interest Rates, Exchange Rates, and Inflation on the Company's Income Statement and Future Coping Strategies

#### 1. Interest Rate Impact:

The cumulative effect of major economies significantly tightening monetary policies is gradually increasing, compounded by the decline in prices of commodities such as crude oil, leading to a rapid and substantial decrease in inflation rates from their peaks, expected to continue its slow decline.

Fluctuations in interest rates in Taiwan, the USA, Europe, and China will affect the Company's equivalent cash and financial assets' interest income and the interest expenses on liabilities. TCC closely monitors interest rate changes and trends, timely assessing potential interest rate risks. It continues to observe market conditions, adjusting its debt position or employing fixed-rate instruments to mitigate risk as necessary.

#### 2. Exchange Rate Impact:

TCC is primarily affected by fluctuations in the USD, CNY, and EUR. It employs net position natural hedging strategies in its operations, keeping a close watch on foreign exchange fluctuations. The Company timely engages in spot and forward foreign exchange transactions or adjusts foreign currency loans to hedge against exchange rate risks. These hedging strategies help to reduce exchange rate risk, with periodic reviews based on market conditions and hedging costs. Overall, the impact of exchange rate fluctuations on the Company's operations is relatively limited.

#### 3. Inflation Impact:

Based on the latest statistical data and outlook for the year 2024, global consumer demand is decreasing, and supply chain bottlenecks are improving, predicting a quarterly decrease in global inflation rates. The Directorate-General of Budget, Accounting and Statistics predicts a 1.85% annual increase in Taiwan's CPI for 2024, indicating limited impact of inflation on the Company's annual income statement.

### 7.6.2 The Policy, Gain or Loss, and Future Coping Strategies for High-risk, Highly Leveraged Investments, Lending, Endorsing, and Derivative Trading

1. The TCC Group and its subsidiaries primarily focus on their main business operations and have not engaged in high-risk or highly leveraged investment activities in recent years.
2. The entities to which TCC and its subsidiaries have extended loans or provided guarantees are solely subsidiaries or affiliated companies. Their financial operations are in good standing and comply with relevant regulations from the Securities and Futures Bureau, as well as the Company's "Procedures for Loans to Others" and "Endorsement and Guarantee Procedures." Hence, there is a negligible risk of losses from these transactions.
3. The Company and its subsidiaries undertake derivative transactions exclusively to hedge against risks associated with foreign exchange rates or raw material costs. These activities are carried out in compliance with the Company's "Procedures for Acquiring or Disposing of Assets," without engaging in any transactions beyond hedging purposes.

### 7.6.3 Future R&D Plans and Expected Expenditures

#### 7.6.3.1 The Cement Sector

TCC is fully committed to carbon reduction and the global leading climate technology. Since 2011, TCC has been collaborating with the Industrial Technology Research Institute (ITRI) to develop calcium looping carbon capture and microalgae carbon fixation technologies. On January 31, 2024, TCC signed a MOU with thyssenkrupp Polysius (tkPOL), a subsidiary of the renowned German ThyssenKrupp AG Group, to implement carbon capture technology at Kiln No. 1 in its Hualien Hoping plant. This partnership aims to develop the third-generation oxy-fuel firing process and technology, which involves adding pure oxygen during the cement calcination process to increase the captured CO<sub>2</sub> concentration to over 90%, while also reducing the energy required for carbon capture. The project is expected to be completed by 2026, with the goal of mastering the core technology for commercialization by 2030, capturing up to 100,000 tons of CO<sub>2</sub> annually. The captured CO<sub>2</sub> will be utilized across industries, including industrial welding, chemicals, and food processing. Besides, TCC continues to explore the feasibility of storage, application of carbon credit, or other value-added use in line with government policies.

Furthermore, TCC is advancing the development of innovative, high-value, low-carbon building materials, such as Ultra-High Performance Concrete (UHPC). The Company is actively applying its developed formulas to products, including cladding panels used in the exterior curtain walls of the TCC Hoping Resource Recycling Center and the EnergyARK energy storage containers.

| Plans in Recent Year       | Current Progress   | Amount to be Reinvested in R&D (in NT\$ million) | Estimated Completion Date | Main Factors Influencing The Success Of Future R&D  |
|----------------------------|--|--|---------------------------|---|
| Oxygen-Enriched Combustion | In 2022, the Suao Plant of TCC initiated an enhancement project for its oxygen-enriched combustion system. This system, implemented at the kiln tail, is designed to minimize carbon monoxide production and boost combustion efficiency, further allowing for an increased use of alternative fuels to achieve both coal conservation and carbon reduction benefits. As of December 2023, the Suao Plant has embarked on combustion testing and efficiency evaluations at the kiln head, with similar assessments underway at the Hoping Plant. | 123.90   | December 2024             | <ol style="list-style-type: none"> <li>1. Integration of alternative fuels, oxygen injection points, and input equipment.</li> <li>2. Development of models for combustion efficiency and reaction time.</li> <li>3. Cement quality control in compliance with CNS standards.</li> <li>4. Sourcing and quality control of alternative fuels.</li> </ol> |

| Plans in Recent Year   | Current Progress  | Amount to be Reinvested in R&D (in NT\$ million) | Estimated Completion Date | Main Factors Influencing The Success Of Future R&D   |
|--|---|--|---------------------------|--|
| Oxy-Fuel Combustion  | <p>Since 2011, TCC has collaborated with the ITRI on developing and validating the calcium looping CO<sub>2</sub> capture technology and its trials. The ITRI finalized a comprehensive report on the collaborative research outcomes of calcium looping technology development up to 2022. Building on verified and substantial operational experience, TCC, aligning with its carbon reduction strategy, is set to pioneer the next generation of carbon capture technology: oxy-fuel combustion.</p> <p>At the end of January 2024, TCC signed a MOU with tkPOL, to utilize Kiln No. 1 at its Hualien Hoping plant as the venue for carbon capture technology, jointly developing third-generation oxy-fuel combustion processes and techniques. The project is anticipated to be completed by 2026, with the goal of mastering the core technology for commercialization by 2030 and achieving an annual CO<sub>2</sub> capture capacity of 100,000 tons.</p> | 202.30   | December 2026             | <ol style="list-style-type: none"> <li>1. Control of energy consumption and process operations during capture.</li> <li>2. Improvement of CO<sub>2</sub> capture efficiency and final concentration.</li> <li>3. Establishment of an economic model for the sequestration and utilization of captured CO<sub>2</sub>.</li> </ol> |
| Cement Kiln High Calorific Value SRF Co-combustion and Clean Integration System Development Plan | <p>This project has completed the development of a deiodination process for recycling waste polarizing film, separating mixed plastics (such as TAC, PVA, PE, PP) in the waste polarizing film to become high calorific value SRF (Solid Recovered Fuel) materials. The deiodination rate testing results showed a 100% success rate, and the calorific value of the high calorific value SRF material post-deiodination of the waste polarizing film was tested to be ≥7,000 kcal/kg.</p> <p>At this stage, the design of the SRF mixed with sawdust fuel transportation system has been completed, and the stability of the operating system will continue to be tested.</p>  | 23.89  | December 2024             | <ol style="list-style-type: none"> <li>1. Stability of raw material supply.</li> <li>2. Stability of the feeding and transportation system; mastery of the co-combustion system's ratios.</li> </ol>   |

#### 7.6.3.2 The Electricity Department

| Plans in Recent Year                           | Current Progress  | Amount to be Reinvested in R&D (in NT\$ million) | Estimated Completion Date | Main Factors Influencing The Success Of Future R&D  |
|--|---|--|---------------------------|---|
| Ocean Thermal Energy Conversion (OTEC) Project | <p>This project has been commissioned to ATE Energy International Co. Ltd. for assessment and research, which is currently ongoing. The plan includes:</p> <ol style="list-style-type: none"> <li>1. Evaluation of the Rankine cycle system for OTEC;</li> <li>2. Advanced assessment of system costs and equipment for a 2MW OTEC plant;</li> <li>3. Evaluation of energy consumption reduction in OTEC;</li> <li>4. Research on the constructability of UHPC products;</li> <li>5. Study on deep-sea water transportation pipelines.</li> </ol> | 2.05   | April 2024                | <ol style="list-style-type: none"> <li>1. Approval of the environmental impact assessment for OTEC</li> <li>2. Financial feasibility</li> </ol> |



| Plans in Recent Year   | Current Progress       | Amount to be Reinvested in R&D (in NT\$ million) | Estimated Completion Date | Main Factors Influencing The Success Of Future R&D  |
|--|------------------------|--|---------------------------|---|
| Analysis and Evaluation of the Benefits of Deep Sea Water-Related Industries                       | Currently in planning. | 3  | June 2025                 | <ol style="list-style-type: none"> <li>1. MW-level OTEC installation</li> <li>2. Acquisition of land for deep sea water-related industries</li> </ol>   |
| Analysis and Evaluation of the Transportation, Storage, and Co-combustion of SRF and Woody Pellets | Currently in planning. | 10   | June 2025                 | <ol style="list-style-type: none"> <li>1. Feasibility of introducing syngas produced by gasification furnaces into existing boiler.</li> <li>2. Acquisition of storage land.</li> <li>3. Adjustment of FIT (Feed-in Tariff) rates after substituting biomass fuel for a portion of coal.</li> </ol> |

### 7.6.3.3 The Energy Department

| Plans in Recent Year  | Current Progress  | Amount to be Reinvested in R&D (in NT\$ million) | Estimated Completion Date | Main Factors Influencing The Success Of Future R&D   |
|---|---|--|---------------------------|--|
| Development of High-Capacity and Stability Advanced Cathode Materials:                        | <ol style="list-style-type: none"> <li>1. Development of Ni94 single-crystal high-nickel cathode materials.</li> <li>2. Project to enhance the stability of high-nickel cathode materials with concentration gradient and radial structure.</li> <li>3. Development of high-nickel cathode materials with nano-sized particles.</li> </ol>  | NT\$75   | December 2024             | <ol style="list-style-type: none"> <li>1. Engagement of relevant professional talents.</li> <li>2. Key strategic supplier collaboration.</li> <li>3. Synchronization with synchrotron projects.</li> <li>4. Investment in high-resolution field emission electron microscopy equipment.</li> </ol>             |
| Development of High-Capacity and Fast-Charging Advanced Anode Materials Platform:             | <ol style="list-style-type: none"> <li>1. Research on small-diameter and high-density synthetic graphite to reduce ion diffusion resistance.</li> <li>2. Improvements in anode capacity efficiency and usage stability, including material intrinsic enhancements, conductive material assistance, and performance improvement with novel adhesives.</li> <li>3. Development of high-stability, high-capacity silicon materials.</li> </ol> | NT\$55   | December 2024             | <ol style="list-style-type: none"> <li>1. Engagement of relevant professional talents.</li> <li>2. Key strategic supplier collaboration.</li> <li>3. Expansion of in-situ expansion testing channels.</li> <li>4. Investment in thermogravimetric analysis (TGA) detection equipment.</li> </ol>               |
| Development of the 21700-P60B cell and research on multi-tab system design and manufacturing: | <ol style="list-style-type: none"> <li>1. Introduction of a new generation of anode and cathode material systems.</li> <li>2. Design and development of cell safety.</li> <li>3. Multi-tab design and development.</li> <li>4. Application of artificial intelligence in battery lifespan prediction and health analysis.</li> </ol>  | NT\$150  | December 2024             | <ol style="list-style-type: none"> <li>1. Involvement of highly specialized research talents.</li> <li>2. Technical collaboration with key equipment suppliers.</li> <li>3. Synchrotron radiation and industry-academic collaboration projects.</li> <li>4. Investment in safety testing equipment.</li> </ol> |

| Plans in Recent Year   | Current Progress   | Amount to be Reinvested in R&D (in NT\$ million) | Estimated Completion Date | Main Factors Influencing The Success Of Future R&D  |
|--|--|--|---------------------------|---|
| Development of Ultra-High Power 21700-XA3 Cell and Tab-less System Design and Manufacturing: | <ol style="list-style-type: none"> <li>1. Optimization of multi-tab welding.</li> <li>2. Design of high-rate electrodes.</li> <li>3. Development of the tab-less process.</li> </ol>   | NT\$170  | December 2024             | <ol style="list-style-type: none"> <li>1. Involvement of highly specialized research talents.</li> <li>2. Technical collaboration with key welding equipment suppliers.</li> <li>3. Development of tab-less coiling machines.</li> <li>4. Investment in high-current charge-discharge equipment.</li> </ol>   |
| FLB Solution Development:  | <ol style="list-style-type: none"> <li>1. This project is central to the development of the NHOA Store platform.</li> <li>2. In collaboration with a leading battery manufacturer.</li> <li>3. Involves design, prototyping, testing, and certification of standardized outdoor compartments using liquid-cooled LFP battery modules.</li> </ol> | €1.439   | December 2024             | This innovative product will enhance the efficiency of production and installation processes, while also reducing the footprint of NHOA solutions, marking a significant advancement in NHOA products.  |
| Centralized PCS Manufacturing  | <ol style="list-style-type: none"> <li>1. Achieve full control over the thermal and electrical design of the power stack.</li> <li>2. Enhance overload control and improve short-circuit contributions.</li> <li>3. The project is still ongoing.</li> </ol>   | €1.42  | December 2024             | <ol style="list-style-type: none"> <li>1. It will be the first converter suitable for direct outdoor installation.</li> <li>2. Joint development with inverter suppliers will optimize all production and supply chain processes.</li> <li>3. NHOA can increase its internal capacity to 1.5 gigawatts per year.</li> <li>4. Avoid reliance on single-source external suppliers.</li> </ol> |
| PEMS and Software Automation Development   | <p>The project aims to develop the PROPHET control platform through:</p> <ol style="list-style-type: none"> <li>1. Developing digital twins for automation and integration purposes.</li> <li>2. Standardizing data collection, fault management, human-machine interface (HMI), and state machines.</li> </ol>                                  | €0.898   | December 2024             | Complete the certification process to obtain IEC 62443-2-4 and IEC 62443-3-3 certificates.  |

### 7.6.4 Risk Associated with Changes in the Policies and Regulatory Environment

TCC Group's operational policies adhere to legal regulations, monitoring significant policy and legal amendments globally and consulting experts when necessary to assess the impact on the Group's financial operations and adjust internal systems accordingly.

Taiwan has set a net-zero emissions target by 2050, with the Climate Change Response Act passed on January 10, 2022, initiating a carbon charge mechanism. On December 29, 2022, the Environmental Protection Administration announced the draft Carbon Fee Collection Measures, specifying the electricity and large manufacturing industries (including the cement industry) as subjects for carbon fee levies. This marks the beginning of an era where carbon emissions have a cost in Taiwan, starting from 2023, with the obligated parties beginning to pay carbon fees in 2024.

China also has announced its Carbon Peak Action Plan before 2030, aiming for non-fossil fuel energy to constitute approximately 20% by 2025 and 25% by 2030. On the other hand, the EU's REPowerEU plan, announced in May 2022, focuses on energy saving, clean energy production, and diversifying the EU's energy supply, with a goal to increase renewable energy's share to 45% by 2030. The Carbon Border Adjustment Mechanism (CBAM), the world's first, passed by the European Parliament on June 22, 2022, will phase in from October 1, 2023, with full implementation by 2034, ending free carbon quotas by then.

#### Coping Strategies of the Cement Sector:

In response to China's "Action Plan for Carbon Peak Before 2030" and Taiwan's "Climate Change Response Act" imposing additional carbon fees, TCC Group's cement plants will continue to actively pursue the use of alternative fuels, such as biomass fuel (e.g., waste wood, SRF), to expedite carbon emission reduction. This includes planning modifications to preheaters, coolers, and cement mills to decrease coal and electricity consumption, alongside retrofitting waste heat recovery systems, and implementing solar power generation and energy storage systems to reduce electricity use and costs.

In line with EU regulations, our subsidiary Cimpor Global Holdings is planning investments in its Portuguese and Turkish plants to lower carbon emissions and energy use while increasing renewable energy investment. Adhering to governmental energy and circular economy policies, TCC as an Eco-solution provider supports efforts to mitigate and adapt to climate change, aiming to assist the industry and local governments in reducing environmental impact risks.

#### Coping Strategies of the Electricity & Energy Sector:

In accordance with the Ministry of Economic Affairs' "Taiwan 2050 Net-Zero Transition:

Key Strategic Actions for the Power System and Energy Storage" announced in April 2023, promoting energy conservation, carbon reduction, and increasing the share of renewable energy are crucial to Taiwan's energy policy. This entails advancing energy conservation and carbon reduction policies and developing power systems with energy storage and smart grid capabilities. Storage systems play a key role in stabilizing domestic renewable energy generation, enhancing grid resilience, and supply stability, and are a major step toward incorporating user-side energy management. The plan targets an energy storage system capacity of 1,000MW for the grid and 500MW for generation by 2025, and 3,000MW for the grid and 2,500MW for generation by 2030, alongside assessing disaster prevention centers, large electricity users (factories with contracts over 5000KW), and public facilities for potential deployment.

Significant legislative actions, such as Taiwan's amendment to the "Parking Lot Act" requiring electric vehicle charging stations in public parking lots, and international measures like the EU and California's laws banning the sale of new diesel cars by 2035, underscore the global shift towards zero-emission vehicles and renewable energy sources.

Taiwan's implementation of the "Battery Energy Storage System Project Certification System" and guidelines to enhance fire safety management for energy storage systems indicate the government's commitment to energy storage system safety and encourage its adoption while addressing public concerns.

The passage of the "Climate Change Response Act" marks a definitive step towards regulated carbon pricing, initially targeting high electricity consumers, aligning with the Group's business model and future development direction towards sustainable energy solutions.

## 7.6.5 Impact of New Technology (including Information Security Risks) and Industry Changes to the Company's Operations and Coping Strategies

### 7.6.5.1 Technology and Industry Changes

In response to global climate change and the advent of carbon valuation, TCC Group has promoted and optimized its internal management systems, focusing on cloud mobility, big data, the Internet of Things, and intelligent machinery as four key areas. These efforts aim to integrate optimization plans across economics, environment, society, and risk management by shifting from "goal management" to "behavior management." This approach allows colleagues and managers to make accurate decisions and operate in real-time, enhancing work outcomes and efficiency.

Achievements include the establishment of the TCC war room system for real-time monitoring of production and business information across plants, early risk detection, and the integration of a plant-wide big data database. By incorporating artificial intelligence (AI), machine learning, and Life Cycle Assessment (LCA), along with in-house developed carbon management and alternative fuel performance tracking systems, the company precisely manages and monitors carbon reduction goals and progress at every stage. This deepens the link between internal assessments, bonus performance, and the implementation of low-carbon production and intelligent manufacturing strategies.

In 2024, TCC is planning to introduce an online greenhouse gas inspection system, progressively digitizing the management of greenhouse gas reporting and inspection tasks across its subsidiaries, saving annual manpower and resources while enhancing precision and efficiency in complying with regulations and disclosure standards.

In Taiwan and mainland China, the co-processing of renewable resources in cement kilns has been identified as a key direction for industrial circular economy policies. With over 30 years of disposal experience and the support of professionals from the low-carbon research center and TAF-certified equipment, the Company has expanded its assistance to other industries in handling various types of waste. Since 2020, projects in Guangxi, Jiangsu, Guangdong, Guizhou, Hunan, and Sichuan have been launched, alongside initiatives in Taiwan for the co-processing of general waste, marking significant strides in environmental protection and resource recycling.

The cement kiln co-disposal project for solid and hazardous waste, with an annual capacity of 200,000 tons, at TCC's Guigang plant in Guangxi, began operations in April 2020. In November 2021, it was selected as one of the first batch of demonstration bases for ecological environment protection education and practice by Guigang City. The Juirong plant in Jiangsu started its fly ash disposal project from waste incineration power plants, with a capacity of 15,500 tons per year, in October 2021. The Shaoguan plant in Guangdong began its cement kiln co-disposal of renewable resources in August 2022. The Kaili plant in Guizhou started a 50,000 tons per year hazardous waste co-disposal project in February 2022. The Jingzhou plant in Hunan began its cement kiln co-disposal of renewable resources in September 2022. The Guang'an plant in Sichuan initiated its solid and hazardous waste project, with capacities of 100,000 tons per year for hazardous waste and 150,000 tons per year for general solid waste, in January 2023. The Anshun plant in Guizhou began the construction of a fly ash disposal project from incineration power plants, with a phase one capacity of 50,000 tons per year, in January 2023. This project, the first of its kind for fly ash resource utilization in Guizhou Province, is expected to start operations in the first quarter of 2024.

The Hoping plant in Taiwan began trial operations in July 2023 for the co-disposal of general waste in Hualien County, officially starting operations in December 2023 after receiving approval from the Hualien County Government.

The Company is committed to addressing environmental issues while balancing profitability and societal benefits, aiming to lead in the circular economy sector.

Mainland China has announced the "Carbon Peak Action Plan Before 2030," aiming for non-fossil energy

consumption to reach approximately 20% by 2025 and about 25% by 2030. On November 17, 2022, the Ministry of Industry and Information Technology commissioned the China Building Materials Federation to organize the China Building Materials Industry Carbon Peaking Conference in Beijing, declaring the full launch of the industry's action plan to reach carbon peaking before 2030. As a member of the mainland China building materials industry, TCC Group achieved its carbon peak in 2021 and has been actively implementing various carbon reduction strategies.

Taiwan has set a net-zero emissions target for the year 2050, and the Legislative Yuan passed the "Climate Change Response Act" on January 10, 2023, incorporating the net-zero emissions goal into law and officially initiating the carbon pricing mechanism. The Environmental Protection Administration announced the "Draft Carbon Fee Collection Regulations" on December 29, 2023, specifying that the electricity and large manufacturing sectors (including the cement industry) would be the subjects of the carbon fee, marking the beginning of the "carbon has its price" era in Taiwan starting from 2024, with the collection of carbon fees commencing in 2025.

In response to the "Carbon Peak Action Plan Before 2030" of mainland China and Taiwan's carbon fee collection measures, TCC Group will continue to develop the use of alternative fuels to reduce carbon intensity, especially biomass fuels (such as waste wood chips, SRF). Additionally, we plan to retrofit preheaters, coolers, and cement mills to reduce coal and electricity consumption. We will also undertake the transformation of waste heat power generation systems, solar power generation, and energy storage systems to reduce electricity usage and costs. By adhering to the Paris Agreement's goal of limiting global warming to 1.5°C, we aim to move towards the 2050 net-zero emissions target with three main development axes: low-carbon materials, resource recycling, and green energy.

Since 2019, TCC Group has utilized Life Cycle Assessment (LCA) methodologies to establish a carbon management system, systematically calculating the carbon emissions from raw materials and energy use for carbon reduction strategy evaluation. This has been integrated with KPIs for performance assessments at the cement plant management and staff levels, ensuring compliance with carbon intensity standards and achieving annual reductions. Moving forward, TCC will extend its management to encompass the overall carbon emissions of the Group, further committing to environmental sustainability and carbon reduction.

### 7.6.5.2 Information Security

Please refer to page 192 of this annual report "5.6 Management of Information Security" for additional details regarding Information Security.

### 7.6.6 Corporate Image Transformation and its Impact on Crisis Management and Countermeasures

TCC has been transformed and upgraded since 2007, by having as its three core businesses: Low Carbon Cement, Resource Recycling, and Green Energy. TCC is a green environmental engineering company that focuses on the complex relationship between human civilization and nature, and TCC has two major commitments: Total Climate Commitment and Total Care Commitment.

#### Total Climate Commitment: Comprehensive solutions to mitigate and adapt to climate change

##### 1. Climate Mitigation

This Company abides by international sustainability standards and supports climate action initiatives by setting carbon reduction targets based on Science Based Targets (SBT), the highest international benchmark. On September 1, 2009, the Company and the Global Cement and Concrete Association (GCCA), plus 40 cement benchmarking companies, launched Climate Vision 2050 and publicly announced that it will strive to reduce the carbon footprint of cement and to achieve carbon neutrality for cement products by 2050.

- The seven strategies for carbon reduction and greening are: the use of alternative fuels, the use of

alternative raw materials, the use of residual heat to generate power, continuous process improvement, the development of renewable energy sources (solar, wind, geothermal, and ocean thermal energy), using smart energy storage devices, large power batteries, carbon capture and storage (CCS), and reforestation with carbon isolation.

- Total Climate Commitment: Use of Low Carbon Building Materials

In October of 2023, TCC released its Total Climate low-carbon building materials. Ordinarily, during the building design and construction stage, basic building materials contain carbon. However, Portland Limestone Cement Type IL reduces carbon by 15.4%, and Limestone Powder Cement reduces carbon by at least 10%-30%. This is currently the lowest-carbon cement and concrete product in Taiwan.

- Carbon Capture and Storage (CCS), the world's leading climate technology

International scientists recognize CCS as a key tool for mitigating climate change. It is also one of the twelve key strategies of the 2050 Net Zero Path of Taiwan's National Development Council.

In January 2024, TCC signed a Memorandum of Understanding (MOU) with thyssenkrupp Polysius, a subsidiary of Germany's renowned ThyssenKrupp Industrial Group to use Kiln No. 1 of TCC's Hualien Hoping Plant as a carbon capture technology site. The two companies plan to jointly develop third-generation oxyfuel combustion process and technology by adding oxygen to the cement calcination. This will increase to more than 90%, the concentration of carbon dioxide captured in the process and reduce the energy required in the carbon capture process.

## 2. Climate Adaptation

### (1) High Temperature Kiln Core and Integrated Process of Domestic, Commercial, and Construction Waste

The World Business Council for Sustainable Development (WBCSD) says that the average temperature of a cement kiln reaches over 1,300 degrees Celsius. This can decompose the dioxin that cannot be processed by incinerators and turn most of the waste produced by humans into harmless resources, replacing cement raw materials and fuels, and thus achieve the goal of carbon reduction, effectively becoming the best "urban purifier." Through kiln synergistic technology, TCC disposes of industrial, household waste, and construction waste, forming a symbiotic circle of circular economy.

- Industrial Waste: Since 2011, we have assisted the optoelectronics and semiconductor industries, paper manufacturers, water purification plants, chemical plants, iron and steel mills, and other industrial waste producers, not only to reuse resources and form an environmental value chain, but also to significantly reduce their consumption of energy and resources. In this way, we help alleviate the problems of waste disposal and pollution.
- Household Waste: The Recycling Resources Utilization Center (RRRC) started operations on a trial basis in July 2023 to assist Hualien store household waste, with a maximum capacity of 200 tons per day, and to implement resource recycling, thus helping solve the city's garbage problem.
- Construction Waste: The average life span of urban buildings is 60 years, and in recent years, most cities have been implementing urban renewal, so when a building must be demolished at the end of its life cycle, this company has the ability to dispose of the debris.
- Since 2023, cement plants in Taiwan and China have been assisting the construction industry dispose of customary, more difficult-to-discard wastes. Some of these debris can be converted back and re-fired into alternative raw materials for cement. Some of the waste can be recycled and used as base mixing materials in new construction, and some of it can be used as graded granules for road milling applications, thus realizing the spirit of recycling and carbon reduction.



## (2) Integrating total solutions of low carbon new energy to enhance urban resilience

Building construction accounts for nearly 40% of the world's carbon emissions. During a building's construction phase, TCC combines low-carbon building materials, resource recycling, and corporate green energy, energy storage, and charging services. After completion of construction, TCC utilizes green power supply. After its demolition, this company implements environmentally friendly waste disposal measures. We can provide a complete "low carbon and new energy integrated solutions" for a building's whole lifespan, helping fortify the city's resilience against climate change and transform it into a low carbon and new energy city.

## (3) Nature Based Solutions (NbS)

Climate activism and natural solutions are the two key forces to achieve the 2050 Net Zero Emissions goal. On January 16, 2024, we became a TNFD Early Adopters, an initiative promoted by the United Nations and the G20. According to the latest World Risk Report, the world will face increasingly severe extreme climate impacts in the next decade, and the loss of biodiversity and ecosystem collapse will cause irreversible changes to the Earth's ecosystem.

This will directly impact the survival of human beings. TCC's low-carbon transformation initiatives seek to support the continued growth and balance of nature.

For example, the International Union for Conservation of Nature (IUCN) has listed Silver Acacia as one of the world's 100 most endangered species. TCC's Su'ao Plant and Hoping Plant have cooperated with the Department of Water Resources (DWR) to transform the silver acacia on the river in eastern Taiwan into biomass by utilizing the advanced kiln co-processing technology to process the waste wood after the acacia has been removed.

Comprehensive Care Commitment: Guided by a people-oriented philosophy, TCC cherishes the rights and interests of our stakeholders.

The Company communicates with stakeholders on climate issues and transforms the image of the cement industry.

The transformation of life and society depends on the participation of the public. This is vital in achieving net-zero emissions goals. We need to reinvent industries, energy, society, and life.

TCC adheres to the principles of openness, transparency, integration, sharing, and consolidation to deepen the understanding of external stakeholders of TCC's actions, raise the awareness of the industrial cluster, and thus enhance the image of the company. For details and results of our negotiations with stakeholders, please refer to our annual sustainability report. The following summarizes the highlights of our communication with stakeholders on climate-related issues in FY 2023.

### 1. Public Participation in Sustainability and Energy Exhibitions at Home and Abroad

- The 2024 CES International Consumer Electronics Show and 2023 Taiwan International Smart Energy Week featured innovative products that express the Company's core business. These include the patented fire-resistant and fire-extinguishing ultra-high-performance concrete EnergyArk Energy Storage Cabinet, fully electric racing car using the Company's Molicel ultra-high-power ternary lithium batteries, and the Charging, Storage, and Energy All-in-One Stabilized Grid Structure, among others. Domestic and international customers have expressed their approval for our innovative products that also obtained the Energy Taiwan & Net-Zero Taiwan Sustainability Award and the Popularity Award.
- Low Carbon Building Materials Special Exhibition and at the 2023 Taipei International Building Materials and Products Exhibition: Since October 2023, we have been showcasing the low carbon building materials on the first floor of our headquarters, and we welcome everyone to visit our exhibition.

This permanent exhibition starts with the international carbon trend issue, enabling visitors to understand the relationship between carbon and cement, and recognize the importance of "carbon reduction in construction".

The exhibition further demonstrates the two major solutions we have already developed: Cement Products - Low Carbon Cement, UHPC and Total Solution. This special exhibition of low-carbon building materials was also displayed at the Taipei International Building Materials Exhibition in December 2023, to convey our carbon reduction concepts to customers in the hope that we can work together with them to reduce carbon emissions.

- Asia Pacific Sustainability Expo 2023: As one of the leading sustainability organizations in Taiwan, we were invited by the Taiwan Sustainable Energy Research Foundation (TSERF) to communicate with the public about our biodiversity and three core businesses: Low-carbon Building Materials - helping to reduce carbon emissions in construction, Resource Recycling - an urban purifier, building a comprehensive low-carbon EV City, and Earth Helper Initiative - Finding Green Feet at TCC's booth, and Biodiversity - Witnessing the future of low-carbon EV cities.

### 2. Community - Carbon Reduction Parent-Child Passbook Program: From the roots of education, joining hands in the low-carbon transition

The company launched Taiwan's first Carbon Reduction Parent-Child Passbook Program among an indigenous people in Hualien, the site of the TCC Hoping Plant. Through a reward mechanism, the program guides parents to accompany their children to develop the habit of taking daily reducing carbon emissions and instill a greater awareness of carbon reduction.

The Hoping Carbon Reduction Parent-Child Passbook Program encourages tribal children to reduce carbon emissions through three practices: reducing food waste and recycling after school lunches, dropping off used batteries, shaker cups, aluminum cans, and PET bottles at TCC's DAKA Park, and making lifestyle changes at home to conserve energy and reduce carbon emissions.

Students and parents can then use the "carbon coins" accumulated in their carbon reduction passbooks to "trade" with the TCC Hoping Factory for green products that bear the government's green label - such as school bags, sneakers, beverages, and toilet paper. This program helps tribal schoolchildren become more willing to conserve energy and reduce carbon emissions in their daily lives. In 2023, the program was expanded from the Hoping Area to the elementary school of the Su'ao area in the hope of making the concept of carbon emissions take root among its students and work with the community to reduce emissions together.

### 3. Company Staff: Diversified channels to enhance carbon awareness and extend it to business partners.

The spirit of sustainability and our business philosophy have always been important issues in our internal communication. Our company is committed to establishing a culture of sustainability, and have it ingrained into our DNA. We communicate this value of sustainability through a variety of channels and methods, including the following:

- Internal ESG Education and Training (Carbon Academy and Sustainability Passport): This year, we have created Carbon Academy classes that include greenhouse gas inventory and carbon footprint, and we look forward to offering these to the teams in charge of each plant and to the supply chain. We have also organized consensus-building camps for middle and senior executives as well as the general managers of each plant on carbon issues to enhance the executives' awareness of climate change. The TCC Sustainability Learning Passport will be used to share weekly sustainability knowledge and organize sustainability action proposals for all employees, so that they are always in touch with the latest sustainability trends and climate-related information.



- Quarterly Town Hall Meetings, Labor Management Meetings, Labor Union Meetings and Employee Benefit Conferences: These meetings serve as opportunities for the Chairman of the Board of Directors, managers at all levels, and all employees to interact with each other, solicit employee opinions and feedback through face-to-face communication, and directly communicate the importance of and plans for the company's sustainable development.
- Monthly Decision Making Meeting: Chaired by the Chairman of the Board of Directors of the Company, the meeting is attended by the President, Vice Presidents, middle and senior executives of each department, as well as the General Managers of the Taiwan and overseas factories, with nearly 40 participants. The topics covered are the discussion and review of the Company's current strategies and the issues of corporate social responsibility and sustainability.

### 7.6.7 Expected Benefits and Possible Risks of Mergers and Acquisitions

- (1) In order to expand the group's electric vehicle infrastructure deployment in Portugal, ATLANTE S.R.L., a subsidiary of the enterprise group, announced on December 15, 2022 that it planned to acquire 100% of the shares of the charging station construction department of Kilometer Low Cost, S.A., and planned to complete the acquisition in two stages. First, it will acquire 60% equity for 4.5 million euros, and according to the contract, ATLANTE S.R.L., a subsidiary of the corporate group, has the right to acquire the remaining 40% equity in 2024. The decision depends on the operating performance in 2023, and the price that ranges from 1.7 million euros to 6.7 million euros. The final assessment of operating performance in 2023 is expected to be completed by the end of 2024, at which time the amount for the acquisition of the remaining 40% equity can also be confirmed.
- (2) Taiwan Cement (Dutch) Holdings B.V. (hereinafter referred to as TCC Dutch), a subsidiary of the Group, and Oyak Capital Investments B.V. established a new investment company, TCC Oyak Amsterdam Holdings B.V. (hereinafter referred to as TCAH).

TCC Dutch acquired 60% of TCAH's shares for 201 million euros. TCC Dutch originally planned to indirectly increase its investment in Oyak Denizli Çimento Anonim Şirketi (hereinafter referred to as OyakDenizli) and had already entered into an agreement with OyakDenizli (which held 74.4% of shares) at the end of December 2023. The merger will be completed early 2024.

Oyak F will become the surviving company and Oyak Denizli will be dissolved. By acquiring shares in TCAH, TCC Dutch will thus increase its indirect shareholdings in Oyak F by about 75.8%.

TCC Dutch also increased its shareholdings in Cimpor Portugal Holdings SGPS S.A. (hereinafter referred to as Cimpor) to 100% by increasing its shareholding in its wholly-owned subsidiary Taiwan Cement Europe Holdings B.V. (hereinafter referred to as TCCE) with an investment of 419.7 million euros.

On March 6, 2024, the total investment amount of 621 million euros, plus settlement expenses were completed.

### 7.6.8 Expected Benefits and Potential Risks from the Facility Expansion

#### Cement Department:

In April 2020, we built a clinker and cement production line with an annual production capacity of 2 million tons in Shaoguan, Guangdong Province, as a base for expanding the market to the northern part of Guangdong Province. In November 2021, the kiln production line was put into operation. It was the most technologically advanced plant and the Company's first open plant in mainland China.

Equipped with a six-stage cyclone preheater and fourth-generation clinker cooler, it could effectively reduce energy consumption, and with SCR with SCR denitrification system and desulfurization tower equipment, it could also reduce air pollution emission.

In August 2022, the supporting cement kiln recycling resources co-disposal project was also put into operation. It was meant to help the local government solve environmental problems and gain benefits from the circular economy in waste reduction and carbon reduction. The water park built in the plant also welcomes residents of the surrounding villages and towns free of charge, and serves as a part of community life through the connection and dialogue between the plant and society.

#### Power and Energy Department:

In line with the government's 2025 vision of a nuclear-free home, plus the target of 20% of electricity generation drawn from renewable energy sources, the Group's Power Division, as a leader in traditional industries, has taken the step of energy restructuring and actively invested in the development of renewable energy sources.

These include the first and second phases of photovoltaic power generation totaling 12 MW, the first phase of wind power generation totaling 7.2 MW, and the rooftop photovoltaic power generation of 2.1 MW for enterprise groups. In October 2022, TCC's 43.4MW photovoltaic power generator in Yuguang, Chiayi was officially connected to the grid.

By the end of 2030, TCC plans to build a 500MW renewable energy power plant which will reduce external power consumption by one-third. TCC had initially planned to build a renewable energy power plant that could reach a capacity of nearly 100MW, with an annual power generation of nearly 200 million kWh.

In September 2020, TCC established TCC Energy Storage Technology Corporation (TCC ESC) in response to the government's plan to implement a power trading liberalization policy. In March 2021, TCC completed its 5MW AFC smart energy storage system in Changbin, the first large-scale energy storage project in Taiwan. It was essentially an initial investment in the power trading platform.

In 2021, TCC acquired 60.48% of the shares in the European energy storage company Engie EPS and became its largest shareholder. It renamed the company NHΩA (New Horizons Ahead) and strengthened NHOA's energy storage technology development to maintain renewable energy sources that supply power.

In addition to the 5MW AFC storage system already in operation in Changbin, the 10MW E-dReg smart storage system at TCC's Hoping plant passed Taipower's performance test and joined the power trading platform in March 2023.

TCC is also working at building a 35MW E-dReg in Su'ao to join the power trading platform. The 100 MW E-dReg at Lianxin, Hoping and Hualien Plant's 50 MW E-dReg have also passed Taipower's system impulse grid connection test and construction will be completed in 2023 and 2024. They are all foreseen to bring in stable revenue to the Group.

Renewable energy implies engaging in renewable energy generation projects and selling green power to the government or private companies. It is not a manufacturing business. The development of energy storage systems includes outsourcing on an OEM basis, so there is neither a plan nor a need to build or expand facilities.

The growing awareness of environmental protection and the increasing emphasis and requirements of laws and regulations have driven the Group to build new wastewater treatment units to increase the treatment capacity of wastewater treatment plants and reduce the concentration of discharged water. Another objective is to actively evaluate and understand the risks and opportunities of power plant operation in order to further improve and enhance the Company's environmental performance and ecological benefits.

The initial plans to harness ocean temperature difference for power generation from a depth of 600m of cold water, was to have a net output capacity of power generation between 1MW - 4MW with an annual net power generation to reach 8.04 - 32.16 million kWh. This could increase the Heping Plant's capacity to reduce carbon dioxide by 6.67 - 26.7 million tons. This would be the world's first power generation from ocean temperature difference.

**7.6.9 Risks Associated with Purchase and Sales Concentration:** None.

**7.6.10 The Impact of a Significant Transfer or Replacement of Shares by Directors, Supervisors, or Major Shareholders Holding More than 10% of the Shares on the Company:** None.

**7.6.11 The Impact and Risks Associated with Changes in Ownership or Control:** None.

### 7.6.12 Litigations or Non-Litigations

As of the end of 2023 and the publication of this annual report, significant lawsuits, non-litigations, or administrative disputes relevant to the Company that have been determined or are pending: None

As of the end of the 2022 and the publication date of this annual report, significant lawsuits, non-litigations, or administrative disputes that have been determined or are pending involving the Company's directors, general manager, substantial controlling shareholders with more than 10% ownership, or subsidiaries that may have a significant impact on shareholder equity or securities prices:

| Company Name           | Ho-Ping Power Company (HPPC)  |                       |            |
|------------------------|---|-----------------------|------------|
| Details of the Dispute | The Fair Trade Commission (FTC) imposed a fine on HPPC for violating Article 14 of the Fair Trade Act, regarding domestic private power companies.  | Litigation Start Date | March 2013 |
| Value of the Claim     | NT\$1.35 billion  | Parties Concerned     | HPPC/ FTC  |
| Status                 | <p>1. In November 2013, the FTC made its second disposition, amending the penalty for HPPC to a fine of NT\$1.32 billion.</p> <p>2. This case was respectively annulled by the Supreme Administrative Court on June 30, 2015, and September 6, 2018, and was remanded to the Taipei High Administrative Court for further review. Later, on May 13, 2020, the Taipei High Administrative Court, in its second appeal (Case No.: 2018-Su-Zi-116), again revoked the FTC's disposition. However, the FTC appealed again, dissatisfied with the ruling. The Supreme Administrative Court on August 11, 2021, dismissed HPPC's claim from the original trial (Case No.: 2020-Shang-Zi-864). Dissatisfied with the aforementioned final judgment, HPPC legally filed for a retrial with the Supreme Administrative Court, which, in February 2023, rejected the part of the plea regarding concerted actions while transferring the part regarding the competition relationship to the Taipei High Administrative Court.</p> <p>3. HPPC, due to a Fair Trade Act incident in 2014, challenged the FTC's disposition No. 103090 dated July 10, 2014, by filing a request for appeal. The proceeding of the temporary suspension of the appeal was halted because the administrative lawsuit had been finalized by the Supreme Administrative Court's judgment No. 2020-Shang-Zi-864, and the Executive Yuan subsequently dismissed this appeal case. Following this, HPPC legally filed a lawsuit with the Taipei High Administrative Court.</p> <p>4. Based on the principle of prudence, HPPC had already provisioned for the related losses in the fiscal year 2012 and had paid the full amount by June 30, 2019.</p> |                       |            |

| Company Name           | HPPC   |                       |                |
|------------------------|--|-----------------------|----------------|
| Details of the Dispute | Taiwan Power Company (Taipower) has filed a civil lawsuit request with the Taipei District Court.  | Litigation Start Date | November 2015  |
| Value of the Claim     | NT\$1,755.216 million  | Parties Concerned     | HPPC/ Taipower |
| Status                 | In November 2015, HPPC received notice that Taipower had filed a civil lawsuit with the Taipei District Court over the same issue as the aforementioned administrative litigation. In May 2020, the claim amount was reduced from the original NT\$5,268 million to NT\$1,755.216 million. On May 12, 2021, the Taipei District Court ruled to dismiss Taipower's lawsuit. Dissatisfied, Taipower appealed the decision, and on January 24, 2024, the Supreme Court issued a judgment remanding the case to the Taiwan High Court. |                       |                |

### 7.6.13 Other Significant Risks

- (1) The era of carbon pricing is coming, and its impact on enterprises is no longer future-oriented, but part of the 'now'. TCC is developing low-carbon building materials and constructing green energy, energy storage and other charging service applications, expanding its industrial layout into international markets and solidifying its international carbon competitiveness.

In response to global net-zero and carbon reduction requirements, the United Nations has stipulated that the amount of carbon contained in buildings must be reduced by 40% by 2030. At the same time, Taiwan's Ministry of Environment is launching a carbon fee system in 2024.

In 2023 TCC took the lead among domestic cement companies in launching a full range of low-carbon products, including Taiwan's lowest-carbon branded low-carbon cement-Portland Limestone Cement, TCC Portland Limestone-Cement Concrete, and UHPC Low-carbon and high-quality building materials, to jointly respond to the goal of achieving carbon reduction and moving towards low-carbon cities.

In addition, since 2018 it has moved beyond the Greater China region and started expanding its business into Europe and Africa, starting from Turkey. In November 2023 TCC announced that it would expand its shareholdings in Turkey's OYAK and Portugal's Cimpor Cement and planned to increase its shareholding in OYAK Cement from 40% to 60%, and its shareholding in Cimpor, a re-invested company, from 40% to 100%.

TCC's expansion of shareholdings is a part of its main focus on the world-leading low-carbon cement R&D and production technologies of OYAK Cement and Cimpor Cement. In response to low-carbon regulations and needs of different markets around the world, TCC will also promote technology reciprocity and exchanges within the group.

In addition to developing low-carbon building materials, TCC acquired NHOA, an Italian energy storage company, in 2021 to carry out energy storage, charging pile construction and charging services, and green power transfer.

In line with the Group's carbon reduction and greening strategy, it is integrating the industrial chain and creating new product and service models that combine the fireproof and weather-resistant advantages of low-carbon ultra-high-performance concrete with TCC's large power battery manufacturing and smart energy storage systems. The objective is to develop innovative products like EnergyArk Energy Storage Cabinets and urban low-carbon green energy solutions. It is the only business in Taiwan that targets the entire life cycle of a building—with low-carbon building materials in the construction phase, green power energy storage in the

usage phase, green power transfer after the building is completed, and resource recycling after a building is demolished.

The TCC Group integrates core resources and an international layout to comprehensively enhance its competitive advantages in the era of carbon revolution and move towards comprehensive solutions for net-zero cities.

**(2) Taiwan's first company to successfully issue green ECB worth NT\$13.5 billion, while receiving one of the top three international credit rating company's ratings - Fitch Ratings' BBB - with a stable outlook. In addition, its green content is recognized by many overseas ESG investors.**

TCC released its Green Financing Framework in September 2023 and obtained a Second Party Opinion (SPO) from Sustainalytics, an international agency which evaluates ESG indicators, recognizing its work as meeting green standards. TCC is the first Taiwanese company to announce a green financing framework and related second-party opinions to the international market.

Following this, in October 2023 TCC completed the simultaneous issuance of a total equivalent to approximately NT\$26 billion, including US\$384.7 million in global depositary receipts (GDRs) and US\$420 million in green unsecured euro-convertible corporate bonds (Green ECBs).

This international financing also set three new records:

1. The financing case was the largest dual financing case of GDRs and ECBs successfully issued in Asia in the past two years;
2. This was also the first time in Taiwan that a domestic company successfully issued green overseas convertible bonds certified by Sustainalytics, an international institution;
3. The financing case is one of the few cases in Asia in recent years that received a subscription rate of more than double digits from Long Only funds and ESG investment institutions.

In addition, Fitch Ratings, one of top three major agencies in the global capital rating market, approved for the first time in December 2012 the long-term unsecured US-dollar bond international credit of TCC as BBB- with an outlook of "Stable" rating, making it an "international investment grade" credit rating.

This credit rating report was mainly based on TCC's leading position in the cement markets of Taiwan, Turkey and Portugal and its important position in the cement market in the southern and southwestern provinces of mainland China. At the same time, its subsidiary Ho-Ping Power Company has maintained stable profits and cash flow as well as moderate to medium liabilities.

This report confirmed that under the increasingly stringent carbon emission standards and the imposition of future carbon fees, TCC's investment in energy conservation and carbon reduction and its upgrades of equipment and technology in the mainland cement industry will also help improve its competitiveness.

The report mentioned that TCC has made profits in its renewable energy business, its European subsidiary NHOA Energy's global general contracting and construction energy storage (EPC) business; moreover, TCC Energy Storage's EBITDA is expected to be positive.

TCC's inclusion of green attributes has been recognized by overseas ESG investors. Issuing green unsecured ECBs has obtained international Investment-Grade credit ratings, which helps the Company optimize its procurement terms in the international market and issuance conditions in the international bond market. It also enhances the visibility in the international capital market, optimizes shareholder composition, as well as strengthens the Company's balance sheet.

**(3) Pay attention to social communication and the rights and interests of residents in mining areas, proactively initiating tribal consultations and obtaining high rates of approval.**

In January 2020 TCC opened the Hualien Hoping Cement Factory as Taiwan's first large-scale heavy industry factory to be open to the public 24 hours a day - TCC DAKA. DAKA is a showcase for TCC's core philosophy of "open the factory and bring the community in." This promotes dialogue, mutual benefit and integration with society.

In March 2022 the Wuguzi tribe and Knibu tribe in Hoping Village, Xiulin Township, Hualien County, held tribal consultations and voting. TCC received more than 82% and 97% of villagers' votes respectively in support of the Company's mining.

In 2023 the Company continued its promotion of the Dongyue tribe, native to the area where the Taibai Mountain Quarry is located. TCC initiated tribal consultation and consent in advance in accordance with Article 21 of the Basic Aboriginal Law. The process was completed on December 9, with 85% of the villagers expressing agreement.

In the process of communicating with the tribes, TCC kept a special book to record the story of the century-old cement factory of Suao Plant and its local connections to villagers of the Dongyue tribe. It explained in detail that the Company has continued to work with Yilan University on a local Taibai Mountain project.

In cooperation with Professor Huang Zhiwei of the Landscape Research Laboratory, the team took a slow-working ecosystem restoration method to overcome a local karst terrain that made water retention difficult, and rebuilt the entire original ecosystem. In addition, the Company also explained its extremely rigorous soil and water conservation plan to the villagers in an easy-to-understand manner to ensure residential safety for the residents. It also further conducted mining area inspections and exchange activities with the villagers of Dongyue Village to alleviate the concerns of nearby residents about environmental safety and to promote neighborhood interaction.

Education has always been the basis for upgrading and changing the next generation of society. Following this reasoning, TCC and local primary schools launched the Shimin Academy. In addition to mathematics and English, the school independently plans and offers art courses such as archery, dance, and aboriginal drama. Through acting, children not only learn their mother tongue, they also learn about tribal culture.

In 2023 TCC began integrating carbon reduction issues, promoting a low-carbon parent-child passbook plan, and joined hands with the community to achieve low-carbon transformation. In terms of technical and vocational education, TCC provides career training certificates and funds for subsidies and scholarships, school transportation subsidies and other resources, and cooperates with local high schools to set up special classes to cultivate talents in electrical and mechanical fields.

As for tribal care, in addition to three festival gift funds, TCC has also established a foundation to set up emergency relief funds and funeral subsidies, transportation subsidies for medical treatment, and electricity bill subsidies for the elderly; in 2023 TCC entered the field of tribal services with a zero-distance "home repair" method. Residential repairs are not just about entering the home: chats and explanations during the repair process are more like a form of care and mutual help among friends.



## 7.7 Disclosure of Sustainability-related and Climate-related Financial Information

The latest Planetary Boundaries report (Planetary Boundaries, 2023) notes that human activities have seriously eroded the stability of the Earth's systems since the industrial revolution. The report finds that six of the nine boundaries are transgressed, including climate, ecology, land, fresh water, ocean and biological cycle. All nine boundaries are interrelated, and among them, climate change and biosphere integrity are the core keys. If either one of these two limits only experiences a breakthrough in its critical value, it will be enough to completely change the Earth's system.

Taiwan Cement, ticker number 1101 as Taiwan's first listed company, carries a heavy industrial mission and responsibility. The Group has adopted the three core businesses of the sustainable development route, committing itself to developing low-carbon construction materials, advancing green energy, and implementing resource recycling. Operations throughout the firm actively work to reduce carbon while innovating green products and services to become an enterprise that helps all people reduce their carbon footprints. In response to the international trend of financializing sustainability information, TCC adopted the IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information" and IFRS S2 "Climate-related Disclosures" issued by the International Sustainability Standards Board (ISSB) under the IFRS Foundation to serve as guidelines to optimize its ESG disclosures. According to the Financial Supervisory Commission's "Roadmap for Taiwan listed companies to align with IFRS Sustainability Disclosure Standards", TCC is one of the listed companies that will apply the standards for the first time in 2026. To effectively and smoothly transition to the standards, preparatory work for the standards will be conducted starting from the year 2024. Additionally, this year, TCC will refer to the IFRS S1 and S2 published by the ISSB for relevant disclosure, with the aim of gradually reviewing and adjusting the disclosure content to make it more complete.

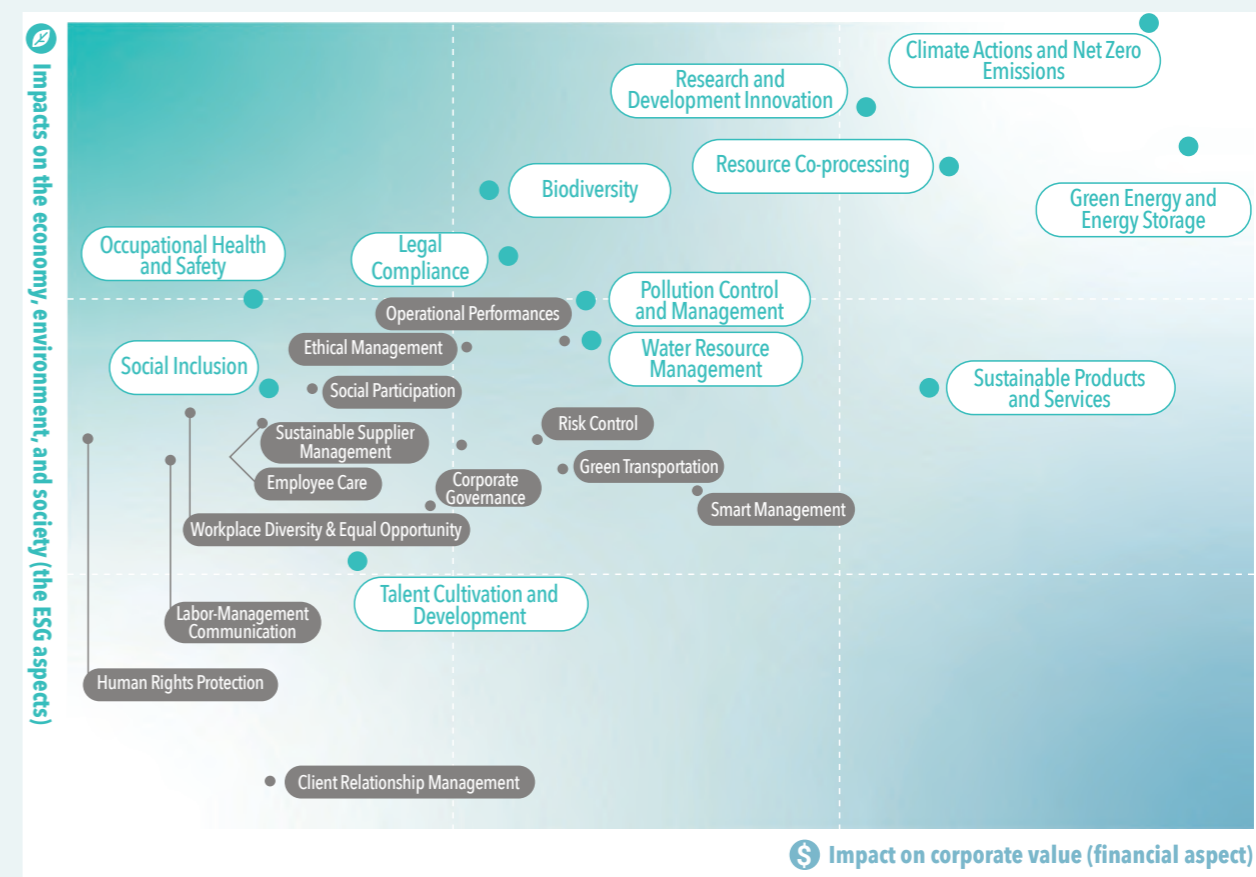
### 7.7.1 Identifying Results of Material Sustainability Topics with Double Materiality

For the first time this year, TCC has adopted the "Double Materiality" principle of analysis and followed the GRI Universal Standards 2021 to identify material sustainability topics. By organizing workshops on material topic identification and conducting surveys, TCC investigated the opinions of various stakeholders on sustainability issues. Considering the "impact on company value" and the "impact on the economy, environment, and human rights" of each sustainability issue, we comprehensively assess the positive and negative impacts of sustainability issues from both internal and external organizational perspectives. Based on the impact level and the probability of occurrence, TCC identifies the material sustainability topics for this year. After standard measurement and management decisions, the material sustainability topics for 2023 are ranked according to their impact magnitude. This ranking serves as the basis for the company's sustainability development strategy planning and is also the foundation for sustainability disclosure information. Through the Double Materiality analysis, TCC has identified 8 sustainability topics of high significance that impact both "company value" and "economic, environmental, and social aspects, including human rights." These topics include "Climate Actions and Net Zero Emissions," "Resource Co-processing," "Green Energy and Energy Storage," "Research and Development Innovation," "Sustainable Products and Services," "Biodiversity," "Legal Compliance," and "Workplace Health and Safety." Additionally, considering that "Pollution Control and Management" and "Water Resource Management" have a higher negative impact on the economy, environment, people, and human rights, and are also key disclosure points for various sustainability disclosure standards, they have been incorporated into this year's material sustainability topics. Furthermore, with the people-oriented spirits, TCC commits to employee inclusion and social well-being. Through discussions and decisions made by the Board of Directors, "Talent Cultivation and Development" and "Social Inclusion" have been incorporated into this year's material topics.

Through the aforementioned analysis and evaluation, TCC has identified a total of 12 material sustainability topics in the year 2023. The results of the identification are reported to the Board of Directors, who are

responsible for overseeing and monitoring the subsequent development and achievement of goals related to material sustainability topics. This includes setting goals for material sustainability topics and linking these goals to the compensation of senior management levels.

Materiality Matrix





## 7.7.2 IFRS S1 and S2

Starting from the perspective of the primary users of general-purpose financial reports (including existing and potential investors, lending banks, and other creditors), and based on the results of the aforementioned double materiality analysis and strategic development focus, TCC has selected "Climate Actions and Net Zero Emissions," "Green Energy and Energy Storage," and "Sustainable Products and Services" as the three material sustainability topics. Then in accordance with the IFRS S1 and S2, TCC identifies sustainability-related and climate-related risks and opportunities that could reasonably be expected to affect TCC's prospects. And for the primary users of general-purpose financial reports, TCC discloses significant effect on sustainability-related and climate-related risks and opportunities. The financial impact amounts mentioned, unless specifically stated otherwise, are consistent with the company's consolidated financial statements and are expressed in the functional currency, New Taiwan Dollar (NTD). For foreign currency transactions involving exchange rate conversion methods, please refer to the significant accounting policies in our consolidated financial statements.

### 7.7.2.1 Governance

The Board of Directors is the highest decision-making body overseeing sustainability and climate issues at TCC. Members of the TCC Board of Directors, through their experience in management and risk management, environment, climate change, and sustainability, provide insights that contribute to addressing climate change and sustainability challenges. Additionally, through annual director training, the knowledge of board members regarding sustainability and climate issues is enhanced.

In 2018, the Board of Directors of TCC established the "Corporate Sustainable Development Committee," with the "TCC Corporate Sustainable Development Committee Charter" being set. In 2021, it was elevated to a functional committee. The Corporate Sustainable Development Committee is responsible for approving and supervising the sustainability initiatives of TCC, including climate governance and low-carbon issues. The committee holds at least two meetings annually and reports to the Board of Directors. Through the content reported to the Board of Directors by the Corporate Sustainable Development Committee, the Board can confirm the company's sustainability development and ESG management policies, supervise, and track the implementation and performance goals achievement status of TCC's sustainability development.

In May 2020, the Board of Directors resolved to establish a "Risk Management Committee" and formulated the "TCC Risk Management Committee Charter" and the "Risk Management Policy and Principles." The President is the highest management officer responsible for climate-related issues. TCC Risk Management Committee regularly identifies and manages the risks associated with corporate operations, including the physical and transitional risks that may arise from climate change, and leads the planning of relevant response measures. TCC Risk Management Committee and the Risk Management Working Group execute the risk management decisions approved by the Board of Directors. They supervise the establishment of the framework for TCC's risk management mechanism, review the risk control reports presented according to internal hierarchical responsibilities, address issues related to risk management, and oversee the implementation and coordination of overall risk management operations. The Risk Management Committee presents a management execution status and Risk Control Report to the Board of Directors at least twice a year, serving as a reference for strategy, decisions on significant transactions, and the risk management process. And it oversees and tracks the review of the management team's risk management execution (including ESG and climate-related risks) and the status of performance goal achievement.

In 2023, TCC also established climate-related performance indicators and targets, which were approved by the Board of Directors. The Risk Management Committee regularly reports the status of each indicator's achievement progress to the Board of Directors. The President's compensation indicators link to work performance and also objectives such as developing a circular economy and achieving sustainability goals.

### 7.7.2.2 Strategy

Based on the aforementioned identification results, TCC has selected three material topics with important strategic implications, namely "Climate Actions and Net Zero Emissions," "Green Energy and Energy Storage," and "Sustainable Products and Services." These three topics reflect the commitments made by TCC in response to the challenges of climate change and further embody the spirit of innovation in product lifecycle and energy application. Through the selection of these issues, TCC aims to address risks related to sustainable development, while also seizing the boundless opportunities in enterprise transformation, embodying TCC's core values of "Total Climate Commitment and Total Care Commitment." TCC will proactively respond to the needs and expectations of stakeholders through various communication channels and platforms, working together to achieve the common goal of sustainable development.

TCC understands the risks and opportunities it faces in the three material topics of "Climate Actions and Net-Zero Emissions," "Green Energy and Energy Storage," and "Sustainable Products and Services" through the identification and discussion of sustainability-related and climate-related risks and opportunities. Identify and categorize the time period as short-term within 2 years (by 2025); medium-term: within 2-4 years (by 2027); and medium to long-term: more than 4-6 years (by 2030). Furthermore, establish strategic goals for 2025, 2030, and 2050.

#### [Diversity, Resilience, Growth] Summary of TCC's Sustainable Financial Performance in 2023

- **Diversity** - Carbon reduction and green investment capital expenditure accounts for 68% of the total capital expenditure: The TCC Group, spanning across Europe, Asia, and Africa, has invested in low-carbon construction materials, fully laying out the new energy industry chain, thereby diversifying its revenue streams. In the fiscal year 2023, the capital expenditure allocated to carbon reduction and green initiatives amounted to NT\$16.875 billion, accounting for 68% of the total capital expenditure of NT\$24,726 billion.
- **Resilience** - 100% funded with operations generated cashflows: In 2023, TCC's total capital expenditure accounted for less than 80% of the net cash inflow from operating activities. In the fiscal year 2023, the net cash inflow from operating activities amounted to NT\$33.75 billion, which is sufficient to fully cover the investment for low-carbon and new energy transition in the same year, while maintaining a robust balance sheet and cash flow statement.
- **Growth** - Profit attributable to the parent company grew by 48%: Continuing to invest and maintain positive profitability, the net profit for the year 2023 reached NT\$10,005 billion,, of which the net profit attributable to the parent company reached NT\$7.998 billion, representing a net profit growth of over 140% compared to the year 2022, and net profit attributable to the parent company increased by approximately 48%.

The TCC Group initiated the Green Transformation Blueprint in 2018. From core business, TCC develops three major sustainability initiatives: low-carbon construction materials, resource recycling, and green energy. Diversified management across industries and integration of international value chains. TCC has established a robust operating model and growth curve. At the end of 2023, TCC was rated by Fitch Ratings, one of the three major global capital market credit rating agencies, an "International Investment Grade" credit rating of BBB- with a "Stable" outlook. This report primarily relies on TCC's leading position in the cement markets of Taiwan, Turkey, and Portugal, as well as its significant presence in the cement markets of southern and southwestern provinces in Mainland China. It also affirms that TCC's business model can generate stable earnings and cash flow. Furthermore, in response to increasingly stringent international carbon emission standards and Taiwan's upcoming carbon fee to be levied in 2025, TCC has proactively estimated and accrued the potential expenses of Taiwan's carbon fee in the consolidated financial statements for the year 2024. In terms of new energy infrastructure, TCC's renewable energy business has started to turn a profit in 2023. The European subsidiary, NHOA, with its global Engineering, Procurement, and Construction (EPC) business in energy storage, along with the anticipated positive EBITDA cash flow from NHOA. TCC, both contribute to enhancing the overall competitiveness of TCC Group.

As the world progresses towards the Net-Zero by 2050, we have entered an era of green, large-scale competition globally. TCC's green transformation requires continuous investment, but it also brings endless opportunities for the company, building a future for TCC that is more innovative and carbon-competitive.

The financial impacts of "Climate Action and Net-Zero Emissions", "Green Energy and Energy Storage" and "Sustainable Products and Services" for the fiscal year 2023 mainly include:

Unit: in Thousands New Taiwan Dollar

|   | Climate Actions and Net-Zero Emissions | Green Energy and Energy Storage | Sustainable Products and Services | Total      | Note |
|---|--|---------------------------------|-----------------------------------|------------|------|
| Revenues  | 748,807                                | 5,817,397                       | 39,279,069                        | 45,845,273 | 1    |
| Revenues (Onyx Ta-Ho Environmental Services Co., Ltd. Included) | 3,788,519                              | 5,817,397                       | 39,279,069                        | 48,884,985 | 1    |
| Cash Inflow from EU Subsidy                                     | -                                      | 371,713                         | -                                 | 371,713    | 2    |
| Capital Expenditures  | 5,218,254                              | 11,539,175                      | 117,523                           | 16,874,952 | 3    |
| Net Cash Inflow from Operating Activities                       |  | 33,751,150                      |                                   | 33,751,150 | 4    |
| Sustainable and Green Financing Cash Inflow                     |  | 30,829,871                      |                                   | 30,829,871 | 5    |

Notes:

1. Revenues from low-carbon cement and concrete products, waste management services, storage and charging services, and renewable energy trading amounts to \$ 45,845,273 thousands, accounting for 41.94% of total revenues. Onyx Ta-Ho Environmental Services Co., Ltd., an associate company in which TCC holds a 50% stake and accounted for using the equity method, is also engaged in the provision of industrial waste and domestic waste management services. If the financials from Onyx Ta-Ho Environmental Services Co., Ltd. is included in pro forma financial statement, the total revenues will reach \$ 48,884,985 thousands, accounting for the total revenues after including Onyx Ta-Ho Environmental Services Co., Ltd is NT\$43.51%.
2. In September 2022, NHOA secured a grant of €22,700 thousands from the "Connecting Europe Facility" (CEF Fund), which is allocated for the construction of 215 pure green electricity charging points across four European countries. In year 2023, a total of \$ 371,713 thousands (€11,350 thousands Euros) in grants was received, resulting in an increase in cash inflow. NHOA's subsidiary, ATLANTE S.R.L (ATLANTE), is dedicated to the development of fast and ultra-fast charging networks for electric vehicles, aligning with the European Union's transport infrastructure funding programs. In September 2023, ATLANTE was granted sponsorship by the EU CEF Fund, expecting to receive a subsidy of \$1,695,602 thousands (€49,900 thousands euros)
3. To reduce carbon emissions and enhance green initiatives, TCC continuously upgrades equipment and optimize technology efficiency. Additionally, TCC invests in the energy sector and installs renewable energy equipment. The total capital expenditure for these initiatives amounts to \$16,874,952 thousands, accounting for 68.25% of the total capital expenditure. The total amount of these capital expenditures is fully covered by cash generated from operating activities.
4. The company's net cash inflow from operating activities is \$33,751,150 thousands, which is sufficient to fully cover capital expenditures. The remaining free cash flow also has sufficient surplus to cover dividends and interest expenses. In addition to supporting sustainability, TCC also robustly addresses sustainable business operations.
5. Actively participate in green and sustainable finance, obtaining sustainable and green financing lines of \$95,734,509 thousand and overseas green convertible bonds (ECB) of \$13,473,544 thousand, which actually caused the cash inflow of financing activities to increase by \$30,829,871 thousands.

The strategies that TCC uses to manage sustainability-related /climate-related risks and opportunities in "Climate Actions and Net-Zero Emissions," "Green Energy and Energy Storage," and "Sustainable Products and Services" are detailed in the table below.

Material Topic 1: Climate Actions and Net-Zero Emissions

|  |   | 1   | 2                         |
|--|---|---|---------------------------|
|  |   | Current and anticipated effects of sustainability related risks and opportunities on the entity's business model and value chain  | Time period               |
| Sustainability-related and Climate-related Risks         | <b>Climate-related transition risks</b> <ul style="list-style-type: none"> <li>Cap-and-Trade system</li> <li>Carbon fees and carbon taxes</li> </ul>  | The implementation of carbon trading, carbon taxes, or carbon fees in various countries has led to an increase in the cost of cement operations, which will affect the operations of the value chain itself as well as downstream industries such as construction and ready-mix concrete businesses. It is expected to pose a risk of decline in profitability for TCC or result in increased purchasing costs for downstream customers.  | Short-term                |
|  | <b>Climate-related physical risks</b> <ul style="list-style-type: none"> <li>Droughts and floods</li> </ul>   | Water is an important raw material for the production of concrete. Drought disasters not only affect the normal water usage at production sites but also severely impact the concrete production and sales operations within value chain. The operation of a waste heat recovery system in a cement plant also requires a significant amount of cooling water. Drought conditions will lead to the inoperability of waste heat power generation, which will increase the demand and cost for purchased electricity. For downstream distribution, drought conditions will also affect some operational bases that rely on waterway transportation. Additionally, with the increasing frequency of extreme rainfall events, the risk of flooding at TCC's production sites has also risen, particularly affecting the operation of the cement business. TCC's main cement and concrete production bases are located in Taiwan and Southern part of Mainland China. From April to September each year, the rainy season often brings sudden heavy rainfall, which may cause damage to production or transportation equipment, resulting in additional operating costs and the risk of operational interruptions. | Short- to medium-term     |
| Sustainability-related and Climate-related opportunities | <b>Climate-related opportunities</b> <ul style="list-style-type: none"> <li>Exploration of the market for low-carbon products</li> <li>Smart low-carbon production and waste co-processing</li> <li>Installation of new energy projects</li> <li>Involvement in the electricity trading market</li> <li>Application of the oxygen enriched combustion and oxy-fuel combustion technologies to carbon capture and reuse</li> </ul> | TCC centers its core strategy on carbon reduction and green growth, advancing 3 core business: low-carbon construction materials, resource recycling, and green energy <sup>1</sup> . By adopting seven strategies, including carbon reduction for basic construction materials, new energy charging/storage optimization, and carbon negative technologies, TCC aims to expand growth momentum within its own operations in the value chain, enhance the "green content" of the enterprise, and seize the green business opportunities brought about by climate change. Including: <ul style="list-style-type: none"> <li>Low-carbon Construction Materials: Exploration of the market for low-carbon products</li> <li>Resource Recycling: Smart low-carbon production and waste co-processing</li> <li>Green Energy: Installation of new energy projects; involvement in the electricity trading market</li> <li>Carbon Negative Technologies: Application of the oxygen enriched combustion and oxy-fuel combustion technologies to carbon capture and reuse</li> </ul>   | Short to medium-long term |

Note:

1. "Low-carbon construction materials" and "Green energy" are further elaborated under the material topics of "Green Energy and Energy Storage" and "Sustainable Products and Services."

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|  |  | Resilience   |
|  |  | <b>Scenario<sup>2</sup></b> <p><b>[Internal carbon pricing in TCC's cement business]</b> TCC refers to the "Options for Carbon Pricing in Taiwan" published by the London School of Economics, setting an internal carbon price for TCC Taiwan at NT\$300 per ton of CO<sub>2</sub>e. For the cement business in Mainland China, assuming the inclusion of carbon emissions trading within the cement industry, an internal carbon pricing has been set with a reference of RMB\$ 101 per ton of CO<sub>2</sub>e.</p> <p><b>[Carbon pricing scenario]</b> TCC considers three climate scenarios, including the International Energy Agency (IEA) STEPS (Stated Policies Scenario), APS (Announced Pledges Scenario), and NZE2050 (Net Zero Emissions by 2050) scenarios. TCC analyzes that the impact of carbon pricing on finances will continue to increase from 2024 to 2030.</p> <p><b>[TCC's Net Zero Pathway by 2050]</b> TCC sets net-zero pathway for 2050 through the use of the MIT En-ROADS open-source model, ISO IWA 42 guidelines for net-zero, and the Science Based Targets (SBT) for carbon reduction.</p> <p><b>Adaptive capacity</b></p> <p><b>[Co-processing technology and cross-industry services]</b> TCC can take advantage of the high temperature, high turbulence, and high retention characteristics of cement kilns to carry out the scientifically recognized and effective "cement kiln co-processing" technology. This process makes waste harmless and recycled, allowing it to be reused as an alternative raw fuel for cement, thereby achieving carbon reduction and reducing the use of fossil fuels. Furthermore, it helps to establish a cross-industry circular economy model.</p>   |
|  |  | <b>Scenario<sup>2</sup></b> <p><b>[Introducing a climate physical risk database]</b> TCC Utilizing meteorological observation data, such as rainfall and temperature data from the Central Weather Bureau, global climate simulation data from IPCC AR6-CMIP6, and Taiwan's climate change projection information and adaptation platform (TCCIP) AR6 downscaled climate projections. Additionally, research is conducted on disaster definitions from domestic and international official institutions, such as the maximum consecutive days without rainfall for drought risk, Standardized Precipitation Index (SPI), and others.</p> <p><b>[Drought and flood scenarios, along with historical data on property damage at the plant site]</b> TCC selecting the low emission mitigation scenario (SSP1-2.6) and the high emission impact scenario (SSP5-8.5), TCC assesses the flood and drought risk levels of cement business locations in Taiwan and Mainland China. At the same time, by supplementing with past financial loss/expenditure data caused by flooding or water shortage in the plant sites, TCC evaluates the related financial impacts.</p> <p><b>Adaptive capacity</b></p> <p><b>[Enhance water recovery]</b> TCC has installed water storage tanks, shaft reclaimed water system, cooling water recovery systems, and sedimentary ponds in its plants to enhance the efficiency of water recovery and reuse. Additionally, in the mining areas, the introduction of solar-powered micro-irrigation systems and rainwater harvesting systems strengthens the recycling and reuse of water for rehabilitation purposes.</p>   |
|  |  | <b>Adaptive capacity</b> <p><b>[The market share of the product is steadily increasing]</b> In 2022, TCC's cement production capacity reached 74.43 million tons, ranking 11th in the world. The market share in the cement and concrete markets in Taiwan and Mainland China has been steadily growing. Since 2018, TCC has expanded our international layout beyond the Greater China region, entering the low-carbon cement markets in Europe, Asia, and Africa. In 2024, TCC increases investments in OYAK and Cimpor Cement companies, which is expected to position us as one of the few global suppliers capable of providing the lowest carbon cement.</p> <p><b>[Carbon Reduction and Green Operation Layout]</b> Considering the current technology, the cement industry still faces challenges in achieving carbon neutrality on its own. Based on the foundation of reducing carbon and increasing green initiatives, TCC has actively engaged in the green energy business since 2017. In 2018, TCC expanded its energy operations both domestically and internationally. Currently, its business footprint spans across five continents and 13 regional markets, including energy storage and charging businesses in Europe and Australia, continuously increasing the "green content."</p> <p><b>[Cross-disciplinary business integration]</b> TCC is currently the only company in Taiwan capable of offering a comprehensive "Low-Carbon New Energy Integration Solution" for the entire lifecycle of a building. This includes low-carbon construction materials during the construction phase, green electricity and energy storage setup, green electricity supply after the building is completed, and waste management after the building is demolished. TCC provides customers with a complete package and carbon knowledge services for the building lifecycle, helping to address various pain points that corporate clients encounter in their transition to net-zero.</p> |

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|  |  | Resilience   |
| Sustainability-related and Climate-related Risks         | <p><b>Climate-related transition risks</b></p> <ul style="list-style-type: none"> <li>• Cap-and-Trade system</li> <li>• Carbon fees and carbon taxes</li> </ul>  | <p><b>[Internationally certified cement and concrete laboratories with TAF accreditation]</b> To enhance the control over the quality of alternative fuels and their carbon reduction benefits, TCC has established the TAF-certified Low-carbon R&amp;D Center. This center is equipped with laboratories for thermal studies, chemistry, permeability and durability, and carbon-neutral material testing. It has the research and development capacity for alternative fuel investigation, low-carbon cement and concrete development, quality control, and educational training. In conjunction with the AI carbon reduction management platform developed in-house, TCC Low-carbon R&amp;D Center provides cement plants with optimized recommendations for the use of alternative fuels.</p> <p><b>[Expand the adoption of AI technology and recruit talent]</b> TCC has implemented AI technology to enhance process efficiency and cultivate a talent pool of AI experts.</p> <p><b>[Operational, supply, and raw material advantages]</b> To strengthen the sourcing and cost control of alternative materials, TCC has further established an environmental technology company. TCC has set up recycling resource utilization centers at TCC DAKA and TCC's cement plants in Mainland China, where domestic waste is processed and its thermal energy is reused, thereby enhancing procurement competitiveness.</p> <p><b>[Comprehensive green finance framework]</b> TCC has released the "Green Finance Framework" and obtained the second-party opinion approval from Sustainalytics, an international ESG rating agency. This prepares for the future issuance of green bonds or green loans in the international debt capital markets. The funds raised are expected to be invested in projects related to green and sustainable development.</p> |
|  | <p><b>Climate-related physical risks</b></p> <ul style="list-style-type: none"> <li>• Droughts and floods</li> </ul>   | <p><b>[Develop Water Footprint Management Platform]</b> TCC adopted self-developed water footprint management platform, which monitors data of water withdrawal, consumption, recycling, and discharge. Despite calculating water recovery rate in real-time, the system can also compare consumption intensity with other cement companies to strengthen TCC's water management.</p> <p><b>[Flood Control Contingencies and Natural Disaster Insurance]</b> To address flooding disasters, TCC has constructed detention basins and sedimentary ponds, and installed 2-meter physical earth embankments on the slopes of mining areas. These measures effectively mitigate the impact of floods and enhance the flood protection capabilities of both the plant and mining areas. At the same time, all of TCC's RMC plants have established emergency response measures. Cement plants have further developed typhoon and flood response plans to fully address potential flood disasters. Additionally, a flood prevention team has been established within the plant area to conduct regular drills and strengthen inspections, ensuring a rapid and effective response when floods occur. To further reduce risk, high-risk critical equipment is insured against natural disasters to address potential property losses.</p>   |
| Sustainability-related and Climate-related opportunities | <p><b>Climate-related opportunities</b></p> <ul style="list-style-type: none"> <li>• Exploration of the market for low-carbon products</li> <li>• Smart low-carbon production and waste co-processing</li> <li>• Installation of new energy projects</li> <li>• Involvement in the electricity trading market</li> <li>• Application of the oxygen enriched combustion and oxy-fuel combustion technologies to carbon capture and reuse</li> </ul> | <p><b>[Targeting long-term investors]</b> The company highly values the composition of shareholders and the visibility in international markets. By raising funds through international capital markets, obtaining international investment-grade credit ratings, and other diverse and flexible financing channels, TCC aims to increase long-term investors and optimize the issuance conditions in the international bond market. At the same time, TCC actively revitalizes assets and emphasize on self-research and development capabilities as well as smart management.</p> <p><b>[The capacity of turning wastes into resources]</b> TCC has invested in the establishment of a joint venture, " Onyx Ta-Ho Environmental Services Co., Ltd.," which possesses expertise in waste collection and management. This collaboration aims to assist cement plants in establishing an optimized waste transportation model and alternative material resources through cross-industry collaboration.</p>   |

Note:

2. Climate scenarios involve assumptions related to social, economic, or political factors. The difficulty in predicting these factors increases the uncertainty in scenario analysis and resilience assessment, which may subsequently require reevaluation.

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|  |  | Strategy and decision-making responses  |
|  |  | <p>To effectively mitigate the impact of carbon trading/carbon fees/carbon taxes, TCC has implemented several measures aimed at reducing greenhouse gas emissions. The initiatives and the corresponding greenhouse gas categories are described as follows:</p> <p>(1) GHG Scope 1, 2 and 3</p> <ul style="list-style-type: none"> <li>• Plan and set science-based carbon reduction targets aligned with the 1.5-degree pathway</li> <li>• Establish sustainability business coordination unit</li> <li>• Establish ESG Data Management System</li> <li>• Implement internal carbon pricing management and internal carbon trading mechanisms</li> </ul> <p>(2) GHG Scope 1 and 2</p> <ul style="list-style-type: none"> <li>• Implementing seven strategies (including: Alternative Raw Materials; Alternative Fuels; Equipment &amp; Process Enhancements; Power Generation by Waste Heat Recovery; Renewable Energy Installation; Energy Storage, Power Cells, and Charging Services; Carbon Negative Technologies-Carbon Capture, and Carbon Sink)</li> </ul> <p>(3) GHG Scope 1 and 3</p> <ul style="list-style-type: none"> <li>• Introducing EV electric mining trucks and low-carbon vehicles</li> <li>• Initiate the collection and guidance of supplier carbon emission data</li> </ul>   |
|  |  | <p>TCC plans to implement a Business Continuity Plan (BCP) to address potential impacts from natural disasters and to enhance water resource management during operations. This includes reducing the demand for purchased water to mitigate the potential impacts of drought. The measures include the implementation of the ISO 46001 Water Efficiency Management System, the AWS International Water Stewardship Standard, and other systems. TCC is evaluating the establishment of sedimentary ponds and rainwater recovery pipelines to increase the amount of rainwater collected, as well as the introduction of a MBR treatment system to filter and reuse domestic wastewater generated within the plant. In response to the heavy rainfall brought about by climate change, TCC has also raised the height of solar panels and storage equipment to mitigate potential flood impacts.</p>  |
|  |  | <p>(1) Low-carbon Construction Materials</p> <ul style="list-style-type: none"> <li>• Actively developing low-carbon products, including low-carbon cement and concrete, as well as Ultra-High Performance Concrete (UHPC).</li> <li>• Constructing alternative fuel warehouses to increase the use of alternative fuels and reduce the carbon footprint of products.</li> </ul> <p>(2) Resource Recycling</p> <ul style="list-style-type: none"> <li>• Expand the resource co-processing services to assist various industries in handling waste that is difficult to manage on their own.</li> <li>• Construct TCC DAKA Renewable Resource Recycling Center (RRRC), which can handle up to 200 tons of household waste per day, utilizes the energy generated during the disposal process to replace part of the fuel.</li> <li>• Actively develop construction waste management services. Recycling concrete from demolished buildings for reuse, reducing carbon emissions without compromising strength.</li> <li>• By utilizing the Ta-Ho Environmental waste collection network, TCC expands the alternative fuel sources for cement plants, thereby enhancing the capacity for early-stage development.</li> </ul> <p>(3) Green Energy</p> <ul style="list-style-type: none"> <li>• TCC Green Energy Corporation, under TCC Group, focuses on the development and management of renewable energy projects, including solar photovoltaic, wind, and geothermal energy, as well as research, evaluation, and collaboration on renewable energy.</li> <li>• TCC Energy Storage Technology Corporation, under TCC Group, offers comprehensive new energy integration services. These services include green energy storage with EV charging service, energy storage installation and EnergyArk energy storage cabinets, green energy wheeling services, and aggregation of electricity trading, etc.</li> </ul> <p>(4) Negative Emissions Technologies</p> <ul style="list-style-type: none"> <li>• Joins hands with Germany's thyssenkrupp Polysius to develop innovative carbon capture technology with separate oxyfuel. Hoping Plant will implement the concept. It is expected to increase carbon capture efficiency while reducing the energy required.</li> <li>• Initiate the " Ho-Ping Ark Ecological Program," soil research, forest carbon sink surveys, and other biodiversity projects.</li> </ul> |



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|  |  | Financial position, financial performance and cash flows   |  |
|  |  | Current financial effects <sup>3</sup>   |  |
|  |  | Profits growth or cash inflow  | Increase in costs/expenses or cash outflow   |
| Sustainability-related and Climate-related Risks         | Climate-related transition risks   | <ul style="list-style-type: none"> <li>The increase in the volume of industrial waste and domestic waste services has generated revenue of NT\$748,807 thousand dollars, leading to an increase in cash inflow from operating activities. If the data of Onyx Ta-Ho Environmental Services Co., Ltd., an associate company in which TCC holds a 50% stake and accounted for using the equity method, is included in pro forma financial statement, the total revenue will reach NT\$3,788,519 thousands.</li> <li>Waste heat power generation and the self-consumption of solar energy reduce the purchased electricity, decreasing operating costs by NT \$1,560,313 thousands and contributing to positive cash flow.</li> <li>The increase in the use of alternative fuels, reducing the consumption of coal, has led to a reduction in operating costs by NT \$1,190,466 thousands and has contributed to generating positive cash flow.</li> <li>By integrating energy storage systems, coupled with green electricity and enhancing the Energy Management System (EMS), TCC can help regulate the power grid to achieve stable power supply. Additionally, through the model of storing electricity during off-peak hours and discharging during peak hours, TCC adjusts the electricity demand within the plant to save operating costs of NT\$54,069 thousands and generate positive cash flow.</li> <li>Continuously expanding the global green layout, investing in the low-carbon cement market in Europe, Asia, and Africa. In 2023, due to associated companies OYAK Cement and Cimpor Cement, performance recognition by the equity method, reported non-operating income of NT\$3,560,296 thousands. At the end of 2023, TCC decided to increase the shareholding in OYAK from 40% to 60% and in Cimpor from 40% to 100%. In the first quarter of 2024, the completion of the increased shareholdings in European low-carbon cement companies (OYAK and Cimpor) will officially make TCC one of the main suppliers of low-carbon cement in Europe.</li> </ul> | <ul style="list-style-type: none"> <li>Continuously upgrading equipment and technology to enhance the efficiency of gasifiers, preheaters, and cement mills, as well as expanding the alternative fuel storage area, has resulted in capital expenditures of NT\$5,160,042 thousands, leading to cash outflows, and depreciation expenses for the year amounting to NT \$630,948 thousands.</li> <li>TCC is actively integrating AI technology to enhance production efficiency and promote carbon reduction and green initiatives. By applying AI in the production process, TCC can monitor the operation status of equipment in real-time, predict maintenance needs, thereby reducing downtime and maintenance costs. Moreover, AI technology is also used to optimize energy use, analyze, and adjust energy consumption during the production process, further reducing carbon emissions and supporting our move towards a greener, more sustainable manufacturing future. These innovative applications not only enhance competitiveness but also demonstrate a commitment to social responsibility and environmental protection. With significant advancements in AI technology, future investments in AI-related hardware and software will substantially increase. This year, TCC has already increased investments in AI-related equipment (such as GPUs) by NT\$8,050 thousands, with plans extending into the next year for at least NT \$16,000 thousands or more, making the total investment for this multi-year project exceed NT \$24,050 thousands. Additionally, investments in AI talent development and related expenses have increased this year's operating costs and expenses by NT\$9,993 thousands, resulting in cash outflows.</li> <li>Investing in the development and application of alternative raw materials, alternative fuels, oxygen-enriched combustion, and carbon capture technologies has resulted in research and development expenses of NT\$604,036 thousands, leading to an increase in cash outflows.</li> <li>The subsidiary, Taiwan Cement Europe Holdings B.V. (TCEH), has made an additional investment in the overseas new energy business (NHOA), resulting in a cash outflow of NT\$7,627,118 thousands (€224,922 thousands) for TCEH's individual investment activities. The investment funds are used for the establishment of electric vehicle charging stations in four Southern European countries and the construction of cross-border energy storage projects. Since this transaction involves intercompany transactions within the consolidation entities, it has been eliminated in the consolidated financial statements.</li> </ul> |
|  | Climate-related physical risks   | <ul style="list-style-type: none"> <li>Continuously expanding the global green layout, investing in the low-carbon cement market in Europe, Asia, and Africa. In 2023, due to associated companies OYAK Cement and Cimpor Cement, performance recognition by the equity method, reported non-operating income of NT\$3,560,296 thousands. At the end of 2023, TCC decided to increase the shareholding in OYAK from 40% to 60% and in Cimpor from 40% to 100%. In the first quarter of 2024, the completion of the increased shareholdings in European low-carbon cement companies (OYAK and Cimpor) will officially make TCC one of the main suppliers of low-carbon cement in Europe.</li> </ul>   | <ul style="list-style-type: none"> <li>The investment in new energy and alternative fuel projects is increased, plus the acquisition of ATLANTE INFRA PORTUGALS.A., ATLANTE ITALIA S.R.L., 123 (Guangdong) Environmental Technology Co., Ltd., and Shimen Green Energy Co., Ltd., has led to a cash outflow of NT\$329,336 thousands from investing activities.</li> <li>To address climate action and net-zero emissions-related expenditures, TCC has not only invested in the aforementioned projects but also includes the following initiatives: actively expanding into the new energy sector, continuously investing in the integration and training of new energy talents; in response to droughts and floods, TCC has improved resilience and adaptability by setting up water storage tanks, implementing projects to enlarge discharge outlets, recycling waste water from waste heat recovery power generation projects, introducing water resource management systems, and insuring against natural disasters. In total, this includes an increase in equipment costs of NT\$50,162 thousands, resulting in cash outflows from investing activities, and operating costs and expenses of NT\$47,766 thousands, leading to cash outflows from operating activities.</li> </ul>   |
| Sustainability-related and Climate-related opportunities | <ul style="list-style-type: none"> <li>Exploration of the market for low-carbon products</li> <li>Smart low-carbon production and waste co-processing</li> <li>Installation of new energy projects</li> <li>Involvement in the electricity trading market</li> <li>Application of the oxygen enriched combustion and oxy-fuel combustion technologies to carbon capture and reuse</li> </ul> | <ul style="list-style-type: none"> <li>Obtained sustainability and green financing lines NT\$95,734,509 thousands and overseas green convertible bonds (ECB) NT \$13,473,544 thousand (US\$ 420,000 thousands, deducting issuance and transaction costs of NT\$ 89,516 thousands). The total impact on cash inflows from financing activities increased by NT \$30,829,871 thousands due to the drawdown of sustainable and green financing lines and the issuance of ECB. The aforementioned funds are allocated to "Climate Actions and Net Zero Emissions," "Green Energy and Energy Storage," "Sustainable Products and Services," and other sustainable green expenditures.</li> </ul>  | <p>In response to the risks and opportunities related to climate action and net-zero emissions, TCC reported a positive financial impact of NT\$7,113,951 thousands for the fiscal year 2023 in its consolidated financial statements, accounting for more than 6.51% of revenue<sup>4</sup>. The total investments and capital expenditures for the fiscal year 2023 amounted to NT\$5,218,254 thousands; the expenditure on the acquisition of subsidiaries reached NT\$329,336 thousands; the total amount of sustainability and green financing drawdowns, along with the issuance of overseas green convertible bonds, contributed to an increase in cash inflow from financing activities by NT\$30,829,871 thousands; and related costs and expenses, the total amounted to NT\$1,292,743 thousands.</p> <p>If the Ta-Ho Environmental data is included, the aforementioned positive financial impact totals NT\$10,153,663 thousands, and will account for more than 9.04% of the revenue<sup>5</sup>. Additionally, the cash inflows from financing activities, amounting to NT\$30,829,871 thousands, which include the allocation of sustainable and green financing as well as the proceeds from the issuance of overseas green convertible bonds, are also utilized for "Green Energy and Energy Storage," "Sustainable Products and Services," and other sustainable green expenditures.</p>   |

Note:  
<sup>3</sup> TCC only discloses financial items with significant impact for the fiscal year 2023, and the disclosed amounts have not been individually audited by accountants.  
<sup>4</sup> The financial impact as a percentage of operating income is calculated based on the total consolidated operating income from the company's "Consolidated Statement of Comprehensive Income for the Year 2023."  
<sup>5</sup> Onyx Ta-Ho Environmental Services Co., Ltd. is an associate company in which our company holds a 50% equity interest, performance recognition by the equity method. However, Ta-Ho Environmental is not included in the consolidated total operating revenue of TCC's "Consolidated Comprehensive Income Statement for the Year 2023."  
<sup>6</sup> The degree of measurement uncertainty involved in the estimation of anticipated financial effects is too high, and the anticipated financial effects of related opportunities are considered commercially sensitive information for TCC. Therefore, TCC discloses the anticipated financial effects by qualitative description.

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|  |                                  | Financial position, financial performance and cash flows  |   |
|  |                                  | Anticipated financial effects <sup>6</sup>  |   |
|  |                                  | Profits growth or cash inflow   | Increase in costs/expenses or cash outflow  |
| Sustainability-related and Climate-related Risks | Climate-related transition risks | <ul style="list-style-type: none"> <li>The capacity for handling industrial and construction waste will increase capacity utilization in the future. The development of the idle Hualien plant site as a construction waste treatment area, with a planned monthly processing capacity of 12,000 tons, is expected to increase cash inflows from operating activities. Additionally, the associated company Ta-Ho Environmental, in which TCC holds a 50% stake and performance recognition by the equity method, currently has a capacity utilization rate of 88.9%. Ta-Ho Environmental can handle approximately 2.59 million tons of waste annually. If the capacity utilization rate increases in the future, it is expected to lead to an increase in cash inflows from investment activities.</li> <li>The volume of domestic waste management services has increased. The DAKA RRRC has a daily disposal capacity of over 200 tons, while the combined daily disposal capacity of cement plants in Mainland China exceeds 600 tons. It is expected to increase future revenue and enhance cash inflows from operating activities.</li> <li>The goal for the thermal substitution rate is to reach 35% by 2025 and 45% by 2030. It is anticipated that the use of alternative fuels will increase, leading to a reduction in the amount of purchased coal. Consequently, this is expected to lower future operating costs and is anticipated to contribute to generating positive cash flow.</li> <li>Improvements in waste heat recovery efficiency and an increase in self-generated solar energy will reduce the need for purchased electricity. Additionally, TCC has joined EP100, aiming to increase energy productivity by 50% by 2040 compared to 2016. This is expected to reduce future operating costs and contribute to positive cash flow.</li> <li>In 2024 Q1, the completion of the increased shareholdings in Europe (OYAK and Cimpor) low-carbon cement companies will officially make TCC one of the main suppliers of low-carbon cement in Europe. According to an assessment report by the international research agency ResearchNester, the European low-carbon cement market is expected to grow at a CAGR of 8.5% from 2022 to 2030. The expected revenue and operating profit from OYAK and Cimpor are anticipated to increase significantly. To complete the expansion of its low-carbon footprint in Europe, TCC has signed an €800 million unsecured sustainability-linked syndicated loan, which was oversubscribed by 1.5 times. This syndicated loan is linked to the Scope 1 and 2 carbon intensity indicators of TCC, demonstrating TCC's commitment to carbon reduction and low-carbon transformation. The total transaction amount is approximately NT\$21,283,863 thousands (about €621,064 thousands), which will offset the cash inflows from financing activities and the cash outflows from investing activities, maintaining TCC's solid cash position.</li> <li>TCC invests in negative-emissions technology for carbon capture. TCC is planning that for the future, capture of carbon dioxide not only involves providing cross-industry services such as industrial welding and food processing but also includes assessing the feasibility of sequestration and carbon pricing in line with government policies, or exploring other value-added uses. The increase in revenue or reduction in costs resulting from carbon capture services in the future will contribute to generating positive cash flow.</li> <li>Continuously optimizing and upgrading existing equipment and adopting new technologies, including improving the production efficiency and reducing consumption of cement mills, optimizing the performance of coolers, and enhancing the efficiency of low-pressure steam turbines at Hoping Power Plant, will help reduce operating costs and generate positive cash flow.</li> </ul> | <ul style="list-style-type: none"> <li>In the future, it is anticipated that payments for carbon fees to regulatory authorities or participation in carbon trading markets will be required. Therefore, it is expected that there will be an increase in operating costs, liabilities, and cash outflows from operating activities. TCC has set SBT for carbon reduction. The goal for cement plants in Taiwan is to reduce Scope 1 emissions intensity by 11% and Scope 2 emissions intensity by 32% by 2025, and to reduce emission intensity by 31% by 2030. The goal for cement plants in Mainland China is to reduce emission intensity by 20% by 2030. Additionally, plans are in place to set the net phase target for 2030 in 2024, referencing SBT's 1.5°C global warming scenario, to mitigate the impact on operating costs. Starting from 2024, cement plants in Taiwan have estimated and accrued carbon fee expenses based on \$300 per ton of CO<sub>2</sub>e and carbon emission volumes.</li> <li>In terms of reducing energy consumption, the capital expenditures in 2024 for the renovation of cement grinding energy reduction and cooling equipment, the update of waste heat recovery generation systems, and the collaboration with the DAKA RRRC for domestic waste treatment in cement kilns will lead to cash outflows and generate depreciation expenses.</li> <li>Invest in negative-emissions technology. End of January 2024, TCC announced to sign the MOU for cooperation on a carbon capture project with thyssenkrupp Polysius (tkPOL). Hoping Plant will implement the concept, jointly develop the third-generation pure oxygen combustion process and technology. It is expected to lead to an increase in capital expenditures, resulting in cash outflows, as well as an increase in operating expenses and cash outflows from operating activities.</li> <li>TCC will adopt electric vehicles for all official business cars in the future, along with the purchase of electric trucks, tractors, and mining trucks, is expected to lead to an increase in capital expenditures, resulting in cash outflows and generating depreciation expenses.</li> <li>The energy business continues to develop new project sites. The renewable energy management targets are set at 500 MW for 2025 and 700 MW for 2030. The energy storage installation goal is to achieve a global installed capacity of &gt;2GWh by 2025. This will lead to an increase in capital expenditures, resulting in cash outflows, higher depreciation expenses, non-depreciation operating costs and expenses, and an increase in cash outflows from operating activities.</li> <li>Continued investment in new energy and cross-industry talent cultivation. The target for investment in employee education and training expenses is NT\$125,000 thousands by 2025 accumulatively and NT\$250,000 thousands by 2030 accumulatively. This will lead to an increase in operating costs and expenses, as well as an increase in cash outflows from operating activities.</li> <li>Continued investment in AI related equipment will lead to an increase in capital expenditures, resulting in cash outflows. Additionally, investing in AI talent development and related expenditures will lead to an increase in operating costs and expenses, resulting in an increase in cash outflows from operating activities.</li> <li>The future plan to purchase renewable energy electricity will lead to an increase in operating costs and expenses, as well as an increase in cash outflows from operating activities.</li> <li>If extreme climate events such as floods and droughts occur, they may cause disruptions in the delivery and scheduling of products or raw materials, necessitating adjustments in transportation methods, which could lead to increased transportation expenses. Flood may also lead to equipment being submerged and requiring repairs, as well as the future need to enhance slope protection. During severe droughts, the cost of purchasing water will increase. This will lead to an increase in operating costs and expenses, resulting in an increase in cash outflows from operating activities.</li> </ul> |
|  | Climate-related physical risks   | <ul style="list-style-type: none"> <li>Continuously expanding the global green layout, investing in the low-carbon cement market in Europe, Asia, and Africa. In 2023, due to associated companies OYAK Cement and Cimpor Cement, performance recognition by the equity method, reported non-operating income of NT\$3,560,296 thousands. At the end of 2023, TCC decided to increase the shareholding in OYAK from 40% to 60% and in Cimpor from 40% to 100%. In the first quarter of 2024, the completion of the increased shareholdings in European low-carbon cement companies (OYAK and Cimpor) will officially make TCC one of the main suppliers of low-carbon cement in Europe.</li> </ul>  | <ul style="list-style-type: none"> <li>The investment in new energy and alternative fuel projects is increased, plus the acquisition of ATLANTE INFRA PORTUGALS.A., ATLANTE ITALIA S.R.L., 123 (Guangdong) Environmental Technology Co., Ltd., and Shimen Green Energy Co., Ltd., has led to a cash outflow of NT\$329,336 thousands from investing activities.</li> <li>To address climate action and net-zero emissions-related expenditures, TCC has not only invested in the aforementioned projects but also includes the following initiatives: actively expanding into the new energy sector, continuously investing in the integration and training of new energy talents; in response to droughts and floods, TCC has improved resilience and adaptability by setting up water storage tanks, implementing projects to enlarge discharge outlets, recycling waste water from waste heat recovery power generation projects, introducing water resource management systems, and insuring against natural disasters. In total, this includes an increase in equipment costs of NT\$50,162 thousands, resulting in cash outflows from investing activities, and operating costs and expenses of NT\$47,766 thousands, leading to cash outflows from operating activities.</li> </ul>  |

Among the anticipated financial effects described above, the primary sources of funding for the investment plans are the net cash inflows from operating activities and sustainable and green financing.

Note:  
<sup>3</sup> TCC only discloses financial items with significant impact for the fiscal year 2023, and the disclosed amounts have not been individually audited by accountants.  
<sup>4</sup> The financial impact as a percentage of operating income is calculated based on the total consolidated operating income from the company's "Consolidated Statement of Comprehensive Income for the Year 2023."  
<sup>5</sup> Onyx Ta-Ho Environmental Services Co., Ltd. is an associate company in which our company holds a 50% equity interest, performance recognition by the equity method. However, Ta-Ho Environmental is not included in the consolidated total operating revenue of TCC's "Consolidated Comprehensive Income Statement for the Year 2023."  
<sup>6</sup> The degree of measurement uncertainty involved in the estimation of anticipated financial effects is too high, and the anticipated financial effects of related opportunities are considered commercially sensitive information for TCC. Therefore, TCC discloses the anticipated financial effects by qualitative description.

Material Topic 2: Green Energy and Energy Storage

|  | 1   | 2                         | 3   |
|--|---|---------------------------|---|
|  | Current and anticipated effects of sustainability related risks and opportunities on the entity's business model and value chain  | Time period               | Resilience  |
| Sustainability-related and Climate-related Risks         | <p>Climate-related transition risks</p> <ul style="list-style-type: none"> <li>Renewable energy regulations and rising installation costs</li> </ul>  | Short-term                | <p><b>Scenario<sup>2</sup></b></p> <p><b>[The obligated capacity for Energy-Heavy Industries]</b><br/>According to the Ministry of Economic Affairs, TCC's obligatory capacity for renewable energy installations is calculated as 10% of the average contracted capacity for the year 2020, and must be fulfilled before the year 2026. The implementation methods include installing renewable energy generation equipment, purchasing renewable energy electricity and certificates, or setting up energy storage systems. A single method or a combination of methods is either fine.</p> <p><b>[EIA Scenario]</b> According to Article 38 of "Environmental Impact Assessment Enforcement Rules", if the developers modify the contents of an original application, including planned production capacity or scale is expanded, or a roadway is extended, by ten percent or more, they should reconduct an environmental impact assessment for the part of the application that to be modified. Referring "Standards for Determining Specific Items and Scope of Environmental Impact Assessments for Development Activities", if the development of energy or power transmission projects by TCC falls under the circumstances described in Article 29 of the aforementioned regulations, an EIA must be conducted.</p>   |
|  | <p>Climate-related opportunities</p> <ul style="list-style-type: none"> <li>Development of diverse renewable energy source</li> <li>Participation in the power trading market</li> </ul>  | Short to medium-long term | <p><b>Scenario2</b></p> <p><b>[IEA Net Zero Emissions Scenario and COP28 Resolutions]</b><br/>According to the IEA's "Net Zero Roadmap 2023: A Global Pathway to Keep the 1.5°C Goal in Reach," under the net-zero emissions scenario, the installed capacity of renewable energy will triple by 2030 compared to 2022. The COP28 resolution states that by 2030, the global capacity for renewable energy installations will be increased to three times the current level.</p> <p><b>[National Development Council Taiwan's Pathway to Net-Zero Emissions in 2050]</b> According to the "Taiwan's Pathway to Net-Zero Emissions in 2050 and Strategies", Taiwan prioritizes the development of mature technologies in solar photovoltaic and wind power generation by 2030, aiming to achieve a cumulative installation target of 20GW for solar photovoltaic by 2025, and an annual increase target of 2GW for the years 2026 to 2030. After 2030, there will be a significant increase in the installation of device capacity, with solar photovoltaic systems adopting more efficient silicon stacking modules. By 2050, the installed capacity is expected to reach 40 to 80GW.</p> <p><b>[The Taiwan energy storage market is experiencing steady growth]</b> According to InfoLink's forecast, by 2030, Taiwan's battery storage market is expected to reach a cumulative size of approximately 7-8GW, with a total capacity of about 20GWh, and the cumulative market size is expected to reach NT\$200 billion.</p> <p><b>[Development goals for renewable energy and energy storage in Mainland China]</b> The "Guidance Opinions on Strengthening Grid Peaking Energy Storage and Smart Dispatch Capacity Building" issued by Energy Bureau of the NDRC of Mainland China set a target for the proportion of new energy generation to exceed 20% by 2027. It also promotes the development of new types of energy storage on the user side, including data centers, 5G base stations, industrial parks, and other end-users, as well as EV users.</p> <p><b>[TCC sustainability indicators and targets]</b> TCC's renewable energy targets are to manage 500MW by 2025, 700MW by 2030, and 1GW by 2050.</p> |
| Sustainability-related and Climate-related opportunities | <p>Sustainable-related opportunities</p> <ul style="list-style-type: none"> <li>Construction and operation of Green Energy Storage with EV Charging Station"</li> <li>Creating a zero-carbon green logistics ecosystem</li> </ul> | Short to medium-long term |   |

| 3   | 4   |
|---|---|
| Resilience  | Strategy and decision-making  |
| <p><b>Adaptive capacity</b></p> <p><b>[Sustainable Growth Operating Model]</b> TCC continues to deepen its capabilities in site development, construction, and management. Benefiting from early investments, project sites can operate through feed-in tariff or by transferring or selling renewable energy certificates through Energy Helper TCC Corporation, thereby enhancing operational flexibility. TCC also enhances renewable energy and energy storage facility construction by revitalizing assets.</p>  | <p><b>[Operational bases are fully equipped with solar panels or energy storage systems]</b> All operational bases in Taiwan have comprehensively installed rooftop solar photovoltaic systems as the primary method of fulfilling obligations. TCC plans to fulfill these obligations ahead of schedule by 2024, with the capacity of the obligatory installations being deductible by 20%, which is 8% of the average contract capacity in 2020. Energy storage systems are being progressively installed in the idle spaces of cement plants in Taiwan, leveraging the difference in electricity prices during off-peak hours to effectively increase profitability. In the future, TCC will consider the voluntary market prices of renewable energy, taking into account the capacity of renewable energy and energy storage as well as potential profitability, to maintain flexibility in how Energy-Heavy Industries fulfill their obligations.</p> <p><b>[Cautiously develop project sites]</b> TCC carefully evaluates the establishment of renewable energy and energy storage projects. In addition to completing necessary procedures such as EIA in accordance with the law, TCC also continuously strengthen communication with external stakeholders, including residents near the project sites, to ensure that information is ample and understood.</p>   |
| <p><b>Adaptive capacity</b></p> <p><b>[The only comprehensive energy group in Asia]</b> Since 2018, TCC has invested in energy layouts both domestically and internationally, mapping out the most comprehensive new energy industry chain in Taiwan to date. TCC possesses research and development capabilities as well as the ability to manufacture in the fields of green energy, batteries, energy storage, and fast charging for EVs. TCC also has the capacity for independent design and construction of EnergyArk energy storage cabinets. Moreover, TCC can independently develop the core key energy management system inside EnergyArk, strengthening TCC's competitive position in the new energy market.</p> <p><b>[Early participants in the Taiwan renewable energy market]</b> TCC has entered the new energy market early on. TCC Green Energy Corporation's projects have accumulated a considerable installed capacity to date. This allows for flexible adjustments to the price difference between the voluntary market and the feed-in tariff, effectively enhancing profitability.</p> <p><b>[International layout of energy business]</b> NHOA.TCC enhances the competitiveness of EnergyArk energy storage solutions by adopting advanced and mature technologies and products from Europe and America. Furthermore, through its European subsidiary, NHOA, TCC enters the global energy market, integrating international scientific research resources, introducing innovative technologies, and perfecting the product layout of its energy business.</p> | <p><b>[New Energy Integration Plan]</b> TCC centers its development around the EnergyArk energy storage cabinet, creating a green energy storage with EV charging station, green energy wheeling services, and aggregation of electricity trading. This provides customers with urban microgrids integrated solutions. In collaboration with NHOA, TCC is expanding into the global market.</p> <p><b>[Value Chain Integration, Strategic Investment and Strategic Procurement]</b> In 2021, TCC strategically invested in Phihong Technology, positioning itself in the EV and charging station markets in Taiwan and Europe and America. TCC also actively ensures product development costs and overall competitiveness through strategic procurement. NHOA.TCC collaborates with UK company, Williams Advanced Engineering (WAE), to develop scalable battery module. In addition, NHOA.TCC worked with KULR, a US battery safety integration solution provider with experience in aerospace development for NASA, to create extremely safe batteries for energy storage applications.</p> <p><b>[Innovative abilities of electricity sales business]</b> TCC has established a subsidiary, Energy Helper TCC Corporation, to apply for an electricity sales license. Energy Helper TCC Corporation has developed a flexible renewable energy electricity sales portfolio and offers innovative electricity sales services, including online platform consulting. For the energy storage business, Energy Helper TCC Corporation is also capable of aggregating self-owned project sites and those of clients to participate in electricity trading with Taiwan Power Company.</p> <p><b>[Providing green logistics services]</b> In 2023, TCC's subsidiary, Taiwan Transport &amp; Storage Corporation (TTS), introduced the first electric truck in Taiwan. In 2024, by entering the technology industry supply chain and integrating TCC's energy storage solutions, TCC can assist clients in planning low-carbon charging plans. Coupled with an energy management system, TCC helps corporate clients optimize charging efficiency and reduce Scope 3 emissions.</p> <p><b>[Innovative sustainable tourism operation model integrated with renewable energy]</b> TCC Green Energy Corporation and Fleur de Chine jointly developed the Vakangan Green Energy Hot Spring Park, which is Taiwan's first geothermal power generation base that combines tourism with local symbiosis. TCC prioritizes the employment of local residents for its green energy projects and recruits local brands to join. At the same time, TCC continues to collaborate with communities surrounding the project sites and external stakeholders to achieve community sharing and interaction.</p> |



|  |                                   | 5  |   |   |  |
|--|-----------------------------------|--|---|---|--|
|  |                                   | Financial position, financial performance and cash flows   |   |   |  |
|  |                                   | Current financial effects <sup>3</sup>   |   | Anticipated financial effects <sup>4</sup>  |  |
|  |                                   | Profits growth or cash inflow  | Increase in costs/expenses or cash outflow  | Profits growth or cash inflow   | Increase in costs/expenses or cash outflow   |
| Sustainability/Climate Related Risks         | Climate-related transition risks  | <ul style="list-style-type: none"> <li>The revenues generated from energy storage power transactions and charging services amounted to NT\$5,321,096 thousands. (If the amount before offsetting transactions with related parties within the consolidated entities is included, the figure is NT\$10,029,748 thousands. The difference is due to the subsidiary NHOA and NHOA, TCC assisting the parent company and other subsidiaries in establishing energy storage systems.) This led to an increase in cash inflow from operating activities.</li> </ul>  | <ul style="list-style-type: none"> <li>Investing in the energy sector and setting up renewable energy equipment resulted in capital expenditures of NT\$11,539,175 thousands, leading to cash outflows, as well as depreciation expenses of NT\$757,433 thousands for the year.</li> <li>The development of energy storage technology has resulted in R&amp;D expenses amounting to NT\$205,491 thousands, leading to cash outflow.</li> </ul>  | <ul style="list-style-type: none"> <li>The IEA and international consulting research reports anticipate that renewable energy will experience rapid growth in the next five years, with the global market size for battery storage systems doubling. The trade of renewable energy and storage electricity will become a driving force for the increase in TCC's revenue and will influence an increase in cash inflows from operating activities.</li> <li>NHOA's subsidiary, ATLANTE S.R.L (ATLANTE), is dedicated to the development of fast and ultra-fast EV charging networks, aligning with the European Union's transportation infrastructure funding programs. In September 2023, ATLANTE received sponsorship from the European Union's "Connecting Europe Facility" (CEF Fund), and it is expected to obtain a European Union subsidy of NT\$1,695,602 thousands, equivalent to €49,900 thousands. Additionally, the "Atlante4All" project has been proposed, with plans to establish 407 charging stations across Europe. It is expected to install more than 1,000 fast-charging stations, providing 1,800 charging points. The project has received support from the Caisse des Dépôts et Consignations (CDC) in France, which will provide additional funding of approximately €700,000 thousands.</li> <li>Solar power systems have been installed on the rooftops and idle areas of all operation sites, including the headquarters, cement plants, RMC plants, and related enterprises. Implementing self-consumption of renewable energy is expected to reduce the cost of purchased electricity, thereby decreasing future operating costs and contributing to positive cash flow.</li> </ul> | <ul style="list-style-type: none"> <li>Investing in a diverse array of renewable energy projects, including the Chiayi fishery and electricity symbiosis and the Changhua wind farm, the Taitung Vakangan geothermal energy, and the Hualien OTEC projects, as well as engaging in new energy project development and the installation of energy storage systems within the facilities, will lead to an increase in future capital expenditures and cash outflows, and will generate depreciation expenses.</li> </ul> |
|  | Climate-related opportunities     | <ul style="list-style-type: none"> <li>The trading of renewable energy generated revenues of NT\$496,301 thousands. (If the amount before offsetting transactions with related parties within the consolidated entities is included, the figure is NT\$560,070 thousands. The difference is due to the subsidiary, TCC Green Energy Corporation, selling green electricity to related enterprises.) This resulted in an increase in cash inflow from operating activities.</li> </ul>  | <ul style="list-style-type: none"> <li>NHOA has received a subsidy amounting to NT\$371,713 thousands (€11,350 thousands), generating positive cash flow. This comes from obtaining part of the funding of €22,700 thousands from the "Connecting Europe Facility" (CEF Fund) in September 2022, used for constructing 215 pure green electricity charging points across four European countries. For the fiscal year 2023, related revenue of \$6,740,000 (€200,000) has been recognized, with the remaining amount recorded as deferred revenue.</li> </ul> | <ul style="list-style-type: none"> <li>Operational sites are successively installing energy storage systems, including a 35 MW/123.6 MWh system at Suao plant and a 50 MW/160.8 MWh system at Hualien plant. These systems support internal electricity usage or participate in power trading platforms for ancillary services. It is expected to increase operating revenue and positively impact the cash inflow from operating activities; reduce the cost of purchased electricity, decreasing future operating costs and contribute to generating positive cash flow.</li> <li>By integrating energy storage systems, along with the use of green electricity and enhancing the Energy Management System (EMS), TCC regulates the power grid to achieve the goal of stable power supply. And by adopting the model of storing electricity during off-peak hours and discharging it during peak hours, TCC regulates the plant's electricity demand, achieving a reduction in operating costs of NT\$54,069 thousands, which also contributes to generating positive cash flow.</li> </ul>  |  |
| Sustainability/Climate Related Opportunities | Sustainable-related opportunities | <p>In response to the risks and opportunities related to green energy and energy storage, TCC reported a positive financial impact of NT\$5,824,137 thousands in the consolidated financial statements for the year 2023. (If transactions with related parties of the consolidated entities before offsetting are included, the amount reaches NT\$10,596,558 thousands.) accounting for more than 5.33% of the operating revenue<sup>4</sup>. Additionally, TCC received subsidies amounting to NT\$371,713 thousands. The related capital investments and expenditures for the year 2023 amounted to NT\$11,539,175 thousands, and the total related costs and expenses were NT\$962,924 thousands.</p> |   | <p>Among the anticipated financial effects described above, the primary sources of funding for the investment plans are the net cash inflows from operating activities, EU subsidies, and sustainable and green financing.</p>  |  |

Material Topic 3: Sustainable Products and Services

|  |                                  | 1   | 2                         | 3   |
|--|----------------------------------|---|---------------------------|---|
|  |                                  | Current and anticipated effects of sustainability related risks and opportunities on the entity's business model and value chain  | Time period               | Resilience  |
| Sustainability-related and Climate-related Risks         | Climate-related transition risks | <p>TCC's cement and RMC plants exceed regulatory requirements and continuously undertake technological upgrades to optimize the energy consumption of process equipment, thereby increasing the demand for capital goods purchases upstream in the value chain. If the majority of market peers only meet the minimum regulatory standards when replacing equipment, it will lead to differences in production costs, adversely affecting TCC's cost competitiveness. Furthermore, under the international trends in the cement industry and net-zero targets, peers are all undergoing low-carbon technology transformation. If a company lacks sufficient investment in low-carbon research and development and capital, it will lose market competitiveness.</p> | Short-term                | <p><b>Scenario<sup>2</sup></b></p> <p><b>[The Science Based Targets (SBT) for cement]</b> TCC has set its first-phase SBT goals that decreases Scope 1 emissions intensity by 11% and Scope 2 emissions intensity by 32% respectively in 2025. Additionally, in 2024, TCC plans to reference the SBT for the global warming scenario of 1.5°C to set the next phase of 2030 targets.</p> <p><b>[The GCCA Net Zero Roadmap for concrete]</b> TCC has joined the Global Cement and Concrete Association (GCCA) and, following its "Our Concrete Future" 2050 roadmap, has set a carbon neutrality target for TCC concrete by 2050. This serves as a reference for the development of related low-carbon products.</p> <p><b>[National Development Council Taiwan's Pathway to Net-Zero Emissions in 2050]</b> According to "Taiwan's Pathway to Net-Zero Emissions in 2050 and Strategies", the goal for the circular economy aspect of industrial transformation in the manufacturing sector is to achieve a 7% substitution rate of mineral raw materials in the cement industry by 2030, and to increase the proportion of alternative fuels used in the cement industry to 10%.</p>   |
|  | Climate-related opportunities    | <p>TCC has developed the Total Climate series of low-carbon products and the UHPC series of products. After the implementation of future government regulations and the launch of carbon pricing mechanisms, customer awareness of carbon reduction will be strengthened, leading to an increased demand for low-carbon products among downstream customers in the value chain. In response to global investors' ESG requirements, entities that are internationally professionally rated and certified are more likely to be included in thematic investment portfolios or become investment targets. Companies that achieve substantial carbon reduction and promote green products can also obtain better credit terms or financing rates.</p>                   | Short to medium-long term | <p><b>Scenario<sup>2</sup></b></p> <p><b>[UN's 2030 Embodied Carbon Target]</b> The Climate Action Pathway for Human Settlements, released by the UNFCCC, states that the embodied carbon of new buildings should be reduced by 40% by 2030.</p> <p><b>[Taiwan initiates a carbon emission disclosure program for public construction projects]</b> The Public Construction Commission of the Executive Yuan plans to require bidding companies to disclose carbon content on the government's electronic procurement website starting from 2024, and to incorporate carbon intensity into the consideration for public construction project bids. On the other hand, the New Taipei City Public Works Department is implementing Building Information Modeling (BIM). It is anticipated that by June 2024, a template for carbon emission assessment based on the model will be incorporated into the specifications of public works contracts.</p> <p><b>[Mainland China's energy consumption target for cement clinker]</b> The NDRC in Mainland China have released the "Benchmarking Levels for Energy Efficiency in Industry Key Areas (2023 Edition)," which reveals that the comprehensive energy consumption per unit of cement clinker must be below 117 kilograms of standard coal per ton.</p> <p><b>[European Parliament 2028 Zero Carbon Emissions Regulations for New Buildings]</b> The newly revised "Energy Performance of Buildings Directive (EPBD)" by the European Union mandates that new buildings owned or operated by public authorities must be zero carbon emissions by 2026; by 2028, all new buildings must achieve zero carbon emissions.</p> <p><b>[Global Cement Market Forecast for March 2024]</b> The growth rate of green cement and concrete is projected to be 3.3% annually until 2030.</p> |
| Sustainability-related and Climate-related opportunities | Climate-related opportunities    | <p>Exploration of the market for low-carbon products</p>  |                           |   |

|  |                                  | 3   | 4  |
|--|----------------------------------|---|--|
|  |                                  | Resilience  | Strategies and decision-making responses   |
| Sustainability-related and Climate-related Risks | Climate-related transition risks | <p><b>Adaptive capacity</b><br/> <b>[The Cement Business is Actively Reducing Carbon Emissions]</b> TCC is committed to reducing the carbon emissions from the production of cement products through equipment &amp; process enhancements, power generation by waste heat recovery, and the use of alternative fuels.</p> <p><b>[Laboratories with International Certifications for Cement and Concrete, such as TAF Accreditation]</b> TCC has established a Low-carbon R&amp;D Center and built a TAF-certified laboratory, which can assist in the research and development of low-carbon cement and concrete, as well as control strength and production quality.</p> <p><b>[Development and Demonstration Site for Low-carbon Construction Materials]</b> TCC Hualien Hopping Low-carbon Green Energy Park, combining Hopping Cement Plant, Hopping Power and Hopping Port, is the flagship operational sites for TCC group. With "sustainability" as the core of all development, TCC has the DAKA Tower, an ultra-high-performance low-carbon UHPC center, and alternative raw material/fuel warehouses, which will become the practice field for the low-carbon construction materials business.</p> <p><b>[The Brand of TCC]</b> TCC has a long history and has established an independent inspection system, offering six major quality assurances and certifications. Additionally, TCC has introduced a traceability system and obtained GRMC and ISO 9001 certifications, earning deep trust from customers.</p> | <p><b>[Developing and Producing Low-carbon Cement and Concrete as well as UHPC]</b> TCC is actively developing low-carbon products, keeping abreast of construction policy trends and sustainable trends in the construction industry.</p> <p><b>[Constructing UHPC Center]</b> In July 2023, a trial operation was launched to provide innovative cement-based construction materials that are low in carbon and high in quality. Through their ultra-high mechanical properties, high compressive strength, and superior durability, a significant leap in the performance of construction materials was achieved.</p> <p><b>[The Only One in Taiwan To Have Obtained Both The EPA's Carbon Label and Carbon Reduction Label Certification]</b> TCC's low-carbon products have voluntarily obtained multiple certifications, including carbon labels, carbon reduction labels, the Ministry of the Interior's low-carbon recycled building materials, and green building material labels. These products are among the few in the market that can provide international certification documents, making them responsible choices.</p> <p><b>[Implementing ISO Systems to Strengthen Internal Management]</b> TCC has implemented international standards such as ISO 50001 Energy Management, ISO 14064 GHG Emissions Inventory, ISO 14067 Product Carbon Footprint, and BS 8001 Circular Economy to enhance internal management efficiency.</p> <p><b>[Policy Communication Ensures Carbon Reduction Without Compromising Strength]</b> TCC actively collaborates with the Bureau of Standards, Metrology and Inspection (BSMI) under the MOEA, which oversees the national standards for cement, to demonstrate TCC's determination to reduce carbon emissions and its self-imposed quality standards. This includes advocating for the relaxation of certain specifications in the CNS 61 standard, such as the total content of additives in cement and the limit on chloride ion content, to strengthen product development constraints. This effort aims to facilitate the gradual implementation of low-carbon products in compliance with Taiwanese regulations.</p>   |
|  | Climate-related opportunities    | <p><b>Adaptive capacity</b><br/> <b>[Low-carbon product sales and production targets]</b> TCC sets sales and production targets for low-carbon products according to different markets, actively expanding the low-carbon product market. In the Taiwan region, the goal is for low-carbon cement production to account for 15% of the total by 2024, and to reach 100% by 2026. Furthermore, the objective for 2027 is to launch new products with even lower carbon emissions.</p> <p><b>[The adjustment of the cement commodity tax]</b> Starting from 2024, Taiwan will adjust the commodity tax on hydraulic cement and masonry cement, effectively shaping the market positioning of low-carbon cement.</p> <p><b>[Seeking green financing]</b> In 2023, TCC actively sought green financing, securing over NT\$49.5 billion in green financing, which accounts for more than 30% of the total financing lines amount for TCC group.</p> <p><b>[Investing in low-carbon cement overseas]</b> TCC participates in the international cement market and diversifies market risks by investing in OYAK and Cimpor Cement companies, expanding international and diverse demands. In 2024, TCC plans to further increase its shareholding, with the future prospect of becoming one of the few major suppliers worldwide capable of providing low-carbon cement.</p>   | <p><b>[Launch the Total Climate series of low-carbon products to seize the right to speak]</b> TCC continues to develop new low-carbon products, launching the Total Climate series, which offers comprehensive low-carbon urban solutions and services. These are targeted at corporate factories and offices, as well as construction firms and developers with a focus on emission reduction. This initiative strengthens the brand power of TCC's low-carbon cement products and guides the market towards establishing a consciousness for sustainability.</p> <p><b>[Establish New Cement Business Development Center to formulate sales strategies for low-carbon products]</b> In 2023, TCC established a new department focused on the sales of low-carbon products. This department is tasked with developing marketing and communication strategies and mechanisms for the construction industry chain. It aims to establish cooperative models for low-carbon products with civil engineering associations, architects, corporate clients, construction companies, and construction and supervision units.</p> <p><b>[Independently Developed an Operational Carbon Reduction Calculation System]</b> TCC has developed a calculation system, referencing the Ministry of the Interior's low-carbon building certification method and ISO 14067, to develop a rapid auxiliary assessment system for the carbon emissions of building materials. This system provides the carbon reduction benefits of using TCC's low-carbon construction materials.</p> <p><b>[Develop and Sell New Products with Low Carbon and Energy Security Features]</b> Leveraging its core technologies in the cement and energy industries, TCC has pioneered the global low-carbon fire-resistant EnergyArk energy storage cabinet. This innovation has received dual approval from the Fire Department and the Industrial Technology Research Institute of Taiwan. It is also Taiwan's first commercial energy storage system usable both indoors and outdoors to pass the international safety certification UL 9540:2023, third edition test. Additionally, it is the only energy storage system in Taiwan that has passed the UL9540, making it the safest indoor energy storage solution available.</p> <p><b>[Grasp Construction Policy and Adjust Trends]</b> TCC actively seeks and grasps key public sector discussions related to Taiwan's construction policies, including those with the Public Construction Commission, the Ministry of the Interior, the Water Resources Agency, etc. The outcomes of these discussions include adjustments to the commodity tax and confirmation that low-carbon products meet customer needs arising from policy developments.</p> <p><b>[Strengthen Communication with Investors and The Media]</b> TCC has launched low-carbon products. As an industry leader committed to responsible production, it is even more crucial to actively strive to showcase TCC's philosophy and product capabilities to institutional investors and the media. This effort aims to communicate that TCC has gradually transformed from a raw material supplier focused on sales volume to a construction materials brand known for its high-quality products.</p> |

| 5  |  |   |  |
|--|--|---|--|
| Financial position, financial performance and cash flows   |  |   |  |
| Current financial effects <sup>3</sup>   |  | Anticipated financial effects <sup>6</sup>  |  |
| Profits growth or cash inflow  | Increase in costs/expenses or cash outflow   | Profits growth or cash inflow   | Increase in costs/expenses or cash outflow   |
| <p>· Selling low-carbon products, including Portland Type I Cement, Portland Type II (MH) Cement, which have obtained carbon reduction labels in Taiwan, achieved the Ministry of the Interior's certification for low-carbon circular building materials; Portland Limestone Cement, Portland Limestone Cement Concrete; cementitious materials with less than 50% cement content or obtaining carbon reduction labels, low-carbon concrete with green building material certification, and low-carbon cement certified by Mainland China's low-carbon cement certification. This resulted in generating operating revenue of NT\$39,279,069 thousands, leading to an increase in cash inflows from operating activities.</p> | <p>· The construction of facilities and equipment for sustainable cement products resulted in capital expenditures of NT\$117,523 thousands, leading to cash outflows, as well as depreciation expenses of NT\$10,184 thousands for the year.</p> <p>· The development of low-carbon construction materials products and services resulted in R&amp;D expenses of NT\$70,064 thousands, leading to cash outflows from operating activities.</p> <p>· In addition to the aforementioned efforts, TCC continues to implement relevant management systems and certifications in the process of producing low-carbon products. These investments include the costs for the introduction and certification of ISO management systems, as well as third-party certification fees (including carbon labels, carbon reduction labels, green building material labels, green factory labels, etc.). To enhance the promotion of low-carbon products and services, TCC internally expands the manpower of the New Cement Business Center and invests in employee/supplier education and training costs. Externally, TCC continues to invest in marketing and communication expenses. The aforementioned investment has impacted the finances, including generating operating costs and expenses of NT\$19,040 thousands, leading to cash outflows from operating activities.</p> | <p>· Due to the adjustment of the cement commodity tax in Taiwan, coupled with the rising demand for green buildings and low-carbon buildings in Taiwan's public works, factory offices, and general construction, it is expected to drive the market demand for low-carbon cement and concrete. In early March 2024, the Public Construction Commission indicated that, in anticipation of the official implementation of the EU CBAM in 2026, it plans to introduce carbon reduction guidelines for eight major categories of public works. These guidelines, which will be mandatory in the future, require carbon reduction from the design phase. It is expected that these impacts will promote growth in TCC business revenue and an increase in cash inflow from operating activities.</p> <p>· TCC continues to optimize product formulations in Mainland China, driving an increase in the sales of low-carbon products, which will lead to an increase in future operating revenue and cash inflows from operating activities.</p> <p>· Combining our core business in construction materials with new energy, TCC has developed a patented product, the EnergyArk energy storage cabinet. TCC is promoting it from Taiwan and Mainland China to the European and American markets. Additionally, TCC plans to collaborate with its subsidiary, ATLANTE, to construct Europe's first charging station integrated with the EnergyArk energy storage cabinet in Italy in 2024 Q2. This is expected to increase future revenues and cash inflows from operating activities.</p> | <p>· Enhancing the effective utilization of recycled resources, expanding, and optimizing the equipment for alternative fuels and the co-processing of domestic waste is expected to lead to an increase in future capital expenditures and depreciation costs, resulting in cash outflows.</p> <p>· In the process of promoting sustainable products and services, the involvement of low-carbon product R&amp;D costs, ISO management system implementation and certification costs, and expenses for employee/supplier education and training, as well as the expansion of the New Cement Business Center, will lead to an increase in future operating costs and expenses, as well as cash outflows from operating activities.</p> |
| <p>In summary, to address the risks and opportunities related to sustainable products and services, TCC reported in its consolidated financial statements for the year 2023, revenue from low-carbon construction materials amounting to NT\$39,279,069 thousands, which accounts for 35.93% of the total revenues. The related capital investments and expenditures for the year 2023 totaled NT\$117,523 thousands, and the related costs and expenses amounted to NT\$99,288 thousands.</p>   |  | <p>Among the anticipated financial effects described above, the primary sources of funding for the investment plans are the net cash inflows from operating activities and sustainable and green financing.</p>   |  |



### 7.7.2.3 Risk Management

To strengthen the risk management of TCC, and to ensure the sustainable operation of TCC and the subsidiaries, the board of directors and manages systematically involved by using qualitative or quantitative management methods to assess the potential impact of various operational businesses on the company's operations, and reduces the risks to a tolerable range, achieving the goal of rationalizing risk and return. TCC has established the "Risk Management Policy and Principles" in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" promulgated by the Financial Supervisory Commission and the relevant provisions of the "Risk Management Best Practice Principles for TWSE/TPEX Listed Companies" of the Taiwan Stock Exchange. Through the establishment of an effective risk management mechanism, TCC evaluates and supervises its risk-bearing capacity and the current situation of risks borne, decides on risk response strategies, and follows the risk management procedures.

TCC spans multiple industries, and will gradually incorporate the issues and sustainability-related risks and opportunities of various industries to improve the identification, evaluation, and ranking processes. This risk identification did not use scenario analysis, but will evaluate how to incorporate it into the identification process in the future.

### 7.7.2.4 Metrics and Targets

#### Climate-related Indicators

| 1.GHG Emissions   | GHG Emission   | Emission (metric ton of CO <sub>2</sub> e)   |                        |   |
|---|--|--|------------------------|---|
|   | Scope 1  | Please refer to CH3.3.6, the Implementation of Climate-related Disclosure of the Annual Report |                        |   |
|   | Scope 2  | Please refer to CH3.3.6, the Implementation of Climate-related Disclosure of the Annual Report |                        |   |
|   | Scope 3  | Please refer to CH3.3.6, the Implementation of Climate-related Disclosure of the Annual Report |                        |   |
| 2. Amount and Percentage of Assets or Operating Activities Vulnerable to Climate-Related Transition Risks   | <ul style="list-style-type: none"> <li>Number of plants in Taiwan included in the list of carbon fee collected by the Ministry of Environment, and its percentage in the total number of plants in Taiwan</li> </ul>   |  |                        |   |
|   | Assets or Operating Activities   | Number of Plants in Taiwan Included in the Ministry of Environment's List of Carbon Fee (A)    | Total Plants in Taiwan | Percentage of Carbon Fee Collected Plants |
|   | Cement Plant   | 2  | 2                      | 100%                                      |
|   | RMC Plant  | 0  | 24                     | 0%  |
|   | Hoping Power Company   | 1  | 1                      | 100%                                      |
| <ul style="list-style-type: none"> <li>Production volume in Mainland China included in the regional emission trading pilots, and its percentage in Mainland China's total production volume: 37.19%.</li> </ul> |  |  |                        |   |
| 3. Internal Carbon Pricing  | Please refer to CH3.3.6, the Implementation of Climate-related Disclosure of the Annual Report   |  |                        |   |
| 4. Remuneration   | <ul style="list-style-type: none"> <li>Senior Executive ESG Performance Linked Compensation Policy and Linkage to Climate-Related Considerations: To implement and realize ESG, TCC continuously tracks the medium and long-term goals of sustainable strategies and various non-financial indicator performances, and incorporates them into the senior executive remunerations system for evaluation. In addition, TCC includes the execution results of corporate governance, green finance, social care, and sustainable environment into the personal performance evaluation scope of President. After the Remunerations Committee reviews the contributions to the company's operations and the reasonableness of the compensation, it is determined by the board of directors.</li> </ul> |  |                        |   |

|                 |  |
|-----------------|--|
| 4. Remuneration | <ul style="list-style-type: none"> <li>The carbon reduction targets of each plant are linked to the compensation and reward system and are connected to climate-related considerations. TCC implements a carbon reduction performance system, linking carbon reduction achievements with annual evaluations and salary incentives to enhance the enthusiasm and effectiveness of tracking performance indicators related to medium and long-term goals and climate issues. Since 2019, TCC has set annual carbon reduction targets for its cement plants in Taiwan and Mainland China. In the Mainland China plants, during the annual budget preparation by the Finance Department, various KPI indicators are set, including the intensity of electricity and coal consumption during the production process. Improvement targets are then allocated according to the characteristics of each cement plant. TCC monitors progress through the AI Carbon Reduction Management Platform. The platform displays real-time daily data and achievement status, including emission intensity, progress of carbon reduction projects, and the use of alternative raw materials/fuels, etc. At the SBT meetings held every two weeks, the performance tracking of each plant is discussed. TCC promotes low-carbon transformation through a mechanism of accountability involving all employees. The carbon reduction performance of each plant is linked to the bonuses of senior executives and employees. Quarterly and at the end of the year, the quarterly bonuses and annual performance bonuses are calculated based on the EPS of each plant and the achievement rate of carbon reduction targets. Starting from July 2022, a trial of internal carbon trading platform within cement plants was initiated. The emission quotas are allocated based on the production capacity of each plant. The plants submit their demands for emission quota trades through the platform, which then matches the prices. The planning of related internal carbon trading scenarios is settled at the end of the year based on the prices in the Guangdong carbon market and is linked to variable compensation</li> </ul> |
|-----------------|--|

Note: The reason the aforementioned climate-related indicators do not include comprehensive cross-industry metrics is because currently only information that is reasonable and verifiable as of the reporting date is disclosed.

Industry-based Indicators (Construction Materials) : Please refer to the Appendix of the Sustainability Report

#### Sustainability/Climate-related Targets

| Item   | 2025 Target   | 2030 Target                                       | 2050 Target                               |
|--|---|---|---|
| Carbon Neutrality Target for Cement and Concrete<br>(1) GHG Management   Taiwan<br>(2) GHG Management   Mainland China<br>(3) GHG Management   Taiwan & Mainland China (Weighted Average)<br>Base year 2016   Unit metric tons of CO <sub>2</sub> e/metric ton of cementitious materials | (1) 0.758 (SBT-11%)<br>(2) 0.651 (-11%)<br>(3) 0.663  | (1) 0.585 (-31%)<br>(2) 0.585 (-20%)<br>(3) 0.585 | Carbon Neutrality for Concrete            |
| WWI Reduction Target<br>(1) Water Management-WWI Reduction   Taiwan<br>(2) Water Management-WWI Reduction   Mainland China<br>Base year 2016   Unit million liters/metric ton of cementitious materials  | (1) 0.000264<br>(2) 0.000263                          | (1) 0.000240<br>(2) 0.000245                      | (1) 0.000192<br>(2) 0.000192              |
| Thermal Substitution Rate of Alternative Fuels Target<br>(1) Thermal Substitution Rate of Alternative Fuels   Taiwan<br>(2) Thermal Substitution Rate of Alternative Fuels   Mainland China  | (1) 35%<br>(2) 35%                                    | (1) 45%<br>(2) 45%                                | (1) 50%<br>(2) 50%                        |
| Ratio of Alternative Raw Materials Target<br>(1) Ratio of Alternative Raw Materials   Taiwan<br>(2) Ratio of Alternative Raw Materials   Mainland China  | (1) 28%<br>(2) 30%                                    | (1) 35%<br>(2) 40%                                | (1) 40%<br>(2) 45%                        |
| Renewable Energy Target<br>Taiwan & Mainland China   | 500MW under Management                                | 700MW under Management                            | 1GW under Management                      |
| Negative Emissions Technologies Target<br>(1) Carbon Capture R&D Budget (since 2011   Unit NT\$)<br>(2) Carbon Capture (Unit metric ton)   | (1) Cumulative investment of NT\$1.3 billion<br>(2) — | (1) —<br>(2) 100,000 metric tons/year             | (1) —<br>(2) 1.6 million metric tons/year |

### 7.8 Other Important Issues: None.

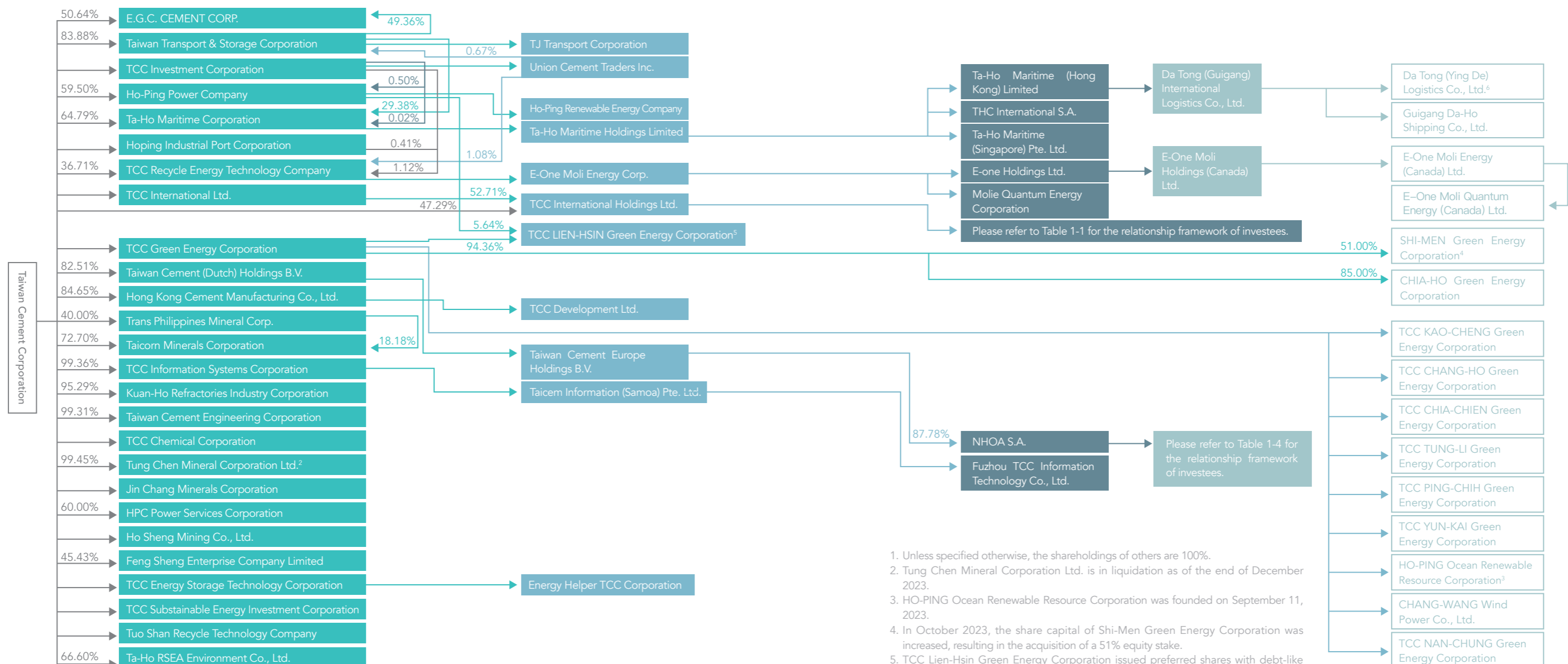
# 8 Special Notes

## 8.1 Information on affiliated entities

The scope of business of TCC's affiliates includes the generation of electricity and manufacture and sale of renewable energy related products; land transportation; sea transportation; manufacture and sale of fire-retardant materials; the undertaking of environmental protection projects, the manufacture, service, and sale of environmental protection related products and equipment, and the undertaking of waste disposal; the design, production, installation, service, sale, and consultation services for information industry products; outsourcing to contractors to build public housing, and the lease and sale of office buildings; and thermal power generation.

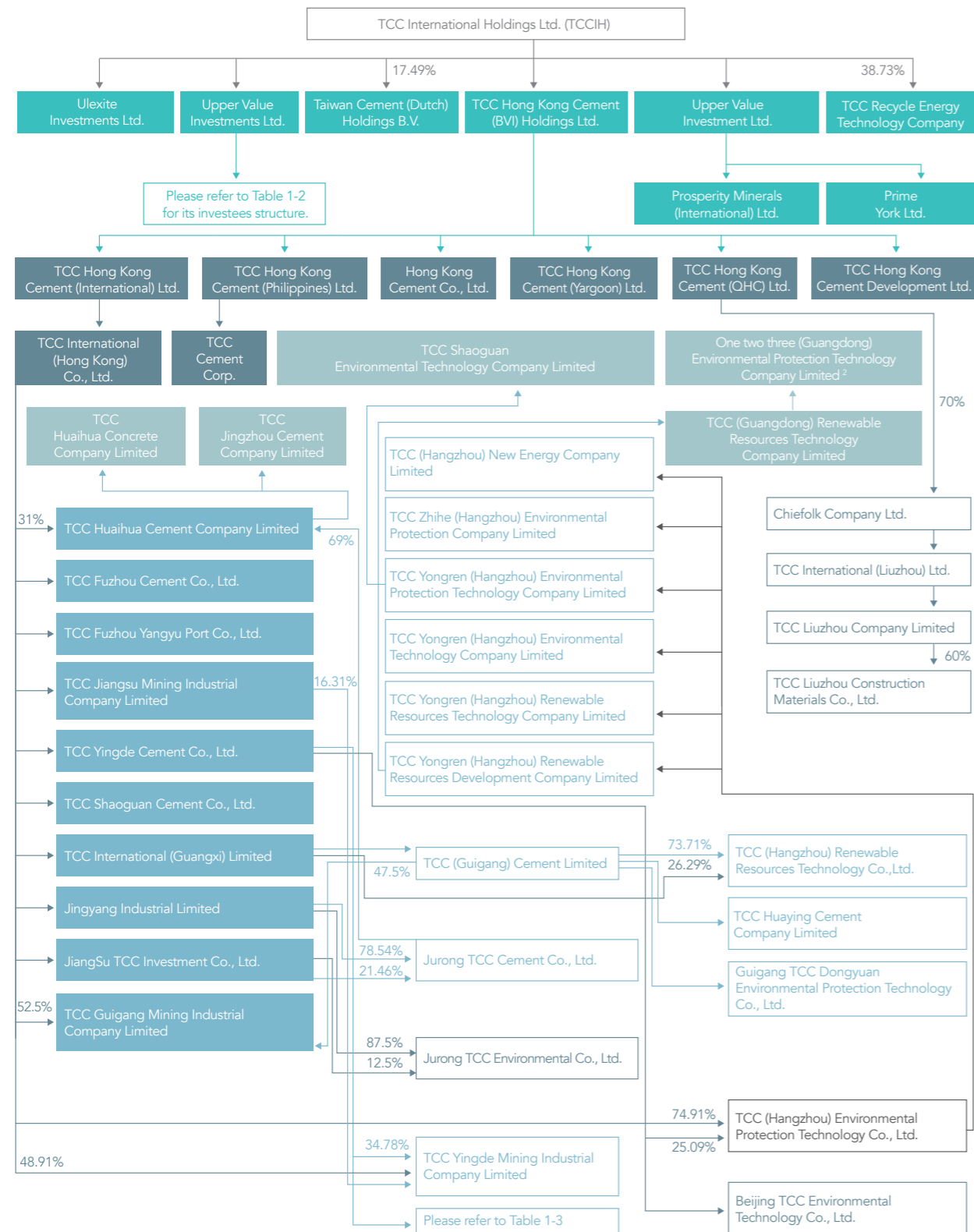
The following highlights the associations between TCC and its affiliates: TCC manufactures cement; NHOA, S.A. is responsible for the sales of energy storage equipment and electric vehicles charging point; E-One Moli Energy Corp. and Molie Quantum Energy Corporation are responsible for the manufacture and sale of battery; Taiwan Transport & Storage Corporation provides land transportation in Taiwan; Ta-Ho Maritime Corporation and its subsidiaries provide sea transportation and land transportation in China; TCC Information Systems Corporation provides data processing services; and Kuan-Ho Refractories Industry Corporation supplies fire-retardant materials. Transactions among TCC's affiliated entities are determined by contracts or purchase orders that specify the rights and obligations of each party, with transaction prices determined according to market prices; if a product does not have a market price, then the price is set fairly.

Taiwan Cement Corporation and its subsidiaries Group organization<sup>1</sup> (Chart 1) December 31, 2023



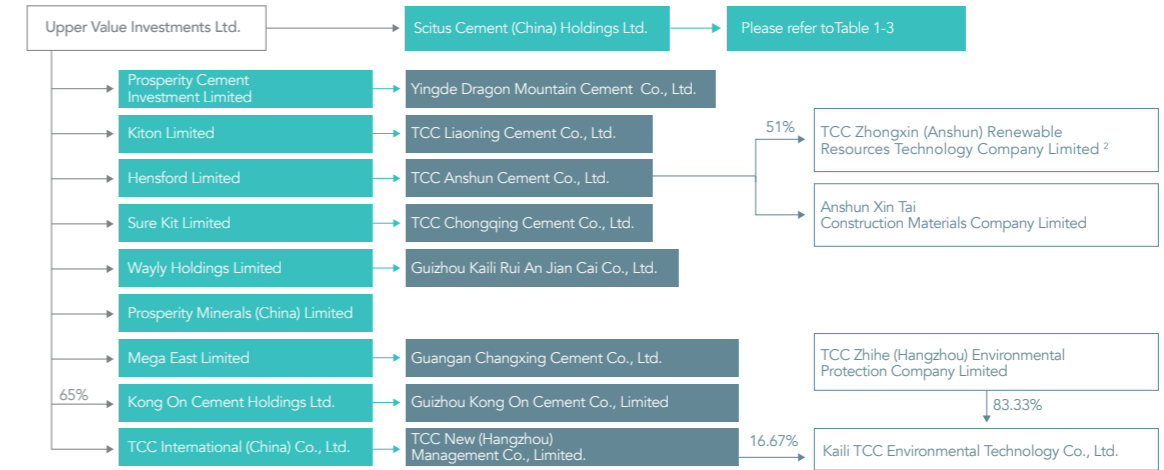
1. Unless specified otherwise, the shareholdings of others are 100%.
2. Tung Chen Mineral Corporation Ltd. is in liquidation as of the end of December 2023.
3. HO-PING Ocean Renewable Resource Corporation was founded on September 11, 2023.
4. In October 2023, the share capital of Shi-Men Green Energy Corporation was increased, resulting in the acquisition of a 51% equity stake.
5. TCC Lien-Hsin Green Energy Corporation issued preferred shares with debt-like characteristics, which are held by Ho-Ping Power Company.
6. Da Tong (Ying De) Logistics Co., Ltd. liquidation was completed in December 2023.

**Table 1-1** Taiwan Cement Corporation and its subsidiaries Organization chart of TCC International Holdings Ltd. and its subsidiaries<sup>1</sup>  
December 31, 2023

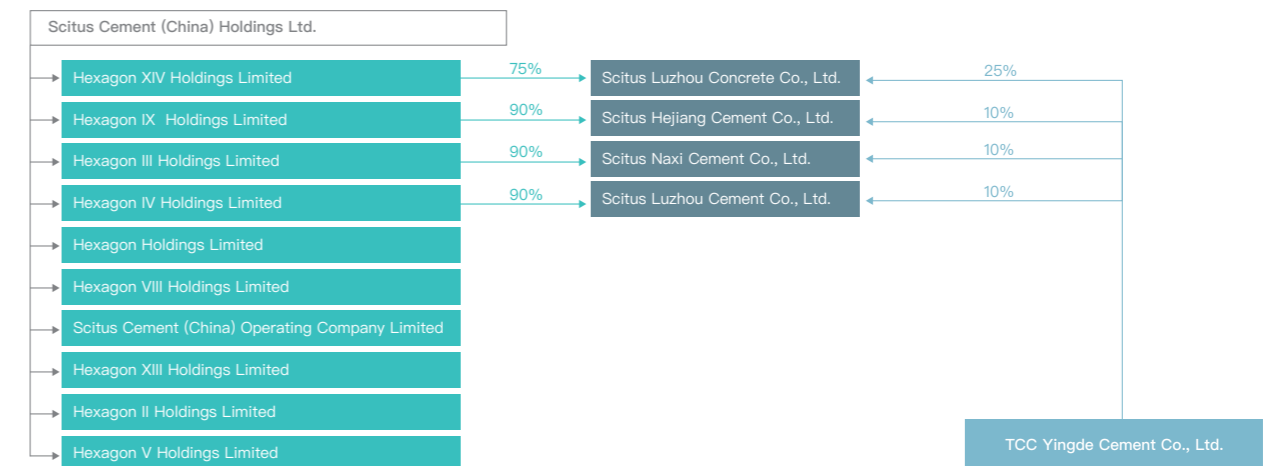


1. Unless specified otherwise, the shareholdings of others are 100%.  
2. The equity transfer of One Two Three (Guangdong) Environmental Protection Technology Company Limited was completed on June 15, 2023.  
3. TCC (Hangzhou) New Energy Company Limited was established on August 8, 2022. As of December 31, 2023, no capital injection has been made yet.

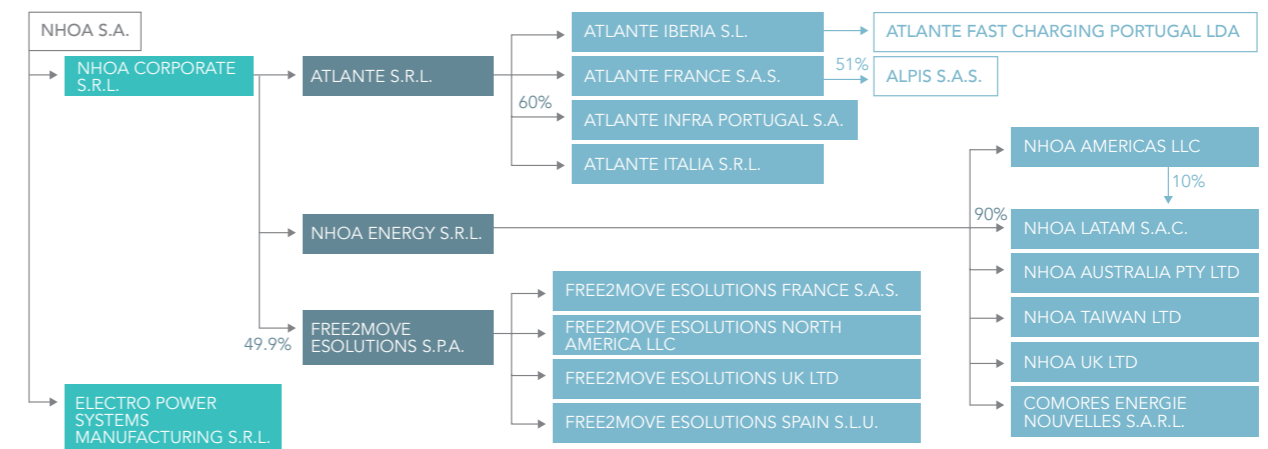
**Table 1-2** Taiwan Cement Corporation and its subsidiaries Organization chart of Upper Value Investments Limited and its subsidiaries<sup>1</sup>  
December 31, 2023



**Table 1-3** Taiwan Cement Corporation and its subsidiaries Organization chart of Scitus Cement (China) Holdings Ltd. and its subsidiaries<sup>1</sup>  
December 31, 2023



**Table 1-4** Taiwan Cement Corporation and its subsidiaries Organization chart of NHOA S.A. and its subsidiaries<sup>1</sup>  
December 31, 2023



1. Unless specified otherwise, the shareholdings of others are 100%.  
2. TCC Zhongxin (Anshun) Renewable Resources Technology Company Limited was founded on October 11, 2023.

## Information of affiliates

December 31, 2023 (expressed in NT\$ thousands)

| Affiliate   | Establishing date | Address   | Paid-in capital | Scope of business   |
|---|-------------------|---|-----------------|---|
| Taiwan Transport & Storage Corporation              | December 24, 1955 | 10F, No. 16-5, Dehui St, Zhongshan District, Taipei City                              | 624,839         | Cargo transportation, cargo storage, customs clearance, construction material wholesale, sea transportation understanding, coal and coal product wholesale, automobile container transportation, construction material wholesale, desilting, parking lot.   |
| TJ Transport Corporation                            | August 22, 2019   | 10F, No. 16-5, Dehui St, Zhongshan District, Taipei City                              | 25,000          | Cargo transportation, cargo storage.  |
| Taiwan Cement Engineering Corporation               | September 2, 1974 | 10F, No. 113, Section 2, Zhongshan North Road, Taipei City                            | 601,656         | 1. Manufacture and sale of chemical engineering machinery and accessories.<br>2. Design, manufacture, and installation of equipment for pollution prevention and waste disposal.<br>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 | 549,024         | 1. Manufacture and trading of fire-retardant materials, heat insulation materials, and acid- and alkaline-resistant instruments.<br>2. Manufacture and trading of ceramics and construction materials.<br>3. Processing and trading of silver sand clay and red sand clay.<br>4. Trading of fire-retardant and ceramic materials and accessories.<br>5. Investment in production-sales or government supported special economic development projects relating to fire-retardant and ceramic materials.<br>6. Design and installation of furnace lining. |
| TCC Green Energy Corporation                        | August 7, 1989    | No. 11, Changbin East 1st Road, Wenzhi Village, Xianxi Township, Changhua County      | 13,508,987      | Renewable energy generation.  |
| TCC CHIA-CHIEN Green Energy Corporation             | May 4, 2018       | No. 8, Xinsheng St., Minxiong Township, Chiayi County                                 | 3,202,000       | Renewable energy generation.  |
| TCC YUN-KAI Green Energy Corporation                | May 4, 2018       | 10F, No. 113, Section 2, Zhongshan North Road, Taipei City                            | 25,000          | Renewable energy generation.  |
| TCC LIEN-HSIN Green Energy Corporation <sup>1</sup> | May 8, 2018       | 10F, No. 113, Section 2, Zhongshan North Road, Taipei City                            | 4,252,000       | Renewable energy generation.  |
| TCC CHANG-HO Green Energy Corporation               | July 10, 2018     | No. 11, Changbin East 1st Road, Wenzhi Village, Xianxi Township, Changhua County      | 2,456           | Renewable energy generation.  |
| TCC KAO-CHENG Green Energy Corporation              | July 18, 2018     | No. 251, Xixi Rd., Linyuan Dist., Kaohsiung City                                      | 142,000         | Renewable energy generation.  |
| TCC NAN-CHUNG Green Energy Corporation              | September 6, 2018 | No. 36, Taiyi 7th St., Rende Dist., Tainan City                                       | 170,000         | Renewable energy generation.  |

| Affiliate   | Establishing date  | Address   | Paid-in capital   | Scope of business                       |
|---|--------------------|---|---|---|
| CHANG-WANG Wind Power Co., Ltd.                           | December 12, 2018  | No. 11, Changbin East 1st Road, Wenzhi Village, Xianxi Township, Changhua County                | 720,000   | Renewable energy generation.            |
| TCC PING-CHIH Green Energy Corporation                    | August 8, 2019     | 10F, No. 113, Section 2, Zhongshan North Road, Taipei City                                      | 2,000   | Renewable energy generation.            |
| CHIA-HO Green Energy Corporation                          | February 14, 2020  | 10F, No. 113, Section 2, Zhongshan North Road, Taipei City                                      | 3,700,000   | Renewable energy generation.            |
| TCC TUNG-LI Green Energy Corporation                      | February 9, 2021   | No. 121, Honggu Rd., Yanping Township, Taitung County   | 270,000   | Tourism and recreation.                 |
| HO-PING Ocean Renewable Resource Corporation <sup>2</sup> | September 11, 2023 | 10F, No. 113, Section 2, Zhongshan North Road, Taipei City                                      | 30,000  | Renewable energy generation.            |
| SHI-MEN Green Energy Corporation <sup>3</sup>             | November 8, 2022   | No. 118, Jianzilu, Shimen Dist., New Taipei City  | 20,000  | Renewable energy generation.            |
| 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<br>Non-voting deferred shares: USD 90 | Investment holdings.                    |
| Ta-Ho Maritime Corporation                                | September 4, 1979  | 10F, 16-5, DeHui Street, Taipei 104, Taiwan, R.O.C  | 3,156,351   | Ship transportation and shipping agent. |
| Ta-Ho Maritime Holdings Limited                           | June 20, 1995      | Offshore, Chambers, P.O. Box 217, Apia, Western Samoa   | USD 74,300,000  | Investment holdings.                    |
| THC International S.A.                                    | April 12, 1990     | 53 <sup>rd</sup> Street, Urbanizacion Obarrio Torre Swiss Bank, 16th Floor, Panama, R.O. Panama | USD 94,310,000  | Ship transportation.                    |
| Ta-Ho Maritime (Hong Kong) Limited                        | May 30, 2008       | 31st Floor, Chinachem Century Tower, 178 Gloucester Road, Wanchai, Hong Kong.                   | USD 5,100,000   | Ship transportation.                    |
| Ta-Ho Maritime (Singapore) Pte. Ltd.                      | September 25, 2008 | 8 Cross Street#11-00 PwC Building Singapore 048424  | USD 100,000   | Ship transportation.                    |
| Da Tong (Guigang) International Logistics Co., Ltd.       | September 28, 2008 | People's Government, Hualian Town, Qintang District, Guigang City, China.                       | USD 5,000,000   | Logistics.                              |
| Guigang Da-Ho Shipping Co., Ltd.                          | November 19, 2008  | People's Government, Hualian Town, Qintang District, Guigang City, China.                       | RMB 4,000,000   | Ship transportation.                    |
| Da Tong (Ying De) Logistics Co., Ltd. <sup>4</sup>        | March 8, 2012      | 2nd Floor, Honglou, Guanyinshan, Yingcheng Subdistrict, Yingde City, China                      | RMB 0   | Logistics.                              |
| TCC Investment Corporation                                | June 21, 1988      | 11F, No. 113, Section 2, Zhongshan North Road, Taipei City.                                     | 2,398,000   | Investment holdings.                    |
| Union Cement Traders Inc.                                 | November 15, 1990  | 11F, No. 113, Section 2, Zhongshan North Road, Taipei City.                                     | 402,000   | Trading.                                |



| Affiliate                                   | Establishing date | Address  | Paid-in capital | Scope of business   |
|---|-------------------|--|-----------------|---|
| TCC Chemical Corporation                    | April 11, 1991    | 9F, No. 113, Section 2, Zhongshan North Road, Taipei City  | 1,400,000       | Property leasing.<br>Energy technology service.   |
| TCC Information Systems Corporation         | April 10, 1991    | 9F, No. 113, Section 2, Zhongshan North Road, Taipei City  | 150,000         | 1. Design, installation, sales, maintenance, and lease of computer and information software products.<br>2. EPC contracting of automation control projects and computerization projects.<br>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.   |
| Tung Chen Mineral Corporation <sup>5</sup>  | January 6, 1973   | No. Heping 263, Heping Village, Xiulin Township, Hualien County  | 2,000           | Mining, sales, processing, and trading of minerals.   |
| Jin Chang Minerals Corporation              | July 1, 1999      | No. Heping 263, Heping Village, Xiulin Township, Hualien County  | 91,000          | Wholesale of Ores, Wholesale of Building Materials, Quarrying, Mining of Non-metallic, Afforestation/Silviculture, logging, International Trade, All business items that are not prohibited or restricted by law, except those that are subject to special approval.  |
| Hoping Industrial Port Corporation          | May 8, 1996       | No. 6, Hegong 5th Road, Heping Village, Xiulin Township, Hualien County                                    | 3,200,000       | Operations, maintenance and management of Hoping Industrial Port.   |
| Ho Sheng Mining Co., Ltd.                   | March 31, 2011    | 10F, No. 113, Section 2, Zhongshan North Road, Taipei City.  | 301,000         | Sand and gravel excavation.   |
| Ho-Ping Power Company                       | October 29, 1997  | No. 7, Hegong 2nd Road, Heping Village, Xiulin Township, Hualien County                                    | 13,545,215      | 1. Coal-fired power plant.<br>2. Import and trading of fuel coal for power generation.<br>3. Import and trading of raw materials and parts for generation equipment.<br>4. Manufacture, processing, and trading of gypsum, coal dust, and bottom ash.<br>5. All business items that are not prohibited or restricted by law, except those that are subject to special approval. |
| Ho-Ping Renewable Energy Company            | April 9, 2018     | No. 7, Hegong 2nd Road, Heping Village, Xiulin Township, Hualien County                                    | 1,000           | 1. Electric power supply, electric transmission and power distribution machinery manufacturing.<br>2. Self-usage power generation equipment utilizing renewable energy industry.<br>3. Electricity equipment checking and maintenance.<br>4. Apparatus installation construction.<br>5. Energy technical services.  |

| Affiliate                                | Establishing date  | Address   | Paid-in capital   | Scope of business   |
|--|--------------------|---|---|---|
| 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   | 300,000   | waste disposal.   |
| E.G.C. CEMENT CORP.                      | May 26, 1992       | Lane 23, No. 6, Xingang Road, Tainan City   | 159,200   | Sales and processing of cement, asphalt, and gypsum   |
| Feng Sheng Enterprise Company Limited    | September 25, 1997 | No. 294, Fengren Road, Renwu District, Kaohsiung City.  | 600,000   | Soil and gravel mining, leasing, ready mixed concrete manufacture, international trade, manufacture and retail of stone and construction materials, other environmental services, all business items that are not prohibited or restricted by law, except those that are subject to special approval. |
| Taicorn Minerals Corporation             | June 20, 1995      | 8th Fl., Unit A, Legaspi Towers 300, 2600 Roxas Boulevard, Malate, Manila, the Philippines            | PHP 16,500,000  | Mining.   |
| Trans Philippines Mineral Corp.          | February 2, 1996   | 8th Fl., Unit A, Legaspi Towers 300, 2600 Roxas Boulevard, Malate, Manila, the Philippines            | PHP 5,000,000   | Mining.   |
| TCC International Ltd.                   | May 22, 1997       | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong                   | USD 1,100,876,000   | Investment holdings.  |
| TCC International Holdings Ltd.          | July 4, 1997       | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong                   | Common share capital HKD 789,802,478                          | Investment holdings.  |
| TCC International (Guangxi) Limited      | October 13, 2004   | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong                   | USD 203,000,000   | Investment holdings.  |
| TCC (Guigang) Cement Ltd.                | December 28, 2005  | Huanglian Valley, Huanglian Town, Qintang District, Guigang City                                      | USD 332,875,900   | Manufacture and distribution of clinkers and cement   |
| TCC Hong Kong Cement (BVI) Holdings Ltd. | May 22, 1997       | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong                   | USD 17,000  | Investment holdings.  |
| Ulexite Investments Limited              | August 12, 1999    | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong                   | USD 200   | Investment holdings.  |
| TCC Hong Kong Cement Development Ltd.    | May 22, 1997       | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong                   | Ordinary shares: USD 10<br>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                   | USD100  | Investment holdings.  |

| Affiliate                                    | Establishing date  | Address   | Paid-in capital    | Scope of business   |
|--|--------------------|---|--------------------|---|
| Chieffolk Company Limited                    | April 18, 1989     | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong         | HKD 1,000,000      | Investment holdings.  |
| TCC International(Liuzhou) Ltd.              | February 26, 2003  | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong         | USD 50,000         | Investment holdings.  |
| TCC Liuzhou Company Limited                  | November 9, 2007   | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong         | HKD 10,000         | Investment holdings.  |
| TCC Hong Kong Cement (Yargoan) Ltd.          | March 12, 1997     | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong         | USD 100            | Investment holdings.  |
| Hong Kong Cement Company Limited             | June 11, 1997      | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong         | HKD 164,391,000    | Import and distribution of cement.  |
| TCC Hong Kong Cement (Philippines) Ltd.      | May 22, 1997       | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong         | USD 100            | Investment holdings.  |
| TCC Cement Corporation                       | February 21, 1996  | Unit 16-E, Legaspi Towers 300 Roxas Blvd., Malate, Manila, Philippines                      | PHP 91,020,500     | Investment holdings.  |
| TCC Hong Kong Cement (International) Ltd.    | June 11, 1997      | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong         | USD 1,700          | Investment holdings.  |
| TCC International (Hong Kong) Co., Ltd.      | October 25, 2007   | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong         | HKD 10,163,557,694 | Investment holdings.  |
| TCC Fuzhou Yangyu Port Co., Ltd.             | May 17, 2002       | West Side, Xizhe Line, Yangyu Village, Hangcheng Town, Changle City, Fujian Province, China | USD 5,000,000      | Pier facilities and services.   |
| TCC Liuzhou Construction Materials Co., Ltd. | October 21, 2003   | 102 Anchunjiang Road, Liuzhou City, Guangxi Zhuang Autonomous Region, China                 | USD 13,500,000     | Manufacture and distribution of bottom ash.                               |
| TCC Fuzhou Cement Co., Ltd.                  | May 17, 2002       | West Side, Xizhe Line, Yangyu Village, Hangcheng Town, Changle City, Fujian Province, China | USD 16,250,000     | Manufacture and distribution of cement.                                   |
| TCC Yingde Cement Co., Ltd.                  | September 15, 2003 | Guanyinshan, Yingcheng Subdistrict, Yingde City, China                                      | USD 254,400,000    | Manufacture and distribution of clinkers and cement.                      |
| Jurong TCC Cement Co., Ltd.                  | June 26, 1993      | Qiaotou Town, Jurong City, Jiangsu Province, China  | USD 233,000,000    | Limestone mining, and production and sales of cement and cement products. |
| Jingyang Industrial Ltd.                     | February 12, 1991  | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong         | HKD 218,764,561    | 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.  |

| Affiliate                                     | Establishing date | Address  | Paid-in capital   | Scope of business                                    |
|---|-------------------|--|-------------------|--|
| Upper Value Investments Limited               | January 2, 2008   | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong    | USD 12,700        | Investment holdings.                                 |
| Prosperity Cement Investment Limited          | January 24, 2006  | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong    | HKD 759,955,769   | Investment holdings.                                 |
| Yingde Dragon Mountain Cement Co., Ltd.       | March 10, 2003    | Wanpu Town, Yingde City, Guangdong Province, China                                     | RMB 428,110,000   | Manufacture and distribution of clinkers and cement. |
| Prosperity Minerals (International) Limited   | April 23, 2004    | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong    | HKD 28,533,976    | Investment holdings.                                 |
| Kiton Ltd.                                    | December 17, 2007 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong    | HKD 685,926,583   | Investment holdings.                                 |
| TCC Liaoning Cement Company Limited           | December 14, 2007 | Xidayao Village, Xidayao Town, Dengta City, Liaoyang, Liaoning Province, China         | RMB 371,000,000   | Manufacture and distribution of clinkers and cement. |
| Hensford Limited                              | December 19, 2007 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong    | HKD 1,191,945,979 | Investment holdings.                                 |
| TCC Anshun Cement Company Limited             | May 27, 2008      | Martin Village, Chengguan Town, Pingba District, Anshun City, Guizhou Province, China  | USD 153,490,000   | Manufacture and distribution of clinkers and cement. |
| Sure Kit Limited                              | February 13, 2008 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong    | HKD 953,818,809   | Investment holdings.                                 |
| TCC Chongqing Cement Company Limited          | June 3, 2008      | Jianliang Village, Yanjing Town, Hechuan District, Chongqing City, China               | USD 118,000,000   | Manufacture and distribution of clinkers and cement. |
| Prime York Limited                            | December 17, 2007 | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong    | HKD 532,147,515   | Investment holdings.                                 |
| Prosperity Minerals (China) Limited           | July 26, 2007     | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong    | USD 10,300        | Investment holdings.                                 |
| Mega East Limited                             | April 16, 2008    | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong    | HKD 597,603,470   | Investment holdings.                                 |
| Guangan Changxing Cement Co., Ltd.            | August 25, 2009   | Jijian Village, Qianfeng Town, Guangan District, Guangan City, Sichuan Province, China | USD 76,990,000    | Manufacture and distribution of clinkers and cement. |
| TCC International (China) Company Limited     | January 14, 2011  | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong    | HKD 62,143,260    | Investment holdings.                                 |
| TCC New (Hangzhou) Management Company Limited | May 13, 2011      | Room 1902, 19th Floor, Jialianhua Building, 586 Jiaguo North Road, Hangzhou, China     | USD 8,000,000     | Business management.                                 |
| Kong On Cement Holdings Ltd.                  | April 29, 2009    | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong    | HKD 127,440,000   | Investment holdings.                                 |

| Affiliate                                       | Establishing date | Address   | Paid-in capital   | Scope of business   |
|---|-------------------|---|-------------------|---|
| Guizhou Kong On Cement Co., Ltd.                | June 9, 2009      | Shibanjing Village, Tingyun Township, Guanling County, Anshun City, Guizhou Province, China                                 | USD 20,300,000    | Manufacture and distribution of clinkers and cement.                  |
| Wayly Holdings Limited                          | July 16, 2007     | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong   | USD 10,501        | Investment holdings.  |
| Guizhou Kaili Rui An Jian Cai Co., Ltd.         | February 20, 2008 | Xintai Village, Ximahe District, Kaili City, Guizhou Province, China  | RMB 389,660,500   | Manufacture and distribution of clinkers and cement.                  |
| TCC Shaoguan Cement Co., Ltd.                   | November 3, 2011  | Shijao Village, Wushi Town, Cuijiang District Shaoguan City, Guangdong Province, China                                      | USD 69,100,000    | Manufacture and distribution of clinkers and cement (in preparation). |
| TCC Yingde Mining Industrial Company Limited    | April 13, 2004    | Aishanping Village, Yingde City, Guangdong Province, China (inside the mining site of TCC Yingde Cement Co., Ltd.)          | USD 11,500,000    | Provision of limestone mining service.                                |
| TCC Guigang Mining Industrial Company Limited   | June 28, 2007     | Huanglian Valley, Huanglian Town, Qintang District, Guigang City, China (inside the mining site of TCC Guigang Cement Ltd.) | USD 5,000,000     | Provision of limestone mining service.                                |
| TCC Jiangsu Mining Industrial Company Limited   | October 21, 1996  | Dazhuo Township, Jurong City, Jiangsu Province, China   | USD 4,000,000     | Provision of limestone mining service.                                |
| Scitus Cement (China) Holdings Limited          | October 30, 2007  | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong   | HKD 1,245,257,277 | Investment holdings.  |
| 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.  |
| Upper Value Investment Limited                  | May 20, 2008      | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong   | HKD 1             | Investment holdings.  |
| Hexagon III Holdings Limited                    | January 11, 2008  | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong   | HKD 79,500,001    | Investment holdings.  |
| Hexagon IV Holdings Limited                     | March 11, 2008    | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong   | HKD 136,430,001   | Investment holdings.  |
| Hexagon V Holdings Limited                      | March 11, 2008    | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong   | HKD 1             | Investment holdings.  |
| Hexagon VIII Holdings Limited                   | May 20, 2008      | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong   | HKD 1             | Investment holdings.  |

| Affiliate  | Establishing date  | Address   | Paid-in capital   | Scope of business  |
|--|--------------------|---|-------------------|--|
| Hexagon IX Holdings Limited  | May 20, 2008       | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong                       | HKD 1             | Investment holdings.   |
| Hexagon XIII Holdings Limited                                      | November 6, 2008   | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong                       | HKD 1             | Investment holdings.   |
| Hexagon XIV Holdings Limited                                       | November 6, 2008   | 16/F, Hong Kong Diamond Exchange Bldg., No. 8-10 Duddell Street, Central, Hong Kong                       | HKD 1             | Investment holdings.   |
| Scitus Luzhou Cement Co., Ltd.                                     | May 5, 2008        | Community 1, Fulong Village, Zhendong Township, Xuyong County, Luzhou City, China                         | RMB 395,000,000   | Manufacture and distribution of clinkers and cement.               |
| Scitus Hejiang Cement Co., Ltd.                                    | August 7, 2002     | Communities 3 and 4, Chaofang Village, Hejiang Town, Hejiang County, Luzhou City, Sichuan Province, China | RMB 23,250,000    | Manufacture and distribution of cement.                            |
| Scitus Luzhou Concrete Co., Ltd.                                   | May 13, 2009       | Naxi District Industrial Development Zone, Luzhou City, Sichuan Province, China                           | RMB 25,000,000    | Manufacture and distribution of concrete.                          |
| Scitus Naxi Cement Co., Ltd.                                       | May 13, 2009       | Naxi District Industrial Development Zone, Luzhou City, Sichuan Province, China                           | RMB 146,510,000   | Manufacture and distribution of cement.                            |
| Anshun Xin Tai Construction Materials Company Limited              | February 13, 2012  | Matian Village, Anping Office, Pingba County, Anshun City, Guizhou Province, China                        | RMB 15,000,000    | Manufacture and distribution of sand, gravels, and aggregates.     |
| TCC Huaying Cement Company Limited                                 | July 24, 2009      | Longqiao Village, Xikou Town, Huaying City, Sichuan Province, China                                       | RMB 949,880,000   | Manufacture and distribution of clinkers and cement.               |
| TCC Huaihua Cement Company Limited                                 | January 12, 2001   | Wuli Village, Luyang Town, Zhongfang County, Huaihua City, Hunan Province, China                          | RMB 300,000,000   | Manufacture and distribution of clinkers and cement.               |
| TCC Jingzhou Cement Company Limited                                | August 20, 2008    | Pukou Township, Jingzhou County, Huihua City, Hunan Province, China                                       | RMB 150,000,000   | Manufacture and distribution of clinkers and cement.               |
| TCC Huaihua Concrete Company Limited                               | September 24, 2009 | Wuli Village, Luyang Town, Zhongfang County, Huihua City, Hunan Province, China                           | RMB 10,000,000    | Manufacture and distribution of concrete.                          |
| Guigang TCC Dongyuan Environmental Protection Technology Co., Ltd. | June 7, 2018       | Huanglian Valley, Huanglian Town, Qintang District, Guigang City, China                                   | RMB 200,000,000   | 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 48,000,000    | Development of technologies for environmental protection products. |
| Taiwan Cement (Dutch) Holdings B.V.                                | November 8, 2018   | Strawinskylaan 3051, 1077ZX Amsterdam   | EUR 1,429,219,000 | Investment holdings.   |
| Taiwan Cement Europe Holdings B.V.                                 | April 26, 2021     | Strawinskylaan 3051, 1077ZX Amsterdam   | EUR 430,001,000   | Investment holdings.   |

| Affiliate                              | Establishing date | Address  | Paid-in capital | Scope of business   |
|--|-------------------|--|-----------------|---|
| NHOA S.A.                              | December 26, 2014 | 28, Rue de Londres, 75009, Paris, (France)   | EUR 55,039,352  | Investment holdings   |
| NHOA CORPORATE S.R.L.                  | December 13, 2022 | Piazzale Lodi 3, 20137, Milano (MI) - IT   | EUR 12,000,000  | Investment holdings   |
| 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.                                | KMF 10,000,000  | IPP   |
| NHOA ENERGY S.R.L.                     | December 23, 2015 | Piazzale Lodi 3, 20137, Milano (MI) - IT   | EUR 15,000,000  | Renewable energy and storage systems construction   |
| NHOA AMERICAS LLC                      | June 16, 2021     | 251 Little Falls Drive, Wilmington, DE 19808, New Castel Country, USA                          | USD 10,000      | Renewable energy and storage systems construction   |
| NHOA AUSTRALIA PTY LTD                 | July 29, 2021     | Tower One – International Towers, Sydney L 46, 100BARANGAROOAV, BARANGAROO NSW 2000, Australia | AUD 25,210,000  | Renewable energy and storage systems construction   |
| NHOA LATAM S.A.C.                      | October 11, 2022  | Av. Alvarez Calderon, 185 – San Isidro, Lima, Peru   | SOL 3,000       | Renewable energy and storage systems construction   |
| NHOA TAIWAN LTD                        | January 6, 2023   | 11 F, No. 113, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City, Taiwan                  | 250             | Renewable energy and storage systems construction   |
| NHOA UK LTD                            | February 16, 2023 | 133-137 Alexandra Road, Wimbledon, London, SW19 7JY, United Kingdom                            | GBP 100,000     | Renewable energy and storage systems construction   |
| ATLANTE S.R.L.                         | October 5, 2021   | Piazzale Lodi 3, 20137, Milano (MI) - IT   | EUR 12,000,000  | Design, installation, management and maintenance of charging infrastructure for electric vehicles, and provision of charging services |
| ATLANTE IBERIA S.L.                    | February 24, 2022 | Avenida de Madrid 95, Barcelona  | EUR 504,000     | Design, installation, management and maintenance of charging infrastructure for electric vehicles, and provision of charging services |
| ATLANTE FRANCE S.A.S.                  | March 14, 2022    | 93 Boulevard Haussmann, Paris 75008  | EUR 29,500,000  | Design, installation, management and maintenance of charging infrastructure for electric vehicles, and provision of charging services |
| Atlante Fast Charging Portugal LDA     | July 18, 2022     | Centro Empresarial Torres de Lisboa, Torre G, Rua Tomás da Fonseca, 1600 209 Lisboa            | EUR 4,000       | Design, installation, management and maintenance of charging infrastructure for electric vehicles, and provision of charging services |
| ATLANTE INFRA PORTUGAL S.A.            | February 16, 2023 | Centro Empresarial Torres de Lisboa, Torre G, Rua Tomás da Fonseca, 1600 209 Lisboa            | EUR 140,000     | Design, installation, management and maintenance of charging infrastructure for electric vehicles, and provision of charging services |
| ATLANTE ITALIA S.R.L.                  | May 29, 2023      | Piazzale Lodi 3, 20137, Milano (MI) - IT   | EUR 7,500,000   | Design, installation, management and maintenance of charging infrastructure for electric vehicles, and provision of charging services |
| ALPIS S.A.S.                           | December 7, 2023  | 93 boulevard Haussmann 75008 Paris   | EUR 100         | Design, installation, management and maintenance of charging infrastructure for electric vehicles, and provision of charging services |
| FREE2MOVE ESOLUTIONS S.P.A.            | November 23, 2021 | Piazzale Lodi 3, 20137, Milano (MI) - IT   | EUR 32,755,531  | E-mobility  |
| FREE2MOVE ESOLUTIONS NORTH AMERICA LLC | April 27, 2022    | 251 Little Falls Drive, Wilmington, County of New Castle, Delaware, 19808                      | USD 100,000     | E-mobility  |

| Affiliate  | Establishing date  | Address   | Paid-in capital   | Scope of business   |
|--|--------------------|---|-------------------|---|
| FREE2MOVE ESOLUTIONS FRANCE S.A.S.   | May 5, 2022        | 93 boulevard Haussmann 75008 Paris  | EUR 100,000       | E-mobility  |
| FREE2MOVE ESOLUTIONS SPAIN S.L.U.  | July 13, 2022      | C/ Eduardo Barreiros, nº 110, 28041 - Madrid – Spain  | EUR 100,000       | E-mobility  |
| FREE2MOVE ESOLUTIONS UK LTD  | June 17, 2022      | St Matthews House Quays Office Business Park, Conference Avenue, Portishead, United Kingdom, BS20 7LZ                                   | GBP 100,000       | E-mobility  |
| 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 2,790,000,000 | Environment, cement, business management consulting.  |
| TCC (Hangzhou) Renewable Resources Technology Co., Ltd.                    | April 24, 2020     | Room 808, Unit 1, Building 1, Shengde International Plaza, Xin'anjiang Street, Jiande City, Hangzhou City, Zhejiang Province, China     | RMB 560,000,000   | Renewable Resources, Environment,, business management.   |
| Jurong TCC Environmental Co., Ltd.   | August 25, 2020    | Qiaotou Town, Jurong City, Jiangsu Province, China  | RMB 256,684,500   | Hazardous waste disposal.   |
| TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited | December 15, 2021  | Room 2103, 21st floor, Guangfu United International Center, Qianjiang Century City, Xiaoshan District, Hangzhou City, Zhejiang Province | RMB 1,000,000     | Technical service, development and consultation, resource recycling service technical consultation, biomass energy technical service, biomass briquette fuel sales; renewable resource sales and recovery; solid waste treatment.               |
| TCC Yongren (Hangzhou) Environmental Technology Company Limited            | December 15, 2021  | Room 2104, 21st floor, Guangfu United International Center, Qianjiang Century City, Xiaoshan District, Hangzhou City, Zhejiang Province | RMB 1,000,000     | Resource recycling service technical consultation; solid waste treatment; resource regeneration technology research and development; biotechnology technical services; biomass briquette fuel sales   |
| TCC Yongren (Hangzhou) Renewable Resources Technology Company Limited      | December 15, 2021  | Room 2106, 21st floor, Guangfu United International Center, Qianjiang Century City, Xiaoshan District, Hangzhou City, Zhejiang Province | RMB 1,000,000     | Resource recycling technology research and development; resource recycling service technical consultation; solid waste treatment; biomass fuel processing and sales, technical services.  |
| TCC Yongren (Hangzhou) Renewable Resources Development Company Limited     | December 15, 2021  | Room 2105, 21st floor, Guangfu United International Center, Qianjiang Century City, Xiaoshan District, Hangzhou City, Zhejiang Province | RMB 1,000,000     | Resource recycling technology research and development; resource recycling service technical consultation; solid waste treatment; biomass fuel processing and sales; biomass energy technical services; renewable resources sales and recycling |
| TCC Shaoguan Environmental Technology Company Limited                      | December 31, 2021  | Room 101, 1 st floor, Sanjiao Office Building, Shijiao Village Wushi Town Qujiang District, Shaoguan City, Guangdong, China             | RMB 1,000,000     | Biofuel, resource recycling, technology research and development related business   |
| TCC Energy Storage Technology Corporation                                  | September 18, 2020 | 11F, No. 113, Section 2, Zhongshan North Road, Taipei City.   | 2,506,000         | Energy storage equipment manufacturing, production and sales.   |
| TCC Sustainable Energy Investment Corporation                              | September 18, 2020 | 11F, No. 113, Section 2, Zhongshan North Road, Taipei City.   | 1,000             | Investment holding.   |
| Tuo Shan Recycle Technology Company  | April 29, 2021     | 11F, No. 113, Section 2, Zhongshan North Road, Taipei City.   | 1,000             | Waste collection and treatment  |



| Affiliate  | Establishing date  | Address   | Paid-in capital | Scope of business  |
|--|--------------------|---|-----------------|--|
| Energy Helper TCC Corporation  | August 1, 2022     | 6F, No. 113, Section 2, Zhongshan North Road, Taipei City.  | 10,000          | Renewable energy retail and energy technology services   |
| TCC Recycle Energy Technology Company  | June 19, 2019      | 11F, No. 113, Section 2, Zhongshan North Road, Taipei City.   | 28,450,979      | Investment holding.  |
| E-One Moli Energy Corp.  | March 24, 1998     | No. 10, Dali 2nd Rd., Shanhu Dist., Tainan City   | 27,663,107      | Manufacturing and sales of Lithium battery   |
| Molie Quantum Energy Corporation   | March 24, 2021     | 11F, No. 113, Section 2, Zhongshan North Road, Taipei City.   | 22,001,000      | Manufacturing and sales of batteries, power generation machinery and electronic components   |
| E-One Holdings Ltd.  | December 29, 1999  | TrustNet Chambers, PO Box 3444, Road Town, Tortola, British Virgin Islands  | USD 65,345,000  | Investment holding.  |
| E-One Moli Holdings (Canada) Ltd.  | January 20, 2000   | 20000 Stewart Crescent, V2X 9E7 Maple Ridge, BC, Canada   | CAD 79,141,000  | Investment holding.  |
| E-One Moli Energy (Canada) Ltd.  | January 31, 2000   | 20000 Stewart Crescent, V2X 9E7 Maple Ridge, BC, Canada   | CAD 85,779,000  | Battery research and development and sales   |
| E-One Moli Quantum Energy (Canada) Ltd.  | August 18, 2022    | 700-401 West Georgia St. Vancouver, BC Canada V6B 5A  | CAD100          | Manufacturing and sales of battery   |
| TCC (Hangzhou) New Energy Company Limited <sup>6</sup>                                     | August 8, 2022     | Room 2108, 21st floor, Guangfu United International Center, Qianjiang Century City, Xiaoshan District, Hangzhou City, Zhejiang Province | -               | Emerging energy technology research and development, energy storage technology services, technical services  |
| TCC Zhihe (Hangzhou) Environmental Protection Company Limited                              | May 24, 2022       | Room 2107, 21st floor, Guangfu United International Center, Qianjiang Century City, Xiaoshan District, Hangzhou City, Zhejiang Province | RMB 41,000,000  | Resource recycling service technical consultation, resource recycling technology research and development, environmental protection consulting service |
| TCC (Guangdong) Renewable Resources Technology Company Limited                             | September 26, 2022 | Room 509, 5th floor, No.613 Guangzhou Avenue North, Tianhe District, Guangzhou, China   | RMB 5,000,000   | Research and Experimental Development  |
| One two three (Guangdong) Environmental Protection Technology Company Limited <sup>7</sup> | July 17, 2019      | Room 509, 5th floor, No.613 Guangzhou Avenue North, Tianhe District, Guangzhou, China   | -               | Research, production, processing and sales   |
| TCC Zhongxin (Anshun) Renewable Resources Technology Company Limited <sup>8</sup>          | October 11, 2023   | Matian Village, Anping Street, Pingba District, Anshun City, Guizhou Province (inside TCC Anshun Cement Company Limited)                | RMB 6,000,000   | Crop straw treatment processing and utilization services   |

1. TCC Lien-Hsin Green Energy Corporation issued preferred shares with debt-like characteristics, which are held by Ho-Ping Power Company.
2. HO-PING Ocean Renewable Resource Corporation was founded on September 11, 2023.
3. In October 2023, an additional investment was made in Shi-Men Green Energy Corporation, acquiring a 51% shareholding.
4. Da Tong (Ying De) Logistics Co., Ltd. liquidation was completed in December 2023.
5. Tung Chen Mineral Corporation Ltd. is in liquidation as of the end of December 2023.
6. TCC (Hangzhou) New Energy Company Limited was established on August 8, 2022. As of December 31, 2023, no capital injection has been made yet.
7. The equity transfer of One Two Three (Guangdong) Environmental Protection Technology Company Limited was completed on June 15, 2023.
8. TCC Zhongxin (Anshun) Renewable Resources Technology Company Limited was founded on October 11, 2023.

## Profiles of directors, supervisors, and presidents of affiliates

December 31, 2023 (expressed in shares and %)

| Affiliate                                 | Title      | Name or representative  | Type of shares |            |
|---|------------|---|----------------|------------|
|   |            |   | Shareholdings  | Percentage |
| Taiwan Transport & Storage Corporation    | Chairman   | Representative of Taiwan Cement Corporation: Kung-Yi Koo  | 52,410,366     | 83.88      |
|   | Director   | Representatives of Taiwan Cement Corporation: An-Ping Chang, Jong-Peir Li, Chien-Chiang Huang, Chien-Chuan Wang |                |            |
|   | Supervisor | Representative of Union Cement Traders Inc.: Chia-Hua Tsao  | 419,013        | 0.67       |
|   | President  | Cynthia Wu  | -              | -          |
| TJ Transport Corporation                  | Chairman   | Representative of Taiwan Transport & Storage Corporation: Chien-Chiang Huang                                    | 2,500,000      | 100.00     |
|   | Director   | Representative of Taiwan Transport & Storage Corporation: Cynthia Wu, Yu-Wen Chiu                               |                |            |
|   | Supervisor | Representative of Taiwan Transport & Storage Corporation: Guo-Hong Yeh  |                |            |
| Taiwan Cement Engineering Corporation     | Chairman   | Representative of Taiwan Cement Engineering Corporation: Ker-Fu Lu  | 59,748,593     | 99.31      |
|   | Director   | Representatives of Taiwan Cement Corporation: Chien-Chuan Wang, Chien-Chiang Huang                              |                |            |
|   | Supervisor | Representative of Taiwan Cement Corporation: Guo-Hong Yeh   |                |            |
| Kuan-Ho Refractories Industry Corporation | Chairman   | Representative of Taiwan Cement Corporation: Ker-Fu Lu  | 52,316,208     | 95.29      |
|   | Director   | Representatives of Taiwan Cement Corporation: Chih-Jen Liu, Chia-Pei Wei, Yu-Wen Chiu                           |                |            |
|   | Supervisor | Representative of Taiwan Cement Corporation: Guo-Hong Yeh   |                |            |
| TCC Green Energy Corporation              | Chairman   | Representative of Taiwan Cement Corporation: Ker-Fu Lu  | 1,350,898,696  | 100.00     |
|   | Director   | Representatives of Taiwan Cement Corporation: Chi-Liang Weng, Guo-Hong Yeh                                      |                |            |
|   | Supervisor | Representative of Taiwan Cement Corporation: Chia-Hua Tsao  |                |            |
| TCC CHIA-CHIEN Green Energy Corporation   | Chairman   | Representative of TCC Green Energy Corporation: Ker-Fu Lu   | 320,200,000    | 100.00     |
|   | Director   | Representatives of TCC Green Energy Corporation: Chi-Liang Weng, Guo-Hong Yeh                                   |                |            |
|   | Supervisor | Representative of TCC Green Energy Corporation: Chia-Hua Tsao   |                |            |
| 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   |                |            |
| TCC YUN-KAI Green Energy Corporation      | Chairman   | Representative of TCC Green Energy Corporation: Ker-Fu Lu   | -              | -          |
|   | Director   | Representatives of TCC Green Energy Corporation: Chi-Liang Weng, Guo-Hong Yeh                                   |                |            |
|   | Supervisor | Representative of TCC Green Energy Corporation: Chia-Hua Tsao   |                |            |
| TCC YUN-KAI Green Energy Corporation      | Chairman   | Representative of TCC Green Energy Corporation: Ker-Fu Lu   | -              | -          |
|   | Director   | Representatives of TCC Green Energy Corporation: Chi-Liang Weng, Guo-Hong Yeh                                   |                |            |
|   | Supervisor | Representative of TCC Green Energy Corporation: Chia-Hua Tsao   |                |            |
| TCC YUN-KAI Green Energy Corporation      | Chairman   | Representative of TCC Green Energy Corporation: Ker-Fu Lu   | -              | -          |
|   | Director   | Representatives of TCC Green Energy Corporation: Chi-Liang Weng, Guo-Hong Yeh                                   |                |            |
|   | Supervisor | Representative of TCC Green Energy Corporation: Chia-Hua Tsao   |                |            |
| TCC YUN-KAI Green Energy Corporation      | Chairman   | Representative of TCC Green Energy Corporation: Ker-Fu Lu   | -              | -          |
|   | Director   | Representatives of TCC Green Energy Corporation: Chi-Liang Weng, Guo-Hong Yeh                                   |                |            |
|   | Supervisor | Representative of TCC Green Energy Corporation: Chia-Hua Tsao   |                |            |

| Affiliate   | Title      | Name or representative  | Type of shares |            |
|---|------------|---|----------------|------------|
|   |            |   | Shareholdings  | Percentage |
| TCC LIEN-HSIN Green Energy Corporation <sup>1</sup> | Chairman   | Representative of TCC Green Energy Corporation: Ker-Fu Lu                     | 401,200,000    | 94.36      |
|   | Director   | Representatives of TCC Green Energy Corporation: Chi-Liang Weng, Guo-Hong Yeh |                |            |
|   | Supervisor | Ho-Ping Power Company   | 24,000,000     | 5.64       |
|   | 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                     | 14,200,000     | 100.00     |
|   | Director   | Representatives of TCC Green Energy Corporation: Chi-Liang Weng, Guo-Hong Yeh |                |            |
|   | Supervisor | Representative of TCC Green Energy Corporation: Chia-Hua Tsao                 |                |            |
|   | President  | Chi-Liang Weng  | -              | -          |
| TCC NAN-CHUNG Green Energy Corporation              | Chairman   | Representative of TCC Green Energy Corporation: Ker-Fu Lu                     | 17,000,000     | 100.00     |
|   | Director   | Representatives of TCC Green Energy Corporation: Chi-Liang Weng, Guo-Hong Yeh |                |            |
|   | Supervisor | Representative of TCC Green Energy Corporation: Chia-Hua Tsao                 |                |            |
|   | President  | Chi-Liang Weng  | -              | -          |
| CHANG-WANG Wind Power Co., Ltd.                     | Chairman   | Representative of TCC Green Energy Corporation: Ker-Fu Lu                     | 72,000,000     | 100.00     |
|   | Director   | Representatives of TCC Green Energy Corporation: Chi-Liang Weng, Guo-Hong Yeh |                |            |
|   | Supervisor | Representative of TCC Green Energy Corporation: Chia-Hua Tsao                 |                |            |
|   | President  | Chi-Liang Weng  | -              | -          |
| TCC PING-CHIH Green Energy Corporation              | Chairman   | Representative of TCC Green Energy Corporation: Ker-Fu Lu                     | 200,000        | 100.00     |
|   | Director   | Representatives of TCC Green Energy Corporation: Chi-Liang Weng, Guo-Hong Yeh |                |            |
|   | Supervisor | Representative of TCC Green Energy Corporation: Chia-Hua Tsao                 |                |            |
|   | President  | Chi-Liang Weng  | -              | -          |
| CHIA-HO Green Energy Corporation                    | Chairman   | Representative of TCC Green Energy Corporation: Ker-Fu Lu                     | 314,500,000    | 85.00      |
|   | Director   | Representatives of TCC Green Energy Corporation: Chi-Liang Weng, Guo-Hong Yeh |                |            |
|   | Supervisor | Representative of TCC Green Energy Corporation: Chia-Hua Tsao                 |                |            |
|   | President  | Chi-Liang Weng  | -              | -          |

| Affiliate   | Title             | Name or representative  | Type of shares  |            |
|---|-------------------|---|---|------------|
|   |                   |   | Shareholdings   | Percentage |
| TCC TUNG-LI Green Energy Corporation                      | Chairman          | Representative of TCC Green Energy Corporation: Ker-Fu Lu                                 | 27,000,000  | 100.00     |
|   | Director          | Representatives of TCC Green Energy Corporation: Chi-Liang Weng, Guo-Hong Yeh             |   |            |
|   | Supervisor        | Representative of TCC Green Energy Corporation: Chia-Hua Tsao                             |   |            |
|   | President         | Chi-Liang Weng  |   |            |
| HO-PING Ocean Renewable Resource Corporation <sup>2</sup> | Chairman          | Representative of TCC Green Energy Corporation: An-Ping Chang                             | 3,000,000   | 100.00     |
|   | Director          | Representatives of TCC Green Energy Corporation: Ker-Fu Lu, Wen-Huang Lin                 |   |            |
|   | Supervisor        | Representative of TCC Green Energy Corporation: Guo-Hong Yeh                              |   |            |
|   | President         | An-Ping Chang   | -   | -          |
| SHI-MEN Green Energy Corporation <sup>3</sup>             | Chairman          | Representative of TCC Green Energy Corporation: Ker-Fu Lu                                 | 1,020,000   | 51.00      |
|   | Director          | Representatives of TCC Green Energy Corporation: Chi-Liang Weng, Guo-Hong Yeh             |   |            |
|   | Director          | Representatives of Chen Yeh Chemical Works, LTD.: Wei-An Pan                              | 500,000   | 25.00      |
|   | Director          | Wei-Hao Pan   | 480,000   | 24.00      |
|   | Supervisor        | Representative of TCC Green Energy Corporation: Chia-Hua Tsao                             | As above  | As above   |
|   | President         | Chi-Liang Weng  | -   | -          |
| Hong Kong Cement Manufacturing Co., Ltd.                  | Director          | Representatives of Taiwan Cement Corporation: An-Ping Chang, Roman Cheng                  | 38,094  | 84.65      |
|   |                   | Representative of Wing Fat Investments Inc.: Cheuk-Wai Chan                               | 881   | 1.96       |
|   |                   | Hwai-Chen Koo   | -   | -          |
|   |                   | Han-Ton Lin   | 100   | 0.22       |
|   | President         | Chien-Chiang Huang  | -   | -          |
| TCC Development Ltd.                                      | Director          | Representative of Hong Kong Cement Manufacturing Company Limited: An-Ping Chang           | Ordinary share <sup>10</sup><br>Non-voting deferred share <sup>90</sup> | 100.00     |
|   | President         | Chien-Chiang Huang  | -   | -          |
| Ta-Ho Maritime Corporation                                | Chairman          | Representative of Taiwan Cement Corporation: Li-Wen Tsai                                  | 204,491,711   | 64.79      |
|   | Vice Chairman     | Representative of Taiwan Cement Corporation: An-Ping Chang                                |   |            |
|   | Director          | Representatives of Taiwan Cement Corporation: Chien-Chiang Huang, Ker-Fu Lu, Jong-Peir Li | 92,733,570  | 29.38      |
|   | Supervisor        | Representatives of Taiwan Transport & Storage Corporation: Roman Cheng, James Wen         |   |            |
| President   | Miin-Shyong Shieh | -   | -   |            |
| Ta-Ho Maritime Holdings Limited                           | Director          | Ta-Ho Maritime Corporation  | Contribution: USD 74,300,000  | 100.00     |
| THC International S.A.                                    | Director          | Representatives of Ta-Ho Maritime Holdings Ltd.: An-Ping Chang, Li-Wen Tsai, Wei-Lun Kao  | Contribution: USD 94,310,000  | 100.00     |
|   | President         | Miin-Shyong Shieh   | -   | -          |
| Ta-Ho Maritime (Hong Kong) Limited                        | Director          | Representative of Ta-Ho Marine Corporation: Li-Wen Tsai                                   | Contribution: USD 5,100,000   | 100.00     |

| Affiliate   | Title              | Name or representative  | Type of shares              |            |
|---|--------------------|---|-----------------------------|------------|
|   |                    |   | Shareholdings               | Percentage |
| Ta-Ho Maritime (Singapore) Pte. Ltd.                | Director           | Representative of Ta-Ho Marine Corporation: An-Ping Chang, Wee-Choo Peng                                  | Contribution: USD 100,000   | 100.00     |
|   | President          | Wei-Lun Kao   | -                           | -          |
| Ho Sheng Mining Co., Ltd.                           | Chairman           | Representative of Taiwan Cement Corporation: Chia-Pei Wei   | 30,100,000                  | 100.00     |
|   | Director           | Representatives of Taiwan Cement Corporation: Jin-Yi Chen, 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   | -                           | -          |
| Da Tong (Ying De) Logistics Co., Ltd. <sup>4</sup>  | Executive Director | Representative of Da Tong (Guigang) International Logistics Co., Ltd.: Cheng-Tao Chiang                   | Contribution: RMB 0         | 100.00     |
|   | Supervisor         | Cen-Wei Lan   | -                           | -          |
|   | President          | Cheng-Tao Chiang  | -                           | -          |
| TCC Investment Corporation                          | Chairman           | Representative of Taiwan Cement Corporation: An-Ping Chang  | 239,800,000                 | 100.00     |
|   | Director           | Representatives of Taiwan Cement Corporation: Yu-Tzu Chiu, Yi-Wen Ai                                      |                             |            |
|   | Supervisor         | Representative of Taiwan Cement Corporation: Guo-Hong Yeh   |                             |            |
|   | President          | An-Ping Chang   | -                           | -          |
| Union Cement Traders Inc.                           | Chairman           | Representative of TCC Investment Corporation: An-Ping Chang   | 40,200,000                  | 100.00     |
|   | Director           | Representatives of TCC Investment Corporation: Roman Cheng, Yi-Wen Ai                                     |                             |            |
|   | Supervisor         | Representative of TCC Investment Corporation: Li-Wen Tsai   | -                           | -          |
|   | President          | An-Ping Chang   | -                           | -          |
| TCC Chemical Corporation                            | Chairman           | Representative of Taiwan Cement Corporation: An-Ping Chang  | 140,000,000                 | 100.00     |
|   | Director           | Representatives of Taiwan Cement Corporation: Kuo-Yuan Li and Chien-Chuan Wang                            |                             |            |
|   | Supervisor         | Representative of Taiwan Cement Corporation: Li-Wen Tsai  | -                           | -          |
| TCC Information Systems Corporation                 | Chairman           | Representative of Taiwan Cement Corporation: Jong-Peir Li   | 14,904,000                  | 99.36      |
|   | Director           | Representatives of Taiwan Cement Corporation: An-Ping Chang, Ker-Fu Lu, Kuen-Long Lee, Chien-Chiang Huang |                             |            |
|   | Supervisor         | Guo-Hong Yeh  | -                           | -          |
|   | President          | Kuen-Long Lee   | -                           | -          |

| Affiliate                                   | Title                | Name or representative   | Type of shares            |            |
|---|----------------------|--|---------------------------|------------|
|   |                      |  | Shareholdings             | Percentage |
| Taicem Information (Samoa) Pte. Ltd.        | Director             | Representative of TCC Information Systems Corporation: Kuen-Long Lee   | 100,000                   | 100.00     |
| Fuzhou TCC Information Technology Co., Ltd. | Chairman             | Representative of Taicem Information (Samoa) Pte. Ltd.: Kuen-Long Lee  | Contribution: RMB 826,510 | 100.00     |
| Tung Chen Mineral Corporation <sup>5</sup>  | Chairman             | Representative of Taiwan Cement Corporation: Chien-Chuan Wang  | 19,890                    | 99.45      |
|   | Director             | Representatives of Taiwan Cement Corporation: Chia-Pei Wei, Yan-Ting Lin   |                           |            |
|   | Supervisor           | Representative of Taiwan Cement Corporation: Yu-Tzu Chiu   |                           |            |
| Jin Chang Minerals Corporation              | Chairman             | Representative of Taiwan Cement Corporation: Ker-Fu Lu   | 9,100,000                 | 100.00     |
|   | Director             | Representatives of Taiwan Cement Corporation: Chia-Pei Wei, Yan-Ting Lin   |                           |            |
|   | Supervisor           | Representative of Taiwan Cement Corporation: Jin-Yi Chen   |                           |            |
|   | President            | Chia-Pei Wei   | -                         | -          |
| Hoping Industrial Port Corporation          | Chairman             | Representative of Taiwan Cement Corporation: Chien-Chiang Huang  | 319,990,000               | 100.00     |
|   | Director             | Representatives of Taiwan Cement Corporation: An-Ping Chang and Chia-Pei Wei   |                           |            |
|   | Supervisor           | Guo-Hong Yeh   | -                         | -          |
|   | President            | Ping-Huang Chuang  | -                         | -          |
| Ho-Ping Power Company                       | Chairman             | Representative of Taiwan Cement Corporation: An-Ping Chang   | 805,940,306               | 59.50      |
|   | Vice Chairman        | Power Infrastructure Holdings (Malaysia) Limited: David Mark Fleming   | 539,099,566               | 39.80      |
|   | Director             | Representatives of Taiwan Cement Corporation: Chien-Chiang Huang, Kung-Yi Koo, Chien-Yih Chen, Ker-Fu Lu, Chi-Liang Weng | 805,940,306               | 59.50      |
|   | Director             | Representatives of Power Infrastructure Holdings (Malaysia) Limited: Tsiu-Fung Li, Shinichiro Suzuki and Lo Yeung        | 539,099,566               | 39.80      |
|   | Independent Director | Liang Chang  | -                         | -          |
|   | Independent Director | Hsiao-Kang Ma  | -                         | -          |
|   | Independent Director | Yu-Chuan Chen  | -                         | -          |
|   | Supervisor           | Representatives of TCC Investment Corporation: Li-Wen Tsai, Jia-Ro Lai   | 6,772,608                 | 0.50       |
|   | Supervisor           | Representative of Power Infrastructure Holdings (Labuan) Limited: Pui-Shan Cheng   | 2,709,043                 | 0.20       |
|   | President            | Chien-Yih Chen   | -                         | -          |
| Ho-Ping Renewable Energy Company            | Chairman             | Representative of Ho-Ping Power Company: An-Ping Chang   | 100,000                   | 100.00     |
|   | Vice Chairman        | Representative of Ho-Ping Power Company: David Mark Fleming  |                           |            |
|   | Director             | Representatives of Ho-Ping Power Company: Li-Wen Tsai, Chien-Chuan Wang, Shinichiro Suzuki                               |                           |            |
|   | Supervisor           | Representative of Ho-Ping Power Company: Ker-Fu Lu   |                           |            |
| President                                   | Chien-Chuan Wang,    | -  | -                         |            |

| Affiliate                             | Title         | Name or representative  | Type of shares |            |
|---------------------------------------|---------------|---|----------------|------------|
|                                       |               |   | Shareholdings  | Percentage |
| HPC Power Services Corporation        | Chairman      | Representative of Taiwan Cement Corporation: Ker-Fu Lu  | 6,000          | 60.00      |
|                                       | Vice Chairman | Representative of OneEnergy Taiwan Ltd.: Dick-Fai Lai   | 4,000          | 40.00      |
|                                       | Director      | Representatives of Taiwan Cement Corporation: Chi-Liang Weng, Chia-Pei Wei                    | 6,000          | 60.00      |
|                                       | Director      | Representative of OneEnergy Taiwan Ltd.: Mr. Li Tsiu Fung                                     | 4,000          | 40.00      |
|                                       | President     | Wen-Huang Lin (Acting)  | -              | -          |
| Ta-Ho RSEA Environment Co., Ltd.      | Chairman      | Representative of Taiwan Cement Corporation: Chien-Chuan Wang                                 | 19,980,000     | 66.60      |
|                                       | Director      | Representative of Taiwan Cement Corporation: Min-Yi Chien                                     |                |            |
|                                       | Director      | Representative of Veterans Affairs Council, R.O.C: Cin-Ni Tang                                | 10,020,000     | 33.40      |
|                                       | Supervisor    | Wei-Ling Gao, Xiao-En Tseng   | -              | -          |
|                                       | President     | Min-Yi Chien  | -              | -          |
| E.G.C. CEMENT CORP.                   | Chairman      | Representative of Taiwan Cement Corporation: Chien-Chiang Huang                               | 8,062,600      | 50.64      |
|                                       | Director      | Representatives of Taiwan Cement Corporation: Yin-Te Wu ; Ke-Hung Chen                        |                |            |
|                                       | Supervisor    | Representative of Taiwan Transport & Storage Corporation: Chong-Zhi Hong                      | 7,857,400      | 49.36      |
|                                       | Manager       | Ke-Hung Chen  | -              | -          |
| Feng Sheng Enterprise Company Limited | Chairman      | Representative of Taiwan Cement Corporation: Chien-Chiang Huang                               | 27,260,611     | 45.43      |
|                                       | Director      | Representatives of Taiwan Cement Corporation: Chin-Lung Yu, Yin-Te Wu                         |                |            |
|                                       | Director      | Representatives of Quintain Steel Co., Ltd.: Chi-Sheng Chu and Hsieh-Chia Chen                | 27,116,689     | 45.19      |
|                                       | Supervisor    | Fu-Tsai Liu   | 1,827,373      | 3.05       |
|                                       | President     | Chi-Sheng Chu   | -              | -          |
| Taicom Minerals Corporation           | Chairman      | Chien-Chiang Huang  | 1              | 0.00       |
|                                       | Director      | Katz N. Tierra  | 1              | 0.00       |
|                                       | Director      | Yih-Chin Wu   | 1              | 0.00       |
|                                       | Director      | Renato L. Gonzales  | 1              | 0.00       |
| Trans Philippines Mineral Corp.       | Chairman      | Chien-Chiang Huang  | 1              | 0.00       |
|                                       | Director      | Katz N. Tierra  | 1              | 0.00       |
|                                       | Director      | Yih-Chin Wu   | 1              | 0.00       |
|                                       | Director      | Renato L. Gonzales  | 1              | 0.00       |
| TCC International Ltd.                | Director      | Representatives of Taiwan Cement Corporation: An-Ping Chang, Guo-Hong Yeh, Chien-Chiang Huang | 1,100,875,900  | 100.00     |
|                                       | Manager       | Chien-Chiang Huang  | -              | -          |
| TCC International Holdings Ltd.       | Director      | Representatives of Taiwan Cement Corporation: An-Ping Chang, Guo-Hong Yeh                     | 3,734,927,496  | 47.29      |
|                                       | Director      | Representatives of TCC International Ltd.: Chien-Chiang Huang                                 | 4,163,097,279  | 52.71      |
|                                       | President     | Chien-Chiang Huang  | -              | -          |

| Affiliate                                   | Title     | Name or representative   | Type of shares                |            |
|---|-----------|--|-------------------------------|------------|
|   |           |  | Shareholdings                 | Percentage |
| TCC International (Guangxi) Limited         | Director  | Representatives of TCC International (Hong Kong) Co., Ltd.: An-Ping Chang, Chien-Chuan Wang                                    | 203,000,100                   | 100.00     |
|   | Manager   | Chien-Chiang Huang   | -                             | -          |
| TCC (Guigang) Cement Ltd.                   | Chairman  | Representative of TCC International (Guangxi) Limited: Ker-Fu Lu   | Contribution: USD 332,875,900 | 100.00     |
|   | Director  | Representatives of TCC International (Guangxi) Limited: Yu-Wen Chiu, Chien-Chuan Wang  |                               |            |
|   | President | Hai-Hua Wu   | -                             | -          |
| TCC Hong Kong Cement (BVI) Holdings Limited | Director  | Representative of TCC International Holding Limited: An-Ping Chang   | 17,000                        | 100.00     |
|   | Manager   | Chien-Chiang Huang   | -                             | -          |
| Ulexite Investments Limited                 | Director  | Representative of TCC International Holding Limited: An-Ping Chang   | 200                           | 100.00     |
|   | Manager   | Chien-Chiang Huang   | -                             | -          |
| TCC Hong Kong Cement Development Limited    | Director  | Representative of TCC Hong Kong Cement (BVI) Holdings Limited: An-Ping Chang   | Ordinary 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   | -                             | -          |
| Chieffolk Company Limited                   | Director  | Representatives of TCC Hong Kong Cement (QHC) Limited: An-Ping Chang, Kung-Yi Koo, Chien-Chiang Huang                          | 70,000                        | 70.00      |
|   | Director  | Representatives of Top Form Construction Limited: Cheuk-Wai Chan   | 30,000                        | 30.00      |
|   | Manager   | Chien-Chiang Huang   | -                             | -          |
| TCC International (Liuzhou) Limited         | Director  | Representatives of Chieffolk Company Limited: An-Ping Chang, Cheuk-Wai Chan, Cheng-Tao Chiang(In the progress of registration) | 50,000                        | 100.00     |
|   | Manager   | Chien-Chiang Huang   | -                             | -          |
| TCC Liuzhou Company Limited                 | Director  | Representative of TCC International (Liuzhou) Limited: An-Ping Chang   | 10,000                        | 100.00     |
|   | Manager   | Chien-Chiang Huang   | -                             | -          |
| TCC Hong Kong Cement (Yargoan) 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, Chia-Lin Chen  | 1,700                         | 100.00     |
|  | Manager       | Chien-Chiang Huang  | -                             | -          |
| TCC International (Hong Kong) Co., Ltd.      | Director      | Representative of TCC Hong Kong Cement (International) Limited: An-Ping Chang   | 11,900                        | 100.00     |
|  | Manager       | Chien-Chiang Huang  | -                             | -          |
| TCC Fuzhou Yangyu Port Co., Ltd.             | Chairman      | Representative of TCC International (Hong Kong) Company Limited: Chien-Chiang Huang   | Contribution: USD 5,000,000   | 100.00     |
|  | Director      | Representatives of TCC International (Hong Kong) Limited: Chien-Chuan Wang, Jia-Lin Chen  |                               |            |
|  | Supervisor    | Guo-Hong Yeh  | -                             | -          |
|  | President     | Qiang Zhang   | -                             | -          |
| 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: Chien-Chuan 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     | Qiang Zhang   | -                             | -          |
| TCC Yingde Cement Co., Ltd.                  | Chairman      | Representative of TCC International (Hong Kong) Company Limited: Ker-Fu Lu  | Contribution: USD 254,400,000 | 100.00     |
|  | Director      | Representatives of TCC International (Hong Kong) Company Limited: Yu-Wen Chiu, Cheng-Tao Chiang   |                               |            |
|  | Supervisor    | Cen-Wei Lan   | -                             | -          |
|  | President     | Shi-Sheng Liang   | -                             | -          |
| Jurong TCC Cement Co., Ltd.                  | Chairman      | Representative of Jingyang Industrial Limited & Jiangsu TCC Investment Co., Ltd: Ker-Fu Lu  | Contribution: USD 233,000,000 | 100.00     |
|  | Director      | Representatives of Jingyang Industrial Limited & Jiangsu TCC Investment Co., Ltd: Cheng-Fu Yao, Chien-Chuan Wang, Yin-Hua Chen, Yu-Wen Chiu |                               |            |
|  | Supervisor    | Representative of Jingyang Industrial Limited & Jiangsu TCC Investment Co., Ltd: Guo-Hong Yeh   |                               |            |
|  | President     | Zhong-Hong Yang   |                               |            |
| JiangSu TCC Investment Co., Ltd.             | Chairman      | Representative of TCC International (Hong Kong) Company Limited: Ker-Fu Lu  | Contribution: USD 50,000,000  | 100.00     |
|  | Director      | Representatives of TCC International (Hong Kong) Company Limited: Chien-Chiang Huang, Guo-Hong Yeh  |                               |            |
|  | Supervisor    | Representative TCC International (Hong Kong) Company Limited: Li-Wen Tsai   |                               |            |
|  | President     | Hai-Hua Wu  | -                             | -          |
| Jingyang Industrial Limited                  | Director      | Representative of TCC International (Hong Kong) Company Limited: An-Ping Chang, Yu-Wen Chiu   | 24,000,200                    | 100.00     |

| Affiliate                                   | Title  | Name or representative   | Type of shares                |            |
|---|--|--|-------------------------------|------------|
|   |  |  | Shareholdings                 | Percentage |
| Upper Value Investments Limited             | Director   | Representative of TCC International Holdings Ltd.: An-Ping Chang                   | 12,700                        | 100.00     |
|   | Manager  | Chien-Chiang Huang   | -                             | -          |
| Prosperity Cement Investment Limited        | Director   | Representative of Upper Value Investments Limited: An-Ping Chang                   | 10,100                        | 100.00     |
|   | Manager  | Chien-Chiang Huang   | -                             | -          |
| Yingde Dragon Mountain Cement Co., Ltd.     | Chairman   | Representative of Prosperity Cement Investment Limited: Ker-Fu Lu                  | Contribution: RMB 428,110,000 | 100.00     |
|   | Director   | Representatives of Prosperity Cement Investment Limited: Chien-Chuan Wang, Jun Li  |                               |            |
|   | Supervisor   | Cen-Wei Lan  | -                             | -          |
|   | 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   | -                             | -          |
| TCC Liaoning Cement Company Limited         | Chairman   | Representative of Kiton Limited: Chien-Chuan 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  | Jian-Ping Kong   | -                             | -          |
| Hensford Limited                            | Director   | Representative of Upper Value Investments Limited: An-Ping Chang                   | 10,500                        | 100.00     |
|   | Manager  | Chien-Chiang Huang   | -                             | -          |
| TCC Anshun Cement Company Limited           | Chairman   | Representative of Hensford Limited: Ker-Fu Lu                                      | Contribution: USD 153,490,000 | 100.00     |
|   | Director   | Representatives of Hensford Limited: Chien-Chiang Huang, Li-Wen Tsai, Yin-Hua Chen |                               |            |
|   | Supervisor   | Representative of Hensford Limited: Cheng-Fu Yao                                   |                               |            |
| Sure Kit Limited                            | Director   | Representative of Upper Value Investments Limited: An-Ping Chang                   | 10,400                        | 100.00     |
|   | Manager  | Chien-Chiang Huang   | -                             | -          |
|   | Chairman   | Representative of Sure Kit Limited: Ker-Fu Lu                                      | Contribution: USD 118,000,000 | 100.00     |
| Director                                    | Representatives of Sure Kit Limited: Chien-Chiang Huang, Yu-Wen Chiu |  |                               |            |
| Supervisor                                  | Representative of Sure Kit Limited: Cheng-Fu Yao                     |  |                               |            |
| Prime York Limited                          | Director   | Representative of Upper Value Investment Limited: An-Ping Chang                    | 10,300                        | 100.00     |
|   | Manager  | Chien-Chiang Huang   | -                             | -          |
|   | Director   | Representative of Upper Value Investments Limited: An-Ping Chang                   | 10,300                        | 100.00     |
| Prosperity Minerals (China) Limited         | Director   | Representative of Upper Value Investments Limited: An-Ping Chang                   | 10,300                        | 100.00     |
|   | Manager  | Chien-Chiang Huang   | -                             | -          |
| Mega East Limited                           | Director   | Representative of Upper Value Investments Limited: An-Ping Chang                   | 10,300                        | 100.00     |
|   | Manager  | Chien-Chiang Huang   | -                             | -          |
| Guangan Changxing Cement Co., Ltd.          | Chairman   | Representative of Mega East Limited: Li-Wen Tsai                                   | Contribution: USD 76,990,000  | 100.00     |
|   | Director   | Representatives of Mega East Limited: Ker-Fu Lu, Chien-Chiang Huang                |                               |            |
|   | Supervisor   | Representative of Mega East Limited: Cheng-Fu Yao                                  |                               |            |
|   | President  | Tao Yang   | -                             | -          |

| Affiliate                                     | Title      | Name or representative  | Type of shares                |            |
|---|------------|---|-------------------------------|------------|
|   |            |   | Shareholdings                 | Percentage |
| TCC International (China) Company Limited     | Director   | Representative of Upper Value Investments Limited: An-Ping Chang  | 38,830                        | 100.00     |
|   | Manager    | Chien-Chiang Huang  | -                             | -          |
| TCC New (Hangzhou) Management Company Limited | Chairman   | Representative of TCC International (China) Company Limited: An-Ping Chang                              | Contribution: USD 8,000,000   | 100.00     |
|   | Director   | Representatives of TCC International (China) Company Limited: Ker-Fu Lu, Chien-Chiang Huang, Yi-Xiu Liu |                               |            |
|   | Supervisor | Representative of TCC International (China) Company Limited: Kung-Yi Koo                                | -                             | -          |
|   | President  | Cheng-Fu Yao  | -                             | -          |
| Kong On Cement Holdings Ltd.                  | Director   | Representatives of Upper Value Investments Limited: An-Ping Chang, Kung-Yi Koo                          | 15,801,500                    | 65.00      |
|   | Director   | Representative of Central Champion Investment Limited: Richard Su                                       | 8,508,500                     | 35.00      |
|   | Manager    | Chien-Chiang Huang  | -                             | -          |
| Guizhou Kong On Cement Co., Ltd.              | Chairman   | Representative of Kong On Cement Holdings Limited: Li-Wen Tsai  | Contribution: USD 20,300,000  | 100.00     |
|   | Director   | Representatives of Kong On Cement Holdings Limited: Chien-Chiang Huang, Richard Su                      |                               |            |
|   | Supervisor | Representative of Kong On Cement Holdings Limited: Cheng-Fu Yao   | -                             | -          |
|   | President  | Xing-Xuan Chu   | -                             | -          |
| Wayly Holdings Limited                        | Director   | Representative of Upper Value Investments Limited: An-Ping Chang  | 10,501                        | 100.00     |
|   | Manager    | Chien-Chiang Huang  | -                             | -          |
| Guizhou Kaili Rui An Jian Cai Co., Ltd.       | Chairman   | Representative of Wayly Holdings Limited: Li-Wen Tsai   | Contribution: RMB 389,660,500 | 100.00     |
|   | Director   | Representatives of Wayly Holdings Limited: Ker-Fu Lu, Cheng-Fu Yao                                      |                               |            |
|   | Supervisor | Representative of Wayly Holdings Limited: Chien-Chuan Wang  | -                             | -          |
|   | President  | Kui Wang  | -                             | -          |
| TCC Shaoguan Cement Co., Ltd.                 | Chairman   | Representative of TCC International (Hong Kong) Co., Ltd: Ker-Fu Lu                                     | Contribution: USD 69,100,000  | 100.00     |
|   | Director   | Representatives of TCC International (Hong Kong) Co., Ltd.: Chien-Chuan Wang, Chien-Chiang Huang        |                               |            |
|   | Supervisor | Representative of TCC International (Hong Kong) Co., Ltd: Cen-Wei Lan                                   | -                             | -          |
|   | President  | Ji-Long Chen  | -                             | -          |
| TCC Yingde Mining Industrial Company Limited  | Chairman   | Representative of TCC International (Hong Kong) Co., Ltd: Ker-Fu Lu                                     | Contribution: USD 5,625,000   | 48.91      |
|   | Director   | Representative of TCC Yingde Cement Co., Ltd.: Cheng-Tao Chiang   | Contribution: USD 4,000,000   | 34.78      |
|   | Director   | Representative of TCC Jiangsu Mining Industrial Company Limited: Shih-Sheng Liang                       | Contribution: USD 1,875,000   | 16.31      |
|   | Supervisor | Cen-Wei Lan   | -                             | -          |
|   | President  | Zheng-Dao Jiang   | -                             | -          |

| Affiliate   | Title      | Name or representative   | Type of shares               |            |
|---|------------|--|------------------------------|------------|
|   |            |  | Shareholdings                | Percentage |
| TCC Guigang Mining Industrial Company Limited         | Chairman   | Representative of TCC International (Hong Kong) Co., Ltd: Ker-Fu Lu                    | Contribution: USD 2,625,000  | 52.50      |
|   | Director   | Representatives of TCC (Guigang) Cement Ltd.: Chen-Chia Song and Chia-Pei Wei          | Contribution: USD 2,375,000  | 47.50      |
|   | Supervisor | Cen-Wei Lan  | -                            | -          |
|   | President  | Hai-Hua Wu   | -                            | -          |
| TCC Jiangsu Mining Industrial Company Limited         | Chairman   | Representative of TCC International (Hong Kong) Co., Ltd: Wei Liu                      | Contribution: USD 4,000,000  | 100.00     |
|   | Director   | Representatives of TCC International (Hong Kong) Co., Ltd.: Cheng-Fu Yao, Yin-Hua Chen |                              |            |
|   | Supervisor | Representative of TCC International (Hong Kong) Co., Ltd: Guo-Hong Yeh                 | -                            | -          |
| Anshun Xin Tai Construction Materials Company Limited | Chairman   | Representative of TCC Anshun Cement Company Limited: Ker-Fu Lu                         | Contribution: RMB 15,000,000 | 100.00     |
|   | Supervisor | Cen-Wei Lan  | -                            | -          |
|   | President  | Shih-Min Wang  | -                            | -          |
| Scitus Cement (China) Holdings Limited                | Director   | Representative of Upper Value Investments Limited: An-Ping Chang                       | 109,163,251                  | 100.00     |
|   | Director   | Representative of TCC International (Hong Kong) Co., Ltd: An-Ping Chang                | 1                            | 0.00       |
|   | Director   | Ker-Fu Lu, Yu-Wen Chiu   | -                            | -          |
|   | 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   | -                            | -          |

| Affiliate                          | Title         | Name or representative  | Type of shares                |            |
|------------------------------------|---------------|---|-------------------------------|------------|
|                                    |               |   | Shareholdings                 | Percentage |
| Upper Value Investment Limited     | Director      | Representative of TCC International Holdings Ltd. : An-Ping Chang                     | 1                             | 100.00     |
|                                    | Manager       | Chien-Chiang Huang  | -                             | -          |
| Hexagon VIII Holdings Limited      | Director      | Representative of Scitus Cement (China) Holdings Limited: An-Ping Chang               | 1                             | 100.00     |
|                                    | Manager       | Chien-Chiang Huang  | -                             | -          |
| Hexagon IX Holdings Limited        | Director      | Representative of Scitus Cement (China) Holdings Limited: An-Ping Chang               | 1                             | 100.00     |
|                                    | Manager       | Chien-Chiang Huang  | -                             | -          |
| Hexagon XIII Holdings Limited      | Director      | Representative of Scitus Cement (China) Holdings Limited: An-Ping Chang               | 1                             | 100.00     |
|                                    | Manager       | Chien-Chiang Huang  | -                             | -          |
| Hexagon XIV Holdings Limited       | Director      | Representative of Scitus Cement (China) Holdings Limited: An-Ping Chang               | 1                             | 100.00     |
|                                    | Manager       | Chien-Chiang Huang  | -                             | -          |
| Scitus Luzhou Cement Co., Ltd.     | Chairman      | Representative of Hexagon IV Holdings Limited: Cheng-Fu Yao                           | Contribution: RMB 355,500,000 | 90.00      |
|                                    | Vice Chairman | Representative of TCC Yingde Cement Co., Ltd.: Li-Wen Tsai                            | Contribution: RMB 39,500,000  | 10.00      |
|                                    | Director      | Representatives of Hexagon IV Holdings Limited: Ker-Fu Lu, Chien-Chiang Huang         | As above                      | As above   |
|                                    | Supervisor    | Representative of Hexagon IV Holdings Limited: Yu-Tzu Chiu                            | As above                      | As above   |
|                                    | President     | Gao-Ying Dong   | -                             | -          |
| Scitus Hejiang Cement Co., Ltd.    | Chairman      | Representative of Hexagon IX Holdings Limited: Cheng-Fu Yao                           | Contribution: RMB 20,925,000  | 90.00      |
|                                    | Vice Chairman | Representative of TCC Yingde Cement Co., Ltd.: Li-Wen Tsai                            | Contribution: RMB 2,325,000   | 10.00      |
|                                    | Director      | Representative of Hexagon IX Holdings Limited: Ker-Fu Lu                              | As above                      | As above   |
|                                    | Supervisor    | Representative of Hexagon IX Holdings Limited: Yu-Tzu Chiu                            | As above                      | As above   |
|                                    | President     | Ding-Qi Zhang   | -                             | -          |
| Scitus Luzhou Concrete Co., Ltd.   | Chairman      | Representative of Hexagon XIV Holdings Limited: Cheng-Fu Yao                          | Contribution: RMB 18,750,000  | 75.00      |
|                                    | Vice Chairman | Representative of TCC Yingde Cement Co., Ltd.: Li-Wen Tsai                            | Contribution: RMB 6,250,000   | 25.00      |
|                                    | Director      | Representative of Hexagon XIV Holdings Limited: Ker-Fu Lu                             | As above                      | As above   |
|                                    | Supervisor    | Representative of Hexagon XIV Holdings Limited: Yu-Tzu Chiu                           | As above                      | As above   |
|                                    | President     | Gang Jiang  | -                             | -          |
| Scitus Naxi Cement Co., Ltd.       | Chairman      | Representative of Hexagon III Holdings Limited: Cheng-Fu Yao                          | Contribution: RMB 131,859,000 | 90.00      |
|                                    | Vice Chairman | Representative of TCC Yingde Cement Co., Ltd.: Li-Wen Tsai                            | Contribution: RMB 14,651,000  | 10.00      |
|                                    | Director      | Representative of Hexagon III Holdings Limited: Ker-Fu Lu                             | As above                      | As above   |
|                                    | Supervisor    | Representative of Hexagon III Holdings Limited: Yu-Tzu Chiu                           | As above                      | As above   |
|                                    | President     | Gao-Ying Dong   | -                             | -          |
| TCC Huaying Cement Company Limited | Chairman      | Representative of TCC (Guigang) Cement Ltd.: Ker-Fu Lu                                | Contribution: RMB 949,880,000 | 100.00     |
|                                    | Director      | Representatives of TCC (Guigang) Cement Ltd.: Cheng-Fu Yao, Yin-Hua Chen              |                               |            |
|                                    | Supervisor    | Representative of TCC (Guigang) Cement Ltd.: Chia-Hua Tsao                            |                               |            |
|                                    | President     | Dao-Ping Wang   |                               |            |
| TCC Huaihua Cement Company Limited | Chairman      | Representative of TCC International (Hong Kong) Co., Ltd: Ker-Fu Lu                   | Contribution: RMB 93,000,000  | 31.00      |
|                                    | Director      | Representatives of TCC International (Hong Kong) Co., Ltd.: Cheng-Fu Yao, Yu-Wen Chiu |                               |            |
|                                    | Supervisor    | Representative of TCC International (Hong Kong) Co., Ltd: Guo-Hong Yeh                |                               |            |
|                                    | President     | Wang-Gen Tu   |                               |            |

| Affiliate  | Title      | Name or representative  | Type of shares                  |            |
|--|------------|---|---------------------------------|------------|
|  |            |   | Shareholdings                   | Percentage |
| TCC Jingzhou Cement Company Limited                                | Chairman   | Representative of TCC Huaihua Cement Company Limited: Ker-Fu Lu                                   | Contribution: RMB 150,000,000   | 100.00     |
|  | Director   | Representatives of TCC Huaihua Cement Company Limited: Cheng-Fu Yao, Yu-Wen Chiu                  |                                 |            |
|  | Supervisor | Guo-Hong Yeh  |                                 |            |
|  | President  | Guo-Hong Hu   |                                 |            |
| TCC Huaihua Concrete Company Limited                               | Chairman   | Representative of TCC Huaihua Cement Company Limited: Ker-Fu Lu                                   | Contribution: RMB 10,000,000    | 100.00     |
|  | Director   | Representatives of TCC Huaihua Cement Company Limited: Cheng-Fu Yao, Yu-Wen Chiu                  |                                 |            |
|  | Supervisor | Guo-Hong Yeh  |                                 |            |
|  | President  | Zhen-Feng Zhou  |                                 |            |
| Guigang TCC Dongyuan Environmental Protection Technology Co., Ltd. | Chairman   | Representative of TCC (Guigang) Cement Company Limited: Yu-Wen Chiu                               | Contribution: RMB 200,000,000   | 100.00     |
|  | Director   | Representative of TCC (Guigang) Cement Company Limited: Chien-Chuan Wang, Hai-Hau Wu              |                                 |            |
|  | Supervisor | Yu-Tzu Chiu   |                                 |            |
|  | President  | Jia Liu   |                                 |            |
| 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  |                                 |            |
| Kaili TCC Environmental Technology Co., Ltd.                       | Chairman   | Representative of TCC New (Hangzhou) Management Company Limited: Li-Wen Tsai                      | Contribution: RMB 48,000,000    | 100.00     |
|  | Director   | Representatives of TCC New (Hangzhou) Management Company Limited: Cheng-Fu Yao, Chien-Chuan Wang  |                                 |            |
|  | Supervisor | Yu-Tzu Chiu   |                                 |            |
|  | President  | Kui Wang  |                                 |            |
| Taiwan Cement (Dutch) Holdings B.V.                                | Director   | Representative of Taiwan Cement Corporation: Jong-Peir Li, Li-Wen Tsai, Chien-Chiang Huang        | Contribution: EUR 1,179,219,000 | 82.51      |
| Taiwan Cement Europe Holdings B.V.                                 | Director   | Representative of Taiwan Cement (Dutch) Holdings B.V.: Jong-Peir Li, An-Ping Chang, Chia-Kai Yang | Contribution: EUR 430,001,000   | 100.00     |
| NHOA S.A.  | Chairman   | Representative of Taiwan Cement Europe Holdings B.V.: An-Ping Chang                               | Contribution: EUR 458,312,865   | 87.78      |
|  | CEO        | Carlalberto Guglielminotti  |                                 |            |
|  | Director   | Representative of Taiwan Cement Europe Holdings B.V.: Jong-Peir Li, Chia-Jou Lai, Feng-Ping Liu   |                                 |            |
|  | Director   | Giuseppe Artizzu, Luigi Michi, Romualdo Cirillo, Veronica Vecchi, Cen-Ming Chang, Cindy Utterback |                                 |            |
| NHOA ENERGY S.R.L.   | Chairman   | Carlalberto Guglielminotti  | Contribution: EUR 15,000,000    | 100.00     |
|  | CEO        | Giuseppe Artizzu  |                                 |            |
|  | Director   | Ilaria Scarinci, Chia-Kai Yang, Roberta Romano  |                                 |            |
| ELECTRO POWER SYSTEM MANUFACTURING                                 | Chairman   | Roberta Romano  | Contribution: EUR 1,004,255     | 100.00     |
|  | CEO        | Ilaria Scarinci   |                                 |            |
|  | Director   | Carlalberto Guglielminotti  |                                 |            |
| Comores Energie Nouvelles S.A.R.L.                                 | Director   | Ivo Sciuttini   | Contribution: KMF 10,000,000    | 100.00     |
| NHOA AMERICAS LLC  | Director   | Luca Roccia; Giuseppe Artizzu, Ilaria Scarinci  | Contribution: USD 10,000        | 100.00     |
| NHOA AUSTRALIA PTY LTD   | Director   | Giuseppe Artizzu, Ilaria Scarinci, Ashley Mangano   | Contribution: AUD 25,210,000    | 100.00     |
| NHOA CORPORATE S.R.L.  | Chairman   | Carlalberto Guglielminotti  | Contribution: EUR 12,000        | 100.00     |
|  | CEO        | Roberta Romano  |                                 |            |
|  | Director   | Chia-Kai Yang, Alessio Caruso   |                                 |            |

| Affiliate  | Title              | Name or representative  | Type of shares                  |            |
|--|--------------------|---|---------------------------------|------------|
|  |                    |   | Shareholdings                   | Percentage |
| NHOA LATAM S.A.C.  | Chairman           | Luca Roccia   | Contribution: SOL 3,000         | 100.00     |
| NHOA TAIWAN LTD  | Chairman           | Lucie Kanius-Dujardin   | Contribution: NTD 250,000       | 100.00     |
|  | Director           | Giuseppe Artizzu, Ilaria Scarinci   |                                 |            |
| NHOA UK LTD  | Director           | Lucie Kanius-Dujardin, Giuseppe Artizzu, Ilaria Scarinci  | Contribution: GBP 100,000       | 100.00     |
| ATLANTE S.R.L.   | Chairman           | Carlalberto Guglielminotti  | Contribution: EUR 12,000,000    | 100.00     |
|  | CEO                | Stefano Terranova   |                                 |            |
|  | Director           | Romano Roberta, Julie du Mazaubrun, Chia-Kai Yang   |                                 |            |
| ATLANTE IBERIA S.L.  | Sole Administrator | Giovanni Ravina   | Contribution: EUR 504,000       | 100.00     |
| ATLANTE FRANCE S.A.S.  | Chairman           | Stefano Terranova   | Contribution: EUR 29,500,000    | 100.00     |
|  | CEO                | Jacques Galvani   |                                 |            |
| Atlante Fast Charging Portugal LDA                           | Sole Administrator | Giovanni Ravina   | Contribution: EUR 4,000         | 100.00     |
| ATLANTE INFRA PORTUGAL S.A.                                  | Chairman           | Stefano Terranova   | Contribution: EUR 140,000       | 100.00     |
|  | Director           | Giovanni Ravina, Joaquim Ibern Bosch, Luis Leitao Serzedelo de Almeida, Jorge Manuel Valente Santos Silva |                                 |            |
| ATLANTE ITALIA S.R.L.  | Chairman           | Stefano Terranova   | Contribution: EUR 7,500,000     | 100.00     |
|  | CEO                | Gabriele Tuccillo   |                                 |            |
|  | Director           | Viviana Russo   |                                 |            |
| ALPIS S.A.S.   | Chairman           | Atlante France S.A.S.   | Contribution: EUR 100           | 51.00      |
| FREE2MOVE ESOLUTIONS S.P.A.                                  | Chairman           | Carlalberto Guglielminotti  | Contribution: 32,755,531        | 49.90      |
|  | CEO                | Mathilde Lheureux   |                                 |            |
|  | Director           | Luigi Michi, Giovanni Ravina, Davide Mele, Brigitte Courtheux   |                                 |            |
| FREE2MOVE ESOLUTIONS NORTH AMERICA LLC                       | Chairman           | Mathilde Lheureux   | Contribution: USD 100,000       | 100.00     |
|  | CEO                | Brian Szalk   |                                 |            |
| FREE2MOVE ESOLUTIONS FRANCE S.A.S.                           | Chairman           | Veronique Pujo  | Contribution: EUR 100,000       | 100.00     |
|  | CEO                | Mathilde Lheureux   |                                 |            |
| FREE2MOVE ESOLUTIONS SPAIN S.L.U.                            | Sole Director      | Mathilde Lheureux   | Contribution: EUR 100,000       | 100.00     |
| FREE2MOVE ESOLUTIONS UK LTD                                  | Sole Director      | Mathilde Lheureux   | Contribution: GBP 100,000       | 100.00     |
| TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | Chairman           | Representative of TCC Yingde Cement Co., Ltd. : An-Ping Chang   | Contribution: RMB 2,790,000,000 | 100.00     |
|  | Director           | Representatives of TCC Yingde Cement Co., Ltd. : Cen-Wei Lan, Ker-Fu Lu                                   |                                 |            |
|  | Director           | Wei Tian  | -                               | -          |
|  | Supervisor         | Yi-Xiu Lin  | -                               | -          |
|  | President          | Ker-Fu Lu   | -                               | -          |

| Affiliate  | Title      | Name or representative  | Type of shares                |            |
|--|------------|---|-------------------------------|------------|
|  |            |   | Shareholdings                 | Percentage |
| TCC (Hangzhou) Renewable Resources Technology Co., Ltd.                    | Chairman   | Representatives of TCC (Guigang) Cement Company Limited: Bao-Luo Ge   | Contribution: RMB 100,000,000 | 17.86      |
|  | Director   | Representatives of TCC (Guigang) Cement Company Limited: Guo-Hong Yeh   |                               |            |
|  | Director   | Wei Tian  | -                             | -          |
|  | Supervisor | Yi-Xiu Lin  | -                             | -          |
|  | President  | Chien-Chuan Wang  | -                             | -          |
| Jurong TCC Environmental Co., Ltd.   | Chairman   | Representatives of Jingyang Industrial Limited & Jiangsu TCC Investment Co., Ltd: Ker-Fu Lu                             | Contribution: RMB 256,684,500 | 100.00     |
|  | Director   | Representatives of Jingyang Industrial Limited & Jiangsu TCC Investment Co., Ltd.: Cheng-Fu Yao, Chien-Chuan Wang       |                               |            |
|  | Supervisor | Bao-Luo Ge  | -                             | -          |
|  | President  | Zhong-Hong Yang   | -                             | -          |
| TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited | Chairman   | Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Bao-Luo Ge                              | Contribution: RMB1,000,000    | 100.00     |
|  | Director   | Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Yi-Xiu Lin, Chia-Hua Tsao               |                               |            |
|  | Supervisor | Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Guo-Hong Yeh                            |                               |            |
|  | President  | Wei Tian  |                               |            |
| TCC Yongren (Hangzhou) Environmental Technology Company Limited            | Chairman   | Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Bao-Luo Ge                              | Contribution: RMB1,000,000    | 100.00     |
|  | Director   | Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Yi-Xiu Lin, Chia-Hua Tsao               |                               |            |
|  | Supervisor | Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Guo-Hong Yeh                            |                               |            |
|  | President  | Wei Tian  |                               |            |
| TCC Yongren (Hangzhou) Renewable Resources Technology Company Limited      | Chairman   | Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Chien-Chuan Wang                        | Contribution: RMB1,000,000    | 100.00     |
|  | Director   | Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Yi-Xiu Lin, Chia-Hua Tsao               |                               |            |
|  | Supervisor | Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Guo-Hong Yeh                            |                               |            |
|  | President  | Wei Tian  |                               |            |
| TCC Yongren (Hangzhou) Renewable Resources Development Company Limited     | Chairman   | Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Yu-Wen Chiu                             | Contribution: RMB1,000,000    | 100.00     |
|  | Director   | Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Yi-Xiu Lin, Chia-Hua Tsao               |                               |            |
|  | Supervisor | Representative of TCC (Hangzhou) Environmental Protection Technology Co., Ltd.: Guo-Hong Yeh                            |                               |            |
|  | President  | Wei Tian  |                               |            |
| TCC Shaoguan Environmental Technology Company Limited                      | Chairman   | Representative of TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited: Chien-Chuan Wang          | Contribution: RMB1,000,000    | 100.00     |
|  | Director   | Representative of TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited: Yin-Hua Chen, Yu-Wen Chiu |                               |            |
|  | Supervisor | Representative of TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited: Yu-Tzu Chiu               |                               |            |
|  | President  | Ming-Da Li  |                               |            |



| Affiliate                                     | Title      | Name or representative   | Type of shares |            |
|---|------------|--|----------------|------------|
|   |            |  | Shareholdings  | Percentage |
| TCC Energy Storage Technology Corporation     | Chairman   | Representative of Taiwan Cement Corporation: An-Ping Chang                                     | 250,600,000    | 100.00     |
|   | Director   | Representatives of Taiwan Cement Corporation: Yi-Hsieh Huang, Roman Cheng                      |                |            |
|   | Supervisor | Representative of Taiwan Cement Corporation: Guo-Hong Yeh                                      |                |            |
|   | President  | Roman Cheng  |                |            |
| TCC Sustainable Energy Investment Corporation | Chairman   | Representative of Taiwan Cement Corporation: An-Ping Chang                                     | 100,000        | 100.00     |
|   | Director   | Representatives of Taiwan Cement Corporation: Chi-Liang Weng, Roman Cheng                      |                |            |
|   | Supervisor | Representative of Taiwan Cement Corporation: Guo-Hong Yeh                                      |                |            |
|   | President  | Chi-Liang Weng   |                |            |
| Tuo Shan Recycle Technology Company           | Chairman   | Representative of Taiwan Cement Corporation: Ker-Fu Lu   | 100,000        | 100.00     |
|   | Director   | Representatives of Taiwan Cement Corporation: Chien-Chuan Wang, Yin-Hua Chen                   |                |            |
|   | Supervisor | Representative of Taiwan Cement Corporation: Guo-Hong Yeh                                      |                |            |
|   | President  | Yu-Wen Chiu  |                |            |
| Energy Helper TCC Corporation                 | Chairman   | Representative of TCC Energy Storage Technology Corporation: An-Ping Chang                     | 1,000,000      | 100.00     |
|   | Director   | Representatives of TCC Energy Storage Technology Corporation: Chien-Chuan Wang, Yi-Hsieh Huang |                |            |
|   | Supervisor | Representative of TCC Energy Storage Technology Corporation: Guo-Hong Yeh                      |                |            |
| TCC Recycle Energy Technology Company         | Chairman   | Representative of Taiwan Cement Corporation: An-Ping Chang                                     | 1,044,430,628  | 36.71      |
|   | Director   | Representatives of Taiwan Cement Corporation: Chien-Chuan Wang                                 |                |            |
|   | Director   | International CSRC Investment Holdings Co., Ltd. : Kung-Yi Koo                                 | 388,962,582    | 13.67      |
|   | Supervisor | Guo-Hong Yeh   | 150,000        | -          |
|   | President  | Ren-Jen Shiue  | 315,649        | -          |
| E-One Moli Energy Corp.                       | Chairman   | TCC Recycle Energy Technology Company: An-Ping Chang   | 2,766,310,703  | 100.00     |
|   | Director   | TCC Recycle Energy Technology Company: Kung-Yi Koo, Ren-Jen Shiue                              |                |            |
|   | Supervisor | TCC Recycle Energy Technology Company: Guo-Hong Yeh  |                |            |
|   | President  | Ren-Jen Shiue  |                |            |
| Molie Quantum Energy Corporation              | Chairman   | E-One Moli Energy Corporation: An-Ping Chang   | 2,200,100,000  | 100.00     |
|   | Director   | E-One Moli Energy Corporation: Ren-Jen Shiue, Yu-Tzu Chiu                                      |                |            |
|   | Supervisor | E-One Moli Energy Corporation: Guo-Hong Yeh  |                |            |
|   | President  | An-Ping Chang  |                |            |
| E-One Holdings Ltd                            | Director   | E-One Moli Energy Corporation: An-Ping Chang   | 65,344,940     | 100.00     |
| E-One Moli Holdings (Canada) Ltd.             | Director   | An-Ping Chang, Po-Sung Huang   | 23,800         | 100.00     |
| E-One Moli Energy (Canada) Ltd.               | Director   | An-Ping Chang, Ting-I Wang, Ren-Jen Shiue, Frank So  | 6,649,200      | 100.00     |
| E-One Moli Quantum Energy (Canada) Ltd.       | Director   | Frank So   | 100            | 100.00     |

| Affiliate  | Title      | Name or representative   | Type of shares              |            |
|--|------------|--|-----------------------------|------------|
|  |            |  | Shareholdings               | Percentage |
| TCC (Hangzhou) New Energy Company Limited <sup>6</sup>                                     | Chairman   | TCC (Hangzhou) Environmental Protection Technology Company Limited: An-Ping Chang                    | -                           | -          |
|  | Director   | TCC (Hangzhou) Environmental Protection Technology Company Limited: Ker-Fu Lu, Bao-Luo Ge            |                             |            |
|  | Supervisor | TCC (Hangzhou) Environmental Protection Technology Company Limited: Yi-Xiu Lin                       |                             |            |
|  | President  | Wei Tian   |                             |            |
| TCC Zhihe (Hangzhou) Environmental Protection Company Limited                              | Chairman   | TCC (Hangzhou) Environmental Protection Technology Company Limited: An-Ping Chang                    | Contribution: RMB41,000,000 | 100.00     |
|  | Director   | TCC (Hangzhou) Environmental Protection Technology Company Limited: Ker-Fu Lu, Bao-Luo Ge            |                             |            |
|  | Supervisor | TCC (Hangzhou) Environmental Protection Technology Company Limited: Yi-Xiu Lin                       |                             |            |
|  | President  | Wei Tian   |                             |            |
| TCC (Guangdong) Renewable Resources Technology Company Limited                             | Chairman   | TCC Yongren (Hangzhou) Renewable Resources Development Company Limited: Wei Tian                     | Contribution: RMB5,000,000  | 100.00     |
|  | Director   | TCC Yongren (Hangzhou) Renewable Resources Development Company Limited: Cheng-Tao Chiang, Ming-Da Li |                             |            |
|  | Supervisor | TCC Yongren (Hangzhou) Renewable Resources Development Company Limited: Guo-Hong Yeh                 |                             |            |
|  | President  | Wei Tian   |                             |            |
| One Two Three (Guangdong) Environmental Protection Technology Company Limited <sup>7</sup> | Chairman   | TCC (Guangdong) Renewable Resources Technology Company Limited: Bo Li                                | -                           | -          |
|  | Supervisor | TCC (Guangdong) Renewable Resources Technology Company Limited: Yi-Xiu Lin                           |                             |            |
|  | President  | Bo Li  |                             |            |
| TCC Zhongxin (Anshun) Renewable Resources Technology Company Limited <sup>8</sup>          | Chairman   | TCC Anshun Cement Company Limited: Yu-Wen Chiu   | Contribution: RMB3,060,000  | 51.00      |
|  | Director   | TCC Anshun Cement Company Limited: Cen-Wei Lan, Cheng-Fu Yao   |                             |            |
|  | Director   | Anshun Pingba District Ruizhi Forest Industry Investment Company Limited: Ke-Yao Liu, Ao Tang        | Contribution: RMB2,940,000  | 49.00      |
|  | Supervisor | TCC Anshun Cement Company Limited: Yi-Xiu Lin  | Contribution: RMB3,060,000  | 51.00      |
|  | Supervisor | Anshun Pingba District Ruizhi Forest Industry Investment Company Limited: Lin He                     | Contribution: RMB2,940,000  | 49.00      |
|  | Supervisor | Jian Hong  | -                           | -          |
|  | President  | Shih-Min Wang  | -                           | -          |

1. TCC Lien-Hsin Green Energy Corporation issued preferred shares with debt-like characteristics, which are held by Ho-Ping Power Company.
2. HO-PING Ocean Renewable Resource Corporation was founded on September 11, 2023.
3. In October 2023, an additional investment was made in Shi-Men Green Energy Corporation, acquiring a 51% shareholding.
4. Da Tong (Ying De) Logistics Co., Ltd. liquidation was completed in December 2023.
5. Tung Chen Mineral Corporation Ltd. is in liquidation as of the end of December 2023.
6. TCC (Hangzhou) New Energy Company Limited was established on August 8, 2022. As of December 31, 2023, no capital injection has been made yet.
7. The equity transfer of One Two Three (Guangdong) Environmental Protection Technology Company Limited was completed on June 15, 2023.
8. TCC Zhongxin (Anshun) Renewable Resources Technology Company Limited was founded on October 11, 2023.

## Business highlights of affiliates

December 31, 2023 (expressed in NT\$ thousands)

| Affiliate   | Capital amount   | Total asset     | Total liabilities | Net worth       | Revenue        | Profit from operations | Profit (after tax) | EPS(NT\$) (after tax) |
|---|--|-----------------|-------------------|-----------------|----------------|------------------------|--------------------|-----------------------|
| Taiwan Transport & Storage Corporation                    | 624,839  | 3,331,165       | 437,841           | 2,893,324       | 1,357,590      | 28,352                 | 231,721            | 3.71                  |
| TJ Transport Corporation                                  | 25,000   | 88,136          | 55,432            | 32,704          | 50,937         | 5,610                  | 3,508              | 1.40                  |
| Taiwan Cement Engineering Corporation                     | 601,656  | 742,434         | 1,878             | 740,556         | 3,985          | 1,372                  | 5,464              | 0.09                  |
| Kuan-Ho Refractories Industry Corporation                 | 549,024  | 1,130,501       | 347,914           | 782,587         | 1,003,958      | 118,522                | 90,080             | 1.66                  |
| TCC Green Energy Corporation                              | 13,508,987   | 14,030,720      | 244,158           | 13,786,562      | 200,189        | 18,629                 | 171,499            | 0.13                  |
| TCC CHIA-CHIEN Green Energy Corporation                   | 3,202,000  | 4,024,875       | 797,827           | 3,227,048       | 279,948        | 110,633                | 102,216            | 0.32                  |
| TCC YUN-KAI Green Energy Corporation                      | 25,000   | 22,386          | 30                | 22,355          | -              | (35)                   | 208                | 0.08                  |
| TCC LIEN-HSIN Green Energy Corporation <sup>1</sup>       | 4,252,000  | 5,275,574       | 1,059,033         | 4,216,541       | 90,982         | (2,720)                | 25,266             | 0.06                  |
| TCC CHANG-HO Green Energy Corporation                     | 2,456  | 2,353           | 30                | 2,323           | -              | (35)                   | (23)               | (0.09)                |
| TCC KAO-CHENG Green Energy Corporation                    | 142,000  | 195,006         | 50,484            | 144,522         | 9,451          | 2,314                  | 2,144              | 0.15                  |
| TCC NAN-CHUNG Green Energy Corporation                    | 170,000  | 172,701         | 1,143             | 171,558         | 2,861          | 97                     | 1,550              | 0.09                  |
| CHANG-WANG Wind Power Co., Ltd.                           | 720,000  | 777,326         | 23,890            | 777,326         | 88,170         | 37,312                 | 31,402             | 0.44                  |
| TCC PING-CHIH Green Energy Corporation                    | 2,000  | 1,857           | 30                | 1,827           | -              | (34)                   | (25)               | (0.13)                |
| CHIA-HO Green Energy Corporation                          | 3,700,000  | 3,749,973       | 74,615            | 3,675,359       | -              | (27,943)               | 18,200             | 0.05                  |
| TCC TUNG-LI Green Energy Corporation                      | 270,000  | 235,185         | 33,484            | 201,701         | 11,013         | (41,900)               | (41,251)           | (1.53)                |
| HO-PING Ocean Renewable Resource Corporation <sup>2</sup> | 30,000   | 30,005          | 60                | 29,945          | -              | (112)                  | (55)               | (0.06)                |
| SHI-MEN Green Energy Corporation <sup>3</sup>             | 20,000   | 19,952          | 36                | 19,916          | -              | (116)                  | (84)               | (0.04)                |
| Hong Kong Cement Manufacturing Company Limited            | HKD 45,000,000   | HKD 71,137,912  | HKD 178,837       | HKD 70,959,075  | HKD 2,434,544  | HKD 550,316            | HKD 550,316        | NA                    |
| TCC Development Limited                                   | Ordinary shares : USD 0.01<br>Non-voting deferred shares: USD 0.09 | HKD 169,290,387 | HKD 4,002,137     | HKD 165,288,250 | HKD 30,073,769 | HKD 27,884,751         | HKD 23,533,105     | HKD 235,331.05        |
| Ta-Ho Maritime Corporation                                | 3,156,351  | 11,298,619      | 5,237,184         | 6,061,435       | 2,272,425      | 493,955                | 637,209            | 2.02                  |
| Ta-Ho Maritime Holdings Limited.                          | USD 74,300,000   | USD 244,803,729 | USD 6,662         | USD 244,797,067 | USD 0          | USD (8,477)            | USD 11,235,621     | USD 0.15              |
| THC International S.A.                                    | USD 94,310,000   | USD 214,132,040 | USD 5,419,910     | USD 208,712,130 | USD 38,629,596 | USD 9,455,237          | USD 10,707,374     | USD 0.11              |
| Ta-Ho Maritime (Hong Kong) Limited                        | USD 5,100,000  | USD 33,300,032  | USD 9,162         | USD 33,290,870  | -              | USD (9,906)            | USD 454,601        | USD 0.09              |
| Ta-Ho Maritime (Singapore) Pte. Ltd.                      | USD 100,000  | USD 2,525,184   | USD 69,170        | USD 2,456,014   | -              | USD (36,635)           | USD 77,539         | USD 0.78              |

| Affiliate   | Capital amount                      | Total asset        | Total liabilities | Net worth          | Revenue           | Profit from operations | Profit (after tax) | EPS(NT\$) (after tax) |
|---|-------------------------------------|--------------------|-------------------|--------------------|-------------------|------------------------|--------------------|-----------------------|
| Da Tong (Guigang) International Logistics Co., Ltd. | USD 5,000,000                       | RMB 232,217,977    | RMB 33,005        | RMB 232,184,972    | RMB 21,192,680    | RMB (727,086)          | RMB 3,270,627      | NA                    |
| Guigang Da-Ho Shipping Co., Ltd.                    | RMB 4,000,000                       | RMB 132,748,655    | RMB (225,074)     | RMB 132,973,729    | RMB 66,831,941    | RMB 3,035,697          | RMB 2,565,044      | NA                    |
| Da Tong (Ying De) Logistics Co., Ltd. <sup>4</sup>  | RMB 0                               | RMB 1              | RMB 0             | RMB 1              | RMB 6,616,308     | RMB 874,840            | RMB 912,875        | NA                    |
| TCC Investment Corporation                          | 2,398,000                           | 5,919,818          | 2,388,979         | 3,530,839          | -                 | (461)                  | 128,836            | 0.54                  |
| Union Cement Traders Inc.                           | 402,000                             | 2,263,171          | 1,001,123         | 1,262,048          | -                 | (274)                  | 2,009              | 0.05                  |
| TCC Chemical Corporation                            | 1,400,000                           | 2,241,023          | 674,058           | 1,566,965          | 136,330           | 99,082                 | 179,746            | 1.28                  |
| TCC Information Systems Corporation                 | 150,000                             | 448,927            | 125,950           | 322,977            | 408,027           | 9,375                  | 2,768              | 0.18                  |
| Taicem Information (Samoa) Pte. Ltd.                | 3,412                               | 78,416             | 10,639            | 67,777             | -                 | (40)                   | 3,133              | NA                    |
| Fuzhou TCC Information Technology Co., Ltd.         | RMB 826,510                         | RMB 7,110,633      | RMB 252,628       | RMB 6,858,005      | RMB 1,635,733     | RMB 759,808            | RMB 721,754        | NA                    |
| Tung Chen Mineral Corporation <sup>5</sup>          | 2,000                               | 969                | 0                 | 969                | 0                 | (18)                   | (13)               | (0.67)                |
| Jin Chang Minerals Corporation                      | 91,000                              | 564,105            | 394,933           | 169,172            | 349,040           | 64,014                 | 51,852             | 5.70                  |
| Hoping Industrial Port Corporation                  | 3,200,000                           | 8,260,934          | 2,589,720         | 5,671,214          | 1,524,075         | 756,252                | 613,173            | 1.92                  |
| Ho-Ping Power Company                               | 13,545,215                          | 38,713,079         | 7,859,667         | 30,853,412         | 26,931,765        | 8,450,062              | 6,772,093          | 5.00                  |
| Ho-Ping Renewable Energy Company                    | 1,000                               | 994                | -                 | 994                | -                 | (3)                    | 1                  | 0.01                  |
| HPC Power Services Corporation                      | USD 100,000                         | 561,513            | 132,657           | 428,856            | 545,642           | 267,185                | 215,437            | NA                    |
| Ta-Ho RSEA Environment Co., Ltd.                    | 300,000                             | 514,680            | 209               | 514,471            | 0                 | (2,861)                | 185,341            | 6.18                  |
| E.G.C. CEMENT CORP.                                 | 159,200                             | 391,641            | 156,343           | 235,298            | 779,863           | 30,493                 | 24,862             | 1.56                  |
| Feng Sheng Enterprise Company Limited               | 600,000                             | 2,997,674          | 1,840,358         | 1,157,316          | 3,946,754         | 349,486                | 293,826            | 4.90                  |
| Ho Sheng Mining Co., Ltd.                           | 301,000                             | 518,376            | 176,623           | 341,753            | 399,153           | 5,961                  | 6,654              | 0.22                  |
| Taicorn 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 Ltd.                              | USD 1,100,875,900                   | HKD 14,876,232,096 | HKD 457,974,077   | HKD 14,418,258,019 | -                 | HKD 216,528,431        | HKD 197,627,458    | HKD 0.33              |
| TCC International Holdings Ltd.                     | Ordinary shares: HKD 789,802,477.50 | HKD 31,857,689,295 | HKD 2,553,506,097 | HKD 29,304,183,198 | -                 | HKD 505,883,723        | HKD 505,659,274    | HKD 0.07              |
| TCC International (Guangxi) Limited                 | USD 203,000,000                     | HKD 5,741,028,551  | HKD 85,028,282    | HKD 5,656,000,269  | -                 | HKD (16,514)           | HKD (16,514)       | NA                    |
| TCC (Guigang) Cement Ltd.                           | USD 332,875,900                     | HKD 7,455,963,239  | HKD 2,030,933,388 | HKD 5,425,029,851  | HKD 1,065,462,559 | HKD (353,078,311)      | HKD (359,827,848)  | NA                    |
| TCC Hong Kong Cement (BVI) Holdings Ltd.            | USD 17,000                          | HKD 10,578,141,961 | HKD 3,277,632     | HKD 10,574,864,329 | -                 | HKD 4,896,637          | HKD 4,896,637      | HKD 288.04            |
| Ulexite Investments Ltd.                            | USD 200                             | HKD 38,329,463     | HKD 0             | HKD 38,329,463     | -                 | HKD (11,255)           | HKD (11,255)       | NA                    |

| Affiliate                                     | Capital amount   | Total asset        | Total liabilities | Net worth          | Revenue           | Profit from operations | Profit (after tax) | EPS(NT\$) (after tax) |
|---|--|--------------------|-------------------|--------------------|-------------------|------------------------|--------------------|-----------------------|
| TCC Hong Kong Cement Development Ltd.         | Ordinary shares : USD10<br>Non-voting deferred shares: USD90 | HKD 90,351,104     | HKD 7,918,151     | HKD 82,432,953     | -                 | HKD (2,349,922)        | HKD (1,953,610)    | NA                    |
| TCC Hong Kong Cement (QHC) Ltd.               | USD 100  | HKD 18,114,340     | HKD 11,697        | HKD 18,102,644     | -                 | HKD (9,734)            | HKD (9,734)        | NA                    |
| Chiefolk Company Ltd.                         | HKD 1,000,000  | HKD 50,688,498     | HKD 40,000        | HKD 50,648,498     | -                 | HKD 4,604,301          | HKD 4,604,301      | HKD 46.04             |
| TCC International (Liuzhou) Ltd.              | USD 50,000   | HKD 381,291        | HKD 0             | HKD 381,291        | -                 | HKD (10,234)           | HKD (10,234)       | NA                    |
| TCC Liuzhou Company Limited                   | HKD 10,000   | HKD 77,444,552     | HKD 20,000        | HKD 77,424,552     | -                 | HKD 507,639            | HKD 507,639        | HKD 50.76             |
| TCC Hong Kong Cement (Yargoan) Ltd.           | USD 100  | HKD 3,321,837      | HKD 0             | HKD 3,321,837      | -                 | HKD (9,734)            | HKD (9,734)        | NA                    |
| Hong Kong Cement Company Ltd.                 | HKD 164,391,013  | HKD 397,524,552    | HKD 18,741,243    | HKD 378,783,310    | HKD 325,697,632   | HKD 53,098,682         | HKD 44,596,868     | HKD 4,459.69          |
| TCC Hong Kong Cement (Philippines) Ltd.       | USD 100  | HKD 22,233,162     | HKD 6,188,895     | HKD 16,044,267     | -                 | HKD (9,734)            | HKD (9,734)        | NA                    |
| TCC Cement Corporation                        | Peso 91,020,500  | HKD 10,624,863     | HKD 8,799,645     | HKD 1,825,218      | -                 | -                      | -                  | NA                    |
| TCC Hong Kong Cement (International) Ltd.     | USD 1,700  | HKD 10,166,955,141 | HKD 237,585,990   | HKD 9,929,369,151  | -                 | HKD (61,041)           | HKD (61,041)       | NA                    |
| TCC International (Hong Kong) Company Limited | HKD 10,163,557,694   | HKD 14,379,753,413 | HKD 7,680,661     | HKD 14,372,072,752 | -                 | HKD 1,400,380,498      | HKD 1,396,602,598  | HKD 117,361.56        |
| TCC Fuzhou Yangyu Port Co., Ltd.              | USD 5,000,000  | HKD 61,437,782     | HKD 3,614,292     | HKD 57,823,491     | HKD 10,243,657    | HKD 2,086,451          | HKD 1,544,665      | NA                    |
| TCC Liuzhou Construction Materials Co., Ltd.  | USD 13,500,000   | HKD 216,996,350    | HKD 10,332,723    | HKD 206,663,627    | HKD 41,062,812    | HKD (3,414,849)        | HKD (3,428,744)    | NA                    |
| TCC Fuzhou Cement Co., Ltd.                   | USD 16,250,000   | HKD 191,476,721    | HKD 47,410,258    | HKD 144,066,463    | HKD 166,482,135   | HKD (25,163,608)       | HKD (25,157,414)   | NA                    |
| TCC Yingde Cement Co., Ltd.                   | USD 254,400,000  | HKD 8,337,827,938  | HKD 1,747,002,284 | HKD 6,590,825,654  | HKD 2,776,318,179 | HKD 181,628,473        | HKD 128,535,246    | NA                    |
| Jurong TCC Cement Co., Ltd.                   | USD 233,000,000  | HKD 4,910,382,118  | HKD 399,886,457   | HKD 4,510,495,661  | HKD 1,241,327,896 | HKD (4,551,441)        | HKD (21,201,078)   | NA                    |
| Jingyang Industrial Limited                   | HKD 218,764,561  | HKD 1,677,406,345  | HKD 1,251,073,090 | HKD 426,333,254    | -                 | HKD (20,277)           | HKD (20,277)       | NA                    |
| JiangSu TCC Investment Co., Ltd.              | USD 50,000,000   | HKD 1,004,285,906  | HKD 15            | HKD 1,004,285,891  | -                 | HKD (15,050,571)       | HKD (15,050,640)   | NA                    |
| Upper Value Investments Limited               | USD 12,400   | HKD 7,906,950,497  | HKD (269,330,421) | HKD 8,176,280,918  | HKD 0<br>仟元       | HKD 77,081,580         | HKD 77,081,580     | HKD 6,069.42          |
| Prosperity Cement Investment Limited          | HKD 759,955,769  | HKD 973,979,251    | HKD 284,740       | HKD 973,694,511    | -                 | HKD (22,743)           | HKD (22,743)       | NA                    |
| Yingde Dragon Mountain Cement Co., Ltd.       | RMB 428,110,000  | HKD 4,315,219,605  | HKD 272,671,233   | HKD 4,042,548,372  | HKD 1,327,193,936 | HKD 125,389,585        | HKD 102,229,790    | NA                    |
| Prosperity Minerals (International) Limited   | HKD 28,533,976   | HKD 2,188,315,445  | HKD 185,974,094   | HKD 2,002,341,351  | -                 | HKD 218,084,677        | HKD 196,174,677    | HKD 65,391,558.83     |
| Kiton Ltd.                                    | HKD 685,926,583  | HKD 684,983,373    | HKD 48,000        | HKD 684,935,373    | -                 | HKD (716,357)          | HKD (716,357)      | NA                    |
| TCC Liaoning Cement Company Limited           | RMB 371,000,000  | HKD 693,908,422    | HKD 256,794,084   | HKD 437,114,338    | HKD 503,225,473   | HKD (9,237,347)        | HKD (11,238,184)   | NA                    |
| Hensford Limited                              | HKD 1,191,945,979  | HKD 1,191,898,515  | HKD 48,000        | HKD 1,191,850,515  | -                 | HKD (50,755)           | HKD (50,755)       | NA                    |

| Affiliate                                       | Capital amount    | Total asset       | Total liabilities | Net worth         | Revenue         | Profit from operations | Profit (after tax) | EPS(NT\$) (after tax) |
|---|-------------------|-------------------|-------------------|-------------------|-----------------|------------------------|--------------------|-----------------------|
| TCC Anshun Cement Company Limited               | USD 153,490,000   | HKD 1,948,545,194 | HKD 116,419,272   | HKD 1,832,125,922 | HKD 408,851,580 | HKD 8,947,409          | HKD (483,137)      | NA                    |
| Sure Kit Limited                                | HKD 953,818,809   | HKD 954,504,568   | HKD 48,000        | HKD 954,456,568   | -               | HKD (48,755)           | HKD (48,755)       | NA                    |
| TCC Chongqing Cement Company Limited            | USD 118,000,000   | HKD 2,702,978,804 | HKD 256,294,770   | HKD 2,446,684,034 | HKD 771,082,535 | HKD 37,507,190         | HKD 26,633,996     | NA                    |
| Prime York Limited                              | HKD 532,147,515   | HKD 562,956,333   | HKD 746,413       | HKD 562,209,921   | -               | HKD 43,419,992         | HKD 43,419,992     | HKD 4,215.53          |
| Prosperity Minerals (China) Limited             | USD 10,300        | HKD 127,755,646   | HKD 7,008,329     | HKD 120,747,316   | -               | HKD 495,674            | HKD 457,843        | HKD 44.45             |
| Mega East Limited                               | HKD 597,603,470   | HKD 597,680,720   | HKD 465,785       | HKD 597,214,935   | -               | HKD (50,755)           | HKD (50,755)       | NA                    |
| Guangan Changxing Cement Co., Ltd.              | USD 76,990,000    | HKD 1,800,026,884 | HKD 174,368,008   | HKD 1,625,658,876 | HKD 546,331,497 | HKD 78,080,877         | HKD 60,877,072     | NA                    |
| TCC International (China) Company Limited       | HKD 62,143,260    | HKD 62,131,690    | HKD 274,290       | HKD 61,857,400    | -               | HKD (22,755)           | HKD (22,755)       | NA                    |
| TCC New (Hangzhou) Management Company Limited   | USD 8,000,000     | HKD 38,758,927    | HKD 7,522,222     | HKD 31,236,705    | -               | HKD (4,512,312)        | HKD (4,512,312)    | NA                    |
| Kong On Cement Holdings Ltd.                    | HKD 127,440,000   | HKD 157,477,009   | HKD 19,647,921    | HKD 137,829,087   | -               | HKD (22,755)           | HKD (22,755)       | NA                    |
| Guizhou Kong On Cement Co., Ltd.                | USD 20,300,000    | HKD 273,045,889   | HKD 185,835,431   | HKD 87,210,458    | HKD 114,632,692 | HKD (47,256,485)       | HKD (47,053,288)   | NA                    |
| Wayly Holdings Limited                          | USD 10,501        | HKD 497,145,976   | HKD 26,218,857    | HKD 470,927,120   | -               | HKD (11,255)           | HKD (11,255)       | NA                    |
| Guizhou Kaili Rui An Jian Cai Co., Ltd.         | RMB 389,660,500   | HKD 918,991,273   | HKD 54,600,185    | HKD 864,391,088   | HKD 212,539,695 | HKD (65,535,989)       | HKD (56,478,447)   | NA                    |
| TCC Shaoguan Cement Co., Ltd.                   | USD 69,100,000    | HKD 1,880,422,136 | HKD 1,528,966,658 | HKD 351,455,478   | HKD 455,551,819 | HKD (42,419,061)       | HKD (42,419,061)   | NA                    |
| TCC Yingde Mining Industrial Company Limited    | USD 11,500,000    | HKD 90,802,034    | HKD 51,249        | HKD 90,750,785    | -               | HKD 1,034,285          | HKD 774,330        | NA                    |
| TCC Guigang Mining Industrial Company Limited   | USD 5,000,000     | HKD 100,987,612   | HKD 372,154       | HKD 100,615,458   | -               | HKD 1,817,191          | HKD 1,362,893      | NA                    |
| TCC Jiangsu Mining Industrial Company Limited   | USD 4,000,000     | HKD 116,691,246   | HKD 6,602,418     | HKD 110,088,828   | HKD 34,152,111  | HKD 14,826,780         | HKD 11,061,527     | NA                    |
| Scitus Cement (China) Holdings Limited          | HKD 1,245,257,277 | HKD 1,269,521,647 | HKD 393,009,045   | HKD 876,512,602   | -               | HKD (455,698)          | HKD (455,698)      | NA                    |
| Scitus Cement (China) Operating Company Limited | HKD 10,000        | -                 | HKD 6,263,177     | HKD (6,263,177)   | -               | HKD (14,255)           | HKD (14,255)       | NA                    |
| Hexagon Holdings Limited                        | HKD 1             | HKD 211,569,445   | HKD 12,000        | HKD 211,557,445   | -               | HKD (12,255)           | HKD (12,255)       | NA                    |
| Hexagon II Holdings Limited                     | HKD 1             | HKD 75,843,604    | HKD 12,000        | HKD 75,831,604    | -               | HKD (14,255)           | HKD (14,255)       | NA                    |

| Affiliate  | Capital amount    | Total asset       | Total liabilities | Net worth         | Revenue         | Profit from operations | Profit (after tax) | EPS (NT\$) (after tax) |
|--|-------------------|-------------------|-------------------|-------------------|-----------------|------------------------|--------------------|------------------------|
| Hexagon III Holdings Limited                                       | HKD 79,500,001    | HKD 158,446,072   | HKD 69,240,912    | HKD 89,205,160    | HKD 0           | HKD (50,755)           | HKD (50,755)       | NA                     |
| Hexagon IV Holdings Limited  | HKD 136,430,001   | HKD 439,486,083   | HKD 281,781,028   | HKD 157,705,054   | HKD 0           | HKD (48,755)           | HKD (48,755)       | NA                     |
| Hexagon V Holdings Limited   | HKD 1             | HKD 89,058,084    | HKD 14,014,609    | HKD 75,043,475    | HKD 0           | HKD (12,255)           | HKD (12,255)       | NA                     |
| Upper Value Investment Limited                                     | HKD 1             | HKD 560,762,411   | HKD 51,020,000    | HKD 509,742,411   | HKD 0           | HKD 86,106,815         | HKD 86,106,815     | NA                     |
| Hexagon VIII Holdings Limited                                      | HKD 1             | HKD 10,780,777    | HKD 12,000        | HKD 10,768,777    | HKD 0           | HKD (14,255)           | HKD (14,255)       | NA                     |
| Hexagon IX Holdings Limited  | HKD 1             | HKD 19,295,236    | HKD 20,810,434    | HKD (1,515,198)   | HKD 0           | HKD (50,755)           | HKD (50,755)       | NA                     |
| Hexagon XIII Holdings Limited                                      | HKD 1             | HKD 5,808,223     | HKD 12,000        | HKD 5,796,223     | HKD 0           | HKD (14,255)           | HKD (14,255)       | NA                     |
| Hexagon XIV Holdings Limited                                       | HKD 1             | HKD 21,448,628    | HKD 22,020,616    | HKD (571,988)     | HKD 0           | HKD (50,755)           | HKD (50,755)       | NA                     |
| Scitus Luzhou Cement Co., Ltd.                                     | RMB 395,000,000   | HKD 1,084,345,802 | HKD 183,901,161   | HKD 900,444,641   | HKD 408,898,744 | HKD 9,707,925          | HKD 9,573,584      | NA                     |
| Scitus Hejiang Cement Co., Ltd.                                    | RMB 23,250,000    | HKD 1,882,705     | HKD 350           | HKD 1,882,355     | HKD 0           | HKD (326,784)          | HKD (326,784)      | NA                     |
| Scitus Luzhou Concrete Co., Ltd.                                   | RMB 25,000,000    | HKD 6,309,039     | HKD 6,155         | HKD 6,302,884     | HKD 5,734,421   | HKD (14,096,271)       | HKD (14,099,967)   | NA                     |
| Scitus Naxi Cement Co., Ltd.                                       | RMB 146,510,000   | HKD 14,854,669    | HKD 72,678,207    | HKD (57,823,538)  | HKD 13,197,022  | HKD (179,374,287)      | HKD (179,374,287)  | NA                     |
| Anshun Xin Tai Construction Materials Company Limited              | RMB 15,000,000    | HKD 13,014,957    | HKD 188,902       | HKD 12,826,055    | HKD 1,874,592   | HKD (1,219,996)        | HKD (1,219,996)    | NA                     |
| TCC Huaying Cement Company Limited                                 | RMB 949,880,000   | HKD 762,693,533   | HKD 47,495,330    | HKD 715,198,203   | HKD 50,300,667  | HKD (115,086,491)      | HKD (114,867,018)  | NA                     |
| TCC Huaihua Cement Company Limited                                 | RMB 300,000,000   | HKD 1,458,623,341 | HKD 491,041,092   | HKD 967,582,249   | HKD 200,887,117 | HKD (107,488,993)      | HKD (174,900,828)  | NA                     |
| TCC Jingzhou Cement Company Limited                                | RMB 150,000,000   | HKD 806,698,798   | HKD 317,922,307   | HKD 488,776,491   | HKD 173,174,118 | HKD (50,695,943)       | HKD (48,349,448)   | NA                     |
| TCC Huaihua Concrete Company Limited                               | RMB 10,000,000    | HKD 4,333,605     | HKD 18,450,740    | HKD (14,117,135)  | HKD 0           | HKD (18,809,766)       | HKD (18,809,766)   | NA                     |
| Guigang TCC Dongyuan Environmental Protection Technology Co., Ltd. | RMB 200,000,000   | HKD 270,688,356   | HKD 20,307,178    | HKD 250,381,178   | HKD 40,261,542  | HKD (2,953,079)        | HKD (2,953,079)    | NA                     |
| Beijing TCC Environmental Technology Co., Ltd.                     | RMB 6,000,000     | HKD 5,527,002     | HKD 39,377,007    | HKD (33,850,005)  | HKD 0           | HKD (7,435,938)        | HKD (7,435,938)    | NA                     |
| Kaili TCC Environmental Technology Co., Ltd.                       | RMB 48,000,000    | HKD 115,779,293   | HKD 85,119,082    | HKD 30,660,211    | HKD 23,096,570  | HKD 4,863,488          | HKD 4,863,488      | NA                     |
| Taiwan Cement (Dutch) Holdings B.V.                                | EUR 1,429,219,000 | EUR 1,547,158,722 | EUR 58,876,916    | EUR 1,488,281,805 | EUR 96,000      | EUR (1,068,943)        | EUR 18,413,129     | NA                     |
| Taiwan Cement Europe Holdings B.V.                                 | EUR 430,001,000   | EUR 494,237,194   | EUR 910           | EUR 494,236,284   | -               | EUR (175,127)          | EUR (29,064,302)   | NA                     |
| NHOA S.A.  | EUR 55,039,352    | EUR 376,775,156   | EUR 103,061,972   | EUR 273,713,184   | -               | EUR (26,861,062)       | EUR (62,129,041)   | NA                     |
| NHOA CORPORATE S.R.L.  | EUR 12,000,000    | EUR 338,847,729   | EUR 84,364,532    | EUR 254,483,197   | EUR 1,979       | EUR (2,466,502)        | EUR (24,841,118)   | NA                     |
| ELECTRO POWER SYSTEM MANUFACTURING                                 | EUR 1,004,255     | EUR 7,034,791     | EUR 137,272       | EUR 6,897,519     | -               | EUR (47,531)           | EUR (51,303)       | NA                     |

| Affiliate  | Capital amount    | Total asset       | Total liabilities | Net worth         | Revenue           | Profit from operations | Profit (after tax) | EPS(NT\$) (after tax) |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|------------------------|--------------------|-----------------------|
| Comores Energie Nouvelles S.A.R.L.   | KMF 10,000,000    | EUR 5,558,037     | EUR 5,747,347     | EUR (189,310)     | EUR 510,720       | EUR (204,346)          | EUR (547,227)      | NA                    |
| NHOA ENERGY S.R.L.   | EUR 15,000,000    | EUR 153,135,505   | EUR 55,300,555    | EUR 97,835,030    | EUR 133,833,764   | EUR (714,512)          | EUR (4,489,495)    | NA                    |
| NHOA AMERICAS LLC  | USD 10,000        | EUR 4,190,901     | EUR 6,098,763     | EUR (1,907,862)   | EUR 7,264,247     | EUR (1,576,658)        | EUR (1,823,667)    | NA                    |
| NHOA AUSTRALIA PTY LTD   | AUD 25,210,000    | EUR 35,689,479    | EUR 20,413,544    | EUR 15,275,935    | EUR 56,401,437    | EUR 2,930,087          | EUR 693,036        | NA                    |
| NHOA LATAM S.A.C.  | SOL 3,000         | EUR 3,699,091     | EUR 4,860,321     | EUR (1,161,230)   | EUR 11,184,275    | EUR (940,411)          | EUR (1,038,274)    | NA                    |
| NHOA TAIWAN LTD  | NTD 250,000       | EUR 154,092       | EUR 758,639       | EUR (604,547)     | -                 | EUR (621,311)          | EUR (614,969)      | NA                    |
| NHOA UK LTD  | GBP 100,000       | EUR 5,070,692     | EUR 5,488,557     | EUR (417,865)     | -                 | EUR (541,484)          | EUR (616,929)      | NA                    |
| ATLANTE S.R.L.   | EUR 12,000,000    | EUR 243,317,075   | EUR 94,490,849    | EUR 148,826,226   | EUR 1,619,279     | EUR (14,202,253)       | EUR (27,290,363)   | NA                    |
| ATLANTE IBERIA S.L.  | EUR 504,000       | EUR 9,595,387     | EUR 5,880,562     | EUR 3,714,825     | EUR 6,620         | EUR (3,110,241)        | EUR (3,377,063)    | NA                    |
| ATLANTE FRANCE S.A.S.  | EUR 29,500,000    | EUR 37,993,400    | EUR 16,796,700    | EUR 21,196,700    | EUR 162,593       | EUR (5,635,155)        | EUR (5,969,206)    | NA                    |
| Atlante Fast Charging Portugal LDA   | EUR 4,000         | EUR 2,047,251     | EUR 2,092,733     | EUR (45,482)      | -                 | EUR (195,190)          | EUR (197,007)      | NA                    |
| ATLANTE INFRA PORTUGAL S.A.  | EUR 140,000       | EUR 12,830,883    | EUR 12,261,396    | EUR 569,487       | EUR 1,634,296     | EUR (528,246)          | EUR (812,789)      | NA                    |
| ATLANTE ITALIA S.R.L.  | EUR 7,500,000     | EUR 43,064,446    | EUR 18,606,237    | EUR 24,458,209    | EUR 303,364       | EUR (1,700,545)        | EUR (1,707,707)    | NA                    |
| ALPIS S.A.S.   | EUR 100           | EUR 100           | NA                | EUR 100           | NA                | NA                     | NA                 | NA                    |
| FREE2MOVE ESOLUTIONS S.P.A.  | EUR 32,755,531    | EUR 88,861,294    | EUR 85,483,398    | EUR 3,377,896     | EUR 12,682,303    | EUR (15,416,539)       | EUR (6,551,497)    | NA                    |
| FREE2MOVE ESOLUTIONS NORTH AMERICA LLC                                     | USD 100,000       | EUR 39,958,010    | EUR 29,552,945    | EUR 10,405,065    | EUR 54,410,447    | EUR 16,256,999         | EUR 12,160,292     | NA                    |
| FREE2MOVE ESOLUTIONS FRANCE S.A.S.   | EUR 100,000       | EUR 123,404       | EUR 660,206       | EUR (536,803)     | EUR 3,607         | EUR (454,357)          | EUR (454,357)      | NA                    |
| FREE2MOVE ESOLUTIONS SPAIN S.L.U.  | EUR 100,000       | EUR 182,233       | EUR 510,449       | EUR (328,216)     | -                 | EUR (233,426)          | EUR (233,426)      | NA                    |
| FREE2MOVE ESOLUTIONS UK LTD  | GBP 100,000       | -                 | -                 | -                 | -                 | EUR (27,121)           | EUR (27,121)       | NA                    |
| TCC (Hangzhou) Environmental Protection Technology Co., Ltd.               | RMB 2,790,000,000 | HKD 3,773,683,528 | HKD 888,966,372   | HKD 2,884,717,156 | HKD 1,329,456,652 | HKD 10,610,194         | HKD 2,370,711      | NA                    |
| TCC (Hangzhou) Renewable Resources Technology Co., Ltd.                    | RMB 560,000,000   | HKD 642,245,302   | HKD 953,456       | HKD 641,291,846   | -                 | HKD 13,176,009         | HKD 9,863,756      | NA                    |
| Jurong TCC Environmental Co., Ltd.   | RMB 256,684,500   | HKD 289,842,319   | HKD 140,638       | HKD 289,701,681   | -                 | HKD 7,036,185          | HKD 5,396,908      | NA                    |
| TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited | RMB 1,000,000     | HKD 4,863,505     | HKD 3,879,689     | HKD 983,916       | HKD 1,198,245     | HKD (99,616)           | HKD (100,514)      | NA                    |
| TCC Yongren (Hangzhou) Environmental Technology Company Limited            | RMB 1,000,000     | HKD 1,102,216     | HKD 0             | HKD 1,102,216     | -                 | HKD 2,506              | HKD 2,439          | NA                    |



| Affiliate  | Capital amount    | Total asset         | Total liabilities   | Net worth             | Revenue           | Profit from operations | Profit (after tax) | EPS(NT\$) (after tax) |
|--|-------------------|---------------------|---------------------|-----------------------|-------------------|------------------------|--------------------|-----------------------|
| TCC Yongren (Hangzhou) Renewable Resources Technology Company Limited                      | RMB<br>14,200,000 | HKD<br>15,572,836   | HKD 0               | HKD<br>15,572,836     | -                 | HKD<br>(16,131)        | HKD<br>(16,110)    | NA                    |
| TCC Yongren (Hangzhou) Renewable Resources Development Company Limited                     | RMB<br>6,000,000  | HKD<br>(5,257,160)  | HKD 664,241         | HKD<br>(5,921,401)    | HKD<br>16,089,726 | HKD<br>(3,907,478)     | HKD<br>(3,914,030) | NA                    |
| TCC Shaoguan Environmental Technology Company Limited                                      | RMB<br>1,000,000  | HKD<br>1,154,804    | HKD 51,773          | HKD<br>1,103,032      | -                 | -                      | (HKD 78)           | NA                    |
| TCC Energy Storage Technology Corporation.   | 2,506,000         | 5,121,231           | 2,727,271           | 2,393,960             | 549,433           | 42,336                 | 63,914             | 0.26                  |
| TCC Sustainable Energy Investment Corporation.   | 1,000             | 899                 | 10                  | 889                   | -                 | (14)                   | (10)               | (0.10)                |
| Tuo Shan Recycle Technology Company  | 1,000             | 945                 | 10                  | 935                   | -                 | (13)                   | (9)                | (0.09)                |
| Energy Helper TCC Corporation  | 10,000            | 253,437             | 235,787             | 17,650                | 15,080            | 9,760                  | 8,051              | 8.05                  |
| TCC Recycle Energy Technology Company  | 28,450,979        | 26,475,776          | 424                 | 26,475,352            | -                 | (848)                  | (1,560,423)        | (0.55)                |
| E-One Moli Energy Corp.  | 27,663,107        | 29,470,409          | 3,869,844           | 25,600,565            | 5,356,111         | (919,373)              | (1,558,781)        | (0.56)                |
| Molie Quantum Energy Corporation   | 22,001,000        | 25,912,351          | 4,565,998           | 21,346,353            | 14,918            | (613,988)              | (477,770)          | (0.22)                |
| E-One Holdings Ltd.  | USD<br>65,344,940 | USD<br>15,050,831   | -                   | USD<br>15,050,831     | -                 | -                      | USD<br>(2,776,814) | NA                    |
| E-One Moli Holdings (Canada) Ltd.  | CAD<br>79,141,373 | CAD<br>21,336,666   | -                   | CAD<br>21,336,666     | -                 | -                      | CAD<br>(3,746,285) | NA                    |
| E-One Moli Energy (Canada) Ltd.  | CAD<br>85,779,298 | CAD<br>36,165,872   | CAD<br>16,368,005   | CAD<br>19,797,868     | CAD<br>61,037,609 | CAD<br>(2,536,563)     | CAD<br>(3,746,253) | NA                    |
| E-One Moli Quantum Energy (Canada) Ltd.  | CAD 100           | CAD 100             | -                   | CAD 100               | -                 | -                      | -                  | NA                    |
| TCC (Hangzhou) New Energy Company Limited <sup>6</sup>                                     | -                 | -                   | -                   | -                     | -                 | -                      | -                  | NA                    |
| TCC Zhihe (Hangzhou) Environmental Protection Company Limited                              | RMB<br>41,000,000 | HKD<br>26,654,736   | -                   | HKD<br>26,654,736     | -                 | HKD<br>1,084,308       | HKD<br>1,084,097   | NA                    |
| TCC (Guangdong) Renewable Resources Technology Company Limited                             | RMB<br>5,000,000  | HKD<br>(4,677,403)  | HKD<br>2,444,804.68 | HKD<br>(7,122,207)    | -                 | HKD<br>(3,994,223)     | HKD<br>(3,994,223) | NA                    |
| One Two Three (Guangdong) Environmental Protection Technology Company Limited <sup>7</sup> | -                 | HKD<br>2,568,378.19 | HKD<br>7,550,622.84 | (HKD)<br>4,982,244.65 | -                 | HKD<br>(3,501,188)     | HKD<br>(3,501,188) | NA                    |
| TCC Zhongxin (Anshun) Renewable Resources Technology Company Limited <sup>8</sup>          | RMB<br>6,000,000  | HKD<br>6,600,000    | -                   | HKD<br>6,600,000      | -                 | -                      | -                  | NA                    |

<sup>1</sup> TCC Lien-Hsin Green Energy Corporation issued preferred shares with debt-like characteristics, which are held by Ho-Ping Power Company.

<sup>2</sup> HO-PING Ocean Renewable Resource Corporation was founded on September 11, 2023.

<sup>3</sup> In October 2023, an additional investment was made in Shi-Men Green Energy Corporation, acquiring a 51% shareholding.

<sup>4</sup> Da Tong (Ying De) Logistics Co., Ltd. liquidation was completed in December 2023.

<sup>5</sup> Tung Chen Mineral Corporation Ltd. is in liquidation as of the end of December 2023.

<sup>6</sup> TCC (Hangzhou) New Energy Company Limited was established on August 8, 2022. As of December 31, 2023, no capital injection has been made yet.

<sup>7</sup> The equity transfer of One Two Three (Guangdong) Environmental Protection Technology Company Limited was completed on June 15, 2023.

<sup>8</sup> TCC Zhongxin (Anshun) Renewable Resources Technology Company Limited was founded on October 11, 2023.

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 2023 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: None.

## Contact Information

### TCC Headquarters

(02) 2531-7099  
No. 113, Section 2,  
Zhongshan North Rd.,  
Zhongshan Dist., Taipei City  
104, Taiwan

### Low-Carbon R&D Center

(03) 321-7855  
No. 148, Section 1, Chang'an  
Rd., Luzhu Dist., Taoyuan City  
338, Taiwan

### Hoping cement plant

(03) 868-2111  
No.263, Ho-Ping Village,  
Sioulin Township, Hualien  
County 972, Taiwan

### Suao cement plant

(03) 996-2511~20  
No. 46, Yongchang Rd., Suao  
Township, Yilan County 270,  
Taiwan

### Hualien cement plant

(03)822-1161~4  
No. 103, Huadong, Hualien  
City, Hualien County 970,  
Taiwan

### Hualien ready mix concrete site

(03) 822-8353  
No.3, Meigong 5th St.  
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 Dist., Taoyuan County  
338, Taiwan

### Taoyuan second branch

(03) 322-1321  
No. 59, Liufu Rd., Luzhu Dist.,  
Taoyuan City 338, Taiwan

### Taipei delivery station

(02) 2423-1815  
No. 59, Guanghua Rd.,  
Zhongshan Dist., Keelung City  
203, Taiwan

### Guishan branch

(03) 359-5633  
No. 688, Dongwanshou Rd.,  
Guishan Dist., Taoyuan City  
333, Taiwan

### Bade branch

(03) 368-5785  
No. 32-1, Chung Hsiao alley,  
Changxing Rd., Bade Dist.,  
Taoyuan City 334, Taiwan

### Jhongli branch

(03) 490-7675~8  
No. 203, Sec. 6, Minzu Rd.,  
Xinwu Township, Taoyuan  
County 327, Taiwan

### Jhongli Second Branch

(03) 490-5501  
No. 38, Ln. 306, Sec. 1,  
Guoling Rd., Zhongli Dist.,  
Taoyuan City 320, Taiwan

### Hsinchu branch

(03) 551-5166~9  
No. 792, Bo'ai St., Zhubei City,  
Hsinchu County 302, Taiwan

### Yilan branch

(03) 922-0456  
No. 438, Sec. 2, Yuanshan  
Rd., Yuanshan Township, Yilan  
County 264, Taiwan

### Taichung cement plant

(04) 2568-1691  
No. 785, Sec. 3, Zhongqing  
Rd., Daya Dist., Taichung City  
428, Taiwan

### Dadoo branch

(04) 2699-2826  
No. 303, Sec. 2, Shatian Rd.,  
Dadu Dist., Taichung City 432,  
Taiwan

### Taichung Port cement distribution station

(04) 2656-4394~5  
No.2, Beiheng 7<sup>th</sup> Rd.,  
Qingshui Dist., Taichung City  
436, Taiwan

### Shengang branch

(04) 2563-3980  
No. 202, 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 1<sup>st</sup> Rd.,  
Renwu Dist., Kaohsiung City  
814, Taiwan

### Chiayi branch

(05) 221-7215  
No. 8, Xinsheng St., Minxiong  
Township, Chiayi County 621,  
Taiwan

### Tainan branch

(06) 270-3259  
No. 36, Taiyi 7<sup>th</sup> St., Rende  
Dist., Tainan City 717, Taiwan

### Luzhu branch

(07) 607-1238  
No. 809, Daren Rd., Luzhu  
Dist., Kaohsiung City 821,  
Taiwan

### Shanhua branch

(06) 581-0685  
No. 33, Xingnong Rd.,  
Shanhua Dist., Tainan City  
741, Taiwan

### Anping branch

(06) 291-9809  
No. 84-2, Xinle Rd., South  
Dist., Tainan City 702, Taiwan

### Nanzi Plant

(07) 349-4062  
No. 99-1, Gaonan Highway,  
Renwu Dist., Kaohsiung City  
814, Taiwan

### Xiaogang branch

(07) 872-1166~7  
No. 12, Zhonglin Rd.,  
Xiaogang Dist., Kaohsiung  
City 812, Taiwan

### Kaohsiung Port cement distribution station (No.44 Wharf)

(07) 813-5047~9  
No. 12, Dahua 3<sup>rd</sup> 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

### Spokesman: VP, Shelly Yeh

(02) 2531-7099 Ext 20265  
shellyyeh@taiwancement.com

### Deputy spokesperson: Associate VP, Jia-Ro Lai

(02)2531-7099 Ext 20207  
nana.lai@taiwancement.com

### Stock transfer services: Transfer Agency, CTCB Bank

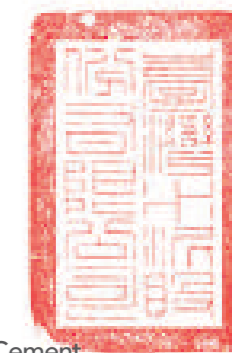
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20F., Taipei Nan Shan Plaza No.100, Songren  
Rd., Xinyi Dist., Taipei 11073, Taiwan  
(02) 2725-9988 (Rep.)  
<http://www.deloitte.com>

### 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/>



The Taiwan Cement  
Corporation

Chairman



# The Taiwan Cement Corporation Annexes to 2023 ANNUAL REPORT

Cross

Diversity

Equity

Boundaries

Inclusion



## TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (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 27, 2024.

#### 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 "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, the initial application of the amendments to the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have any material impact on the Group's accounting policies.

##### Amendments to IAS 12 "International Tax Reform - Pillar Two Model Rules"

The amendments introduce a temporary exception to the requirements in IAS 12 by stipulating that the Group should neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendments also require the Group to disclose that it has applied the exception and separately disclose its current tax expense (income) related to Pillar Two income taxes. In addition, for periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, the Group should disclose qualitative and quantitative information that helps users of financial statements understand the Group's exposure to Pillar Two income taxes. The requirement that the Group apply the exception and the requirement to disclose that fact are applied immediately and retrospectively upon issuance of the amendments. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

| <u>New, Amended and Revised Standards and Interpretations</u>                 | <u>Effective Date<br/>Announced by IASB (Note 1)</u> |
|---|--|
| Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"              | January 1, 2024 (Note 2)                             |
| Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" | January 1, 2024                                      |
| Amendments to IAS 1 "Non-current Liabilities with Covenants"                  | January 1, 2024                                      |
| Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"                | January 1, 2024 (Note 3)                             |

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

| <u>New, Amended and Revised Standards and Interpretations</u>  | <u>Effective Date<br/>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 21 "Lack of Exchangeability"   | January 1, 2025 (Note 2)                             |

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: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the above standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.



#### 4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

##### 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 IFRS Accounting Standards as endorsed and issued into effect by the FSC.

##### b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit assets or liabilities which are measured at the present value of the defined benefit obligation less the fair value of the plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 on the basis of the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs on an asset or liability.

##### c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

The Group engages in the construction business, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the Group's construction-related assets and liabilities.

##### d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation.

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions or up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in its relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of an investment in an associate or a joint venture.

Refer to Note 13 for the detailed information on subsidiaries (including the percentages of ownership and main businesses).

##### e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

For each business combination, the Group measures the non-controlling interests at either fair value or the share in the recognized amounts of the acquiree's identifiable net assets. Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets, in the event of liquidation, may be initially measured at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of the measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value.

When a business combination is achieved in stages, the Group's previously held equity interest in an acquiree is remeasured to fair value at the acquisition date, and the resulting gain or loss is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are recognized on the same basis as would be required if those interests were directly disposed of by the Group.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

f. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, and in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the functional currencies of the Corporation and the group entities (including subsidiaries and associates in other countries that use currencies that are different from the currency of the Corporation) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Corporation and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

g. Inventories

Inventories consist of raw materials, supplies, finished goods and work in process, etc. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost at the end of the reporting period.

h. Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group uses the equity method to account for its investments in associates and joint ventures.

Under the equity method, investments in an associate and joint venture are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group's share of the equity of associates and joint ventures.

Any excess of the cost of an acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate or a joint venture at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of an associate and joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in that associate and joint venture. The Group records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus - changes in the Group's share of equity of associates and joint ventures. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate and a joint venture equals or exceeds its interest in that associate and joint venture (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate and joint venture), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate and joint venture.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate and a joint venture. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on its initial recognition as a financial asset. The difference between the previous carrying amount of the associate and joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate and the joint venture. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate and joint venture on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

When a group entity transacts with its associate and joint venture, profit and loss resulting from the transactions with the associate and joint venture are recognized in the Group's consolidated financial statements only to the extent that interests in the associate and the joint venture are not related to the Group.

i. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measure at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are carried at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Freehold land is not depreciated.

Depreciation of property, plant and equipment (including assets held under finance leases) is recognized using the straight-line method. Each significant part is depreciated separately. If a lease term is shorter than the assets' useful lives, such assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Investment properties

Investment properties are properties held to earn rentals or for capital appreciation and land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

For a transfer of classification from investment properties to property, plant and equipment, the deemed cost of an item of property for subsequent accounting is its carrying amount at the commencement of owner-occupation. On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

k. Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of the acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit or groups of cash-generating units was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit or groups of cash-generating units is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation that is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

l. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

When the Group has a right to charge for usage of concession infrastructure (as a consideration for providing construction services in a service concession arrangement), it is initially recognized as an intangible asset at its fair value. The intangible asset is subsequently measured at cost less accumulated amortization and any accumulated impairment loss.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date. Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.



m. Impairment of property, plant and equipment, right-of-use assets, intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets, excluding goodwill, in order to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Group assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of an asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount (less amortization expenses or depreciation expenses) that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

n. Non-current assets held for sale

Disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the disposal group is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

o. 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 33.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents and trade receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits and bonds with repurchase agreements with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.



iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investments.

b) Impairment of financial assets and contract assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable), lease receivables, as well as contract assets.

The Group always recognizes lifetime expected credit losses (ECLs) for accounts receivable, lease receivables and contract assets. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, without considering the collateral held, the Group determines that a financial asset is in default when internal or external information show that the debtor is unlikely to pay its creditors, unless there is reasonable and corroborative information to support a more lagged default criterion.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Corporation's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Corporation's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except for financial liabilities at FVTPL, all financial liabilities are carried at amortized cost using the effective interest method.

Financial liabilities are classified as at FVTPL when any such financial liability is either held for trading or is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in other gains or losses. Fair value is determined in the manner described in Note 33.

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.

#### p. 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.

#### q. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

- 1) Revenue from the sale of goods is recognized when the goods are delivered to customer' specific location and the ownership of the goods is transferred to customer.
- 2) Service income is recognized by reference to the stage of completion of the contract or when services are provided. Freight revenue is recognized by reference to the proportion of the voyage period.
- 3) Revenue from electric power is calculated according to the volume of electric power sold and the energy rate.

- 4) Revenue from construction contract is recognized over time. The Group measures the progress on the basis of costs incurred relative to the total expected costs as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligations. When the outcome of a performance obligation cannot be reasonably measured, contract revenue is recognized only to the extent of contract costs incurred in satisfying the performance obligation for which recovery is expected.

#### r. 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.

s. 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.

t. 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.

u. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service costs and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for a defined benefit plan except that remeasurement is recognized in profit or loss.

v. 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.

w. 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.

The Group has applied the exception from the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two income taxes. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

### 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 on 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.

When developing material accounting estimates, the Group considers the possible impact of climate change and related government policies and regulations, and volatility in energy market on the cash flow projection, growth rate, discount rate, profitability, and other relevant material estimates. The estimations and the underlying assumptions are reviewed on an ongoing basis by the management. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### a. Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The calculation of the value in use requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

### b. Impairment of property, plant and equipment

The impairment loss of property, plant and equipment in relation to production was based on the recoverable amounts of those assets, which are the higher of their fair value less costs of disposal and their value in use. Any changes in the market prices or future cash flows will affect the recoverable amounts of those assets and may lead to the recognition of additional impairment losses or the reversal of impairment losses.

## 6. CASH AND CASH EQUIVALENTS

|  | <b>December 31</b>   |                      |
|--|----------------------|----------------------|
|  | <b>2023</b>          | <b>2022</b>          |
| Cash on hand   | \$ 9,772             | \$ 29,162            |
| Checking accounts and demand deposits                      | 37,737,275           | 27,747,698           |
| Cash equivalents   |                      |                      |
| Time deposits with original maturities of 3 months or less | 25,433,147           | 57,861,359           |
| Bonds with repurchase agreements                           | <u>3,186,428</u>     | <u>3,204,275</u>     |
|  | <u>\$ 66,366,622</u> | <u>\$ 88,842,494</u> |

The market rate intervals of cash in banks and bonds with repurchase agreements at the end of the reporting period were as follows:

|                                  | <b>December 31</b> |             |
|----------------------------------|--------------------|-------------|
|                                  | <b>2023</b>        | <b>2022</b> |
| Cash in banks                    | 0.01%-5.84%        | 0.01%-6.05% |
| Bonds with repurchase agreements | 1.16%-5.50%        | 0.84%-4.30% |

Financial assets at amortized cost are mainly time deposits with original maturities of more than 3 months and restricted demand deposits:

|             | <b>December 31</b>   |                      |
|-------------|----------------------|----------------------|
|             | <b>2023</b>          | <b>2022</b>          |
| Current     | \$ 34,236,957        | \$ 20,954,299        |
| Non-current | <u>22,599,386</u>    | <u>9,577,103</u>     |
|             | <u>\$ 56,836,343</u> | <u>\$ 30,531,402</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> |             |
|--------------------|-------------|
| 2023               | 2022        |
| 0.01%-5.80%        | 0.01%-6.24% |

Refer to Note 35 for information relating to pledged financial assets at amortized cost.

#### 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

|   | <u>December 31</u> |                   |
|---|--------------------|-------------------|
|   | 2023               | 2022              |
| <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 | \$ 1,347           | \$ -              |
| Non-derivative financial assets                         |                    |                   |
| Domestic listed shares                                  | 277,498            | 197,210           |
| Domestic emerging market shares                         | 108,582            | 95,145            |
| Foreign government bonds                                | 313,505            | 277,772           |
| Foreign corporate bonds                                 | 21,727             | 41,675            |
| Foreign beneficiary certificates                        | <u>5,103</u>       | <u>-</u>          |
|   | <u>\$ 727,762</u>  | <u>\$ 611,802</u> |

#### Financial assets at FVTPL - non-current

|   |                   |                   |
|---|-------------------|-------------------|
| Financial assets mandatorily classified as at FVTPL |                   |                   |
| Non-derivative financial assets                     |                   |                   |
| Foreign government bonds                            | <u>\$ 278,424</u> | <u>\$ 284,876</u> |

#### Financial liabilities at FVTPL - current

|   |             |                   |
|---|-------------|-------------------|
| Held for trading  |             |                   |
| Derivative instruments (not under hedge accounting)     |             |                   |
| Redemption options and put options of convertible bonds | <u>\$ -</u> | <u>\$ 641,522</u> |

Refer to Note 35 for information relating to financial instruments at fair value through profit or loss.

#### 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

|                                | <u>December 31</u>   |                      |
|--------------------------------|----------------------|----------------------|
|                                | 2023                 | 2022                 |
| <u>Current</u>                 |                      |                      |
| Domestic investments           |                      |                      |
| Listed shares                  | \$ 6,919,103         | \$ 5,883,584         |
| Convertible preference shares  | <u>53,687</u>        | <u>51,169</u>        |
|                                | <u>\$ 6,972,790</u>  | <u>\$ 5,934,753</u>  |
| <u>Non-current</u>             |                      |                      |
| Domestic investments           |                      |                      |
| Listed shares                  | \$ 247,374           | \$ -                 |
| Unlisted shares                | 8,826,122            | 8,032,322            |
| Privately placed listed shares | 1,884,630            | 1,030,300            |
| Foreign investments            |                      |                      |
| Listed shares                  | 8,613,198            | 13,412,634           |
| Unlisted preference shares     | <u>276,345</u>       | <u>276,390</u>       |
|                                | <u>\$ 19,847,669</u> | <u>\$ 22,751,646</u> |

The Corporation subscribed privately placed ordinary shares of Pihong Technology Co., Ltd. via private placement in December 2021. The privately placed ordinary shares may not be transferred to others within 3 years under the relevant laws and regulations. In October 2023, the Corporation also participated in the capital increase of ordinary shares by cash in the amount of NT\$209,156 thousand.

Refer to Note 35 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>   |                      |
|-------------------------------------|----------------------|----------------------|
|                                     | 2023                 | 2022                 |
| Notes receivable                    | \$ 11,052,888        | \$ 19,460,178        |
| Less: Allowance for impairment loss | <u>(9,293)</u>       | <u>(9,455)</u>       |
|                                     | <u>11,043,595</u>    | <u>19,450,723</u>    |
| Accounts receivable                 | 12,614,063           | 15,351,598           |
| Less: Allowance for impairment loss | <u>(251,574)</u>     | <u>(202,838)</u>     |
|                                     | <u>12,362,489</u>    | <u>15,148,760</u>    |
|                                     | <u>\$ 23,406,084</u> | <u>\$ 34,599,483</u> |

The Group recognizes allowance for impairment loss on accounts receivable on the basis of individual customers for which credit losses have actually taken place. Moreover, the Group separates all customers into different segments based on their risks and determines their expected credit loss rates by reference to past default experience with the counterparties, on analysis of their financial position and observable economic condition of the industry in which the customer operates. The Group recognizes an allowance for impairment loss of 100% against past due receivables which have indication of impairment.

The Group writes off an account receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery of the receivables. For accounts receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables which are due. Where recoveries are made, these are recognized in profit or loss.

The aging analysis of receivables was as follows:

|               | <u>December 31</u>   |                      |
|---------------|----------------------|----------------------|
|               | <u>2023</u>          | <u>2022</u>          |
| Up to 90 days | \$ 15,403,105        | \$ 23,611,140        |
| 91-180 days   | 7,584,648            | 10,595,776           |
| 181-365 days  | 275,980              | 376,993              |
| Over 365 days | <u>142,351</u>       | <u>15,574</u>        |
|               | <u>\$ 23,406,084</u> | <u>\$ 34,599,483</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> |                   |
|---|---------------------------------------|-------------------|
|   | <u>2023</u>                           | <u>2022</u>       |
| Balance at January 1                          | \$ 212,293                            | \$ 176,959        |
| Add: Net remeasurement of loss allowance      | 56,497                                | 33,790            |
| Less: Amounts written off                     | (5,253)                               | (601)             |
| Foreign exchange translation gains and losses | <u>(2,670)</u>                        | <u>2,145</u>      |
| Balance at December 31                        | <u>\$ 260,867</u>                     | <u>\$ 212,293</u> |

#### 10. FINANCE LEASE RECEIVABLES

|   | <u>December 31</u>   |                      |
|---|----------------------|----------------------|
|   | <u>2023</u>          | <u>2022</u>          |
| <u>Undiscounted lease payments</u>                              |                      |                      |
| Year 1  | \$ 5,883,831         | \$ 5,578,575         |
| Year 2  | 6,586,142            | 6,127,364            |
| Year 3  | 6,863,309            | 6,285,029            |
| Year 4  | 8,656,958            | 6,294,158            |
| Year 5  | <u>-</u>             | <u>8,716,844</u>     |
|   | 27,990,240           | 33,001,970           |
| Less: Unearned finance income                                   | 6,155,155            | 8,619,669            |
| Less: Accumulated impairment                                    | <u>47,878</u>        | <u>47,878</u>        |
| Net investment in leases presented as finance lease receivables | <u>\$ 21,787,207</u> | <u>\$ 24,334,423</u> |
| Current (included in accounts receivable)                       | \$ 3,582,936         | \$ 2,962,021         |
| Non-current   | <u>18,204,271</u>    | <u>21,372,402</u>    |
|   | <u>\$ 21,787,207</u> | <u>\$ 24,334,423</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. DISPOSAL GROUPS HELD FOR SALE

|                                  | <u>December 31</u> |             |
|----------------------------------|--------------------|-------------|
|                                  | <u>2023</u>        | <u>2022</u> |
| Buildings and land held for sale | <u>\$ 196,403</u>  | <u>\$ -</u> |

On December 21, 2023, the Board of Directors of TCC Chemical Corporation, the Group's subsidiary, resolved to sell land and buildings in Lanya Section, Shilin District, Taipei City in order to strengthen its financial structure, which were originally classified as investment properties for rent purposes. The selling price is expected to exceed the carry amount of relevant net assets; therefore, there is no impairment loss that should be recognized when it is classified as disposal groups held for sale.

#### 12. INVENTORIES

|                 | <u>December 31</u>   |                      |
|-----------------|----------------------|----------------------|
|                 | <u>2023</u>          | <u>2022</u>          |
| Finished goods  | \$ 2,980,091         | \$ 3,817,136         |
| Work in process | 2,434,648            | 3,274,639            |
| Raw materials   | <u>6,079,276</u>     | <u>8,998,205</u>     |
|                 | <u>\$ 11,494,015</u> | <u>\$ 16,089,980</u> |

The costs of inventories recognized as cost of goods sold for the years ended December 31, 2023 and 2022 were \$82,321,521 thousand and \$97,241,445 thousand, respectively.

The cost of goods sold included write-downs of inventory as follows:

|                          | <u>For the Year Ended December 31</u> |                   |
|--------------------------|---------------------------------------|-------------------|
|                          | <u>2023</u>                           | <u>2022</u>       |
| Write-downs of inventory | <u>\$ 65,867</u>                      | <u>\$ 259,108</u> |

### 13. SUBSIDIARIES

#### a. Subsidiaries included in consolidated financial statements

The consolidated financial statements include subsidiaries which are as follows:

| Investor                               | Investee  | Main Business  | Proportion of Ownership (%) |       | Remark |
|--|---|--|-----------------------------|-------|--------|
|  |   |  | 2023                        | 2022  |        |
| Taiwan Cement Corporation              | Taiwan Transport & Storage Corporation              | Warehousing, transportation and sale of sand and gravel      | 83.9                        | 83.9  |        |
|  | TCC Investment Corporation                          | Investment   | 100.0                       | 100.0 |        |
|  | Kuan-Ho Refractories Industry Corporation           | Production and sale of refractory materials                  | 95.3                        | 95.3  |        |
|  | Hong Kong Cement Manufacturing Co., Ltd. ("HKCMCL") | Investment holding   | 84.7                        | 84.7  |        |
|  | Ta-Ho Maritime Corporation                          | Marine transportation  | 64.8                        | 64.8  |        |
|  | Taiwan Cement Engineering Corporation               | Engineering services   | 99.3                        | 99.2  | 1)     |
|  | TCC Green Energy Corporation                        | Renewable energy generation                                  | 100.0                       | 100.0 |        |
|  | TCC Chemical Corporation                            | Leasing property and energy technology services              | 100.0                       | 100.0 |        |
|  | TCC Information Systems Corporation                 | Information software design                                  | 99.4                        | 99.4  |        |
|  | Tung Chen Mineral Corporation                       | Afforestation and sale of limestone                          | -                           | 99.5  | 4)     |
|  | 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. ("TCCPI")                    | Investment holding   | 100.0                       | 100.0 |        |
|  | 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)     |
|  | Taicom 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   | 47.3                        | 45.5  | 1)     |
|  | Taiwan Cement (Dutch) Holdings B.V. ("TCC Dutch")   | Investment holding   | 82.5                        | 100.0 | 9)     |
|  | TCC Sustainable Energy Investment Corporation       | Investment holding   | 100.0                       | 100.0 |        |
|  | TCC Energy Storage Technology Corporation           | Energy storage equipment manufacturing, production and sales | 100.0                       | 100.0 |        |
|  | Tuo Shan Recycle Technology Company                 | Waste collection and treatment                               | 100.0                       | 100.0 |        |
|  | TCC Recycle Energy Technology Company               | Investment holding   | 36.7                        | 36.6  | 1), 2) |
| Taiwan Transport & Storage Corporation | E.G.C. Cement Corporation                           | Sale of cement   | 49.4                        | 49.4  |        |
|  | Ta-Ho Maritime Corporation                          | Marine transportation  | 29.4                        | 29.2  | 1)     |
|  | Tai-Jie Transport & Storage Corporation             | Transportation   | 100.0                       | 100.0 |        |
| TCC Investment Corporation             | Union Cement Traders Inc.                           | Import and export trading                                    | 100.0                       | 100.0 |        |
|  | Ho-Ping Power Company                               | Thermal power generation                                     | 0.5                         | 0.5   |        |
|  | Ta-Ho Maritime Corporation                          | Marine transportation  | -                           | -     |        |
|  | TCC Recycle Energy Technology Company               | Investment holding   | 1.1                         | 1.1   | 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 |        |

(Continued)

| Investor  | Investee  | Main Business   | Proportion of Ownership (%) |       | Remark  |
|---|---|---|-----------------------------|-------|---------|
|   |   |   | 2023                        | 2022  |         |
| Hoping Industrial Port Corporation                  | TCC Recycle Energy Technology Company               | Investment holding                                      | 0.4                         | 0.4   | 2)      |
| TCCI  | TCCIH   | Investment holding                                      | 52.7                        | 54.5  | 1)      |
| TPMC  | TMC   | Mining excavation                                       | 18.2                        | 18.2  |         |
| Union Cement Traders Inc.                           | Taiwan Transport & Storage Corporation              | Warehousing, transportation and sale of sand and gravel | 0.7                         | 0.7   |         |
|   | TCC Recycle Energy Technology Company               | Investment holding                                      | 1.1                         | 1.1   | 2)      |
| Ho-Ping Power Company                               | Ho-Ping Renewable Energy Company                    | Renewable energy generation                             | 100.0                       | 100.0 |         |
| TCC Green Energy Corporation                        | Chang-Wang Wind Power Co., Ltd.                     | Renewable energy generation                             | 100.0                       | 100.0 |         |
|   | TCC Nan-Chung Green Energy Corporation              | Renewable energy generation                             | 100.0                       | 100.0 |         |
|   | TCC Kao-Cheng Green Energy Corporation              | Renewable energy generation                             | 100.0                       | 100.0 |         |
|   | TCC Chang-Ho Green Energy Corporation               | Renewable energy generation                             | 100.0                       | 100.0 |         |
|   | TCC Chia-Chien Green Energy Corporation             | Renewable energy generation                             | 100.0                       | 100.0 |         |
|   | TCC Yun-Kai Green Energy Corporation                | Renewable energy generation                             | 100.0                       | 100.0 |         |
|   | TCC Lien-Hsin Green Energy Corporation              | Renewable energy generation                             | 100.0                       | 100.0 |         |
|   | TCC Ping-Chih Green Energy Corporation              | Renewable energy generation                             | 100.0                       | 100.0 |         |
|   | Chia-Ho Green Energy Corporation                    | Renewable energy generation                             | 85.0                        | 85.0  | 6)      |
|   | TCC Tung-Li Green Energy Corporation                | Renewable energy generation                             | 100.0                       | 100.0 |         |
|   | SHI-MEN Green Energy Corporation                    | Renewable energy generation                             | 51.0                        | -     | 10)     |
|   | HO-PING Ocean Renewable Resource Corporation        | Renewable energy generation                             | 100.0                       | -     | 4)      |
| TCC Energy Storage Technology Corporation           | Energy Helper TCC Corporation                       | Renewable energy retail and energy technology services  | 100.0                       | 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 | 4)      |
| 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                       | 100.0 |         |
| TCEH  | NHOA S.A.   | Investment holding                                      | 87.8                        | 65.2  | 12)     |
| 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                       | 100.0 |         |
|   | Comores Énergie Nouvelles S.A.R.L.                  | Renewable energy and energy storage system construction | -                           | 100.0 | 8), 10) |
|   | NHOA CALLIOPE S.R.L.                                | Investment holding                                      | -                           | 100.0 | 4), 8)  |
|   | NHOA CORPORATE S.R.L.                               | Investment holding                                      | 100.0                       | 100.0 | 4), 8)  |
| NHOA CORPORATE S.R.L.                               | ATLANTE S.R.L.                                      | Renewable energy and charging equipment                 | 100.0                       | -     | 8)      |
|   | FREE2MOVE ESOLUTIONS S.P.A.                         | Electric vehicle charging equipment                     | 49.9                        | 49.9  | 3)      |
|   | NHOA ENERGY S.R.L.                                  | Renewable energy and energy storage system construction | 100.0                       | -     | 8)      |
| NHOA ENERGY S.R.L.                                  | NHOA AMERICAS LLC                                   | Renewable energy and energy storage system construction | 100.0                       | 100.0 |         |
|   | NHOA AUSTRALIA PTY LTD                              | Renewable energy and energy storage system construction | 100.0                       | 100.0 |         |
|   | NHOA LATAM S.A.C.                                   | Renewable energy and energy storage system construction | 90.0                        | 90.0  | 4)      |

(Continued)

| Investor                                 | Investee   | Main Business  | Proportion of Ownership (%) |       | Remark |
|--|--|--|-----------------------------|-------|--------|
|  |  |  | 2023                        | 2022  |        |
|  | NHOA Taiwan Ltd.                                 | Renewable energy and energy storage system construction                                    | 100.0                       | -     | 4)     |
|  | NHOA UK LTD                                      | Renewable energy and energy storage system construction                                    | 100.0                       | -     | 4)     |
|  | Comores Énergie Nouvelles S.A.R.L.               | Renewable energy and energy storage system construction                                    | 100.0                       | -     | 8)     |
| NHOA CALLIOPE S.R.L.                     | ATLANTE S.R.L.                                   | Renewable energy and energy charging equipment   | -                           | 100.0 | 4), 8) |
| NHOA AMERICAS LLC                        | NHOA LATAM S.A.C.                                | Renewable energy and energy storage system construction                                    | 10.0                        | 10.0  | 4)     |
| ATLANTE S.R.L.                           | ATLANTE IBERIA S.L.                              | Renewable energy and charging equipment  | 100.0                       | 100.0 | 4)     |
|  | ATLANTE FRANCE S.A.S.                            | Renewable energy and charging equipment  | 100.0                       | 100.0 | 4)     |
|  | ATLANTE INFRA PORTUGAL S.A.                      | Renewable energy and charging equipment  | 100.0                       | -     | 10)    |
|  | ATLANTE ITALIA S.R.L.                            | Renewable energy and charging equipment  | 100.0                       | -     | 10)    |
| ATLANTE IBERIA S.L.                      | ATLANTE Fast Charging Portugal LDA               | Renewable energy and charging equipment  | 100.0                       | 100.0 | 4)     |
| ATLANTE FRANCE S.A.S.                    | ALPIS S.A.S.                                     | Renewable energy and charging equipment  | 51.0                        | -     | 4)     |
| FREE2MOVE ESOLUTIONS S.P.A.              | FREE2MOVE ESOLUTIONS FRANCE S.A.S.               | Electric vehicle charging equipment  | 100.0                       | 100.0 | 4)     |
|  | FREE2MOVE ESOLUTIONS SPAIN S.L.U.                | Electric vehicle charging equipment  | 100.0                       | 100.0 | 4)     |
|  | FREE2MOVE ESOLUTIONS NORTH AMERICA LLC           | Electric vehicle charging equipment  | 100.0                       | 100.0 | 4)     |
|  | FREE2MOVE ESOLUTIONS UK LTD                      | Electric vehicle charging equipment  | 100.0                       | 100.0 | 4)     |
| TCC Recycle Energy Technology Company    | E-One Moli Energy Corp.                          | Manufacturing and sales of Lithium battery   | 100.0                       | 100.0 |        |
| E-One Moli Energy Corp.                  | E-One Holdings Ltd.                              | Investment holding   | 100.0                       | 100.0 |        |
|  | Molie Quantum Energy Corporation                 | Manufacturing and sales of batteries, power generation machinery and electronic components | 100.0                       | 100.0 |        |
| E-One Holdings Ltd.                      | E-One Moli Holdings (Canada) Ltd.                | Investment holding   | 100.0                       | 100.0 |        |
| E-One Moli Holdings (Canada) Ltd.        | E-One Moli Energy (Canada) Ltd. ("EMC")          | Battery research and development and sales   | 100.0                       | 100.0 |        |
| EMC                                      | E-One Moli Quantum Energy (Canada) Ltd. ("EMQE") | Manufacturing and sales of batteries, power generation machinery and electronic components | 100.0                       | -     | 4)     |
| TCCIH                                    | Upper Value Investment Limited                   | Investment holding   | 100.0                       | 100.0 |        |
|  | Upper Value Investments Ltd. ("UPPV")            | Investment holding   | 100.0                       | 100.0 |        |
|  | TCC Hong Kong Cement (BVI) Holdings Ltd.         | Investment holding   | 100.0                       | 100.0 |        |
|  | Ulexite Investments Ltd.                         | Investment holding   | 100.0                       | 100.0 |        |
|  | TCC Recycle Energy Technology Company            | Investment holding   | 38.7                        | 38.7  | 2)     |
|  | TCC Dutch  | Investment holding   | 17.5                        | -     | 9)     |
| Upper Value Investment Limited           | 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 |        |

(Continued)

| Investor | Investee   | Main Business  | Proportion of Ownership (%) |       | Remark |
|----------|--|--|-----------------------------|-------|--------|
|          |  |  | 2023                        | 2022  |        |
|          | TCC Hong Kong Cement (QHC) Ltd.                                | Investment holding   | 70.0                        | 70.0  |        |
|          | Chieffolk Company Ltd.   | Investment holding   | 100.0                       | 100.0 |        |
|          | TCC International (Liuzhou) Ltd.                               | Investment holding   | 100.0                       | 100.0 |        |
|          | TCC Liuzhou Company Ltd.                                       | Manufacturing and sale of slag powder                                  | 60.0                        | 60.0  |        |
|          | TCC Hong Kong Cement (Philippines) Ltd.                        | Cement processing services   | 100.0                       | 100.0 |        |
|          | TCC Hong Kong Cement (International) Ltd.                      | Investment holding   | 100.0                       | 100.0 |        |
|          | TCCI (HK)  | Mining excavation  | 52.5                        | 52.5  |        |
|          | Jiangsu TCC Investment Co., Ltd.                               | Investment holding   | 100.0                       | 100.0 |        |
|          | Jinyang 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 | 4)     |
|          | TCC Fuzhou Cement Co., Ltd.                                    | Manufacturing and sale of cement                                       | 100.0                       | 100.0 |        |
|          | TCC Huaihua Cement Company Limited                             | Manufacturing and sale of cement                                       | 31.0                        | 31.0  |        |
|          | TCC (Hangzhou) Environmental Protection Technology Co., Ltd.   | Environmental protection, cement and enterprise management consulting  | 74.9                        | 58.6  | 5)     |
|          | Jiangsu TCC Investment Co., Ltd.                               | Manufacturing and sale of cement                                       | 21.5                        | 21.5  |        |
|          | Jurong TCC Cement Co., Ltd.                                    | Dangerous waste treatment  | 12.5                        | 21.5  | 14)    |
|          | Jinyang Industrial Limited                                     | Manufacturing and sale of cement                                       | 78.5                        | 78.5  |        |
|          | Jurong TCC Environmental Co., Ltd.                             | Dangerous waste treatment  | 87.5                        | 78.5  | 14)    |
|          | TCC International (Guangxi) Ltd.                               | Manufacturing and sale of cement                                       | 100.0                       | 100.0 |        |
|          | TCC (Hangzhou) Recycle Resource Technology Limited             | Recycle Resource technology development, business management and sales | 26.3                        | 26.3  |        |
|          | TCC (Gui Gang) Cement Ltd.                                     | Manufacturing and sale of cement                                       | 100.0                       | 100.0 |        |
|          | TCC Huaying Cement Company Limited                             | Manufacturing and sale of cement                                       | 100.0                       | 100.0 |        |
|          | TCC Guigang Mining Industrial Company Limited                  | Mining excavation  | 47.5                        | 47.5  |        |
|          | Guigang TCC Dong Yuan Environmental Technology Company Limited | Dangerous waste treatment  | 100.0                       | 100.0 |        |
|          | TCC (Hangzhou) Recycle Resource Technology Limited             | Recycle Resource technology development, business management and sales | 73.7                        | 73.7  |        |
|          | TCC Yingde Cement Co., Ltd.                                    | Mining excavation  | 34.8                        | 34.8  |        |
|          | 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 |        |

(Continued)



| Investor                                      | Investee   | Main Business   | Proportion of Ownership (%) |       | Remark |
|---|--|---|-----------------------------|-------|--------|
|   |  |   | 2023                        | 2022  |        |
|   | TCC (Hangzhou) Environmental Protection Technology Co., Ltd.         | Environmental protection, cement and enterprise management consulting | 25.1                        | 41.4  | 5)     |
| TCC Jiangsu Mining Industrial Company Limited | TCC Yingde Mining Industrial Company Limited                         | Mining excavation   | 16.3                        | 16.3  |        |
| TCC Huaihua Cement Company Limited            | TCC Jingzhou Cement Company Limited                                  | Manufacturing and sale of cement                                      | 100.0                       | 100.0 |        |
|   | TCC Huaihua Concrete Company Limited                                 | Sale of ready-mixed concrete  | 100.0                       | 100.0 |        |
| UPPV  | Wayly Holdings Ltd.  | Investment holding  | 100.0                       | 100.0 |        |
|   | TCC International (China) Co., Ltd.                                  | Investment holding  | 100.0                       | 100.0 |        |
|   | Kong On Cement Holdings Ltd.   | Investment holding  | 65.0                        | 65.0  |        |
|   | Mega East Ltd.   | Investment holding  | 100.0                       | 100.0 |        |
|   | Prosperity Minerals (China) Ltd.                                     | Investment holding  | 100.0                       | 100.0 |        |
|   | Sure Kit Ltd.  | Investment holding  | 100.0                       | 100.0 |        |
|   | Hensford Ltd.  | Investment holding  | 100.0                       | 100.0 |        |
|   | Kiton Ltd.   | Investment holding  | 100.0                       | 100.0 |        |
|   | Prosperity Cement Investment Ltd.                                    | Investment holding  | 100.0                       | 100.0 |        |
|   | Scitus Cement (China) Holdings Ltd. (“Scitus Holdings”)              | Investment holding  | 100.0                       | 100.0 |        |
| Wayly Holdings Ltd.                           | Guizhou Kaili Rui An Jian Cai Co., Ltd.                              | Manufacturing and sale of cement                                      | 100.0                       | 100.0 |        |
| TCC International (China) Co., Ltd.           | TCC New (Hangzhou) Management Company Limited                        | Operation management  | 100.0                       | 100.0 |        |
| Kong On Cement Holdings Ltd.                  | Guizhou Kong On Cement Company Limited                               | Manufacturing and sale of cement                                      | 100.0                       | 100.0 |        |
| Mega East Ltd.                                | Guangan Changxing Cement Company Ltd.                                | Manufacturing and sale of cement                                      | 100.0                       | 100.0 |        |
| Sure Kit Ltd.                                 | TCC Chongqing Cement Company Limited                                 | Manufacturing and sale of cement                                      | 100.0                       | 100.0 |        |
| Hensford Ltd.                                 | TCC Anshun Cement Company Limited                                    | Manufacturing and sale of cement                                      | 100.0                       | 100.0 |        |
| Kiton Ltd.                                    | TCC Liaoning Cement Company Limited                                  | Manufacturing and sale of cement                                      | 100.0                       | 100.0 |        |
| Prosperity Cement Investment Ltd.             | Yingde Dragon Mountain Cement Co., Ltd.                              | Manufacturing and sale of cement                                      | 100.0                       | 100.0 |        |
| TCC Anshun Cement Company Limited             | Anshun Xin Tai Construction Materials Company Limited                | Filtering of sand and gravel and sale of ready-mixed concrete         | 100.0                       | 100.0 |        |
|   | TCC Zhongxin (Anshun) Renewable Resources Technology Company Limited | Crop straw treatment and processing and utilization services          | 51.0                        | -     | 4)     |
| TCC New (Hangzhou) Management Company Limited | Kaili TCC Environment Technology Co., Ltd.                           | Waste collection and treatment  | 16.7                        | 100.0 | 7)     |
| 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  | 13)    |
| Hexagon III Holdings Ltd.                     | Scitus Naxi Cement Co., Ltd.   | Manufacturing and sale of cement                                      | 90.0                        | 90.0  | 13)    |
| Hexagon XIV Holdings Ltd.                     | Scitus Luzhou Concrete Co., Ltd.                                     | Sale of ready-mixed concrete  | 75.0                        | 75.0  | 13)    |
| Scitus Luzhou Cement Co., Ltd.                | TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd.              | Technology development, enterprise management and sales               | -                           | 55.0  | 11)    |
| Jurong TCC Cement Co., Ltd.                   | TCC Huaihua Cement Company Limited                                   | Manufacturing and sale of cement                                      | 69.0                        | 69.0  |        |

(Continued)

| Investor   | Investee   | Main Business  | Proportion of Ownership (%) |       | Remark |
|--|--|--|-----------------------------|-------|--------|
|  |  |  | 2023                        | 2022  |        |
| TCC (Hangzhou) Environmental Protection Co., Ltd.                    | TCC Yongren (Hangzhou) Environmental Protection Technology Co., Ltd. | Resource recycling technology consultation, biomass energy technology and fuel sales, solid waste treatment                        | 100.0                       | 100.0 |        |
|  | TCC Yongren (Hangzhou) Environmental Technology Co., Ltd.            | Resource recycling technology consultation, solid waste treatment, biomass fuel sales  | 100.0                       | 100.0 |        |
|  | TCC Yongren (Hangzhou) Renewable Resources Technology Co., Ltd.      | Resource reusing technology and development, solid waste treatment, biomass fuel processing and sales                              | 100.0                       | 100.0 |        |
|  | TCC Yongren (Hangzhou) Renewable Resources Development Co., Ltd.     | Resource regeneration technology research and development, solid waste treatment, biomass fuel processing and sales                | 100.0                       | 100.0 |        |
|  | TCC Zhihe (Hangzhou) Environmental Protection Co., Ltd.              | Resource recycling, environmental protection, solid waste treatment, business management and sales-related businesses              | 100.0                       | -     | 4)     |
| TCC Yongren (Hangzhou) Environmental Protection Technology Co., Ltd. | TCC (Shaoguan) Environment Technology Co., Ltd.                      | Biomass fuel processing and sales, solid waste treatment, urban and kitchen waste treatment  | 100.0                       | 100.0 |        |
| TCC Zhihe (Hangzhou) Environmental Protection Technology Co., Ltd.   | Kaili TCC Environment Technology Co., Ltd.                           | Waste collection and treatment   | 83.3                        | -     | 7)     |
| TCC Yongren (Hangzhou) Renewable Resources Development Co., Ltd.     | TCC (Guangdong) Renewable Resources Technology Company Limited       | Resource recycling research and experimental development, sales of renewable resources, technical services and business management | 100.0                       | -     | 4)     |
| TCC (Guangdong) Renewable Resources Technology Company Limited       | 123 (Guangdong) Environmental Protection Technology Co., Ltd         | Environmental protection material processing, manufacturing, and operation and related services                                    | 100.0                       | -     | 10)    |

(Concluded)

Remarks:

- 1) The Corporation purchased a portion of ordinary shares of TCC Recycle Energy Technology Company and Taiwan Cement Engineering Corporation in 2023. Taiwan Transport & Storage Corporation purchased a portion of ordinary shares of Ta-Ho Maritime Corporation in 2023. Refer to Note 30 for information relating to the aforementioned equity acquisition transaction. The Corporation invested in TCCIH in 2022, and its percentage of ownership was increased to 45.5%. The original shareholder, TCCI, did not simultaneously invest which resulted in decrease of the percentage of ownership to 54.5%. The Corporation invested in TCCIH in 2023, and its percentage of ownership was increased to 47.3%. The original shareholder, TCCI, did not simultaneously invest which resulted in decrease of the percentage of ownership to 52.7%.
- 2) TCC Recycle Energy Technology Company increased its capital by cash in September 2022, and the Group participated in the subscription of shares via TCCIH. Due to the non-subscription by other shareholders, the Group’s percentage of ownership was increased from 67.8% to 78.0%.
- 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.

- 4) ATLANTE TOPCO S.R.L., ATLANTE IBERIA S.L., ATLANTE FRANCE S.A.S., FREE2MOVE ESOLUTIONS FRANCE S.A.S., Energy Helper TCC Corporation, FREE2MOVE ESOLUTIONS SPAIN S.L.U., NHOA CORPORATE S.R.L., NHOA LATAM S.A.C., ATLANTE Fast Charging Portugal LDA, FREE2MOVE ESOLUTIONS NORTH AMERICA LLC and FREE2MOVE ESOLUTIONS UK LTD were established in 2022. NHOA Taiwan Ltd., NHOA UK LTD, TCC Zhihe (Hangzhou) Environmental Protection Co., Ltd., TCC (Guangdong) Renewable Resources Technology Company Limited, HO-PING Ocean Renewable Resource Corporation, ALPIS S.A.S., E-One Moli Quantum Energy (Canada) Ltd. and TCC Zhongxin (Anshun) Renewable Resources Technology Company Limited were established in 2023. ATLANTE TOPCO S.R.L. changed its name to NHOA CALLIOPE S.R.L. in the first quarter of 2023. TCC (Dong Guan) Cement Company Ltd. and Da Tong (Ying De) Logistics Co., Ltd. completed the cancellation of its registration in 2023. Tung Chen Mineral Corporation was in liquidation at the end of December 2023.
- 5) TCCI (HK) invested in TCC (Hangzhou) Environmental Protection Technology Co., Ltd. in 2022, and its percentage of ownership was increased to 58.6%. The original shareholder, TCC Yingde Cement Co., Ltd., did not simultaneously invest which resulted in decrease of the percentage of ownership to 41.4%. TCCI (HK) invested in TCC (Hangzhou) Environmental Protection Technology Co., Ltd. in 2023, and its percentage of ownership was increased to 74.9%. The original shareholder, TCC Yingde Cement Co., Ltd., did not simultaneously invest which resulted in decrease of the percentage of ownership to 25.1%.
- 6) The beneficial related party of the Group, Winbond Electronics Corporation, participated in the capital increase of Chia-Ho Green Energy Corporation in the amount of \$555,000 thousand in August 2022, which resulted in the shareholding of Winbond Electronics Corporation increased to 15.0%. Due to the non-subscription by the Group, the shareholding of the Group decreased to 85.0%.
- 7) TCC Zhihe (Hangzhou) Environmental Protection Co., Ltd. invested in Kaili TCC Environment Technology Co., Ltd. in 2023, and its percentage of ownership was increased to 83.3%. The original shareholder, TCC New (Hangzhou) Management Company Limited, did not simultaneously invest which resulted in decrease of the percentage of ownership to 16.7%.
- 8) Due to the change for the Group's strategic development and operating arrangement, the Group proceeded an organizational restructuring by transferring the equity interest of ATLANTE S.R.L. held by NHOA ENERGY S.R.L. to ATLANTE TOPCO S.R.L. and FREE2MOVE ESOLUTIONS S.P.A. held by NHOA ENERGY S.R.L. to NHOA CORPORATE S.R.L. in 2022. In addition, NHOA CALLIOPE S.R.L. is merged into NHOA CORPORATE S.R.L., resulting in NHOA CORPORATE S.R.L. as the surviving company in 2023. The record date of the merger was May 29, 2023. The Group transferred the shares of NHOA ENERGY S.R.L. and Comores Énergie Nouvelles S.A.R.L. held by NHOA S.A. to NHOA CORPORATE S.R.L. and NHOA ENERGY S.R.L., respectively, in 2023.
- 9) TCC Dutch increased its capital by cash in 2023, and the Group participated in the subscription of shares via TCCIH, and its percentage of ownership was increased to 17.5%. The original shareholder, the Corporation, did not simultaneously invest which resulted in decrease of the percentage of ownership to 82.5%.

- 10) NHOA S.A. purchased 40% shares of Comores Énergie Nouvelles S.A.R.L. in 2022, which resulted the shareholding increased to 100%. ATLANTE S.R.L. purchased shares of ATLANTE INFRA PORTUGAL S.A. and ATLANTE ITALIA S.R.L. in 2023. TCC (Guangdong) Renewable Resources Technology Company Limited purchased shares of 123 (Guangdong) Environmental Protection Technology Co., Ltd. in 2023. SHI-MEN Green Energy Corporation increased its capital by cash in 2023, and TCC Green Energy Corporation participated in the subscription of shares. Due to the non-subscription by other shareholders, the shareholdings of the Group increased to 51% and gained control over SHI-MEN Green Energy Corporation. Refer to Note 29 for detailed information relating to the aforementioned acquisition transaction.
- 11) Due to the transfer of shares in TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd., the shareholdings of the Group was decreased from 55% to 30%, and turned to be qualified as an investment accounted for using the equity method from the first quarter of 2023. According to the share transfer agreement, the Group may repurchase 15% of the shares within 3 years.
- 12) NHOA S.A. increased its capital by cash in 2023. Due to the non-subscription by other shareholders, the shareholdings of the Group increased from 65.2% to 87.8%.
- 13) In order to consolidate the operating resources and improve the management efficiency of the Group, the Group intends to merge Scitus Luzhou Cement Co., Ltd. with Scitus Naxi Cement Co., Ltd., resulting in Scitus Luzhou Cement Co., Ltd. as the surviving company. In consideration of the local market and the future outlook, the Group planned to proceed the cancellation of Sade Concrete Company Limited's registration. As of December 31, 2023, the aforementioned procedures were in progress.
- 14) Jingyang Industrial Limited invested in Jurong TCC Environmental Protection Co., Ltd. in 2023, and its percentage of ownership was increased to 87.5%. The original shareholder, Jiangsu TCC Investment Co., Ltd., did not simultaneously invest which resulted in decrease of the percentage of ownership to 12.5%.

b. Details of subsidiaries that have material non-controlling interests

|                       | <b>Proportion of Ownership and<br/>Voting Rights Held by<br/>Non-controlling Interests</b> |             |
|-----------------------|--|-------------|
|                       | <b>December 31</b>   |             |
|                       | <b>2023</b>  | <b>2022</b> |
| Ho-Ping Power Company | 40.0%  | 40.0%       |

Refer to Table for the information on the places of incorporation and principal places of business.

The summarized financial information below represents amounts before intragroup eliminations.

Ho-Ping Power Company

|                         | <b>December 31</b>   |                      |
|-------------------------|----------------------|----------------------|
|                         | <b>2023</b>          | <b>2022</b>          |
| Current assets          | \$ 18,023,065        | \$ 14,494,105        |
| Non-current assets      | 20,690,014           | 23,740,225           |
| Current liabilities     | (5,521,759)          | (6,655,281)          |
| Non-current liabilities | <u>(2,337,908)</u>   | <u>(7,497,223)</u>   |
| Equity                  | <u>\$ 30,853,412</u> | <u>\$ 24,081,826</u> |

(Continued)

|  | <u>December 31</u>                    |                       |
|--|---------------------------------------|-----------------------|
|  | <u>2023</u>                           | <u>2022</u>           |
| Equity attributable to:  |                                       |                       |
| Owners of Ho-Ping Power Company                                      | \$ 18,508,599                         | \$ 14,445,628         |
| Non-controlling interests of Ho-Ping Power Company                   | <u>12,344,813</u>                     | <u>9,636,198</u>      |
|  | <u>\$ 30,853,412</u>                  | <u>\$ 24,081,826</u>  |
|  |                                       | (Concluded)           |
|  | <b>For the Year Ended December 31</b> |                       |
|  | <u>2023</u>                           | <u>2022</u>           |
| Operating revenue  | <u>\$ 26,931,765</u>                  | <u>\$ 22,985,566</u>  |
| Net profit (loss) for the year                                       | \$ 6,772,093                          | \$ (1,488,561)        |
| Other comprehensive income (loss) for the year                       | <u>(508)</u>                          | <u>1,192</u>          |
| Total comprehensive income (loss) for the year                       | <u>\$ 6,771,585</u>                   | <u>\$ (1,487,369)</u> |
| Net profit (loss) attributable to:                                   |                                       |                       |
| Owners of Ho-Ping Power Company                                      | \$ 4,063,276                          | \$ (893,137)          |
| Non-controlling interests of Ho-Ping Power Company                   | <u>2,708,817</u>                      | <u>(595,424)</u>      |
|  | <u>\$ 6,772,093</u>                   | <u>\$ (1,488,561)</u> |
| Total comprehensive income (loss) attributable to:                   |                                       |                       |
| Owners of Ho-Ping Power Company                                      | \$ 4,062,970                          | \$ (892,422)          |
| Non-controlling interests of Ho-Ping Power Company                   | <u>2,708,615</u>                      | <u>(594,947)</u>      |
|  | <u>\$ 6,771,585</u>                   | <u>\$ (1,487,369)</u> |
| Net cash inflow (outflow) from:                                      |                                       |                       |
| Operating activities   | \$ 17,570,393                         | \$ (3,486,510)        |
| Investing activities   | (3,253,429)                           | (1,449,849)           |
| Financing activities   | <u>(8,225,597)</u>                    | <u>6,585,300</u>      |
| Net cash inflow  | <u>\$ 6,091,367</u>                   | <u>\$ 1,648,941</u>   |
| Dividends paid to non-controlling interests of Ho-Ping Power Company | <u>\$ -</u>                           | <u>\$ 800,000</u>     |

#### 14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

|                               | <u>December 31</u>   |                      |
|-------------------------------|----------------------|----------------------|
|                               | <u>2023</u>          | <u>2022</u>          |
| Investments in associates     | \$ 57,872,421        | \$ 53,485,857        |
| Investments in joint ventures | <u>181,187</u>       | <u>100,816</u>       |
|                               | <u>\$ 58,053,608</u> | <u>\$ 53,586,673</u> |
|                               |                      | (Continued)          |

|   | <u>December 31</u>   |                      |
|---|----------------------|----------------------|
|   | <u>2023</u>          | <u>2022</u>          |
| Material associates   |                      |                      |
| Cimpor Global Holdings B.V.   | \$ 35,716,009        | \$ 30,866,698        |
| Associates that are not individually material                         |                      |                      |
| Prosperity Conch Cement Company Limited                               | 7,503,277            | 8,198,939            |
| International CSRC Investment Holdings Co., Ltd.                      | 6,960,847            | 6,971,331            |
| CCC USA Corp.   | 1,850,128            | 1,899,822            |
| ONYX Ta-Ho Environmental Services Co., Ltd                            | 1,678,864            | 1,391,240            |
| Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.       | 1,449,160            | 1,536,535            |
| Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.      | 805,971              | 929,214              |
| Sichuan Taichang Building Material Group Company Limited              | 582,526              | 565,573              |
| Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.   | 543,551              | 604,483              |
| Quon Hing Concrete Co., Ltd.  | 337,886              | 233,343              |
| Hong Kong Concrete Co., Ltd.  | 235,740              | 190,844              |
| Guigang Conch-TCC New Material Technology Co., Ltd.                   | 175,975              | 90,781               |
| Chongqing Xuanjie Taini Environmental Protection Technology Co., Ltd. | 25,267               | -                    |
| Synpac Ltd.   | 7,220                | 7,054                |
| Joint ventures that are not individually material                     |                      |                      |
| Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd.     | 93,738               | 88,687               |
| TCC Zhongrun (Anshun) Environmental Technology Co., Ltd.              | 65,221               | 12,129               |
| Jiangsu Environmental Resources TCC Solid Waste Disposal Co., Ltd.    | 14,577               | -                    |
| TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd.               | 5,225                | -                    |
| D-concrete INC.,  | <u>2,426</u>         | <u>-</u>             |
|   | <u>\$ 58,053,608</u> | <u>\$ 53,586,673</u> |
|   |                      | (Concluded)          |

For the amounts of the Group's investments accounted for using the equity method provided as loan guarantees, refer to Note 35.

#### a. Material associates

|                             | <u>Proportion of Ownership</u> |             |
|-----------------------------|--------------------------------|-------------|
|                             | <u>December 31</u>             |             |
|                             | <u>2023</u>                    | <u>2022</u> |
| 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.

|   | <u>December 31</u>                    |                      |
|---|---------------------------------------|----------------------|
|   | <u>2023</u>                           | <u>2022</u>          |
| Current assets                          | \$ 28,648,609                         | \$ 22,714,456        |
| Non-current assets                      | 75,147,030                            | 68,009,154           |
| Current liabilities                     | (13,690,984)                          | (15,231,225)         |
| Non-current liabilities                 | (15,017,801)                          | (12,938,960)         |
| Non-controlling interests               | <u>(10,472,213)</u>                   | <u>(9,147,080)</u>   |
| Equity attributable to the Group        | <u>\$ 64,614,641</u>                  | <u>\$ 53,406,345</u> |
| Proportion of the Group's ownership     | 40%                                   | 40%                  |
| Equity attributable to the Group        | \$ 25,845,857                         | \$ 21,362,538        |
| Goodwill                                | <u>9,870,152</u>                      | <u>9,504,160</u>     |
| Carrying amount                         | <u>\$ 35,716,009</u>                  | <u>\$ 30,866,698</u> |
|   | <u>For the Year Ended December 31</u> |                      |
|   | <u>2023</u>                           | <u>2022</u>          |
| Operating revenue                       | <u>\$ 49,949,028</u>                  | <u>\$ 42,893,926</u> |
| Net profit for the year                 | \$ 9,170,680                          | \$ 7,066,885         |
| Other comprehensive income              | <u>937,534</u>                        | <u>4,323,558</u>     |
| Total comprehensive income for the year | <u>\$ 10,108,214</u>                  | <u>\$ 11,390,443</u> |

Oyak Cimento A.S., a subsidiary of Cimpor Global Holdings B.V. located in Turkey, has been deemed an economic entity under high inflation since December 31, 2022. On December 31, 2023, according to the CPI announced by the Turkish Statistical Institute, the cumulative inflation rate in the past three years exceeded 100%. According to IAS 29 Financial Reporting in Hyperinflationary Economies, the financial statements should be stated in terms of the measuring unit on the current balance sheet, the profit or loss of the net currency position should be included in the current income statement. When Cimpor Global Holdings B.V. prepares the consolidated financial statements, it shall convert the individual financial statements of the Turkish region based on the closing exchange rate at the reporting period and adjust the translation effects of high inflation under other comprehensive profit and loss items, and the Group accounted for its shares by using the equity method.

b. Aggregate information of associates that are not individually material

|  | <u>Proportion of Ownership</u>        |                     |
|--|---------------------------------------|---------------------|
|  | <u>December 31</u>                    |                     |
|  | <u>2023</u>                           | <u>2022</u>         |
| 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%               |
| Sichuan Taichang Building Material Group Company Limited                       | 30.0%                                 | 30.0%               |
| Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.            | 40.0%                                 | 40.0%               |
| Quon Hing Concrete Co., Ltd.   | 50.0%                                 | 50.0%               |
| Hong Kong Concrete Co., Ltd.   | 31.5%                                 | 31.5%               |
| Guigang Conch-TCC New Material Technology Co., Ltd.                            | 40.0%                                 | 40.0%               |
| Chongqing Xuanjie Taini Environmental Protection Technology Co., Ltd. (Note 3) | 49.0%                                 | -                   |
| Synpac Ltd.  | 25.0%                                 | 25.0%               |
| Yingjing Xinan New Material Co., Ltd. (Note 2)                                 | 30.0%                                 | 30.0%               |
|  | <u>For the Year Ended December 31</u> |                     |
|  | <u>2023</u>                           | <u>2022</u>         |
| The Group's share of:  |                                       |                     |
| Net income for the year  | \$ 1,003,600                          | \$ 1,162,071        |
| Other comprehensive income (loss)  | <u>(140,349)</u>                      | <u>410,234</u>      |
| Total comprehensive income for the year  | <u>\$ 863,251</u>                     | <u>\$ 1,572,305</u> |

Note 1: The Group's ownership percentage in International CSRC Investment Holdings Co., Ltd. is less than 20%; however, the Group has significant influence and therefore accounts for the investment by using the equity method.

Note 2: The Group generated a credit balance for the equity method of investment due to the recognition of the investment loss of Yingjing Company. As of December 31, 2023 and 2022, the credit balance recognized in other non-current liabilities by the Group was \$165,570 thousand and \$168,966 thousand, respectively.

Note 3: The Group invested in Chongqing Xuanjie Taini Environmental Protection Technology Co., Ltd. in 2023. The Group invested \$25,576 thousand, and owned 49% of Chongqing Xuanjie Taini 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 proportion is not significant. Therefore, the Group is not in a position to dominate certain company-related activities and therefore has no control over them. The Group's management considers that it does exercise significant influence over those companies; thus, the Group accounts for them as associates and adopts equity method of accounting.



c. Aggregate information of joint ventures that are not individually material

|   | <u>Proportion of Ownership</u>        |                 |
|---|---------------------------------------|-----------------|
|   | <u>December 31</u>                    |                 |
|   | <u>2023</u>                           | <u>2022</u>     |
| Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd. (Note 4)  | 70.0%                                 | 45.0%           |
| TCC Zhongrun (Anshun) Environmental Technology Co., Ltd. (Note 5)           | 65.0%                                 | 65.0%           |
| TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd. (Note 6)            | 30.0%                                 | -               |
| Jiangsu Environmental Resources TCC Solid Waste Disposal Co., Ltd. (Note 7) | 49.0%                                 | -               |
| D-concrete INC., (Note 8)   | 49.0%                                 | -               |
|   | <u>For the Year Ended December 31</u> |                 |
|   | <u>2023</u>                           | <u>2022</u>     |
| The Group's share of:   |                                       |                 |
| Net income (loss) for the year  | \$ 4,443                              | \$ (1,740)      |
| Other comprehensive income (loss)   | <u>(3,935)</u>                        | <u>3,999</u>    |
| Total comprehensive income for the year                                     | <u>\$ 508</u>                         | <u>\$ 2,259</u> |

Note 4: The Group increased its investment in Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd. in 2023, and the investment amount was \$4,382 thousand. The proportion of the Group's ownership was 70%. The original transferor may repurchase 15% of the shares within 3 years. The Group increased its investment in Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd. in 2022, and the investment amount was \$53,721 thousand. The proportion of the Group's ownership was 45%.

Note 5: The Group increased its investment in TCC Zhongrun (Anshun) Environmental Technology Co., Ltd. for the years ended December 31, 2023 and 2022, and the investment amounts were \$54,021 and \$11,722 thousand, respectively. The proportion of the Group's ownership was 65%.

Note 6: Due to the transfer of the shares in TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd., the shareholdings of the Group were decreased from 55% to 30% and turned to be qualified as an investment accounted for using the equity method. According to the share transfer agreement, the Group may repurchase of 15% of the shares within 3 years.

Note 7: The Group increased its investment in \$12,769 thousand in Jiangsu Environmental Resources TCC Solid Waste Disposal Co., Ltd. in 2023. The proportion of the Group's ownership was 49%.

Note 8: The Group increased its investment of \$2,450 thousand in D-concrete INC., in 2023, and the proportion of the Group's ownership was 49%.

According to contents of joint venture agreement, the Corporation's actual operation management authority specification, check events of material and decision-making of material are jointly led by two capital contributors, and the Group has no control over them.

All associates and joint ventures are accounted for using the equity method by the Group.

The investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2023 and 2022 were based on the associates' audited financial statements for the same years then ended except Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd., Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd., D-concrete INC. and TCC Zhongrun (Anshun) Environmental Technology Co., Ltd. for the year ended December 31, 2022. 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, 2023                           | \$ 25,962,059        | \$ 55,143,179        | \$ 90,215,835           | \$ 19,870,094           | \$ 17,109,894            | \$ 208,301,061        |
| Additions  | 34,999               | 918,720              | 1,767,302               | 367,891                 | 25,941,923               | 29,030,835            |
| Disposals  | -                    | (266,038)            | (391,595)               | (488,540)               | -                        | (1,146,173)           |
| Acquisitions through business combinations (Note 29) | -                    | -                    | 142,461                 | -                       | 32,200                   | 174,661               |
| Reclassification                                     | (10,610,111)         | 5,816,172            | 10,243,426              | 1,336,543               | (17,271,728)             | (10,485,698)          |
| Effects of foreign currency exchange differences     | 1,127                | (762,744)            | (1,231,061)             | (76,678)                | (101,257)                | (2,170,613)           |
| Balance at December 31, 2023                         | <u>\$ 15,388,074</u> | <u>\$ 60,849,289</u> | <u>\$ 100,746,368</u>   | <u>\$ 21,009,310</u>    | <u>\$ 25,711,032</u>     | <u>\$ 223,704,073</u> |
| <u>Accumulated depreciation and impairment</u>       |                      |                      |                         |                         |                          |                       |
| Balance at January 1, 2023                           | \$ 808,904           | \$ 22,819,836        | \$ 61,297,681           | \$ 8,554,038            | \$ 80,619                | \$ 93,561,078         |
| Disposals  | -                    | (169,153)            | (231,926)               | (420,423)               | -                        | (821,502)             |
| Depreciation expenses                                | -                    | 1,536,188            | 4,437,970               | 1,308,865               | -                        | 7,283,023             |
| Acquisitions through business combinations (Note 29) | -                    | -                    | 15,134                  | -                       | -                        | 15,134                |
| Impairment losses                                    | -                    | 524,572              | 209,734                 | 4,814                   | -                        | 739,120               |
| Reclassification                                     | -                    | (17,004)             | 17,334                  | 105                     | -                        | 435                   |
| Effects of foreign currency exchange differences     | -                    | (296,815)            | (850,736)               | (39,679)                | (1,620)                  | (1,188,850)           |
| Balance at December 31, 2023                         | <u>\$ 808,904</u>    | <u>\$ 24,397,624</u> | <u>\$ 64,895,191</u>    | <u>\$ 9,407,720</u>     | <u>\$ 78,999</u>         | <u>\$ 99,588,438</u>  |
| Carrying amount at December 31, 2023                 | <u>\$ 14,579,170</u> | <u>\$ 36,451,665</u> | <u>\$ 35,851,177</u>    | <u>\$ 11,601,590</u>    | <u>\$ 25,632,033</u>     | <u>\$ 124,115,635</u> |
| <u>Cost</u>  |                      |                      |                         |                         |                          |                       |
| Balance at January 1, 2022                           | \$ 25,912,225        | \$ 51,746,756        | \$ 80,969,973           | \$ 15,474,043           | \$ 11,884,990            | \$ 185,987,987        |
| Additions  | 1,856                | 420,271              | 1,061,501               | 370,877                 | 17,171,965               | 19,026,470            |
| Disposals  | -                    | (81,582)             | (469,656)               | (1,023,993)             | -                        | (1,575,231)           |
| Reclassification                                     | 45,783               | 2,451,340            | 7,773,232               | 4,591,488               | (12,014,050)             | 2,847,793             |
| Effects of foreign currency exchange differences     | 2,195                | 606,394              | 880,785                 | 457,679                 | 66,989                   | 2,014,042             |
| Balance at December 31, 2022                         | <u>\$ 25,962,059</u> | <u>\$ 55,143,179</u> | <u>\$ 90,215,835</u>    | <u>\$ 19,870,094</u>    | <u>\$ 17,109,894</u>     | <u>\$ 208,301,061</u> |
| <u>Accumulated depreciation and impairment</u>       |                      |                      |                         |                         |                          |                       |
| Balance at January 1, 2022                           | \$ 808,904           | \$ 21,210,406        | \$ 57,214,150           | \$ 8,479,352            | \$ 79,143                | \$ 87,791,955         |
| Disposals  | -                    | (54,221)             | (403,655)               | (998,624)               | -                        | (1,456,500)           |
| Depreciation expenses                                | -                    | 1,490,880            | 4,018,850               | 988,560                 | -                        | 6,498,290             |
| Reclassification                                     | -                    | 29,822               | (20,321)                | 9                       | -                        | 9,510                 |
| Effects of foreign currency exchange differences     | -                    | 142,949              | 488,657                 | 84,741                  | 1,476                    | 717,823               |
| Balance at December 31, 2022                         | <u>\$ 808,904</u>    | <u>\$ 22,819,836</u> | <u>\$ 61,297,681</u>    | <u>\$ 8,554,038</u>     | <u>\$ 80,619</u>         | <u>\$ 93,561,078</u>  |
| Carrying amount at December 31, 2022                 | <u>\$ 25,153,155</u> | <u>\$ 32,323,343</u> | <u>\$ 28,918,154</u>    | <u>\$ 11,316,056</u>    | <u>\$ 17,029,275</u>     | <u>\$ 114,739,983</u> |

In order to accelerate the operation transformation and intelligent production, the subsidiary of the Group, E-One Moli Energy Corp., planned to dismantle part of the existing plant and equipment. Accordingly, E-One Moli Energy Corp recognized the impairment losses of \$26,036 thousand after assessing the recoverable amount was zero in 2023.

In order to consolidate the operating resources and improve the management efficiency of the Group, the Group intended to merge Scitus Luzhou Cement Co., Ltd. with Scitus Naxi Cement Co., Ltd. in China, resulting in Scitus Luzhou Cement Co., Ltd. as the surviving company. In consideration of the local market and the future prospect, the Group planned to proceed the cancellation of Scitus Luzhou Concrete Company Limited's registration. The Group recognized the impairment losses of amounting to \$713,084 thousand in 2023 after assessing that the recoverable amounts of the aforementioned plan and part of its property, plant and equipment of cement segment were zero due to factors such as idling as a result of decrease in market demand or natural disasters.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

|                         |             |
|-------------------------|-------------|
| Buildings               |             |
| Main buildings          | 30-60 years |
| Main plants             | 15-50 years |
| Storage units           | 10-50 years |
| Others                  | 20-50 years |
| Machinery and equipment | 2-28 years  |
| Miscellaneous equipment | 2-20 years  |

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 35.

Acquisitions of property, plant and equipment included non-cash items which were reconciled as follows:

|  | <b>For the Year Ended December 31</b> |                      |
|--|---------------------------------------|----------------------|
|  | <b>2023</b>                           | <b>2022</b>          |
| Acquisitions of property, plant and equipment                              | \$ 29,030,835                         | \$ 19,026,470        |
| Increase (decrease) in prepayments for equipment                           | (4,793)                               | 4,244,054            |
| Decrease (increase) in payables for equipment (included in other payables) | (4,299,776)                           | 242,687              |
| Increase in other non-current liabilities                                  | -                                     | (54,758)             |
|  | <u>\$ 24,726,266</u>                  | <u>\$ 23,458,453</u> |

## 16. LEASE ARRANGEMENTS

### a. Right-of-use assets

|                        | <b>December 31</b>   |                      |
|------------------------|----------------------|----------------------|
|                        | <b>2023</b>          | <b>2022</b>          |
| <u>Carrying amount</u> |                      |                      |
| Land                   | \$ 13,312,942        | \$ 13,525,477        |
| Buildings              | 1,556,617            | 1,531,828            |
| Machinery              | 407,519              | 354,777              |
| Others                 | <u>120,092</u>       | <u>91,693</u>        |
|                        | <u>\$ 15,397,170</u> | <u>\$ 15,503,775</u> |

|   | <b>For the Year Ended December 31</b> |                     |
|---|---------------------------------------|---------------------|
|   | <b>2023</b>                           | <b>2022</b>         |
| Additions to right-of-use assets            | <u>\$ 1,075,662</u>                   | <u>\$ 1,268,727</u> |
| Depreciation charge for right-of-use assets |                                       |                     |
| Land  | \$ 613,584                            | \$ 645,079          |
| Buildings                                   | 225,519                               | 182,940             |
| Machinery                                   | 81,393                                | 84,383              |
| Others                                      | <u>42,391</u>                         | <u>41,649</u>       |
|   | <u>\$ 962,887</u>                     | <u>\$ 954,051</u>   |

Except for the aforementioned additions and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the years ended December 31, 2023 and 2022.

### b. Lease liabilities

|                        | <b>December 31</b>  |                     |
|------------------------|---------------------|---------------------|
|                        | <b>2023</b>         | <b>2022</b>         |
| <u>Carrying amount</u> |                     |                     |
| Current                | \$ 515,108          | \$ 400,136          |
| Non-current            | <u>\$ 3,719,264</u> | <u>\$ 3,550,048</u> |

Range of discount rates for lease liabilities was as follows:

|           | <b>December 31</b> |             |
|-----------|--------------------|-------------|
|           | <b>2023</b>        | <b>2022</b> |
| Land      | 1.63%-5.40%        | 1.79%-4.90% |
| Buildings | 0.71%-5.50%        | 0.71%-4.75% |
| Machinery | 1.85%-2.70%        | 1.85%-2.20% |
| Others    | 0.85%-4.75%        | 0.85%-4.75% |

### c. Material lease-in activities and terms

The Group leases certain land and buildings for the use of 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

|   | <b>For the Year Ended December 31</b> |                       |
|---|---------------------------------------|-----------------------|
|   | <b>2023</b>                           | <b>2022</b>           |
| Expenses relating to short-term leases  | \$ 705,743                            | \$ 808,485            |
| Expenses relating to low-value asset leases   | <u>\$ 2,115</u>                       | <u>\$ 2,897</u>       |
| Expenses relating to variable lease payments not included in the measurement of lease liabilities | \$ 349,635                            | \$ 329,326            |
| Total cash outflow for leases   | <u>\$ (1,704,530)</u>                 | <u>\$ (1,624,278)</u> |

The Group's leases of certain assets 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, 2023                       | \$ 5,343,571         | \$ 1,259,219        | \$ 6,602,790         |
| Disposals  | (227,147)            | -                   | (227,147)            |
| Reclassification                                 | 10,481,131           | (167,714)           | 10,313,417           |
| Effects of foreign currency exchange differences | -                    | (61)                | (61)                 |
| Balance at December 31, 2023                     | <u>\$ 15,597,555</u> | <u>\$ 1,091,444</u> | <u>\$ 16,688,999</u> |
| <u>Accumulated depreciation and impairment</u>   |                      |                     |                      |
| Balance at January 1, 2023                       | \$ 546,871           | \$ 732,903          | \$ 1,279,774         |
| Depreciation expenses                            | -                    | 20,712              | 20,712               |
| Reclassification                                 | -                    | (104,971)           | (104,971)            |
| Effects of foreign currency exchange differences | -                    | (36)                | (36)                 |
| Balance at December 31, 2023                     | <u>\$ 546,871</u>    | <u>\$ 648,608</u>   | <u>\$ 1,195,479</u>  |
| Carrying amount at December 31, 2023             | <u>\$ 15,050,684</u> | <u>\$ 442,836</u>   | <u>\$ 15,493,520</u> |
| <u>Cost</u>                                      |                      |                     |                      |
| Balance at January 1, 2022                       | \$ 5,422,848         | \$ 1,269,795        | \$ 6,692,643         |
| Additions  | -                    | 1,255               | 1,255                |
| Disposals  | (58,417)             | -                   | (58,417)             |
| Reclassification                                 | (20,860)             | (14,485)            | (35,345)             |
| Effects of foreign currency exchange differences | -                    | 2,654               | 2,654                |
| Balance at December 31, 2022                     | <u>\$ 5,343,571</u>  | <u>\$ 1,259,219</u> | <u>\$ 6,602,790</u>  |
| <u>Accumulated depreciation and impairment</u>   |                      |                     |                      |
| Balance at January 1, 2022                       | \$ 546,871           | \$ 720,092          | \$ 1,266,963         |
| Depreciation expenses                            | -                    | 21,190              | 21,190               |
| Reclassification                                 | -                    | (9,510)             | (9,510)              |
| Effects of foreign currency exchange differences | -                    | 1,131               | 1,131                |
| Balance at December 31, 2022                     | <u>\$ 546,871</u>    | <u>\$ 732,903</u>   | <u>\$ 1,279,774</u>  |
| Carrying amount at December 31, 2022             | <u>\$ 4,796,700</u>  | <u>\$ 526,316</u>   | <u>\$ 5,323,016</u>  |

The Corporation disposed of investment properties in the years ended December 31, 2023 and 2022, and the Corporation recognized gain on disposal of investment properties in the amount of \$332,065 thousand and \$502,346 thousand, respectively.

The Corporation intention was to plan other development uses for its originally self-used land in 2023 and reclassify its property, plant and equipment to investment properties in the amount of \$10,614,790 thousand.

The buildings of the investment properties are depreciated using the straight-line method over their estimated useful lives of 50 years.

The fair values of the investment properties were determined by independent qualified professional valuers or the Group's management using market prices of similar properties. As of December 31, 2023 and 2022, the fair values of investment properties were \$30,191,726 thousand and \$13,242,491 thousand, respectively.

The investment properties pledged as collateral for bank borrowings are set out in Note 35.

## 18. INTANGIBLE ASSETS

|  | Goodwill             | Operational Concession | Mining Rights       | Technical Expertise | Others              | Total                |
|--|----------------------|------------------------|---------------------|---------------------|---------------------|----------------------|
| <u>Cost</u>  |                      |                        |                     |                     |                     |                      |
| Balance at January 1, 2023                           | \$ 16,488,971        | \$ 7,681,476           | \$ 6,460,330        | \$ 1,209,299        | \$ 2,606,785        | \$ 34,446,861        |
| Additions  | -                    | -                      | 1,396,034           | -                   | 517,659             | 1,913,693            |
| Acquisitions through business combinations (Note 29) | 318,812              | -                      | -                   | -                   | 81,426              | 400,238              |
| Disposals  | -                    | -                      | -                   | -                   | (6,954)             | (6,954)              |
| Reclassification                                     | -                    | -                      | 724,856             | -                   | 91,986              | 816,842              |
| Effects of foreign currency exchange differences     | (74,047)             | -                      | (164,536)           | 46,569              | 24,764              | (167,250)            |
| Balance at December 31, 2023                         | <u>\$ 16,733,736</u> | <u>\$ 7,681,476</u>    | <u>\$ 8,416,684</u> | <u>\$ 1,255,868</u> | <u>\$ 3,315,666</u> | <u>\$ 37,403,430</u> |
| <u>Accumulated amortization and impairment</u>       |                      |                        |                     |                     |                     |                      |
| Balance at January 1, 2023                           | \$ 156,000           | \$ 1,662,221           | \$ 2,280,441        | \$ 342,636          | \$ 2,070,900        | \$ 6,512,198         |
| Amortization expenses                                | -                    | 151,111                | 324,633             | 249,104             | 293,252             | 1,018,100            |
| Impairment losses                                    | 133,609              | -                      | -                   | -                   | 867                 | 134,476              |
| Acquisitions through business combinations (Note 29) | -                    | -                      | -                   | -                   | 7,597               | 7,597                |
| Disposals  | -                    | -                      | -                   | -                   | (4,347)             | (4,347)              |
| Effects of foreign currency exchange differences     | (643)                | -                      | (46,947)            | 15,263              | 10,508              | (21,819)             |
| Balance at December 31, 2023                         | <u>\$ 288,966</u>    | <u>\$ 1,813,332</u>    | <u>\$ 2,558,127</u> | <u>\$ 607,003</u>   | <u>\$ 2,378,777</u> | <u>\$ 7,646,205</u>  |
| Carrying amount at December 31, 2023                 | <u>\$ 16,444,770</u> | <u>\$ 5,868,144</u>    | <u>\$ 5,858,557</u> | <u>\$ 648,865</u>   | <u>\$ 936,889</u>   | <u>\$ 29,757,225</u> |
| <u>Cost</u>  |                      |                        |                     |                     |                     |                      |
| Balance at January 1, 2022                           | \$ 16,138,810        | \$ 7,681,476           | \$ 5,772,594        | \$ 1,220,651        | \$ 2,148,967        | \$ 32,962,498        |
| Additions  | -                    | -                      | 579,758             | -                   | 321,768             | 901,526              |
| Reclassification                                     | -                    | -                      | -                   | (63,094)            | 90,150              | 27,056               |
| Effects of foreign currency exchange differences     | 350,161              | -                      | 107,978             | 51,742              | 45,900              | 555,781              |
| Balance at December 31, 2022                         | <u>\$ 16,488,971</u> | <u>\$ 7,681,476</u>    | <u>\$ 6,460,330</u> | <u>\$ 1,209,299</u> | <u>\$ 2,606,785</u> | <u>\$ 34,446,861</u> |
| <u>Accumulated amortization and impairment</u>       |                      |                        |                     |                     |                     |                      |
| Balance at January 1, 2022                           | \$ 156,000           | \$ 1,511,110           | \$ 1,904,654        | \$ -                | \$ 1,674,357        | \$ 5,246,121         |
| Amortization expenses                                | -                    | 151,111                | 343,595             | 328,393             | 231,201             | 1,054,300            |
| Impairment losses                                    | -                    | -                      | -                   | -                   | 89,923              | 89,923               |
| Reclassification                                     | -                    | -                      | -                   | -                   | 44,971              | 44,971               |
| Effects of foreign currency exchange differences     | -                    | -                      | 32,192              | 14,243              | 30,448              | 76,883               |
| Balance at December 31, 2022                         | <u>\$ 156,000</u>    | <u>\$ 1,662,221</u>    | <u>\$ 2,280,441</u> | <u>\$ 342,636</u>   | <u>\$ 2,070,900</u> | <u>\$ 6,512,198</u>  |
| Carrying amount at December 31, 2022                 | <u>\$ 16,332,971</u> | <u>\$ 6,019,255</u>    | <u>\$ 4,179,889</u> | <u>\$ 866,663</u>   | <u>\$ 535,885</u>   | <u>\$ 27,934,663</u> |

In order to consolidate the operating resources and improve the management efficiency of the Group, the Group intended to merge Scitus Luzhou Cement Co., Ltd. merged with Scitus Naxi Cement Co., Ltd. in China, resulting in Scitus Luzhou Cement Co., Ltd. as the surviving company. In consideration of the local market and the future prospect, the Group planned to proceed the cancellation of Scitus Luzhou Concrete Company Limited's registration. The Group recognized the impairment losses amounting to \$134,476 thousand of goodwill and other intangible assets after evaluating the recoverable amount of the aforementioned plan.

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

|                                | <u>December 31</u>   |                      |
|--------------------------------|----------------------|----------------------|
|                                | <u>2023</u>          | <u>2022</u>          |
| Secured borrowings             |                      |                      |
| Bank loans                     | \$ 340,000           | \$ 420,000           |
| Unsecured borrowings           |                      |                      |
| Bank loans - unsecured         | 19,901,493           | 20,912,856           |
| Bank loans - letters of credit | <u>9,580</u>         | <u>1,083,956</u>     |
|                                | <u>19,911,073</u>    | <u>21,996,812</u>    |
|                                | <u>\$ 20,251,073</u> | <u>\$ 22,416,812</u> |
| Interest rate                  | 1.65%-6.71%          | 1.29%-5.60%          |

### b. Short-term bills payable

|   | <u>December 31</u>  |                     |
|---|---------------------|---------------------|
|   | <u>2023</u>         | <u>2022</u>         |
| Commercial paper                            | \$ 2,790,000        | \$ 3,078,000        |
| Less: Unamortized discount on bills payable | <u>(5,557)</u>      | <u>(12,039)</u>     |
|   | <u>\$ 2,784,443</u> | <u>\$ 3,065,961</u> |
| Interest rate                               | 1.84%-1.97%         | 1.94%-2.79%         |

### c. Long-term loans and long-term bills payable

|                                 | <u>December 31</u>   |                      |
|---------------------------------|----------------------|----------------------|
|                                 | <u>2023</u>          | <u>2022</u>          |
| Secured borrowings              | \$ 4,221,192         | \$ 2,202,828         |
| Unsecured borrowings            | <u>33,828,315</u>    | <u>41,388,300</u>    |
|                                 | 38,049,507           | 43,591,128           |
| Less: Current portion           | <u>(1,257,774)</u>   | <u>(726,392)</u>     |
|                                 | <u>\$ 36,791,733</u> | <u>\$ 42,864,736</u> |
| Long-term bills payable         | \$ 5,100,000         | \$ 15,100,000        |
| Less: Discount on bills payable | <u>(13,667)</u>      | <u>(109,411)</u>     |
|                                 | <u>\$ 5,086,333</u>  | <u>\$ 14,990,589</u> |
| Interest rate                   |                      |                      |
| Long-term loans                 | 1.35%-6.79%          | 1.58%-6.17%          |
| Long-term bills payable         | 2.12%-2.27%          | 1.92%-2.09%          |

Long-term loans consist of unsecured borrowings, secured borrowings. The principals of long-term unsecured and secured borrowings are due in March 2043, and the interests are paid monthly.

The Group has entered into 5-year and 7-year syndicated loan agreements in 2018 with certain bank consortium, and a 5-year syndicated loan agreement with certain bank consortium in 2022, with an expiry date of May 2027. The credit line is divided into two tranches: A and B. The long-term credit line of Tranche A will be repaid in May 2027. The credit facility of Tranche B, which is a long-term revolving credit line, is divided into Tranche B-1 and Tranche B-2. The Group has the right to decide whether to utilize the long-term loans Tranche B-1 or the long-term notes payable Tranche B-2 at its sole discretion. When each utilized amount expires, it can be directly reimbursed by the newly allocated funds. For the same amount, the Group does not need to remit funds in and out.

The Group did not violate the financial covenants of other long-term loans and long-term bills payable.

## 20. BONDS PAYABLE

|                                 | <u>December 31</u>  |                   |
|---------------------------------|---------------------|-------------------|
|                                 | <u>2023</u>         | <u>2022</u>       |
| Domestic unsecured bonds        |                     |                   |
| 1 <sup>st</sup> issued in 2018  | \$ 12,000,000       | \$ 12,000,000     |
| 1 <sup>st</sup> issued in 2019  | 12,600,000          | 12,600,000        |
| 1 <sup>st</sup> issued in 2020  | 20,000,000          | 20,000,000        |
| 1 <sup>st</sup> issued in 2021  | 16,600,000          | 16,600,000        |
| 1 <sup>st</sup> issued in 2022  | 7,750,000           | 7,750,000         |
| 2 <sup>nd</sup> issued in 2022  | 3,300,000           | 3,300,000         |
| 3 <sup>rd</sup> issued in 2022  | <u>9,300,000</u>    | <u>-</u>          |
|                                 | 81,550,000          | 72,250,000        |
| Less: Discount on bonds payable | <u>(108,420)</u>    | <u>(113,426)</u>  |
|                                 | <u>81,441,580</u>   | <u>72,136,574</u> |
| Less: Current portion           | <u>(12,596,556)</u> | <u>-</u>          |
|                                 | <u>68,845,024</u>   | <u>72,136,574</u> |

(Continued)



|                                      | <u>December 31</u>   |                                     |
|--------------------------------------|----------------------|-------------------------------------|
|                                      | <u>2023</u>          | <u>2022</u>                         |
| Overseas unsecured convertible bonds |                      |                                     |
| 1 <sup>st</sup> issued in 2021       | \$ 5,550             | \$ 22,200,000                       |
| 1 <sup>st</sup> issued in 2023       | 15,471,193           | -                                   |
| Less: Discount on bonds payable      | <u>(1,926,130)</u>   | <u>(1,414,553)</u>                  |
|                                      | <u>13,550,613</u>    | <u>20,785,447</u>                   |
| Less: Current portion                | <u>(5,284)</u>       | <u>(20,785,447)</u>                 |
|                                      | <u>\$ 82,390,353</u> | <u>\$ 72,136,574</u><br>(Concluded) |

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 aggregate amount of NT\$16,600,000 thousand on August 31, 2021. According to the issuance conditions, the unsecured bonds are classified into bonds A, bonds B, bonds C and bonds D, with a fixed coupon rate of 0.59%, 0.68%, 0.78% and 0.95% per annum, and with the issuance amounts of NT\$5,800,000 thousand, NT\$3,100,000 thousand, NT\$1,200,000 thousand and NT\$6,500,000 thousand, respectively. The bonds will be repaid in a one-off payment on August 31, 2026, August 31, 2028, August 31, 2031 and August 31, 2036, respectively, while the interests will be paid annually.

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$7,750,000 thousand on June 8, 2022. According to the issuance conditions, the unsecured bonds are classified into bonds A and bonds B with a fixed coupon rate of 1.90% and 2.15% per annum, and with the issuance amounts of NT\$4,950,000 thousand and NT\$2,800,000 thousand, respectively. The bonds will be repaid in a one-off payment on June 8, 2028 and June 8, 2032, respectively, while the interests will be paid annually.

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$3,300,000 thousand on November 25, 2022. According to the issuance conditions, the unsecured bonds are classified into bonds A and bonds B with a fixed coupon rate of 2.10% and 2.65% per annum, and with the issuance amounts of NT\$2,100,000 thousand and NT\$1,200,000 thousand, respectively. The bonds will be repaid in a one-off payment on November 25, 2027 and November 25, 2032, respectively, while the interests will be paid annually.

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$9,300,000 thousand on January 13, 2023. According to the issuance conditions, the unsecured bonds are classified into bonds A and bonds B with a fixed coupon rate of 2.40% and 2.65% per annum, and with the issuance amounts of NT\$6,100,000 thousand and NT\$3,200,000 thousand, respectively. The bonds will be repaid in a one-off payment on January 13, 2030 and January 13, 2033, respectively, while the interests will be paid annually.

b. Overseas unsecured convertible bonds

Overseas unsecured convertible bonds 1st issued in 2021

In September 2021, the Corporation's Board of Directors resolved to issue overseas unsecured convertible bonds for the first time. This proposal was approved and became effective under the letter issued by the FSC dated November 26, 2021 (Ref. No. Jin-Guan-Zheng-Fa-Zi 1100373764). The bonds, which have a zero-coupon rate and a duration of 5 years, were listed on the Singapore Stock Exchange on December 7, 2021, and have a face value of US\$800,000 thousand.

Bondholders may request the Corporation to convert the bonds into the Corporation's ordinary shares at the price of NT\$59.8 per share at any time within the period from the following day after three months from the issuance date to 10 days prior to maturity date. The conversion price after the issuance of convertible corporate bonds will be adjusted according to the anti-dilution clause of the 2021 First Overseas Unsecured Convertible Bonds Issuance and Conversion Rules of the Corporation. After several price adjustment, the conversion price has been adjusted to NT\$51.66 per share since October 20, 2023. 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, 2023, no conversion had been requested except for the bondholders who exercised the put option.

From the second anniversary of the issue date of the convertible bonds to the maturity date, the Corporation may redeem all the outstanding convertible bonds at the early redemption amount, provided that the closing price of issuer's ordinary shares on TWSE, for a total of 20 days out of 30 consecutive trading days, has reached at least 130% of the total amount of the early redemption amount that multiplied by the conversion price, and divided by the par value, or provided that at least 90% of the convertible bonds have been redeemed, converted, repurchased and cancelled.

Unless the convertible bonds have been early redeemed, repurchased and cancelled or converted, the bondholders shall have the right to request the Corporation to redeem the convertible bonds, in whole or in part, at the early redemption amount on the second anniversary of the issue date. Therefore, on December 31, 2022, the overseas unsecured convertible bonds were converted to convertible bonds expired within a year.

The bondholders exercised the put option on December 7, 2023, and the Corporation recognized loss on redemption of bonds payable in the amount of \$393,503 thousand (included in other expenses). In addition, since over 90% of the convertible bonds have been redeemed, the Corporation early redeemed the rest of the outstanding convertible bonds on February 1, 2024.

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.

|  | <b>Convertible<br/>Bonds</b> |
|--|------------------------------|
| Proceeds from issuance at December 2021 (less transaction costs of \$232,461 thousand)                                       | \$ 21,967,539                |
| Redemption of option derivatives (accounting for financial liabilities measured at FVTPL) and transaction costs              | (215,282)                    |
| Equity component (less transaction costs allocated to the equity component of \$14,157 thousand)                             | <u>(1,337,823)</u>           |
| Liability component at the date of issue (less transaction costs allocated to the liability component of \$216,026 thousand) | 20,414,434                   |
| Interest charged at an effective interest rate   | <u>371,013</u>               |
| Liability component at December 31, 2022   | 20,785,447                   |
| Interest charged at an effective interest rate   | 323,935                      |
| Bondholders exercised the put option   | <u>(21,104,098)</u>          |
| Liability component at December 31, 2023   | <u>\$ 5,284</u>              |

#### Overseas unsecured convertible bonds 1st issued in 2023

In August 2023, the Corporation's Board of Directors approved to issue overseas unsecured convertible bonds for the first time. This proposal was approved and became effective under the letter issued by the FSC dated October 2, 2023 (Ref. No. Jin-Guan-Zheng-Fa-Zi 11203562931). The bonds, which have a zero-coupon rate and a duration of 5 years, were listed on the Singapore Stock Exchange on October 24, 2023, and have a face value of US\$420,000 thousand. The Corporation should redeem the whole bonds in U.S. dollars on the maturity date based on the par value of the bonds plus a yield rate of 2.65% per annum (calculated semi-annually).

Bondholders may request the Corporation to convert the bonds into the Corporation's ordinary shares at the price of NT\$37.27 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 2023 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\$32.293, which is to be divided by the conversion price per share on the conversion date. As of December 31, 2023, no conversion had been requested.

From the third anniversary of the issue date of the convertible bonds to the maturity date, the Corporation may redeem all the outstanding convertible bonds at the early redemption amount, provided that the closing price of issuer's ordinary shares on TWSE, for a total of 20 days out of 30 consecutive trading days, has reached at least 130% of the total amount of the early redemption amount that multiplied by the conversion price, and divided by the par value, or provided that at least 90% of the convertible bonds have been redeemed, converted, repurchased and cancelled. The early redemption amount is the amount calculated semi-annually based on the par value of the bonds plus interest compensation at 2.65% per annum.

Unless the convertible bonds have been early redeemed, repurchased and cancelled or converted, the bondholders shall have the right to request the Corporation to redeem the convertible bonds, in whole or in part, at the early redemption amount on the third anniversary of the issue date.

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 2.80% per annum on initial recognition.

|   | <b>Convertible<br/>Bonds</b> |
|---|------------------------------|
| Proceeds from issuance at October 2023 (less transaction costs of \$89,516 thousand)  | \$ 13,473,544                |
| Redemption of option derivatives (accounting for financial assets measured at FVTPL) and transaction costs                  | <u>1,347</u>                 |
| Liability component at the date of issue (less transaction costs allocated to the liability component of \$93,947 thousand) | 13,474,891                   |
| Interest charged at an effective interest rate  | <u>70,438</u>                |
| Liability component at December 31, 2023  | <u>\$ 13,545,329</u>         |

## 21. OTHER PAYABLES

|                              | <b>December 31</b>   |                     |
|------------------------------|----------------------|---------------------|
|                              | <b>2023</b>          | <b>2022</b>         |
| Payables for equipment       | \$ 5,165,890         | \$ 866,737          |
| Salaries and bonuses payable | 2,134,856            | 2,077,884           |
| Deposits and retention money | 1,142,512            | 1,248,255           |
| Interest payable             | 790,120              | 584,850             |
| Taxes payable                | 612,893              | 528,094             |
| Payables for electricity     | 396,611              | 252,828             |
| Freight payable              | 341,650              | 173,982             |
| Others                       | <u>4,753,357</u>     | <u>4,038,961</u>    |
|                              | <u>\$ 15,337,889</u> | <u>\$ 9,771,591</u> |

## 22. RETIREMENT BENEFIT PLANS

### a. Defined contribution plans

The Corporation and its subsidiaries in the Republic of China adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiaries in China are members of a state-managed retirement benefit plan operated by the government of China. These subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plan

The defined benefit plan adopted by the Corporation and its subsidiaries in the Republic of China, which is in accordance with the Labor Standards Act, is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Group contributes amounts equal to a specified percentage of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plan were as follows:

|   | <b>December 31</b>  |                     |
|---|---------------------|---------------------|
|   | <b>2023</b>         | <b>2022</b>         |
| Present value of defined benefit obligation | \$ (962,751)        | \$ (933,990)        |
| Fair value of plan assets                   | <u>2,387,725</u>    | <u>2,381,898</u>    |
|   | <u>\$ 1,424,974</u> | <u>\$ 1,447,908</u> |
| Net defined benefit assets                  | <u>\$ 1,558,089</u> | <u>\$ 1,567,531</u> |
| Net defined benefit liabilities             | <u>\$ 133,115</u>   | <u>\$ 119,623</u>   |

Movements in net defined benefit assets were as follows:

|  | <b>Present Value<br/>of Defined<br/>Benefit<br/>Obligation</b> | <b>Fair Value of<br/>the Plan Assets</b> | <b>Net Defined<br/>Benefit Assets</b> |
|--|--|--|---------------------------------------|
| Balance at January 1, 2023   | \$ (933,990)   | \$ 2,381,898                             | \$ 1,447,908                          |
| Service costs  |  |  |                                       |
| Current service costs  | (20,903)   | -  | (20,903)                              |
| Net interest income (expense)                                      | (13,136)   | 29,824                                   | 16,688                                |
| Recognized in profit or loss                                       | (34,039)   | 29,824                                   | (4,215)                               |
| Remeasurement  |  |  |                                       |
| Return on plan assets (excluding amounts included in net interest) | -  | 49,129                                   | 49,129                                |
| Actuarial loss - changes in financial assumptions                  | (2,376)  | -  | (2,376)                               |
| Actuarial loss - experience adjustments                            | (75,444)   | -  | (75,444)                              |
| Recognized in other comprehensive income (loss)                    | (77,820)   | 49,129                                   | (28,691)                              |
| Contributions from the employer                                    | -  | 13,592                                   | 13,592                                |
| Benefits paid  | 83,098   | (86,718)                                 | (3,620)                               |
| Balance at December 31, 2023                                       | <u>\$ (962,751)</u>  | <u>\$ 2,387,725</u>                      | <u>\$ 1,424,974</u>                   |

(Continued)

|  | <b>Present Value<br/>of Defined<br/>Benefit<br/>Obligation</b> | <b>Fair Value of<br/>the Plan Assets</b> | <b>Net Defined<br/>Benefit Assets</b> |
|--|--|--|---------------------------------------|
| Balance at January 1, 2022   | \$ (1,008,358)   | \$ 2,715,472                             | \$ 1,707,114                          |
| Service costs  |  |  |                                       |
| Current service costs  | (9,992)  | -  | (9,992)                               |
| Net interest income (expense)                                      | (5,148)  | 13,617                                   | 8,469                                 |
| Recognized in profit or loss                                       | (15,140)   | 13,617                                   | (1,523)                               |
| Remeasurement  |  |  |                                       |
| Return on plan assets (excluding amounts included in net interest) | -  | (279,606)                                | (279,606)                             |
| Actuarial gain - changes in financial assumptions                  | 40,802   | -  | 40,802                                |
| Actuarial loss - experience adjustments                            | (43,448)   | -  | (43,448)                              |
| Recognized in other comprehensive loss                             | (2,646)  | (279,606)                                | (282,252)                             |
| Contributions from the employer                                    | -  | 12,321                                   | 12,321                                |
| Benefits paid  | 92,144   | (79,906)                                 | 12,238                                |
| Others   | 10   | -  | 10                                    |
| Balance at December 31, 2022                                       | <u>\$ (933,990)</u>  | <u>\$ 2,381,898</u>                      | <u>\$ 1,447,908</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:

|  | <b>December 31</b> |             |
|--|--------------------|-------------|
|  | <b>2023</b>        | <b>2022</b> |
| Discount rates                             | 1.13%-1.25%        | 1.13%-1.50% |
| Long-term average rates of salary increase | 1.50%-3.00%        | 1.50%-3.00% |



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:

|                                   | <u>December 31</u> |                    |
|-----------------------------------|--------------------|--------------------|
|                                   | <u>2023</u>        | <u>2022</u>        |
| Discount rates                    |                    |                    |
| 0.25% increase                    | <u>\$ (14,261)</u> | <u>\$ (15,253)</u> |
| 0.25% decrease                    | <u>\$ 14,647</u>   | <u>\$ 15,690</u>   |
| Expected rates of salary increase |                    |                    |
| 0.25% increase                    | <u>\$ 14,236</u>   | <u>\$ 15,256</u>   |
| 0.25% decrease                    | <u>\$ (13,933)</u> | <u>\$ (14,908)</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.

|  | <u>December 31</u> |                  |
|--|--------------------|------------------|
|  | <u>2023</u>        | <u>2022</u>      |
| The expected contributions to the plan for the next year | <u>\$ 13,177</u>   | <u>\$ 13,005</u> |
| The average duration of the defined benefit obligation   | 5-12 years         | 6-12 years       |

## 23. EQUITY

### a. Share capital

#### 1) Ordinary shares

|   | <u>December 31</u>    |                      |
|---|-----------------------|----------------------|
|   | <u>2023</u>           | <u>2022</u>          |
| Number of shares authorized (in thousands)            | <u>10,000,000</u>     | <u>8,500,000</u>     |
| Shares authorized                                     | <u>\$ 100,000,000</u> | <u>\$ 85,000,000</u> |
| Number of shares issued and fully paid (in thousands) | <u>7,551,182</u>      | <u>7,156,182</u>     |
| Shares issued   | <u>\$ 75,551,817</u>  | <u>\$ 71,561,817</u> |

A holder of issued ordinary shares with par value of \$10 is entitled to the proportional rights to vote and to receive dividends. The authorized shares include ordinary shares and preference shares containing 60,000 thousand units retained for the exercise of employee share options.

In May 2023, the Corporation's shareholders meeting resolved to amend the Articles of Incorporation to increase the authorized share capital and the number of shares to \$100,000,000 thousand and 10,000,000 thousand of shares, respectively.

The changes in the number of issued shares included the distribution of share dividends, the cancelation of treasury stocks and the issuance of global depository receipt.

#### 2) Preference shares

In June 2018, the Corporation's Board of Directors resolved to increase cash capital by issuing preference shares for the second time, which was approved by the FSC under letter dated July 25, 2018 (Ref. No. Jin-Guan-Zheng-Fa-Zi 1070325853), and the record date of the capital increase was December 13, 2018, and 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 a 4.0525% coupon rate per annum (on December 14, 2023, the interest rate was reset to a five-year term 1.4900% IRS interest rate + 2.5625% fixed interest rate according to the issuance conditions). Five-year term IRS interest rate will be reset on the next business day of the expiry of the five-year period from the date of issue and every five years thereafter. The shareholders of the second preference shares do not have the right to vote and to elect in the shareholders meeting but can be elected as directors. The Corporation has full discretion on the dividend distribution of the second preference shares. If there is no surplus or insufficient surplus to pay the preference share dividends upon the close of current fiscal year, the Corporation's resolution to cancel the distribution of preference share dividends will not constitute an event of default or a termination event in a contract. Preference share dividends are non-accumulative, and dividends that are not distributed or distributed in excess are not accumulated in the future year with deferred annual repayment. There is no maturity of the Corporation's second preference shares, but the Corporation may recover whole or part of the second preference shares at the actual issue price from the day following the five-year period from the issue date. The preference shares may not be converted to ordinary shares, and the preference shareholders do not have the rights to require the Corporation to redeem the preference shares they hold.

#### 3) Issuance of global depository receipt

In May 2022, the shareholders meeting of the Corporation resolved the issuance of new ordinary shares for sponsoring issuance of global depository receipts to increase working capital for future development, repaying bank loans, and purchasing materials overseas. This proposal was approved and took effect upon receipt of the letter issued by the FSC dated September 27, 2022 (Ref. No. Jin-Guan-Zheng-Fa-Zi 1110356873). The Corporation has issued 84,000 thousand of units at the offer price of US\$5.06 each on the Luxembourg Stock Exchange in October 2022. The total issue price is US\$425,040 thousand. Each unit of the global depository receipts represents five ordinary shares of the Corporation with the total number of 420,000 thousand of shares.

In May 2023, the shareholders meeting of the Corporation resolved the issuance of new ordinary shares by capital increase for participating the issuance of global depository receipts. This proposal was approved and took effect upon receipt of the letter issued by the FSC dated October 2, 2023 (Ref. No. Jin-Guan-Zheng-Fa-Zi 1120356293). The Corporation has issued 79,000 thousand of units at the offer price of US\$4.87 each on the Luxembourg Stock Exchange in October 2023. The total issue price is US\$384,730 thousand. Each unit of the global depository receipts represents five ordinary shares of the Corporation with the total number of 395,000 thousand of shares.

As of December 31, 2023, 100 units were outstanding.



b. Capital surplus

|   | <b>December 31</b>   |                      |
|---|----------------------|----------------------|
|   | <b>2023</b>          | <b>2022</b>          |
| <u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)</u> |                      |                      |
| Issuance of ordinary shares   | \$ 61,757,229        | \$ 53,366,704        |
| Conversion of bonds   | 10,539,771           | 10,539,771           |
| Treasury share transactions   | 169,861              | 186,289              |
| Donations   | 31,537               | 31,537               |
| Forfeited share options   | 1,388,162            | 36,879               |
| Exercised employee share options  | 22,347               | 22,347               |
| <u>May be used to offset a deficit only</u>   |                      |                      |
| 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  | 334                  | 1,337,823            |
| Changes in interests in associates accounted for using the equity method                                      | <u>207,411</u>       | <u>462,005</u>       |
|   | <u>\$ 74,119,162</u> | <u>\$ 65,985,865</u> |

Note: 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).

c. Retained earnings and dividend policy

Under the dividend policy as set in the amended Articles, where the Corporation made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's Board of Directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' general meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors, refer to Note 25(c): Net profit - compensation of employees and remuneration of directors.

In addition to the capital-intensive, mature and stable production and marketing of cement and cement-related products, the Corporation aggressively pursues diversification. For the development of diversified investments or other important capital budgeting plans, the Corporation decided that the payout ratio of cash dividend is to be at least 20% of the total dividends to be distributed to ordinary shareholders; the rest will be paid in share dividends.

An appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Corporation's share capital. The legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's share capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2022 and 2021, which were approved in the shareholders' general meetings in May 2023 and May 2022, respectively, were as follows:

|                                     | <b>Appropriation of Earnings</b>      |              | <b>Dividends Per Share (NT\$)</b>     |                         |
|-------------------------------------|---------------------------------------|--------------|---------------------------------------|-------------------------|
|                                     | <b>For the Year Ended December 31</b> |              | <b>For the Year Ended December 31</b> |                         |
|                                     | <b>2022</b>                           | <b>2021</b>  | <b>2022</b>                           | <b>2021</b>             |
| Legal reserve                       | \$ 520,555                            | \$ 2,068,477 |                                       |                         |
| Cash dividends on preference shares | 350,000                               | 350,000      | <u>\$ 1.75</u>                        | <u>\$ 1.75</u>          |
| Cash dividends on ordinary shares   | 3,566,091                             | 6,116,173    | <u>\$ 0.50</u> (Note 2)               | <u>\$ 1.00</u> (Note 1) |
| Share dividends on ordinary shares  | -                                     | 6,116,173    | <u>\$ -</u>                           | <u>\$ 1.00</u> (Note 1) |

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 \$0.99928258 per ordinary share and the share dividend was adjusted to \$0.99928258 per ordinary share.

Note 2: The number of ordinary shares outstanding was affected by the Corporation's purchase of treasury shares which has not been transferred to employees. Therefore, the cash dividend was adjusted to \$0.49971973 per ordinary share.

As of February 27, 2024, the appropriation of earnings for 2023 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 \$5,369 thousand and \$35,459 thousand were reversed for the years ended December 31, 2023 and 2022, 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

|   | <b>For the Year Ended December 31</b> |                       |
|---|---------------------------------------|-----------------------|
|   | <b>2023</b>                           | <b>2022</b>           |
| Balance at January 1  | \$ (8,294,175)                        | \$ (16,068,895)       |
| Recognized for the year   |                                       |                       |
| Exchange differences on the translation of the financial statements of foreign operations | (1,884,187)                           | 3,973,221             |
| Share from associates and joint ventures accounted for using the equity method            | <u>1,029,458</u>                      | <u>3,801,499</u>      |
| Balance at December 31  | <u>\$ (9,148,904)</u>                 | <u>\$ (8,294,175)</u> |

2) Unrealized gain (loss) on financial assets at FVTOCI

|  | <b>For the Year Ended December 31</b> |                      |
|--|---------------------------------------|----------------------|
|  | <b>2023</b>                           | <b>2022</b>          |
| Balance at January 1   | \$ 20,286,916                         | \$ 26,988,909        |
| Recognized for the year  |                                       |                      |
| Unrealized loss - equity instruments   | (1,742,261)                           | (6,343,964)          |
| Share from associates and joint ventures accounted for using the equity method | <u>63,151</u>                         | <u>(358,029)</u>     |
| Other comprehensive loss recognized for the year                               | <u>(1,679,110)</u>                    | <u>(6,701,993)</u>   |
| Balance at December 31   | <u>\$ 18,607,806</u>                  | <u>\$ 20,286,916</u> |

3) Cash flow hedges

|   | <b>For the Year Ended December 31</b> |                   |
|---|---------------------------------------|-------------------|
|   | <b>2023</b>                           | <b>2022</b>       |
| Balance at January 1  | \$ (1,651)                            | \$ -              |
| Recognized for the year                                     |                                       |                   |
| Share from associates accounted for using the equity method | <u>702</u>                            | <u>(1,651)</u>    |
| Balance at December 31                                      | <u>\$ (949)</u>                       | <u>\$ (1,651)</u> |

f. Non-controlling interests

|   | <b>For the Year Ended December 31</b> |                      |
|---|---------------------------------------|----------------------|
|   | <b>2023</b>                           | <b>2022</b>          |
| Balance at January 1  | \$ 20,381,014                         | \$ 21,177,340        |
| Net income (loss)   | 2,006,799                             | (1,247,899)          |
| Other comprehensive income (loss) during the year                                     |                                       |                      |
| Exchange differences on translating of the financial statements of foreign operations | 13,903                                | 315,025              |
| Unrealized gain (loss) on financial assets at FVTOCI                                  | 6,329                                 | (22,840)             |
| Remeasurement of defined benefit plans  | 5,099                                 | 4,143                |
| Changes in ownership interests of subsidiaries  | (61,856)                              | (212,724)            |
| Dividends paid by subsidiaries  | (145,345)                             | (1,161,092)          |
| Capital reduction of subsidiaries   | (100,200)                             | -                    |
| Non-controlling interests from acquisition of subsidiaries (Note 29)                  | 9,805                                 | -                    |
| Increase cash capital by subsidiaries   | 888,465                               | 1,535,612            |
| Acquisition of non-controlling interests in subsidiaries (Note 30)                    | <u>(36,226)</u>                       | <u>(6,551)</u>       |
| Balance at December 31  | <u>\$ 22,967,787</u>                  | <u>\$ 20,381,014</u> |

g. Treasury shares

|                                 | <b>(In Thousands of Shares)</b>            |              |
|---------------------------------|--|--------------|
|                                 | <b>For the Year Ended December 31 2023</b> | <b>2022</b>  |
| Number of shares at January 1   | 4,000                                      | 9,061        |
| Increase during the year        | 20,000                                     | -            |
| Transferred to employees        | (4,000)                                    | (4,391)      |
| Cancelled during the year       | <u>-</u>                                   | <u>(670)</u> |
| Number of shares at December 31 | <u>20,000</u>                              | <u>4,000</u> |

The Corporation's Board of Directors resolved in January 2023 to buy back 20,000 thousand shares mainly for transferring to employees, the total amount was \$732,459 thousand. The compensation costs recognized for transferring treasury shares to employees were \$37,766 thousand and \$66,820 thousand for the year ended December 31, 2023 and 2022, respectively.

The Corporation cancelled the treasury stocks overdue which had not yet been transferred to employees pursuant to the law, and the Board of Directors of the Corporation resolved to decrease its capital by \$6,696 thousand in August 2022, cancelled 670 thousand issued shares, and scheduled the record date for capital reduction of August 10, 2022.

Under the Securities Exchange Act, the Corporation shall neither pledge treasury shares nor exercise shareholder's rights on these shares, such as rights to dividends and to vote.

## 24. REVENUE

### a. Revenue from contracts with customers

|                   | <u>For the Year Ended December 31</u> |                       |
|-------------------|---------------------------------------|-----------------------|
|                   | 2023                                  | 2022                  |
| Operating revenue | <u>\$ 109,314,335</u>                 | <u>\$ 113,929,706</u> |

### b. Contract balances

|  | <u>December 31,</u><br><u>2023</u> | <u>December 31,</u><br><u>2022</u> | <u>January 1,</u><br><u>2022</u> |
|--|------------------------------------|------------------------------------|----------------------------------|
| Notes and accounts receivable (Note 9)             | <u>\$ 23,406,084</u>               | <u>\$ 34,599,483</u>               | <u>\$ 35,483,726</u>             |
| Contract assets (included in other current assets) | <u>\$ 103,566</u>                  | <u>\$ 548,725</u>                  | <u>\$ 179,035</u>                |
| Contract liabilities                               | <u>\$ 2,001,946</u>                | <u>\$ 1,774,714</u>                | <u>\$ 1,439,222</u>              |

The changes in the balance of contract liabilities primarily resulted from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment.

## 25. NET PROFIT

Net profit includes the following items:

### a. Depreciation and amortization

|  | <u>For the Year Ended December 31</u> |                     |
|--|---------------------------------------|---------------------|
|  | 2023                                  | 2022                |
| An analysis of depreciation by item                          |                                       |                     |
| Property, plant and equipment                                | \$ 7,283,023                          | \$ 6,498,290        |
| Right-of-use assets  | 962,887                               | 954,051             |
| Investment properties  | <u>20,712</u>                         | <u>21,190</u>       |
|  | <u>\$ 8,266,622</u>                   | <u>\$ 7,473,531</u> |
| An analysis of depreciation by function                      |                                       |                     |
| Operating costs  | \$ 7,521,263                          | \$ 6,856,441        |
| Operating expenses   | <u>745,359</u>                        | <u>617,090</u>      |
|  | <u>\$ 8,266,622</u>                   | <u>\$ 7,473,531</u> |
| An analysis of amortization of intangible assets by function |                                       |                     |
| Operating costs  | \$ 954,297                            | \$ 973,065          |
| Marketing expenses   | 6                                     | -                   |
| General and administrative expenses                          | 59,690                                | 78,991              |
| Research and development expenses                            | <u>4,107</u>                          | <u>2,244</u>        |
|  | <u>\$ 1,018,100</u>                   | <u>\$ 1,054,300</u> |

### b. Employee benefits expense

|  | <u>For the Year Ended December 31</u> |                     |
|--|---------------------------------------|---------------------|
|  | 2023                                  | 2022                |
| Retirement benefit plans                             |                                       |                     |
| Defined contribution plans                           | \$ 661,480                            | \$ 679,120          |
| Defined benefit plans                                | <u>4,215</u>                          | <u>1,523</u>        |
|  | <u>665,695</u>                        | <u>680,643</u>      |
| Share-based payments                                 |                                       |                     |
| Equity - settled                                     | 126,950                               | 103,396             |
| Remuneration of directors                            | 118,800                               | 91,990              |
| Other employee benefits                              | <u>9,694,571</u>                      | <u>8,893,531</u>    |
| Total employee benefits expense                      | <u>\$ 10,606,016</u>                  | <u>\$ 9,769,560</u> |
| An analysis of employee benefits expense by function |                                       |                     |
| Operating costs                                      | \$ 6,518,772                          | \$ 6,191,094        |
| Operating expenses                                   | <u>4,087,244</u>                      | <u>3,578,466</u>    |
|  | <u>\$ 10,606,016</u>                  | <u>\$ 9,769,560</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 \$73,955 thousand and \$88,035 thousand for the year ended December 31, 2023. The compensation of employees and remuneration of directors paid in cash were \$79,123 thousand and \$61,622 thousand for the year ended December 31, 2022, which was approved by the Corporation's board of directors in March 2023.

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

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

|                               | <u>For the Year Ended December 31</u> |                     |
|-------------------------------|---------------------------------------|---------------------|
|                               | 2023                                  | 2022                |
| Interest on bank borrowings   | \$ 1,764,108                          | \$ 1,532,208        |
| Interest on corporate bonds   | 1,459,152                             | 1,054,515           |
| Interest on lease liabilities | 125,315                               | 97,542              |
| Other finance costs           | <u>194,109</u>                        | <u>185,623</u>      |
|                               | <u>\$ 3,542,684</u>                   | <u>\$ 2,869,888</u> |

|                             | <b>For the Year Ended December 31</b> |             |
|-----------------------------|---------------------------------------|-------------|
|                             | <b>2023</b>                           | <b>2022</b> |
| Capitalized interest amount | \$ 32,190                             | \$ -        |
| Capitalization rate         | 3.7%                                  | -           |
| e. Interest income          |                                       |             |

|                           | <b>For the Year Ended December 31</b> |                     |
|---------------------------|---------------------------------------|---------------------|
|                           | <b>2023</b>                           | <b>2022</b>         |
| Interest on bank deposits | \$ 3,388,731                          | \$ 2,093,718        |
| Others                    | 14,157                                | 8,777               |
|                           | <u>\$ 3,402,888</u>                   | <u>\$ 2,102,495</u> |

|                   | <b>For the Year Ended December 31</b> |                   |
|-------------------|---------------------------------------|-------------------|
|                   | <b>2023</b>                           | <b>2022</b>       |
| f. Other income   |                                       |                   |
| Government grants | \$ 52,571                             | \$ 96,751         |
| Rental income     | 9,366                                 | 21,007            |
| Others            | 608,855                               | 465,354           |
|                   | <u>\$ 670,792</u>                     | <u>\$ 583,112</u> |

|   | <b>For the Year Ended December 31</b> |                   |
|---|---------------------------------------|-------------------|
|   | <b>2023</b>                           | <b>2022</b>       |
| g. Other expenses                             |                                       |                   |
| Loss on redemption of corporate bonds payable | \$ 393,503                            | \$ -              |
| Loss on work stoppages                        | 125,100                               | 120,647           |
| Others  | 244,500                               | 708,666           |
|   | <u>\$ 763,103</u>                     | <u>\$ 829,313</u> |

## 26. INCOME TAX

### a. Major components of tax expense recognized in profit or loss

|   | <b>For the Year Ended December 31</b> |                     |
|---|---------------------------------------|---------------------|
|   | <b>2023</b>                           | <b>2022</b>         |
| Current tax                                     |                                       |                     |
| In respect of the current year                  | \$ 3,555,995                          | \$ 2,110,889        |
| Income tax on unappropriated earnings           | 49,251                                | 303,239             |
| Adjustments for prior years                     | (56,302)                              | (232,472)           |
|   | <u>3,548,944</u>                      | <u>2,181,656</u>    |
| Deferred tax                                    |                                       |                     |
| In respect of the current year                  | 803,274                               | 307,356             |
| Income tax expense recognized in profit or loss | <u>\$ 4,352,218</u>                   | <u>\$ 2,489,012</u> |

A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

|  | <b>For the Year Ended December 31</b> |                     |
|--|---------------------------------------|---------------------|
|  | <b>2023</b>                           | <b>2022</b>         |
| Income before income tax   | \$ 14,356,831                         | \$ 6,646,097        |
| Income tax expense at the statutory rate                                       | \$ 2,871,366                          | \$ 1,329,219        |
| Non-deductible expenses in determining taxable income                          | 303,847                               | 1,016,445           |
| Tax-exempt income  | (382,999)                             | (472,158)           |
| Unrecognized loss carryforwards and deductible temporary differences           | 428,785                               | (301,193)           |
| Loss carryforwards utilized in the current year                                | (9)                                   | (6,074)             |
| Effects of different tax rate of subsidiaries operating in other jurisdictions | 225,998                               | 228,374             |
| Income tax on unappropriated earnings  | 49,251                                | 303,239             |
| Land value increment tax   | 14,709                                | -                   |
| Adjustments for prior years  | (56,302)                              | (232,472)           |
| Others   | 897,572                               | 623,632             |
| Income tax expense recognized in profit or loss                                | <u>\$ 4,352,218</u>                   | <u>\$ 2,489,012</u> |

### b. Income tax recognized in other comprehensive income

|                                       | <b>For the Year Ended December 31</b> |             |
|---------------------------------------|---------------------------------------|-------------|
|                                       | <b>2023</b>                           | <b>2022</b> |
| <u>Deferred tax</u>                   |                                       |             |
| Deferred tax in the current year      |                                       |             |
| Remeasurement on defined benefit plan | \$ (6,880)                            | \$ (57,170) |

### c. Current tax assets and liabilities

|   | <b>December 31</b> |              |
|---|--------------------|--------------|
|   | <b>2023</b>        | <b>2022</b>  |
| Current tax assets                                    |                    |              |
| Tax refund receivable (included in other receivables) | \$ 261,532         | \$ 277,067   |
| Current tax liabilities                               |                    |              |
| Current income tax liabilities                        | \$ 3,057,589       | \$ 1,063,356 |



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, 2023

|   | Opening Balance      | Recognized in Profit or Loss | Recognized in Other Comprehensive Income | Others              | Closing Balance      |
|---|----------------------|------------------------------|--|---------------------|----------------------|
| <u>Deferred income tax assets</u>           |                      |                              |  |                     |                      |
| Loss carryforwards                          | \$ 23,071            | \$ (20,000)                  | \$ -                                     | \$ (9)              | \$ 3,062             |
| Defined benefit plan                        | 21,970               | 2,135                        | (676)                                    | -                   | 23,429               |
| Inventories                                 | 125,106              | (27,715)                     | -  | (905)               | 96,486               |
| Others                                      | 416,779              | 14,531                       | -  | 101,231             | 532,541              |
|   | <u>\$ 586,926</u>    | <u>\$ (31,049)</u>           | <u>\$ (676)</u>                          | <u>\$ 100,317</u>   | <u>\$ 655,518</u>    |
| <u>Deferred income tax liabilities</u>      |                      |                              |  |                     |                      |
| Land value increment tax                    | \$ 5,058,370         | \$ (2,489)                   | \$ -                                     | \$ -                | \$ 5,055,881         |
| Finance leases                              | 2,519,224            | (297,665)                    | -  | -                   | 2,221,559            |
| Property, plant and equipment               | 1,327,819            | 266,340                      | -  | (8,941)             | 1,585,218            |
| Retained earnings from foreign subsidiaries | 2,003,960            | 112,934                      | -  | (179,686)           | 1,937,208            |
| Defined benefit plan                        | 286,476              | 5,483                        | (7,556)                                  | -                   | 284,403              |
| Others                                      | 1,163,570            | 687,622                      | -  | 6,580               | 1,857,772            |
|   | <u>\$ 12,359,419</u> | <u>\$ 772,225</u>            | <u>\$ (7,556)</u>                        | <u>\$ (182,047)</u> | <u>\$ 12,942,041</u> |

For the year ended December 31, 2022

|   | Opening Balance      | Recognized in Profit or Loss | Recognized in Other Comprehensive Income | Others            | Closing Balance      |
|---|----------------------|------------------------------|--|-------------------|----------------------|
| <u>Deferred income tax assets</u>           |                      |                              |  |                   |                      |
| Loss carryforwards                          | \$ 5,151             | \$ 17,881                    | \$ -                                     | \$ 39             | \$ 23,071            |
| Defined benefit plan                        | 22,288               | 3,271                        | (3,589)                                  | -                 | 21,970               |
| Inventories                                 | 116,746              | 7,211                        | -  | 1,149             | 125,106              |
| Others                                      | 228,982              | 170,472                      | -  | 17,325            | 416,779              |
|   | <u>\$ 373,167</u>    | <u>\$ 198,835</u>            | <u>\$ (3,589)</u>                        | <u>\$ 18,513</u>  | <u>\$ 586,926</u>    |
| <u>Deferred income tax liabilities</u>      |                      |                              |  |                   |                      |
| Land value increment tax                    | \$ 5,083,375         | \$ (6,411)                   | \$ -                                     | \$ (18,594)       | \$ 5,058,370         |
| Finance leases                              | 2,874,168            | (354,944)                    | -  | -                 | 2,519,224            |
| Property, plant and equipment               | 1,590,513            | (304,072)                    | -  | 41,378            | 1,327,819            |
| Retained earnings from foreign subsidiaries | 1,823,529            | 236,722                      | -  | (56,291)          | 2,003,960            |
| Defined benefit plan                        | 345,634              | 1,601                        | (60,759)                                 | -                 | 286,476              |
| Others                                      | 205,646              | 933,295                      | -  | 24,629            | 1,163,570            |
|   | <u>\$ 11,922,865</u> | <u>\$ 506,191</u>            | <u>\$ (60,759)</u>                       | <u>\$ (8,878)</u> | <u>\$ 12,359,419</u> |

e. Unrecognized deferred income tax assets in respect of loss carryforwards

|                    | December 31          |                     |
|--------------------|----------------------|---------------------|
|                    | 2023                 | 2022                |
| Loss carryforwards |                      |                     |
| Expire in 2023     | \$ -                 | \$ 639,948          |
| Expire in 2024     | 629,479              | 631,499             |
| Expire in 2025     | 679,291              | 679,251             |
| Expire in 2026     | 855,831              | 787,448             |
| Expire in 2027     | 3,488,790            | 3,428,552           |
| Expire in 2028     | 4,149,726            | 830                 |
| Expire in 2029     | 144,802              | 144,802             |
| Expire in 2030     | 349,714              | 374,735             |
| Expire in 2031     | 1,197,041            | 1,279,008           |
| Expire in 2032     | 127,306              | 108,182             |
| Expire in 2033     | 1,086,767            | -                   |
|                    | <u>\$ 12,708,747</u> | <u>\$ 8,074,255</u> |

f. Unused loss carryforwards information

Loss carryforwards as of December 31, 2023 were comprised of:

| Unused Amount        | Expiry Year |
|----------------------|-------------|
| \$ 629,479           | 2024        |
| 679,291              | 2025        |
| 855,831              | 2026        |
| 3,488,790            | 2027        |
| 4,149,726            | 2028        |
| 144,802              | 2029        |
| 349,714              | 2030        |
| 1,197,041            | 2031        |
| 127,306              | 2032        |
| <u>1,102,077</u>     | 2033        |
| <u>\$ 12,724,057</u> |             |

g. Unrecognized deferred income tax liabilities in respect of investments

As of December 31, 2023 and 2022, the taxable temporary differences in respect of investments in subsidiaries and associates for which no deferred income tax liabilities have been recognized were \$95,592,657 thousand and \$96,366,824 thousand, respectively.

h. Income tax return assessments

The information of income tax assessments for the Group is as follows:

| Year | Company   |
|------|---|
| 2021 | Taiwan Cement Corporation, TCC Investment Corporation, Ho Sheng Mining Co., Ltd., Union Cement Traders Inc., TCC Information Systems Corporation, Taiwan Cement Engineering Corporation, Jin Chang Minerals Corporation, Hoping Industrial Port Corporation, HPC Power Service Corporation, Ho-Ping Power Company, E.G.C. Cement Corporation, Kuan-Ho Refractories Industry Corporation, TCC Chemical Corporation, Ta-Ho RSEA Environment Co., Ltd., Ta-Ho Maritime Corporation, TCC Sustainable Energy Investment Corporation, TCC Energy Storage Technology Corporation, TCC Green Energy Corporation, Chang-Wang Wind Power Co., Ltd., TCC Yun-Kai Green Energy Corporation, TCC Lien-Hsin Green Energy Corporation, TCC Chang-Ho Green Energy Corporation, TCC Kao-Cheng Green Energy Corporation, TCC Nan-Chung Green Energy Corporation, Chia-Ho Green Energy Corporation, TCC Ping-Chih Green Energy Corporation, TCC Tung-Li Green Energy Corporation, Feng Sheng Enterprise Company Limited, Tuo Shan Recycle Technology Company, Molie Quantum Energy Corporation, TCC Recycle Energy Technology Company, E-One Moli Energy Corp., Tai-Jie Transport & Storage Corporation, Taiwan Transport & Storage Corporation, TCC Chia-Chien Green Energy Corporation |
| 2022 | Tung Chen Mineral Corporation   |

|  | <u>For the Year Ended December 31</u> |                                 |
|--|---------------------------------------|---------------------------------|
|  | 2023                                  | 2022                            |
| <u>Number of shares (in thousands)</u>   |                                       |                                 |
| Weighted average number of ordinary shares in computation of basic earnings per share            | 7,202,161                             | 6,835,603                       |
| Effect of potentially dilutive ordinary shares:  |                                       |                                 |
| Compensation of employees  | 2,604                                 | 2,948                           |
| Convertible bonds  | <u>455,074</u>                        | <u>354,302</u>                  |
| Weighted average number of ordinary shares used in the computation of diluted earnings per share | <u>7,659,839</u>                      | <u>7,192,853</u><br>(Concluded) |

Note: Preference share dividends of \$350,000 thousand were deducted in 2023 and 2022, 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. EARNINGS PER SHARE**

Unit: NT\$ Per Share

|                            | <u>For the Year Ended December 31</u> |                |
|----------------------------|---------------------------------------|----------------|
|                            | 2023                                  | 2022           |
| Basic earnings per share   | \$ <u>1.06</u>                        | \$ <u>0.74</u> |
| Diluted earnings per share | \$ <u>1.04</u>                        | \$ <u>0.73</u> |

The earnings and weighted average number of ordinary shares (in thousands) outstanding in the computation of earnings per share were as follows:

|  | <u>For the Year Ended December 31</u> |                                    |
|--|---------------------------------------|------------------------------------|
|  | 2023                                  | 2022                               |
| Profit for the year attributable to owners of the Corporation (Note) | \$ 7,647,814                          | \$ 5,054,984                       |
| Effect of potentially dilutive ordinary shares:                      |                                       |                                    |
| Interest on convertible bonds  | <u>303,514</u>                        | <u>230,158</u>                     |
| Profit used in the computation of diluted earnings per share         | <u>\$ 7,951,328</u>                   | <u>\$ 5,285,142</u><br>(Continued) |

**28. SHARE-BASED PAYMENT ARRANGEMENTS**

NHOA S.A., the Corporation's subsidiary, granted 542 thousand employee stock options in July 2022. Each unit of the employee stock option entitles the holder with the right to subscribe for one ordinary share of the NHOA S.A. Those who are granted with employee stock options include employees who meet specific condition, i.e., the employee must serve for 2 years or more.

The Group did not issue employee share options for year ended December 31, 2023. Relevant information on employee share options was as follows:

|  | <u>For the Year Ended December 31</u>        |   |
|--|--|---|
|  | 2023   |   |
|  | Number of Options<br>(In Thousands of Units) | Weighted-average Exercise Price<br>(\$) |
| Balance at January 1                                 | 542  | \$ -                                    |
| Options granted                                      | -  | -                                       |
| Options forfeited                                    | <u>(6)</u>                                   | -                                       |
| Balance at December 31                               | <u>536</u>                                   | -                                       |
| Options exercisable, end of the year                 | <u>-</u>                                     | -                                       |
| Weighted-average fair value of options granted (NTD) |  | <u>\$ 342.52</u>                        |

Relevant information on outstanding employee share options was as follows:

|                                       | <u>December 31,<br/>2023</u> |
|---------------------------------------|------------------------------|
| Remaining contractual life (in years) | 0.5 years                    |

The employee stock options granted by NHOA S.A. in July 2022 are priced by using the dividend discount evaluation model, and the inputs to the model are as follows:

|                                  | <b>Employee Stock<br/>Options<br/>Granted for the<br/>Year Ended<br/>December 31,<br/>2022</b> |
|----------------------------------|--|
| Share price on grant date (NTD)  | \$343.56   |
| Discount rate of forfeiture risk | 2%   |

The compensation cost was recognized in the amount of \$89,184 thousand for the year ended December 31, 2023.

## 29. BUSINESS COMBINATIONS

### a. Subsidiaries acquired

| Subsidiary  | Principal Activity  | Date of Acquisition | Proportion of Voting Equity Interests Acquired (%) | Consideration Transferred |
|---|---|---------------------|--|---------------------------|
| ATLANTE INFRA PORTUGAL S.A.                                   | Renewable energy and charging equipment   | February 9, 2023    | 100  | <u>\$ 323,633</u>         |
| ATLANTE ITALIA S.R.L.   | Renewable energy and charging equipment   | May 29, 2023        | 100  | <u>\$ 158,738</u>         |
| 123 (Guangdong) Environmental Protection Technology Co., Ltd. | Environmental protection material processing, manufacturing, and operation and related services | June 14, 2023       | 100  | <u>\$ 27,897</u>          |
| SHI-MEN Green Energy Corporation                              | Renewable energy generation   | September 20, 2023  | 51   | <u>\$ 10,200</u>          |

In order to enlarge the Group's electric vehicle infrastructure deployment in Portugal, ATLANTE S.R.L. announced on December 15, 2022 that it intends to acquire 100% equity of the charging station construction department spun-off from Kilometer Low Cost, S.A., divided into two phases: (i) 60% of the equity of Kilometer Low Cost, S.A. will be acquired first, and (ii) ATLANTE S.R.L. is planning to acquire the remaining 40% of the equity in 2024 according to the agreement, in the consideration between EUR1,700 thousand and EUR6,700 thousand, depending on the operation performance of Kilometer Low Cost, S.A. for 2023. The consideration estimated by the Group is \$149,307 thousand, and the company name of Kilometer Low Cost, S.A. has been changed to ATLANTE INFRA PORTUGAL S.A.

In order to enlarge the Group's electric vehicle infrastructure deployment in Italy, ATLANTE S.R.L. has completed the 100% equity acquisition of RESSOLAR CHARGING S.R.L. in May 2023, and the company name of RESSOLAR CHARGING S.R.L. has changed to ATLANTE ITALIA S.R.L.

In order to enlarge the Group's environmental protection business, TCC (Guangdong) Renewable Resources Technology Company Limited has completed the 100% equity acquisition of 123 (Guangdong) Environmental Protection Technology Co., Ltd in June 2023.

In order to develop various renewable energy resources, TCC Green Energy Corporation participated in capital increase by cash of SHI-MEN Green Energy Corporation in September 2023, leading to an increase of the percentage of ownership in SHI-MEN Green Energy Corporation to 51% and subsequently gaining control of it.

### b. Consideration transferred

|   | ATLANTE<br>INFRA<br>PORTUGAL<br>S.A. | ATLANTE<br>ITALIA<br>S.R.L. | 123<br>(Guangdong)<br>Environmental<br>Protection<br>Technology<br>Co., Ltd. | SHI-MEN<br>Green Energy<br>Corporation |
|---|--------------------------------------|-----------------------------|--|--|
| Cash  | \$ 174,326                           | \$ 158,738                  | \$ 21,442  | \$ 10,200                              |
| Contingent consideration agreement (included in other payables) | <u>149,307</u>                       | -                           | <u>6,455</u>   | -                                      |
|   | <u>\$ 323,633</u>                    | <u>\$ 158,738</u>           | <u>\$ 27,897</u>   | <u>\$ 10,200</u>                       |

### c. Assets acquired and liabilities assumed at the date of acquisition

|                           | ATLANTE<br>INFRA<br>PORTUGAL<br>S.A. | ATLANTE<br>ITALIA<br>S.R.L. | 123<br>(Guangdong)<br>Environmental<br>Protection<br>Technology<br>Co., Ltd. | SHI-MEN<br>Green Energy<br>Corporation |
|---------------------------|--------------------------------------|-----------------------------|--|--|
| Current assets            |                                      |                             |  |  |
| Cash and cash equivalents | \$ 15,381                            | \$ -                        | \$ -   | \$ 19,989                              |
| Account receivables       | 3,812                                | 1,884                       | -  | -                                      |
| Other current assets      | 38,138                               | 379                         | 10   | 10                                     |

(Continued)

|  | ATLANTE<br>INFRA<br>PORTUGAL<br>S.A. | ATLANTE<br>ITALIA<br>S.R.L. | 123<br>(Guangdong)<br>Environmental<br>Protection<br>Technology<br>Co., Ltd. | SHI-MEN<br>Green Energy<br>Corporation |
|--|--------------------------------------|-----------------------------|--|--|
| Non-current assets                     |                                      |                             |  |  |
| Property, plant and equipment          | \$ 88,469                            | \$ 71,058                   | \$ -   | \$ -                                   |
| Intangible assets                      | 73,829                               | -                           | -  | -                                      |
| Other non-current assets               | 95,210                               | -                           | -  | -                                      |
| Current liabilities                    |                                      |                             |  |  |
| Accounts payables and other payables   | (35,206)                             | (8,601)                     | (5,780)  | -                                      |
| Long-term borrowings - current portion | (20,652)                             | -                           | -  | -                                      |
| Other current liabilities              | (31,360)                             | (26,820)                    | -  | -                                      |
| Non-current liabilities                |                                      |                             |  |  |
| Long-term borrowings                   | <u>(68,289)</u>                      | <u>-</u>                    | <u>-</u>   | <u>-</u>                               |
|  | <u>\$ 159,332</u>                    | <u>\$ 37,900</u>            | <u>\$ (5,770)</u>  | <u>\$ 19,999</u><br>(Concluded)        |

A tentative set of accounting principle was applied in the acquisition of the aforementioned target companies.

d. Goodwill recognized on acquisitions

|  | ATLANTE<br>INFRA<br>PORTUGAL<br>S.A. | ATLANTE<br>ITALIA<br>S.R.L. | 123<br>(Guangdong)<br>Environmental<br>Protection<br>Technology<br>Co., Ltd. | SHI-MEN<br>Green Energy<br>Corporation |
|--|--------------------------------------|-----------------------------|--|--|
| Consideration transferred                      | \$ 323,633                           | \$ 158,738                  | \$ 27,897  | \$ 10,200                              |
| Non-controlling interests                      | -                                    | -                           | -  | 9,805                                  |
| Fair value of identifiable net assets acquired | <u>(159,332)</u>                     | <u>(37,900)</u>             | <u>5,770</u>   | <u>(19,999)</u>                        |
| Goodwill recognized on acquisitions            | <u>\$ 164,301</u>                    | <u>\$ 120,838</u>           | <u>\$ 33,667</u>   | <u>\$ 6</u>                            |

As of December 31, 2023, the Group had not finished identifying the difference between the investment cost and net fair value of identifiable assets acquired and liabilities assumed of the aforementioned target companies. Hence, the difference is tentatively recognized under the entry of intangible asset - goodwill.

e. Net cash outflow (inflow) on the acquisition of subsidiaries

|  | ATLANTE<br>INFRA<br>PORTUGAL<br>S.A. | ATLANTE<br>ITALIA<br>S.R.L. | 123<br>(Guangdong)<br>Environmental<br>Protection<br>Technology<br>Co., Ltd. | SHI-MEN<br>Green Energy<br>Corporation |
|--|--------------------------------------|-----------------------------|--|--|
| Consideration paid in cash                                   | \$ 174,326                           | \$ 158,738                  | \$ 21,442  | \$ 10,200                              |
| Less: Outstanding cash and cash equivalent balances acquired | <u>(15,381)</u>                      | <u>-</u>                    | <u>-</u>   | <u>(19,989)</u>                        |
|  | <u>\$ 158,945</u>                    | <u>\$ 158,738</u>           | <u>\$ 21,442</u>   | <u>\$ (9,789)</u>                      |

f. The financial results of the acquirees since the acquisition dates were as follows:

|                   | ATLANTE<br>INFRA<br>PORTUGAL<br>S.A. | ATLANTE<br>ITALIA<br>S.R.L. | 123<br>(Guangdong)<br>Environmental<br>Protection<br>Technology<br>Co., Ltd. | SHI-MEN<br>Green Energy<br>Corporation |
|-------------------|--------------------------------------|-----------------------------|--|--|
| Operating revenue | \$ 39,651                            | \$ 10,223                   | \$ 378   | \$ -                                   |
| Net loss          | <u>\$ (16,435)</u>                   | <u>\$ (57,550)</u>          | <u>\$ (14,031)</u>   | <u>\$ (74)</u>                         |

Had the merger and acquisition of such corporations occurred on January 1, 2023, the Group's revenue would have been \$109,319,147 thousand, and the profit would have been \$9,993,304 thousand for the year ended December 31, 2023. This amount do not reflect the revenue and results of operations of the Group that actually would have been achieved if the merger and acquisition had been completed at the beginning of the year of merger and acquisition, nor shall it be used as a projection of future operating results.

30. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

For the year ended December 31, 2023

a. During 2023, the Group acquired a portion of the shares of Ta-Ho Maritime Corporation, and the proportion of ownership was 94.2%.

| Acquirer   | Transport &<br>Storage<br>Corporation |
|--|---------------------------------------|
| Acquiree   | Ta-Ho<br>Maritime<br>Corporation      |
| Cash consideration paid  | \$ (7,197)                            |
| The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests | <u>7,570</u>                          |
| Differences from equity transactions   | <u>\$ 373</u>                         |



| <u>Acquirer</u> | <b>Taiwan<br/>Transport &amp;<br/>Storage<br/>Corporation</b> |
|-----------------|---|
| <b>Acquiree</b> | <b>Ta-Ho<br/>Maritime<br/>Corporation</b>                     |

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>373</u> |
|--|---------------|

- b. During 2023, the Group acquired a portion of the shares of Taiwan Cement Engineering Corporation, and the proportion of ownership was 99.3%.

| <u>Acquirer</u> | <b>Taiwan Cement<br/>Corporation</b>                 |
|-----------------|--|
| <b>Acquiree</b> | <b>Taiwan Cement<br/>Engineering<br/>Corporation</b> |

|  |               |
|--|---------------|
| Cash consideration paid  | \$ (823)      |
| The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests | <u>824</u>    |
| Differences from equity transactions   | \$ <u>(1)</u> |

| <u>Acquirer</u> | <b>Taiwan Cement<br/>Corporation</b>                 |
|-----------------|--|
| <b>Acquiree</b> | <b>Taiwan Cement<br/>Engineering<br/>Corporation</b> |

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> |
|--|-------------|

- c. During 2023, the Group acquired a portion of the shares of TCC Recycle Energy Technology Company, and the proportion of ownership was 78.0%.

| <u>Acquirer</u> | <b>Taiwan Cement<br/>Corporation</b>                     |
|-----------------|--|
| <b>Acquiree</b> | <b>TCC Recycle<br/>Energy<br/>Technology<br/>Company</b> |

|  |                   |
|--|-------------------|
| Cash consideration paid  | \$ (29,960)       |
| The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests | <u>27,832</u>     |
| Differences from equity transactions   | \$ <u>(2,128)</u> |

| <u>Acquirer</u> | <b>Taiwan Cement<br/>Corporation</b>                     |
|-----------------|--|
| <b>Acquiree</b> | <b>TCC Recycle<br/>Energy<br/>Technology<br/>Company</b> |

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 | \$ (374)       |
| Unappropriated earnings  | <u>(1,754)</u> |

\$ (2,128)

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, 2022

- a. During 2022, the Group acquired a portion of the shares of Taiwan Transport & Storage Corporation, and the proportion of ownership was 83.9%.

| <u>Acquirer</u> | <b>Taiwan Cement<br/>Corporation</b>                          |
|-----------------|---|
| <b>Acquiree</b> | <b>Taiwan<br/>Transport &amp;<br/>Storage<br/>Corporation</b> |

|  |              |
|--|--------------|
| Cash consideration paid  | \$ (840)     |
| The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests | <u>916</u>   |
| Differences from equity transactions   | \$ <u>76</u> |

| <u>Acquirer</u> | <b>Taiwan Cement<br/>Corporation</b>                          |
|-----------------|---|
| <b>Acquiree</b> | <b>Taiwan<br/>Transport &amp;<br/>Storage<br/>Corporation</b> |

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>76</u> |
|--|--------------|

- b. During 2022, the Group acquired a portion of the shares of TCC Recycle Energy Technology Company, and the proportion of ownership was 77.9%.

| Acquirer   | Taiwan Cement Corporation<br>TCC Recycle Energy Technology Company |
|--|--|
|  | <b>Acquiree</b>  |
| Cash consideration paid  | \$ (8,533)   |
| The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests | <u>8,321</u>   |
| Differences from equity transactions   | <u>\$ (212)</u>  |

| Acquirer   | Taiwan Cement Corporation<br>TCC Recycle Energy Technology Company |
|--|--|
|  | <b>Acquiree</b>  |
| <u>Line items adjusted for equity transactions</u>   |  |
| Capital surplus - difference between the consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals | \$ (76)  |
| Unappropriated earnings  | <u>(136)</u>   |
|  | <u>\$ (212)</u>  |

- c. During 2022, the Group acquired a portion of the shares of Comores Énergie Nouvelles S.A.R.L., and the proportion of ownership was increased from 60.0% to 100.0%.

| Acquirer   | NHOA S.A.<br>Comores Énergie Nouvelles S.A.R.L. |
|--|---|
|  | <b>Acquiree</b>                                 |
| Cash consideration paid  | \$ (9,593)                                      |
| The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests | <u>(2,686)</u>                                  |
| Differences from equity transactions   | <u>\$ (12,279)</u>                              |

| Acquirer | NHOA S.A.<br>Comores Énergie Nouvelles S.A.R.L. |
|----------|---|
|          | <b>Acquiree</b>                                 |

Line items adjusted for equity transactions

Unappropriated earnings \$ (12,279)

The above transactions were accounted for as equity transactions since there was no change in the Group's control over these subsidiaries.

### 31. CASH FLOWS INFORMATION

Changes in liabilities arising from financing activities:

For the year ended December 31, 2023

|  | Opening Balance      | Cash Flows            | Acquisition of Subsidiaries | Effect of Exchange Rate | Closing Balance      |
|--|----------------------|-----------------------|-----------------------------|-------------------------|----------------------|
| Short-term borrowings                                  | \$ 22,416,812        | \$ (2,185,384)        | \$ -                        | \$ 19,645               | \$ 20,251,073        |
| Long-term borrowings (including expired within a year) | <u>43,591,128</u>    | <u>(5,301,433)</u>    | <u>88,941</u>               | <u>(329,129)</u>        | <u>38,049,507</u>    |
|  | <u>\$ 66,007,940</u> | <u>\$ (7,486,817)</u> | <u>\$ 88,941</u>            | <u>\$ (309,484)</u>     | <u>\$ 58,300,580</u> |

For the year ended December 31, 2022

|  | Opening Balance      | Cash Flows            | Effect of Exchange Rate | Closing Balance      |
|--|----------------------|-----------------------|-------------------------|----------------------|
| Short-term borrowings                                  | \$ 48,440,514        | \$ (27,377,773)       | \$ 1,354,071            | \$ 22,416,812        |
| Long-term borrowings (including expired within a year) | <u>23,787,253</u>    | <u>19,561,425</u>     | <u>242,450</u>          | <u>43,591,128</u>    |
|  | <u>\$ 72,227,767</u> | <u>\$ (7,816,348)</u> | <u>\$ 1,596,521</u>     | <u>\$ 66,007,940</u> |

### 32. 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.

### 33. FINANCIAL INSTRUMENTS

#### a. Fair value of financial instruments not measured at fair value

Except for those listed in the table below, the Group considers that the carrying amount of financial instruments not measured at fair value in the consolidated financial statements approximates fair value.

December 31, 2023

|   | Carrying Amount | Fair Value |         |               | Total         |
|---|-----------------|------------|---------|---------------|---------------|
|   |                 | Level 1    | Level 2 | Level 3       |               |
| <b>Financial liabilities</b>            |                 |            |         |               |               |
| Financial liabilities at amortized cost |                 |            |         |               |               |
| Convertible bonds payable               | \$ 13,550,613   | \$ -       | \$ -    | \$ 14,265,497 | \$ 14,265,497 |

December 31, 2022

|   | Carrying Amount | Fair Value |         |               | Total         |
|---|-----------------|------------|---------|---------------|---------------|
|   |                 | Level 1    | Level 2 | Level 3       |               |
| <b>Financial liabilities</b>            |                 |            |         |               |               |
| Financial liabilities at amortized cost |                 |            |         |               |               |
| Convertible bonds payable               | \$ 20,785,447   | \$ -       | \$ -    | \$ 20,734,800 | \$ 20,734,800 |

#### b. Fair value of financial instruments measured at fair value on a recurring basis

##### 1) Fair value hierarchy

December 31, 2023

|  | Level 1              | Level 2             | Level 3             | Total                |
|--|----------------------|---------------------|---------------------|----------------------|
| <b>Financial assets mandatorily classified as at FVTPL</b>                     |                      |                     |                     |                      |
| Domestic listed shares   | \$ 277,498           | \$ -                | \$ -                | \$ 277,498           |
| Domestic emerging market shares  | 108,582              | -                   | -                   | 108,582              |
| Foreign government bonds   | 591,929              | -                   | -                   | 591,929              |
| Foreign corporate bonds  | 21,727               | -                   | -                   | 21,727               |
| Foreign beneficiary certificates   | 5,103                | -                   | -                   | 5,103                |
| Derivative instrument - redemption options and put options of convertible bond | -                    | -                   | 1,347               | 1,347                |
|  | <u>\$ 1,004,839</u>  | <u>\$ -</u>         | <u>\$ 1,347</u>     | <u>\$ 1,006,186</u>  |
| <b>Financial assets at FVTOCI</b>  |                      |                     |                     |                      |
| Equity instrument investment   |                      |                     |                     |                      |
| Domestic listed shares   | \$ 7,166,477         | \$ -                | \$ -                | \$ 7,166,477         |
| Foreign listed shares  | 8,613,198            | -                   | -                   | 8,613,198            |
| Domestic privately placed listed shares  | -                    | 1,884,630           | -                   | 1,884,630            |
| Domestic unlisted shares   | -                    | -                   | 8,826,122           | 8,826,122            |
| Domestic unlisted preferred shares   | -                    | -                   | 276,345             | 276,345              |
| Domestic convertible preference shares   | 53,687               | -                   | -                   | 53,687               |
|  | <u>\$ 15,833,362</u> | <u>\$ 1,884,630</u> | <u>\$ 9,102,467</u> | <u>\$ 26,820,459</u> |

December 31, 2022

|  | Level 1              | Level 2             | Level 3             | Total                |
|--|----------------------|---------------------|---------------------|----------------------|
| <b>Financial assets mandatorily classified as at FVTPL</b>                     |                      |                     |                     |                      |
| Domestic listed shares   | \$ 197,210           | \$ -                | \$ -                | \$ 197,210           |
| Domestic emerging market shares  | 95,145               | -                   | -                   | 95,145               |
| Foreign government bonds   | 562,648              | -                   | -                   | 562,648              |
| Foreign corporate bonds  | 41,675               | -                   | -                   | 41,675               |
|  | <u>\$ 896,678</u>    | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ 896,678</u>    |
| <b>Financial assets at FVTOCI</b>  |                      |                     |                     |                      |
| Equity instrument investment   |                      |                     |                     |                      |
| Domestic listed shares   | \$ 5,883,584         | \$ -                | \$ -                | \$ 5,883,584         |
| Foreign listed shares  | 13,412,634           | -                   | -                   | 13,412,634           |
| Domestic privately placed listed shares  | -                    | 1,030,300           | -                   | 1,030,300            |
| Domestic unlisted shares   | -                    | -                   | 8,032,322           | 8,032,322            |
| Domestic unlisted preferred shares   | -                    | -                   | 276,390             | 276,390              |
| Domestic convertible preference shares   | 51,169               | -                   | -                   | 51,169               |
|  | <u>\$ 19,347,387</u> | <u>\$ 1,030,300</u> | <u>\$ 8,308,712</u> | <u>\$ 28,686,399</u> |
| <b>Financial liabilities at FVTPL</b>  |                      |                     |                     |                      |
| Derivative instrument - redemption options and put options of convertible bond | \$ -                 | \$ -                | \$ 641,522          | \$ 641,522           |

There were no transfers between Levels 1 and 2 for the years ended December 31, 2023 and 2022.

##### 2) Valuation techniques and inputs applied for Level 2 fair value measurement

For domestic listed privately placed listed shares with no market price available as reference, their fair values are estimated using the evaluation method. The estimations and assumptions used by the Group in the evaluation method are consistent with those used by market participants in pricing the financial instruments. The relevant information is available to the Group.

The valuation method adopted by the Group is the Black-Scholes valuation model, which calculates the fair value based on the observable share price, share price volatility, risk-free interest rate and liquidity discount at the end of the year.

##### 3) Reconciliation of Level 3 fair value measurements of financial instruments

|  | For the Year Ended December 31, 2023 |
|--|--------------------------------------|
| <b>Financial assets at FVTOCI</b>        |                                      |
| Equity instrument investment             |                                      |
| Balance at January 1, 2023               | \$ 8,308,712                         |
| Recognized in other comprehensive income | 1,023,723                            |
| Proceeds from capital reduction          | (229,968)                            |
| Balance at December 31, 2023             | <u>\$ 9,102,467</u>                  |

(Continued)

|  | <b>For the Year<br/>Ended<br/>December 31,<br/>2023</b> |
|--|---|
| Financial assets at FVTPL              |   |
| Derivative instrument investment       |   |
| Balance at January 1, 2023             | \$ -  |
| Additions                              | <u>1,347</u>  |
| Balance at December 31, 2023           | <u>\$ 1,347</u>   |
| Financial liabilities at FVTPL         |   |
| Derivative instrument investment       |   |
| Balance at January 1, 2023             | \$ 641,522  |
| Recognized in loss                     | (55,326)  |
| Disposals                              | <u>(586,196)</u>  |
| Balance at December 31, 2023           | <u>\$ -</u><br>(Concluded)                              |
|  | <b>For the Year<br/>Ended<br/>December 31,<br/>2022</b> |
| Financial assets at FVTOCI             |   |
| Equity instrument investment           |   |
| Balance at January 1, 2022             | \$ 8,964,202  |
| Recognized in other comprehensive loss | (941,717)   |
| Additions                              | <u>286,227</u>  |
| Balance at December 31, 2022           | <u>\$ 8,308,712</u>                                     |
| Financial liabilities at FVTPL         |   |
| Derivative instrument investment       |   |
| Balance at January 1, 2022             | \$ 213,062  |
| Recognized in loss                     | <u>428,460</u>  |
| Balance at December 31, 2022           | <u>\$ 641,522</u>                                       |

4) Valuation techniques and inputs applied for Level 3 fair value measurement

- a) There were no quoted prices in active markets for put options and redemption options of ECB issued by the Corporation. Hence, the fair values of options are determined using the binomial option pricing model where the unobservable input is historical volatility. An increase in historical volatility used in isolation would result in a change in the fair value. As of December 31, 2023 and 2022, the historical volatility used were 16.84% and 19.41%, 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.

|   | <b>December 31</b> |                    |
|---|--------------------|--------------------|
|   | <b>2023</b>        | <b>2022</b>        |
| Comprehensive discount for lack of marketability and non-controlling interests  | 10%                | 10%                |
| If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair value of the shares would increase (decrease) as follows: |                    |                    |
|   | <b>December 31</b> |                    |
|   | <b>2023</b>        | <b>2022</b>        |
| Comprehensive discount for lack of marketability and non-controlling interests  |                    |                    |
| 1% increase   | <u>\$ (14,833)</u> | <u>\$ (18,973)</u> |
| 1% decrease   | <u>\$ 14,833</u>   | <u>\$ 18,973</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.

|   | <b>December 31</b> |                   |
|---|--------------------|-------------------|
|   | <b>2023</b>        | <b>2022</b>       |
| Discount for lack of marketability  | 20%                | 20%               |
| If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair value of the shares would increase (decrease) as follows: |                    |                   |
|   | <b>December 31</b> |                   |
|   | <b>2023</b>        | <b>2022</b>       |
| Discount for lack of marketability  |                    |                   |
| 1% increase   | <u>\$ (3,541)</u>  | <u>\$ (3,476)</u> |
| 1% decrease   | <u>\$ 3,541</u>    | <u>\$ 3,476</u>   |

The dividend discount model values a target company based on its stability of dividend payments in the past.

|                                    | <b>December 31</b> |             |
|------------------------------------|--------------------|-------------|
|                                    | <b>2023</b>        | <b>2022</b> |
| Discount rate                      | 8.2%               | 9.1%        |
| Dividend growth rate               | 1.5%               | 1.6%        |
| Discount for lack of marketability | 10.0%              | 10.0%       |



If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair value of the shares would increase (decrease) as follows:

|                                    | <u>December 31</u> |                    |
|------------------------------------|--------------------|--------------------|
|                                    | <u>2023</u>        | <u>2022</u>        |
| Discount for lack of marketability |                    |                    |
| 1% increase                        | <u>\$ (80,358)</u> | <u>\$ (67,522)</u> |
| 1% decrease                        | <u>\$ 80,358</u>   | <u>\$ 67,522</u>   |

c. Categories of financial instruments

|  | <u>December 31</u> |             |
|--|--------------------|-------------|
|  | <u>2023</u>        | <u>2022</u> |
| <u>Financial assets</u>                              |                    |             |
| Financial assets at FVTPL                            |                    |             |
| Financial assets mandatorily classified as at FVTPL  | \$ 1,006,186       | \$ 896,678  |
| Financial assets measured at amortized cost (1)      | 168,961,355        | 178,584,630 |
| Financial assets at FVTOCI                           |                    |             |
| Equity instruments investment                        | 26,820,459         | 28,686,399  |
| <u>Financial liabilities</u>                         |                    |             |
| Financial liabilities at FVTPL                       |                    |             |
| Held for trading                                     | -                  | 641,522     |
| Financial liabilities measured at amortized cost (2) | 190,692,434        | 201,199,749 |

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable (including related parties transactions), other receivables, other receivables from related parties, and finance lease receivables.

2) The balances include financial liabilities measured at amortized cost, which comprise short-term loans, short-term bills payable, notes and accounts payable, other payables (including related parties transactions), bonds payable (including current portion), long-term loans (including current portion), and long-term bills payable.

d. Financial risk management objectives and policies

The risk controls and hedging strategies 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.

1) Market risk

The Group's financial instruments were mainly comprised of listed shares, foreign government bonds, and foreign corporate bonds. These investments were subject to fluctuations in market prices. The Group periodically evaluated the investment's performance, and no significant market risk was anticipated.

The Group signed coal purchasing contracts with the suppliers, and also purchased foreign currency bank deposit at the spot rate to avoid exchange rate exposure to its forecasted purchases. When the forecasted purchases take place, the amounts originally deferred and recognized in equity will be reclassified to the carrying amount of the materials purchased.

The Group entered into foreign exchange forward contracts to manage exposure to exchange rate fluctuations, including foreign currency risks of foreign-currency assets and liabilities and price fluctuation risks of forecasted transactions. Since the gain or loss generated from exchange rate fluctuations was mostly offset by the gains or losses of hedged items, the market price risk is expected to be insignificant.

a) Foreign currency risk

The foreign financial assets and liabilities were exposed to risk of foreign currency fluctuations. To lower foreign currency risk, the Group has established control mechanisms to immediately monitor its foreign currency positions and exchange rate fluctuations.

To maximize the hedging effectiveness, the Group matched up the conditions of derivative instruments with those in the contracts of hedged items.

The carrying amounts of the significant monetary assets and liabilities not denominated in the functional currency (including those eliminated on consolidation) at the end of 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/negative number below indicates an increase/decrease in after-tax profit or equity associated with the NTD/HKD/EUR strengthening 1% against the relevant currency.

|     | <u>USD Impact</u>                     |                     |
|-----|---------------------------------------|---------------------|
|     | <u>For the Year Ended December 31</u> | <u>2023</u>         |
| NTD | <u>\$ (31,289)</u>                    | <u>\$ (11,359)</u>  |
| HKD | <u>\$ (129,648)</u>                   | <u>\$ (130,475)</u> |
| EUR | <u>\$ (7,902)</u>                     | <u>\$ (12,020)</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:

|                              | <u>December 31</u> |               |
|------------------------------|--------------------|---------------|
|                              | <u>2023</u>        | <u>2022</u>   |
| Cash flow interest rate risk |                    |               |
| Financial assets             | \$ 37,737,275      | \$ 27,747,698 |
| Financial liabilities        | 58,300,580         | 66,007,940    |

The interest risk was evaluated based on the position of financial assets and liabilities. The sensitivity analysis below was determined based on the Group's floating interest rate financial assets and liabilities at the end of the reporting period, and an increase or decrease of 50 basis points was used, which represented management's assessment of reasonably possible change in interest rates. The fair values of fixed interest rate financial assets and liabilities will change due to variances in market interest rates; the future cash flows of floating interest rate financial assets and financial liabilities will change due to variances in effective interest rates, which vary with market interest rates.

For the Group's position of floating interest rate financial assets, if interest rates had been 50 basis points higher/lower, the cash inflows from floating interest rate financial assets for the years ended December 31, 2023 and 2022 would increased/decreased by \$150,949 thousand and \$110,991 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, 2023 and 2022 would increased/decreased by \$233,202 thousand and \$264,032 thousand, respectively.

### c) Other price risk

The Group was exposed to equity instruments and commodities price risk through its investments in equity securities and bonds. The Group manages this exposure by maintaining a portfolio of investments with different risks.

The sensitively analyses were based on the exposure of equity instruments/commodity prices 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, 2023 and 2022 would increased/decreased by \$50,242 thousand and \$44,834 thousand, respectively. If equity prices of financial assets at FVTOCI had been 5% higher/lower, other comprehensive income (loss) for the years ended December 31, 2023 and 2022 would increased/decreased by \$1,341,023 thousand and \$1,434,320 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 collaterals for certain customers or 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, 2023 and 2022, the amount of unused financing facilities was \$185,440,051 thousand and \$136,077,349 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, 2023

|   | On Demand or<br>Less than<br>1 Month | 1-3 Months           | 3 Months to<br>1 Year | 1-5 Years            | 5+ Years             |
|---|--------------------------------------|----------------------|-----------------------|----------------------|----------------------|
| <u>Non-derivative financial liabilities</u> |                                      |                      |                       |                      |                      |
| Non-interest bearing                        | \$ 1,785,931                         | \$ 22,444,305        | \$ 6,717,111          | \$ 212,379           | \$ 3,061             |
| Lease liabilities                           | 83,778                               | 92,636               | 454,640               | 1,897,891            | 4,660,223            |
| Variable interest rate liabilities          | 4,230,717                            | 9,589,652            | 6,436,068             | 35,195,554           | 3,724,680            |
| Fixed interest rate liabilities             | 231,200                              | 2,789,475            | 13,441,180            | 45,301,593           | 52,369,560           |
|   | <u>\$ 6,331,626</u>                  | <u>\$ 34,916,068</u> | <u>\$ 27,048,999</u>  | <u>\$ 82,607,417</u> | <u>\$ 60,757,524</u> |

Additional information about the maturity analysis for financial 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               | \$ 30,947,347        | \$ 212,379           | \$ 3,016             | \$ -                 | \$ 45               | \$ -                |
| Lease liabilities                  | 631,054              | 1,897,891            | 1,638,212            | 611,949              | 552,542             | 1,857,519           |
| Variable interest rate liabilities | 20,256,437           | 35,195,554           | 967,666              | 388,379              | 2,368,635           | -                   |
| Fixed interest rate liabilities    | 16,461,855           | 45,301,593           | 30,609,030           | 21,760,530           | -                   | -                   |
|                                    | <u>\$ 68,296,693</u> | <u>\$ 82,607,417</u> | <u>\$ 33,217,924</u> | <u>\$ 22,760,858</u> | <u>\$ 2,921,222</u> | <u>\$ 1,857,519</u> |

#### December 31, 2022

|   | On Demand or<br>Less than<br>1 Month | 1-3 Months           | 3 Months to<br>1 Year | 1-5 Years            | 5+ Years             |
|---|--------------------------------------|----------------------|-----------------------|----------------------|----------------------|
| <u>Non-derivative financial liabilities</u> |                                      |                      |                       |                      |                      |
| Non-interest bearing                        | \$ 1,094,433                         | \$ 21,663,628        | \$ 2,402,019          | \$ 246,203           | \$ 3,515             |
| Lease liabilities                           | 104,094                              | 55,628               | 374,835               | 1,855,313            | 4,463,368            |
| Variable interest rate liabilities          | 185,652                              | 17,008,856           | 8,209,921             | 42,801,221           | 32,720               |
| Fixed interest rate liabilities             | -                                    | 3,029,921            | 24,689,180            | 42,209,200           | 50,795,840           |
|   | <u>\$ 1,384,179</u>                  | <u>\$ 41,758,033</u> | <u>\$ 35,675,955</u>  | <u>\$ 87,111,937</u> | <u>\$ 55,295,443</u> |

Additional information about the maturity analysis for financial 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 | \$ 25,160,080<br>534,557 | \$ 246,203<br>1,855,313 | \$ 3,450<br>1,315,258 | \$ 20<br>896,959     | \$ 45<br>493,050  | \$ -<br>1,758,101   |
| Variable interest rate liabilities     | 25,404,429               | 42,801,221              | 32,720                | -                    | -                 | -                   |
| Fixed interest rate liabilities        | <u>27,719,101</u>        | <u>42,209,200</u>       | <u>11,305,720</u>     | <u>39,490,120</u>    | <u>-</u>          | <u>-</u>            |
|  | <u>\$ 78,818,167</u>     | <u>\$ 87,111,937</u>    | <u>\$ 12,657,148</u>  | <u>\$ 40,387,099</u> | <u>\$ 493,095</u> | <u>\$ 1,758,101</u> |

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, 2023 and 2022, the face amounts of these unsettled bills receivable were \$1,483,295 thousand and \$842,874 thousand, respectively. The unsettled bills receivable will be due in 11 months and 12 months, after December 31, 2023 and 2022, 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, 2023 and 2022, 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.

### 34. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows:

a. Name of the related parties and relationships

| Related Party  | Relationship with the Group |
|--|-----------------------------|
| Onyx Ta-Ho Waste Clearance Co., Ltd.   | Subsidiary of associate     |
| Onyx Ta-Ho Lu-Tsao Environment Co., Ltd.   | Subsidiary of associate     |
| Onyx Ta-Ho Environmental Services Co., Ltd.  | Associate                   |
| Quon Hing Concrete Co., Ltd. (Quon Hing)   | Associate                   |
| Prosperity Conch Cement Company Limited  | Associate                   |
| Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.                    | Associate                   |
| Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd. (Baoshan Kungang) | Associate                   |
| Hong Kong Concrete Co., Ltd.   | Associate                   |

(Continued)

| Related Party   | Relationship with the Group                            |
|---|--|
| International CSRC Investment Holdings Co., Ltd.  | Associate  |
| Cimpor Global Holdings B.V.   | Associate  |
| Guigang Conch-TCC New Material Technology Co., Ltd.                                     | Associate  |
| Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd. (Guangan TCC Jiuyuan) | Joint venture  |
| TCC Zhongrun (Anshun) Environmental Technology Co., Ltd.                                | Joint venture  |
| Jiangsu Environmental Resources TCC Solid Waste Disposal Co., Ltd.                      | Joint venture  |
| D-concrete INC.   | Joint venture  |
| Chongqing Xuanjie Taini Environmental Protection Technology Co., Ltd.                   | Joint venture  |
| Chia Hsin R.M.C. Corp. (Chia Hsin R.M.C.)   | Management personnel in substance                      |
| The Koo Foundation  | Management personnel in substance                      |
| Chia Hsin Cement Corporation (Chia Hsin Cement)   | Management personnel in substance                      |
| L'Hotel de Chine Corporation  | Management personnel in substance                      |
| FDC International Hotels Corporation  | Management personnel in substance                      |
| China Hi-Ment Corporation (China Hi-Ment)   | The Group acts as key management personnel             |
| O-Bank Co., Ltd.  | The Group acts as key management personnel             |
| Pan Asia Corporation  | The Group acts as key management personnel             |
| CTCI Corporation  | The Group acts as key management personnel             |
| Phihong Technology Co., Ltd. (became related parties since June 2022)                   | The Group acts as key management personnel             |
| Zerova Technologies Taiwan Limited.   | The Group acts as key management of its parent company |
| Zerova Technologies USA LLC   | The Group acts as key management of its parent company |
| Union Steel Development Corporation   | The Group acts as key management of its parent company |
| CTCI Resources Engineering Inc.   | The Group acts as key management of its parent company |
| CTCI Smart Engineering Inc.   | The Group acts as key management of its parent company |
| Chinatrust Investment Co., Ltd.   | Same key management personnel                          |
| Consolidated Resource Company   | Same key management personnel                          |
| CSRC China (Maanshan) Corporation   | Same key management personnel                          |
| CSRC China (Anshan) Corporation   | Same key management personnel                          |
| Chienten Temple   | Same key management personnel                          |
| China (Chongqing) Synthetic Rubber Corporation  | Same key management personnel                          |
| Dr. Cecilia Koo Botanic Conservation and Environmental Protection Foundation            | Same key management personnel                          |
| Hualien County Private Hoping Sustainability Charity Foundation                         | Same key management personnel                          |
| Continental Carbon India Ltd.   | Same key management personnel                          |
| Continental Carbon Eco Technology Private Limited                                       | Same key management personnel                          |
| Linyuan Advanced Materials Technology Co., Ltd.   | Same key management personnel                          |
| Fortune Quality investment Limited  | Same key management personnel                          |
| Sing Cheng Investment Co., Ltd.   | Same key management personnel                          |
| Circular Commitment Company   | Same key management personnel                          |

(Continued)



| Related Party                          | Relationship with the Group |
|--|-----------------------------|
| FCA AUSTRIA GMBH                       | Related party in substance  |
| FCA BELGIUM S.A.                       | Related party in substance  |
| FCA FRANCE                             | Related party in substance  |
| GROUPE PSA ITALIA S.P.A.               | Related party in substance  |
| LEASYS RENT S.P.A.                     | Related party in substance  |
| FIAT CHRYSLER AUTOMOBILES ITALY S.P.A. | Related party in substance  |
| Fiat Chrysler Automobiles N.V.         | Related party in substance  |
| LEASYS S.P.A.                          | Related party in substance  |
| PSA AUTOMOBILES S.A.                   | Related party in substance  |
| MASERATI S.P.A.                        | Related party in substance  |
| OPEL FRANCE                            | Related party in substance  |
| ORIENTE S.P.A.                         | Related party in substance  |
| LEASYS S.P.A. SUCURSAL EN ESPAÑA       | Related party in substance  |
| OPEL Automobile GmbH                   | Related party in substance  |
| Stellantis & You Italia S.P.A.         | Related party in substance  |
| Stellantis & You, Sales And Services   | Related party in substance  |
| Alfa Romeo Dealers                     | Related party in substance  |
| Winbond Electronics Corporation        | Related party in substance  |
| Hannstar Display Corporation.          | Related party in substance  |
| Walton Advanced Engineering, Inc.      | Related party in substance  |
| Walsin Lihwa Corporation               | Related party in substance  |
| Stellantis Europe S.P.A                | Related party in substance  |
| Stellantis Belux SA                    | Related party in substance  |
| FCA US LLC                             | Related party in substance  |
| AUTOMOBILES PEUGEOT                    | Related party in substance  |
| AUTOMOBILES CITROEN                    | Related party in substance  |
| Stellantis Auto SAS                    | Related party in substance  |
| Stellantis España SL                   | Related party in substance  |

(Concluded)

b. Operating transactions

|  | <b>For the Year Ended December 31</b> |                     |
|--|---------------------------------------|---------------------|
|  | <b>2023</b>                           | <b>2022</b>         |
| <u>Sales</u>   |                                       |                     |
| Related party in substance                             | \$ 244,894                            | \$ 197,727          |
| Management personnel in substance                      | 561,918                               | 581,509             |
| Associate  | 511,015                               | 522,791             |
| The Group acts as key management personnel             | 416,498                               | 464,785             |
| Same key management personnel                          | 153,818                               | 239,641             |
| The Group acts as key management of its parent company | 78,243                                | 21,261              |
| Joint venture  | <u>589</u>                            | <u>-</u>            |
|  | <u>\$ 1,966,975</u>                   | <u>\$ 2,027,714</u> |

(Continued)

|  | <b>For the Year Ended December 31</b> |                   |
|--|---------------------------------------|-------------------|
|  | <b>2023</b>                           | <b>2022</b>       |
| <u>Purchases of goods</u>                              |                                       |                   |
| The Group acts as key management of its parent company | \$ 1,073,294                          | \$ 75             |
| The Group acts as key management personnel             | 961,041                               | 819,698           |
| Related party in substance                             | 207,988                               | 1,981             |
| Associate  | 56,181                                | 34,134            |
| Management personnel in substance                      | 43,428                                | 38,122            |
| Same key management personnel                          | <u>447</u>                            | <u>467</u>        |
|  | <u>\$ 2,342,379</u>                   | <u>\$ 894,477</u> |
| <u>Operating expenses</u>                              |                                       |                   |
| Management personnel in substance                      | \$ 30,323                             | \$ 29,150         |
| The Group acts as key management personnel             | 26,178                                | 62,837            |
| Same key management personnel                          | 14,019                                | 14,311            |
| Associate  | <u>1,234</u>                          | <u>1,234</u>      |
|  | <u>\$ 71,754</u>                      | <u>\$ 107,532</u> |

(Concluded)

Notes receivable and accounts receivable from related parties were as follows:

|  | <b>December 31</b> |                   |
|--|--------------------|-------------------|
|  | <b>2023</b>        | <b>2022</b>       |
| Related party in substance                             |                    |                   |
| PSA AUTOMOBILES S.A.                                   | \$ 57,414          | \$ 47,698         |
| MASERATI S.P.A.  | 30,641             | 341               |
| Stellantis Europe S.P.A.                               | 27,739             | -                 |
| Others   | <u>87,989</u>      | <u>20,783</u>     |
|  | <u>203,783</u>     | <u>68,822</u>     |
| Management personnel in substance                      |                    |                   |
| Chia Hsin Cement                                       | 110,880            | 110,880           |
| Others   | <u>3,250</u>       | <u>3,136</u>      |
|  | <u>114,130</u>     | <u>114,016</u>    |
| Associate  |                    |                   |
| Quon Hing  | 87,462             | 137,255           |
| Others   | <u>24,578</u>      | <u>24,044</u>     |
|  | <u>112,040</u>     | <u>161,299</u>    |
| The Group acts as key management personnel             |                    |                   |
| CTCI Corporation                                       | 21,393             | 88,653            |
| China Hi-Ment  | 20,160             | 42,072            |
| Pan Asia Corporation                                   | <u>30,325</u>      | <u>16,271</u>     |
|  | <u>71,878</u>      | <u>146,996</u>    |
| Same key management personnel                          | <u>11,284</u>      | <u>12,838</u>     |
| The Group acts as key management of its parent company | <u>50,306</u>      | <u>10,004</u>     |
|  | <u>\$ 563,421</u>  | <u>\$ 513,975</u> |



Accounts payable to related parties (included in notes and accounts payable) were as follows:

|  | <b>December 31</b> |                   |
|--|--------------------|-------------------|
|  | <b>2023</b>        | <b>2022</b>       |
| The Group acts as key management personnel | \$ 290,271         | \$ 215,810        |
| Management personnel in substance          | 7,486              | 3,730             |
| Associate                                  | 59,625             | 49,131            |
| Related party in substance                 | 89,673             | -                 |
| Others                                     | <u>139</u>         | <u>208</u>        |
|  | <u>\$ 447,194</u>  | <u>\$ 268,879</u> |

The price and terms of the above transactions were by contracts.

c. Other receivables

|   | <b>December 31</b> |                   |
|---|--------------------|-------------------|
|   | <b>2023</b>        | <b>2022</b>       |
| <u>Included in other receivables from related parties</u> |                    |                   |
| Joint venture   |                    |                   |
| Guangan TCC Jiuyuan                                       | \$ <u>17,435</u>   | \$ <u>93,477</u>  |
| Related party in substance                                |                    |                   |
| Fiat Chrysler Automobiles N.V.                            | <u>-</u>           | <u>153,784</u>    |
| Associate   |                    |                   |
| Quon Hing   | 6,907              | 7,284             |
| Baoshan Kungang   | -                  | 155,007           |
| Others  | <u>979</u>         | <u>1,009</u>      |
|   | <u>7,886</u>       | <u>163,300</u>    |
| Others  | <u>502</u>         | <u>5,045</u>      |
|   | <u>\$ 25,823</u>   | <u>\$ 415,606</u> |

Other receivables from related parties above included share subscriptions receivable, dividend receivables and interest receivables.

d. Other payables

|  | <b>December 31</b>  |                   |
|--|---------------------|-------------------|
|  | <b>2023</b>         | <b>2022</b>       |
| Related party in substance                             |                     |                   |
| Fiat Chrysler Automobiles ITALY S.P.A.                 | \$ 863,874          | \$ 249,375        |
| Others   | <u>61,336</u>       | <u>-</u>          |
|  | <u>925,210</u>      | <u>249,375</u>    |
| The Group acts as key management of its parent company |                     |                   |
| CTCI Resources Engineering Inc.                        | 396,677             | 151,160           |
| Others   | <u>913</u>          | <u>-</u>          |
|  | <u>397,590</u>      | <u>151,160</u>    |
| The Group acts as key management personnel             |                     |                   |
| CTCI Corporation                                       | <u>38,238</u>       | <u>334,896</u>    |
| Management personnel in substance                      | <u>9,359</u>        | <u>10,720</u>     |
| Associate  | <u>4,729</u>        | <u>4,018</u>      |
| Same key management personnel                          | <u>7</u>            | <u>67</u>         |
|  | <u>\$ 1,375,133</u> | <u>\$ 750,236</u> |

e. Prepayments

|  | <b>December 31</b> |             |
|--|--------------------|-------------|
|  | <b>2023</b>        | <b>2022</b> |
| <b>Related Party Category</b>                          |                    |             |
| The Group acts as key management of its parent company | <u>\$ 124,542</u>  | <u>\$ -</u> |

f. Acquisitions of property, plant and equipment

|  | <b>Purchase Price</b>                 |                     |
|--|---------------------------------------|---------------------|
|  | <b>For the Year Ended December 31</b> |                     |
|  | <b>2023</b>                           | <b>2022</b>         |
|  | <b>Related Party Category/Name</b>    |                     |
| The Group acts as key management of its parent company |                                       |                     |
| CTCI Resources Engineering Inc.                        | \$ 1,345,357                          | \$ 666,260          |
| CTCI Smart Engineering Inc.                            | 1,013,742                             | 1,598,993           |
| Others   | <u>873</u>                            | <u>-</u>            |
|  | <u>2,359,972</u>                      | <u>2,265,253</u>    |
| The Group acts as key management personnel             |                                       |                     |
| CTCI Corporation                                       | 85,410                                | 968,603             |
| Others   | <u>873</u>                            | <u>21,886</u>       |
|  | <u>86,283</u>                         | <u>990,489</u>      |
| Management personnel in substance                      | <u>-</u>                              | <u>438</u>          |
| Related party in substance                             | <u>87</u>                             | <u>-</u>            |
|  | <u>\$ 2,446,342</u>                   | <u>\$ 3,256,180</u> |

g. Lease arrangements

|   | <b>For the Year Ended December 31</b> |                  |
|---|---------------------------------------|------------------|
|   | <b>2023</b>                           | <b>2022</b>      |
| <b>Related Party Category/Name</b>        |                                       |                  |
| <u>Acquisition of right-of-use assets</u> |                                       |                  |
| Management personnel in substance         |                                       |                  |
| Chia Hsin R.M.C.                          | <u>\$ -</u>                           | <u>\$ 23,501</u> |

|                   |                                    | <b>December 31</b> |                  |
|-------------------|------------------------------------|--------------------|------------------|
|                   |                                    | <b>2023</b>        | <b>2022</b>      |
| <b>Line Item</b>  | <b>Related Party Category/Name</b> |                    |                  |
| Lease liabilities | Management personnel in substance  |                    |                  |
|                   | Chia Hsin R.M.C.                   | <u>\$ 11,908</u>   | <u>\$ 16,317</u> |

|                                   | <b>For the Year Ended December 31</b> |               |
|-----------------------------------|---------------------------------------|---------------|
|                                   | <b>2023</b>                           | <b>2022</b>   |
| <b>Related Party Category</b>     |                                       |               |
| <u>Interest expense</u>           |                                       |               |
| Management personnel in substance | <u>\$ 250</u>                         | <u>\$ 328</u> |

The lease contracts between the Group and related parties were based on market price and general terms of payment.

h. Remuneration of key management personnel

|                                   | <b>For the Year Ended December 31</b> |                   |
|-----------------------------------|---------------------------------------|-------------------|
|                                   | <b>2023</b>                           | <b>2022</b>       |
| Short-term employee benefits      | \$ 501,452                            | \$ 467,309        |
| Post-employment benefits          | 15,988                                | 12,775            |
| Share-based payment               |                                       |                   |
| Equity-settled                    | 103,581                               | 41,970            |
| Other long-term employee benefits | <u>21,498</u>                         | <u>16,985</u>     |
|                                   | <u>\$ 642,519</u>                     | <u>\$ 539,039</u> |

**35. 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:

|   | <b>December 31</b> |             |
|---|--------------------|-------------|
|   | <b>2023</b>        | <b>2022</b> |
| Financial assets at FVTPL (including current and non-current portion)           | \$ 278,424         | \$ 284,876  |
| Financial assets at FVTOCI (including current and non-current portion)          | 342,930            | 297,990     |
| Property, plant and equipment   | 5,474,029          | 3,014,199   |
| Investment accounted for using the equity method                                | 37,715             | 37,618      |
| Investment properties   | 800,005            | 815,814     |
| Right-of-use asset  | 3,600,953          | -           |
| Guarantee deposits (included in other non-current assets)                       | 1,129,956          | 1,081,564   |
| Pledged bank deposits (included in financial assets measured at amortized cost) |                    |             |
| Current   | 1,193,447          | 1,453,836   |
| Non-current   | 2,480,942          | 2,101,228   |

**36. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS**

a. The balances of the unused letters of credit for purchase of raw material were as follows:

| <b>Name</b>                               | <b>December 31</b> |             |
|---|--------------------|-------------|
|   | <b>2023</b>        | <b>2022</b> |
| The Corporation                           | \$ 94,844          | \$ 71,368   |
| Ho-Ping Power Company                     | 1,325,464          | 2,832,947   |
| TCC Recycle Energy Technology Company     | 437,840            | 1,517,946   |
| TCC Dutch (Group)                         | 343,200            | -           |
| TCC Energy Storage Technology Corporation | 340                | -           |
| Kuan-Ho Refractories Industry Corporation | -                  | 2,056       |

b. The amounts of letters of guarantee granted and issued by the banks for the Group are as follows:

| <b>Name</b>                               | <b>December 31</b> |             |
|---|--------------------|-------------|
|   | <b>2023</b>        | <b>2022</b> |
| The Corporation                           | \$ 41,859          | \$ 22,120   |
| Ho-Ping Power Company                     | 1,148,000          | 1,148,000   |
| TCCI (Group)                              | 1,685,959          | 2,294,828   |
| Taiwan Transport & Storage Corporation    | 28,562             | 28,502      |
| TCC Recycle Energy Technology Company     | -                  | 94,857      |
| TCC Dutch (Group)                         | 4,845,924          | 1,262,893   |
| TCC Energy Storage Technology Corporation | 2,000              | 2,000       |

c. Ho-Ping Power Company

| <b>Company Name</b>             | <b>Ta-Ho RSEA Environment Co., Ltd.</b>  |
|---------------------------------|--|
| Factual background              | The Fair Trade Commission fined Ho-Ping Power Company for an alleged violation of Article 14 of the Fair Trade Act.  |
| Amount in dispute (NT\$)        | \$1,350,000 thousand   |
| Commencement date of litigation | March 2013   |
| Parties                         | Ho-Ping Power Company and the Fair Trade Commission  |
| Status                          | <p>1) The Fair Trade Commission made a second administrative disposition in November 2013, which reduced the amount of the fine imposed on Ho-Ping Power Company to \$1,320,000 thousand.</p> <p>2) On June 30, 2015 and September 6, 2018, the Supreme Administrative Court overruled the original judgment in favor of Ho-Ping Power Company and remanded the case for retrial to the Taipei High Administrative Court. On May 13, 2020, the Taipei High Administrative Court in second instance also ruled that “the administrative disposition made by the Fair Trade Commission shall be dismissed” (Ref. No. 107 Nian-Du-Su-Geng-Er-Zi 116). However, the Fair Trade Commission still appealed and expressed dissatisfaction. The Supreme Administrative Court ruled on August 11, 2022 (Ref. No. 109 Nian-Du-Shang-Zi 864) that the Ho-Ping Power Company’s litigation was dismissed, to which Ho-Ping Power Company has filed to Supreme Administrative Court for retrial.</p> <p>3) At the same time, Ho-Ping Power Company has also filed to Constitutional Court for constitutional complaint against the final court decisions and review of the constitutionality of statutes and regulations. However, on July 26, 2023, the Constitutional Court ruled the application inadmissible.</p> <p>4) With regard to the violation of the Fair Trade Act matter in 2014, Ho-Ping Power Company filed an administrative appeal against the Fair Trade Commission’s disposition No. 103090 of July 10, 2014, and the administrative appeal process was temporarily suspended. Now since the aforementioned administrative litigation has been determined by the Supreme Administrative Court in its judgment No. 109 Nian-Du-Shang-Zi 864, the Executive Yuan has dismissed this administrative appeal, and Ho-Ping Power Company has also submitted a pleading to Taipei High Administrative Court.</p> |

(Continued)

|                     |  |
|---------------------|--|
| <b>Company Name</b> | <b>Ta-Ho RSEA Environment Co., Ltd.</b>  |
|                     | 5) 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. |

(Concluded)

|                                 |   |
|---------------------------------|---|
| <b>Company Name</b>             | <b>Ho-Ping Power Company</b>  |
| Factual background              | Taiwan Power Company filed a civil litigation at the Taipei District Court.   |
| Amount in dispute (NT\$)        | About \$1,755,216 thousand in total.  |
| Commencement date of litigation | November 2015   |
| Parties                         | Ho-Ping Power Company and Taiwan Power Company  |
| Status                          | In November 2015, Ho-Ping Power Company received a complaint of civil litigation brought by Taiwan Power Company at the Taiwan Taipei District Court based on the same ground of the aforementioned administrative litigation, and the claim amount of this case was reduced from \$5,268,000 thousand to \$1,755,216 thousand in May 2020. Taiwan Taipei District Court on May 12, 2021, and Taipei High Administrative Court on July 28, 2023, that the plaintiff's litigation was both dismissed, to which Taiwan Power Company has filed an appeal to Taiwan Supreme Court. |

- d. The Board of Directors of Ta-Ho Maritime Corporation resolved to purchase one cement carrier from Marubeni Corporation on April 11, 2022. The aggregate purchase amount is not exceeding US\$50,000 thousand.
- e. On May 12, 2020, the Board of Directors of TCC (Hangzhou) Environment Protection Technology Co., Ltd., the Group's subsidiary, resolved to outsource construction project and invite tender. The contract has been signed on October 30, 2020 and the total amount is RMB566,888 thousand. On September 15, 2022, the Board of Directors of TCC (Hangzhou) Environmental Technology Co., Ltd. resolved on the headquarters curtain wall construction with the total amount of RMB256,000 thousand. On May 11, 2023, the Board of Directors of TCC (Hangzhou) Environmental Technology Co., Ltd. resolved to outsource the renovation construction project and invitation to tender with the total amount of RMB216,000 thousand, and the contract was updated with a total amount of RMB185,842 thousand on October 18, 2023.
- f. The Board of Directors of Chia-Chien Green Energy Corporation, the Group's subsidiary, resolved on November 6, 2020 to build a fish-electricity symbiosis solar photovoltaic power generation system in order to enhance power generation, and contracted the fishery-electricity symbiosis EPC turnkey project to Taiyen Green Energy Co., Ltd. in the total amount of \$1,398,000 thousand. The Board of Directors of Chia-Chien Green Energy Corporation resolved on April 11, 2022, to approve the Group's energy policy investment plan, planning to invest in the construction of energy storage systems in the central region of Taiwan, with the total amount of investment of \$1,450,000 thousand.
- g. On September 27, 2021, the Board of Directors of the Corporation resolved the expansion of the DAKA Regeneration Resource Utilization Center, the original factory of the 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.

- h. On November 14, 2023, the Board of Directors of the Corporation resolved the proposal to build the plant and purchase production line equipment for green cells in Canada. The total amount of investment is approximately \$25,500,000 thousand. In addition to bank loans or applying for government grants, the Corporation is contemplating directly or indirectly to increase the capital of EMC and/or increase the capital of EMC via investment from overseas or domestic subsidiaries and having EMC participate in the capital increase in cash of EMQE with EMC is intended. The amount of capital increase does not exceed US\$300,000 thousand.
- i. On November 27, 2023, the Board of Directors of the Corporation resolved to increase the indirect shareholdings of Oyak Denizli, a reinvestment company in Turkey, and Cimpor, a reinvestment company in Portugal, the subsidiaries of Cimpor Global Holdings B.V. invested by the Group via an investment accounted for using the equity method. The Corporation intended to directly increase the capital of TCC Dutch itself or indirectly increase the capital of TCC Dutch via overseas or domestic subsidiaries of the Corporation, and that the share issued in the capital increase acquired by TCC Dutch and/or its subsidiaries, which means: (a) increasing its shareholdings of Oyak Denizli to 60%, and (b) increasing its shareholdings of Cimpor to 100%. The total amount of investment is approximately EUR193,440 thousand and EUR480,000 thousand, respectively. In addition, according to the relevant laws and regulations of the Turkish authority, the Corporation should compulsorily acquire the outstanding shares of Oyak Cimento Fabrikalari Anonim Sirketi, the subsidiary of Oyak Denizli, on Turkish securities exchange market, and the actual transaction amount will be settled and adjusted at closing pursuant to the definitive agreement of the investment.
- j. The Board of Directors of TCC Energy Storage Technology Corporation, the Group's subsidiary, resolved on September 27, 2021, to actively participate in the power trading platform and complementary services market merchandise transactions. It intended to build the large-scale energy storage systems in the Corporation's Su'ao factory, the total amount of investment is approximately \$1,500,000 thousand. Technology Corporation plans to build large-scale energy storage systems in the Corporation's Su'ao factory. TCC Energy Storage Technology Corporation signed a procuring equipment contract, including energy storage systems and maintenance services afterward for a total amount of US\$29,415 thousand with NHOA ENERGY S.R.L. on October 26, 2021. On December 2, 2022, the total amount of the contract was raised to US\$43,832 thousand.
- k. The Board of Directors of TCC Green Energy Corporation, the Group's subsidiary, resolved on September 27, 2021, to invest via an investment plan of its subsidiary, TCC Lien-Hsin Green Energy Corporation, to actively participate in the power trading platform and complementary services market merchandise transactions. It intended to build the large-scale energy storage systems in the Corporation's Ho-Ping factory, the total amount of investment is approximately \$4,000,000 thousand.
- l. The Board of Directors of Molie Quantum Energy Corporation, the Group's subsidiary, resolved on September 27, 2021 to build the plant and purchase production line equipment on the leased land in Kaohsiung Linhai Industrial Park, the total amount of investment is approximately \$12,000,000 thousand. On February 25, 2022, the total amount of investment was raised to \$18,650,000 thousand. On June 21, 2022, the total amount of investment was raised to \$19,750,000 thousand. On December 21, 2023, the total amount of investment was raised to \$23,983,000 thousand. On October 20, 2021, Molie Quantum Energy Corporation signed contracts with Ruentex Engineering & Construction Co., Ltd. for the construction of land at the Lithium battery factory site for a total amount of \$4,800,000 thousand, and signed with CTCI Smart Engineering Corporation the electrical and mechanical works of the lithium battery factory with a total amount of \$3,900,000 thousand. On April 15, 2022 and December 1, 2022, Molie Quantum Energy Corporation signed contracts with KATAOKA CORPORATION for machinery and equipment with a total amount of JPY6,870,000 thousand and JPY5,900,000 thousand, respectively.



m. TCC Lien-Hsin Green Energy Corporation plans to build a large-scale energy storage system in Hualien Hoping Industrial Park, the total amount of investment is approximately \$4,000,000 thousand. On December 26, 2023, the total amount of investment was raised to \$5,000,000 thousand. 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.

### 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, 2023

|                              | <b>Foreign<br/>Currency<br/>(In Thousands)</b> | <b>Exchange Rate</b> | <b>Carrying<br/>Amount<br/>(In Thousands)</b> |
|------------------------------|--|----------------------|---|
| <u>Financial assets</u>      |  |                      |   |
| Monetary items               |  |                      |   |
| USD                          | \$ 176,246                                     | 30.705 (USD:NTD)     | \$ 5,411,633                                  |
| USD                          | 650,632  | 7.810 (USD:HKD)      | 19,964,962                                    |
| USD                          | 34,595   | 1.107 (USD:EUR)      | 1,300,921                                     |
| Non-monetary items           |  |                      |   |
| EUR                          | 1,051,089                                      | 33.980 (EUR:NTD)     | 35,716,009                                    |
| USD                          | 60,490   | 30.705 (USD:NTD)     | 1,857,348                                     |
| <u>Financial liabilities</u> |  |                      |   |
| Monetary items               |  |                      |   |
| USD                          | 122,500  | 7.810 (USD:HKD)      | 3,758,973                                     |
| USD                          | 48,870   | 30.705 (USD:NTD)     | 1,500,554                                     |

December 31, 2022

|                              | <b>Foreign<br/>Currency<br/>(In Thousands)</b> | <b>Exchange Rate</b> | <b>Carrying<br/>Amount<br/>(In Thousands)</b> |
|------------------------------|--|----------------------|---|
| <u>Financial assets</u>      |  |                      |   |
| Monetary items               |  |                      |   |
| USD                          | \$ 141,752                                     | 30.710 (USD:NTD)     | \$ 4,353,204                                  |
| USD                          | 843,580  | 7.800 (USD:HKD)      | 25,911,726                                    |
| USD                          | 44,938   | 1.065 (USD:EUR)      | 1,566,609                                     |
| Non-monetary items           |  |                      |   |
| EUR                          | 943,359  | 32.720 (EUR:NTD)     | 30,866,698                                    |
| USD                          | 62,093   | 30.710 (USD:NTD)     | 1,906,876                                     |
| <u>Financial liabilities</u> |  |                      |   |
| Monetary items               |  |                      |   |
| USD                          | 312,614  | 7.800 (USD:HKD)      | 9,602,377                                     |
| USD                          | 95,516   | 30.710 (USD:NTD)     | 2,933,283                                     |

The realized and unrealized foreign exchange gains (losses) were \$(847,143) thousand and \$201,611 thousand for the years ended December 31, 2023 and 2022, 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 (None)
- 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the share capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the share capital (Table 5)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the share capital (Table 6)
- 9) Trading in derivative instruments (Notes 7, 20 and 33)
- 10) Intercompany relationships and significant intercompany transactions (Table 9)
- 11) Information on investees (Table 7)

b. Information on investments in mainland China (Table 8)

- 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. Electricity and energy segment - power generation, energy storage and power business - related development, etc.
- c. Other segments - land and marine transportation.
  - production and sale of refractory materials.
  - others.

The Group uses the profit from operations as the measure for segment income and the basis of performance assessment. There was no material difference between the accounting policies of the operating segments and the accounting policies described in Note 4.

The following was an analysis of the Group's revenue and results by reportable segments:

d. Segments revenue and results

|   | Segment Revenue                        |                       | Segment Income                         |                     |
|---|--|-----------------------|--|---------------------|
|   | For the Year Ended December 31<br>2023 | 2022                  | For the Year Ended December 31<br>2023 | 2022                |
| Cement segment                                      | \$ 68,618,900                          | \$ 77,353,929         | \$ 3,773,007                           | \$ 3,745,425        |
| Electricity and energy segment                      | 37,570,974                             | 33,370,795            | 5,712,571                              | (3,102,137)         |
| Other segments                                      | <u>3,124,461</u>                       | <u>3,204,982</u>      | <u>632,617</u>                         | <u>580,472</u>      |
|   | <u>\$ 109,314,335</u>                  | <u>\$ 113,929,706</u> | 10,118,195                             | 1,223,760           |
| Administrative expenses and director's remuneration |  |                       | (88,035)                               | (61,622)            |
| Non-operating income and expenses                   |  |                       | <u>4,326,671</u>                       | <u>5,483,959</u>    |
| Income before income tax                            |  |                       | <u>\$ 14,356,831</u>                   | <u>\$ 6,646,097</u> |

Segment income represented profit before tax earned by each segment without an allocation of central administration expenses, director's remuneration and non-operating income and expenses.

e. Revenue from major products

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

|                            | For the Year Ended December 31 |                       |
|----------------------------|--------------------------------|-----------------------|
|                            | 2023                           | 2022                  |
| Cement                     | \$ 48,544,706                  | \$ 58,298,922         |
| Power generation           | 26,931,765                     | 22,985,566            |
| Concrete                   | 18,700,925                     | 17,861,293            |
| Energy storage and charger | 5,321,096                      | 3,762,270             |
| Battery                    | 4,821,812                      | 6,219,920             |
| Waste treatment            | 748,807                        | 729,172               |
| Renewable energy           | 496,301                        | 403,039               |
| Others                     | <u>3,748,923</u>               | <u>3,669,524</u>      |
|                            | <u>\$ 109,314,335</u>          | <u>\$ 113,929,706</u> |

f. 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           |                       |
|        | 2023                            | 2022                  | 2023                  | 2022                  |
| Taiwan | \$ 63,957,117                   | \$ 60,022,631         | \$ 101,786,588        | \$ 84,155,132         |
| Asia   | 40,295,784                      | 50,147,738            | 81,277,738            | 82,416,588            |
| Europe | <u>5,061,434</u>                | <u>3,759,337</u>      | <u>10,573,223</u>     | <u>7,512,274</u>      |
|        | <u>\$ 109,314,335</u>           | <u>\$ 113,929,706</u> | <u>\$ 193,637,549</u> | <u>\$ 174,083,994</u> |

Non-current assets exclude financial instruments, deferred income tax assets, and net defined benefit asset.

g. 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 |                      |
|----------------------|--------------------------------|----------------------|
|                      | 2023                           | 2022                 |
| Taiwan Power Company | <u>\$ 27,901,872</u>           | <u>\$ 23,605,027</u> |

TABLE 1

## TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

FINANCINGS PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(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 (Note 2)                       | Other receivables from related parties | Yes             | \$ 100,000                     | \$ -           | \$ -                    | -                 | The need for short-term financing | \$ -                        | Operating capital               | \$ -                          | \$ -       | \$ 1,157,330 | \$ 1,157,330                               |                                    |      |
| 2   | Hong Kong Cement Co., Ltd.              | TCCH (Note 2)  | Other receivables from related parties | Yes             | 537,153                        | 508,659        | 508,659                 | 5.49              | The need for short-term financing | -                           | Operating capital               | -                             | -          | 1,488,240    | 2,976,480                                  |                                    |      |
| 3   | TCC Development Ltd.                    | TCCH (Note 2)  | Other receivables from related parties | Yes             | 302,512                        | 286,817        | 286,817                 | 4.83              | The need for short-term financing | -                           | Operating capital               | -                             | -          | 1,298,836    | 1,298,836                                  |                                    |      |
| 4   | TCCI                                    | TCCH (Note 2)  | Other receivables from related parties | Yes             | 3,891,000                      | 3,684,600      | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 107,653,934  | 215,307,868                                |                                    |      |
|     |   | TCC Dutch (Note 2)   | Other receivables from related parties | Yes             | 1,735,500                      | 1,699,000      | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 107,653,934  | 215,307,868                                |                                    |      |
|     |   | TCEH (Note 2)  | Other receivables from related parties | Yes             | 694,200                        | 679,600        | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 107,653,934  | 215,307,868                                |                                    |      |
| 5   | TCEH                                    | NHOA ENERGY S.R.L. (Note 2)  | Other receivables from related parties | Yes             | 347,100                        | 339,800        | 339,800                 | 4.66              | The need for short-term financing | -                           | Operating capital               | -                             | -          | 16,794,139   | 33,588,278                                 |                                    |      |
|     |   | ATLANTIS S.R.L. (Note 2)   | Other receivables from related parties | Yes             | 520,650                        | 509,700        | 509,700                 | 4.66              | The need for short-term financing | -                           | Operating capital               | -                             | -          | 16,794,139   | 33,588,278                                 |                                    |      |
|     |   | NHOA S.A. (Note 2)   | Other receivables from related parties | Yes             | 555,360                        | 543,680        | 543,680                 | 4.81              | The need for short-term financing | -                           | Operating capital               | -                             | -          | 6,717,656    | 6,717,656                                  |                                    |      |
|     |   | TCC Dutch (Note 2)   | Other receivables from related parties | Yes             | 1,388,400                      | 1,359,200      | 1,189,300               | 4.78              | The need for short-term financing | -                           | Operating capital               | -                             | -          | 16,794,139   | 33,588,278                                 |                                    |      |
| 6   | Yingde Dragon Mountain Cement Co., Ltd. | TCC Yingde Cement Co., Ltd. (Note 2)                                   | Other receivables from related parties | Yes             | 892,620                        | -              | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 15,883,173   | 31,766,346                                 |                                    |      |
|     |   | TCC Laoning Cement Company Limited (Note 2)                            | Other receivables from related parties | Yes             | 1,017,587                      | 985,393        | 648,285                 | 2.84              | The need for short-term financing | -                           | Operating capital               | -                             | -          | 15,883,173   | 31,766,346                                 |                                    |      |
|     |   | TCC (Gui Gang) Cement Ltd. (Note 2)                                    | Other receivables from related parties | Yes             | 7,587,270                      | 7,347,230      | 5,834,565               | 2.59-3.05         | The need for short-term financing | -                           | Operating capital               | -                             | -          | 15,883,173   | 31,766,346                                 |                                    |      |
| 7   | TCC (Gui Gang) Cement Ltd.              | Guigang TCC DongYuan Environmental Technology Company Limited (Note 2) | Other receivables from related parties | Yes             | 133,893                        | 129,657        | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 21,314,942   | 42,629,884                                 |                                    |      |
|     |   | TCC Huaying Cement Company Limited (Note 2)                            | Other receivables from related parties | Yes             | 1,285,373                      | 1,244,707      | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 21,314,942   | 42,629,884                                 |                                    |      |
|     |   | TCC (Hangzhou) Recycle Resource Technology Limited (Note 2)            | Other receivables from related parties | Yes             | 44,631                         | 43,219         | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 21,314,942   | 42,629,884                                 |                                    |      |
|     |   | TCC Anshan Cement Company Limited (Note 2)                             | Other receivables from related parties | Yes             | 446,310                        | 432,190        | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 21,314,942   | 42,629,884                                 |                                    |      |
|     |   | TCC Huahua Cement Company Limited (Note 2)                             | Other receivables from related parties | Yes             | 892,620                        | 864,380        | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 21,314,942   | 42,629,884                                 |                                    |      |
|     |   | TCC Jingzhou Cement Company Limited (Note 2)                           | Other receivables from related parties | Yes             | 669,465                        | 648,285        | 432,190                 | 2.93              | The need for short-term financing | -                           | Operating capital               | -                             | -          | 21,314,942   | 42,629,884                                 |                                    |      |
|     |   | Guizhou Kong On Cement Company Limited (Note 2)                        | Other receivables from related parties | Yes             | 290,102                        | 280,924        | 43,219                  | 2.93              | The need for short-term financing | -                           | Operating capital               | -                             | -          | 21,314,942   | 42,629,884                                 |                                    |      |
|     |   | Shanxi Naxi Cement Co., Ltd. (Note 2)                                  | Other receivables from related parties | Yes             | 446,310                        | 432,190        | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 21,314,942   | 42,629,884                                 |                                    |      |
|     |   | TCC Yingde Cement Co., Ltd. (Note 2)                                   | Other receivables from related parties | Yes             | 1,338,930                      | -              | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 21,314,942   | 42,629,884                                 |                                    |      |

(Continued)

|    |                             |   |  |     |           |           |           |           |                                   |      |                   |      |      |               |               |  |
|----|-----------------------------|---|--|-----|-----------|-----------|-----------|-----------|-----------------------------------|------|-------------------|------|------|---------------|---------------|--|
| 8  | TCC Yingde Cement Co., Ltd. | 123 (Guangdong) Environmental Protection Technology Co., Ltd. (Note 2)        | Other receivables from related parties | Yes | \$ 88,682 | \$ 86,438 | \$ 25,919 | 2.93-3.02 | The need for short-term financing | \$ - | Operating capital | \$ - | \$ - | \$ 26,710,680 | \$ 53,421,360 |  |
|    |                             | TCC Yongren (Hangzhou) Environmental Protection Technology Co., Ltd. (Note 2) | Other receivables from related parties | Yes | 89,262    | 86,438    | 15,127    | 3.02      | The need for short-term financing | -    | Operating capital | -    | -    | 26,710,680    | 53,421,360    |  |
|    |                             | TCC Yongren (Hangzhou) Renewable Resources Development Co., Ltd. (Note 2)     | Other receivables from related parties | Yes | 44,631    | 43,219    | 2,161     | 3.02      | The need for short-term financing | -    | Operating capital | -    | -    | 26,710,680    | 53,421,360    |  |
|    |                             | Beig (TCC Environment Technology Co., Ltd. (Note 2)                           | Other receivables from related parties | Yes | 178,524   | 172,876   | 140,462   | 2.93-3.02 | The need for short-term financing | -    | Operating capital | -    | -    | 26,710,680    | 53,421,360    |  |
|    |                             | TCC (Hangzhou) Environmental Protection Technology Co., Ltd. (Note 2)         | Other receivables from related parties | Yes | 3,052,760 | 2,956,180 | -         | -         | The need for short-term financing | -    | Operating capital | -    | -    | 26,710,680    | 53,421,360    |  |
|    |                             | Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd. (Note 2)  | Other receivables from related parties | Yes | 132,108   | 127,928   | 127,928   | 3.65      | The need for short-term financing | -    | Operating capital | -    | -    | 10,684,272    | 10,684,272    |  |
|    |                             | Sciuss Luzhou Cement Co., Ltd. (Note 2)                                       | Other receivables from related parties | Yes | 803,358   | 777,942   | -         | -         | The need for short-term financing | -    | Operating capital | -    | -    | 26,710,680    | 53,421,360    |  |
|    |                             | Sciuss Naxi Cement Co., Ltd. (Note 2)   | Other receivables from related parties | Yes | 223,155   | 216,095   | 12,966    | 2.93      | The need for short-term financing | -    | Operating capital | -    | -    | 26,710,680    | 53,421,360    |  |
|    |                             | Guizhou Kong On Cement Company Limited (Note 2)                               | Other receivables from related parties | Yes | 446,310   | 432,190   | 43,219    | 2.93      | The need for short-term financing | -    | Operating capital | -    | -    | 26,710,680    | 53,421,360    |  |
|    |                             | TCC Laoning Cement Company Limited (Note 2)                                   | Other receivables from related parties | Yes | 223,155   | 216,095   | -         | -         | The need for short-term financing | -    | Operating capital | -    | -    | 26,710,680    | 53,421,360    |  |
|    |                             | TCC Shaoguan Cement Co., Limited (Note 2)                                     | Other receivables from related parties | Yes | 5,240,083 | 5,074,301 | 4,754,090 | 2.93-3.02 | The need for short-term financing | -    | Operating capital | -    | -    | 26,710,680    | 53,421,360    |  |
|    |                             | TCC Anshan Cement Company Limited (Note 2)                                    | Other receivables from related parties | Yes | 888,792   | -         | -         | -         | The need for short-term financing | -    | Operating capital | -    | -    | 26,710,680    | 53,421,360    |  |
|    |                             | Guangong Changxing Cement Company Ltd. (Note 2)                               | Other receivables from related parties | Yes | 888,792   | -         | -         | -         | The need for short-term financing | -    | Operating capital | -    | -    | 26,710,680    | 53,421,360    |  |
|    |                             | TCC Huahua Cement Company Limited (Note 2)                                    | Other receivables from related parties | Yes | 892,620   | 864,380   | -         | -         | The need for short-term financing | -    | Operating capital | -    | -    | 26,710,680    | 53,421,360    |  |
|    |                             | TCC Jingzhou Cement Company Limited (Note 2)                                  | Other receivables from related parties | Yes | 223,155   | 216,095   | -         | -         | The need for short-term financing | -    | Operating capital | -    | -    | 26,710,680    | 53,421,360    |  |
|    |                             | TCC Chongqing Cement Company Limited (Note 2)                                 | Other receivables from related parties | Yes | 446,310   | 432,190   | -         | -         | The need for short-term financing | -    | Operating capital | -    | -    | 26,710,680    | 53,421,360    |  |
|    |                             | Guizhou Kaili Rui An Jian Cui Co., Ltd. (Note 2)                              | Other receivables from related parties | Yes | 669,465   | 648,285   | -         | -         | The need for short-term financing | -    | Operating capital | -    | -    | 26,710,680    | 53,421,360    |  |
| 9  | TCC Fuzhou Cement Co., Ltd. | TCC Laoning Cement Company Limited (Note 2)                                   | Other receivables from related parties | Yes | 308,739   | -         | -         | -         | The need for short-term financing | -    | Operating capital | -    | -    | 566,037       | 1,698,111     |  |
|    |                             | Guizhou Kaili Rui An Jian Cui Co., Ltd. (Note 2)                              | Other receivables from related parties | Yes | 223,155   | 216,095   | -         | -         | The need for short-term financing | -    | Operating capital | -    | -    | 566,037       | 1,698,111     |  |
| 10 | TCCHH                       | TCC Yingde Cement Co., Ltd. (Note 2)  | Other receivables from related parties | Yes | 217,283   | 210,409   | 204,025   | -         | The need for short-term financing | -    | Operating capital | -    | -    | 182,757,078   | 365,514,156   |  |
| 11 | Prime York Ltd.             | Upper Value Investment Limited (Note 2)                                       | Other receivables from related parties | Yes | 211,344   | 200,379   | 200,379   | -         | The need for short-term financing | -    | Operating capital | -    | -    | 2,573,453     | 5,146,906     |  |
| 12 | Jurong TCC Cement Co., Ltd. | TCC Huahua Cement Company Limited (Note 2)                                    | Other receivables from related parties | Yes | 1,338,930 | 1,296,570 | 164,232   | 2.93      | The need for short-term financing | -    | Operating capital | -    | -    | 18,501,960    | 37,003,920    |  |
|    |                             | TCC Huahua Concrete Company Limited (Note 2)                                  | Other receivables from related parties | Yes | 133,893   | 129,657   | 64,396    | 2.93-3.48 | The need for short-term financing | -    | Operating capital | -    | -    | 18,501,960    | 37,003,920    |  |
|    |                             | TCC Jingzhou Cement Company Limited (Note 2)                                  | Other receivables from related parties | Yes | 177,363   | 172,876   | 172,876   | 3.02      | The need for short-term financing | -    | Operating capital | -    | -    | 18,501,960    | 37,003,920    |  |
|    |                             | Guizhou Kong On Cement Company Limited (Note 2)                               | Other receivables from related parties | Yes | 401,679   | 388,971   | 388,971   | 2.93-3.48 | The need for short-term financing | -    | Operating capital | -    | -    | 18,501,960    | 37,003,920    |  |
|    |                             | Kaili TCC Environment Technology Co., Ltd. (Note 2)                           | Other receivables from related parties | Yes | 401,679   | 388,971   | 207,451   | 2.93-3.10 | The need for short-term financing | -    | Operating capital | -    | -    | 18,501,960    | 37,003,920    |  |
|    |                             | TCC Anshan Cement Company Limited (Note 2)                                    | Other receivables from related parties | Yes | 888,792   | -         | -         | -         | The need for short-term financing | -    | Operating capital | -    | -    | 18,501,960    | 37,003,920    |  |
|    |                             | TCC Chongqing Cement Company Limited (Note 2)                                 | Other receivables from related parties | Yes | 882,112   | -         | -         | -         | The need for short-term financing | -    | Operating capital | -    | -    | 18,501,960    | 37,003,920    |  |
|    |                             | Guangong Changxing Cement Company Limited (Note 2)                            | Other receivables from related parties | Yes | 444,396   | -         | -         | -         | The need for short-term financing | -    | Operating capital | -    | -    | 18,501,960    | 37,003,920    |  |
|    |                             | TCC Laoning Cement Company Limited (Note 2)                                   | Other receivables from related parties | Yes | 312,417   | 302,533   | -         | -         | The need for short-term financing | -    | Operating capital | -    | -    | 18,501,960    | 37,003,920    |  |

(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         |  |                                    |      |
|     |   | TCC Yingde Cement Co., Ltd. (Note 2)                                       | Other receivables from related parties | Yes             | \$ 446,310                     | \$ -           | \$ -                    | -                 | The need for short-term financing | -                           | Operating capital               | \$ -                          | -          | \$ 18,501,960 | \$ 37,003,920                              |                                    |      |
|     |   | Sciuss Luzhou Cement Co., Ltd. (Note 2)                                    | Other receivables from related parties | Yes             | 669,465                        | 648,285        | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 18,501,960    | 37,003,920                                 |                                    |      |
|     |   | Sciuss Naxi Cement Co., Ltd. (Note 2)                                      | Other receivables from related parties | Yes             | 196,376                        | 190,164        | 190,164                 | 2.93              | The need for short-term financing | -                           | Operating capital               | -                             | -          | 18,501,960    | 37,003,920                                 |                                    |      |
|     |   | TCC Zhongnang (Anshu) Environmental Technology Co., Ltd.                   | Other receivables from related parties | Yes             | 310,386                        | 302,533        | 172,876                 | 3.45              | The need for short-term financing | -                           | Operating capital               | -                             | -          | 7,400,784     | 7,400,784                                  |                                    |      |
| 13  | TCC Anshun Cement Company Limited             | Avshun Xin Tai Construction Materials Company Limited (Note 2)             | Other receivables from related parties | Yes             | 89,262                         | -              | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 7,188,050     | 14,376,100                                 |                                    |      |
|     |   | TCC Zhongnang (Anshu) Environmental Technology Co., Ltd.                   | Other receivables from related parties | Yes             | 89,262                         | -              | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 2,875,220     | 2,875,220                                  |                                    |      |
|     |   | Guizhou Kong On Cement Company Limited (Note 2)                            | Other receivables from related parties | Yes             | 264,634                        | -              | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 7,188,050     | 14,376,100                                 |                                    |      |
|     |   | Sciuss Luzhou Concrete Co., Ltd. (Note 2)                                  | Other receivables from related parties | Yes             | 133,893                        | 129,657        | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 7,188,050     | 14,376,100                                 |                                    |      |
|     |   | Guizhou Kaiji Rui An Jian Cai Co., Ltd. (Note 2)                           | Other receivables from related parties | Yes             | 133,893                        | 129,657        | 497,019                 | 2.93              | The need for short-term financing | -                           | Operating capital               | -                             | -          | 7,188,050     | 14,376,100                                 |                                    |      |
|     |   | Sciuss Luzhou Cement Co., Ltd. (Note 2)                                    | Other receivables from related parties | Yes             | 133,893                        | 129,657        | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 7,188,050     | 14,376,100                                 |                                    |      |
|     |   | TCC Chongqing Cement Company Limited (Note 2)                              | Other receivables from related parties | Yes             | 892,620                        | 864,380        | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 7,188,050     | 14,376,100                                 |                                    |      |
|     |   | TCC Huahua Cement Company Limited (Note 2)                                 | Other receivables from related parties | Yes             | 669,465                        | 648,285        | 259,314                 | 2.93-3.02         | The need for short-term financing | -                           | Operating capital               | -                             | -          | 7,188,050     | 14,376,100                                 |                                    |      |
| 14  | Guangnan Changxing Cement Company Ltd.        | Guangnan TCC Jiyuan Environmental Protection Technology Co., Ltd. (Note 2) | Other receivables from related parties | Yes             | 267,786                        | -              | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 2,554,886     | 2,554,886                                  |                                    |      |
|     |   | TCC Huaying Cement Company Limited (Note 2)                                | Other receivables from related parties | Yes             | 446,310                        | 432,190        | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 6,387,214     | 12,774,428                                 |                                    |      |
|     |   | Sciuss Luzhou Cement Co., Ltd. (Note 2)                                    | Other receivables from related parties | Yes             | 133,893                        | 129,657        | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 6,387,214     | 12,774,428                                 |                                    |      |
|     |   | TCC Huahua Cement Company Limited (Note 2)                                 | Other receivables from related parties | Yes             | 669,465                        | 648,285        | 497,019                 | 2.93              | The need for short-term financing | -                           | Operating capital               | -                             | -          | 6,387,214     | 12,774,428                                 |                                    |      |
|     |   | Kaifu TCC Environment Technology Co., Ltd. (Note 2)                        | Other receivables from related parties | Yes             | 133,893                        | 129,657        | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 6,387,214     | 12,774,428                                 |                                    |      |
|     |   | Guizhou Kaiji Rui An Jian Cai Co., Ltd. (Note 2)                           | Other receivables from related parties | Yes             | 89,262                         | 86,438         | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 6,387,214     | 12,774,428                                 |                                    |      |
| 15  | TCC Chongqing Cement Company Limited          | Sciuss Naxi Cement Co., Ltd. (Note 2)                                      | Other receivables from related parties | Yes             | 133,893                        | -              | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 9,613,022     | 19,226,044                                 |                                    |      |
|     |   | Sciuss Luzhou Cement Co., Ltd. (Note 2)                                    | Other receivables from related parties | Yes             | 223,155                        | -              | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 9,613,022     | 19,226,044                                 |                                    |      |
|     |   | TCC Huaying Cement Company Limited (Note 2)                                | Other receivables from related parties | Yes             | 111,578                        | 108,048        | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 9,613,022     | 19,226,044                                 |                                    |      |
|     |   | TCC Huahua Cement Company Limited (Note 2)                                 | Other receivables from related parties | Yes             | 892,620                        | 864,380        | 855,304                 | 2.93-3.02         | The need for short-term financing | -                           | Operating capital               | -                             | -          | 9,613,022     | 19,226,044                                 |                                    |      |
|     |   | TCC Jingzhou Cement Company Limited (Note 2)                               | Other receivables from related parties | Yes             | 89,262                         | 86,438         | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 9,613,022     | 19,226,044                                 |                                    |      |
|     |   | Guizhou Kong On Cement Company Limited (Note 2)                            | Other receivables from related parties | Yes             | 133,893                        | 129,657        | 129,657                 | 2.93-3.02         | The need for short-term financing | -                           | Operating capital               | -                             | -          | 9,613,022     | 19,226,044                                 |                                    |      |
| 16  | TCC New (Hangzhou) Management Company Limited | Sciuss Luzhou Cement Co., Ltd. (Note 2)                                    | Other receivables from related parties | Yes             | 89,262                         | -              | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 1,338,696     | 2,677,392                                  |                                    |      |
|     |   | Sciuss Naxi Cement Co., Ltd. (Note 2)                                      | Other receivables from related parties | Yes             | 195,534                        | -              | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 1,338,696     | 2,677,392                                  |                                    |      |
| 17  | Prosperity Minerals (China) Ltd.              | TCC New (Hangzhou) Management Company Limited (Note 2)                     | Other receivables from related parties | Yes             | 354,391                        | -              | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 948,852       | 1,897,664                                  |                                    |      |

(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         |  |                                    |      |
| 18  | TCC (Hangzhou) Environmental Protection Technology Co., Ltd.   | TCC Yongren (Hangzhou) Renewable Resources Technology Co., Ltd. (Note 2) | Other receivables from related parties | Yes             | \$ 49,094                      | \$ 47,541      | \$ -                    | -                 | The need for short-term financing | \$ -                        | Operating capital               | \$ -                          | -          | \$ 11,334,054 | \$ 22,668,108                              |                                    |      |
|     |  | TCC (Guangdong) Renewable Resources Technology Company Limited (Note 2)  | Other receivables from related parties | Yes             | 89,262                         | 86,438         | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 11,334,054    | 22,668,108                                 |                                    |      |
| 19  | Guizhou Kaiji Rui An Jian Cai Co., Ltd.                        | Sciuss Naxi Cement Co., Ltd. (Note 2)                                    | Other receivables from related parties | Yes             | 133,893                        | -              | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 3,396,193     | 6,792,386                                  |                                    |      |
|     |  | Kaifu TCC Environment Technology Co., Ltd. (Note 2)                      | Other receivables from related parties | Yes             | 178,524                        | 172,876        | 99,404                  | 2.93-3.02         | The need for short-term financing | -                           | Operating capital               | -                             | -          | 3,396,193     | 6,792,386                                  |                                    |      |
| 20  | TCC Huahua Cement Company Limited                              | TCC Jingzhou Cement Company Limited (Note 2)                             | Other receivables from related parties | Yes             | 89,262                         | 86,438         | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 3,225,174     | 6,450,348                                  |                                    |      |
| 21  | Sciuss Luzhou Cement Co., Ltd.                                 | Guizhou Kaiji Rui An Jian Cai Co., Ltd. (Note 2)                         | Other receivables from related parties | Yes             | 89,262                         | 86,438         | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 3,537,847     | 7,075,694                                  |                                    |      |
| 22  | E-One Moli Energy Corp.  | E-One Moli Energy (Canada) Ltd. (Note 2)                                 | Other receivables from related parties | Yes             | 167,640                        | -              | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 5,119,314     | 10,238,628                                 |                                    |      |
| 23  | TCC (Guangdong) Renewable Resources Technology Company Limited | 123 (Guangdong) Environmental Protection Technology Co., Ltd. (Note 2)   | Other receivables from related parties | Yes             | 6,695                          | 6,483          | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | -             | -  |                                    |      |
| 24  | NHOA S.A.  | NHOA CORPORATE S.R.L. (Note 2)   | Other receivables from related parties | Yes             | 3,058,200                      | 3,058,200      | 1,984,398               | 5.20              | The need for short-term financing | -                           | Operating capital               | -                             | -          | 3,632,557     | 3,632,557                                  |                                    |      |
|     |  | NHOA CORPORATE S.R.L. (Note 2)   | Other receivables from related parties | Yes             | 263,900                        | -              | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 3,632,557     | 3,632,557                                  |                                    |      |
|     |  | NHOA CORPORATE S.R.L. (Note 2 and 3)                                     | Other receivables from related parties | Yes             | 674,032                        | -              | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 3,632,557     | 3,632,557                                  |                                    |      |
| 25  | NHOA ENERGY S.R.L.   | NHOA AMERICAS LLC (Note 2)   | Other receivables from related parties | Yes             | 162,125                        | 153,525        | 84,220                  | 5.46              | The need for short-term financing | -                           | Operating capital               | -                             | -          | 3,616,661     | 7,233,322                                  |                                    |      |
|     |  | NHOA Taiwan Ltd. (Note 2)  | Other receivables from related parties | Yes             | 64,850                         | 61,410         | 11,599                  | 5.46              | The need for short-term financing | -                           | Operating capital               | -                             | -          | 3,616,661     | 7,233,322                                  |                                    |      |
|     |  | NHOA Taiwan Ltd. (Note 2)  | Other receivables from related parties | Yes             | 17,220                         | 16,990         | 3,518                   | 4.20              | The need for short-term financing | -                           | Operating capital               | -                             | -          | 3,616,661     | 7,233,322                                  |                                    |      |
| 26  | NHOA AUSTRALIA PTY LTD.  | NHOA ENERGY S.R.L. (Note 2)  | Other receivables from related parties | Yes             | 173,550                        | -              | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 506,752       | 1,013,504                                  |                                    |      |
|     |  | NHOA ENERGY S.R.L. (Note 2)  | Other receivables from related parties | Yes             | 324,250                        | -              | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 506,752       | 1,013,504                                  |                                    |      |
| 27  | NHOA CORPORATE S.R.L.  | FREEMOVE ESOLUTIONS S.P.A. (Note 2)                                      | Other receivables from related parties | Yes             | 832,510                        | 832,510        | 832,510                 | 4.68-5.00         | The need for short-term financing | -                           | Operating capital               | -                             | -          | 5,232,567     | 5,232,567                                  |                                    |      |
| 28  | NHOA CORPORATE S.R.L. (Note 3)                                 | ATLANTE S.R.L. (Note 2)  | Other receivables from related parties | Yes             | 2,718,400                      | 2,718,400      | 1,329,977               | 5.55              | The need for short-term financing | -                           | Operating capital               | -                             | -          | 13,081,417    | 26,162,834                                 |                                    |      |
| 29  | ATLANTE S.R.L.   | ATLANTE FRANCE S.A.S. (Note 2)   | Other receivables from related parties | Yes             | 152,280                        | -              | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | 5,847,312     | 11,694,624                                 |                                    |      |
|     |  | ATLANTE INFRA PORTUGAL S.A. (Note 2)                                     | Other receivables from related parties | Yes             | 169,730                        | 169,730        | 169,730                 | 5.55              | The need for short-term financing | -                           | Operating capital               | -                             | -          | 5,847,312     | 11,694,624                                 |                                    |      |

Note 1: "Financing Limits for Each Borrower" and "Aggregate Financing Limits".

A. For Taiwan Cement Corporation, financing limits are as follows:

- 1) 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.
- 2) 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.
- 3) For the above items a and b, the aggregate financing limits were 40% of Taiwan Cement Corporation's net equity as stated in its latest financial statements.

(Continued)

B. The restrictions above in paragraph A, subparagraphs b and c shall not apply to inter-company loans of funds between foreign companies of which Taiwan Cement Corporation holds, directly or indirectly, 100% of the voting shares. The aggregate and individual financing limits for the companies were 200% and 100%, respectively, of the net equity of each company as stated in their respective latest financial statements. In addition, the aggregate and individual financing limits for TCC International Ltd. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for TCC Fuzhou Cement Co., Ltd. were 300% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for TCC New (Hangzhou) Management Company Limited were 1,200% and 600%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for Prosperity Minerals (China) Ltd. were 400% and 200%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for NHOA ENERGY S.R.L. were 200% and 200%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for NHOA AUSTRALIA PTY LTD. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for Taiwan Cement Europe Holdings B.V. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for NHOA AUSTRALIA PTY LTD. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for NHOA ENERGY S.R.L. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for ATLANTIS S.R.L. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. When the fund loan object is FREE2MOVEE SOLUTIONS S.P.A., the aggregate and individual financing limits shall not exceed 40% of its net equity as stated in its latest financial statements. When the fund loan object is ATLANTIS S.R.L., the aggregate and individual financing limits shall not exceed 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for TCC (Guangdong) Renewable Resources Technology Company Limited were 40% and 40%, respectively, of its net equity as stated in its latest financial statements.

Note 2: All intercompany transactions have been eliminated upon consolidation.

Note 3: NHOA CALLIOPE S.R.L. is merged with NHOA CORPORATE S.R.L. through consolidation, and NHOA CORPORATE S.R.L. would be the surviving company.

(Concluded)

TABLE 2

**TAIWAN CEMENT CORPORATION AND SUBSIDIARIES**

**ENDORSEMENTS/GUARANTEES PROVIDED FOR THE YEAR ENDED DECEMBER 31, 2023**  
(In Thousands of New Taiwan Dollars)

| No. | Endorser/Guarantor                    | Endorsee/Guaranteee   |                            | 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 Guarantee to Net Equity in Latest Financial Statements (%) | Aggregate Endorsement/ Guarantee Limit (Note 2)   | Endorsement/ Guarantee Given by Parent or 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.<br>TCC Investment Corporation<br>TCC Chemical Corporation<br>Jin Chang Minerals Corporation<br>Ho Sheng Mining Co., Ltd.<br>TCC Energy Storage Technology Corporation         | b<br>b<br>b<br>b<br>b<br>b | \$ 115,466,627<br>115,466,627<br>115,466,627<br>115,466,627<br>115,466,627<br>115,466,627 | \$ 1,420,000<br>2,370,000<br>1,299,117<br>31,257<br>99,884<br>1,228,200 | \$ 1,420,000<br>2,370,000<br>1,299,117<br>31,257<br>99,884<br>1,228,200 | \$ 780,000<br>1,590,000<br>1,066,117<br>31,257<br>99,884<br>1,228,200 | -<br>-<br>-<br>31,257<br>99,884<br>-       | 0.61<br>1.03<br>0.56<br>0.01<br>0.04<br>0.53                                    | \$ 230,933,254<br>230,933,254<br>230,933,254<br>230,933,254<br>230,933,254<br>230,933,254 | Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes                 | No<br>No<br>No<br>No<br>No<br>No                                 | No<br>No<br>No<br>No<br>No<br>No                                      |      |
| 1   | Ho Sheng Mining Co., Ltd.             | Taiwan Cement Corporation   | c                          | 1,025,260   | 137,964   | 137,964   | 137,964   | -  | 40.37   | 1,025,260   | No   | Yes  | No  |      |
| 2   | TCC Green Energy Corporation          | TCC Chemical Corporation  | a                          | 13,785,406  | 6,117   | 6,117   | 6,117   | -  | 0.04  | 13,785,406  | No   | No   | No  |      |
| 3   | TCCIH                                 | TCC Yingde Cement Co., Ltd.<br>Jiulong TCC Cement Co., Ltd.<br>TCC Fuzhou Cement Co., Ltd.<br>TCC Liaoning Cement Company Limited<br>TCC (Gui Gang) Cement Ltd.<br>TCC Chongqing Cement Company Limited | b<br>b<br>b<br>b<br>b<br>b | 91,378,539<br>91,378,539<br>91,378,539<br>91,378,539<br>91,378,539<br>91,378,539          | 545,598<br>1,847,702<br>735,088<br>575,744<br>1,374,768<br>968,890      | 245,640<br>933,432<br>406,002<br>554,430<br>1,074,675<br>521,985        | -<br>-<br>-<br>-<br>-<br>-  | -<br>-<br>-<br>-<br>-<br>-                 | 0.13<br>0.51<br>0.22<br>0.30<br>0.59<br>0.29                                    | 182,757,078<br>182,757,078<br>182,757,078<br>182,757,078<br>182,757,078<br>182,757,078    | Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes                 | No<br>No<br>No<br>No<br>No<br>No                                 | Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes                                |      |
| 4   | TCC (Gui Gang) Cement Ltd.            | Guizhou Kong On Cement Company Limited<br>Guizhou Kaiji Rui An Jian Cai Co., Ltd.<br>TCC Anshun Cement Company Limited  | b<br>b<br>b                | 91,378,539<br>91,378,539<br>91,378,539  | 327,493<br>324,250<br>669,465   | 310,121<br>307,050<br>-   | -<br>-<br>-   | -<br>-<br>-                                | 0.17<br>0.17<br>-   | 182,757,078<br>182,757,078<br>182,757,078   | Yes<br>Yes<br>Yes                                      | No<br>No<br>No   | Yes<br>Yes<br>Yes   |      |
| 5   | TCC Yingde Cement Co., Ltd.           | Guigang Conch - TCC New Material Technology Co., Ltd.   | f                          | 10,657,471  | 133,893   | -   | -   | -  | -   | 21,314,942  | No   | No   | No  | Yes  |
| 6   | Guangan Changxing Cement Company Ltd. | TCC (Hangzhou) Environmental Protection Technology Co., Ltd.<br>TCC Shaoguan Cement Co., Ltd.   | d<br>d                     | 13,355,340<br>13,355,340  | 12,415,424<br>221,704   | 12,101,320<br>216,095   | 2,044,099<br>129,657  | -<br>-                                     | 45.31<br>0.81   | 26,710,680<br>26,710,680  | No<br>No   | No<br>No   | Yes<br>Yes  |      |
| 7   | TCC Dutch                             | Guangan TCC Jinyuan Environmental Protection Technology Co., Ltd.<br>NHOA S.A.  | b<br>b                     | 3,193,607<br>25,938,273   | 288,798<br>1,154,231  | 281,492<br>1,130,705  | 166,247<br>1,129,956  | -<br>1,129,956                             | 4.41<br>2.18  | 6,387,214<br>51,876,546   | No<br>Yes  | No<br>No   | Yes<br>No   |      |

(Continued)





| Holding Company Name                  | Type and Name of Marketable Securities  | Relationship with the Holding Company                                    | Financial Statement Account  | December 31, 2023   |                       | Fair Value  | Note                            |
|---------------------------------------|---|--|--|---|-----------------------|---|---------------------------------|
|                                       |   |  |  | Shares/Units (In Thousands)                               | Carrying Amount       |   |                                 |
| Union Cement Traders Inc.             | Ordinary shares<br>Taishin Financial Holding Co., Ltd.<br>CTCI Corporation<br>Chia Hsin Cement Corporation<br>Videoland Inc.                          | -<br>The parent company serves as director<br>Director of parent company | FVTOCI - current<br>FVTOCI - current<br>FVTOCI - current<br>FVTOCI - non-current | \$ 583,781<br>563,348<br>144,586<br>284,085               | -<br>-<br>-<br>5.6    | \$ 583,781<br>563,348<br>144,586<br>284,085               |                                 |
| TCCI (Group)                          | Ordinary shares<br>Anhui Conch Cement Co., Ltd.<br>Yargoon Co., Ltd.  | -<br>-   | FVTOCI - non-current<br>FVTOCI - non-current                                     | 8,262,242<br>-  | -<br>12.5             | 8,262,242<br>-  |                                 |
| NHQA ENERGY S.R.L.                    | Government bonds<br>Europäische Union<br>Buoni Poliennati Del Tes<br>Spanien, Königreich<br>France (GOVT OF)<br>Italien, Republik<br>Irland, Republik | -<br>-   | FVTPL - current<br>FVTPL - current<br>FVTPL - current<br>FVTPL - current         | 61,551<br>23,678<br>44,453<br>60,516<br>111,379<br>11,928 | -<br>-<br>-<br>-<br>- | 61,551<br>23,678<br>44,453<br>60,516<br>111,379<br>11,928 |                                 |
| ATLANTE S.R.L.                        | Corporate bonds<br>RCI BANQUE SA<br>Goldman Sachs Group Inc.<br>RWE AG  | -<br>-   | FVTPL - current<br>FVTPL - current<br>FVTPL - current                            | 10,249<br>8,013<br>3,465                                  | -<br>-<br>-           | 10,249<br>8,013<br>3,465                                  |                                 |
|                                       | Beneficiary certificates<br>Deutsche Institutional Money plus   | -  | FVTPL - current  | 5,103   | -                     | 5,103   |                                 |
|                                       | Government bonds<br>Buoni Poliennati Del Tes  | -  | FVTPL - non-current  | 278,424   | -                     | 278,424   | \$278,424 thousand were pledged |
| TCC Recycle Energy Technology Company | Preference shares<br>GROUP 14 TECHNOLOGIES, INC.  | -  | FVTOCI - non-current   | 276,345   | 0.3                   | 276,345   |                                 |

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: Refer to Tables 7 and 8 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, 2023

(In Thousands of New Taiwan Dollars)

TABLE 4

| Company Name              | Type and Name of Marketable Securities                       | Financial Statement Account                       | Counterparty | Relationship | Beginning Balance           |               | Acquisition                 |              | Disposal                    |        | Gain on Disposal | Ending Balance (Note 2)          |               |
|---------------------------|--|---|--------------|--------------|-----------------------------|---------------|-----------------------------|--------------|-----------------------------|--------|------------------|----------------------------------|---------------|
|                           |  |   |              |              | Shares/Units (In Thousands) | Amount        | Shares/Units (In Thousands) | Amount       | Shares/Units (In Thousands) | Amount |                  | Other Adjustment (Notes 1 and 3) | Amount        |
| Taiwan Cement Corporation | Shares<br>TCCIH  | Investments accounted for using the equity method | -            | Subsidiary   | 3,471,218                   | \$ 81,991,082 | 263,709                     | \$ 6,299,370 | -                           | \$ -   | \$ -             | 3,734,927                        | \$ 86,425,822 |
| TCCI (HK)                 | TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | Investments accounted for using the equity method | -            | Subsidiary   | -                           | 3,981,157     | -                           | 4,753,700    | -                           | -      | -                | -                                | 8,490,384     |
| TCCIH                     | TCC Dutch  | Investments accounted for using the equity method | -            | Subsidiary   | -                           | -             | 250                         | 8,477,500    | -                           | -      | -                | 250                              | 9,070,476     |
| TCC Dutch                 | TCEH   | Investments accounted for using the equity method | -            | Subsidiary   | 180,001                     | 8,980,951     | 250,000                     | 8,477,500    | -                           | -      | -                | 430,001                          | 16,794,149    |
| TCEH                      | NHQA S.A.  | Investments accounted for using the equity method | -            | Subsidiary   | 16,635                      | 6,043,134     | 224,922                     | 7,027,118    | -                           | -      | -                | 241,557                          | 12,789,693    |
| NHQA S.A.                 | NHQA ENERGY S.R.L.   | Investments accounted for using the equity method | -            | Subsidiary   | 2,000                       | 1,634,271     | 13,000                      | 1,868,900    | -                           | -      | -                | -                                | -             |
|                           | NHQA CORPORATE S.R.L.  | Investments accounted for using the equity method | -            | Subsidiary   | 1,000                       | 177,716       | 11,000                      | 6,490,180    | -                           | -      | -                | 12,000                           | 8,647,339     |
| NHQA CORPORATE S.R.L.     | ATLANTE S.R.L.   | Investments accounted for using the equity method | -            | Subsidiary   | 5,000                       | 489,148       | 7,000                       | 5,776,600    | -                           | -      | -                | 12,000                           | 5,057,115     |
|                           | NHQA ENERGY S.R.L.   | Investments accounted for using the equity method | -            | Subsidiary   | -                           | -             | -                           | -            | -                           | -      | -                | -                                | 3,324,434     |
| ATLANTE S.R.L.            | ATLANTE FRANCE S.A.S.  | Investments accounted for using the equity method | -            | Subsidiary   | 100                         | 23,982        | 29,400                      | 998,494      | -                           | -      | -                | 29,500                           | 720,264       |

Note 1: Including the share of profit and loss of subsidiaries, organizational restructuring and adjustments to shareholder's equity.

Note 2: All intercompany transactions have been eliminated upon consolidation.

Note 3: Due to the adjustment of its investment structure, NHQA S.A. invested in NHQA CORPORATE S.R.L. with the equity of NHQA ENERGY S.R.L.

## 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, 2023

(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             |                                      |
| Taiwan Cement Corporation              | Feng Sheng Enterprise Company Limited<br>TCCIH<br>HKCCL  | Subsidiary<br>Subsidiary<br>Subsidiary                                     | Sales<br>Purchases<br>Sales                      | \$ (702,130)<br>181,194<br>(447,099)       | (3)<br>1<br>(2)     | 65 days<br>30 days<br>By contract   | -<br>-<br>-      | \$ 172,148<br>(22,418)<br>37,100              | 30<br>(2)<br>6             | Note 2<br>Note 2<br>Note 2           |
|  | E.G.C. Cement Corporation  | Subsidiary   | Sales  | (721,508)                                  | (3)                 | 65 days after the end of the day when delivery was made                           | -                | 89,586  | 16                         | Note 2                               |
|  | Taiwan Transport & Storage Corporation<br>Hoping Industrial Port Corporation<br>Ta-Ho Maritime Corporation<br>Ta-Ho Maritime Corporation | Subsidiary<br>Subsidiary<br>Subsidiary<br>Subsidiary                       | Purchases<br>Purchases<br>Purchases<br>Purchases | 656,554<br>351,169<br>1,090,625<br>345,496 | 3<br>2<br>9<br>2    | 30 days<br>20 days<br>30 days<br>30 days  | -<br>-<br>-<br>- | (124,739)<br>(7,383)<br>(305,087)<br>(98,543) | (12)<br>(1)<br>(28)<br>(9) | Note 2<br>Note 2<br>Note 2<br>Note 2 |
|  | Jin Chang Minerals Corporation<br>Kuan-Ho Refractories Industry Corporation<br>Chia Hsin Cement Corporation                              | Subsidiary<br>Subsidiary<br>Director                                       | Purchases<br>Purchases<br>Sales                  | 349,040<br>221,415<br>(556,268)            | 2<br>1<br>(2)       | 30 days<br>By contract<br>65 days after the end of the day when delivery was made | -<br>-<br>-      | (83,350)<br>(122,010)<br>110,880              | (8)<br>(11)<br>19          | Note 2<br>Note 2<br>Note 2           |
|  | China Hi-Ment Corporation  | The Corporation serves as director   | Purchases  | 960,741                                    | 5                   | 60 days   | -                | (290,271)                                     | (27)                       | Note 2                               |
|  | CTCI Corporation   | The Corporation serves as director   | Sales  | (108,997)                                  | -                   | 65 days after the end of the day when delivery was made                           | -                | 15,888  | 3                          | Note 2                               |
| Ho-Ping Power Company                  | CTCI Corporation   | The Corporation serves as director   | Sales  | (137,536)                                  | (1)                 | By contract   | -                | 21,394  | 4                          | Note 2                               |
|  | Hoping Industrial Port Corporation<br>HPC Power Service Corporation  | The same parent company<br>The same parent company                         | Purchases<br>Purchases                           | 1,109,176<br>545,642                       | 6<br>3              | 20 days<br>By contract  | -<br>-           | (28,960)<br>(113,029)                         | (19)<br>(74)               | Note 2<br>Note 2                     |
| Hoping Industrial Port Corporation     | Taiwan Cement Corporation<br>Ho-Ping Power Company<br>Taiwan Transport & Storage Corporation   | Parent company<br>The same parent company<br>The same parent company       | Sales<br>Sales<br>Purchases                      | (351,169)<br>(1,109,176)<br>234,494        | (23)<br>(73)<br>34  | 30 days<br>20 days<br>30 days   | -<br>-<br>-      | 7,383<br>28,960<br>(19,216)                   | 20<br>77<br>(87)           | Note 2<br>Note 2<br>Note 2           |
| Feng Sheng Enterprise Company Limited  | Taiwan Cement Corporation  | Parent company   | Sales  | (181,194)                                  | (5)                 | 30 days   | -                | 22,418  | 100                        | Note 2                               |
|  | Taiwan Cement Corporation  | Parent company   | Purchases  | 702,130                                    | 20                  | 30 days   | -                | (172,148)                                     | (100)                      | Note 2                               |
| Taiwan Transport & Storage Corporation | Taiwan Cement Corporation<br>Hoping Industrial Port Corporation<br>Linyuan Advanced Materials Technology Co., Ltd.                       | Parent company<br>The same parent company<br>Same key management personnel | Sales<br>Sales<br>Sales                          | (656,554)<br>(234,494)<br>(109,566)        | (47)<br>(17)<br>(8) | 30 days<br>30 days<br>30 days   | -<br>-<br>-      | 124,739<br>19,216<br>11,182                   | 78<br>12<br>7              | Note 2<br>Note 2<br>Note 2           |
| Ta-Ho Maritime Corporation             | Taiwan Cement Corporation  | Parent company   | Freight revenue                                  | (1,090,625)                                | (74)                | 30 days   | -                | 305,087                                       | 100                        | Note 2                               |
| TCCIH                                  | Taiwan Cement Corporation  | Parent company   | Service expense                                  | 447,099                                    | 82                  | By contract   | -                | (37,100)                                      | (13)                       | Note 2                               |
| Ho Sheng Mining Co., Ltd.              | Taiwan Cement Corporation  | Parent company   | Sales  | (345,496)                                  | (87)                | 30 days   | -                | 98,543  | 94                         | Note 2                               |
| HPC Power Service Corporation          | Ho-Ping Power Company  | The same parent company  | Sales  | (545,642)                                  | (100)               | By contract   | -                | 113,029                                       | 100                        | Note 2                               |
| TCC (Gui Gang) Cement Ltd.             | TCC (Hangzhou) Environmental Protection Technology Co., Ltd.   | The same ultimate parent company   | Purchases  | 1,674,366                                  | 38                  | By negotiation  | -                | -   | -                          | Note 2                               |
| TCC Yingde Cement Co., Ltd.            | TCC (Hangzhou) Environmental Protection Technology Co., Ltd.   | The same ultimate parent company   | Purchases  | 3,613,351                                  | 37                  | By negotiation  | -                | (427,177)                                     | (31)                       | 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 |                            |
| TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | TCC Yingde Cement Co., Ltd.<br>TCC (Gui Gang) Cement Ltd.<br>TCC Shaoguan Cement Co., Ltd. | The same ultimate parent company<br>The same ultimate parent company<br>The same ultimate parent company | Sales<br>Sales<br>Sales | \$(3,613,351)<br>(1,674,366)<br>(739,153) | (60)<br>(28)<br>(12) | By negotiation<br>By negotiation<br>By negotiation                 | -<br>-<br>- | \$ 427,177<br>-<br>124,875          | 54<br>-<br>16  | Note 2<br>Note 2<br>Note 2 |
| TCC Shaoguan Cement Co., Ltd.                                | TCC (Hangzhou) Environmental Protection Technology Co., Ltd.                               | The same ultimate parent company   | Purchases               | 739,153                                   | 44                   | By negotiation   | -           | (124,875)                           | (2)            | Note 2                     |
| HKCCL  | Taiwan Cement Corporation<br>Quon Hing Concrete Co., Ltd.                                  | Parent company<br>Associate  | Purchases<br>Sales      | 114,792<br>(340,964)                      | 11<br>(26)           | 65 days counting from the completion of shipment<br>By negotiation | -<br>-      | -<br>87,461                         | -<br>29        | Note 2                     |
| E.G.C. Cement Corporation                                    | Taiwan Cement Corporation  | Parent company   | Purchases               | 721,508                                   | 100                  | 50 days after the end of the day when delivery was made            | -           | (89,586)                            | (100)          | Note 2                     |
| Jin Chang Minerals Corporation                               | Taiwan Cement Corporation  | Parent company   | Sales                   | (349,040)                                 | (100)                | 30 days  | -           | 83,350                              | 100            | Note 2                     |
| Kuan-Ho Refractories Industry Corporation                    | Taiwan Cement Corporation  | Parent company   | Sales                   | (221,415)                                 | (22)                 | By contract  | -           | 122,010                             | 85             | Note 2                     |
| E-One Moli Energy Corp.                                      | E-One Moli Energy (Canada) Ltd.<br>Molie Quantum Energy Corporation                        | The same ultimate parent company<br>The same ultimate parent company                                     | Sales<br>Sales          | (1,053,079)<br>(647,239)                  | (19)<br>(12)         | 90 days<br>90 days   | -<br>-      | 158,639<br>171,733                  | 14<br>16       | Note 2<br>Note 2           |
| E-One Moli Energy (Canada) Ltd.                              | E-One Moli Energy Corp.  | The same ultimate parent company   | Purchases               | 1,053,079                                 | 100                  | 90 days  | -           | (158,639)                           | (51)           | Note 2                     |
| NHOA ENERGY S.R.L.   | TCC Energy Storage Technology Corporation<br>TCC Lien-Hsin Green Energy Corporation        | The same ultimate parent company<br>The same ultimate parent company                                     | Sales<br>Sales          | (1,192,820)<br>(2,925,921)                | (26)<br>(65)         | By negotiation<br>By negotiation                                   | -<br>-      | 180,060<br>85,073                   | 18<br>8        | Note 2<br>Note 2           |
| FREE2MOVE ESOLUTIONS NORTH AMERICA LLC                       | Zerova Technologies USA LLC  | The Group acts as key management of its parent company   | Purchases               | 1,071,738                                 | 95                   | By negotiation   | -           | -                                   | -              | Note 2                     |
| Molie Quantum Energy Corporation                             | E-One Moli Energy Corp.  | The same ultimate parent company   | Sales                   | 647,239                                   | 49                   | 90 days  | -           | (171,733)                           | (40)           | Note 2                     |

Note 1: The percentage to total accounts receivable from (payable to) related parties.

Note 2: All intercompany transactions have been eliminated upon consolidation.

(Concluded)

TABLE 6

## TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE SHARE CAPITAL  
DECEMBER 31, 2023  
(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)<br>Chia Hsin Cement Corporation              | Subsidiary<br>Director   | \$ 172,148<br>110,880 | 3.8<br>5.0        | \$ -<br>-   | -<br>-                  | \$ 151,358<br>97,020                  | \$ -<br>-                     |
| E-One Moli Energy Corp.                                      | E-One Moli Energy (Canada) Ltd. (Note)<br>Molie Quantum Energy Corporation (Note) | The same ultimate parent company<br>The same ultimate parent company | 158,639<br>171,733    | 2.9<br>7.5        | -<br>-      | -<br>-                  | 72,302<br>112,091                     | -<br>-                        |
| HPC Power Service Corporation                                | Ho-Ping Power Company (Note)  | The same parent company  | 113,029               | 6.8               | 69,526      | Collection on 2024.2.29 | 43,503                                | -                             |
| Kuan-Ho Refractories Industry Corporation                    | Taiwan Cement Corporation (Note)  | Parent company   | 122,010               | 2.5               | -           | -                       | 71,099                                | -                             |
| Ta-Ho Maritime Corporation                                   | Taiwan Cement Corporation (Note)  | Parent company   | 305,087               | 3.9               | -           | -                       | 186,726                               | -                             |
| Taiwan Transport & Storage Corporation                       | Taiwan Cement Corporation (Note)  | Parent company   | 124,739               | 4.8               | -           | -                       | 66,000                                | -                             |
| NHOA ENERGY S.R.L.   | TCC Energy Storage Technology Corporation<br>(Note)                               | The same ultimate parent company                                     | 180,060               | 13.2              | -           | -                       | 180,060                               | -                             |
| TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | TCC Yingde Cement Co., Ltd. (Note)<br>TCC Shaoguan Cement Co., Ltd. (Note)        | The same ultimate parent company<br>The same ultimate parent company | 427,177<br>124,875    | 7.4<br>5.4        | -<br>23,470 | -<br>-                  | 240,291<br>-                          | -<br>-                        |

Note: All intercompany transactions have been eliminated upon consolidation.

TABLE 7

## TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)

| Investor Company                       | Investee Company                                 | Location               | Main Businesses and Products                                | Original Investment Amount |                   | As of December 31, 2023 |        |                 | Net Income (Loss) of the Investee | Share of Profit (Loss) | Note |
|--|--|------------------------|---|----------------------------|-------------------|-------------------------|--------|-----------------|-----------------------------------|------------------------|------|
|  |  |                        |   | December 31, 2023          | December 31, 2022 | Shares/Units            | %      | Carrying Amount |                                   |                        |      |
| Taiwan Cement Corporation              | TCCI   | British Virgin Islands | Investment holding  | \$ 33,774,761              | \$ 33,774,761     | 1,100,875,900           | 100.00 | \$ 107,653,934  | \$ (22,548)                       | Note 1                 |      |
|  | Ho-Ping Power Company                            | Taiwan                 | Thermal power generation                                    | 6,037,720                  | 6,037,720         | 805,940,306             | 59.50  | 18,357,780      | 4,029,396                         | Note 1                 |      |
|  | Hoping Industrial Port Corporation               | Taiwan                 | Hoping Industrial Port management                           | 3,198,500                  | 3,198,500         | 319,990,000             | 100.00 | 5,671,039       | 613,173                           | Note 1                 |      |
|  | Ta-Ho Maritime Corporation                       | Taiwan                 | Marine transportation                                       | 528,506                    | 528,506           | 204,491,711             | 64.79  | 3,927,045       | 412,831                           | Note 1                 |      |
|  | Taiwan Transport & Storage Corporation           | Taiwan                 | Warehousing, transportation and sale of sand and gravel     | 91,703                     | 91,703            | 52,410,366              | 83.88  | 2,426,867       | 231,721                           | Note 1                 |      |
|  | TCC Investment Corporation                       | Taiwan                 | Investment  | 190,000                    | 190,000           | 239,800,000             | 100.00 | 3,716,324       | 128,836                           | Note 1                 |      |
|  | Ho Sheng Mining Co., Ltd.                        | Taiwan                 | Mining excavation and sale of limestone                     | 1,414,338                  | 1,414,338         | 30,100,000              | 100.00 | 1,386,053       | 6,653                             | Note 1                 |      |
|  | CCC USA Corp.                                    | U.S.A.                 | Rubber raw materials  | 1,284,421                  | 1,284,421         | 79,166                  | 33.33  | 1,850,128       | (51,183)                          | Note 1                 |      |
|  | Taiwan Cement Engineering Corporation            | Taiwan                 | Engineering services  | 321,337                    | 320,514           | 59,748,593              | 99.31  | 730,073         | 5,464                             | Note 1                 |      |
|  | ONYX Ta-Ho Environmental Services Co., Ltd.      | Taiwan                 | Waste collection and treatment                              | 72,000                     | 72,000            | 84,212,462              | 50.00  | 1,678,864       | 1,084,159                         | Note 1                 |      |
|  | Kuan-Ho Refractories Industry Corporation        | Taiwan                 | Production and sale of refractory materials                 | 181,050                    | 181,050           | 52,316,208              | 95.29  | 745,722         | 90,080                            | Note 1                 |      |
|  | Feng Sheng Enterprise Company Limited            | Taiwan                 | Sale of ready-mixed concrete                                | 250,000                    | 250,000           | 27,260,611              | 45.43  | 525,819         | 293,827                           | Note 1                 |      |
|  | TCC Chemical Corporation                         | Taiwan                 | Leasing property and energy technology services             | 1,510,842                  | 1,510,842         | 140,000,000             | 100.00 | 1,566,965       | 179,747                           | Note 1                 |      |
|  | TCC Information Systems Corporation              | Taiwan                 | Information software design                                 | 71,000                     | 71,000            | 14,904,000              | 99.36  | 320,910         | 2,768                             | Note 1                 |      |
|  | Ta-Ho RSEA Environment Co., Ltd.                 | Taiwan                 | Waste collection and treatment                              | 466,200                    | 466,200           | 19,980,000              | 66.60  | 342,638         | 185,341                           | Note 1                 |      |
|  | HKCMCL   | Hong Kong              | Investment holding  | 72,005                     | 72,005            | 38,094                  | 84.65  | 656,357         | 123,437                           | Note 1                 |      |
|  | TCC Green Energy Corporation                     | Taiwan                 | Renewable energy generation                                 | 13,446,046                 | 13,446,046        | 1,350,898,696           | 100.00 | 13,659,764      | 95,870                            | Note 1                 |      |
|  | Jin Chang Minerals Corporation                   | Taiwan                 | Reforestation and sale of limestone                         | 108,042                    | 108,042           | 9,100,000               | 100.00 | 277,635         | 171,499                           | Note 1                 |      |
|  | HPC Power Service Corporation                    | Taiwan                 | Business consulting   | 1,861                      | 1,861             | 6,000                   | 60.00  | 257,313         | 51,852                            | Note 1                 |      |
|  | E.G.C. Cement Corporation                        | Taiwan                 | Sale of cement  | 184,359                    | 184,359           | 8,062,600               | 50.64  | 119,165         | 215,437                           | Note 1                 |      |
|  | Synpac Ltd.                                      | Taiwan                 | Investment  | 70,367                     | 70,367            | 2,700,000               | 25.00  | 7,220           | 24,862                            | Note 1                 |      |
|  | Tung Chen Mineral Corporation                    | Taiwan                 | Afforestation and sale of limestone                         | 1,989                      | 1,989             | 119,997                 | 72.70  | -               | 169                               | In liquidation         |      |
|  | TPMC   | Philippines            | Mining excavation   | 11,880                     | 11,880            | -                       | -      | -               | (13)                              | Note 1                 |      |
|  | TPMC   | Philippines            | Mining excavation   | 2,105                      | 2,105             | 19,996                  | 40.00  | -               | -                                 | Note 1                 |      |
|  | TCCCH  | Cayman Islands         | Investment holding  | 68,467,141                 | 62,167,771        | 3,734,927,496           | 47.29  | 86,425,822      | (1,483,780)                       | Note 1                 |      |
|  | International CSRC Investment Holdings Co., Ltd. | Taiwan                 | Investment  | 3,563,397                  | 3,563,397         | 153,476,855             | 15.59  | 5,660,538       | (77,062)                          | Note 1                 |      |
|  | TCC Dutch  | Netherlands            | Investment holding  | 40,565,050                 | 40,565,030        | 1,179,219               | 82.51  | 42,363,100      | 1,909,575                         | Note 1                 |      |
|  | TCC Recycle Energy Technology Corporation        | Taiwan                 | Investment holding  | 10,461,612                 | 10,431,652        | 1,044,430,628           | 36.71  | 9,990,692       | (571,808)                         | Note 1                 |      |
|  | TCC Sustainable Energy Investment Corporation    | Taiwan                 | Investment holding  | 1,000                      | 1,000             | 100,000                 | 100.00 | 889             | (10)                              | Note 1                 |      |
|  | TCC Energy Storage Technology Corporation        | Taiwan                 | Energy storage equipment manufacturing production and sales | 2,596,000                  | 2,596,000         | 250,600,000             | 100.00 | 2,131,700       | 63,914                            | Note 1                 |      |
|  | Tuo Shan Recycle Technology Company Corporation  | Taiwan                 | Waste collection and treatment                              | 1,000                      | 1,000             | 100,000                 | 100.00 | 935             | (9)                               | Note 1                 |      |
| Taiwan Transport & Storage Corporation | Ta-Ho Maritime Corporation                       | Taiwan                 | Marine transportation                                       | 310,637                    | 303,435           | 92,733,570              | 29.27  | 1,780,849       | 186,836                           | Note 1                 |      |
|  | E.G.C. Cement Corporation                        | Taiwan                 | Sale of cement  | 13,6476                    | 13,6476           | 7,857,400               | 49.36  | 145,513         | 12,271                            | Note 1                 |      |
|  | Tai-Jie Transport & Storage Corporation          | Taiwan                 | Transportation  | 25,000                     | 25,000            | 2,500,000               | 100.00 | 32,704          | 3,509                             | Note 1                 |      |
| TCC Investment Corporation             | Union Cement Traders Inc.                        | Taiwan                 | Import and export trading                                   | 219,450                    | 219,450           | 40,200,000              | 100.00 | 1,262,048       | 2,009                             | Note 1                 |      |
|  | Ho-Ping Power Company                            | Taiwan                 | Thermal power generation                                    | 68,911                     | 68,911            | 6,772,608               | 0.50   | 150,820         | 33,881                            | Note 1                 |      |
|  | Ta-Ho Maritime Corporation                       | Taiwan                 | Marine transportation                                       | 343                        | 343               | 59,140                  | 0.02   | 1,136           | 119                               | Note 1                 |      |
|  | International CSRC Investment Holdings Co., Ltd. | Taiwan                 | Investment  | 388,079                    | 388,079           | 22,008,505              | 2.23   | 805,345         | (11,051)                          | Note 1                 |      |
|  | TCC Recycle Energy Technology Company            | Taiwan                 | Investment holding  | 312,833                    | 312,833           | 31,859,829              | 1.12   | 210,030         | (17,790)                          | Note 1                 |      |
|  | D-concrete INC.,                                 | Taiwan                 | Design and sales of cement and concrete products            | 2,450                      | -                 | 245,000                 | 49.00  | 2,426           | (24)                              | Note 1                 |      |

(Continued)



| Investor Company                      | Investee Company  | Location   | Main Businesses and Products   | Original Investment Amount  |  | As of December 31, 2023   |  |   | Net Income (Loss) of the Investee  | Share of Profit (Loss)   | Note |
|---------------------------------------|---|--|--|---|--|---|--|---|--|--|------|
|                                       |   |  |  | December 31, 2023   | December 31, 2022  | Shares/Units  | %  | Carrying Amount   |  |  |      |
| Ta-Ho Maritime Corporation            | Ta-Ho Maritime Holdings Ltd.  | Samoa  | Investment   | \$ 2,129,164  | \$ 2,129,164   | 74,300,000  | 100.00   | \$ 7,516,494  | \$ 350,046   | Note 1   |      |
| TCC Information Systems Corporation   | Taemem Information (Samoa) Pte., Ltd.<br>International CSRC Investment Holdings Co., Ltd.   | Samoa<br>Taiwan  | Investment<br>Investment   | 3,042<br>49,882   | 3,042<br>49,882  | 100,000<br>2,055,473  | 100.00<br>0.21   | 67,777<br>75,256  | 3,174<br>(1,032)   | Note 1   |      |
| Hoping Industrial Port Corporation    | TCC Recycle Energy Technology Company   | Taiwan   | Investment holding   | 112,898   | 112,898  | 11,695,699  | 0.41   | 77,085  | (6,531)  | Note 1   |      |
| Union Cement Traders Inc.             | Taiwan Transport & Storage Corporation<br>International CSRC Investment Holdings Co., Ltd.<br>TCC Recycle Energy Technology Company   | Taiwan<br>Taiwan<br>Taiwan   | Warehousing, transportation and sale of sand and gravel<br>Investment<br>Investment holding  | 2,612<br>28,1806<br>298,046   | 2,612<br>28,1806<br>298,046  | 419,013<br>11,463,551<br>30,702,994   | 0.67<br>1.16<br>1.08   | 19,401<br>419,709<br>202,403  | 1,554<br>(5,756)<br>(17,143)   | Note 1<br>Note 1<br>Note 1   |      |
| Ho-Ping Power Company                 | Ho-Ping Renewable Energy Company  | Taiwan   | Renewable energy generation  | 1,000   | 1,000  | 100,000   | 100.00   | 992   | -  | Note 1   |      |
| TCC Green Energy Corporation          | TCC Chia-Chien Green Energy Corporation<br>TCC Yun-Kai Green Energy Corporation<br>TCC Lien-Hsin Green Energy Corporation<br>TCC Chang-Ho Green Energy Corporation<br>TCC Kao Cheng Green Energy Corporation<br>TCC Nan Chung Green Energy Corporation<br>Chang-Wang Wind Power Co., Ltd.<br>TCC Ping-Chih Green Energy Corporation<br>Chia-Ho Green Energy Corporation<br>TCC Tung-Li Green Energy Corporation<br>SHI-MEN Green Energy Corporation<br>HO-PING Ocean Renewable Resource Corporation | Taiwan<br>Taiwan<br>Taiwan<br>Taiwan<br>Taiwan<br>Taiwan<br>Taiwan<br>Taiwan<br>Taiwan<br>Taiwan<br>Taiwan<br>Taiwan<br>Taiwan | Renewable energy generation<br>Renewable energy generation<br>Renewable energy generation<br>Renewable energy generation<br>Renewable energy generation<br>Renewable energy generation<br>Renewable energy generation<br>Renewable energy generation<br>Renewable energy generation<br>Renewable energy generation<br>Renewable energy generation<br>Renewable energy generation | 3,202,000<br>25,000<br>4,012,000<br>2,456<br>142,000<br>170,000<br>720,000<br>2,000<br>3,145,000<br>270,000<br>20,000<br>30,000 | 3,202,000<br>25,000<br>4,012,000<br>2,456<br>82,000<br>170,000<br>720,000<br>2,000<br>3,145,000<br>270,000<br>-<br>- | 320,200,000<br>2,500,000<br>401,200,000<br>245,635<br>14,200,000<br>17,000,000<br>72,000,000<br>200,000<br>314,500,000<br>270,000,000<br>1,020,000<br>3,000,000 | 100.00<br>100.00<br>100.00<br>100.00<br>100.00<br>100.00<br>100.00<br>100.00<br>85.00<br>100.00<br>51.00<br>100.00 | 3,227,048<br>22,355<br>4,216,541<br>2,323<br>144,522<br>171,538<br>753,436<br>1,827<br>3,124,055<br>201,701<br>10,162<br>29,945 | 102,216<br>208<br>25,266<br>(23)<br>2,144<br>1,550<br>31,402<br>(25)<br>18,200<br>(41,251)<br>(37)<br>(55) | Note 1<br>Note 1<br>Note 1<br>Note 1<br>Note 1<br>Note 1<br>Note 1<br>Note 1<br>Note 1<br>Note 1<br>Note 1<br>Note 1 |      |
| Ta-Ho Maritime Holdings Ltd.          | THC International S.A.<br>Ta-Ho Maritime (Hong Kong) Limited<br>Ta-Ho Maritime (Singapore) Pte. Ltd.  | Panama<br>Hong Kong<br>Singapore   | Marine transportation<br>Marine transportation<br>Marine transportation  | 2,699,049<br>14,1168<br>2,768   | 2,699,049<br>14,1168<br>2,768  | 94,310,000<br>5,100,000<br>100,000  | 100.00<br>100.00<br>100.00   | 6,408,502<br>1,022,200<br>75,411  | 333,577<br>14,176<br>2,430   | Note 1<br>Note 1<br>Note 1   |      |
| TCC International Ltd. (Group)        | Quon Hing Concrete Co., Ltd.<br>Hong Kong Concrete Co., Ltd.<br>TCC Recycle Energy Technology Company<br>TCC Dutch  | Hong Kong<br>Hong Kong<br>Taiwan<br>Netherlands  | Investment holding<br>Investment holding<br>Investment holding<br>Investment holding   | 157,899<br>24,211<br>11,019,388<br>8,477,500  | 157,899<br>24,211<br>11,019,388<br>-   | 100,000<br>129,150<br>1,101,938,824<br>250,000  | 50.00<br>31.50<br>38.73<br>17.00   | 337,886<br>235,740<br>10,535,672<br>9,070,476   | 250,108<br>64,727<br>(1,560,423)<br>1,909,575  | Note 1<br>Note 1<br>Note 1<br>Note 1   |      |
| TCC Recycle Energy Technology Company | E-One Moli Energy Corp.   | Taiwan   | Manufacturing and sales of lithium battery   | 27,683,427  | 27,683,427   | 2,766,310,703   | 100.00   | 25,596,569  | (1,562,757)  | Note 1   |      |
| E-One Moli Energy Corp.               | E-One Holdings Ltd.<br>Molte Quantum Energy Corporation   | British Virgin Islands<br>Taiwan   | Investment holding<br>Manufacturing and sales of batteries, power generation machinery, electronic components  | 2,060,040<br>22,001,000   | 2,060,040<br>22,001,000  | 65,344,940<br>2,200,100,000   | 100.00<br>100.00   | 458,140<br>21,346,353   | (90,488)<br>(477,770)  | Note 1<br>Note 1   |      |
| E-One Holdings Ltd.                   | E-One Moli Holdings (Canada) Ltd.   | Canada   | Investment holding   | 2,430,170   | 2,430,170  | 23,800  | 100.00   | 458,119   | (90,474)   | Note 1   |      |
| E-One Moli Holdings (Canada) Ltd.     | E-One Moli Energy (Canada) Ltd.   | Canada   | Battery research and development and sales   | 1,917,161   | 1,917,161  | 6,649,200   | 100.00   | 557,241   | (90,490)   | Note 1   |      |
| E-One Moli Energy (Canada) Ltd.       | E-One Moli Quantum Energy (Canada) Ltd.   | Canada   | Manufacturing of lithium battery   | 2,321   | -  | 100   | 100.00   | 2,320   | -  | Note 1   |      |

(Continued)

| Investor Company                          | Investee Company   | Location                                       | Main Businesses and Products  | Original Investment Amount                  |                             | As of December 31, 2023                       |   |  | Net Income (Loss) of the Investee                   | Share of Profit (Loss)                         | Note |
|---|--|--|---|---|-----------------------------|---|---|--|---|--|------|
|   |  |  |   | December 31, 2023                           | December 31, 2022           | Shares/Units                                  | %   | Carrying Amount                              |   |  |      |
| TCC Energy Storage Technology Corporation | Energy Helper TCC Corporation  | Taiwan   | Renewable energy retail and energy technology services  | \$ 10,000                                   | \$ 10,000                   | 1,000,000                                     | 100.00  | \$ 17,650                                    | \$ 8,051  | Note 1   |      |
| TCC Dutch                                 | Cimpor Global Holdings B.V.<br>TCEH  | Netherlands<br>Netherlands                     | Investment holding<br>Investment holding  | 26,255,753<br>19,105,383                    | 26,255,753<br>10,627,883    | 100,000<br>430,001,000                        | 40.00<br>100.00                               | 35,716,009<br>16,794,149                     | 8,900,743<br>(979,467)                              | Note 1   |      |
| TCEH                                      | NHOA S.A.  | France   | Investment holding  | 15,222,396                                  | 7,595,278                   | 241,557,486                                   | 87.78   | 12,789,693                                   | (1,080,001)   | Note 1   |      |
| NHOA S.A.                                 | NHOA ENERGY S.R.L.   | Italy  | Renewable energy and energy storage system construction   | -   | 1,963,292                   | -   | -   | -  | (151,296)   | Notes 1 and 2                                  |      |
|   | ELECTRO POWER SYSTEM MANUFACTURING<br>Comores Energie Nouvelles S.A.R.L.   | Italy<br>Union of the Comoros                  | Renewable energy and energy storage system construction<br>Renewable energy and energy storage system construction  | 664,059<br>-                                | 664,059<br>18,719           | 1,004,255<br>-                                | 100.00<br>-                                   | 234,378<br>-                                 | (1,729)   | Note 1   |      |
|   | NHOA CALLOPE S.R.L.<br>NHOA CORPORATE S.R.L.   | Italy<br>Italy                                 | Investment holding<br>Investment holding  | 9,125,148<br>-                              | 420,706<br>671,676          | 12,000,000<br>-                               | 100.00<br>-                                   | 8,647,339<br>-                               | (298,546)<br>(837,146)                              | Note 1<br>Note 1                               |      |
| NHOA CORPORATE S.R.L.                     | FREE2MOVE ESOLUTIONS S.P.A.<br>NHOA ENERGY S.R.L.  | Italy<br>Italy                                 | Electric vehicle charging equipment<br>Renewable energy and energy storage system construction  | 528,255<br>3,832,192                        | 528,255<br>-                | 16,344,531<br>-                               | 49.90<br>100.00                               | 57,276<br>3,324,434                          | (220,785)<br>(151,296)                              | Note 1<br>Notes 1 and 2                        |      |
| NHOA ENERGY S.R.L.                        | NHOA AMERICAS LLC  | U.S.A.   | Renewable energy and energy storage system construction   | 274   | 274                         | 10,000  | 100.00  | (64,829)                                     | (61,458)  | Note 1   |      |
|   | NHOA AUSTRALIA PTY LTD   | Australia                                      | Renewable energy and energy storage system construction   | 505,225                                     | 505,225                     | 25,210,000                                    | 100.00  | 519,076                                      | 23,355  | Note 1   |      |
|   | NHOA LATAM S.A.C.  | Peru   | Renewable energy and energy storage system construction   | 23  | 23                          | 2,700   | 90.00   | (39,459)                                     | (31,491)  | Note 1   |      |
|   | NHOA Taiwan Ltd.   | Taiwan   | Renewable energy and energy storage system construction   | 8,288                                       | -                           | 250,000                                       | 100.00  | (20,543)                                     | (20,724)  | Note 1   |      |
|   | NHOA UK LTD  | UK   | Renewable energy and energy storage system construction   | 3,315                                       | -                           | 100,000                                       | 100.00  | (14,199)                                     | (20,791)  | Note 1   |      |
| NHOA AMERICAS LLC                         | Comores Energie Nouvelles S.A.R.L.<br>NHOA LATAM S.A.C.  | Union of the Comoros<br>Peru                   | Independent power plants<br>Renewable energy and energy storage system construction   | 18,719<br>3                                 | -<br>3                      | 100<br>300                                    | 100.00<br>10.00                               | (6,433)<br>(3,946)                           | -<br>(3,499)  | Notes 1 and 2<br>Note 1                        |      |
| NHOA CORPORATE S.R.L.                     | ATLANTE S.R.L.   | Italy  | Renewable energy and charging equipment   | 6,672,736                                   | 896,136                     | 12,000,000                                    | 100.00  | 5,057,115                                    | (621,139)   | Note 1   |      |
| ATLANTE S.R.L.                            | ATLANTE IBERIA S.L.<br>ATLANTE FRANCE S.A.S.<br>ATLANTE INFRA PORTUGAL S.A.<br>ATLANTE ITALIA S.R.L.<br>ALPIS S.A.S. | Spain<br>France<br>Portugal<br>Italy<br>France | Renewable energy and charging equipment<br>Renewable energy and charging equipment<br>Renewable energy and charging equipment<br>Renewable energy and charging equipment<br>Renewable energy and charging equipment | 128<br>1,001,686<br>174,326<br>158,738<br>3 | 128<br>3,192<br>-<br>-<br>- | 4,000<br>29,500,000<br>84,000<br>831,090<br>3 | 100.00<br>100.00<br>60.00<br>100.00<br>100.00 | 126,230<br>720,264<br>11,611<br>831,090<br>3 | (113,807)<br>(201,162)<br>(16,435)<br>(57,550)<br>- | Note 1<br>Note 1<br>Note 1<br>Note 1<br>Note 1 |      |
| ATLANTE IBERIA S.L.                       | ATLANTE Fast Charging Portugal LDA   | Portugal                                       | Renewable energy and charging equipment   | 131   | 131                         | 1,000   | 100.00  | (1,545)                                      | (6,639)   | Note 1   |      |
| FREE2MOVE ESOLUTIONS S.P.A.               | FREE2MOVE ESOLUTIONS FRANCE S.A.S.<br>FREE2MOVE ESOLUTIONS SPAIN S.L.U.  | France<br>Spain                                | Electric vehicle charging equipment<br>Electric vehicle charging equipment  | 1,553<br>3,126                              | 1,553<br>3,126              | 100,000<br>100,000                            | 100.00<br>100.00                              | (18,241)<br>(11,153)                         | (15,312)<br>(7,866)                                 | Note 1<br>Note 1                               |      |
| FREE2MOVE ESOLUTIONS AMERICA LLC          | FREE2MOVE ESOLUTIONS NORTH AMERICA LLC   | U.S.A.   | Electric vehicle charging equipment   | 3,071                                       | 3,071                       | 100,000                                       | 100.00  | 355,564                                      | 409,802   | Note 1   |      |
| FREE2MOVE ESOLUTIONS UK LTD               | FREE2MOVE ESOLUTIONS UK LTD  | UK   | Electric vehicle charging equipment   | 3,709                                       | 3,709                       | 100,000                                       | 100.00  | -  | 914   | Note 1   |      |

Note 1: All intercompany transactions have been eliminated upon consolidation.

Note 2: Due to the change in the Group's strategic development and operating arrangements, the Consolidated Corporation proceeded with an organizational restructuring by transferring the equity interests of NHOA ENERGY S.R.L. and Comores Energie Nouvelles S.A.R.L. held by NHOA S.A. to NHOA CORPORATE S.R.L. and NHOA ENERGY S.R.L., respectively, in 2023.

(Concluded)

**TAIWAN CEMENT CORPORATION AND SUBSIDIARIES**

INFORMATION ON INVESTMENT IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)

| Investee Company   | Main Businesses and Products   | Share Capital | Method of Investment (Note 1) | Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 (Note 2) | Investment Flow (Note 2) |        | Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023 (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, 2023 (Note 3) | Accumulated Repatriation of Investment Income as of December 31, 2023 | Note   |
|--|--|---------------|-------------------------------|--|--------------------------|--------|--|-----------------------------------|--|---------------------------------|--|---|--------|
|  |  |               |                               |  | Outflow                  | Inflow |  |                                   |  |                                 |  |   |        |
| TCC Fuzhou Cement Co., Ltd.                                      | Manufacturing and sale of cement                                       | \$ 498,956    | (b)                           | \$ 281,910   | \$ -                     | \$ -   | \$ 281,910   | \$ (100,127)                      | 100.00                                       | \$ (100,127)                    | \$ 566,037                                       | \$ -  | Note 6 |
| TCC Fuzhou Yangyu Port Co., Ltd.                                 | Service of port facility   | 153,525       | (b)                           | 86,742   | -                        | -      | 86,742   | 6,148                             | 100.00                                       | 6,148                           | 227,188  | -   | Note 6 |
| TCC Luzhou Construction Materials Company Limited                | Manufacturing and sale of slag powder                                  | 414,518       | (b)                           | 99,484   | -                        | -      | 99,484   | (13,646)                          | 42.00  | (13,646)                        | 341,032  | -   | Note 6 |
| TCC Yingde Cement Co., Ltd.                                      | Manufacturing and sale of cement                                       | 7,811,352     | (b)                           | 4,880,898  | -                        | -      | 4,880,898  | 511,570                           | 100.00                                       | 511,570                         | 25,895,354                                       | -   | Note 6 |
| Jiangsu TCC Cement Co., Ltd.                                     | Manufacturing and sale of cement                                       | 7,154,265     | (b)                           | 4,175,726  | -                        | -      | 4,175,726  | (84,380)                          | 100.00                                       | (84,380)                        | 17,721,737                                       | -   | Note 6 |
| TCC (Gui Gang) Cement Ltd.                                       | Manufacturing and sale of cement                                       | 10,220,955    | (b)                           | 7,310,857  | -                        | -      | 7,310,857  | (1,432,115)                       | 100.00                                       | (1,432,115)                     | 21,314,942                                       | -   | Note 6 |
| Jiangsu TCC Investment Co., Ltd.                                 | Investment holding   | 1,535,250     | (b)                           | 867,416  | -                        | -      | 867,416  | (59,899)                          | 100.00                                       | (59,899)                        | 3,945,839  | -   | Note 6 |
| Yingde Dagon Mountain Cement Co., Ltd.                           | Manufacturing and sale of cement                                       | 1,852,432     | (b)                           | 3,335,580  | -                        | -      | 3,335,580  | 406,875                           | 100.00                                       | 406,875                         | 15,883,173                                       | -   | Note 6 |
| TCC Liaoning Cement Company Limited                              | Manufacturing and sale of cement                                       | 1,605,317     | (b)                           | 1,368,875  | -                        | -      | 1,368,875  | (44,728)                          | 100.00                                       | (44,728)                        | 1,717,422  | -   | Note 6 |
| TCC Anshan Cement Company Limited                                | Manufacturing and sale of cement                                       | 4,712,910     | (b)                           | 3,433,617  | -                        | -      | 3,433,617  | (1,923)                           | 100.00                                       | (1,923)                         | 7,198,423  | -   | Note 6 |
| TCC Changqing Cement Company Limited                             | Manufacturing and sale of cement                                       | 3,623,190     | (b)                           | 2,619,792  | -                        | -      | 2,619,792  | 106,003                           | 100.00                                       | 106,003                         | 9,613,022  | -   | Note 6 |
| Jiangsu TCC Investment Co., Ltd.                                 | Manufacturing and sale of cement                                       | 2,065,978     | (b)                           | 1,162,867  | -                        | -      | 1,162,867  | 242,291                           | 100.00                                       | 242,291                         | 6,387,214  | -   | Note 6 |
| TCC (Dong Guan) Cement Company Limited                           | Manufacturing and sale of cement                                       | 623,312       | (b)                           | 316,956  | -                        | -      | 316,956  | (18,272)                          | 65.00  | (18,272)                        | 222,722  | -   | Note 6 |
| Guangdong TCC Investment Co., Ltd.                               | Manufacturing and sale of cement                                       | 245,640       | (b)                           | 280,956  | -                        | -      | 280,956  | (17,787)                          | 100.00                                       | (17,787)                        | 138,787  | -   | Note 6 |
| TCC New (Hui Hai) Cement Company Limited                         | Manufacturing and sale of cement                                       | 623,312       | (b)                           | 316,956  | -                        | -      | 316,956  | (18,272)                          | 65.00  | (18,272)                        | 222,722  | -   | Note 6 |
| Guizhou Kaiji Rui An Jian Co., Ltd.                              | Operation and maintenance  | 1,785,234     | (b)                           | 708,135  | -                        | -      | 708,135  | 180,672                           | 30.00  | 180,672                         | 805,971  | -   | Note 3 |
| TCC Shuanggan Cement Co., Ltd.                                   | Manufacturing and sale of cement                                       | 1,785,234     | (b)                           | 708,135  | -                        | -      | 708,135  | 180,672                           | 30.00  | 180,672                         | 805,971  | -   | Note 3 |
| TCC Huaihua Cement Company Limited                               | Manufacturing and sale of cement                                       | 865,400       | (b)                           | 353,990  | -                        | -      | 353,990  | 106,178                           | 30.00  | 106,178                         | 582,526  | -   | Note 6 |
| TCC Jiangsu Concrete Company Limited (Note 4)                    | Manufacturing and sale of cement                                       | 86,540        | (b)                           | 353,990  | -                        | -      | 353,990  | 31,854                            | 30.00  | 31,854                          | (165,570)  | -   | Note 6 |
| TCC Huanan New material Co., Ltd.                                | Manufacturing and sale of cement                                       | 67,069        | (b)                           | 48,327   | -                        | -      | 48,327   | -                                 | 50.00  | -                               | -  | -   | Note 6 |
| Guangdong TCC Dong Yuan Environmental Technology Company Limited | Dangerous waste treatment  | 865,400       | (b)                           | 506,259  | -                        | -      | 506,259  | (11,753)                          | 100.00                                       | (11,753)                        | 983,748  | -   | Note 6 |
| Beijing TCC Environmental Technology Co., Ltd.                   | Technology development, enterprise management and sales                | 25,962        | (b)                           | 25,962   | -                        | -      | 25,962   | (29,595)                          | 100.00                                       | (29,595)                        | (132,997)  | -   | Note 6 |
| TCC (Hangzhou) Environmental Protection Technology Co., Ltd.     | Recycle resource technology development, business management and sales | 12,072,330    | (b)                           | 7,312,630  | -                        | -      | 7,312,630  | 9,435                             | 100.00                                       | 9,435                           | 11,334,054                                       | -   | Note 6 |
| Kaifeng TCC Environment Technology Co., Ltd.                     | Waste collection and treatment   | 207,696       | (b)                           | 12,981   | -                        | -      | 12,981   | 19,357                            | 100.00                                       | 19,357                          | 120,464  | -   | Note 6 |
| TCC Juyuan (Xuyong) Environmental Technology Co., Ltd.           | Technology development, enterprise management and sales                | 17,308        | (b)                           | 9,519  | -                        | -      | 9,519  | 132                               | 30.00  | 132                             | 5,225  | -   | 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, 2023 (Note 2) | Investment Flow (Note 2) |         | Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023 (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, 2023 (Note 3) | Accumulated Repatriation of Investment Income as of December 31, 2023 | Note   |
|---|--|---------------|-------------------------------|--|--------------------------|---------|--|-----------------------------------|--|---------------------------------|--|---|--------|
|   |  |               |                               |  | Outflow                  | Inflow  |  |                                   |  |                                 |  |   |        |
| Guangdong TCC Juyuan Environmental Protection Technology Co., Ltd.    | Technology development, enterprise management and sales  | \$ 129,810    | (b)                           | \$ -   | \$ -                     | \$ -    | \$ -   | \$ 3,600                          | 70.00  | \$ 2,520                        | \$ 91,537  | \$ -  | Note 6 |
| TCC (Hangzhou) Recycle Resource Technology Limited                    | Resource recycling technology development, business management and sales   | 2,423,120     | (b)                           | -  | -                        | -       | -  | 39,258                            | 100.00                                       | 39,258                          | 2,519,636  | -   | Note 6 |
| Guangdong Conch-TCC New Material Technology Co., Ltd.                 | Technology development and service, manufacturing and sale of dedicated mineral production   | 103,848       | (b)                           | -  | -                        | -       | -  | 221,755                           | 40.00  | 88,702                          | 175,975  | -   | Note 6 |
| Jiangsu TCC Environmental Co., Ltd.                                   | Dangerous waste treatment  | 1,116,150     | (b)                           | -  | -                        | -       | -  | 21,480                            | 100.00                                       | 21,480                          | 1,138,238  | -   | Note 6 |
| Bin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.   | Manufacturing and sale of cement, technology development, enterprise management and sales  | 1,730,800     | (b)                           | -  | -                        | 472,605 | 472,605  | (124,311)                         | 40.00  | (49,724)                        | 543,551  | -   | Note 6 |
| TCC Yoneng (Hangzhou) Renewable Resources Technology Co., Ltd.        | Resource reusing technology and development, solid waste treatment, biomass fuel processing and sales  | 51,924        | (b)                           | -  | -                        | -       | -  | (64)                              | 100.00                                       | (64)                            | 61,186   | -   | Note 6 |
| TCC Yoneng (Hangzhou) Renewable Resources Development Co., Ltd.       | Resource regeneration technology research and development, solid waste treatment, biomass fuel processing and sales  | 25,962        | (b)                           | -  | -                        | -       | -  | (15,578)                          | 100.00                                       | (15,578)                        | (23,265)   | -   | Note 6 |
| TCC Yoneng (Hangzhou) Environmental Protection Technology Co., Ltd.   | Resource recycling technology consultation, biomass energy technology and fuel sales, solid waste treatment  | 4,327         | (b)                           | -  | -                        | -       | -  | (400)                             | 100.00                                       | (400)                           | 3,865  | -   | Note 6 |
| TCC Yoneng (Hangzhou) Environmental Technology Co., Ltd.              | Resource recycling technology consultation, solid waste treatment, biomass fuel sales  | 4,327         | (b)                           | -  | -                        | -       | -  | 10                                | 100.00                                       | 10                              | 4,331  | -   | Note 6 |
| TCC (Shaoguan) Environment Technology Co., Ltd.                       | Biomass fuel processing and sales, solid waste treatment, urban and kitchen waste treatment  | 4,327         | (b)                           | -  | -                        | -       | -  | -                                 | 100.00                                       | -                               | 4,334  | -   | Note 6 |
| TCC Zhongrun (Anshun) Environmental Technology Co., Ltd.              | Co-processing fly ash disposal and domestic waste fly ash in Cement Kiln   | 103,848       | (b)                           | -  | -                        | -       | -  | -                                 | 65.00  | -                               | 67,422   | -   | Note 6 |
| TCC Zhibe (Hangzhou) Environmental Protection Co., Ltd.               | Resource recycling, environmental protection, solid waste treatment, business management and sales related businesses  | 177,407       | (b)                           | -  | -                        | -       | -  | 4,315                             | 100.00                                       | 4,315                           | 104,726  | -   | Note 6 |
| TCC (Guangdong) Renewable Resources Technology Company Limited        | Resource recycling research and experimental development, sales of renewable resources, municipal solid waste operating services, various engineering construction activities and hazardous waste management | 21,635        | (b)                           | -  | -                        | -       | -  | (15,897)                          | 100.00                                       | (15,897)                        | (27,983)   | -   | Note 6 |
| Jiangsu Environmental Resources Tee Solid Waste Disposal Co., Ltd.    | Municipal solid waste operating services, various engineering construction activities and hazardous waste management   | 25,962        | (b)                           | -  | -                        | -       | -  | 3,891                             | 49.00  | 1,907                           | 14,577   | -   | Note 6 |
| 123 (Guangdong) Environmental Protection Technology Co., Ltd.         | Environmental protection material processing and related services  | 25,962        | (b)                           | -  | -                        | -       | -  | (13,935)                          | 100.00                                       | (13,935)                        | (19,575)   | -   | Note 6 |
| Chongqing Xuanjie Taini Environmental Protection Technology Co., Ltd. | Biomass fuel processing and sales, processing and sales of renewable resources, etc.   | 51,924        | (b)                           | -  | -                        | -       | -  | (304)                             | 49.00  | (149)                           | 25,267   | -   | Note 6 |
| TCC Zhongxin (Anshun) Renewable Resources Technology Company Limited  | Crop straw treatment and processing and utilization services   | 25,962        | (b)                           | -  | -                        | -       | -  | -                                 | 51.00  | -                               | 13,225   | -   | Note 6 |

| Accumulated Investment in Mainland China as of December 31, 2023 | Investment Amounts Authorized by Investment Commission, MOEA | Upper Limit on Investment |
|--|--|---------------------------|
| \$90,025,247   | \$90,717,335   | (Note 7)                  |

Note 1: The method of investments were as follows:

- a. Direct investment in mainland companies.
- b. Investments in mainland China companies were through a company invested and established in a third region.

Note 2: Including outward remittance from offshore subsidiaries.

Note 3: Investment gain (loss) was based on the associates' audited financial statements except Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd. and Baoshun Kungang & K. Wah Cement Construction Materials Co., Ltd. The Group considers that there would be no significant adjustments if such financial statements were to be audited.

Note 4: As of December 31, 2023, 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.

(Continued)

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 2023 stating that the Corporation is not limited by the restriction on the accumulated percentage of investment in mainland China.

B. Refer to Tables 1, 2, 5, 6 and 9 for the information about significant transactions with investees in the mainland China either directly or indirectly through a third area.

(Concluded)

**TABLE 9**

**TAIWAN CEMENT CORPORATION AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(In Thousands of New Taiwan Dollars)

| No. | Investee Company                       | Counterparty  | Relationship<br>(Note 1)                                   | Transactions Details   |   |   | % of Total<br>Sales or Assets  |
|-----|--|---|--|--|---|---|--|
|     |  |   |  | Financial Statement Account  | Amount  | Payment Terms   |  |
| 0   | Taiwan Cement Corporation              | Feng Sheng Enterprise Company Limited<br><br>Taiwan Transport & Storage Corporation<br><br>Hoping Industrial Port Corporation<br>Ho Sheng Mining Co., Ltd.<br>Jin Chang Minerals Corporation<br>Kuan-Ho Refractories Industry Corporation<br><br>TCCIH<br>HKCCCL<br>Ta-Ho Maritime Corporation<br><br>E.G.C. Cement Corporation | 1<br><br>1<br><br>1<br>1<br>1<br>1<br><br>1<br>1<br>1<br>1 | Operating revenue<br>Operating costs and expenses<br>Accounts receivable from related parties<br>Operating costs and expenses<br>Accounts payable to related parties<br>Operating costs and expenses<br>Operating costs and expenses<br>Operating costs and expenses<br>Operating costs and expenses<br>Accounts payable to related parties<br>Operating revenue<br>Operating costs and expenses<br>Accounts payable to related parties<br>Lease liabilities - non-current | \$ 702,130<br>181,194<br>172,148<br>656,554<br>124,739<br>351,169<br>345,496<br>349,040<br>221,415<br>122,010<br>447,099<br>114,792<br>1,690,127<br>305,087<br>721,508<br>204,256 | 65 days<br>30 days<br>65 days<br>30 days<br>30 days<br>20 days<br>30 days<br>30 days<br>30 days<br>By contract<br>By contract<br>By contract<br>65 days after the end of the day when shipment was made<br>30 days<br>30 days<br>50 days after the end of the day when delivery was made<br>By contract | 0.6<br>0.2<br>-<br>0.6<br>-<br>0.3<br>0.3<br>0.3<br>0.2<br>-<br>0.4<br>0.1<br>1.5<br>0.1<br>0.7<br>- |
| 1   | Ho-Ping Power Company                  | Hoping Industrial Port Corporation<br>HPC Power Service Corporation   | 3<br>3   | Operating costs and expenses<br>Operating costs and expenses<br>Accounts payable to related parties  | 1,109,176<br>545,642<br>113,029   | 20 days<br>By contract<br>By contract   | 1.0<br>0.5<br>-  |
| 2   | Taiwan Transport & Storage Corporation | Hoping Industrial Port Corporation  | 3  | Operating revenue  | 234,494   | 30 days   | 0.2  |
| 3   | E-One Moli Energy Corp.                | E-One Moli Energy (Canada) Ltd.<br><br>Molie Quantum Energy Corporation   | 3<br>3   | Operating revenue<br>Accounts receivable from related parties<br>Operating revenue<br>Accounts receivable from related parties   | 1,053,079<br>158,639<br>647,239<br>171,733  | 90 days<br>90 days<br>90 days<br>90 days  | 1.0<br>-<br>0.6<br>-   |
| 4   | Molie Quantum Energy Corporation       | Taiwan Cement Corporation   | 2  | Lease liabilities - non-current  | 1,109,769   | By negotiation  | 0.2  |

(Continued)

| No. | Investee Company   | Counterparty  | Relationship (Note 1) | Transactions Details   |  |  | % of Total Sales or Assets         |
|-----|--|---|-----------------------|--|--|--|------------------------------------|
|     |  |   |                       | Financial Statement Account  | Amount   | Payment Terms  |                                    |
| 5   | NHOA ENERGY S.R.L.   | TCC Lien-Hsin Green Energy Corporation<br>TCC Energy Storage Technology Corporation           | 3<br>3                | Operating revenue<br>Operating revenue   | \$ 2,925,921<br>1,192,820  | By negotiation<br>By negotiation   | 2.7<br>1.1                         |
| 6   | TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | TCC Yingde Cement Co., Ltd.<br>TCC (Gui Gang) Cement Ltd.<br>TCC Shaoguan Cement Co., Limited | 3<br>3<br>3           | Accounts receivable from related parties<br>Operating revenue<br>Accounts receivable from related parties<br>Operating revenue<br>Accounts receivable from related parties | 180,060<br>3,613,351<br>427,177<br>1,674,366<br>739,153<br>124,875 | By negotiation<br>By negotiation<br>By negotiation<br>By negotiation<br>By negotiation<br>By negotiation | -<br>3.3<br>0.1<br>1.5<br>0.7<br>- |
| 7   | TCC Lien-Hsin Green Energy Corporation                       | NHOA ENERGY S.R.L.<br>TCC Energy Storage Technology Corporation                               | 3<br>3                | Property, plant and equipment - property in construction<br>Property, plant and equipment - property in construction   | 2,619,503<br>265,000   | By contract<br>By contract   | 0.6<br>0.1                         |
| 8   | TCC Energy Storage Technology Corporation                    | NHOA ENERGY S.R.L.  | 3                     | Property, plant and equipment - property in construction   | 1,037,542  | By contract  | 0.2                                |
| 9   | TCC Green Energy Corporation                                 | TCC Energy Storage Technology Corporation   | 3                     | Property, plant and equipment - property in construction   | 146,675  | By contract  | -                                  |

Note 1: All intercompany transactions have been eliminated upon consolidation. The directional flow of the investment relationship is represented by the following numerals:

- a. From parent to subsidiary: 1
- b. From subsidiary to parent: 2
- c. Between subsidiaries: 3

Note 2: This table includes transactions for amounts exceeding \$100 million.

(Concluded)

## TAIWAN CEMENT CORPORATION

### NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (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 27, 2024.

#### 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 “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have any material impact on the Corporation’s accounting policies.

Amendments to IAS 12 “International Tax Reform - Pillar Two Model Rules”

The amendments introduce a temporary exception to the requirements in IAS 12 by stipulating that the Corporation should neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendments also require the Corporation to disclose that it has applied the exception and separately disclose its current tax expense (income) related to Pillar Two income taxes. In addition, for periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, the Corporation should disclose qualitative and quantitative information that helps users of financial statements understand the Corporation’s exposure to Pillar Two income taxes. The requirement that the Corporation apply the exception and the requirement to disclose that fact are applied immediately and retrospectively upon issuance of the amendments. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.



- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

| <u>New, Amended and Revised Standards and Interpretations</u>                 | <u>Effective Date Announced by IASB (Note 1)</u> |
|---|--|
| Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”              | January 1, 2024 (Note 2)                         |
| Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” | January 1, 2024                                  |
| Amendments to IAS 1 “Non-current Liabilities with Covenants”                  | January 1, 2024                                  |
| Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”                | January 1, 2024 (Note 3)                         |

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the financial statements were authorized for issue, the Corporation has assessed that the application of other standards and interpretations will not have a material impact on the Corporation’s financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

| <u>New, Amended and Revised Standards and Interpretations</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 21 “Lack of Exchangeability”   | January 1, 2025 (Note 2)                         |

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: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the financial statements were authorized for issue, the Corporation is continuously assessing the possible impact of the application of other standards and interpretations on the Corporation’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### 4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

- 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 basis on of the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs on an asset or liability.

When preparing its financial statements, the Corporation used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in its financial statements to be the same as the amounts attributable to the owners of the Corporation in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, share of profit or loss of subsidiaries and associates, share of other comprehensive income of subsidiaries and associates and related equity items, as appropriate, in these financial statements.

- c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Corporation does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

In preparing the Corporation's financial statements, transactions in currencies other than the Corporation's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purpose of presenting the financial statements, the functional currencies of the Corporation and its foreign operations (including subsidiaries and associates in other countries that use currencies that are different from the currency of the Corporation) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., a disposal of the Corporation's entire interest in a foreign operation or a disposal involving the loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Corporation losing control over the subsidiary, the proportionate share of accumulated exchange differences is included in the calculations involved in the equity-method transaction but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

Inventories consist of raw materials, supplies, finished goods and work in process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost at the end of the reporting period.

f. Investments in subsidiaries

The Corporation uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Corporation.

Under the equity method, investments in a subsidiary are initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the subsidiary. The Corporation also recognizes the changes in the Corporation's share of the equity of its subsidiaries.

Changes in the Corporation's ownership interest in a subsidiary that do not result in the Corporation losing control of the subsidiary are equity accounted for as transactions. The Corporation recognizes directly in equity any difference between the carrying amount of such investments and the fair value of the consideration paid or received.

When the Corporation's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Corporation's net investment in the subsidiary), the Corporation continues recognizing its share of further losses.

Any excess of the cost of an acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of the acquisition is recognized immediately in profit or loss. When the Corporation acquires a subsidiary that does not constitute a business, the Corporation appropriately allocates the cost of acquisition to the Corporation's share of the amounts of the identifiable assets acquired (including intangible assets) and liabilities assumed, and the transaction does not give rise to goodwill nor gains.

The Corporation assesses its investments for any impairment by comparing the respective carrying amounts with the estimated recoverable amounts as assessed based on the entire financial statements of its investee companies. Impairment loss is recognized when the carrying amount of any such investment exceeds the recoverable amount. If the recoverable amount of an investment subsequently increases, the Corporation recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Corporation loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, the Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Corporation had directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full only in the Corporation's parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the Corporation's financial statements only to the extent of interests in the subsidiaries that are not related to the Corporation.

g. Investments in associates

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The Corporation uses the equity method to account for its investments in associates. Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the associate. The Corporation also recognizes the changes in the Corporation's share of the equity of associates.

Any excess of the cost of an acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of the acquisition, after reassessment, is recognized immediately in profit or loss.

When the Corporation subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Corporation's proportionate interest in that associate. The Corporation records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus - changes in the Corporation's share of equity of associates. If the Corporation's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Corporation's share of losses of an associate equals or exceeds its interest in that associate, the Corporation discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Corporation has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any assets, including goodwill, that form part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Corporation discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on its initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture, the Corporation continues to apply the equity method and does not remeasure the retained interest.

When the Corporation transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Corporation's financial statements only to the extent that interests in the associate are related to the Corporation.

#### h. Property, plant and equipment

Property, plant and equipment are initially stated and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

#### i. Investment properties

Investment properties are properties held to earn rentals or for capital appreciation and land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

For a transfer of classification from investment properties to property, plant and equipment, the deemed cost of an item of property for subsequent accounting is its carrying amount at the commencement of owner-occupation. On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

#### j. Intangible assets

##### 1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

##### 2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

#### k. Impairment of property, plant and equipment, right-of-use assets, intangible assets other than goodwill

At the end of each reporting period, the Corporation reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets, excluding goodwill, in order to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of an asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount (less amortization expenses or depreciation expenses) that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.



## I. 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 26.

##### ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents and trade receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

- ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties

Cash equivalents include time deposits and bonds with repurchase agreements with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

##### iii. Investments in equity instruments at FVTOCI

On initial recognition, the Corporation may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Corporation's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investments.

### b) Impairment of financial assets

The Corporation recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Corporation always recognizes lifetime expected credit losses (ECLs) for accounts receivable. For all other financial instruments, the Corporation recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Corporation measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.



Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, without considering the collateral held, the Corporation determines that a financial asset is in default when internal or external information show that the debtor is unlikely to pay its creditors, unless there is reasonable and corroborative information to support a more lagged default criterion.

The Corporation recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

#### c) Derecognition of financial assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

### 2) Equity instruments

Debt and equity instruments issued by the Corporation are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Corporation are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Corporation's own equity instruments is recognized in and deducted directly from equity, the carrying amount of equity instruments should be calculated using the weighted-average method of stock type. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Corporation's own equity instruments.

### 3) Financial liabilities

#### a) Subsequent measurement

Except for financial liabilities at FVTPL, all financial liabilities are carried at amortized cost using the effective interest method.

Financial liabilities are classified as at fair value through profit or loss when any such financial liability is held for trading. Financial liabilities held for trading are stated at fair value, with any gains or losses arising on remeasurement recognized in other gains or losses. Fair value is determined in the manner described in Note 26.

#### b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in other profit or loss.

### 4) Convertible bonds

The component parts of compound instruments (i.e. convertible bonds) issued by the Corporation are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

### 5) Derivative financial instruments

The Corporation enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

### m. Revenue recognition

The Corporation identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods is recognized when the goods are delivered to customer'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. Government grants

Government grants are not recognized until there is reasonable assurance that the Corporation 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 Corporation 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

q. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service costs and net interest on the net defined benefit assets are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit assets represent the actual deficit (surplus) in the Corporation's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for a defined benefit plan except that remeasurement is recognized in profit or loss.

r. 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.

s. 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.

When developing material accounting estimates, the Corporation considers the possible impact of climate change and related government policies and regulations on the cash flow projection, growth rate, discount rate, profitabilities and other relevant material estimates. The estimates and the 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**

|  | <b>December 31</b>  |                     |
|--|---------------------|---------------------|
|  | <b>2023</b>         | <b>2022</b>         |
| Cash on hand   | \$ 1,146            | \$ 1,236            |
| Checking accounts and demand deposits                      | 839,977             | 3,044,369           |
| Cash equivalents   |                     |                     |
| Time deposits with original maturities of 3 months or less | -                   | 1,197,690           |
| Bonds with repurchase agreements                           | <u>675,510</u>      | <u>-</u>            |
|  | <u>\$ 1,516,633</u> | <u>\$ 4,243,295</u> |

The market rate intervals of cash in banks and bonds with repurchase agreements at the end of the reporting period were as follows:

|                                  | December 31 |             |
|----------------------------------|-------------|-------------|
|                                  | 2023        | 2022        |
| Cash in banks                    | 0.01%-4.30% | 0.01%-4.05% |
| Bonds with repurchase agreements | 5.50%       | -           |

Financial assets at amortized cost are mainly pledged time deposits with original maturities of more than 3 months:

|  | December 31       |                   |
|--|-------------------|-------------------|
|  | 2023              | 2022              |
| Non-current (included in other non-current assets) | <u>\$ 499,937</u> | <u>\$ 499,905</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:

|  | December 31 |             |
|--|-------------|-------------|
|  | 2023        | 2022        |
|  | 0.23%-1.59% | 0.10%-1.47% |

Refer to Note 28 for information relating to pledged financial assets at amortized cost.

#### 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

|  | December 31       |                   |
|--|-------------------|-------------------|
|  | 2023              | 2022              |
| <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  | \$ 1,347          | \$ -              |
| Non-derivative financial assets                          |                   |                   |
| Domestic listed shares                                   | 231,127           | 164,774           |
| Domestic emerging market shares                          | <u>108,582</u>    | <u>95,145</u>     |
|  | <u>\$ 341,056</u> | <u>\$ 259,919</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>\$ -</u>       | <u>\$ 641,522</u> |

#### 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

|                                | December 31         |                     |
|--------------------------------|---------------------|---------------------|
|                                | 2023                | 2022                |
| <u>Current</u>                 |                     |                     |
| Domestic investments           |                     |                     |
| Listed shares                  | \$ 4,302,705        | \$ 3,578,378        |
| Convertible preference shares  | <u>30,889</u>       | <u>29,441</u>       |
|                                | <u>\$ 4,333,594</u> | <u>\$ 3,607,819</u> |
| <u>Non-current</u>             |                     |                     |
| Domestic investments           |                     |                     |
| Unlisted shares                | \$ 7,506,251        | \$ 6,603,304        |
| Privately placed listed shares | 1,884,630           | 1,030,299           |
| Listed shares                  | <u>247,374</u>      | <u>-</u>            |
|                                | <u>\$ 9,638,255</u> | <u>\$ 7,633,603</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. In October 2023, the Corporation also participated in the capital increase of ordinary shares by cash in the amount of NT\$209,156 thousand.

#### 9. NOTES AND ACCOUNTS RECEIVABLE

|                                     | December 31         |                     |
|-------------------------------------|---------------------|---------------------|
|                                     | 2023                | 2022                |
| Notes receivable                    | \$ 1,116,191        | \$ 1,201,876        |
| Less: Allowance for impairment loss | <u>(9,087)</u>      | <u>(9,249)</u>      |
|                                     | <u>1,107,104</u>    | <u>1,192,627</u>    |
| Accounts receivable                 | 4,723,731           | 4,156,152           |
| Less: Allowance for impairment loss | <u>(29,700)</u>     | <u>(29,411)</u>     |
|                                     | <u>4,694,031</u>    | <u>4,126,741</u>    |
|                                     | <u>\$ 5,801,135</u> | <u>\$ 5,319,368</u> |

The Corporation recognizes allowance for impairment loss on account receivable on the basis of individual customers for which credit losses have actually taken place. Moreover, the Corporation separates all customers into different segments based on their risks and determines their expected credit loss rates by reference to past default experience with the counterparties, on analysis of their current financial positions and observable economic condition of the industry in which the customer operates. The Corporation recognizes an allowance for impairment loss of 100% against past due receivables which have indication of impairment.



The Corporation writes off an account receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect for recovery of the receivable. For accounts receivable that have been written off, the Corporation continues to engage in enforcement activity to attempt to recover the receivable which are due. Where recoveries are made, these are recognized in profit or loss.

The aging analysis of receivables was as follows:

|               | <b>December 31</b>  |                     |
|---------------|---------------------|---------------------|
|               | <b>2023</b>         | <b>2022</b>         |
| Up to 90 days | \$ 5,784,936        | \$ 5,274,672        |
| 91-180 days   | 16,199              | 43,915              |
| 181-365 days  | -                   | 495                 |
| Over 365 days | <u>-</u>            | <u>286</u>          |
|               | <u>\$ 5,801,135</u> | <u>\$ 5,319,368</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:

|                                     | <b>For the Year Ended December 31</b> |                  |
|-------------------------------------|---------------------------------------|------------------|
|                                     | <b>2023</b>                           | <b>2022</b>      |
| Balance at January 1                | \$ 38,660                             | \$ 45,590        |
| Net remeasurement of loss allowance | <u>127</u>                            | <u>(6,930)</u>   |
| Balance at December 31              | <u>\$ 38,787</u>                      | <u>\$ 38,660</u> |

## 10. INVENTORIES

|                 | <b>December 31</b>  |                     |
|-----------------|---------------------|---------------------|
|                 | <b>2023</b>         | <b>2022</b>         |
| Finished goods  | \$ 464,207          | \$ 733,303          |
| Work in process | 562,983             | 377,157             |
| Raw materials   | <u>755,545</u>      | <u>1,211,390</u>    |
|                 | <u>\$ 1,782,735</u> | <u>\$ 2,321,850</u> |

The costs of inventories recognized as cost of goods sold for the years ended December 31, 2023 and 2022 were \$19,372,025 thousand and \$19,825,473 thousand, respectively. The cost of goods sold included (reversal) of write-downs of inventory \$(63,420) thousand and \$19,604 thousand for the years ended December 31, 2023 and 2022, respectively.

Previous write-downs were reversed because slow moving inventories were sold.

## 11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

|                             | <b>December 31</b>    |                       |
|-----------------------------|-----------------------|-----------------------|
|                             | <b>2023</b>           | <b>2022</b>           |
| Investments in subsidiaries | \$ 303,154,541        | \$ 298,134,543        |
| Investments in associates   | <u>9,196,750</u>      | <u>8,967,166</u>      |
|                             | <u>\$ 312,351,291</u> | <u>\$ 307,101,709</u> |

### a. Investments in subsidiaries

|   | <b>December 31</b>    |                       |
|---|-----------------------|-----------------------|
|   | <b>2023</b>           | <b>2022</b>           |
| Unlisted companies                                  |                       |                       |
| TCC International Ltd. ("TCCI")                     | \$ 107,653,934        | \$ 113,099,217        |
| TCC International Holdings Ltd. ("TCCIH")           | 86,425,822            | 81,991,082            |
| Taiwan Cement (Dutch) Holdings B.V. (TCC Dutch)     | 42,363,100            | 39,985,279            |
| Ho-Ping Power Company                               | 18,357,780            | 14,328,687            |
| TCC Recycle Energy Technology Company               | 9,990,692             | 10,528,163            |
| TCC Green Energy Corporation                        | 13,659,764            | 13,488,265            |
| Hoping Industrial Port Corporation                  | 5,671,039             | 5,722,337             |
| TCC Investment Corporation                          | 3,716,324             | 4,374,356             |
| Ta-Ho Maritime Corporation                          | 3,927,045             | 3,579,298             |
| Taiwan Transport & Storage Corporation              | 2,426,867             | 2,345,525             |
| TCC Energy Storage Technology Corporation           | 2,131,700             | 2,330,046             |
| Ho Sheng Mining Co., Ltd.                           | 1,286,053             | 1,279,400             |
| TCC Chemical Corporation                            | 1,566,965             | 1,324,924             |
| Taiwan Cement Engineering Corporation               | 730,073               | 722,448               |
| Kuan-Ho Refractories Industry Corporation           | 745,722               | 658,767               |
| Ta-Ho Onyx RSEA Environment Co., Ltd.               | 342,638               | 419,001               |
| Hong Kong Cement Manufacturing Co., Ltd. ("HKCMCL") | 656,357               | 577,559               |
| Feng Sheng Enterprise Company                       | 525,819               | 486,573               |
| TCC Information Systems Corporation                 | 320,910               | 333,143               |
| Jin Chang Minerals Corporation                      | 277,635               | 307,783               |
| E.G.C. Cement Corporation                           | 119,165               | 122,655               |
| HPC Power Service Corporation                       | 257,313               | 127,215               |
| Tung Chen Mineral Corporation                       | -                     | 977                   |
| Tuo Shan Recycle Technology Company                 | 935                   | 944                   |
| TCC Sustainable Energy Investment Corporation       | <u>889</u>            | <u>899</u>            |
|   | <u>\$ 303,154,541</u> | <u>\$ 298,134,543</u> |

|   | <b>Proportion of Ownership and<br/>Voting Rights</b> |             |
|---|--|-------------|
|   | <b>December 31</b>                                   |             |
|   | <b>2023</b>  | <b>2022</b> |
| Unlisted companies                                    |  |             |
| TCCI  | 100.0%   | 100.0%      |
| TCCIH (Note 2)  | 47.3%  | 45.5%       |
| TCC Dutch (Note 5)                                    | 82.5%  | 100.0%      |
| Ho-Ping Power Company                                 | 59.5%  | 59.5%       |
| TCC Recycle Energy Technology Company (Notes 4 and 6) | 36.7%  | 36.6%       |
| TCC Green Energy Corporation (Note 2)                 | 100.0%   | 100.0%      |
| Hoping Industrial Port Corporation                    | 100.0%   | 100.0%      |
| TCC Investment Corporation                            | 100.0%   | 100.0%      |
| Ta-Ho Maritime Corporation                            | 64.8%  | 64.8%       |
| Taiwan Transport & Storage Corporation (Note 1)       | 83.9%  | 83.9%       |
| TCC Energy Storage Technology Corporation (Note 2)    | 100.0%   | 100.0%      |
| Ho Sheng Mining Co., Ltd.                             | 100.0%   | 100.0%      |
| TCC Chemical Corporation                              | 100.0%   | 100.0%      |
| Taiwan Cement Engineering Corporation (Note 1)        | 99.3%  | 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 6)                | 45.4%  | 45.4%       |
| TCC Information Systems Corporation                   | 99.4%  | 99.4%       |
| Jin Chang Minerals Corporation                        | 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%       |
| Tuo Shan Recycle Technology Company (Note 3)          | 100.0%   | 100.0%      |
| TCC Sustainable Energy Investment Corporation         | 100.0%   | 100.0%      |
| TMC (Note 7)  | 72.7%  | 72.7%       |
| TPMC (Notes 6 and 7)                                  | 40.0%  | 40.0%       |

Note 1: The Corporation purchased \$823 thousand of Taiwan Cement Engineering Corporation, and its percentage of ownership was increased to 99.3% in 2023. The Corporation purchased \$840 thousand of Taiwan Transport & Storage Corporation in 2022.

Note 2: The Corporation increased \$6,299,370 thousand in the capital of TCCIH, and its percentage of ownership was increased to 47.3% in 2023. The Corporation increased \$4,000,000 thousand in the capital of TCC Green Energy Corporation, \$500,000 thousand in the capital of TCC Energy Storage Technology Corporation and the Corporation increased \$21,466,100 thousand in the capital of TCCIH in 2022.

Note 3: Tung Chen Mineral Corporation was in the process of liquidation at the end of December 2023.

Note 4: The Corporation purchased \$29,960 thousand of TCC Recycle Energy Technology Company, and its percentage of ownership was increased to 36.7% in 2023. The Corporation purchased \$8,533 thousand of TCC Recycle Energy Technology Company in 2022.

Note 5: TCC Dutch increased its capital by cash in September 2023, and the Group participated in the subscription of shares via TCCIH, and its percentage of ownership was increased to 17.5%. The Corporation did not simultaneously invest which resulted in decrease of the percentage of ownership to 82.5%. The Corporation increased \$10,869,300 thousand in the capital of TCC Dutch in 2022.

Note 6: Although the Corporation's percentages of ownership in Feng Sheng Enterprise Company and TPMC, TCCIH and TCC Recycle Energy Technology Company were all less than 50%, the Corporation still has control over those entities. Thus, Feng Sheng Enterprise Company, TPMC and TCC Recycle Energy Technology Company are considered as subsidiaries of the Corporation.

Note 7: Due to the recognition of investment losses in TMC and TPMC, credit balances of \$19,155 thousand and \$18,658 thousand were generated, which were recorded in other non-current liabilities as of December 31, 2023 and 2022, 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, 2023 and 2022 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

|  | <b>December 31</b>  |                     |
|--|---------------------|---------------------|
|  | <b>2023</b>         | <b>2022</b>         |
| Associates that are not individually material    |                     |                     |
| International CSRC Investment Holdings Co., Ltd. | \$ 5,660,538        | \$ 5,669,050        |
| CCC USA Corp.                                    | 1,850,128           | 1,899,822           |
| ONYX Ta-Ho Environmental Services Co., Ltd.      | 1,678,864           | 1,391,240           |
| Synpac Ltd.                                      | <u>7,220</u>        | <u>7,054</u>        |
|  | <u>\$ 9,196,750</u> | <u>\$ 8,967,166</u> |

c. Aggregate information of associates that are not individually material

| <b>Corporation Name</b>                                 | <b>December 31</b> |             |
|---|--------------------|-------------|
|   | <b>2023</b>        | <b>2022</b> |
| International CSRC Investment Holdings Co., Ltd. (Note) | 15.6%              | 15.6%       |
| CCC USA Corp.   | 33.3%              | 33.3%       |
| ONYX Ta-Ho Environmental Services Co., Ltd.             | 50.0%              | 50.0%       |
| Synpac Ltd.   | 25.0%              | 25.0%       |

|   | <b>For the Year Ended December 31</b> |                   |
|---|---------------------------------------|-------------------|
|   | <b>2023</b>                           | <b>2022</b>       |
| The Corporation's share of:             |                                       |                   |
| Net income for the year                 | \$ 414,004                            | \$ 647,598        |
| Other comprehensive income              | <u>40,483</u>                         | <u>135,538</u>    |
| Total comprehensive income for the year | <u>\$ 454,487</u>                     | <u>\$ 783,136</u> |

Note: The Corporation's ownership percentage in International CSRC Investment Holdings Co., Ltd. is less than 20%; however, the Corporation has significant influence and therefore accounts for the investment by using the equity method.

The aforementioned investments in associates accounted for using the equity method and the share of profit or loss and other comprehensive income of these associates for the years ended December 31, 2023 and 2022 were based on the associates' audited financial statements for the same periods.

## 12. PROPERTY, PLANT AND EQUIPMENT

|  | Land          | Buildings     | Machinery and Equipment | Miscellaneous Equipment | Property in Construction | Total         |
|--|---------------|---------------|-------------------------|-------------------------|--------------------------|---------------|
| <u>Cost</u>                                    |               |               |                         |                         |                          |               |
| Balance at January 1, 2023                     | \$ 23,759,660 | \$ 16,472,793 | \$ 19,972,545           | \$ 4,186,300            | \$ 3,006,190             | \$ 67,397,488 |
| Additions                                      | -             | 180,976       | 607,312                 | 66,035                  | 3,075,274                | 3,929,597     |
| Disposals                                      | -             | (21,456)      | (37,227)                | (53,368)                | -                        | (112,051)     |
| Reclassification                               | (10,614,790)  | 344,873       | 468,637                 | 476,967                 | (1,339,286)              | (10,663,599)  |
| Balance at December 31, 2023                   | \$ 13,144,870 | \$ 16,977,186 | \$ 21,011,267           | \$ 4,675,934            | \$ 4,742,178             | \$ 60,551,435 |
| <u>Accumulated depreciation and impairment</u> |               |               |                         |                         |                          |               |
| Balance at January 1, 2023                     | \$ 808,904    | \$ 9,034,801  | \$ 18,530,658           | \$ 3,439,529            | \$ -                     | \$ 31,813,892 |
| Depreciation expenses                          | -             | 334,442       | 291,459                 | 177,778                 | -                        | 803,679       |
| Disposals                                      | -             | (20,663)      | (37,125)                | (53,317)                | -                        | (111,105)     |
| Reclassification                               | -             | (7,739)       | -                       | 105                     | -                        | (7,634)       |
| Balance at December 31, 2023                   | \$ 808,904    | \$ 9,340,841  | \$ 18,784,992           | \$ 3,564,095            | \$ -                     | \$ 32,498,832 |
| Carrying amount at December 31, 2023           | \$ 12,335,966 | \$ 7,636,345  | \$ 2,226,275            | \$ 1,111,839            | \$ 4,742,178             | \$ 28,052,603 |
| <u>Cost</u>                                    |               |               |                         |                         |                          |               |
| Balance at January 1, 2022                     | \$ 23,758,746 | \$ 16,371,031 | \$ 19,950,814           | \$ 4,031,590            | \$ 1,025,314             | \$ 65,137,495 |
| Additions                                      | 914           | 52,980        | 78,863                  | 95,369                  | 2,245,921                | 2,474,047     |
| Disposals                                      | -             | (10,038)      | (135,188)               | (43,579)                | -                        | (188,805)     |
| Reclassification                               | -             | 58,820        | 78,056                  | 102,920                 | (265,045)                | (25,249)      |
| Balance at December 31, 2022                   | \$ 23,759,660 | \$ 16,472,793 | \$ 19,972,545           | \$ 4,186,300            | \$ 3,006,190             | \$ 67,397,488 |
| <u>Accumulated depreciation and impairment</u> |               |               |                         |                         |                          |               |
| Balance at January 1, 2022                     | \$ 808,904    | \$ 8,725,799  | \$ 18,423,553           | \$ 3,358,585            | \$ -                     | \$ 31,316,841 |
| Depreciation expenses                          | -             | 317,732       | 243,591                 | 124,329                 | -                        | 685,652       |
| Disposals                                      | -             | (10,038)      | (135,178)               | (43,385)                | -                        | (188,601)     |
| Reclassification                               | -             | 1,308         | (1,308)                 | -                       | -                        | -             |
| Balance at December 31, 2022                   | \$ 808,904    | \$ 9,034,801  | \$ 18,530,658           | \$ 3,439,529            | \$ -                     | \$ 31,813,892 |
| Carrying amount at December 31, 2022           | \$ 22,950,756 | \$ 7,437,992  | \$ 1,441,887            | \$ 746,771              | \$ 3,006,190             | \$ 35,583,596 |

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 bank borrowings are set out in Note 28.

Acquisitions of property, plant and equipment included non-cash items which were reconciled as follows:

|  | <u>For the Year Ended December 31</u> |                     |
|--|---------------------------------------|---------------------|
|  | 2023                                  | 2022                |
| Acquisitions of property, plant and equipment    | \$ 3,929,597                          | \$ 2,474,047        |
| Increase (decrease) in prepayments for equipment | (82,723)                              | 308,638             |
| Decrease (increase) in payables for equipment    | (450,707)                             | 32,457              |
|  | <u>\$ 3,396,167</u>                   | <u>\$ 2,815,142</u> |

## 13. LEASE ARRANGEMENTS

### a. Right-of-use assets

|   | <u>December 31</u>                    |                     |
|---|---------------------------------------|---------------------|
|   | 2023                                  | 2022                |
| <u>Carrying amount</u>                      |                                       |                     |
| Land  | \$ 344,467                            | \$ 246,235          |
| Buildings                                   | 995,607                               | 1,133,664           |
| Machinery                                   | 419,780                               | 366,764             |
| Others                                      | 37,966                                | 42,309              |
|   | <u>\$ 1,797,820</u>                   | <u>\$ 1,788,972</u> |
|   | <u>For the Year Ended December 31</u> |                     |
|   | 2023                                  | 2022                |
| Additions to right-of-use assets            | \$ 324,278                            | \$ 21,477           |
| Depreciation charge for right-of-use assets |                                       |                     |
| Land  | \$ 84,038                             | \$ 86,897           |
| Buildings                                   | 138,057                               | 138,056             |
| Machinery                                   | 80,906                                | 83,795              |
| Others                                      | 18,009                                | 17,166              |
|   | <u>\$ 321,010</u>                     | <u>\$ 325,914</u>   |

### b. Lease liabilities

|                        | <u>December 31</u> |              |
|------------------------|--------------------|--------------|
|                        | 2023               | 2022         |
| <u>Carrying amount</u> |                    |              |
| Current                | \$ 298,629         | \$ 275,841   |
| Non-current            | \$ 1,548,139       | \$ 1,551,162 |

Range of discount rates for lease liabilities was as follows:

|           | <u>December 31</u> |             |
|-----------|--------------------|-------------|
|           | <u>2023</u>        | <u>2022</u> |
| Land      | 1.63%-2.09%        | 1.79%-1.85% |
| Buildings | 1.79%-1.85%        | 1.79%-1.85% |
| Machinery | 1.85%-2.18%        | 1.85%-1.90% |
| Others    | 1.63%-2.26%        | 1.85%-2.20% |

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> |                     |
|---|---------------------------------------|---------------------|
|   | <u>2023</u>                           | <u>2022</u>         |
| Expenses relating to short-term leases  | <u>\$ 12,671</u>                      | <u>\$ 15,061</u>    |
| Expenses relating to low-value asset leases   | <u>\$ 50</u>                          | <u>\$ 56</u>        |
| Expenses relating to variable lease payments not included in the measurement of lease liabilities | <u>\$ 58,605</u>                      | <u>\$ 53,721</u>    |
| Total cash outflow for leases   | <u>\$ (407,598)</u>                   | <u>\$ (436,860)</u> |

The Corporation's leases of certain assets 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.

#### 14. INVESTMENT PROPERTIES

|           | <u>December 31</u>   |                     |
|-----------|----------------------|---------------------|
|           | <u>2023</u>          | <u>2022</u>         |
| Land      | \$ 13,041,886        | \$ 2,435,824        |
| Buildings | <u>791</u>           | <u>851</u>          |
|           | <u>\$ 13,042,677</u> | <u>\$ 2,436,675</u> |

The buildings of the investment properties are depreciated using the straight-line method over their estimated useful lives of 50 years.

The Corporation's intention was to plan other development uses for its originally self-used land in 2023 and reclassify its property, plant and equipment to investment properties in the amount of \$10,614,790 thousand.

The Corporation disposed of land classified as investment property in the year ended December 31, 2023 and 2022, respectively. The Corporation recognized gain on disposal of investment properties in the amount of \$44,496 thousand and \$502,346 thousand, respectively.

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, 2023 and 2022, the fair values of investment properties were \$23,459,944 thousand and \$5,868,607 thousand, respectively.

#### 15. BORROWINGS

a. Short-term loans

|                                | <u>December 31</u>  |                     |
|--------------------------------|---------------------|---------------------|
|                                | <u>2023</u>         | <u>2022</u>         |
| Unsecured borrowings           |                     |                     |
| Bank loans - unsecured         | \$ 8,400,000        | \$ 5,900,000        |
| Bank loans - letters of credit | <u>-</u>            | <u>126,632</u>      |
|                                | <u>\$ 8,400,000</u> | <u>\$ 6,026,632</u> |
| Interest rate                  | 1.65%-1.76%         | 1.29%-2.53%         |

b. Long-term loans and long-term bills payable

|                                 | <u>December 31</u>   |                      |
|---------------------------------|----------------------|----------------------|
|                                 | <u>2023</u>          | <u>2022</u>          |
| Unsecured borrowings            | \$ 30,450,890        | \$ 29,825,090        |
| Less: Current portion           | <u>(500,000)</u>     | <u>-</u>             |
|                                 | <u>\$ 29,950,890</u> | <u>\$ 29,825,090</u> |
| Long-term bills payable         | \$ 3,500,000         | \$ 13,500,000        |
| Less: Discount of bills payable | <u>(6,518)</u>       | <u>(102,253)</u>     |
|                                 | <u>\$ 3,493,482</u>  | <u>\$ 13,397,747</u> |
| Interest rate                   |                      |                      |
| Long-term loans                 | 1.68%-2.19%          | 1.58%-2.19%          |
| Long-term bills payable         | 2.12%                | 1.92%-1.97%          |

The principals of long-term loans and long-term bills payable are due in May 2027, and the interests are paid monthly.

The Corporation entered into a 5-year syndicated loan agreement with a bank consortium with a credit line of \$43 billion in March 2018, which was divided into two tranches, A and B. As of December 31, 2022, total amount has been repaid.

The Corporation has entered into 5-year syndicated loan agreements in 2022 with certain bank consortium, with an expiry date of May 2027. The credit line is divided into two tranches: A and B. The long-term credit line of Tranche A will be repaid in May 2027. The credit facility of Tranche B, which is a long-term revolving credit line, is divided into Tranche B-1 and Tranche B-2. The Corporation has the right to decide whether to utilize the long-term loans Tranche B-1 or the long-term notes payable Tranche B-2 at its sole discretion. When each utilized amount expires, it can be directly reimbursed by the newly allocated funds. For the same amount, the Corporation does not need to remit funds in and out.

The Corporation did not violate the financial covenants of other long-term loans and long-term bills payable.



## 16. BONDS PAYABLE

|                                      | December 31          |                      |
|--------------------------------------|----------------------|----------------------|
|                                      | 2023                 | 2022                 |
| Domestic unsecured bonds             |                      |                      |
| 1 <sup>st</sup> issued in 2018       | \$ 12,000,000        | \$ 12,000,000        |
| 1 <sup>st</sup> issued in 2019       | 12,600,000           | 12,600,000           |
| 1 <sup>st</sup> issued in 2020       | 20,000,000           | 20,000,000           |
| 1 <sup>st</sup> issued in 2021       | 16,600,000           | 16,600,000           |
| 1 <sup>st</sup> issued in 2022       | 7,750,000            | 7,750,000            |
| 2 <sup>nd</sup> issued in 2022       | 3,300,000            | 3,300,000            |
| 3 <sup>rd</sup> issued in 2022       | 9,300,000            | -                    |
|                                      | <u>81,550,000</u>    | <u>72,250,000</u>    |
| Less: Discount on bonds payable      | <u>(108,420)</u>     | <u>(113,426)</u>     |
|                                      | <u>81,441,580</u>    | <u>72,136,574</u>    |
| Less: Current portion                | <u>(12,596,556)</u>  | <u>-</u>             |
|                                      | <u>68,845,024</u>    | <u>72,136,574</u>    |
| Overseas unsecured convertible bonds |                      |                      |
| 1 <sup>st</sup> issued in 2021       | 5,550                | 22,200,000           |
| 1 <sup>st</sup> issued in 2023       | 15,471,193           | -                    |
| Less: Discount on bonds payable      | <u>(1,926,130)</u>   | <u>(1,414,553)</u>   |
|                                      | <u>13,550,613</u>    | <u>20,785,447</u>    |
| Less: Current portion                | <u>(5,284)</u>       | <u>(20,785,447)</u>  |
|                                      | <u>\$ 82,390,353</u> | <u>\$ 72,136,574</u> |

### a. Domestic unsecured bonds

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$12,000,000 thousand on June 21, 2018, with a fixed coupon rate of 1.7% per annum. The bonds have a maturity period of 15 years, and a one-off payment of principal should be made in full on June 21, 2033 and with interest paid annually.

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$12,600,000 thousand on June 14, 2019, with a fixed coupon rate of 0.85% per annum. The bonds have a maturity period of 5 years, and a one-off payment of principal should be made in full on June 14, 2024 and with interest paid annually.

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$20,000,000 thousand on April 15, 2020. According to the issuance conditions, the unsecured bonds are classified into bonds A and bonds B, with a fixed coupon rate of 0.69% and 0.93% per annum, and with the issuance amounts of NT\$5,200,000 thousand and NT\$14,800,000 thousand, respectively. The bonds will be repaid in a one-off payment on April 15, 2027 and April 15, 2035, respectively, while the interests will be paid annually.

The Corporation issued domestic unsecured bonds at par value in the total amount of NT\$16,600,000 thousand on August 31, 2021. According to the issuance conditions, the unsecured bonds are classified into bonds A, bonds B, bonds C and bonds D, with a fixed coupon rate of 0.59%, 0.68%, 0.78% and 0.95% per annum, and with the issuance amounts of NT\$5,800,000 thousand, NT\$3,100,000 thousand, NT\$1,200,000 thousand and NT\$6,500,000 thousand, respectively. The bonds will be repaid in a one-off payment on August 31, 2026, August 31, 2028, August 31, 2031 and August 31, 2036, respectively, while the interests will be paid annually.

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$7,750,000 thousand on June 8, 2022. According to the issuance conditions, the unsecured bonds are classified into bonds A and bonds B with a fixed coupon rate of 1.90% and 2.15% per annum, and with the issuance amounts of NT\$4,950,000 thousand and NT\$2,800,000 thousand, respectively. The bonds will be repaid in a one-off payment on June 8, 2028 and June 8, 2032, respectively, while the interests will be paid annually.

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$3,300,000 thousand on November 25, 2022. According to the issuance conditions, the unsecured bonds are classified into bonds A and bonds B with a fixed coupon rate of 2.10% and 2.65% per annum, and with the issuance amounts of NT\$2,100,000 thousand and NT\$1,200,000 thousand, respectively. The bonds will be repaid in a one-off payment on November 25, 2027 and November 25, 2032, respectively, while the interests will be paid annually.

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$9,300,000 thousand on January 13, 2023. According to the issuance conditions, the unsecured bonds are classified into bonds A and bonds B with a fixed coupon rate of 2.40% and 2.65% per annum, and with the issuance amounts of NT\$6,100,000 thousand and NT\$3,200,000 thousand, respectively. The bonds will be repaid in a one-off payment on January 13, 2030 and January 13, 2033, respectively, while the interests will be paid annually.

### b. Overseas unsecured convertible bonds

#### Overseas unsecured convertible bonds 1st issued in 2021

In September 2021, the Corporation's Board of Directors resolved to issue overseas unsecured convertible bonds for the first time. This proposal was approved and became effective under the letter issued by the Financial Supervisory Commission ("FSC") dated November 26, 2021 (Ref. No. Jin-Guan-Zheng-Fa-Zi 1100373764). The bonds, which have a zero-coupon rate and a duration of 5 years, were listed on the Singapore Stock Exchange on December 7, 2021, and have a face value of US\$800,000 thousand.

Bondholders may request the Corporation to convert the bonds into the Corporation's ordinary shares at the price of NT\$59.8 per share at any time within the period from the following day after three months from the issuance date to 10 days prior to maturity date. The conversion price after the issuance of convertible corporate bonds will be adjusted according to the anti-dilution clause of the 2021 First Overseas Unsecured Convertible Bonds Issuance and Conversion Rules of the Corporation. After several price adjustment, the conversion price has been adjusted to NT\$51.66 per share since October 20, 2023. 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, 2023, no conversion had been requested except the bondholders exercised the put option right.

From the second anniversary of the issue date of the convertible bonds to the maturity date, The Corporation may redeem all the outstanding convertible bonds at the early redemption amount, provided that the closing price of issuer's ordinary shares on TWSE, for a total of 20 days out of 30 consecutive trading days, has reached at least 130% of the total amount of the early redemption amount that multiplied by the conversion price, and divided by the par value, or provided that at least 90% of the convertible bonds have been redeemed, converted, repurchased and cancelled.

Unless the convertible bonds have been early redeemed, repurchased and cancelled or converted, the bondholders shall have the right to request the Corporation to redeem the convertible bonds, in whole or in part, at the early redemption amount on the second anniversary of the issue date. Therefore, on December 31, 2022, the overseas unsecured convertible bonds were converted to convertible bonds expired within a year.

The bondholders exercised the put option on December 7, 2023, and the Corporation recognized loss on redemption of bonds payable in the amount of \$393,503 thousand (included in other expenses). In addition, since over 90% of the convertible bonds have been redeemed, the Corporation early redeemed the rest of the outstanding convertible bonds on February 1, 2024.

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.

|  | <b>Convertible<br/>Bonds</b> |
|--|------------------------------|
| Proceeds from issuance at December 2021 (less transaction costs of \$232,461 thousand)                                       | \$ 21,967,539                |
| Redemption of option derivatives (accounting for financial liabilities measured at FVTPL) and transaction costs              | (215,282)                    |
| Equity component (less transaction costs allocated to the equity component of \$14,157 thousand)                             | <u>(1,337,823)</u>           |
| Liability component at the date of issue (less transaction costs allocated to the liability component of \$216,026 thousand) | 20,414,434                   |
| Interest charged at an effective interest rate   | <u>371,013</u>               |
| Liability component at December 31, 2021   | 20,785,447                   |
| Interest charged at an effective interest rate   | 323,935                      |
| Bondholders exercised the put option   | <u>(21,104,098)</u>          |
| Liability component at December 31, 2023   | <u>\$ 5,284</u>              |

#### Overseas unsecured convertible bonds 1st issued in 2023

In August 2023, the Corporation's Board of Directors approved 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 October 2, 2023 (Ref. No. Jin-Guan-Zheng-Fa-Zi 202303562931). The bonds, which have a zero-coupon rate and a duration of 5 years, were listed on the Singapore Stock Exchange on October 24, 2023, and have a face value of US\$420,000 thousand. The Corporation should redeem the whole bonds in U.S. dollars on the maturity date based on the par value of the bonds plus a yield rate of 2.65% per annum (calculated semi-annually).

Bondholders may request the Corporation to convert the bonds into the Corporation's ordinary shares at the price of NT\$37.27 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 2023 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\$32.293, which is to be divided by the conversion price per share on the conversion date. As of December 31, 2023, no conversion had been requested.

From the third anniversary of the issue date of the convertible bonds to the maturity date, the Corporation may redeem all the outstanding convertible bonds at the early redemption amount, provided that the closing price of issuer's ordinary shares on TWSE, for a total of 20 days out of 30 consecutive trading days, has reached at least 130% of the total amount of the early redemption amount that multiplied by the conversion price, and divided by the par value, or provided that at least 90% of the convertible bonds have been redeemed, converted, repurchased and cancelled. The early redemption amount is the amount calculated semi-annually based on the par value of the bonds plus interest compensation at 2.65% per annum.

Unless the convertible bonds have been early redeemed, repurchased and cancelled or converted, the bondholders shall have the right to request the Corporation to redeem the convertible bonds, in whole or in part, at the early redemption amount on the third anniversary of the issue date.

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 2.80% per annum on initial recognition.

|   | <b>Convertible<br/>Bonds</b> |
|---|------------------------------|
| Proceeds from issuance at October 2023 (less transaction costs of \$89,516 thousand)  | \$ 13,473,544                |
| Redemption of option derivatives (accounting for financial assets measured at FVTPL) and transaction costs                  | <u>1,347</u>                 |
| Liability component at the date of issue (less transaction costs allocated to the liability component of \$93,947 thousand) | 13,474,891                   |
| Interest charged at an effective interest rate  | <u>70,438</u>                |
| Liability component at December 31, 2023  | <u>\$ 13,545,329</u>         |

#### 17. OTHER PAYABLES

|                              | <b>December 31</b>  |                     |
|------------------------------|---------------------|---------------------|
|                              | <b>2023</b>         | <b>2022</b>         |
| Salaries and bonuses payable | \$ 517,631          | \$ 488,679          |
| Payables for repair          | 336,121             | 287,731             |
| Interest payable             | 743,775             | 528,957             |
| Payables for equipment       | 736,078             | 285,421             |
| Freight payable              | 151,582             | 133,994             |
| Taxes payable                | 143,495             | 120,227             |
| Payables for electricity     | 74,593              | 91,2023             |
| Payables for rentals         | 27,301              | 13,997              |
| Others                       | <u>497,783</u>      | <u>360,891</u>      |
|                              | <u>\$ 3,228,359</u> | <u>\$ 2,311,009</u> |

#### 18. 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:

|   | <b>December 31</b>  |                     |
|---|---------------------|---------------------|
|   | <b>2023</b>         | <b>2022</b>         |
| Present value of defined benefit obligation | \$ (629,080)        | \$ (596,091)        |
| Fair value of plan assets                   | <u>2,136,233</u>    | <u>2,122,637</u>    |
| Net defined benefit assets                  | <u>\$ 1,507,153</u> | <u>\$ 1,526,546</u> |

Movements in net defined benefit assets were as follows:

|  | <b>Present Value<br/>of Defined<br/>Benefit<br/>Obligation</b> | <b>Fair Value of<br/>the Plan Assets</b> | <b>Net Defined<br/>Benefit Assets</b> |
|--|--|--|---------------------------------------|
| Balance at January 1, 2023   | \$ (596,091)   | \$ 2,122,637                             | \$ 1,526,546                          |
| Service costs  |  |  |                                       |
| Current service costs  | (547)  | -  | (547)                                 |
| Net interest income (expense)                                      | (7,451)  | 26,533                                   | 19,082                                |
| Recognized in profit or loss                                       | (7,998)  | 26,533                                   | 18,535                                |
| Remeasurement  |  |  |                                       |
| Return on plan assets (excluding amounts included in net interest) | -  | 47,657                                   | 47,657                                |
| Actuarial loss - experience adjustments                            | (85,585)   | -  | (85,585)                              |
| Recognized in other comprehensive income (loss)                    | (85,585)   | 47,657                                   | (37,928)                              |
| Benefits paid  | 60,594   | (60,594)                                 | -                                     |
| Balance at December 31, 2023                                       | \$ (629,080)   | \$ 2,136,233                             | \$ 1,507,153                          |
| Balance at January 1, 2022   | \$ (650,977)   | \$ 2,474,245                             | \$ 1,823,268                          |
| Service costs  |  |  |                                       |
| Current service costs  | (951)  | -  | (951)                                 |
| Net interest income (expense)                                      | (3,248)  | 12,364                                   | 9,116                                 |
| Recognized in profit or loss                                       | (4,199)  | 12,364                                   | 8,165                                 |
| Remeasurement  |  |  |                                       |
| Return on plan assets (excluding amounts included in net interest) | -  | (298,398)                                | (298,398)                             |
| Actuarial gain - changes in financial assumptions                  | 29,321   | -  | 29,321                                |
| Actuarial loss - experience adjustments                            | (35,810)   | -  | (35,810)                              |
| Recognized in other comprehensive loss                             | (6,489)  | (298,398)                                | (304,887)                             |
| Benefits paid  | 65,574   | (65,574)                                 | -                                     |
| Balance at December 31, 2022                                       | \$ (596,091)   | \$ 2,122,637                             | \$ 1,526,546                          |

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:

|                                   | <b>December 31</b> |             |
|-----------------------------------|--------------------|-------------|
|                                   | <b>2023</b>        | <b>2022</b> |
| Discount rates                    | 1.25%              | 1.25%       |
| 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:

|                                   | <b>December 31</b> |             |
|-----------------------------------|--------------------|-------------|
|                                   | <b>2023</b>        | <b>2022</b> |
| Discount rates                    |                    |             |
| 0.25% increase                    | \$ (9,132)         | \$ (9,291)  |
| 0.25% decrease                    | \$ 9,351           | \$ 9,527    |
| Expected rates of salary increase |                    |             |
| 0.25% increase                    | \$ 9,098           | \$ 9,269    |
| 0.25% decrease                    | \$ (8,931)         | \$ (9,086)  |

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.

|  | <b>December 31</b> |             |
|--|--------------------|-------------|
|  | <b>2023</b>        | <b>2022</b> |
| The expected contributions to the plan for the next year | \$ -               | \$ -        |
| The average duration of the defined benefit obligation   | 6.2 years          | 6.6 years   |



## 19. EQUITY

### a. Share capital

#### 1) Ordinary shares

|   | <u>December 31</u>    |                      |
|---|-----------------------|----------------------|
|   | <u>2023</u>           | <u>2022</u>          |
| Number of shares authorized (in thousands)            | <u>10,000,000</u>     | <u>8,500,000</u>     |
| Shares authorized                                     | <u>\$ 100,000,000</u> | <u>\$ 85,000,000</u> |
| Number of shares issued and fully paid (in thousands) | <u>7,551,182</u>      | <u>7,156,182</u>     |
| Shares issued   | <u>\$ 75,511,817</u>  | <u>\$ 71,561,817</u> |

A holder of issued ordinary shares with par value of \$10 is entitled to the proportional rights to vote and to receive dividends. The authorized shares include ordinary shares and preference shares containing 60,000 thousand units retained for the exercise of employee share options.

In May 2023, the Corporation's shareholders meeting resolved to amend the Articles of Incorporation to increase the authorized share capital and the number of shares to \$100,000,000 thousand and 10,000,000 thousand of shares, respectively.

The changes in the number of issued shares included the distribution of share dividends, the cancelation of treasury stocks and the issuance of global depository receipt.

#### 2) Preference shares

In June 2018, the Corporation's Board of Directors resolved to increase cash capital by issuing preference shares for the second time, which was approved by the FSC under letter dated July 25, 2018 (Ref. No. Jin-Guan-Zheng-Fa-Zi 1070325853), and the record date of the capital increase was December 13, 2018, and 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 a 4.0525% coupon rate per annum (on December 14, 2023, the interest rate was reset to a five-year term 1.4900% IRS interest rate + 2.5625% fixed interest rate according to the issuance conditions). Five-year term IRS interest rate will be reset on the next business day of the expiry of the five-year period from the date of issue and every five years thereafter. The shareholders of the second preference shares do not have the right to vote and to elect in the shareholders meeting but can be elected as directors. The Corporation has full discretion on the dividend distribution of the second preference shares. If there is no surplus or insufficient surplus to pay the preference share dividends upon the close of current fiscal year, the Corporation's resolution to cancel the distribution of preference share dividends will not constitute an event of default or a termination event in a contract. Preference share dividends are non-accumulative, and dividends that are not distributed or distributed in excess are not accumulated in the future year with deferred annual repayment. There is no maturity of the Corporation's second preference shares, but the Corporation may recover whole or part of the second preference shares at the actual issue price from the day following the five-year period from the issue date. The preference shares may not be converted to ordinary shares, and the preference shareholders do not have the rights to require the Corporation to redeem the preference shares they hold.

#### 3) Issuance of global depository receipt

In May 2022, the shareholders meeting of the Corporation resolved the issuance of new ordinary shares for sponsoring issuance of global depository receipts to increase working capital for future development, repaying bank loans, and purchasing materials overseas. This proposal was approved and took effect upon receipt of the letter issued by the FSC dated September 27, 2022 (Ref. No. Jin-Guan-Zheng-Fa-Zi 1110356873). The Corporation has issued 84,000 thousand of units at the offer price of US\$5.06 each on the Luxembourg Stock Exchange in October 2022. The total issue price is US\$425,040 thousand. Each unit of the global depository receipts represents five ordinary shares of the Corporation with the total number of 420,000 thousand of shares.

In May 2023, the shareholders meeting of the Corporation resolved the issuance of new ordinary shares by capital increase for participating the issuance of global depository receipts. This proposal was approved and took effect upon receipt of the letter issued by the FSC dated October 2, 2023 (Ref. No. Jin-Guan-Zheng-Fa-Zi 1120356293). The Corporation has issued 79,000 thousand of units at the offer price of US\$4.87 each on the Luxembourg Stock Exchange in October 2023. The total issue price is US\$384,730 thousand. Each unit of the global depository receipts represents five ordinary shares of the Corporation with the total number of 395,000 thousand of shares.

As of December 31, 2023, 100 units were outstanding.

#### b. Capital surplus

|   | <u>December 31</u>   |                      |
|---|----------------------|----------------------|
|   | <u>2023</u>          | <u>2022</u>          |
| <u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)</u> |                      |                      |
| Issuance of ordinary shares   | \$ 61,757,229        | \$ 53,366,704        |
| Conversion of bonds   | 10,539,771           | 10,539,771           |
| Treasury share transactions   | 169,861              | 186,289              |
| Donations   | 31,537               | 31,537               |
| Forfeited share options   | 1,388,162            | 36,879               |
| Exercised employee share options  | 22,347               | 22,347               |
| <u>May be used to offset a deficit only</u>   |                      |                      |
| 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  | 334                  | \$ 1,337,823         |
| Changes in interests in associates accounted for using the equity method                                      | <u>207,411</u>       | <u>462,005</u>       |
|   | <u>\$ 74,119,162</u> | <u>\$ 65,985,865</u> |

Note: 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).



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 20(c): Net income - compensation of employees and remuneration of directors.

In addition to the capital-intensive, mature and stable production and marketing of cement and cement-related products, the Corporation aggressively pursues diversification. For the development of diversified investments or other important capital budgeting plans, the Corporation decided that the payout ratio of cash dividend is to be at least 20% of the total dividends to be distributed to ordinary shareholders; the rest will be paid in share dividends.

An appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Corporation's share capital. The legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's share capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2022 and 2021 approved in the shareholders' general meetings in May 2023 and May 2022, respectively, were as follows:

|                                     | Appropriation of Earnings      |              | Dividends Per Share (NT\$)     |                  |
|-------------------------------------|--------------------------------|--------------|--------------------------------|------------------|
|                                     | For the Year Ended December 31 |              | For the Year Ended December 31 |                  |
|                                     | 2022                           | 2021         | 2022                           | 2021             |
| Legal reserve                       | \$ 520,555                     | \$ 2,068,477 |                                |                  |
| Cash dividends on preference shares | 350,000                        | 350,000      | \$ 1.75                        | \$ 1.75          |
| Cash dividends on ordinary shares   | 3,566,091                      | 6,116,173    | \$ 0.50 (Note 2)               | \$ 1.00 (Note 1) |
| Share dividends on ordinary shares  | -                              | 6,116,173    | \$ -                           | \$ 1.00 (Note 1) |

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 \$0.99928258 per ordinary share and the share dividend was adjusted to \$0.99928258 per ordinary share.

Note 2: The number of ordinary shares outstanding was affected by the Corporation's purchase of treasury shares which has not been transferred to employees. Therefore, the cash dividend was adjusted to \$0.49971973 per ordinary share.

As of February 27, 2024, the appropriation of earnings for 2023 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 \$5,369 thousand and \$35,459 thousand were reversed for the years ended December 31, 2023 and 2022, 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 |                 |
|--|--------------------------------|-----------------|
|  | 2023                           | 2022            |
| Balance at January 1   | \$ (8,294,175)                 | \$ (16,068,895) |
| Recognized for the year  |                                |                 |
| Share from subsidiaries and associates accounted for using the equity method | (854,729)                      | 7,774,720       |
| Balance at December 31   | \$ (9,148,904)                 | \$ (8,294,175)  |

2) Unrealized gain (loss) on financial assets at FVTOCI

|  | For the Year Ended December 31 |               |
|--|--------------------------------|---------------|
|  | 2023                           | 2022          |
| Balance at January 1   | \$ 20,286,916                  | \$ 26,988,909 |
| Recognized for the year  |                                |               |
| Unrealized gain - equity instruments   | 2,639,481                      | (1,050,539)   |
| Share from subsidiaries and associates accounted for using the equity method | (4,318,591)                    | (5,651,454)   |
| Other comprehensive loss recognized for the year                             | (1,679,110)                    | (6,701,993)   |
| Balance at December 31   | \$ 18,607,806                  | \$ 20,286,916 |

3) Cash flow hedges

|  | For the Year Ended December 31 |            |
|--|--------------------------------|------------|
|  | 2023                           | 2022       |
| Balance at January 1   | \$ (1,651)                     | \$ -       |
| Recognized for the year  |                                |            |
| Share from subsidiaries and associates accounted for using the equity method | 702                            | (1,651)    |
| Balance at December 31   | \$ (949)                       | \$ (1,651) |

f. Treasury shares

(In Thousands of Shares)

|                                 | <b>For the Year Ended December 31</b> |              |
|---------------------------------|---------------------------------------|--------------|
|                                 | <b>2023</b>                           | <b>2022</b>  |
| Number of shares at January 1   | 4,000                                 | 9,061        |
| Increase during the year        | 20,000                                | (4,391)      |
| Transferred to employees        | (4,000)                               | (670)        |
| Cancelled during the year       | <u>-</u>                              | <u>-</u>     |
| Number of shares at December 31 | <u>20,000</u>                         | <u>4,000</u> |

The Corporation's Board of Directors resolved in January 2023 to buy back 20,000 thousand shares mainly for transferring to employees, the total amount was \$732,459 thousand. The compensation costs recognized for transferring treasury shares to employees were \$37,766 thousand and \$66,820 thousand for the years ended December 31, 2023 and 2022, respectively.

The Corporation cancelled the treasury stocks overdue which had not yet been transferred to employees pursuant to the law, and the Board of Directors of the Corporation resolved to decrease its capital by \$6,696 thousand in August 2022, cancelled 670 thousand issued shares, and scheduled the record date for capital reduction of August 10, 2022.

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.

**20. NET INCOME**

a. Depreciation and amortization

|  | <b>For the Year Ended December 31</b> |                     |
|--|---------------------------------------|---------------------|
|  | <b>2023</b>                           | <b>2022</b>         |
| An analysis of depreciation by item                          |                                       |                     |
| Property, plant and equipment                                | \$ 803,679                            | \$ 685,652          |
| Right-of-use assets  | 321,010                               | 325,914             |
| Investment properties  | <u>60</u>                             | <u>59</u>           |
|  | <u>\$ 1,124,749</u>                   | <u>\$ 1,011,625</u> |
| An analysis of depreciation by function                      |                                       |                     |
| Operating costs  | \$ 965,240                            | \$ 875,368          |
| Operating expenses   | <u>159,509</u>                        | <u>136,257</u>      |
|  | <u>\$ 1,124,749</u>                   | <u>\$ 1,011,625</u> |
| An analysis of amortization of intangible assets by function |                                       |                     |
| Operating costs  | \$ 4,118                              | \$ 4,187            |
| Operating expenses   | <u>8,706</u>                          | <u>7,609</u>        |
|  | <u>\$ 12,824</u>                      | <u>\$ 11,796</u>    |

b. Employee benefits expense

|  | <b>For the Year Ended December 31</b> |                     |
|--|---------------------------------------|---------------------|
|  | <b>2023</b>                           | <b>2022</b>         |
| Retirement benefit plans                             |                                       |                     |
| Defined contribution plans                           | \$ 40,315                             | \$ 38,526           |
| Defined benefit plans                                | <u>(18,535)</u>                       | <u>(8,165)</u>      |
|  | <u>21,780</u>                         | <u>30,361</u>       |
| Share-based payments                                 |                                       |                     |
| Equity-settled                                       | 37,766                                | 66,820              |
| Remuneration of directors                            | 118,800                               | 91,990              |
| Other employee benefits                              | <u>1,273,151</u>                      | <u>1,251,403</u>    |
| Total employee benefits expense                      | <u>\$ 1,451,497</u>                   | <u>\$ 1,440,574</u> |
| An analysis of employee benefits expense by function |                                       |                     |
| Operating costs                                      | \$ 733,688                            | \$ 709,779          |
| Operating expenses                                   | <u>717,809</u>                        | <u>730,795</u>      |
|  | <u>\$ 1,451,497</u>                   | <u>\$ 1,440,574</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 \$73,955 thousand and \$88,035 thousand for the year ended December 31, 2023. The C compensation of employees and remuneration of directors paid in cash were \$79,123 thousand and \$61,622 thousand for the year ended December 31, 2022, which was approved by the Corporation's board of directors in March 2023.

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, 2022 and 2021.

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

|                  | <b>For the Year Ended December 31</b> |                   |
|------------------|---------------------------------------|-------------------|
|                  | <b>2023</b>                           | <b>2022</b>       |
| Financial income | \$ 28,010                             | \$ 32,113         |
| Others           | <u>142,356</u>                        | <u>93,046</u>     |
|                  | <u>\$ 170,366</u>                     | <u>\$ 125,159</u> |

e. Finance costs

|                               | <b>For the Year Ended December 31</b> |                     |
|-------------------------------|---------------------------------------|---------------------|
|                               | <b>2023</b>                           | <b>2022</b>         |
| Interest on corporate bonds   | \$ 1,459,152                          | \$ 1,054,515        |
| Interest on bank borrowings   | 743,314                               | 699,732             |
| Interest on lease liabilities | 35,169                                | 35,403              |
| Other finance costs           | <u>122,883</u>                        | <u>146,506</u>      |
|                               | <u>\$ 2,360,518</u>                   | <u>\$ 1,936,156</u> |

f. Other expenses

|                                     | <b>For the Year Ended December 31</b> |                   |
|-------------------------------------|---------------------------------------|-------------------|
|                                     | <b>2023</b>                           | <b>2022</b>       |
| Loss on work stoppages              | \$ 116,804                            | \$ 120,647        |
| Loss on redemption of bonds payable | 393,503                               | -                 |
| Loss on disposal of investments     | -                                     | 16                |
| Others                              | <u>54,815</u>                         | <u>18,062</u>     |
|                                     | <u>\$ 565,122</u>                     | <u>\$ 138,725</u> |

**21. INCOME TAX EXPENSE**

a. Major components of tax expense recognized in profit or loss

|   | <b>For the Year Ended December 31</b> |                   |
|---|---------------------------------------|-------------------|
|   | <b>2023</b>                           | <b>2022</b>       |
| Current tax                                     |                                       |                   |
| In respect of the current year                  | \$ 652,073                            | \$ 292,148        |
| Income tax on unappropriated earnings           | 37,293                                | 301,697           |
| Adjustments for prior years                     | <u>(59,501)</u>                       | <u>5,278</u>      |
|   | <u>629,865</u>                        | <u>599,123</u>    |
| Deferred tax                                    |                                       |                   |
| In respect of the current year                  | <u>12,194</u>                         | <u>17,363</u>     |
| Income tax expense recognized in profit or loss | <u>\$ 642,059</u>                     | <u>\$ 616,486</u> |

A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

|   | <b>For the Year Ended December 31</b> |                     |
|---|---------------------------------------|---------------------|
|   | <b>2023</b>                           | <b>2022</b>         |
| Income before income tax                      | <u>\$ 8,639,873</u>                   | <u>\$ 6,021,470</u> |
| Income tax expense at the statutory rate      | \$ 1,727,975                          | \$ 1,204,294        |
| Tax-exempt income                             | (1,038,680)                           | (546,586)           |
| Unrecognized deductible temporary differences | (73,229)                              | (149,682)           |
| Realized investment loss                      | (205)                                 | (199,997)           |

(Continued)

|   | <b>For the Year Ended December 31</b> |                   |
|---|---------------------------------------|-------------------|
|   | <b>2023</b>                           | <b>2022</b>       |
| Adjustments for prior years                     | \$ (59,501)                           | \$ 5,278          |
| Income tax on unappropriated earnings           | 37,293                                | 301,697           |
| Others  | <u>48,406</u>                         | <u>1,482</u>      |
| Income tax expense recognized in profit or loss | <u>\$ 642,059</u>                     | <u>\$ 616,486</u> |

(Concluded)

b. Income tax recognized in other comprehensive income

|                                       | <b>For the Year Ended December 31</b> |                    |
|---------------------------------------|---------------------------------------|--------------------|
|                                       | <b>2023</b>                           | <b>2022</b>        |
| Deferred tax in the current year      |                                       |                    |
| Remeasurement on defined benefit plan | <u>\$ (7,586)</u>                     | <u>\$ (60,977)</u> |

c. Current tax assets and liabilities

|   | <b>December 31</b> |                   |
|---|--------------------|-------------------|
|   | <b>2023</b>        | <b>2022</b>       |
| Current tax assets (included in other current assets) | <u>\$ 95,924</u>   | <u>\$ 16,310</u>  |
| Current tax liabilities                               | <u>\$ 516,633</u>  | <u>\$ 411,503</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, 2023

|   | <b>Opening Balance</b> | <b>Recognized in Profit or Loss</b> | <b>Recognized in Other Comprehensive Income</b> | <b>Others</b> | <b>Closing Balance</b> |
|---|------------------------|-------------------------------------|---|---------------|------------------------|
| <b>Deferred income tax assets</b>                 |                        |                                     |   |               |                        |
| Inventories                                       | \$ 46,767              | \$ (12,684)                         | \$ -  | \$ -          | \$ 34,083              |
| Property, plant and equipment                     | 15,636                 | (1,195)                             | -   | -             | 14,441                 |
| Long-term employee benefits plan                  | 13,200                 | 2,129                               | -   | -             | 15,329                 |
| Deferred revenue                                  | 3,914                  | (245)                               | -   | -             | 3,669                  |
| Others  | <u>6,223</u>           | <u>1,019</u>                        | <u>-</u>  | <u>-</u>      | <u>7,242</u>           |
|   | <u>\$ 85,740</u>       | <u>\$ (10,976)</u>                  | <u>\$ -</u>                                     | <u>\$ -</u>   | <u>\$ 74,764</u>       |
| <b>Deferred income tax liabilities</b>            |                        |                                     |   |               |                        |
| Land value increment tax                          | \$ 4,864,818           | \$ (2,489)                          | \$ -  | \$ -          | \$ 4,862,329           |
| Defined benefit plan                              | 283,831                | 3,707                               | (7,586)   | -             | 279,952                |
| Unappropriated earnings from foreign subsidiaries | <u>221,550</u>         | <u>-</u>                            | <u>-</u>  | <u>-</u>      | <u>221,550</u>         |
|   | <u>\$ 5,370,199</u>    | <u>\$ 1,218</u>                     | <u>\$ (7,586)</u>                               | <u>\$ -</u>   | <u>\$ 5,363,831</u>    |

For the year ended December 31, 2022

|   | Opening Balance     | Recognized in Profit or Loss | Recognized in Other Comprehensive Income | Others             | Closing Balance     |
|---|---------------------|------------------------------|--|--------------------|---------------------|
| <u>Deferred income tax assets</u>                 |                     |                              |  |                    |                     |
| Inventories                                       | \$ 42,846           | \$ 3,921                     | \$ -                                     | \$ -               | \$ 46,767           |
| Property, plant and equipment                     | 16,750              | (1,114)                      | -  | -                  | 15,636              |
| Long-term employee benefits plan                  | 12,207              | 993                          | -  | -                  | 13,200              |
| Deferred revenue                                  | 4,160               | (246)                        | -  | -                  | 3,914               |
| Others  | 11,376              | (5,153)                      | -  | -                  | 6,223               |
|   | <u>\$ 87,339</u>    | <u>\$ (1,599)</u>            | <u>\$ -</u>                              | <u>\$ -</u>        | <u>\$ 85,740</u>    |
| <u>Deferred income tax liabilities</u>            |                     |                              |  |                    |                     |
| Land value increment tax                          | \$ 4,883,412        | \$ -                         | \$ -                                     | \$ (18,594)        | \$ 4,864,818        |
| Defined benefit plan                              | 343,175             | 1,633                        | (60,977)                                 | -                  | 283,831             |
| Unappropriated earnings from foreign subsidiaries | 207,419             | 14,131                       | -  | -                  | 221,550             |
|   | <u>\$ 5,434,006</u> | <u>\$ 15,764</u>             | <u>\$ (60,977)</u>                       | <u>\$ (18,594)</u> | <u>\$ 5,370,199</u> |

- e. Aggregate temporary differences associated with investments for which deferred income tax liabilities have not been recognized

As of December 31, 2023 and 2022, the taxable temporary differences in respect of investments in subsidiaries and associates for which no deferred income tax liabilities have been recognized were \$95,592,657 thousand and \$96,366,824 thousand, respectively.

- f. Income tax assessments

The tax returns of the Corporation and through 2021 have been assessed by the tax authorities.

## 22. EARNINGS PER SHARE

Unit: NT\$ Per Share

|                            | <u>For the Year Ended December 31</u> |                |
|----------------------------|---------------------------------------|----------------|
|                            | <u>2023</u>                           | <u>2022</u>    |
| Basic earnings per share   | <u>\$ 1.06</u>                        | <u>\$ 0.74</u> |
| Diluted earnings per share | <u>\$ 1.04</u>                        | <u>\$ 0.73</u> |

The earnings and weighted average number of ordinary shares (in thousands) outstanding in the computation of earnings per share were as follows:

|  | <u>For the Year Ended December 31</u> |                     |
|--|---------------------------------------|---------------------|
|  | <u>2023</u>                           | <u>2022</u>         |
| Profit for the year attributable to owners of the Corporation (Note)                             | \$ 7,647,814                          | \$ 5,054,984        |
| Effect of potentially dilutive ordinary shares:  |                                       |                     |
| Interest on convertible bonds  | <u>303,514</u>                        | <u>230,158</u>      |
| Profit used in the computation of diluted earnings per share                                     | <u>\$ 7,951,328</u>                   | <u>\$ 5,285,142</u> |
| <u>Number of shares (in thousands)</u>   |                                       |                     |
| Weighted average number of ordinary shares in computation of basic earnings per share            | 7,202,161                             | 6,835,603           |
| Effect of potentially dilutive ordinary shares:  |                                       |                     |
| Compensation of employees  | 2,604                                 | 2,948               |
| Convertible bonds  | <u>455,074</u>                        | <u>354,302</u>      |
| Weighted average number of ordinary shares used in the computation of diluted earnings per share | <u>7,659,839</u>                      | <u>7,192,853</u>    |

Note: Preference share dividends of \$350,000 thousand were deducted in 2023 and 2022, 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.

## 23. ACQUISITION OR DISPOSAL OF SUBSIDIARIES

Refer to the notes of the consolidated financial statements for the year ended December 31, 2023 for the following disclosures of equity movements of subsidiaries.

### Partial acquisition or disposal of subsidiaries without change of control

In 2023, the Corporation acquired a portion of the shares of Taiwan Cement Engineering Corporation and TCC Recycle Energy Technology Company, and its proportion of ownership interests increased from 99.2% to 99.3% and from 36.6% to 36.7%, respectively.

In 2022, the Corporation acquired a portion of the shares of Taiwan Transport & Storage Corporation and TCC Recycle Energy Technology Company, and its proportion of ownership interests remained at 83.9% and 36.6%, respectively.

The above transactions were accounted for as equity transactions since there was no change in the Corporation's control over these subsidiaries.



## 24. CASH FLOWS INFORMATION

Changes in liabilities arising from financing activities:

For the year ended December 31, 2023

|  | <b>Opening<br/>Balance</b> | <b>Cash Flows</b>   | <b>Effect of<br/>Exchange Rate<br/>and Others</b> | <b>Closing<br/>Balance</b> |
|--|----------------------------|---------------------|---|----------------------------|
| Short-term borrowings                                      | \$ 6,026,632               | \$ 2,379,297        | \$ (5,929)  | \$ 8,400,000               |
| Long-term borrowings (including<br>expiring within a year) | <u>29,825,090</u>          | <u>600,000</u>      | <u>25,800</u>                                     | <u>30,450,890</u>          |
|  | <u>\$ 35,851,722</u>       | <u>\$ 2,979,297</u> | <u>\$ 19,871</u>                                  | <u>\$ 38,850,890</u>       |

For the year ended December 31, 2022

|  | <b>Opening<br/>Balance</b> | <b>Cash Flows</b>     | <b>Effect of<br/>Exchange Rate<br/>and Others</b> | <b>Closing<br/>Balance</b> |
|--|----------------------------|-----------------------|---|----------------------------|
| Short-term borrowings                                      | \$ 25,426,775              | \$ (19,404,870)       | \$ 4,727  | \$ 6,026,632               |
| Long-term borrowings (including<br>expiring within a year) | <u>17,174,917</u>          | <u>12,609,000</u>     | <u>41,173</u>                                     | <u>29,825,090</u>          |
|  | <u>\$ 42,601,692</u>       | <u>\$ (6,795,870)</u> | <u>\$ 45,900</u>                                  | <u>\$ 35,851,722</u>       |

## 25. 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 term comprehensive operational plan to ensure sound profitability and financial structure so as to fulfill the mid-term and long-term demand of working capital, capital expenditures, debts repayment and dividend distributions.

## 26. FINANCIAL INSTRUMENTS

### a. Fair value of financial instruments not measured at fair value

Except for those listed in the table below, the Corporation considers that the carrying amount of financial instruments not measured at fair value in the financial statements approximates fair value.

December 31, 2023

|   | <b>Carrying<br/>Amount</b> | <b>Fair Value</b> |                |                      | <b>Total</b>         |
|---|----------------------------|-------------------|----------------|----------------------|----------------------|
|   |                            | <b>Level 1</b>    | <b>Level 2</b> | <b>Level 3</b>       |                      |
| <u>Financial liabilities</u>            |                            |                   |                |                      |                      |
| Financial liabilities at amortized cost |                            |                   |                |                      |                      |
| Convertible bonds payable               | <u>\$ 13,550,613</u>       | <u>\$ -</u>       | <u>\$ -</u>    | <u>\$ 14,265,497</u> | <u>\$ 14,265,497</u> |

December 31, 2022

|   | <b>Carrying<br/>Amount</b> | <b>Fair Value</b> |                |                      | <b>Total</b>         |
|---|----------------------------|-------------------|----------------|----------------------|----------------------|
|   |                            | <b>Level 1</b>    | <b>Level 2</b> | <b>Level 3</b>       |                      |
| <u>Financial liabilities</u>            |                            |                   |                |                      |                      |
| Financial liabilities at amortized cost |                            |                   |                |                      |                      |
| Convertible bonds payable               | <u>\$ 20,785,447</u>       | <u>\$ -</u>       | <u>\$ -</u>    | <u>\$ 20,734,800</u> | <u>\$ 20,734,800</u> |

### b. Fair value of financial instruments measured at fair value on a recurring basis

#### 1) Fair value hierarchy

December 31, 2023

|   | <b>Level 1</b>      | <b>Level 2</b>      | <b>Level 3</b>      | <b>Total</b>         |
|---|---------------------|---------------------|---------------------|----------------------|
| Financial assets mandatorily classified as at FVTPL                               |                     |                     |                     |                      |
| Domestic listed shares  | \$ 231,127          | \$ -                | \$ -                | \$ 231,127           |
| Domestic emerging market shares   | 108,582             | -                   | -                   | 108,582              |
| Derivative instrument - redemption options<br>and put options of convertible bond | -                   | -                   | 1,347               | 1,347                |
|   | <u>\$ 339,709</u>   | <u>\$ -</u>         | <u>\$ 1,347</u>     | <u>\$ 341,056</u>    |
| Financial assets at FVTOCI  |                     |                     |                     |                      |
| Equity instrument investment  |                     |                     |                     |                      |
| Domestic listed shares  | \$ 4,550,079        | \$ -                | \$ -                | \$ 4,550,079         |
| Domestic privately placed listed shares   | -                   | 1,884,630           | -                   | 1,884,630            |
| Domestic unlisted shares  | -                   | -                   | 7,506,251           | 7,506,251            |
| Domestic convertible preference shares  | 30,889              | -                   | -                   | 30,889               |
|   | <u>\$ 4,580,968</u> | <u>\$ 1,884,630</u> | <u>\$ 7,506,251</u> | <u>\$ 13,971,849</u> |

December 31, 2022

|   | <b>Level 1</b>      | <b>Level 2</b>      | <b>Level 3</b>      | <b>Total</b>         |
|---|---------------------|---------------------|---------------------|----------------------|
| Financial assets mandatorily classified as at FVTPL                               |                     |                     |                     |                      |
| Domestic listed shares  | \$ 164,774          | \$ -                | \$ -                | \$ 164,774           |
| Domestic emerging market shares   | <u>95,145</u>       | <u>-</u>            | <u>-</u>            | <u>95,145</u>        |
|   | <u>\$ 259,919</u>   | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ 259,919</u>    |
| Financial assets at FVTOCI  |                     |                     |                     |                      |
| Equity instrument investment  |                     |                     |                     |                      |
| Domestic listed shares  | \$ 3,578,378        | \$ -                | \$ -                | \$ 3,578,378         |
| Domestic privately placed listed shares   | -                   | 1,030,299           | -                   | 1,030,299            |
| Domestic unlisted shares  | -                   | -                   | 6,603,304           | 6,603,304            |
| Domestic convertible preference shares  | <u>29,441</u>       | <u>-</u>            | <u>-</u>            | <u>29,441</u>        |
|   | <u>\$ 3,607,819</u> | <u>\$ 1,030,299</u> | <u>\$ 6,603,304</u> | <u>\$ 11,241,422</u> |
| Financial liabilities at FVTPL  |                     |                     |                     |                      |
| Derivative instrument - redemption options<br>and put options of convertible bond | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ 641,522</u>   | <u>\$ 641,522</u>    |

There were no transfers between Levels 1 and 2 for the years ended December 31, 2023 and 2022.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

For domestic listed privately placed listed shares with no market price available as reference, their fair values are estimated using the evaluation method. The estimations and assumptions used by the Corporation in the evaluation method are consistent with those used by market participants in pricing the financial instruments. The relevant information is available to the Corporation.

The evaluation method adopted by the Corporation is the Black-Scholes model, which calculates the fair value based on the observable share price, share price volatility, risk-free interest rate and liquidity discount at the end of the year.

3) Reconciliation of Level 3 fair value measurements of financial instruments

|  | <b>For the Year<br/>Ended<br/>December 31,<br/>2023</b> |
|--|---|
| Financial assets at FVTOCI               |   |
| Equity instrument investment             |   |
| Balance at January 1, 2023               | \$ 6,603,304  |
| Recognized in other comprehensive income | 1,021,157   |
| Proceeds from capital reduction          | <u>(118,210)</u>  |
| Balance at December 31, 2023             | <u>\$ 7,506,251</u>                                     |
| Financial assets at FVTPL                |   |
| Derivative instrument investment         |   |
| Balance at January 1, 2023               | \$ -  |
| Additions                                | <u>1,347</u>  |
| Balance at December 31, 2023             | <u>\$ 1,347</u>   |
| Financial liabilities at FVTPL           |   |
| Derivative instrument investment         |   |
| Balance at January 1, 2023               | \$ 641,522  |
| Recognized in loss                       | (55,326)  |
| Disposal                                 | <u>(586,196)</u>  |
| Balance at December 31, 2023             | <u>\$ -</u>   |
|  | <b>For the Year<br/>Ended<br/>December 31,<br/>2022</b> |
| Financial assets at FVTOCI               |   |
| Equity instrument investment             |   |
| Balance at January 1, 2022               | \$ 7,203,461  |
| Recognized in other comprehensive loss   | <u>(600,157)</u>  |
| Balance at December 31, 2022             | <u>\$ 6,603,304</u>                                     |

(Continued)

**For the Year  
Ended  
December 31,  
2022**

Financial liabilities at FVTPL

Derivative instrument investment

Balance at January 1, 2022

Recognized in loss

\$ 213,062

428,460

Balance at December 31, 2022

\$ 641,522

(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 a change in a change in the fair value. As of December 31, 2023 and 2022 the historical volatility used were 16.84% and 19.41%, 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> |      |
|--|--------------------|------|
|  | 2023               | 2022 |
| Comprehensive discount for lack of marketability and non-controlling interests | 10%                | 10%  |

If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair value of the shares would increase (decrease) as follows:

|  | <u>December 31</u> |                   |
|--|--------------------|-------------------|
|  | 2023               | 2022              |
| Comprehensive discount for lack of marketability and non-controlling interests |                    |                   |
| 1% increase  | <u>\$ (7,624)</u>  | <u>\$ (9,753)</u> |
| 1% decrease  | <u>\$ 7,624</u>    | <u>\$ 9,753</u>   |

The dividend discount model values a target company based on its stability of dividend payments in the past.

|                                    | <u>December 31</u> |       |
|------------------------------------|--------------------|-------|
|                                    | 2023               | 2022  |
| Discount rate                      | 8.2%               | 9.1%  |
| Dividend growth rate               | 1.5%               | 1.6%  |
| Discount for lack of marketability | 10.0%              | 10.0% |

If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair value of the shares would increase (decrease) as follows:

|                                    | <u>December 31</u> |                    |
|------------------------------------|--------------------|--------------------|
|                                    | <u>2023</u>        | <u>2022</u>        |
| Discount for lack of marketability |                    |                    |
| 1% increase                        | <u>\$ (76,018)</u> | <u>\$ (63,875)</u> |
| 1% decrease                        | <u>\$ 76,018</u>   | <u>\$ 63,875</u>   |

c. Categories of financial instruments

|  | <u>December 31</u> |             |
|--|--------------------|-------------|
|  | <u>2023</u>        | <u>2022</u> |
| <u>Financial assets</u>                              |                    |             |
| Financial assets at FVTPL                            |                    |             |
| Financial assets mandatorily classified as at FVTPL  | \$ 341,056         | \$ 259,919  |
| Financial assets measured at amortized cost (1)      | 8,624,410          | 10,816,297  |
| Financial assets at FVTOCI                           |                    |             |
| Equity instrument investment                         | 13,971,849         | 11,241,422  |
| <u>Financial liabilities</u>                         |                    |             |
| Financial liabilities at FVTPL                       |                    |             |
| Held for trading                                     | -                  | 641,522     |
| Financial liabilities measured at amortized cost (2) | 143,471,524        | 147,731,447 |

- 1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable (including related parties transactions), other receivables (including related parties transactions and included in other current assets).
- 2) The balances include financial liabilities measured at amortized cost, which comprise short-term loans, short-term bills payable, accounts payable (including related parties transactions), other payables, other payable to related parties (included in other current liabilities), bonds payable (including current portion), long-term loans (including current portion) and long-term bills payable.

d. Financial risk management objectives and policies

The risk control and hedging strategy performed by the Corporation were affected by operation environments, and the Corporation adopted appropriate risk controls and hedging strategies according to its nature of business and risk diversification principles. These risks include market risk, credit risk and liquidity risk.

1) Market risk

The Corporation's financial instruments were mainly comprised of listed shares, and these investments were subject to fluctuations in market prices. The Corporation has periodically evaluated the investment's performance, and no significant market risk was anticipated.

a) Foreign currency risk

The foreign financial assets and liabilities were exposed to risk of foreign currency fluctuations. To lower foreign currency risk, the Corporation has established control mechanisms to immediately monitor its foreign currency position and exchange rate fluctuations.

The carrying amounts of the significant monetary assets and liabilities not denominated in functional currency at the end of the reporting period are set out in Note 30.

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, 2023 and 2022 would increase/decrease by \$9,953 thousand and \$8,662 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:

|                              | <u>December 31</u> |              |
|------------------------------|--------------------|--------------|
|                              | <u>2023</u>        | <u>2022</u>  |
| Cash flow interest rate risk |                    |              |
| Financial assets             | \$ 839,977         | \$ 3,044,369 |
| Financial liabilities        | 38,350,890         | 35,851,722   |

The interest risk was evaluated based on the position of financial assets and liabilities. The sensitivity analysis below was determined based on the Corporation's floating interest rate financial assets and liabilities at the end of the reporting period, an increase or decrease of 50-basis points was used, which represented management's assessment of reasonably possible change in interest rates. The fair values of fixed interest rate financial assets and liabilities will change due to variances in market interest rates; the future cash flows of floating interest rate financial assets and financial liabilities will change due to variances in effective interest rates, which vary with market interest rates.

For the Corporation's floating interest rate financial assets, if interest rates had been 50 basis points higher/lower, the cash inflows from floating interest rate financial assets for the years ended December 31, 2023 and 2022 would increase/decrease by \$3,360 thousand and \$12,177 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, 2023 and 2022 would increase/decrease by \$153,404 thousand and \$143,407 thousand, respectively.

c) Other price risk

The Corporation was exposed to equity instruments and commodities price risk through its investments in equity securities. Equity investments are held for strategic rather than trading purposes. The Corporation does not actively trade these investments. Sensitivity analyses were used for evaluating the exposure to equity price risks.

The sensitivity analyses below were based on the exposure of equity instruments/commodity prices risk on the balance sheet date.

The sensitivity analyses were based on the exposure of equity instruments/commodities prices at the end of the reporting period. If equity instruments/commodities prices of financial assets at FVTPL had been 5% higher/lower, profit or loss for the years ended December 31, 2023 and 2022 would increase/decrease by \$16,985 thousand and \$12,996 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, 2023 and 2022 would increase/decrease by \$698,592 thousand and \$562,071 thousand, respectively.

## 2) Credit risk

Potential impacts on financial assets would occur if the Corporation's counterparties breach financial instrument contracts, including impacts to the concentration of credit risk, components, contractual amounts and other receivables.

As at the end of the reporting period, the Corporation's maximum exposure to credit risk, which would cause a financial loss to the Corporation due to the failure of counterparties to discharge an obligation, could arise from the carrying amounts of the respective recognized financial assets as stated in the balance sheets.

The Corporation transacted with a large number of customers from various industries and geographical locations. The Corporation continuously assesses the operations and financial positions of customers and monitors the collectability of accounts receivable. The Corporation required credit enhancements by bank guarantees or collateral for certain customers.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings which were assigned by international credit-rating agencies.

## 3) Liquidity risk

The Corporation manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Corporation's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank facilities and ensures compliance with loan covenants. As of December 31, 2023 and 2022, the amount of unused financing facilities was \$70,139,767 thousand and \$63,958,860 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, 2023

|   | On Demand or<br>Less than<br>1 Month | 1-3 Months          | 3 Months to<br>1 Year | 1-5 Years            | 5+ Years             |
|---|--------------------------------------|---------------------|-----------------------|----------------------|----------------------|
| <u>Non-derivative financial liabilities</u> |                                      |                     |                       |                      |                      |
| Non-interest bearing                        | \$ 1,756,663                         | \$ 4,165,900        | \$ 427,055            | \$ 53,447            | \$ 1,913             |
| Lease liabilities                           | 61,499                               | 21,709              | 215,421               | 893,220              | 654,919              |
| Variable interest rate liabilities          | 4,226,800                            | 3,961,811           | 1,363,163             | 31,208,138           | -                    |
| Fixed interest rate liabilities             | 231,200                              | 6                   | 13,441,180            | 43,701,593           | 52,369,560           |
|   | <u>\$ 6,276,162</u>                  | <u>\$ 8,149,426</u> | <u>\$ 15,446,819</u>  | <u>\$ 75,856,398</u> | <u>\$ 53,026,392</u> |

Additional information about the maturity analysis for lease liabilities after eliminating transactions:

|                                    | Less than 1<br>Year  | 1-5 Years            | 5-10 Years           | 10-15 Years          | 15-20 Years | 20+ Years   |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|-------------|-------------|
| Non-interest bearing               | \$ 6,349,618         | \$ 53,447            | \$ 1,913             | \$ -                 | \$ -        | \$ -        |
| Lease liabilities                  | 298,629              | 893,220              | 654,919              | -                    | -           | -           |
| Variable interest rate liabilities | 9,551,774            | 31,208,138           | -                    | -                    | -           | -           |
| Fixed interest rate liabilities    | <u>13,672,386</u>    | <u>43,701,593</u>    | <u>30,609,030</u>    | <u>21,760,530</u>    | <u>-</u>    | <u>-</u>    |
|                                    | <u>\$ 29,872,407</u> | <u>\$ 75,856,398</u> | <u>\$ 31,265,862</u> | <u>\$ 21,760,530</u> | <u>\$ -</u> | <u>\$ -</u> |

### December 31, 2022

|   | On Demand or<br>Less than<br>1 Month | 1-3 Months           | 3 Months to<br>1 Year | 1-5 Years            | 5+ Years             |
|---|--------------------------------------|----------------------|-----------------------|----------------------|----------------------|
| <u>Non-derivative financial liabilities</u> |                                      |                      |                       |                      |                      |
| Non-interest bearing                        | \$ 1,049,645                         | \$ 4,448,889         | \$ 221,561            | \$ 73,430            | \$ 2,398             |
| Lease liabilities                           | 74,481                               | 25,034               | 206,615               | 959,834              | 711,497              |
| Variable interest rate liabilities          | 177,310                              | 5,637,282            | 788,278               | 31,040,918           | -                    |
| Fixed interest rate liabilities             | -                                    | -                    | 23,041,180            | 42,209,200           | 50,795,840           |
|   | <u>\$ 1,301,436</u>                  | <u>\$ 10,111,205</u> | <u>\$ 24,257,634</u>  | <u>\$ 74,283,382</u> | <u>\$ 51,509,735</u> |

Additional information about the maturity analysis for lease liabilities after eliminating transactions:

|                                    | Less than 1<br>Year  | 1-5 Years            | 5-10 Years           | 10-15 Years          | 15-20 Years | 20+ Years   |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|-------------|-------------|
| Non-interest bearing               | \$ 5,720,095         | \$ 73,430            | \$ 2,398             | \$ -                 | \$ -        | \$ -        |
| Lease liabilities                  | 306,130              | 959,834              | 491,576              | 219,921              | -           | -           |
| Variable interest rate liabilities | 6,602,870            | 31,040,918           | -                    | -                    | -           | -           |
| Fixed interest rate liabilities    | <u>23,041,180</u>    | <u>42,209,200</u>    | <u>11,305,720</u>    | <u>39,490,120</u>    | <u>-</u>    | <u>-</u>    |
|                                    | <u>\$ 35,670,275</u> | <u>\$ 74,283,382</u> | <u>\$ 11,799,694</u> | <u>\$ 39,710,041</u> | <u>\$ -</u> | <u>\$ -</u> |

## 27. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in other notes, details of transactions between the Corporation and other related parties are as follows:

### a. Name of the related parties and relationship

| Related Party   | Relationship with the Corporation |
|---|-----------------------------------|
| 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                        |
| Ta-Ho RSEA Environment Co., Ltd.  | Subsidiary                        |
| TCC Investment Corporation (TCC Investment)                               | Subsidiary                        |
| TCC Chemical Corporation (TCC Chemical)                                   | Subsidiary                        |

(Continued)



| Related Party  | Relationship with the Corporation   |
|--|---|
| TCC Information Systems Corporation (TCC Information Systems)                | Subsidiary  |
| Tung Chen Mineral Corporation  | Subsidiary (in the process of liquidation in December 2023)                               |
| 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  |
| TCC Energy Storage Technology Corporation (TCC Energy Storage)               | Subsidiary  |
| Tuo Shan Recycle Technology Company  | Subsidiary  |
| TCC Recycle Energy Technology Company  | Subsidiary  |
| TJ Transport Corporation   | Subsidiary  |
| E-One Moli Energy Corp.  | Subsidiary  |
| Energy Helper TCC Corporation  | Subsidiary  |
| Molie Quantum Energy Corporation   | Subsidiary  |
| TCC Yingde Cement Co., Ltd.  | Subsidiary  |
| NHOA Taiwan Ltd.   | Subsidiary  |
| Dr. Cecilia Koo Botanic Conservation and Environmental Protection Foundation | Same key management personnel   |
| Chienten Temple  | Same key management personnel   |
| Chinatrust Investment Co., Ltd.  | Same key management personnel   |
| Linyuan Advanced Materials Technology Co., Ltd.                              | Same key management personnel   |
| Circular Commitment Company  | Same key management personnel   |
| Hualien County Private Hoping Sustainability Charity Foundation              | Same key management personnel   |
| Sing Cheng Investment Co., Ltd.  | Same key management personnel   |
| Phihong Technology Co., Ltd.   | The Corporation acts as key management personnel (became related parties since June 2022) |
| Pan Asia Corporation   | The Corporation acts as key management personnel  |
| China Hi-Ment Corporation (China Hi-Ment)                                    | The Corporation acts as key management personnel  |
| CTCI Corporation   | The Corporation acts as key management personnel  |
| O-Bank Co., Ltd.   | The Corporation acts as key management personnel  |
| CTCI Resources Engineering Inc.  | The Corporation acts as key management of its parent company                              |

(Continued)

| Related Party  | Relationship with 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                           | Same key management personnel     |                                       |                     |
| International CSRC Investment Holdings Co., Ltd.             | Associate                         |                                       |                     |
| Onyx Ta-Ho Environmental Services Co., Ltd.                  | Associate                         |                                       |                     |
| Onyx Ta-Ho Waste Clearance Co., Ltd.                         | Subsidiary of associate           |                                       |                     |
| Onyx Ta-Ho Lu-Tsao Environment Co., Ltd.                     | Subsidiary of associate           |                                       |                     |
| Winbond Electronics Corporation                              | Related party in substance        |                                       |                     |
| (Concluded)  |                                   |                                       |                     |
| b. Operating revenue   |                                   | <b>For the Year Ended December 31</b> |                     |
|  |                                   | <b>2023</b>                           | <b>2022</b>         |
| Subsidiary   |                                   | \$ 2,117,376                          | \$ 2,813,452        |
| Management personnel in substance                            |                                   | 561,035                               | 579,970             |
| The Corporation acts as key management personnel             |                                   | 335,279                               | 388,249             |
| The Corporation acts as key management of its parent company |                                   | 78,244                                | 18,715              |
| Others   |                                   | <u>30,658</u>                         | <u>26,208</u>       |
|  |                                   | <u>\$ 3,122,592</u>                   | <u>\$ 3,826,594</u> |
| c. Purchases of goods  |                                   | <b>For the Year Ended December 31</b> |                     |
|  |                                   | <b>2023</b>                           | <b>2022</b>         |
| Subsidiary   |                                   | \$ 3,915,900                          | \$ 4,317,957        |
| The Corporation acts as key management personnel             |                                   | 960,741                               | 819,531             |
| Others   |                                   | <u>38,410</u>                         | <u>33,372</u>       |
|  |                                   | <u>\$ 4,915,051</u>                   | <u>\$ 5,170,850</u> |
| d. Operating expenses  |                                   | <b>For the Year Ended December 31</b> |                     |
|  |                                   | <b>2023</b>                           | <b>2022</b>         |
| Subsidiary   |                                   | \$ 22,540                             | \$ 22,827           |
| Management personnel in substance                            |                                   | 24,779                                | 23,949              |
| Same key management personnel                                |                                   | 14,019                                | 14,310              |
| Others   |                                   | <u>-</u>                              | <u>284</u>          |
|  |                                   | <u>\$ 61,338</u>                      | <u>\$ 61,370</u>    |

e. Notes and accounts receivables from related parties

|  | <b>December 31</b> |                   |
|--|--------------------|-------------------|
|  | <b>2023</b>        | <b>2022</b>       |
| Subsidiary   |                    |                   |
| Feng Sheng Enterprise  | \$ 172,148         | \$ 195,623        |
| E.G.C. Cement  | 89,586             | 105,628           |
| HKCCL  | -                  | 64,921            |
| Others   | <u>73,628</u>      | <u>45,547</u>     |
|  | <u>335,362</u>     | <u>411,719</u>    |
| Management personnel in substance                            |                    |                   |
| Chia Hsin Cement   | 110,880            | 110,880           |
| Others   | <u>2,173</u>       | <u>1,545</u>      |
|  | <u>113,053</u>     | <u>112,425</u>    |
| The Corporation acts as key management personnel             | <u>67,606</u>      | <u>142,262</u>    |
| The Corporation acts as key management of its parent company | <u>50,306</u>      | <u>10,004</u>     |
| Others   | <u>5,791</u>       | <u>5,383</u>      |
|  | <u>\$ 572,118</u>  | <u>\$ 681,793</u> |

f. Accounts payables to related parties

|  | <b>December 31</b>  |                     |
|--|---------------------|---------------------|
|  | <b>2023</b>         | <b>2022</b>         |
| Subsidiary                                       |                     |                     |
| Ta-Ho Maritime                                   | \$ 305,087          | \$ 565,708          |
| Taiwan Transport & Storage                       | 124,739             | 148,407             |
| Others   | <u>349,258</u>      | <u>231,504</u>      |
|  | <u>779,084</u>      | <u>945,619</u>      |
| The Corporation acts as key management personnel |                     |                     |
| China Hi-Ment                                    | <u>290,271</u>      | <u>215,633</u>      |
| Others   | <u>7,455</u>        | <u>3,207</u>        |
|  | <u>\$ 1,076,810</u> | <u>\$ 1,164,459</u> |

The price and terms of the above transactions were by contracts.

g. Other receivables from related parties (included in other current assets)

|            | <b>December 31</b> |                  |
|------------|--------------------|------------------|
|            | <b>2023</b>        | <b>2022</b>      |
| Subsidiary | \$ 55,921          | \$ 35,648        |
| Others     | <u>618</u>         | <u>406</u>       |
|            | <u>\$ 56,539</u>   | <u>\$ 36,054</u> |

Other receivables from related parties included dividend receivables and interest receivables.

h. Other payables to related parties (included in other current liabilities)

|  | <b>December 31</b> |                   |
|--|--------------------|-------------------|
|  | <b>2023</b>        | <b>2022</b>       |
| Subsidiary   |                    |                   |
| NHOA ENERGY  | \$ 18,552          | \$ 59,636         |
| Others   | <u>15,820</u>      | <u>5,494</u>      |
|  | <u>34,372</u>      | <u>65,130</u>     |
| The Corporation acts as key management of its parent company |                    |                   |
| CTCI Resources Engineering Inc.                              | <u>396,677</u>     | <u>151,160</u>    |
| Others   | <u>8,571</u>       | <u>10,247</u>     |
|  | <u>\$ 439,620</u>  | <u>\$ 226,537</u> |

i. Acquisitions of property, plant and equipment

|  | <b>For the Year Ended December 31</b> |                     |
|--|---------------------------------------|---------------------|
|  | <b>2023</b>                           | <b>2022</b>         |
| Subsidiary   |                                       |                     |
| NHOA ENERGY  | \$ 5,846                              | \$ 553,227          |
| The Corporation acts as key management of its parent company |                                       |                     |
| CTCI Resources Engineering Inc.                              | 1,345,357                             | 666,260             |
| Others   | <u>11,506</u>                         | <u>7,278</u>        |
|  | <u>\$ 1,362,709</u>                   | <u>\$ 1,226,765</u> |

j. Endorsements and guarantees

|                      | <b>December 31</b>  |                     |
|----------------------|---------------------|---------------------|
|                      | <b>2023</b>         | <b>2022</b>         |
| Subsidiary           |                     |                     |
| TCCI                 | \$ 1,658,070        | \$ 3,285,970        |
| TCC Investment       | 1,590,000           | 1,630,000           |
| Union Cement Traders | 780,000             | 750,000             |
| TCC Chemical         | 106,117             | 359,117             |
| TCC Energy Storage   | 1,228,200           | 1,102,190           |
| Others               | <u>131,142</u>      | <u>131,141</u>      |
|                      | <u>\$ 5,493,529</u> | <u>\$ 7,258,418</u> |

k. Lease arrangements

| Line Item         | Related Party Category/Name       | <b>December 31</b> |                   |
|-------------------|-----------------------------------|--------------------|-------------------|
|                   |                                   | <b>2023</b>        | <b>2022</b>       |
| Lease liabilities | Subsidiary                        |                    |                   |
|                   | E.G.C. Cement                     | \$ 220,992         | \$ 237,422        |
|                   | Others                            | <u>391</u>         | <u>2,713</u>      |
|                   |                                   | <u>221,383</u>     | <u>240,135</u>    |
|                   | Management personnel in substance |                    |                   |
|                   | Chia Hsin R.M.C.                  | <u>11,908</u>      | <u>16,317</u>     |
|                   |                                   | <u>\$ 233,291</u>  | <u>\$ 256,452</u> |

| Related Party Category/Name                           | For the Year Ended December 31 |                 |
|---|--------------------------------|-----------------|
|   | 2023                           | 2022            |
| <u>Interest expense (included in financial costs)</u> |                                |                 |
| Subsidiary  |                                |                 |
| E.G.C. Cement   | \$ 4,241                       | \$ 4,541        |
| Others  | <u>30</u>                      | <u>73</u>       |
|   | <u>4,271</u>                   | <u>4,614</u>    |
| Management personnel in substance                     | <u>250</u>                     | <u>328</u>      |
|   | <u>\$ 4,521</u>                | <u>\$ 4,942</u> |

The lease contracts between the Corporation and related parties were based on market price and general terms of payment.

1. Compensation of key management personnel

|                              | For the Year Ended December 31 |                   |
|------------------------------|--------------------------------|-------------------|
|                              | 2023                           | 2022              |
| Short-term employee benefits | \$ 240,449                     | \$ 161,793        |
| Post-employment benefits     | 2,871                          | 2,506             |
| Share-based payment          | <u>14,397</u>                  | <u>7,877</u>      |
|                              | <u>\$ 257,717</u>              | <u>\$ 172,176</u> |

**28. 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 |            |
|--|-------------|------------|
|  | 2023        | 2022       |
| Property, plant and equipment                                | \$ 148,896  | \$ 148,896 |
| Pledged bank deposits (included in other non-current assets) | 499,937     | 499,905    |

**29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS**

- As of December 31, 2023 and 2022, the balances of letters of credit for the purchase of raw materials were \$94,844 thousand and \$71,368 thousand, respectively.
- As of December 31, 2023 and 2022, the amounts of letters of guarantee issued by banks for the Corporation were \$41,859 thousand and \$22,120 thousand.
- 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.

- On November 14, 2023, the Board of Directors of the Corporation resolved the proposal to build the plant and purchase production line equipment for green cells in Canada. The total amount of investment is approximately \$25,500,000 thousand. In addition to bank loans or applying for government grants, the Corporation is contemplating directly or indirectly to increase the capital of EMC and/or increase the capital of EMC via investment from overseas or domestic subsidiaries and having EMC participate in the capital increase in cash of EMQE. The amount of capital increase does not exceed US\$300,000 thousand.
- On November 27, 2023, the Board of Directors of the Corporation resolved to increase the indirect shareholdings of Oyak Denizli, a reinvestment company in Turkey, and Cimpor, a reinvestment company in Portugal, the subsidiaries of Cimpor Global Holdings B.V. invested by the Consolidated Corporation via an investment accounted for using the equity method. The Corporation intended to directly increase the capital of TCC Dutch itself or indirectly increase the capital of TCC Dutch via overseas or domestic subsidiaries of the Corporation, and that the share issued in the capital increase acquired by TCC Dutch and/or its subsidiaries, which means: (a) increasing its shareholdings of Oyak Denizli to 60%, and (b) increasing its shareholdings of Cimpor to 100%. The total amount of investment is approximately EUR193,440 thousand and EUR480,000 thousand, respectively. In addition, according to the relevant laws and regulations of the Turkish authority, the Corporation should compulsorily acquire the outstanding shares of Oyak Cimento Fabrikalari Anonim Sirketi, the subsidiary of Oyak Denizli, on the Turkish securities exchange market, and the actual transaction amount will be settled and adjusted at closing pursuant to the definitive agreement of the investment.

**30. 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, 2023

|                              | Foreign Currency<br>(In Thousands) | Exchange Rate    | Carrying Amount<br>(In Thousands) |
|------------------------------|------------------------------------|------------------|-----------------------------------|
| <u>Financial assets</u>      |                                    |                  |                                   |
| Monetary items               |                                    |                  |                                   |
| USD                          | \$ 42,129                          | 30.705 (USD:NTD) | \$ 1,293,562                      |
| Non-monetary items           |                                    |                  |                                   |
| USD                          | 60,490                             | 30.705 (USD:NTD) | 1,857,348                         |
| HKD                          | 49,563,786                         | 3.929 (HKD:NTD)  | 194,736,113                       |
| EUR                          | 1,526,038                          | 33.98 (EUR:NTD)  | 42,363,100                        |
| <u>Financial liabilities</u> |                                    |                  |                                   |
| Monetary items               |                                    |                  |                                   |
| USD                          | 1,608                              | 30.705 (USD:NTD) | 49,375                            |

December 31, 2022

|                              | <b>Foreign<br/>Currency<br/>(In Thousands)</b> | <b>Exchange Rate</b> | <b>Carrying<br/>Amount<br/>(In Thousands)</b> |
|------------------------------|--|----------------------|---|
| <u>Financial assets</u>      |  |                      |   |
| Monetary items               |  |                      |   |
| USD                          | \$ 59,778                                      | 30.710 (USD:NTD)     | \$ 1,835,789                                  |
| Non-monetary items           |  |                      |   |
| USD                          | 62,093   | 30.710 (USD:NTD)     | 1,906,876                                     |
| HKD                          | 49,687,115                                     | 3.938 (HKD:NTD)      | 195,667,858                                   |
| EUR                          | 1,219,110                                      | 32.720 (EUR:NTD)     | 39,985,279                                    |
| <u>Financial liabilities</u> |  |                      |   |
| Monetary items               |  |                      |   |
| USD                          | 24,521   | 30.710 (USD:NTD)     | 753,043                                       |

The realized and unrealized foreign exchange losses were \$736,485 thousand and \$210,323 thousand for the years ended December 31, 2023 and 2022, 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.

### 31. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. investees

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures) (Table 3)
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the share capital (Table 4)
- 5) Acquisitions of individual real estate at costs of at least NT\$300 million or 20% of the share capital (None)
- 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the share capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the share capital (Table 5)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the share capital (Table 6)
- 9) Trading in derivative instruments (Notes 7, 16 and 26)
- 10) Information on investees (Table 7)

c. Information on investments in mainland China (Table 8)

- 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.
- d. 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)



TABLE 1

## TAIWAN CEMENT CORPORATION

FINANCINGS PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(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                     | \$ -           | \$ -                    | -                 | The need for short-term financing | \$ -                        | Operating capital               | \$ -                          | -          | \$ -  | \$ 1,157,330                               | 1,157,330                          |      |
| 2   | Hong Kong Cement Co., Ltd.              | TCCH  | Other receivables from related parties | Yes             | 537,153                        | 508,659        | 508,659                 | 5.49              | The need for short-term financing | -                           | Operating capital               | -                             | -          | -     | 1,488,240                                  | 2,976,480                          |      |
| 3   | TCC Development Ltd.                    | TCCH  | Other receivables from related parties | Yes             | 302,512                        | 286,817        | 286,817                 | 4.83              | The need for short-term financing | -                           | Operating capital               | -                             | -          | -     | 1,298,836                                  | 1,298,836                          |      |
| 4   | TCCI                                    | TCCH  | Other receivables from related parties | Yes             | 3,891,000                      | 3,684,600      | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | -     | 107,653,934                                | 215,307,868                        |      |
|     |   | TCC Dutch   | Other receivables from related parties | Yes             | 1,735,500                      | 1,699,000      | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | -     | 107,653,934                                | 215,307,868                        |      |
|     |   | TCEH  | Other receivables from related parties | Yes             | 694,200                        | 679,600        | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | -     | 107,653,934                                | 215,307,868                        |      |
| 5   | TCEH                                    | NHOA ENERGY S.R.L.  | Other receivables from related parties | Yes             | 347,100                        | 339,800        | 339,800                 | 4.66              | The need for short-term financing | -                           | Operating capital               | -                             | -          | -     | 16,794,139                                 | 33,588,278                         |      |
|     |   | ATLANTE S.R.L.  | Other receivables from related parties | Yes             | 520,650                        | 509,700        | 509,700                 | 4.66              | The need for short-term financing | -                           | Operating capital               | -                             | -          | -     | 16,794,139                                 | 33,588,278                         |      |
|     |   | NHOA S.A.   | Other receivables from related parties | Yes             | 555,360                        | 543,680        | 543,680                 | 4.81              | The need for short-term financing | -                           | Operating capital               | -                             | -          | -     | 6,717,656                                  | 6,717,656                          |      |
|     |   | TCC Dutch   | Other receivables from related parties | Yes             | 1,388,400                      | 1,359,200      | 1,189,300               | 4.78              | The need for short-term financing | -                           | Operating capital               | -                             | -          | -     | 16,794,139                                 | 33,588,278                         |      |
| 6   | Yingde Dragon Mountain Cement Co., Ltd. | TCC Yingde Cement Co., Ltd.                                   | Other receivables from related parties | Yes             | 892,620                        | -              | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | -     | 15,883,173                                 | 31,766,346                         |      |
|     |   | TCC Liaoning Cement Company Limited                           | Other receivables from related parties | Yes             | 1,017,587                      | 985,393        | 648,285                 | 2.84              | The need for short-term financing | -                           | Operating capital               | -                             | -          | -     | 15,883,173                                 | 31,766,346                         |      |
|     |   | TCC (Gui Gang) Cement Ltd.                                    | Other receivables from related parties | Yes             | 7,587,270                      | 7,347,230      | 5,834,565               | 2.59-3.05         | The need for short-term financing | -                           | Operating capital               | -                             | -          | -     | 15,883,173                                 | 31,766,346                         |      |
| 7   | TCC (Gui Gang) Cement Ltd.              | Guigang TCC Dongyuan Environmental Technology Company Limited | Other receivables from related parties | Yes             | 133,893                        | 129,657        | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | -     | 21,314,942                                 | 42,629,884                         |      |
|     |   | TCC Huaying Cement Company Limited                            | Other receivables from related parties | Yes             | 1,285,373                      | 1,244,707      | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | -     | 21,314,942                                 | 42,629,884                         |      |
|     |   | TCC (Hangzhou) Recycle Resource Technology Limited            | Other receivables from related parties | Yes             | 44,631                         | 43,219         | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | -     | 21,314,942                                 | 42,629,884                         |      |
|     |   | TCC Anshan Cement Company Limited                             | Other receivables from related parties | Yes             | 446,310                        | 432,190        | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | -     | 21,314,942                                 | 42,629,884                         |      |
|     |   | TCC Huahua Cement Company Limited                             | Other receivables from related parties | Yes             | 892,620                        | 864,380        | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | -     | 21,314,942                                 | 42,629,884                         |      |
|     |   | TCC Jingzhou Cement Company Limited                           | Other receivables from related parties | Yes             | 669,465                        | 648,285        | 432,190                 | 2.93              | The need for short-term financing | -                           | Operating capital               | -                             | -          | -     | 21,314,942                                 | 42,629,884                         |      |
|     |   | Guizhou Kong On Cement Company Limited                        | Other receivables from related parties | Yes             | 290,102                        | 280,924        | 43,219                  | 2.93              | The need for short-term financing | -                           | Operating capital               | -                             | -          | -     | 21,314,942                                 | 42,629,884                         |      |
|     |   | Seius Naxi Cement Co., Ltd.                                   | Other receivables from related parties | Yes             | 446,310                        | 432,190        | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | -     | 21,314,942                                 | 42,629,884                         |      |
|     |   | TCC Yingde Cement Co., Ltd.                                   | Other receivables from related parties | Yes             | 1,338,930                      | -              | -                       | -                 | The need for short-term financing | -                           | Operating capital               | -                             | -          | -     | 21,314,942                                 | 42,629,884                         |      |

(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. | 123 (Guangdong) Environmental Protection Technology Co., Ltd.<br>TCC Yongren (Hangzhou) Environmental Protection Technology Co., Ltd.<br>TCC Yongren (Hangzhou) Renewable Resources Development Co., Ltd.<br>Beijing TCC Environment Technology Co., Ltd.<br>TCC (Hangzhou) Environmental Protection Technology Co., Ltd.<br>Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.<br>Seius Luzhou Cement Co., Ltd.<br>Seius Naxi Cement Co., Ltd. | Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties | Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes | \$ 88,682<br>\$ 89,262<br>\$ 44,631<br>\$ 178,524<br>\$ 3,052,760<br>\$ 132,108<br>\$ 803,358<br>\$ 223,155 | \$ 86,438<br>\$ 86,438<br>\$ 43,219<br>\$ 172,876<br>\$ 2,956,180<br>\$ 127,928<br>\$ 777,942<br>\$ 216,095 | \$ 25,919<br>\$ 15,127<br>\$ 2,161<br>\$ 140,462<br>\$ -<br>\$ 127,928<br>\$ -<br>\$ 12,966 | 2.93-3.02<br>3.02<br>3.02<br>2.93-3.02<br>-<br>3.65<br>-<br>2.93   | The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing | \$ -<br>\$ -<br>\$ -<br>\$ -<br>\$ -<br>\$ -<br>\$ -<br>\$ - | Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital | \$ -<br>\$ -<br>\$ -<br>\$ -<br>\$ -<br>\$ -<br>\$ -<br>\$ - | -<br>-<br>-<br>-<br>-<br>-<br>-<br>- | \$ -<br>\$ -<br>\$ -<br>\$ -<br>\$ -<br>\$ -<br>\$ -<br>\$ -   | \$ 53,421,360<br>\$ 53,421,360<br>\$ 53,421,360<br>\$ 53,421,360<br>\$ 10,684,272<br>\$ 53,421,360<br>\$ 53,421,360<br>\$ 53,421,360 | 53,421,360<br>53,421,360<br>53,421,360<br>53,421,360<br>10,684,272<br>53,421,360<br>53,421,360<br>53,421,360 |      |
| 9   | TCC Fuzhou Cement Co., Ltd. | TCC Liaoning Cement Company Limited<br>Guizhou Kaiji Rui An Jian Cai Co., Ltd.   | Other receivables from related parties<br>Other receivables from related parties   | Yes<br>Yes   | \$ 308,739<br>\$ 223,155  | \$ -<br>\$ 216,095  | \$ -<br>\$ -  | -<br>-   | The need for short-term financing<br>The need for short-term financing   | -<br>-   | Operating capital<br>Operating capital   | -<br>-   | -<br>-                               | -<br>-   | 566,037<br>566,037   | 1,698,111<br>1,698,111   |      |
| 10  | TCCH                        | TCC Yingde Cement Co., Ltd.  | Other receivables from related parties   | Yes  | 217,283   | 210,409   | 204,025   | -  | The need for short-term financing  | -  | Operating capital  | -  | -                                    | -  | 182,757,078  | 365,514,156  |      |
| 11  | Prime York Ltd.             | Upper Value Investment Limited   | Other receivables from related parties   | Yes  | 211,344   | 200,379   | 200,379   | -  | The need for short-term financing  | -  | Operating capital  | -  | -                                    | -  | 2,573,453  | 5,146,906  |      |
| 12  | Jurong TCC Cement Co., Ltd. | TCC Huahua Cement Company Limited<br>TCC Huahua Concrete Company Limited<br>TCC Jingzhou Cement Company Limited<br>Guizhou Kong On Cement Company Limited<br>Kaiji TCC Environment Technology Co., Ltd.<br>TCC Anshan Cement Company Limited<br>TCC Chongqing Cement Company Limited<br>Guigang Changxing Cement Company Ltd.  | Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties | Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes | 1,338,930<br>133,893<br>177,363<br>401,679<br>401,679<br>888,792<br>882,112<br>444,396                      | 1,296,570<br>129,657<br>172,876<br>388,971<br>388,971<br>-<br>-<br>-  | 164,232<br>64,396<br>172,876<br>388,971<br>207,451<br>-<br>-<br>-                           | 2.93<br>2.93-3.48<br>3.02<br>2.93-3.48<br>2.93-3.10<br>-<br>-<br>- | The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-                         | Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-                         | -<br>-<br>-<br>-<br>-<br>-<br>-<br>- | 18,501,960<br>18,501,960<br>18,501,960<br>18,501,960<br>18,501,960<br>18,501,960<br>18,501,960<br>18,501,960 | 37,003,920<br>37,003,920<br>37,003,920<br>37,003,920<br>37,003,920<br>37,003,920<br>37,003,920<br>37,003,920                         |  |      |

(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  |  |                                    |      |
|     |   | TCC Liaoning Cement Company Limited<br>TCC Yingde Cement Co., Ltd.<br>Situs Luzhou Cement Co., Ltd.<br>Situs Naxi Cement Co., Ltd.<br>TCC Zhongrun (Anshun) Environmental Technology Co., Ltd.   | Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties   | Yes<br>Yes<br>Yes<br>Yes<br>Yes   | \$ 312,417<br>\$ 446,310<br>\$ 669,465<br>\$ 196,376<br>\$ 310,386   | \$ 302,533<br>-<br>648,285<br>190,164<br>302,533   | \$ -<br>-<br>-<br>190,164<br>172,876   | -<br>-<br>-<br>2.93<br>3.45  | The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing  | -<br>-<br>-<br>-<br>-  | Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital  | \$ -<br>-<br>-<br>-<br>-   | -<br>-<br>-<br>-<br>-  | \$ 18,501,960<br>18,501,960<br>18,501,960<br>18,501,960<br>7,400,784   | \$ 37,003,920<br>37,003,920<br>37,003,920<br>37,003,920<br>7,400,784   |                                    |      |
| 13  | TCC Anshun Cement Company Limited             | Anshun Xin Tai Construction Materials Company Limited<br>TCC Guangdong Environmental Technology Co., Ltd.<br>Guizhou Kong On Cement Company Limited<br>Situs Luzhou Concrete Co., Ltd.<br>Guizhou Kaiji Rui An Jian Cai Co., Ltd.<br>Situs Luzhou Cement Co., Ltd.<br>TCC Chongqing Cement Company Limited<br>TCC Huahua Cement Company Limited  | Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties   | Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes  | 89,262<br>89,262<br>264,634<br>133,893<br>133,893<br>133,893<br>892,620<br>669,465   | -<br>-<br>-<br>129,657<br>129,657<br>129,657<br>864,380<br>648,285   | -<br>-<br>-<br>497,019<br>129,657<br>86,438<br>259,314                       | -<br>-<br>-<br>2.93<br>-<br>-<br>2.93-3.02                                   | The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing   | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-   | Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital   | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-   | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-   | 7,188,050<br>2,875,220<br>7,188,050<br>7,188,050<br>7,188,050<br>7,188,050<br>7,188,050<br>7,188,050   | 14,376,100<br>2,875,220<br>14,376,100<br>14,376,100<br>14,376,100<br>14,376,100<br>14,376,100<br>14,376,100  |                                    |      |
| 14  | Guangnan Changxing Cement Company Ltd.        | Guangnan TCC Juyuan Environmental Protection Technology Co., Ltd.<br>TCC Huaying Cement Company Limited<br>Situs Luzhou Cement Co., Ltd.<br>TCC Huahua Cement Company Limited<br>TCC Huahua Cement Company Limited<br>TCC Jingzhou Cement Company Limited<br>Guizhou Kong On Cement Company Limited<br>Situs Naxi Cement Co., Ltd.<br>Situs Luzhou Cement Co., Ltd.<br>TCC Huaying Cement Company Limited<br>TCC Huahua Cement Company Limited<br>TCC Huahua Cement Company Limited<br>TCC Jingzhou Cement Company Limited<br>Guizhou Kong On Cement Company Limited<br>Situs Luzhou Cement Co., Ltd.<br>Situs Naxi Cement Co., Ltd. | Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties | Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes | 267,786<br>446,310<br>133,893<br>669,465<br>133,893<br>89,262<br>133,893<br>223,155<br>111,578<br>892,620<br>89,262<br>133,893<br>89,262<br>133,893<br>89,262<br>195,534 | -<br>432,190<br>129,657<br>648,285<br>129,657<br>86,438<br>129,657<br>-<br>108,048<br>864,380<br>86,438<br>129,657<br>-<br>-<br>-<br>- | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-   | Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-  | 2,554,886<br>6,387,214<br>6,387,214<br>6,387,214<br>6,387,214<br>6,387,214<br>6,387,214<br>9,613,022<br>9,613,022<br>9,613,022<br>9,613,022<br>9,613,022<br>9,613,022<br>1,338,696<br>1,338,696<br>948,832 | 2,554,886<br>12,774,428<br>12,774,428<br>12,774,428<br>12,774,428<br>12,774,428<br>12,774,428<br>19,226,044<br>19,226,044<br>19,226,044<br>19,226,044<br>19,226,044<br>19,226,044<br>2,677,392<br>2,677,392<br>1,897,664 |  |                                    |      |
| 15  | TCC Chongqing Cement Company Limited          | Guangnan TCC Juyuan Environmental Protection Technology Co., Ltd.<br>TCC Huaying Cement Company Limited<br>Situs Luzhou Cement Co., Ltd.<br>TCC Huahua Cement Company Limited<br>TCC Huahua Cement Company Limited<br>TCC Jingzhou Cement Company Limited<br>Guizhou Kong On Cement Company Limited<br>Situs Naxi Cement Co., Ltd.<br>Situs Luzhou Cement Co., Ltd.<br>TCC Huaying Cement Company Limited<br>TCC Huahua Cement Company Limited<br>TCC Huahua Cement Company Limited<br>TCC Jingzhou Cement Company Limited<br>Guizhou Kong On Cement Company Limited<br>Situs Luzhou Cement Co., Ltd.<br>Situs Naxi Cement Co., Ltd. | Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties   | Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes        | 89,262<br>446,310<br>133,893<br>669,465<br>133,893<br>89,262<br>133,893<br>223,155<br>111,578<br>892,620<br>89,262<br>133,893<br>89,262<br>133,893<br>89,262<br>195,534  | -<br>432,190<br>129,657<br>648,285<br>129,657<br>86,438<br>129,657<br>-<br>108,048<br>864,380<br>86,438<br>129,657<br>-<br>-<br>-<br>- | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing                                      | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-   | Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital                      | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-  | 2,554,886<br>6,387,214<br>6,387,214<br>6,387,214<br>6,387,214<br>6,387,214<br>6,387,214<br>9,613,022<br>9,613,022<br>9,613,022<br>9,613,022<br>9,613,022<br>9,613,022<br>1,338,696<br>1,338,696<br>948,832 | 2,554,886<br>12,774,428<br>12,774,428<br>12,774,428<br>12,774,428<br>12,774,428<br>12,774,428<br>19,226,044<br>19,226,044<br>19,226,044<br>19,226,044<br>19,226,044<br>19,226,044<br>2,677,392<br>2,677,392<br>1,897,664 |  |                                    |      |
| 16  | TCC New (Hangzhou) Management Company Limited | Guangnan TCC Juyuan Environmental Protection Technology Co., Ltd.<br>TCC Huaying Cement Company Limited<br>Situs Luzhou Cement Co., Ltd.<br>TCC Huahua Cement Company Limited<br>TCC Huahua Cement Company Limited<br>TCC Jingzhou Cement Company Limited<br>Guizhou Kong On Cement Company Limited<br>Situs Naxi Cement Co., Ltd.<br>Situs Luzhou Cement Co., Ltd.<br>TCC Huaying Cement Company Limited<br>TCC Huahua Cement Company Limited<br>TCC Huahua Cement Company Limited<br>TCC Jingzhou Cement Company Limited<br>Guizhou Kong On Cement Company Limited<br>Situs Luzhou Cement Co., Ltd.<br>Situs Naxi Cement Co., Ltd. | Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties   | Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes               | 89,262<br>446,310<br>133,893<br>669,465<br>133,893<br>89,262<br>133,893<br>223,155<br>111,578<br>892,620<br>89,262<br>133,893<br>89,262<br>133,893<br>89,262<br>195,534  | -<br>432,190<br>129,657<br>648,285<br>129,657<br>86,438<br>129,657<br>-<br>108,048<br>864,380<br>86,438<br>129,657<br>-<br>-<br>-<br>- | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-      | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-      | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-  | The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-  | Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital<br>Operating capital | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-   | 2,554,886<br>6,387,214<br>6,387,214<br>6,387,214<br>6,387,214<br>6,387,214<br>6,387,214<br>9,613,022<br>9,613,022<br>9,613,022<br>9,613,022<br>9,613,022<br>9,613,022<br>1,338,696<br>1,338,696<br>948,832               | 2,554,886<br>12,774,428<br>12,774,428<br>12,774,428<br>12,774,428<br>12,774,428<br>12,774,428<br>19,226,044<br>19,226,044<br>19,226,044<br>19,226,044<br>19,226,044<br>19,226,044<br>2,677,392<br>2,677,392<br>1,897,664 |                                    |      |
| 17  | Prosperity Minerals (China) Ltd.              | TCC New (Hangzhou) Management Company Limited  | Other receivables from related parties   | Yes   | 354,391  | -  | -  | -  | The need for short-term financing  | -  | Operating capital  | -  | -  | -  | 948,832  | 1,897,664                          |      |

(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                       |  |                                     |      |
| 18  | TCC (Hangzhou) Environmental Protection Technology Co., Ltd.   | TCC Yongren (Hangzhou) Renewable Resources Technology Co., Ltd.<br>TCC (Guangdong) Renewable Resources Technology Company Limited | Other receivables from related parties<br>Other receivables from related parties   | Yes<br>Yes        | \$ 49,094<br>\$ 89,262          | \$ 47,541<br>\$ 86,438      | \$ -<br>-                 | -<br>-               | The need for short-term financing<br>The need for short-term financing                                      | -<br>-                      | Operating capital<br>Operating capital                      | \$ -<br>-                     | -<br>-      | \$ 11,334,054<br>11,334,054 | \$ 22,668,108<br>22,668,108                |                                     |      |
| 19  | Guizhou Kaiji Rui An Jian Cai Co., Ltd.                        | Situs Naxi Cement Co., Ltd.<br>Kaiji TCC Environment Technology Co., Ltd.   | Other receivables from related parties<br>Other receivables from related parties   | Yes<br>Yes        | 133,893<br>178,524              | 172,876                     | 99,404                    | 2.93-3.02            | The need for short-term financing<br>The need for short-term financing                                      | -<br>-                      | Operating capital<br>Operating capital                      | -<br>-                        | -<br>-      | -<br>-                      | 3,396,193<br>3,396,193                     | 6,792,386<br>6,792,386              |      |
| 20  | TCC Huahua Cement Company Limited                              | TCC Jingzhou Cement Company Limited   | Other receivables from related parties   | Yes               | 89,262                          | 86,438                      | -                         | -                    | The need for short-term financing   | -                           | Operating capital   | -                             | -           | -                           | 3,225,174                                  | 6,450,348                           |      |
| 21  | Situs Luzhou Cement Co., Ltd.                                  | Guizhou Kaiji Rui An Jian Cai Co., Ltd.   | Other receivables from related parties   | Yes               | 89,262                          | 86,438                      | -                         | -                    | The need for short-term financing   | -                           | Operating capital   | -                             | -           | -                           | 3,537,847                                  | 7,075,694                           |      |
| 22  | E-One Moli Energy Corp.  | E-One Moli Energy (Canada) Ltd.   | Other receivables from related parties   | Yes               | 167,640                         | -                           | -                         | -                    | The need for short-term financing   | -                           | Operating capital   | -                             | -           | -                           | 5,119,314                                  | 10,238,628                          |      |
| 23  | TCC (Guangdong) Renewable Resources Technology Company Limited | 123 (Guangdong) Environmental Protection Technology Co., Ltd.   | Other receivables from related parties   | Yes               | 6,695                           | 6,483                       | -                         | -                    | The need for short-term financing   | -                           | Operating capital   | -                             | -           | -                           | -  | -                                   |      |
| 24  | NHOA S.A.  | NHOA CORPORATE S.R.L.<br>NHOA CORPORATE S.R.L.<br>NHOA CORPORATE S.R.L. (Note 2)  | Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties | Yes<br>Yes<br>Yes | 3,058,200<br>263,900<br>674,032 | 3,058,200                   | 1,984,398                 | 5.20                 | The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing | -<br>-<br>-                 | Operating capital<br>Operating capital<br>Operating capital | -<br>-<br>-                   | -<br>-<br>- | -<br>-<br>-                 | 3,632,557<br>3,632,557<br>3,632,557        | 3,632,557<br>3,632,557<br>3,632,557 |      |
| 25  | NHOA ENERGY S.R.L.   | NHOA AMERICAS LLC<br>NHOA Taiwan Ltd.<br>NHOA Taiwan Ltd.   | Other receivables from related parties<br>Other receivables from related parties<br>Other receivables from related parties | Yes<br>Yes<br>Yes | 162,125<br>64,850<br>17,220     | 153,525<br>61,410<br>16,990 | 84,220<br>11,599<br>3,518 | 5.46<br>5.46<br>4.20 | The need for short-term financing<br>The need for short-term financing<br>The need for short-term financing | -<br>-<br>-                 | Operating capital<br>Operating capital<br>Operating capital | -<br>-<br>-                   | -<br>-<br>- | -<br>-<br>-                 | 3,616,661<br>3,616,661<br>3,616,661        | 7,233,322<br>7,233,322<br>7,233,322 |      |
| 26  | NHOA AUSTRALIA PTY LTD   | NHOA ENERGY S.R.L.<br>NHOA ENERGY S.R.L.  | Other receivables from related parties<br>Other receivables from related parties   | Yes<br>Yes        | 173,550<br>324,250              | -<br>-                      | -<br>-                    | -<br>-               | The need for short-term financing<br>The need for short-term financing                                      | -<br>-                      | Operating capital<br>Operating capital                      | -<br>-                        | -<br>-      | -<br>-                      | 506,752<br>506,752                         | 1,013,504<br>1,013,504              |      |
| 27  | NHOA CORPORATE S.R.L.  | FREE2MOVE ESOLUTIONS S.P.A.   | Other receivables from related parties   | Yes               | 832,510                         | 832,510                     | 832,510                   | 4.68-5.00            | The need for short-term financing   | -                           | Operating capital   | -                             | -           | -                           | 5,232,567                                  | 5,232,567                           |      |
| 28  | NHOA CORPORATE S.R.L.  | ATLANTE S.R.L.  | Other receivables from related parties   | Yes               | 2,718,400                       | 2,718,400                   | 1,329,977                 | 5.55                 | The need for short-term financing   | -                           | Operating capital   | -                             | -           | -                           | 13,081,417                                 | 26,162,834                          |      |
| 29  | ATLANTE S.R.L.   | ATLANTE FRANCE S.A.S.<br>ATLANTE INFRA PORTUGAL S.A.  | Other receivables from related parties<br>Other receivables from related parties   | Yes<br>Yes        | 152,280<br>169,730              | -<br>169,730                | -<br>169,730              | -<br>5.55            | The need for short-term financing<br>The need for short-term financing                                      | -<br>-                      | Operating capital<br>Operating capital                      | -<br>-                        | -<br>-      | -<br>-                      | 5,847,312<br>5,847,312                     | 11,694,624<br>11,694,624            |      |

Note 1: "Financing Limits for Each Borrower" and "Aggregate Financing Limits":

A. For Taiwan Cement Corporation, financing limits are as follows:

- 1) 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.
- 2) 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.
- 3) For the above items a and b, the aggregate financing limits were 40% of Taiwan Cement Corporation's net equity as stated in its latest financial statements.

(Continued)

B. The restrictions above in paragraphs 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 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 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 NHOA S.A. were 40% and 40%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for NHOA ENERGY S.R.L. were 200% and 200%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for NHOA AUSTRALIA PTY LTD. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for Taiwan Cement Europe Holdings B.V. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for ATLANTIS S.R.L. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits shall not exceed 40% of its net equity as stated in its latest financial statements. When the fund loan object is FREEZMOVIE SOLUTIONS S.P.A., the aggregate and individual financing limits shall not exceed 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for TCC (Guangdong) Renewable Resources Technology Company Limited were 40% and 40%, respectively, of its net equity as stated in its latest financial statements.

Note 2: NHOA CALLIOPE S.R.L. is merged with NHOA CORPORATE S.R.L. through consolidation, and NHOA CORPORATE S.R.L. would be the surviving company.

(Concluded)

TABLE 2

**TAIWAN CEMENT CORPORATION**

**ENDORSEMENTS/GUARANTEES PROVIDED FOR THE YEAR ENDED DECEMBER 31, 2023**  
(In Thousands of New Taiwan Dollars)

| No. | Endorser/Guarantor                    | Endorsee/Guaranteee   |   | 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 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.<br>TCC Investment Corporation<br>TCC Chemical Corporation<br>Jin Chang Minerals Corporation<br>Ho Sheng Mining Co., Ltd.<br>TCC Energy Storage Technology Corporation<br>TCCI<br>E-one Moli Energy (Canada) Ltd.<br>E-One Moli Quantum Energy (Canada) Ltd.   | b<br>b<br>b<br>b<br>b<br>b<br>b<br>b<br>b | \$ 115,466,627<br>115,466,627<br>115,466,627<br>115,466,627<br>115,466,627<br>115,466,627<br>6,841,675<br>115,466,627<br>115,466,627 | \$ 1,420,000<br>2,370,000<br>1,299,117<br>31,257<br>99,884<br>1,228,200<br>6,841,675<br>4,744,006<br>4,744,006 | \$ 1,420,000<br>2,370,000<br>1,299,117<br>31,257<br>99,884<br>1,228,200<br>1,658,070<br>-<br>- | \$ 780,000<br>1,590,000<br>1,066,117<br>31,257<br>99,884<br>1,228,200<br>1,658,070<br>-<br>- | -<br>-<br>-<br>31,257<br>99,884<br>-       | 0.61<br>1.03<br>0.56<br>0.01<br>0.04<br>0.53<br>2.81<br>2.05<br>2.05            | \$ 230,933,254<br>230,933,254<br>230,933,254<br>230,933,254<br>230,933,254<br>230,933,254<br>230,933,254<br>230,933,254<br>230,933,254 | Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes      | No<br>No<br>No<br>No<br>No<br>No<br>No<br>No<br>No               | No<br>No<br>No<br>No<br>No<br>No<br>No<br>No<br>No                    | No<br>No<br>No<br>No<br>No<br>No<br>No<br>No<br>No |  |
| 1   | Ho Sheng Mining Co., Ltd.             | Taiwan Cement Corporation   | c   | 1,025,260  | 137,964  | 137,964  | 137,964  | -  | 40.37   | 1,025,260  | No   | Yes  | No  | No   |  |
| 2   | TCC Green Energy Corporation          | TCC Chemical Corporation  | a   | 13,785,406   | 6,117  | 6,117  | 6,117  | -  | 0.04  | 13,785,406   | No   | No   | No  | No   |  |
| 3   | TCCIH                                 | TCC Yingde Cement Co., Ltd.<br>Jiulong TCC Cement Co., Ltd.<br>TCC Fuzhou Cement Co., Ltd.<br>TCC Liaoning Cement Company Limited<br>TCC (Gui Gang) Cement Ltd.<br>TCC Chongqing Cement Company Limited<br>Guizhou Kong On Cement Company Limited<br>Guizhou Kaiji Rui An Jian Cai Co., Ltd.<br>TCC Anshun Cement Company Limited | b<br>b<br>b<br>b<br>b<br>b<br>b<br>b<br>b | 91,378,539<br>91,378,539<br>91,378,539<br>91,378,539<br>91,378,539<br>91,378,539<br>327,493<br>91,378,539<br>91,378,539              | 545,598<br>1,847,702<br>735,088<br>575,744<br>1,374,768<br>968,890<br>327,493<br>324,250<br>669,465            | 245,640<br>933,432<br>406,002<br>554,430<br>1,074,675<br>521,985<br>310,121<br>307,050<br>-    | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-  | -<br>-<br>-<br>-<br>-<br>-                 | 0.13<br>0.51<br>0.22<br>0.30<br>0.59<br>0.29<br>0.17<br>0.17<br>-               | 182,757,078<br>182,757,078<br>182,757,078<br>182,757,078<br>182,757,078<br>182,757,078<br>182,757,078<br>182,757,078<br>182,757,078    | Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes      | No<br>No<br>No<br>No<br>No<br>No<br>No<br>No<br>No               | Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes           |  |  |
| 4   | TCC (Gui Gang) Cement Ltd.            | Guifang Conch - TCC New Material Technology Co., Ltd.   | f   | 10,657,471   | 133,893  | -  | -  | -  | -   | 21,314,942   | No   | No   | No  | Yes  |  |
| 5   | TCC Yingde Cement Co., Ltd.           | TCC (Hangzhou) Environmental Protection Technology Co., Ltd.<br>TCC Shaoguan Cement Co., Ltd.   | d<br>d                                    | 13,355,340<br>13,355,340   | 12,415,424<br>221,704  | 12,101,320<br>216,095  | 2,044,099<br>129,657   | -<br>-                                     | 45.31<br>0.81   | 26,710,680<br>26,710,680   | No<br>No   | No<br>No   | No<br>No  | Yes<br>Yes   |  |
| 6   | Guangan Changxing Cement Company Ltd. | Guangan TCC Jinyuan Environmental Protection Technology Co., Ltd.   | b   | 3,193,607  | 288,798  | 281,492  | 166,247  | -  | 4.41  | 6,387,214  | No   | No   | No  | Yes  |  |
| 7   | TCC Dutch                             | NHOA S.A.   | b   | 25,938,273   | 1,154,231  | 1,130,705  | 1,129,956  | 1,129,956                                  | 2.18  | 51,876,546   | Yes  | No   | No  | No   |  |

(Continued)

| 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)           |  |  |   |   |  |  |  |  |  |   |      |
| 8   | NHOA S. A.   | NHOA AUSTRALIA PTY LTD<br>NHOA ENERGY S.R.L.<br>ATLANTE S.R.L.<br>ATLANTE IBERIA S.L.<br>NHOA AMERICAS LLC<br>NHOA UK LTD<br>ATLANTE FRANCE S.A.S. | b<br>b<br>b<br>b<br>b<br>b<br>b | \$ 181,627,857<br>181,627,857<br>181,627,857<br>181,627,857<br>181,627,857<br>181,627,857<br>181,627,857 | \$ 21,629,936<br>3,779,945<br>3,645,199<br>492,741<br>53,562<br>1,734,256<br>5,813 | \$ 21,583,335<br>2,519,122<br>2,387,480<br>14,467<br>50,720<br>1,675,620<br>5,813 | \$ 18,887,558<br>256,198<br>518,580<br>14,467<br>50,720<br>1,225,395<br>5,813 | \$ -<br>-<br>-<br>-<br>-<br>-<br>-         | 237.67<br>27.74<br>26.29<br>0.16<br>0.56<br>18.45<br>0.06                                    | \$ 227,034,822<br>227,034,822<br>227,034,822<br>227,034,822<br>227,034,822<br>227,034,822<br>227,034,822 | Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes<br>Yes                    | No<br>No<br>No<br>No<br>No<br>No<br>No                           | No<br>No<br>No<br>No<br>No<br>No<br>No                                |      |
| 9   | NHOA ENERGY S.R.L.<br>NHOA LATAM S.A.C.<br>NHOA UK LTD<br>NHOA AUSTRALIA PTY LTD |  | b<br>b<br>b<br>b                | 72,333,226<br>72,333,226<br>72,333,226<br>72,333,226   | 440,963<br>15,512<br>958,873<br>5,050,000  | 426,568<br>14,689<br>939,877<br>4,910,449   | 375,847<br>14,689<br>939,877<br>2,317,874                                     | -<br>-<br>-<br>-                           | 11.79<br>0.41<br>26.15<br>135.77   | 90,416,533<br>90,416,533<br>90,416,533<br>90,416,533   | Yes<br>Yes<br>Yes<br>Yes   | No<br>No<br>No<br>No   | No<br>No<br>No<br>No  |      |

Note 1: Limits on endorsement/guarantee given on behalf of each party were as follows:

- For endorsements/guarantees given by Taiwan Cement Corporation due to business transactions, 50% of the business transaction amounts in the previous year.
- 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 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 2,500% of its net equity in its latest financial statements for NHOA ENERGY S.R.L., and the limit for the endorser/guarantors was the net equity in their respective latest financial statements.

Note 3: Relationship between the endorser/guarantor and the endorsee/guarantee is classified as follows:

- Having a business relationship.
- The endorser/guarantor directly or indirectly owns more than 50% of the ordinary shares of the endorsee/guarantee.
- The endorsee/guarantee directly or indirectly owns more than 50% of the ordinary shares of the endorser/guarantor.
- Company in which the public company directly or indirectly holds 90% or more of the voting shares may make endorsements/guarantees for another company in the same industry or joint builders for purposes of undertaking a construction project.
- Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees to the endorsee/guarantee in proportion to its ownership.
- Due to joint venture, all shareholders provide endorsements/guarantees to the endorsee/guarantee for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.
- 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)

TABLE 3

**TAIWAN CEMENT CORPORATION**

MARKETABLE SECURITIES HELD  
DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)

| Holding Company Name                   | Type and Name of Marketable Securities  | Relationship with the Holding Company  | Financial Statement Account  | Shares/Units (In Thousands)   | December 31, 2023   |   | Note  |  |   |                                   |                                 |                                 |                                 |                                 |                                 |
|--|---|--|--|---|---|---|---|--|---|-----------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|  |   |  |  |   | Carrying Amount   | Percentage of Ownership (%)   |   |  |   |                                   |                                 |                                 |                                 |                                 |                                 |
| Taiwan Cement Corporation              | Ordinary shares<br>Chien Kuo Construction Co., Ltd.<br>Taiwan Television Enterprise, Ltd.<br>China Hi-Ment Holding Co., Ltd.<br>Taishin Financial Holding Co., Ltd.<br>CTCI Corporation<br>Chia Hsin Cement Corporation<br>O-Bank<br>IBT II Venture Capital Corporation<br>Chinatrust Investment Co., Ltd.<br>Pan Asia Corporation<br>Taiwan Stock Exchange Corporation<br>Excel Corporation<br>Phihong Technology Co., Ltd.<br>Privately placed shares - Phihong Technology Co., Ltd.<br>Convertible preference shares<br>O-Bank | The Corporation serves as supervisor<br>The Corporation serves as director<br>The Corporation serves as director<br>Directors<br>Related parties<br>The Corporation serves as director<br>The Corporation serves as supervisor<br>The Corporation serves as director<br>The Corporation serves as director<br>The Corporation serves as director<br>Related parties<br>Director of parent company<br>Related parties<br>Director of parent company<br>The parent company serves as director<br>The parent company serves as supervisor<br>Related parties<br>Director of parent company<br>The parent company serves as director | FVTPL - current<br>FVTPL - current<br>FVTOCI - current<br>FVTOCI - current<br>FVTOCI - current<br>FVTOCI - current<br>FVTOCI - current<br>FVTOCI - current<br>FVTOCI - non-current<br>FVTOCI - non-current<br>FVTOCI - non-current<br>FVTOCI - non-current<br>FVTOCI - non-current<br>FVTOCI - non-current<br>FVTOCI - non-current<br>FVTOCI - non-current<br>FVTOCI - non-current<br>FVTOCI - non-current<br>FVTOCI - current<br>FVTOCI - current | 7,522<br>13,573<br>3,576<br>30,196<br>73,014<br>9,054<br>27,968<br>32,809<br>2,626<br>17,732<br>6,204<br>76,785<br>600<br>4,200<br>37,520<br>2,956<br>8,804 | \$ 129,759<br>108,582<br>101,368<br>1,739,299<br>1,321,547<br>381,641<br>532,787<br>327,431<br>-<br>684,083<br>8,996<br>6,813,172<br>-<br>247,374<br>1,884,630<br>30,889<br>167,720 | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>8.3<br>9.4<br>5.4<br>6.6<br>9.5<br>9.998<br>9.998<br>-<br>- | \$ 129,759<br>108,582<br>101,368<br>1,739,299<br>1,321,547<br>381,641<br>532,787<br>327,431<br>-<br>684,083<br>8,996<br>6,813,172<br>-<br>247,374<br>1,884,630<br>30,889<br>167,720 | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | 21,000 thousand shares were pledged<br>7,000 thousand shares were pledged |                                   |                                 |                                 |                                 |                                 |                                 |
| Taiwan Transport & Storage Corporation | Ordinary shares<br>Chia Hsin Cement Corporation   | Director of parent company   | FVTOCI - current   | 2,182   | 30,889  | -   | 30,889  | -  | -   | -                                 | -                               | -                               | -                               | -                               | -                               |
| TCC Investment Corporation             | Ordinary shares<br>Taishin Financial Holding Co., Ltd.<br>Chia Hsin Cement Corporation<br>China Conch Venture Holdings Limited<br>China Conch Environment Protection Holdings Limited<br>Chinatrust Investment Co., Ltd.<br>Pan Asia Corporation<br>O-Bank  | Related parties<br>Director of parent company<br>The parent company serves as director<br>The parent company serves as supervisor<br>Related parties   | FVTOCI - current<br>FVTOCI - current<br>FVTOCI - current<br>FVTOCI - non-current<br>FVTOCI - non-current<br>FVTOCI - non-current<br>FVTOCI - non-current   | 24,214<br>13,967<br>8,501<br>11,110<br>11,110<br>6,530<br>1   | 241,659<br>252,801<br>161,936<br>282,860<br>68,096<br>251,939<br>14   | -<br>-<br>-<br>-<br>-<br>3.5<br>-   | 241,659<br>252,801<br>161,936<br>282,860<br>68,096<br>251,939<br>14   | -<br>-<br>-<br>-<br>-<br>3.5<br>-  | -<br>-<br>-<br>-<br>-<br>3.5<br>-   | -<br>-<br>-<br>-<br>-<br>3.5<br>- | -<br>-<br>-<br>-<br>-<br>-<br>- | -<br>-<br>-<br>-<br>-<br>-<br>- | -<br>-<br>-<br>-<br>-<br>-<br>- | -<br>-<br>-<br>-<br>-<br>-<br>- | -<br>-<br>-<br>-<br>-<br>-<br>- |
| Ta-Ho Maritime Corporation             | Ordinary shares<br>Prosperity Dielectrics Co., Ltd.<br>Chia Hsin Cement Corporation<br>Chinatrust Investment Co., Ltd.  | Related parties<br>Director of parent company<br>The parent company serves as director   | FVTOCI - current<br>FVTPL - current<br>FVTOCI - current<br>FVTOCI - non-current  | 2,182<br>951<br>26,277<br>3,967   | 22,798<br>46,371<br>500,567<br>153,047  | -<br>-<br>-<br>2.1  | 22,798<br>46,371<br>500,567<br>153,047  | -<br>-<br>-<br>2.1   | -<br>-<br>-<br>2.1  | -<br>-<br>-<br>2.1                | -<br>-<br>-<br>-                | -<br>-<br>-<br>-                | -<br>-<br>-<br>-                | -<br>-<br>-<br>-                | -<br>-<br>-<br>-                |
| TCC Chemical Corporation               | Ordinary shares<br>Taiwan Stock Exchange Corporation  | The parent company serves as director  | FVTOCI - non-current   | 4,384   | 389,035   | -   | 389,035   | -  | -   | -                                 | -                               | -                               | -                               | -                               | -                               |
| Hoping Industrial Port Corporation     | Ordinary shares<br>Chinatrust Investment Co., Ltd.  | The parent company serves as director  | FVTOCI - non-current   | 6,266   | 241,751   | 3.3   | 241,751   | -  | 3.3   | 3.3                               | -                               | -                               | -                               | -                               | -                               |
| E.G.C. Cement Corporation              | Ordinary shares<br>Feng Yu United Engineering Company   | The parent company serves as director  | FVTPL - current  | 137   | -   | 0.1   | -   | -  | 0.1   | 0.1                               | -                               | -                               | -                               | -                               | -                               |

(Continued)



| Holding Company Name                  | Type and Name of Marketable Securities  | Relationship with the Holding Company   | Financial Statement Account   | December 31, 2023   |                       |   | Note                            |
|---------------------------------------|---|---|---|---|-----------------------|---|---------------------------------|
|                                       |   |   |   | Shares/Units (In Thousands)                               | Carrying Amount       | Percentage of Ownership (%)                               |                                 |
| Union Cement Traders Inc.             | Ordinary shares<br>Tanshin Financial Holding Co., Ltd.<br>CTCI Corporation<br>Chia Hsin Cement Corporation<br>Videoland Inc.                          | -<br>The parent company serves as director<br>Director of parent company<br>- | FVTOCI - current<br>FVTOCI - current<br>FVTOCI - current<br>FVTOCI - non-current            | \$ 583,781<br>563,348<br>144,586<br>284,085               | -<br>-<br>-<br>5.6    | \$ 583,781<br>563,348<br>144,586<br>284,085               |                                 |
| TCCI (Group)                          | Ordinary shares<br>Anhui Conch Cement Co., Ltd.<br>Yangoon Co., Ltd.  | -<br>-  | FVTOCI - non-current<br>FVTOCI - non-current  | 8,262,242<br>-  | -<br>12.5             | 8,262,242<br>-  |                                 |
| NHQA ENERGY S.R.L.                    | Government bonds<br>Europäische Union<br>Buoni Poliennati Del Tes<br>Spanien, Konigreich<br>France (GOVT OF)<br>Italien, Republik<br>Irland, Republik | -<br>-<br>-<br>-<br>-<br>-  | FVTPL - current<br>FVTPL - current<br>FVTPL - current<br>FVTPL - current<br>FVTPL - current | 61,551<br>23,678<br>44,453<br>60,516<br>111,379<br>11,928 | -<br>-<br>-<br>-<br>- | 61,551<br>23,678<br>44,453<br>60,516<br>111,379<br>11,928 |                                 |
|                                       | Corporate bonds<br>RCI BANQUE SA<br>Goldman Sachs Group Inc.<br>RWE AG  | -<br>-<br>-   | FVTPL - current<br>FVTPL - current<br>FVTPL - current                                       | 10,249<br>8,013<br>3,465                                  | -<br>-<br>-           | 10,249<br>8,013<br>3,465                                  |                                 |
|                                       | Beneficiary certificates<br>Deutsche Institutional Money plus   | -   | FVTPL - current   | 5,103   | -                     | 5,103   |                                 |
| ATLANTE S.R.L.                        | Government bonds<br>Buoni Poliennati Del Tes  | -   | FVTPL - non-current   | 278,424   | -                     | 278,424   | \$278,424 thousand were pledged |
| TCC Recycle Energy Technology Company | Preference shares<br>GROUP 14 TECHNOLOGIES, INC.  | -   | FVTOCI - non-current  | 276,345   | 0.3                   | 276,345   |                                 |

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: Refer to Tables 7 and 8 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, 2023**

(In Thousands of New Taiwan Dollars)

TABLE 4

| Company Name              | Type and Name of Marketable Securities                       | Financial Statement Account                       | Counterparty | Relationship | Beginning Balance           |               | Acquisition                 |              | Disposal                    |        | Gain on Disposal | Other Adjustment (Notes 1 and 2) | Ending Balance              |               |
|---------------------------|--|---|--------------|--------------|-----------------------------|---------------|-----------------------------|--------------|-----------------------------|--------|------------------|----------------------------------|-----------------------------|---------------|
|                           |  |   |              |              | Shares/Units (In Thousands) | Amount        | Shares/Units (In Thousands) | Amount       | Shares/Units (In Thousands) | Amount |                  |                                  | Shares/Units (In Thousands) | Amount        |
| Taiwan Cement Corporation | Shares<br>TCCIH  | Investments accounted for using the equity method | -            | Subsidiary   | 3,471,218                   | \$ 81,991,082 | 263,709                     | \$ 6,299,370 | -                           | \$ -   | \$ -             | \$ (1,864,630)                   | 3,734,927                   | \$ 86,425,822 |
| TCCI (HK)                 | TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | Investments accounted for using the equity method | -            | Subsidiary   | -                           | 3,981,157     | -                           | 4,753,700    | -                           | -      | -                | (244,473)                        | -                           | 8,490,384     |
| TCCIH                     | TCC Dutch  | Investments accounted for using the equity method | -            | Subsidiary   | -                           | -             | 250                         | 8,477,500    | -                           | -      | -                | 592,976                          | 250                         | 9,070,476     |
| TCEH                      | NHQA S.A.  | Investments accounted for using the equity method | -            | Subsidiary   | 180,001                     | 8,980,951     | 250,000                     | 8,477,500    | -                           | -      | -                | (664,302)                        | 430,001                     | 16,794,149    |
| NHQA S.A.                 | NHQA ENERGY S.R.L.   | Investments accounted for using the equity method | -            | Subsidiary   | 16,635                      | 6,043,134     | 224,922                     | 7,027,118    | -                           | -      | -                | (880,559)                        | 241,557                     | 12,789,693    |
|                           | NHQA CORPORATE S.R.L.  | Investments accounted for using the equity method | -            | Subsidiary   | 2,000                       | 1,634,271     | 13,000                      | 1,868,900    | -                           | -      | -                | (3,503,171)                      | -                           | -             |
|                           | ATLANTE S.R.L.   | Investments accounted for using the equity method | -            | Subsidiary   | 1,000                       | 177,716       | 11,000                      | 6,490,180    | -                           | -      | -                | 1,979,443                        | 12,000                      | 8,647,339     |
|                           | NHQA ENERGY S.R.L.   | Investments accounted for using the equity method | -            | Subsidiary   | 5,000                       | 489,148       | 7,000                       | 5,776,600    | -                           | -      | -                | (1,208,633)                      | 12,000                      | 5,057,115     |
|                           | ATLANTE FRANCE S.A.S.  | Investments accounted for using the equity method | -            | Subsidiary   | -                           | -             | -                           | -            | -                           | -      | -                | 3,324,434                        | -                           | 3,324,434     |
|                           |  |   | -            |              | 100                         | 23,982        | 29,400                      | 998,494      | -                           | -      | -                | (302,212)                        | 29,500                      | 720,264       |

Note 1: Including the share of profit and loss of subsidiaries, organizational restructuring and adjustments to shareholder's equity.

Note 2: Due to the adjustment of its investment structure, NHQA S.A. invested in NHQA CORPORATE S.R.L. with the equity of NHQA ENERGY S.R.L.

## 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, 2023  
(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 |      |
| Taiwan Cement Corporation | Feng Sheng Enterprise Company Limited                        | Subsidiary                         | Sales               | \$ (702,130) | (3)        | 65 days   | -          | \$ 172,148                          | 30             |      |
|                           | TCCIH  | Subsidiary                         | Purchases           | 181,194      | 1          | 30 days   | -          | (22,418)                            | (2)            |      |
|                           | HKCCL  | Subsidiary                         | Service revenue     | (447,099)    | (2)        | By contract   | -          | 37,100                              | 6              |      |
|                           | E.G.C. Cement Corporation                                    | Subsidiary                         | Sales               | (114,792)    | -          | 65 days counting from the completion of shipment        | -          | -                                   | -              |      |
|                           | Taiwan Transport & Storage Corporation                       | Subsidiary                         | Sales               | (721,508)    | (3)        | 50 days after the end of the day when delivery was made | -          | 89,586                              | 16             |      |
|                           | Hoping Industrial Port Corporation                           | Subsidiary                         | Purchases           | 656,554      | 3          | 30 days   | -          | (124,739)                           | (12)           |      |
|                           | Ta-Ho Maritime Corporation                                   | Subsidiary                         | Purchases           | 351,169      | 2          | 20 days   | -          | (7,383)                             | (1)            |      |
|                           | Ho Sheng Mining Co., Ltd.                                    | Subsidiary                         | Purchases           | 1,090,625    | 9          | 30 days   | -          | (305,087)                           | (28)           |      |
|                           | Jin Chang Minerals Corporation                               | Subsidiary                         | Purchases           | 345,496      | 2          | 30 days   | -          | (98,543)                            | (9)            |      |
|                           | Kuan-Ho Refractories Industry Corporation                    | Subsidiary                         | Purchases           | 349,040      | 2          | 30 days   | -          | (83,350)                            | (8)            |      |
|                           | Chia Hsin Cement Corporation                                 | Director                           | Purchases           | 221,415      | 1          | By contract   | -          | (122,010)                           | (11)           |      |
|                           | China Hi-Ment Corporation                                    | The Corporation serves as director | Sales               | (556,268)    | (2)        | 65 days after the end of the day when delivery was made | -          | 110,880                             | 19             |      |
|                           | CTCI Corporation   | The Corporation serves as director | Purchases           | 960,741      | 5          | 60 days   | -          | (290,271)                           | (27)           |      |
|                           | Hoping Industrial Port Corporation                           | The same parent company            | Sales               | (108,997)    | -          | 65 days after the end of the day when delivery was made | -          | 15,888                              | 3              |      |
|                           | HPC Power Service Corporation                                | The Corporation serves as director | Sales               | (137,536)    | (1)        | By contract   | -          | 21,394                              | 4              |      |
|                           | Taiwan Cement Corporation                                    | The same parent company            | Purchases           | 1,109,176    | 6          | 20 days   | -          | (28,960)                            | (19)           |      |
|                           | Hoping Industrial Port Corporation                           | The same parent company            | Purchases           | 545,642      | 3          | By contract   | -          | (113,029)                           | (74)           |      |
|                           | Taiwan Cement Corporation                                    | Parent company                     | Sales               | (351,169)    | (23)       | 30 days   | -          | 7,383                               | 20             |      |
|                           | Taiwan Transport & Storage Corporation                       | The same parent company            | Sales               | (1,109,176)  | (73)       | 20 days   | -          | 28,960                              | 77             |      |
|                           | Taiwan Cement Corporation                                    | Parent company                     | Purchases           | 234,494      | 34         | 30 days   | -          | (19,216)                            | (87)           |      |
|                           | Taiwan Cement Corporation                                    | Parent company                     | Sales               | (181,194)    | (5)        | 30 days   | -          | 22,418                              | 100            |      |
|                           | Taiwan Cement Corporation                                    | Parent company                     | Purchases           | 702,130      | 20         | 30 days   | -          | (172,148)                           | (100)          |      |
|                           | Hoping Industrial Port Corporation                           | The same parent company            | Sales               | (656,554)    | (47)       | 30 days   | -          | 124,739                             | 78             |      |
|                           | Linyuan Advanced Materials Technology Co., Ltd.              | The same parent company            | Sales               | (234,494)    | (17)       | 30 days   | -          | 19,216                              | 12             |      |
|                           | Taiwan Cement Corporation                                    | Same key management personnel      | Sales               | (109,566)    | (8)        | 30 days   | -          | 11,182                              | 7              |      |
|                           | Taiwan Cement Corporation                                    | Parent company                     | Freight revenue     | (1,090,625)  | (74)       | 30 days   | -          | 305,087                             | 100            |      |
|                           | Taiwan Cement Corporation                                    | Parent company                     | Service expense     | 447,099      | 82         | By contract   | -          | (37,100)                            | (13)           |      |
|                           | Taiwan Cement Corporation                                    | Parent company                     | Sales               | (345,496)    | (87)       | 30 days   | -          | 98,543                              | 94             |      |
|                           | Ho-Ping Power Company  | The same parent company            | Sales               | (545,642)    | (100)      | By contract   | -          | 113,029                             | 100            |      |
|                           | TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | The same ultimate parent company   | Purchases           | 1,074,366    | 38         | By negotiation  | -          | -                                   | -              |      |
|                           | TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | The same ultimate parent company   | Purchases           | 3,613,351    | 37         | By negotiation  | -          | (427,177)                           | (31)           |      |

(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 |      |
| TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | TCC Yingde Cement Co., Ltd.                                  | The same ultimate parent company                       | Sales               | \$ (3,613,351) | (60)       | By negotiation  | -          | \$ 427,177                          | 54             |      |
|  | TCC (Gui Gang) Cement Ltd.                                   | The same ultimate parent company                       | Sales               | (1,674,366)    | (28)       | By negotiation  | -          | -                                   | -              |      |
|  | TCC Shaoguan Cement Co., Ltd.                                | The same ultimate parent company                       | Sales               | (739,153)      | (12)       | By negotiation  | -          | 124,875                             | 16             |      |
|  | TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | The same ultimate parent company                       | Purchases           | 739,153        | 44         | By negotiation  | -          | (124,875)                           | (2)            |      |
|  | Taiwan Cement Corporation                                    | Parent company   | Purchases           | 114,792        | 11         | 65 days counting from the completion of shipment        | -          | -                                   | -              |      |
|  | Quon Hing Concrete Co., Ltd.                                 | Associate  | Sales               | (340,964)      | (26)       | By negotiation  | -          | 87,461                              | 29             |      |
|  | Taiwan Cement Corporation                                    | Parent company   | Purchases           | 721,508        | 100        | 50 days after the end of the day when delivery was made | -          | (89,586)                            | (100)          |      |
|  | Taiwan Cement Corporation                                    | Parent company   | Sales               | (349,040)      | (100)      | 30 days   | -          | 83,350                              | 100            |      |
|  | Taiwan Cement Corporation                                    | Parent company   | Sales               | (221,415)      | (22)       | By contract   | -          | 122,010                             | 85             |      |
|  | E-One Moli Energy (Canada) Ltd.                              | The same ultimate parent company                       | Sales               | (1,053,079)    | (19)       | 90 days   | -          | 158,639                             | 14             |      |
|  | Molie Quantum Energy Corporation                             | The same ultimate parent company                       | Sales               | (647,239)      | (12)       | 90 days   | -          | 171,733                             | 16             |      |
|  | E-One Moli Energy Corp.                                      | The same ultimate parent company                       | Purchases           | 1,053,079      | 100        | 90 days   | -          | (158,639)                           | (51)           |      |
|  | NHOA ENERGY S.R.L.   | The same ultimate parent company                       | Sales               | (1,192,820)    | (26)       | By negotiation  | -          | 180,060                             | 18             |      |
|  | TCC Energy Storage Technology Corporation                    | The same ultimate parent company                       | Sales               | (2,925,921)    | (65)       | By negotiation  | -          | 85,073                              | 8              |      |
|  | TCC Lien-Hsin Green Energy Corporation                       | The same ultimate parent company                       | Sales               | 1,071,738      | 95         | By negotiation  | -          | -                                   | -              |      |
|  | Zerova Technologies USA LLC                                  | The Group acts as key management of its parent company | Purchases           | 1,071,738      | 95         | By negotiation  | -          | -                                   | -              |      |
|  | Molie Quantum Energy Corporation                             | The same ultimate parent company                       | Purchases           | 647,239        | 49         | 90 days   | -          | (171,733)                           | (40)           |      |

Note: The percentage to total accounts receivable from (payable to) related parties.

(Concluded)

TABLE 6

**TAIWAN CEMENT CORPORATION**  
**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE SHARE CAPITAL**  
**DECEMBER 31, 2023**  
(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<br>Chia Hsin Cement Corporation       | Subsidiary<br>Director   | \$ 172,148<br>110,880 | 3.8<br>5.0        | \$ -<br>-   | -<br>-                  | \$ 151,358<br>97,020                  | \$ -<br>-                     |
| E-One Moli Energy Corp.                                      | E-One Moli Energy (Canada) Ltd.<br>Molie Quantum Energy Corporation | The same ultimate parent company<br>The same ultimate parent company | 158,639<br>171,733    | 2.9<br>7.5        | -<br>-      | -<br>-                  | 72,302<br>112,091                     | -<br>-                        |
| HPC Power Service Corporation                                | Ho-Ping Power Company   | The same parent company  | 113,029               | 6.8               | 69,526      | Collection on 2024.2.29 | 43,503                                | -                             |
| Kuan-Ho Refractories Industry Corporation                    | Taiwan Cement Corporation   | Parent company   | 122,010               | 2.5               | -           | -                       | 71,099                                | -                             |
| Ta-Ho Maritime Corporation                                   | Taiwan Cement Corporation   | Parent company   | 305,087               | 3.9               | -           | -                       | 186,726                               | -                             |
| Taiwan Transport & Storage Corporation                       | Taiwan Cement Corporation   | Parent company   | 124,739               | 4.8               | -           | -                       | 66,000                                | -                             |
| NHOA ENERGY S.R.L.   | TCC Energy Storage Technology Corporation                           | The same ultimate parent company                                     | 180,060               | 13.2              | -           | -                       | 180,060                               | -                             |
| TCC (Hangzhou) Environmental Protection Technology Co., Ltd. | TCC Yingde Cement Co., Ltd.<br>TCC Shaoguan Cement Co., Ltd.        | The same ultimate parent company<br>The same ultimate parent company | 427,177<br>124,875    | 7.4<br>5.4        | -<br>23,470 | -<br>-                  | 240,291<br>-                          | -<br>-                        |

TABLE 7

**TAIWAN CEMENT CORPORATION**

**INFORMATION ON INVESTEEES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(In Thousands of New Taiwan Dollars)

| Investor Company                       | Investee Company                                  | Location               | Main Businesses and Products                                | Original Investment Amount |                   | As of December 31, 2023 |        | Net Income (Loss) of the Investee | Share of Profit (Loss) | Note           |
|--|---|------------------------|---|----------------------------|-------------------|-------------------------|--------|-----------------------------------|------------------------|----------------|
|  |   |                        |   | December 31, 2023          | December 31, 2022 | Shares/Units            | %      |                                   |                        |                |
| Taiwan Cement Corporation              | TCCI  | British Virgin Islands | Investment holding  | \$ 33,774,761              | \$ 33,774,761     | 1,100,875,900           | 100.00 | \$ 107,653,934                    | \$ (22,548)            |                |
|  | Ho-Ping Power Company                             | Taiwan                 | Thermal power generation                                    | 6,037,720                  | 6,037,720         | 805,940,306             | 59.50  | 18,357,780                        | 6,772,093              |                |
|  | Hoping Industrial Port Corporation                | Taiwan                 | Hopping Industrial Port management                          | 3,198,500                  | 3,198,500         | 3,199,000,000           | 100.00 | 5,671,039                         | 613,173                |                |
|  | Ta-Ho Maritime Corporation                        | Taiwan                 | Marine transportation                                       | 528,506                    | 528,506           | 204,491,711             | 64.79  | 3,927,045                         | 637,208                |                |
|  | Taiwan Transport & Storage Corporation            | Taiwan                 | Warehousing, transportation and sale of sand and gravel     | 91,703                     | 91,703            | 52,410,366              | 83.88  | 2,426,867                         | 231,721                |                |
|  | TCC Investment Corporation                        | Taiwan                 | Investment  | 190,000                    | 190,000           | 239,800,000             | 100.00 | 3,716,324                         | 128,836                |                |
|  | Ho-Sheng Mining Co., Ltd.                         | Taiwan                 | Mining excavation and sale of limestone                     | 1,414,338                  | 1,414,338         | 30,100,000              | 100.00 | 1,286,053                         | 6,653                  |                |
|  | CCC USA Corp.                                     | U.S.A.                 | Rubber raw materials  | 1,284,421                  | 1,284,421         | 79,166                  | 33.33  | 1,850,128                         | (153,548)              |                |
|  | Taiwan Cement Engineering Corporation             | Taiwan                 | Engineering services  | 321,337                    | 320,514           | 59,748,593              | 99.31  | 730,073                           | 5,464                  |                |
|  | ONYX Ta-Ho Environmental Services Co., Ltd.       | Taiwan                 | Waste collection and treatment                              | 72,000                     | 72,000            | 84,212,462              | 50.00  | 1,678,864                         | 1,084,159              |                |
|  | Kuan-Ho Refractories Industry Corporation         | Taiwan                 | Production and sale of refractory materials                 | 181,050                    | 181,050           | 52,316,208              | 95.29  | 745,722                           | 90,080                 |                |
|  | Feng Sheng Enterprise Company Limited             | Taiwan                 | Sale of ready-mixed concrete                                | 250,000                    | 250,000           | 27,260,611              | 45.43  | 525,819                           | 293,827                |                |
|  | TCC Chemical Corporation                          | Taiwan                 | Leasing property and energy technology services             | 1,510,842                  | 1,510,842         | 140,000,000             | 100.00 | 1,566,965                         | 179,747                |                |
|  | TCC Information Systems Corporation               | Taiwan                 | Information software design                                 | 71,000                     | 71,000            | 14,904,000              | 99.36  | 320,910                           | 2,768                  |                |
|  | Ta-Ho RSEA Environment Co., Ltd.                  | Taiwan                 | Waste collection and treatment                              | 466,200                    | 466,200           | 19,980,000              | 66.60  | 342,638                           | 185,341                |                |
|  | HKCMCL  | Hong Kong              | Investment holding  | 72,005                     | 72,005            | 38,094                  | 84.65  | 656,357                           | 95,870                 |                |
|  | TCC Green Energy Corporation                      | Taiwan                 | Renewable energy generation                                 | 13,446,046                 | 13,446,046        | 1,350,898,696           | 100.00 | 13,659,764                        | 171,499                |                |
|  | Jin Chang Minerals Corporation                    | Taiwan                 | Afforestation and sale of limestone                         | 108,042                    | 108,042           | 9,100,000               | 100.00 | 277,635                           | 51,832                 |                |
|  | HPC Power Service Corporation                     | Taiwan                 | Business consulting   | 1,861                      | 1,861             | 6,000                   | 60.00  | 257,313                           | 215,437                |                |
|  | E.G.C. Cement Corporation                         | Taiwan                 | Sale of cement  | 184,359                    | 184,359           | 8,062,600               | 50.64  | 119,165                           | 24,862                 |                |
|  | Synpac Ltd.                                       | Taiwan                 | Investment  | 70,367                     | 70,367            | 2,700,000               | 25.00  | 7,220                             | 676                    |                |
|  | Tung Chen Mineral Corporation                     | British Virgin Islands | Afforestation and sale of limestone                         | -                          | -                 | -                       | -      | -                                 | (13)                   | In liquidation |
|  | TMC   | Philippines            | Mining excavation   | 11,880                     | 11,880            | 119,997                 | 72.70  | -                                 | -                      |                |
|  | TPMC  | Taiwan                 | Mining excavation   | 2,105                      | 2,105             | 19,996                  | 40.00  | -                                 | -                      |                |
|  | TCCCH   | Cayman Islands         | Investment holding  | 68,467,141                 | 62,167,771        | 3,734,927,496           | 47.29  | 86,425,822                        | (1,483,780)            |                |
|  | International CSRC Investment Holdings Co., Ltd.  | Taiwan                 | Investment  | 3,563,397                  | 3,563,397         | 1,533,476,855           | 15.59  | 5,660,538                         | (77,062)               |                |
|  | TCC Dutch   | Netherlands            | Investment holding  | 40,565,030                 | 40,565,030        | 1,179,219               | 82.51  | 42,363,100                        | 1,165,320              |                |
|  | TCC Recycle Energy Technology Company Corporation | Taiwan                 | Investment holding  | 10,461,612                 | 10,431,652        | 1,044,430,628           | 36.71  | 9,990,692                         | (571,808)              |                |
|  | TCC Sustainable Energy Investment Corporation     | Taiwan                 | Investment holding  | 1,000                      | 1,000             | 100,000                 | 100.00 | 889                               | (10)                   |                |
|  | TCC Energy Storage Technology Corporation         | Taiwan                 | Energy storage equipment manufacturing production and sales | 2,506,000                  | 2,506,000         | 250,600,000             | 100.00 | 2,131,700                         | 63,914                 |                |
|  | Tuo Shan Recycle Technology Company               | Taiwan                 | Waste collection and treatment                              | 1,000                      | 1,000             | 100,000                 | 100.00 | 935                               | (9)                    |                |
| Taiwan Transport & Storage Corporation | Ta-Ho Maritime Corporation                        | Taiwan                 | Marine transportation                                       | 310,435                    | 303,435           | 92,733,570              | 29.27  | 1,780,849                         | 186,836                |                |
|  | E.G.C. Cement Corporation                         | Taiwan                 | Sale of cement  | 136,476                    | 136,476           | 7,857,400               | 49.36  | 145,513                           | 24,796                 |                |
|  | Tai-Jie Transport & Storage Corporation           | Taiwan                 | Transportation  | 25,000                     | 25,000            | 2,300,000               | 100.00 | 32,704                            | 3,509                  |                |

(Continued)

| Investor Company                      | Investee Company  | Location   | Main Businesses and Products  | Original Investment Amount   |  | As of December 31, 2023  |  | Net Income (Loss) of the Investee  | Share of Profit (Loss)   | Note |
|---------------------------------------|---|--|---|--|--|--|--|--|--|------|
|                                       |   |  |   | December 31, 2023  | December 31, 2022  | Shares/Units   | %  |  |  |      |
| TCC Investment Corporation            | Union Cement Traders Inc.<br>Ho-Ping Power Company<br>Ta-Ho Maritime Corporation<br>International CSRC Investment Holdings Co., Ltd.<br>TCC Recycle Energy Technology Company<br>D-concrete INC.,   | Taiwan<br>Taiwan<br>Taiwan<br>Taiwan<br>Taiwan<br>Taiwan   | Import and export trading<br>Thermal power generation<br>Marine transportation<br>Investment<br>Investment holding<br>Design and sales of cement and concrete products  | \$ 219,450<br>68,911<br>343<br>388,079<br>312,833<br>2,450   | \$ 219,450<br>68,911<br>343<br>388,079<br>312,833<br>-   | 40,200,000<br>6,772,608<br>119<br>22,008,505<br>31,859,829<br>245,000  | 100.00<br>0.50<br>0.02<br>2.23<br>1.12<br>49.00  | \$ 2,009<br>6,772,093<br>637,208<br>(494,442)<br>(1,560,423)<br>(49)                                       | \$ 2,009<br>33,881<br>(11,051)<br>(17,790)<br>(24)   |      |
| Ta-Ho Maritime Corporation            | Ta-Ho Maritime Holdings Ltd.  | Samoa  | Investment  | 2,129,164  | 2,129,164  | 74,300,000   | 100.00   | 350,046  | 350,046  |      |
| TCC Information Systems Corporation   | Taicem Information (Samoa) Pte., Ltd.<br>International CSRC Investment Holdings Co., Ltd.   | Samoa<br>Taiwan  | Investment<br>Investment  | 3,042<br>49,882  | 3,042<br>49,882  | 100,000<br>2,053,473   | 100.00<br>0.21   | 3,174<br>(494,442)   | 3,174<br>(1,032)   |      |
| Hoping Industrial Port Corporation    | TCC Recycle Energy Technology Company   | Taiwan   | Investment holding  | 112,898  | 112,898  | 11,695,699   | 0.41   | (1,560,423)  | (6,531)  |      |
| Union Cement Traders Inc.             | Taiwan Transport & Storage Corporation  | Taiwan   | Warehousing, transportation and sale of sand and gravel   | 2,612  | 2,612  | 419,013  | 0.67   | 231,721  | 1,554  |      |
|                                       | International CSRC Investment Holdings Co., Ltd.  | Taiwan   | Investment  | 281,806  | 281,806  | 11,463,551   | 1.16   | (494,442)  | (5,756)  |      |
|                                       | TCC Recycle Energy Technology Company   | Taiwan   | Investment holding  | 298,046  | 298,046  | 30,702,994   | 1.08   | (1,560,423)  | (17,143)   |      |
|                                       | Ho-Ping Renewable Energy Company  | Taiwan   | Renewable energy generation   | 1,000  | 1,000  | 100,000  | 100.00   | -  | -  |      |
| TCC Green Energy Corporation          | TCC Chia-Chien Green Energy Corporation<br>TCC Yun-Kai Green Energy Corporation<br>TCC Lien-Hsin Green Energy Corporation<br>TCC Chang-Ho Green Energy Corporation<br>TCC Kao Cheng Green Energy Corporation<br>TCC Nan Chung Green Energy Corporation<br>TCC Nan Chung Green Energy Corporation<br>Chang-Wang Wind Power Co., Ltd.<br>TCC Ping-Chih Green Energy Corporation<br>Chia-Ho Green Energy Corporation<br>TCC Tung-Ji Green Energy Corporation<br>SHI-MEN Green Energy Corporation<br>HO-PING Ocean Renewable Resource Corporation | Taiwan<br>Taiwan<br>Taiwan<br>Taiwan<br>Taiwan<br>Taiwan<br>Taiwan<br>Taiwan<br>Taiwan<br>Taiwan<br>Taiwan<br>Taiwan<br>Taiwan | Renewable energy generation<br>Renewable energy generation<br>Renewable energy generation<br>Renewable energy generation<br>Renewable energy generation<br>Renewable energy generation<br>Renewable energy generation<br>Renewable energy generation<br>Renewable energy generation<br>Renewable energy generation<br>Renewable energy generation<br>Renewable energy generation<br>Renewable energy generation | 3,202,000<br>25,000<br>4,012,000<br>2,456<br>82,000<br>170,000<br>720,000<br>2,000<br>3,145,000<br>270,000<br>20,000<br>30,000 | 3,202,000<br>25,000<br>4,012,000<br>2,456<br>82,000<br>170,000<br>720,000<br>2,000<br>3,145,000<br>270,000<br>20,000<br>30,000 | 320,200,000<br>2,300,000<br>401,200,000<br>245,655<br>14,200,000<br>17,000,000<br>72,000,000<br>200,000<br>314,500,000<br>27,000,000<br>1,020,000<br>3,000,000 | 100.00<br>100.00<br>100.00<br>100.00<br>100.00<br>100.00<br>100.00<br>100.00<br>85.00<br>100.00<br>51.00<br>100.00 | 102,216<br>208<br>25,266<br>(23)<br>2,144<br>1,550<br>31,402<br>(25)<br>18,200<br>(41,251)<br>(37)<br>(55) | 102,216<br>208<br>25,266<br>(23)<br>2,144<br>1,550<br>31,402<br>(25)<br>18,200<br>(41,251)<br>(37)<br>(55) |      |
| Ta-Ho Maritime Holdings Ltd.          | THC International S.A.<br>Ta-Ho Maritime (Hong Kong) Limited<br>Ta-Ho Maritime (Singapore) Pte. Ltd.  | Panama<br>Hong Kong<br>Singapore   | Marine transportation<br>Marine transportation<br>Marine transportation   | 2,699,049<br>141,168<br>2,768  | 2,699,049<br>141,168<br>2,768  | 94,310,000<br>5,100,000<br>100,000   | 100.00<br>100.00<br>100.00   | 333,577<br>14,176<br>2,430   | 333,577<br>14,176<br>2,430   |      |
| TCC International Ltd. (Group)        | Quon Hing Concrete Co., Ltd.<br>Hong Kong Concrete Co., Ltd.<br>TCC Recycle Energy Technology Company<br>TCC Dutch  | Hong Kong<br>Hong Kong<br>Taiwan<br>Netherlands  | Investment holding<br>Cement processing services<br>Investment holding<br>Investment holding  | 157,899<br>24,211<br>11,019,388<br>8,477,500   | 157,899<br>24,211<br>11,019,388<br>8,477,500   | 100,000<br>129,150<br>1,101,938,824<br>2,500,000   | 50.00<br>31.50<br>38.73<br>17.00   | 250,108<br>205,482<br>(1,560,423)<br>1,909,575   | 125,054<br>64,727<br>(604,370)<br>205,273  |      |
| TCC Recycle Energy Technology Company | E-One Moli Energy Corp.   | Taiwan   | Manufacturing and sales of lithium battery  | 27,683,427   | 27,683,427   | 2,766,310,703  | 100.00   | (1,562,757)  | (1,562,757)  |      |
| E-One Moli Energy Corp.               | E-One Holdings Ltd.<br>Molie Quantum Energy Corporation   | British Virgin Islands<br>Taiwan   | Investment holding<br>Manufacturing and sales of batteries, power generation machinery, electronic components   | 2,050,040<br>22,001,000  | 2,050,040<br>22,001,000  | 65,344,940<br>2,200,100,000  | 100.00<br>100.00   | 458,140<br>21,346,353  | (90,488)<br>(477,770)  |      |

(Continued)

| Investor Company                          | Investee Company   | Location                                       | Main Businesses and Products  | Original Investment Amount       |                                  | As of December 31, 2023                  |   | Net Income (Loss) of the Investee                    | Share of Profit (Loss)                                    | Note |
|---|--|--|---|----------------------------------|----------------------------------|--|---|--|---|------|
|   |  |  |   | December 31, 2023                | December 31, 2022                | Shares/Units                             | %   |  |   |      |
| E-One Holdings Ltd.                       | E-One Moli Holdings (Canada) Ltd.  | Canada   | Investment holding  | \$ 2,430,170                     | \$ 2,430,170                     | 23,800                                   | 100.00  | \$ 458,119   | \$ (90,474)   |      |
| E-One Moli Holdings (Canada) Ltd.         | E-One Moli Energy (Canada) Ltd.<br>E-One Moli Quantum Energy (Canada) Ltd.   | Canada<br>Canada<br>Canada                     | Battery research and development and sales<br>Manufacturing of lithium battery  | 1,917,161<br>2,321               | 1,917,161<br>-                   | 6,649,200<br>100                         | 100.00<br>100.00                              | 557,241<br>2,320                                     | (90,490)<br>-   |      |
| TCC Energy Storage Technology Corporation | Energy Helper TCC Corporation  | Taiwan   | Renewable energy retail and energy technology services  | 10,000                           | 10,000                           | 1,000,000                                | 100.00  | 17,650   | 8,051   |      |
| TCC Dutch                                 | Cimpor Global Holdings B.V.<br>TCEH  | Netherlands<br>Netherlands                     | Investment holding<br>Investment holding  | 26,255,753<br>19,105,383         | 26,255,753<br>10,627,883         | 100,000<br>430,001,000                   | 40.00<br>100.00                               | 35,716,009<br>16,794,149                             | 8,900,743<br>(979,467)                                    |      |
| TCEH                                      | NHOA S.A.  | France   | Investment holding  | 15,222,396                       | 7,595,278                        | 241,557,486                              | 87.78   | 12,789,693   | (1,080,001)   |      |
| NHOA S.A.                                 | NHOA ENERGY S.R.L.   | Italy  | Renewable energy and energy storage system construction   | -                                | 1,963,292                        | -  | -   | -  | (151,296)   | Note |
|   | ELECTRO POWER SYSTEM MANUFACTURING<br>Comores Energie Nouvelles S.A.R.L.   | Italy<br>Union of the Comoros                  | Renewable energy and energy storage system construction<br>Renewable energy and energy storage system construction  | 664,059<br>-                     | 664,059                          | 1,004,255                                | 100.00  | 234,378  | (1,729)   |      |
|   | NHOA CALLOPE S.R.L.<br>NHOA CORPORATE S.R.L.   | Italy<br>Italy                                 | Investment holding<br>Investment holding  | 9,125,148<br>-                   | 420,706<br>671,676               | 12,000,000                               | -   | 8,647,339  | (18,442)  | Note |
| NHOA CORPORATE S.R.L.                     | FREE2MOVE ESOLUTIONS S.P.A.<br>NHOA ENERGY S.R.L.  | Italy<br>Italy                                 | Electric vehicle charging equipment construction<br>Renewable energy and energy storage system construction   | 528,255<br>3,832,192             | 528,255<br>-                     | 16,344,531                               | 49.90<br>100.00                               | 57,276<br>3,324,434                                  | (220,785)<br>(151,296)                                    | Note |
| NHOA ENERGY S.R.L.                        | NHOA AMERICAS LLC  | U.S.A.   | Renewable energy and energy storage system construction   | 274                              | 274                              | 10,000                                   | 100.00  | (64,829)   | (61,458)  |      |
|   | NHOA AUSTRALIA PTY LTD   | Australia                                      | Renewable energy and energy storage system construction   | 505,225                          | 505,225                          | 25,210,000                               | 100.00  | 519,076  | 23,355  |      |
|   | NHOA LATAM S.A.C.  | Peru   | Renewable energy and energy storage system construction   | 23                               | 23                               | 2,700                                    | 90.00   | (39,459)   | (31,491)  |      |
|   | NHOA Taiwan Ltd.   | Taiwan   | Renewable energy and energy storage system construction   | 8,288                            | -                                | 2,500,000                                | 100.00  | (20,543)   | (20,724)  |      |
|   | NHOA UK LTD  | UK   | Renewable energy and energy storage system construction   | 3,315                            | -                                | 100,000                                  | 100.00  | (14,199)   | (20,791)  |      |
|   | Comores Energie Nouvelles S.A.R.L.   | Union of the Comoros                           | Independent power plants construction   | 18,719                           | -                                | 100                                      | 100.00  | (6,433)  | -   | Note |
| NHOA AMERICAS LLC                         | NHOA LATAM S.A.C.  | Peru   | Renewable energy and energy storage system construction   | 3                                | 3                                | 300                                      | 10.00   | (3,946)  | (3,499)   |      |
| NHOA CORPORATE S.R.L.                     | ATLANTE S.R.L.   | Italy  | Renewable energy and charging equipment   | 6,672,736                        | 896,136                          | 12,000,000                               | 100.00  | 5,057,115  | (62,139)  |      |
| ATLANTE S.R.L.                            | ATLANTE IBERIA S.L.<br>ATLANTE FRANCE S.A.S.<br>ATLANTE INFRA PORTUGAL S.A.<br>ATLANTE ITALIA S.R.L.<br>ALPIS S.A.S.                             | Spain<br>France<br>Portugal<br>Italy<br>France | Renewable energy and charging equipment<br>Renewable energy and charging equipment<br>Renewable energy and charging equipment<br>Renewable energy and charging equipment<br>Renewable energy and charging equipment | 128<br>3,192<br>-<br>-<br>3      | 128<br>3,192<br>-<br>-<br>-      | 4,000<br>29,500,000<br>84,000<br>-<br>-  | 100.00<br>100.00<br>60.00<br>100.00<br>100.00 | 126,230<br>201,162<br>11,611<br>(16,435)<br>(57,550) | (113,807)<br>(20,162)<br>(16,435)<br>(17,790)<br>(57,550) |      |
| ATLANTE IBERIA S.L.                       | ATLANTE Fast Charging Portugal LDA   | Portugal                                       | Renewable energy and charging equipment   | 131                              | 131                              | 1,000                                    | 100.00  | (1,545)  | (6,639)   |      |
| FREE2MOVE ESOLUTIONS S.P.A.               | FREE2MOVE ESOLUTIONS FRANCE S.A.S.<br>FREE2MOVE ESOLUTIONS SPAIN S.L.U.<br>FREE2MOVE ESOLUTIONS NORTH AMERICA LLC<br>FREE2MOVE ESOLUTIONS UK LTD | France<br>Spain<br>U.S.A.<br>U.S.A.<br>UK      | Electric vehicle charging equipment<br>Electric vehicle charging equipment<br>Electric vehicle charging equipment<br>Electric vehicle charging equipment  | 1,553<br>3,126<br>3,071<br>3,709 | 1,553<br>3,126<br>3,071<br>3,709 | 100,000<br>100,000<br>100,000<br>100,000 | 100.00<br>100.00<br>100.00<br>100.00          | (15,312)<br>(7,866)<br>409,802<br>914                | (15,312)<br>(7,866)<br>409,802<br>914                     |      |

Note: Due to the change in the Group's strategic development and operating arrangements, the Consolidated Corporation proceeded with an organizational restructuring by transferring the equity interests of NHOA ENERGY S.R.L. and Comores Energie Nouvelles S.A.R.L. held by NHOA S.A. to NHOA CORPORATE S.R.L. and NHOA ENERGY S.R.L., respectively, in 2023.

(Concluded)



**TAIWAN CEMENT CORPORATION**  
**INFORMATION ON INVESTMENT IN MAINLAND CHINA**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(In Thousands of New Taiwan Dollars)

| Investee Company  | Main Businesses and Products   | Share Capital | Method of Investment (Note 1) | Accumulated Outward Remittance from Investment from Taiwan as of January 1, 2023 (Note 2) | Investment Flow (Note 2) |        | Accumulated Outward Remittance from Investment from Taiwan as of December 31, 2023 (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, 2023 (Note 3) | Accumulated Repatriation of Investment Income as of December 31, 2023 | Note   |
|---|--|---------------|-------------------------------|---|--------------------------|--------|---|-----------------------------------|--|---------------------------------|--|---|--------|
|   |  |               |                               |   | Outflow                  | Inflow |   |                                   |  |                                 |  |   |        |
| TCC Fuzhou Cement Co., Ltd.                                       | Manufacturing and sale of cement                                       | \$ 498,956    | b.                            | \$ 281,910  | \$ -                     | \$ -   | \$ 281,910  | (100,127)                         | 100.00                                       | \$ (100,127)                    | \$ 566,037                                       | \$ -  |        |
| TCC Fuzhou Yangyu Port Co., Ltd.                                  | Service of port facility   | 153,525       | b.                            | 86,742  | -                        | -      | 86,742  | 6,148                             | 100.00                                       | 6,148                           | 227,188  | -   |        |
| TCC Lu Zhou Construction Materials Company Limited                | Manufacturing and sale of slag powder                                  | 414,518       | b.                            | 99,484  | -                        | -      | 99,484  | (13,646)                          | 42.00  | 6,148                           | 341,032  | -   |        |
| TCC Yingde Cement Co., Ltd.                                       | Manufacturing and sale of cement                                       | 7,811,352     | b.                            | 4,880,898   | -                        | -      | 4,880,898   | 511,570                           | 100.00                                       | 511,570                         | 25,895,354                                       | -   |        |
| Jiangsu TCC Cement Co., Ltd.                                      | Manufacturing and sale of cement                                       | 7,154,265     | b.                            | 4,175,726   | -                        | -      | 4,175,726   | (84,380)                          | 100.00                                       | (84,380)                        | 17,721,737                                       | -   |        |
| TCC (Gui Gang) Cement Ltd.  | Manufacturing and sale of cement                                       | 10,220,955    | b.                            | 7,310,857   | -                        | -      | 7,310,857   | (1,432,115)                       | 100.00                                       | (1,432,115)                     | 21,314,942                                       | -   |        |
| Jiangsu TCC Investment Co., Ltd.                                  | Investment holding   | 1,535,250     | b.                            | 867,416   | -                        | -      | 867,416   | (59,899)                          | 100.00                                       | (59,899)                        | 3,945,839  | -   |        |
| Yingde Dragon Mountain Cement Co., Ltd.                           | Manufacturing and sale of cement                                       | 1,852,432     | b.                            | 3,335,580   | -                        | -      | 3,335,580   | 406,875                           | 100.00                                       | 406,875                         | 15,883,173                                       | -   |        |
| TCC Liaoning Cement Company Limited                               | Manufacturing and sale of cement                                       | 1,605,317     | b.                            | 1,368,875   | -                        | -      | 1,368,875   | (44,728)                          | 100.00                                       | (44,728)                        | 1,717,422  | -   |        |
| TCC Anshan Cement Company Limited                                 | Manufacturing and sale of cement                                       | 4,712,910     | b.                            | 3,433,617   | -                        | -      | 3,433,617   | (1,923)                           | 100.00                                       | (1,923)                         | 7,198,423  | -   |        |
| TCC Changsheng Cement Company Limited                             | Manufacturing and sale of cement                                       | 3,623,190     | b.                            | 2,619,792   | -                        | -      | 2,619,792   | 106,005                           | 100.00                                       | 106,005                         | 9,613,022  | -   |        |
| Jiangnan Changxing Cement Company Ltd.                            | Manufacturing and sale of cement                                       | 2,065,078     | b.                            | 1,716,267   | -                        | -      | 1,716,267   | 242,291                           | 100.00                                       | 242,291                         | 6,387,214  | -   |        |
| TCC (Dong Guan) Cement Company Limited                            | Manufacturing and sale of cement                                       | 623,312       | b.                            | 316,667   | -                        | -      | 316,667   | 44,600                            | 100.00                                       | 44,600                          | 1,222,722  | -   |        |
| TCC (Dong Guan) Cement Company Limited                            | Manufacturing and sale of cement                                       | 245,640       | b.                            | 280,956   | -                        | -      | 280,956   | (187,272)                         | 65.00  | (187,272)                       | 122,722  | -   |        |
| TCC (Dong Guan) Cement Company Limited                            | Manufacturing and sale of cement                                       | 1,686,061     | b.                            | 1,38,787  | -                        | -      | 1,38,787  | (17,959)                          | 100.00                                       | (17,959)                        | 1,279,422  | -   |        |
| TCC Shuanguan Cement Co., Ltd.                                    | Manufacturing and sale of cement                                       | 2,121,716     | b.                            | 1,098,453   | -                        | -      | 1,098,453   | (224,784)                         | 100.00                                       | (224,784)                       | 3,396,193  | -   |        |
| TCC Huaihua Cement Company Limited                                | Manufacturing and sale of cement                                       | 1,988,149     | b.                            | 1,988,149   | -                        | -      | 1,988,149   | (168,828)                         | 100.00                                       | (168,828)                       | 1,380,869  | -   |        |
| TCC Jingzhou Cement Company Limited (Note 4)                      | Manufacturing and sale of cement                                       | 4,110,131     | b.                            | 3,145,730   | -                        | -      | 3,145,730   | (457,171)                         | 100.00                                       | (457,171)                       | 2,810,014  | -   |        |
| TCC Huaihua Concrete Company Limited (Note 4)                     | Manufacturing and sale of cement                                       | 1,298,100     | b.                            | 5,758,548   | -                        | -      | 5,758,548   | (696,105)                         | 100.00                                       | (696,105)                       | 3,801,631  | -   |        |
| TCC Jiangsu Mining Industrial Company Limited                     | Manufacturing and sale of cement                                       | 649,050       | b.                            | -   | -                        | -      | -   | (192,431)                         | 100.00                                       | (192,431)                       | 1,920,403  | -   |        |
| TCC Yingde Mining Industrial Company Limited                      | Sale of ready-mixed concrete   | 43,270        | b.                            | -   | -                        | -      | -   | (74,863)                          | 100.00                                       | (74,863)                        | (55,466)   | -   |        |
| TCC Guijiang Mining Industrial Company Limited                    | Mining excavation  | 122,820       | b.                            | 384,024   | -                        | -      | 384,024   | 44,025                            | 100.00                                       | 44,025                          | 436,468  | -   |        |
| Seitun Lushou Cement Co., Ltd.                                    | Mining excavation  | 353,108       | b.                            | 277,809   | -                        | -      | 277,809   | 3,082                             | 100.00                                       | 3,082                           | 356,560  | -   |        |
| Seitun Xiwei Cement Co., Ltd.                                     | Mining excavation  | 633,949       | b.                            | 132,604   | -                        | -      | 132,604   | 5,424                             | 100.00                                       | 5,424                           | 395,318  | -   |        |
| Seitun Hejiang Cement Co., Ltd.                                   | Manufacturing and sale of cement                                       | 1,709,165     | b.                            | -   | -                        | -      | -   | (713,910)                         | 100.00                                       | (713,910)                       | (227,189)  | -   |        |
| Seitun Lushou Concrete Co., Ltd.                                  | Manufacturing and sale of cement                                       | 100,603       | b.                            | -   | -                        | -      | -   | 38,103                            | 100.00                                       | 38,103                          | 3,537,847  | -   |        |
| Anshun Xin Tai Construction Materials Company Limited             | Sale of ready-mixed concrete   | 108,175       | b.                            | -   | -                        | -      | -   | (1,301)                           | 100.00                                       | (1,301)                         | 7,396  | -   |        |
| Fuzhou TCC Information Technology Co., Ltd. (Note 5)              | Software product and equipment maintenance                             | 3,071         | b.                            | 93,628  | -                        | -      | 93,628  | (56,118)                          | 100.00                                       | (56,118)                        | 24,764   | -   |        |
| Da Tong (Ying De) Logistics Co., Ltd. (Note 5)                    | Logistics and transportation   | 153,525       | b.                            | 3,071   | -                        | -      | 3,071   | 3,173                             | 100.00                                       | 3,173                           | 29,675   | -   |        |
| Guangdong Da-Ho Shipping Co., Ltd. (Note 5)                       | Logistics and transportation   | 21,635        | b.                            | -   | -                        | -      | -   | 14,456                            | 100.00                                       | 14,456                          | 1,006,510  | -   |        |
| Prosperity Conch Cement Company Limited                           | Marine transportation  | 17,308        | b.                            | -   | -                        | -      | -   | 4,014                             | 100.00                                       | 4,014                           | -  | -   |        |
| Yunnan Kunming & K. Wah Cement Construction Materials Co., Ltd.   | Manufacturing and sale of cement                                       | 2,509,660     | b.                            | 2,243,014   | -                        | -      | 2,243,014   | 11,276                            | 100.00                                       | 11,276                          | 575,378  | -   |        |
| Basin Jinggang & K. Wah Cement Construction Materials Co., Ltd.   | Manufacturing and sale of cement                                       | 3,589,775     | b.                            | 1,462,347   | -                        | -      | 1,462,347   | (11,069)                          | 30.00  | (33,321)                        | 7,503,277  | -   | Note 3 |
| Sichuan Taichang Building Material Group Company Limited          | Manufacturing and sale of cement                                       | 1,785,234     | b.                            | 708,135   | -                        | -      | 708,135   | 180,672                           | 30.00  | 54,201                          | 806,971  | -   | Note 3 |
| Yingde Xinnan New material Co., Ltd.                              | Manufacturing and sale of cement                                       | 865,400       | b.                            | 353,990   | -                        | -      | 353,990   | 106,178                           | 30.00  | 31,854                          | 582,526  | -   |        |
| Guangnan Xin Tai Construction Materials Company Limited           | Manufacturing and sale of cement                                       | 67,069        | b.                            | 48,327  | -                        | -      | 48,327  | -                                 | 50.00  | -                               | (165,570)  | -   |        |
| Guang TCC Dong Yuan Environmental Technology Company Limited      | Dangerous waste treatment  | 865,400       | b.                            | 506,259   | -                        | -      | 506,259   | (11,753)                          | 100.00                                       | (11,753)                        | 983,748  | -   |        |
| Beijing TCC Environmental Technology Co., Ltd.                    | Technology development, enterprise management and sales                | 25,962        | b.                            | 25,962  | -                        | -      | 25,962  | (29,595)                          | 100.00                                       | (29,595)                        | (132,997)  | -   |        |
| TCC (Hangzhou) Environmental Protection Technology Co., Ltd.      | Recycle resource technology development, business management and sales | 12,072,330    | b.                            | 7,312,630   | -                        | -      | 7,312,630   | 9,435                             | 100.00                                       | 9,435                           | 11,334,054                                       | -   |        |
| Kaifeng TCC Environment Technology Co., Ltd.                      | Waste collection and treatment   | 207,696       | b.                            | 12,981  | -                        | -      | 12,981  | 19,357                            | 100.00                                       | 19,357                          | 120,464  | -   |        |
| TCC Juyuan (Xuyong) Environmental Technology Co., Ltd.            | Technology development, enterprise management and sales                | 17,308        | b.                            | 9,519   | -                        | -      | 9,519   | 132                               | 30.00  | 40                              | 5,225  | -   |        |
| Guangnan TCC Juyuan Environmental Protection Technology Co., Ltd. | Technology development, enterprise management and sales                | 129,810       | b.                            | -   | -                        | -      | -   | 3,600                             | 70.00  | 2,520                           | 91,537   | -   |        |

(Continued)

## TAIWAN CEMENT CORPORATION

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STATEMENT 1

**TAIWAN CEMENT CORPORATION**

**STATEMENT OF CASH AND CASH EQUIVALENTS  
DECEMBER 31, 2023**

**(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

| Item  | Period                | Annual Rate | Amount              |
|---|-----------------------|-------------|---------------------|
| Cash  |                       |             |                     |
| Cash on hand  |                       |             | \$ 1,146            |
| Checking accounts and demand deposits (Note)                      |                       |             | <u>839,977</u>      |
|   |                       |             | <u>841,123</u>      |
| Cash equivalents  |                       |             |                     |
| Time deposits with original maturities of 3 months or less (Note) | 2023.12.11-2024.01.12 | 5.50%       | <u>675,510</u>      |
|   |                       |             | <u>\$ 1,516,633</u> |

Note: Including US\$31,423 thousand, the rate of exchange US\$1=\$30.71.

STATEMENT 2

**TAIWAN CEMENT CORPORATION**

**STATEMENT OF FINANCIAL ASSETS AT FVTOCI - CURRENT  
DECEMBER 31, 2023**

**(In Thousands of New Taiwan Dollars, Unless Unit Price is New Taiwan Dollars)**

| Name of Financial Instruments       | Number of Shares<br>(In Thousands) | Cost of Acquisition | Fair Value (Note) |                     |
|-------------------------------------|------------------------------------|---------------------|-------------------|---------------------|
|                                     |                                    |                     | Unit Price        | Total Amount        |
| Taishin Financial Holding Co., Ltd. | 73,014                             | \$ 646,575          | 18.10             | \$ 1,321,547        |
| China Hi-Ment Corporation           | 30,196                             | 261,546             | 57.60             | 1,739,299           |
| Chia Hsin Cement Corporation        | 27,968                             | 305,388             | 19.05             | 532,787             |
| CTCI Corporation                    | 9,054                              | 200,439             | 42.15             | 381,641             |
| O-Bank                              |                                    |                     |                   |                     |
| Ordinary shares                     | 32,809                             | 305,798             | 9.98              | 327,431             |
| Convertible preference shares       | 2,956                              | <u>29,559</u>       | 10.45             | <u>30,889</u>       |
|                                     |                                    | <u>\$ 1,749,305</u> |                   | <u>\$ 4,333,594</u> |

Note: Calculated based on the closing price and the last strike price on December 31, 2023.

STATEMENT 3

**TAIWAN CEMENT CORPORATION**

**STATEMENT OF NOTES AND ACCOUNTS RECEIVABLE  
DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

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| Client Name                           | Amount              |
|---------------------------------------|---------------------|
| Client A                              | \$ 325,425          |
| Client B                              | 272,529             |
| Client C                              | 187,152             |
| Others (Note)                         | <u>5,054,816</u>    |
|                                       | 5,839,922           |
| Less: Allowance for doubtful accounts | <u>38,787</u>       |
|                                       | <u>\$ 5,801,135</u> |

Note: The amount of individual client does not exceed 5% of the account balance.

STATEMENT 4

**TAIWAN CEMENT CORPORATION**

**STATEMENT OF INVENTORIES  
DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

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| Item                                   | Amount         |                      |
|--|----------------|----------------------|
|  | Cost           | Net Realizable Value |
| Finished goods                         | \$ 466,284     | \$ 586,584           |
| Work in process                        | 562,986        | 613,455              |
| Raw materials                          | <u>923,881</u> | <u>775,726</u>       |
|  | 1,953,151      | <u>\$ 1,975,765</u>  |
| Less: Allowance for write-downs (Note) | <u>170,416</u> |                      |
|  |                | <u>\$ 1,782,735</u>  |

Note: Included provision for obsolete inventory loss.

## TAIWAN CEMENT CORPORATION

STATEMENT OF FINANCIAL ASSETS AT FV/OCI - NON-CURRENT  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Unit Price is New Taiwan Dollars)

| Name of Securities                              | Balance at January 1, 2023         |              | Addition                           |            | Unrealized Gain<br>(Loss) on Financial<br>Instruments | Fair Value on December 31, 2023    |              |
|---|------------------------------------|--------------|------------------------------------|------------|---|------------------------------------|--------------|
|   | Number of Shares<br>(In Thousands) | Amount       | Number of Shares<br>(In Thousands) | Amount     |   | Number of Shares<br>(In Thousands) | Unit Price   |
| Listed shares                                   |                                    |              |                                    |            |   |                                    |              |
| Phihong Technology Co., Ltd. (privately placed) | 37,520                             | \$ 1,030,299 | 4,200                              | \$ 209,156 | \$ 854,331  | 37,520                             | \$ 1,884,630 |
| Phihong Technology Co., Ltd.                    | -                                  | -            | -                                  | -          | 38,218  | 4,200                              | 247,374      |
| Unlisted shares                                 |                                    |              |                                    |            |   |                                    |              |
| Taiwan Stock Exchange Corporation               | 67,952                             | 5,722,211    | 8,833                              | -          | 1,090,961   | 76,785                             | 6,813,172    |
| Chinatrust Investment Co., Ltd.                 | 29,553                             | 872,097      | (11,821)                           | (118,210)  | (69,804)  | 17,732                             | 38,588       |
| Pan Asia Corporation                            | 6,204                              | 8,996        | -                                  | -          | -   | 6,204                              | 684,083      |
| IBT II Venture Capital Corporation              | 2,626                              | -            | -                                  | -          | -   | 2,626                              | 8,996        |
| Excel Corporation                               | 600                                | -            | -                                  | -          | -   | 600                                | -            |
|   |                                    | \$ 7,633,603 |                                    | \$ 90,946  | \$ 1,913,706  |                                    | \$ 9,638,255 |

## TAIWAN CEMENT CORPORATION

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Unit Price is New Taiwan Dollars)

| Name of Investee Company                              | Balance, January 1, 2023 |                  | Changes for the Year     |              | Investment<br>Income or Loss<br>for Using the<br>Equity Method | Equity<br>Adjustments<br>(Note 1) | Shares<br>(In Thousands) | Balance, December 31, 2023 |                            |
|---|--------------------------|------------------|--------------------------|--------------|--|-----------------------------------|--------------------------|----------------------------|----------------------------|
|   | Shares<br>(In Thousands) | Amount           | Shares<br>(In Thousands) | Amount       |  |                                   |                          | Ownership                  | Market Price<br>Unit Price |
| Listed company  |                          |                  |                          |              |  |                                   |                          |                            |                            |
| International CSRC Investment Holdings Co., Ltd.      | 153,477                  | \$ 5,669,050     | -                        | \$ -         | \$ (77,062)  | \$ 83,898                         | 153,477                  | 15.6                       | \$ 5,660,538               |
| Unlisted company                                      |                          |                  |                          |              |  |                                   |                          |                            |                            |
| TECCI   | 1,100,876                | 113,099,217      | -                        | -            | (22,548)   | (5,422,735)                       | 1,100,876                | 100.0                      | 107,653,934                |
| TECH (Note 2)   | 3,471,218                | 81,991,082       | 263,710                  | 6,299,370    | (674,675)  | (1,189,955)                       | 3,734,928                | 47.3                       | 86,425,822                 |
| Taiwan Cement Dutch                                   | 1,179                    | 39,985,279       | -                        | -            | 1,165,320  | 1,212,501                         | 1,179                    | 82.5                       | 42,363,100                 |
| Ho-Ping Power Company                                 | 805,940                  | 14,328,687       | -                        | -            | 4,029,396  | (303)                             | 805,940                  | 59.5                       | 18,357,780                 |
| Hoping Industrial Port Corporation                    | 319,990                  | 5,722,337        | -                        | -            | 613,154  | (24,472)                          | 319,990                  | 100.0                      | 5,671,039                  |
| TCC Investment Corporation                            | 239,800                  | 4,374,356        | -                        | -            | 128,836  | (604,907)                         | 239,800                  | 100.0                      | 3,776,324                  |
| TCC Green Energy Corporation                          | 1,350,899                | 13,488,265       | -                        | -            | 171,499  | (18,196)                          | 1,350,899                | 100.0                      | 13,659,764                 |
| Tai-Ho Maritime Corporation (Note 3)                  | 175,079                  | 3,579,298        | 29,413                   | -            | 41,283   | 8,449                             | 204,492                  | 64.8                       | 3,927,045                  |
| Taiwan Transport & Storage Corporation                | 52,410                   | 2,345,525        | -                        | -            | 194,363  | 17,481                            | 52,410                   | 83.9                       | 2,426,867                  |
| TCC USA Corp.   | 79                       | 1,899,822        | -                        | -            | (5,183)  | 1,489                             | 79                       | 33.3                       | 1,850,128                  |
| TCC Chemical Corporation                              | 140,000                  | 1,324,924        | -                        | -            | 179,747  | 62,294                            | 140,000                  | 100.0                      | 1,566,965                  |
| Ho-Sheng Mining Co., Ltd.                             | 310                      | 10,529,160       | -                        | 29,960       | (57,658)   | 4,377                             | 310                      | 100.0                      | 10,400,879                 |
| Taiwan Recycle Energy Technology Company (Note 2)     | 104,403                  | 1,301,400        | 2,928                    | 29,960       | 542,088  | (61)                              | 104,431                  | 30.0                       | 1,678,864                  |
| OSNYX Ho-Ho Environmental Services Co., Ltd. (Note 3) | 58,628                   | 1,301,248        | 25,384                   | 823          | 6,801  | (61)                              | 84,212                   | 50.0                       | 1,678,864                  |
| Taiwan Cement Engineering Co., Ltd. (Note 2)          | 59,682                   | 722,448          | 67                       | 823          | 85,836   | 1,119                             | 59,749                   | 99.3                       | 710,073                    |
| Kuan-Ho Refractories Industry Corporation (Note 3)    | 46,711                   | 658,767          | 5,605                    | -            | 6,801  | 1,119                             | 52,316                   | 95.3                       | 745,722                    |
| HKCMCI  | 38                       | 577,559          | -                        | -            | 81,158   | (2,360)                           | 38                       | 84.7                       | 656,357                    |
| Feng Sheng Enterprise Company                         | 27,261                   | 486,573          | -                        | -            | 133,498  | 1,160                             | 27,261                   | 45.4                       | 525,819                    |
| TCC Information Systems Corporation                   | 14,904                   | 333,143          | -                        | -            | 2,750  | (79)                              | 14,904                   | 99.4                       | 320,910                    |
| Ta-Ho Onyx RSEA Environment Co., Ltd. (Note 2)        | 39,960                   | 419,001          | (19,980)                 | (199,800)    | 123,437  | (14,904)                          | 19,980                   | 66.6                       | 342,638                    |
| Jin Chang Minerals Corporation                        | 9,100                    | 307,783          | -                        | -            | 51,852   | (82,000)                          | 9,100                    | 100.0                      | 277,635                    |
| E.G.C. Cement Corporation                             | 8,063                    | 122,655          | -                        | -            | 12,591   | (34)                              | 8,063                    | 50.6                       | 119,165                    |
| HPC Power Service Corporation                         | 6                        | 127,215          | -                        | -            | 129,262  | 836                               | 6                        | 60.0                       | 257,313                    |
| Synpac Ltd.   | 2,700                    | 7,977            | -                        | -            | 169  | (3)                               | 2,700                    | 25.0                       | 7,220                      |
| Tung Chen Mineral Corporation (Note 2)                | 20                       | 977              | (20)                     | (964)        | (13)   | -                                 | -                        | -                          | -                          |
| TCC Energy Storage Technology Corporation             | 250,600                  | 2,330,046        | -                        | -            | (198,346)  | -                                 | 250,600                  | 100.0                      | 2,131,700                  |
| TCC Sustainable Energy Investment Corporation         | 100                      | 899              | -                        | -            | (10)   | -                                 | 100                      | 100.0                      | 889                        |
| Tuo Shan Recycle Technology Corporation               | 100                      | 944              | -                        | -            | (9)  | -                                 | 100                      | 100.0                      | 935                        |
| TMC (Note 4)  | 120                      | -                | -                        | -            | -  | -                                 | 120                      | 72.7                       | -                          |
| TPMC (Note 4)   | 20                       | -                | -                        | -            | -  | -                                 | 20                       | 40.0                       | -                          |
|   |                          | \$ 30,432,659    |                          | \$ 6,129,389 | \$ 6,552,641   | \$ (5,512,802)                    |                          |                            | \$ 30,690,753              |
|   |                          | \$ 3,307,101,709 |                          | \$ 6,129,389 | \$ 6,475,529   | \$ (6,428,902)                    |                          |                            | \$ 3,312,351,291           |

Note 1: Including exchange differences on translating foreign operations and investee company changes in equity.

Note 2: TCCIH increased its capital not in proportion to shareholding by \$6,299,370 thousand (263,710 thousand shares); TCEC Corporation increased its capital by \$823 thousand (67 thousand shares); TCC Recycle Energy Technology Company increased its capital by \$29,960 thousand (2,928 thousand shares); Ta-Ho RSEA Environment Co., Ltd. decreased its capital by 199,800 thousand (19,980 thousand shares); Tung Chen Mineral Corporation liquidated for \$964 thousand (20 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 \$19,155 thousand and \$18,658 thousand were generated, which were recorded in other non-current liabilities as of December 31, 2023 and 2022, respectively.

Note 5: It was calculated based on the closing price on December 31, 2023.



STATEMENT 7

## TAIWAN CEMENT CORPORATION

STATEMENT OF CHANGE IN RIGHT-OF-USE ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)

| Item                                    | Land              | Buildings           | Machinery<br>and<br>Equipment | Others           | Total               |
|---|-------------------|---------------------|-------------------------------|------------------|---------------------|
| Cost                                    |                   |                     |                               |                  |                     |
| Balance at January 1,<br>2023           | \$ 504,721        | \$ 1,609,788        | \$ 638,416                    | \$ 86,024        | \$ 2,838,949        |
| Additions                               | 178,663           | -                   | 132,313                       | 13,302           | 324,278             |
| Remeasurement                           | 3,607             | -                   | 1,609                         | 364              | 5,580               |
| Disposals                               | <u>(92,588)</u>   | <u>-</u>            | <u>(49,798)</u>               | <u>(10,952)</u>  | <u>(153,338)</u>    |
| Balance at December 31,<br>2023         | <u>\$ 594,403</u> | <u>\$ 1,609,788</u> | <u>\$ 722,540</u>             | <u>\$ 88,738</u> | <u>\$ 3,015,469</u> |
| Accumulated depreciation                |                   |                     |                               |                  |                     |
| Balance at January 1,<br>2023           | \$ 258,486        | \$ 476,124          | \$ 271,652                    | \$ 43,715        | \$ 1,049,977        |
| Depreciation expenses                   | 84,038            | 138,057             | 80,906                        | 18,009           | 321,010             |
| Disposals                               | <u>(92,588)</u>   | <u>-</u>            | <u>(49,798)</u>               | <u>(10,952)</u>  | <u>(153,338)</u>    |
| Balance at December 31,<br>2023         | <u>\$ 249,936</u> | <u>\$ 614,181</u>   | <u>\$ 302,760</u>             | <u>\$ 50,772</u> | <u>\$ 1,217,649</u> |
| Carrying amount at<br>December 31, 2023 | <u>\$ 344,467</u> | <u>\$ 995,607</u>   | <u>\$ 419,780</u>             | <u>\$ 37,966</u> | <u>\$ 1,797,820</u> |

STATEMENT 8

## TAIWAN CEMENT CORPORATION

STATEMENT OF CHANGES IN INVESTMENT PROPERTIES  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)

| Item                     | Balance at<br>January 1,<br>2023 | Addition       | Disposal          | Reclassification     | Balance at<br>December 31,<br>2023 |
|--------------------------|----------------------------------|----------------|-------------------|----------------------|------------------------------------|
| Cost                     |                                  |                |                   |                      |                                    |
| Land                     | \$ 2,554,485                     | \$ -           | \$ (8,728)        | \$ 10,614,790        | \$ 13,160,547                      |
| Buildings                | <u>167,580</u>                   | <u>-</u>       | <u>-</u>          | <u>7,633</u>         | <u>175,213</u>                     |
|                          | <u>2,722,065</u>                 | <u>-</u>       | <u>(8,728)</u>    | <u>10,622,423</u>    | <u>13,335,760</u>                  |
| Accumulated depreciation |                                  |                |                   |                      |                                    |
| Buildings                | <u>145,233</u>                   | <u>60</u>      | <u>-</u>          | <u>7,633</u>         | <u>152,926</u>                     |
| Accumulated impairment   |                                  |                |                   |                      |                                    |
| Land                     | 118,661                          | -              | -                 | -                    | 118,661                            |
| Buildings                | <u>21,496</u>                    | <u>-</u>       | <u>-</u>          | <u>-</u>             | <u>21,496</u>                      |
|                          | <u>140,157</u>                   | <u>-</u>       | <u>-</u>          | <u>-</u>             | <u>140,157</u>                     |
|                          | <u>\$ 2,436,675</u>              | <u>\$ (60)</u> | <u>\$ (8,728)</u> | <u>\$ 10,614,790</u> | <u>\$ 13,042,677</u>               |

# TAIWAN CEMENT CORPORATION

## STATEMENT OF SHORT-TERM LOANS DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

### STATEMENT 9

| Item (Note)  | Loan Period           | Amount              |
|--|-----------------------|---------------------|
| Bank loans - unsecured   |                       |                     |
| Export-Import Bank of the Republic of China                          | 2023/08/14-2024/08/13 | \$ 400,000          |
| DBS Bank (Taipei)  | 2023/10/06-2024/01/29 | 3,300,000           |
| Oversea-Chinese Banking Corporation Ltd.                             | 2023/10/11-2024/03/18 | 1,600,000           |
| Chang Hwa Commercial Bank (Zhongshan N. Rd.)                         | 2023/08/11-2024/02/07 | 500,000             |
| Mega International Commercial Bank Co., Ltd.<br>(foreign department) | 2023/12/29-2024/03/28 | 1,100,000           |
| Taipei Fubon Commercial Bank Co., Ltd.                               | 2023/12/01-2024/03/01 | <u>1,500,000</u>    |
|  |                       | <u>\$ 8,400,000</u> |

Note: The interval of rate is 1.65%-1.76%, and the total loan commitments is \$61,114,470 thousands.

STATEMENT 10

### TAIWAN CEMENT CORPORATION

#### STATEMENT OF BONDS PAYABLE

DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars, Unless Unit Price is New Taiwan Dollars)

| Bonds Name                        | Trustee                        | Issuance Date | Interest Payment Date  | Coupon Rate (%) | Total Amount   | Repayment Paid | Amount Balance, End of Year | Premiums (Discounts) | Carrying Value | Unamortized Repayment | Collateral | Remark |
|-----------------------------------|--------------------------------|---------------|--|-----------------|----------------|----------------|-----------------------------|----------------------|----------------|-----------------------|------------|--------|
|                                   |                                |               |  |                 |                |                |                             |                      |                |                       |            |        |
| secured 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     | (22,194,450)   | 5,550                       | (266)                | 5,284          | Bullet repayment      | Nil        | Note   |
| secured convertible bonds-112-1   | Citicorp International Limited | 2023.10.24    | Maturity is repaid in full according to the par value of the bond    | -               | 15,471,193     | -              | 15,471,193                  | (1,925,864)          | 13,545,329     | Bullet repayment      | Nil        |        |
| secured convertible bonds-110-1   | 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               | (15,155)             | \$ 11,984,845  | Bullet repayment      | Nil        | Note   |
| secured convertible 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                  | (3,444)              | 12,596,556     | Bullet repayment      | Nil        |        |
| secured convertible 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                   | (4,886)              | 5,195,114      | Bullet repayment      | Nil        |        |
| secured convertible bonds-109-1-B | CTBC Bank Co., Ltd.            | 2020.04.15    | Simple interest payments are made once a year from the date of issue | 0.95            | 14,800,000     | -              | 14,800,000                  | (22,277)             | 14,777,723     | Bullet repayment      | Nil        |        |
| secured convertible 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                   | (7,726)              | 5,792,274      | Bullet repayment      | Nil        |        |
| secured convertible 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                   | (5,164)              | 3,094,836      | Bullet repayment      | Nil        |        |
| secured convertible 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                   | (2,299)              | 1,197,701      | Bullet repayment      | Nil        |        |
| secured convertible 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                   | (13,719)             | 6,486,281      | Bullet repayment      | Nil        |        |
| secured convertible bonds-111-1-A | CTBC Bank Co., Ltd.            | 2022.06.08    | Simple interest payments are made once a year from the date of issue | 1.90            | 4,950,000      | -              | 4,950,000                   | (7,320)              | 4,942,680      | Bullet repayment      | Nil        |        |
| secured convertible bonds-111-1-B | CTBC Bank Co., Ltd.            | 2022.06.08    | Simple interest payments are made once a year from the date of issue | 2.15            | 2,800,000      | -              | 2,800,000                   | (4,724)              | 2,795,276      | Bullet repayment      | Nil        |        |
| secured convertible bonds-111-2-A | CTBC Bank Co., Ltd.            | 2022.11.25    | Simple interest payments are made once a year from the date of issue | 2.10            | 2,100,000      | -              | 2,100,000                   | (3,276)              | 2,096,724      | Bullet repayment      | Nil        |        |
| secured convertible bonds-111-2-B | CTBC Bank Co., Ltd.            | 2022.11.25    | Simple interest payments are made once a year from the date of issue | 2.65            | 1,200,000      | -              | 1,200,000                   | (2,136)              | 1,197,864      | Bullet repayment      | Nil        |        |
| secured convertible bonds-111-3-A | CTBC Bank Co., Ltd.            | 2023.01.13    | Simple interest payments are made once a year from the date of issue | 2.40            | 6,100,000      | -              | 6,100,000                   | (10,513)             | 6,089,487      | Bullet repayment      | Nil        |        |
| secured convertible bonds-111-3-B | CTBC Bank Co., Ltd.            | 2023.01.13    | Simple interest payments are made once a year from the date of issue | 2.65            | 3,200,000      | -              | 3,200,000                   | (5,781)              | 3,194,219      | Bullet repayment      | Nil        |        |
| secured 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     | (22,194,450)   | 5,550                       | (266)                | 5,284          | Bullet repayment      | Nil        | Note   |
| secured convertible bonds-112-1   | Citicorp International Limited | 2023.10.24    | Maturity is repaid in full according to the par value of the bond    | -               | 15,471,193     | -              | 15,471,193                  | (1,925,864)          | 13,545,329     | Bullet repayment      | Nil        |        |
|                                   |                                |               |  |                 | \$ 119,221,193 | \$ 22,194,450  | \$ 97,026,743               | \$ (2,034,550)       | \$ 94,992,193  |                       |            |        |

Refer to Note 16 for accounting of corporate bonds payable due within one year.

STATEMENT 11**TAIWAN CEMENT CORPORATION****STATEMENT OF LONG-TERM LOANS AND LONG-TERM BILLS PAYABLE****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

| Type of Loan and Creditor  | Contract Period | Annual Interest Rates (%) | Amount               | Loan Commitments     | Collateral |
|--|-----------------|---------------------------|----------------------|----------------------|------------|
| Syndicated loan agreement with Mega International Commercial Bank and other banks (Note 1) |                 |                           |                      |                      |            |
| Type A   | 2022.5-2027.5   | 2.08%                     | \$ 25,800,000        | \$ 25,800,000        | -          |
| Type B   | 2022.5-2027.5   | 2.12%                     | <u>3,500,000</u>     | <u>25,800,000</u>    | -          |
|  |                 |                           | <u>29,300,000</u>    | <u>51,600,000</u>    |            |
| Long-term bank borrowings in non-syndicated loans agreement (Note 2)                       |                 |                           |                      |                      |            |
| First Commercial Bank (Chung-Shan)   | 2023.11-2026.11 |                           | 3,538,000            | 4,000,000            | -          |
| Bank of Taiwan (Chung-Shan)  | 2022.9-2025.11  |                           | 700,000              | 1,500,000            | -          |
| Chang Hwa Commercial Bank (Chung-Shan)   | 2022.10-2024.8  |                           | <u>500,000</u>       | <u>1,500,000</u>     | -          |
|  |                 |                           | <u>4,738,000</u>     | <u>7,000,000</u>     |            |
| Less: Issuance costs   |                 |                           | <u>(93,628)</u>      | <u>-</u>             |            |
| Less: current portion  |                 |                           | <u>(500,000)</u>     | <u>-</u>             |            |
|  |                 |                           | <u>\$ 33,444,372</u> | <u>\$ 58,600,000</u> |            |

Note 1: The Corporation has entered into 5-year syndicated loan agreements in 2022 with certain bank consortium, with an expiry date of May 2027. The credit line is divided into two tranches: A and B. The long-term credit line of Tranche A will be repaid in May 2027. The credit facility of Tranche B, which is a long-term revolving credit line, is divided into Tranche B-1 and Tranche B-2. The Corporation has the right to decide whether to utilize the long-term loans Tranche B-1 or the long-term notes payable Tranche B-2 at its sole discretion. When each utilized amount expires, it can be directly reimbursed by the newly allocated funds. For the same amount, the Corporation does not need to remit funds in and out.

Note 2: The principles of long-term unsecured is credit borrowings that due in November 2026, and the interests are paid monthly.

STATEMENT 12**TAIWAN CEMENT CORPORATION****STATEMENT OF NET REVENUE****FOR THE YEAR ENDED DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

| Item                      | Shipments                   | Amount               |
|---------------------------|-----------------------------|----------------------|
| Domestic sales            |                             |                      |
| Cement - related products | 5,151 thousand cubic meters | \$ 14,948,675        |
| Cement                    | 2,827 thousand tons         | 8,188,378            |
| Clinker                   | 618 thousand tons           | 1,426,942            |
| Others                    |                             | <u>649,146</u>       |
|                           |                             | <u>25,213,141</u>    |
| Export sales              |                             |                      |
| Cement                    | 176 thousand tons           | 361,273              |
| Others                    |                             | <u>447,099</u>       |
|                           |                             | <u>808,372</u>       |
|                           |                             | <u>\$ 26,021,513</u> |

**STATEMENT 13****TAIWAN CEMENT CORPORATION****STATEMENT OF OPERATING COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

| Item                                    | Amount               |
|---|----------------------|
| Balance at beginning of year            | \$ 1,437,831         |
| Add: Raw materials purchased            | 9,409,118            |
| Less: Raw materials, end of year        | <u>923,881</u>       |
| Raw materials used                      | 9,923,068            |
| Direct labor                            | 283,938              |
| Manufacturing expenses                  | <u>4,006,938</u>     |
| Manufacturing costs                     | 14,213,944           |
| Add: Work in process, beginning of year | 381,340              |
| Work in process purchased               | 750,238              |
| Less: Work in process, end of year      | 562,986              |
| Work in process sold                    | <u>970,560</u>       |
| Cost of finished goods                  | 13,811,976           |
| Add: Finished goods, beginning of year  | 736,514              |
| Finished goods purchased                | 653,234              |
| Less: Finished goods, end of year       | 466,284              |
| Add: Transportation costs               | 3,222,359            |
| Commodity tax                           | 541,681              |
| Work in process sold                    | 970,560              |
| Less: Write-downs of inventories        | 63,420               |
| Others                                  | <u>41,766</u>        |
| Operating costs                         | <u>\$ 19,448,386</u> |

**STATEMENT 14****TAIWAN CEMENT CORPORATION****STATEMENT OF OPERATING EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

| Item                                   | Selling<br>Expenses | General and<br>Administrative<br>Expenses | Research and<br>Development<br>Expenses | Total               |
|--|---------------------|---|---|---------------------|
| Payroll and pension                    | \$ 100,190          | \$ 426,846                                | \$ 31,936                               | \$ 558,972          |
| Professional service fees              | 1,237               | 139,336                                   | 6,200                                   | 146,773             |
| Remuneration of directors              | -                   | 118,800                                   | -                                       | 118,800             |
| Depreciation expenses                  | 22,273              | 107,677                                   | 29,559                                  | 159,509             |
| General and administrative<br>expenses | 21,259              | 118,984                                   | 8,697                                   | 149,210             |
| Shipping expenses                      | 98,523              | 1,495                                     | 20,990                                  | 121,008             |
| Others (Note)                          | <u>39,704</u>       | <u>287,338</u>                            | <u>111,941</u>                          | <u>438,983</u>      |
|  | <u>\$ 283,456</u>   | <u>\$ 1,200,476</u>                       | <u>\$ 209,323</u>                       | <u>\$ 1,693,255</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, 2023 AND 2022  
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

|                               | 2023                                |  |                     | 2022                                |  |                     |
|-------------------------------|-------------------------------------|--|---------------------|-------------------------------------|--|---------------------|
|                               | Classified as<br>Operating<br>Costs | Classified as<br>Operating<br>Expenses | Total               | Classified as<br>Operating<br>Costs | Classified as<br>Operating<br>Expenses | Total               |
| Labor cost                    |                                     |  |                     |                                     |  |                     |
| Salary and bonus              | \$ 637,494                          | \$ 500,915                             | \$ 1,138,409        | \$ 613,597                          | \$ 510,233                             | \$ 1,123,830        |
| Labor and health<br>insurance | 57,757                              | 40,037                                 | 97,794              | 55,344                              | 40,166                                 | 95,510              |
| Pension                       | 12,329                              | 9,451                                  | 21,780              | 18,301                              | 12,060                                 | 30,361              |
| Remuneration of directors     | -                                   | 118,800                                | 118,800             | -                                   | 91,990                                 | 91,990              |
| Others                        | 26,108                              | 48,606                                 | 74,714              | 22,537                              | 76,346                                 | 98,883              |
|                               | <u>\$ 733,688</u>                   | <u>\$ 717,809</u>                      | <u>\$ 1,451,497</u> | <u>\$ 709,779</u>                   | <u>\$ 730,795</u>                      | <u>\$ 1,440,574</u> |
| Depreciation                  | \$ 965,240                          | \$ 159,509                             | \$ 1,124,749        | \$ 875,368                          | \$ 136,257                             | \$ 1,011,625        |
| Amortization                  | \$ 4,118                            | \$ 8,706                               | \$ 12,824           | \$ 4,187                            | \$ 7,609                               | \$ 11,796           |

Note 1: As of December 31, 2023 and 2022, the Corporation had 1,183 and 1,147 employees, respectively. There were 13 non-employee directors, respectively.

Note 2: Average labor cost for the years ended December 31, 2023 and 2022 were \$1,139 thousand and \$1,189 thousand, respectively.

Note 3: Average salary and bonus for the years ended December 31, 2023 and 2022 were \$973 thousand and \$991 thousand, respectively. The average salary and bonus changed by 1.82% year over year.

Note 4: The Corporation did not have supervisors for the year ended December 31, 2023 and 2022, 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.



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