

# **Taiwan Cement Corporation**

**Financial Statements for the  
Years Ended December 31, 2022 and 2021 and  
Independent Auditors' Report**

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Taiwan Cement Corporation

### Opinion

We have audited the accompanying financial statements of Taiwan Cement Corporation (the "Corporation"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The description of the key audit matter of the Corporation's financial statements for the year ended December 31, 2022 is as follows:

#### Revenue Recognition of Cement Sales

The Corporation is mainly engaged in the production and sale of various cement and cement products. Revenue from the sale of cement fluctuates frequently due to changes in raw material prices, market supply and demand and the economic environment; in addition, related revenue is recognized at the point in time when the customer collects the cement and the performance obligations are satisfied. Therefore, the validity of revenue recognition of cement sales is considered a key audit matter for the year ended December 31, 2022. Our main audit procedures performed in respect of the aforesaid key audit matter include understanding and testing the design and operating effectiveness of the internal controls related to the revenue from cement sales, and random inspection of the contracts, factory orders and delivery documents from the sales details and testing the

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

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

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

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Hui-Min Huang

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

Cheng-Hung Kuo

February 24, 2023

#### Notice to Readers

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

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

# TAIWAN CEMENT CORPORATION

## BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

	2022		2021	
ASSETS	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 4,243,295	1	\$ 26,919,655	8
Financial assets at fair value through profit or loss (Notes 4, 7 and 27)	259,919	-	306,075	-
Financial assets at fair value through other comprehensive income (Notes 4, 8 and 27)	3,607,819	1	3,832,706	1
Notes and accounts receivable (Notes 4 and 9)	5,319,368	1	5,165,862	1
Notes and accounts receivable from related parties (Notes 4 and 28)	681,793	-	646,808	-
Inventories (Notes 4 and 11)	2,321,850	1	1,640,537	1
Other current assets (Notes 22 and 28)	248,683	-	218,871	-
Total current assets	16,682,727	4	38,730,514	11
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income (Notes 4, 8 and 27)	7,633,603	2	8,459,255	2
Investments accounted for using the equity method (Notes 4, 5 and 12)	307,101,709	82	267,535,378	75
Property, plant and equipment (Notes 4, 13, 21, 28 and 29)	35,583,596	10	33,820,654	9
Right-of-use assets (Notes 4, 14, 21 and 28)	1,788,972	1	2,092,105	1
Investment properties (Notes 4, 15 and 21)	2,436,675	1	2,495,151	1
Intangible assets (Notes 4 and 21)	10,709	-	10,709	-
Prepayments for property, plant and equipment (Note 13)	682,765	-	374,127	-
Net defined benefit assets (Notes 4 and 19)	1,526,546	-	1,823,268	1
Other non-current assets (Notes 4, 6, 22 and 29)	894,935	-	937,185	-
Total non-current assets	357,659,510	96	317,547,832	89
<b>TOTAL</b>	<b>\$ 374,342,237</b>	<b>100</b>	<b>\$ 356,278,346</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term loans (Notes 16 and 25)	\$ 6,026,632	2	\$ 25,426,775	7
Short-term bills payable (Note 16)	-	-	1,897,708	1
Financial liabilities at fair value through profit or loss (Notes 4, 7 and 27)	641,522	-	213,062	-
Accounts payable	1,857,952	-	1,162,329	-
Accounts payable to related parties (Note 28)	1,164,459	-	1,326,965	-
Other payables (Notes 13 and 18)	2,311,009	1	2,553,645	1
Current income tax liabilities (Notes 4 and 22)	411,503	-	423,152	-
Lease liabilities (Notes 4, 14 and 28)	275,841	-	314,565	-
Long-term loans and bonds payable - current portion (Notes 16, 17 and 25)	20,785,447	6	6,450,000	2
Other current liabilities (Note 28)	337,328	-	196,598	-
Total current liabilities	33,811,693	9	39,964,799	11
<b>NON-CURRENT LIABILITIES</b>				
Bonds payable (Notes 4 and 17)	72,136,574	19	81,526,445	23
Long-term loans (Notes 16 and 25)	29,825,090	8	10,724,917	3
Lease liabilities (Notes 4, 14 and 28)	1,551,162	-	1,806,283	1
Notes payable (Note 16)	13,397,747	4	11,982,079	3
Deferred income tax liabilities (Notes 4 and 22)	5,370,199	2	5,434,006	2
Other non-current liabilities (Note 12)	355,006	-	362,484	-
Total non-current liabilities	122,635,778	33	111,836,214	32
Total liabilities	156,447,471	42	151,801,013	43
<b>EQUITY (Notes 4, 20 and 23)</b>				
Ordinary shares	71,561,817	19	61,252,340	17
Preference shares	2,000,000	-	2,000,000	-
Capital surplus	65,985,865	18	56,757,470	16
Retained earnings	66,527,594	18	73,939,852	21
Other equity	11,991,090	3	10,920,014	3
Treasury shares	(171,600)	-	(392,343)	-
Total equity	217,894,766	58	204,477,333	57
<b>TOTAL</b>	<b>\$ 374,342,237</b>	<b>100</b>	<b>\$ 356,278,346</b>	<b>100</b>

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

# TAIWAN CEMENT CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 28)	\$ 25,428,507	100	\$ 23,878,294	100
LESS: SALES RETURNS AND ALLOWANCES	<u>67,609</u>	<u>-</u>	<u>78,789</u>	<u>-</u>
OPERATING REVENUE, NET	25,360,898	100	23,799,505	100
OPERATING COSTS (Notes 11, 21 and 28)	<u>19,866,302</u>	<u>78</u>	<u>18,867,285</u>	<u>79</u>
GROSS PROFIT	5,494,596	22	4,932,220	21
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	<u>1,228</u>	<u>-</u>	<u>1,228</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>5,495,824</u>	<u>22</u>	<u>4,933,448</u>	<u>21</u>
OPERATING EXPENSES (Notes 21 and 28)				
Marketing	277,792	1	273,441	1
General and administrative	<u>1,245,097</u>	<u>5</u>	<u>1,734,425</u>	<u>7</u>
Total operating expenses	<u>1,522,889</u>	<u>6</u>	<u>2,007,866</u>	<u>8</u>
INCOME FROM OPERATIONS	<u>3,972,935</u>	<u>16</u>	<u>2,925,582</u>	<u>13</u>
NON-OPERATING INCOME AND EXPENSES				
Share of profit of subsidiaries and associates (Notes 4 and 12)	3,493,766	14	17,819,863	75
Interest income	114,030	-	36,258	-
Dividend income (Note 4)	559,116	2	418,689	2
Other income (Note 21)	125,159	1	107,581	-
Net gain (loss) on disposal of property, plant and equipment	13,938	-	(11,670)	-
Net gain (loss) on disposal of investment properties (Note 15)	502,346	2	(4,298)	-
Finance costs (Notes 4, 21 and 28)	(1,936,156)	(8)	(1,351,009)	(6)
Other expenses (Note 21)	(138,725)	-	(247,378)	(1)
Foreign exchange losses, net	(210,323)	(1)	(64,293)	-
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>(474,616)</u>	<u>(2)</u>	<u>24,637</u>	<u>-</u>
Total non-operating income and expenses	<u>2,048,535</u>	<u>8</u>	<u>16,728,380</u>	<u>70</u>

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# TAIWAN CEMENT CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	\$ 6,021,470	24	\$ 19,653,962	83
INCOME TAX EXPENSE (Notes 4 and 22)	<u>616,486</u>	<u>3</u>	<u>471,535</u>	<u>2</u>
NET INCOME FROM CONTINUING OPERATIONS	5,404,984	21	19,182,427	81
PROFIT FROM DISCONTINUED OPERATIONS (Notes 10 and 28)	<u>-</u>	<u>-</u>	<u>1,073,939</u>	<u>4</u>
NET INCOME	<u>5,404,984</u>	<u>21</u>	<u>20,256,366</u>	<u>85</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plan (Note 19)	(304,887)	(1)	270,496	1
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Note 20)	(1,050,539)	(4)	1,723,801	7
Share of other comprehensive loss of subsidiaries and associates accounted for using the equity method (Note 20)	(5,631,676)	(22)	(4,369,926)	(18)
Income tax related to items that will not be reclassified subsequently to profit or loss (Note 22)	<u>60,977</u>	<u>-</u>	<u>(54,099)</u>	<u>-</u>
	<u>(6,926,125)</u>	<u>(27)</u>	<u>(2,429,728)</u>	<u>(10)</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 20)	<u>7,774,720</u>	<u>31</u>	<u>(6,545,319)</u>	<u>(28)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>848,595</u>	<u>4</u>	<u>(8,975,047)</u>	<u>(38)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 6,253,579</u>	<u>25</u>	<u>\$ 11,281,319</u>	<u>47</u>

(Continued)

# TAIWAN CEMENT CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

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	<u>2022</u>		<u>2021</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
EARNINGS PER SHARE (Note 23)				
From continuing and discontinued operations				
Basic earnings per share	<u>\$ 0.74</u>		<u>\$ 3.30</u>	
Diluted earnings per share	<u>\$ 0.73</u>		<u>\$ 2.97</u>	
From continuing operations				
Basic earnings per share	<u>\$ 0.74</u>		<u>\$ 2.84</u>	
Diluted earnings per share	<u>\$ 0.73</u>		<u>\$ 2.81</u>	

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

(Concluded)



**TAIWAN CEMENT CORPORATION**

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)**

	Share Capital				Retained Earnings				Exchange Differences on Translating Foreign Operations	Other Equity		Treasury Shares	Total Equity
	Ordinary Shares	Preference Shares	Certificate of Entitlement to New Shares from Convertible Bonds	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total		Unrealized Gain/Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedges Instruments		
BALANCE AT JANUARY 1, 2021	\$ 57,414,007	\$ 2,000,000	\$ 688,542	\$ 49,122,450	\$ 19,351,361	\$ 13,039,860	\$ 41,808,297	\$ 74,199,518	\$ (9,523,576)	\$ 30,670,817	\$ (250)	\$ (499,691 )	\$ 204,071,817
Appropriation of 2020 earnings													
Legal reserve	-	-	-	-	2,530,554	-	(2,530,554)	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	-	(20,594,434)	(20,594,434)	-	-	-	-	(20,594,434)
Preferred share dividends distributed by the Corporation	-	-	-	-	-	-	(350,000)	(350,000)	-	-	-	-	(350,000)
Net income for the year ended December 31, 2021	-	-	-	-	-	-	20,256,366	20,256,366	-	-	-	-	20,256,366
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	-	222,050	222,050	(6,545,319)	(2,652,028)	250	-	(8,975,047)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	20,478,416	20,478,416	(6,545,319)	(2,652,028)	250	-	11,281,319
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	9,304	-	-	-	-	-	-	-	-	9,304
Difference between consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	-	-	(22,400)	-	-	(732,293)	(732,293)	-	-	-	-	(754,693)
Changes in ownership interests of subsidiaries	-	-	-	(1,404)	-	-	(91,235)	(91,235)	-	-	-	-	(92,639)
Compensation costs of treasury shares transferred to employees	-	-	-	24,325	-	-	-	-	-	-	-	-	24,325
Treasury shares transfer to employees	-	-	-	(14,323)	-	-	-	-	-	-	-	107,348	93,025
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	1,029,880	1,029,880	-	(1,029,880)	-	-	-
Convertible bonds converted to ordinary shares	3,838,333	-	(688,542)	6,301,695	-	-	-	-	-	-	-	-	9,451,486
Equity component of issuance of convertible bonds	-	-	-	1,337,823	-	-	-	-	-	-	-	-	1,337,823
BALANCE AT DECEMBER 31, 2021	61,252,340	2,000,000	-	56,757,470	21,881,915	13,039,860	39,018,077	73,939,852	(16,068,895)	26,988,909	-	(392,343)	204,477,333
Appropriation of 2021 earnings													
Legal reserve	-	-	-	-	2,068,477	-	(2,068,477)	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	-	(6,116,173)	(6,116,173)	-	-	-	-	(6,116,173)
Preferred share dividends distributed by the Corporation	-	-	-	-	-	-	(350,000)	(350,000)	-	-	-	-	(350,000)
Share dividends distributed by the Corporation	6,116,173	-	-	-	-	-	(6,116,173)	(6,116,173)	-	-	-	-	-
Net income for the year ended December 31, 2022	-	-	-	-	-	-	5,404,984	5,404,984	-	-	-	-	5,404,984
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	(222,481)	(222,481)	7,774,720	(6,701,993)	(1,651)	-	848,595
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	5,182,503	5,182,503	7,774,720	(6,701,993)	(1,651)	-	6,253,579
Issuance of global depositary receipt	4,200,000	-	-	9,193,957	-	-	-	-	-	-	-	-	13,393,957
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity metho	-	-	-	(42,912)	-	-	-	-	-	-	-	-	(42,912)
Difference between consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	-	-	-	-	-	(12,415)	(12,415)	-	-	-	-	(12,415)
Changes in ownership interests of subsidiaries	-	-	-	64,744	-	-	-	-	-	-	-	-	64,744
Compensation costs of treasury shares transferred to employees	-	-	-	66,820	-	-	-	-	-	-	-	-	66,820
Treasury shares transfer to employees	-	-	-	(31,702)	-	-	-	-	-	-	-	191,535	159,833
Cancellation of treasury shares	(6,696)	-	-	(22,512)	-	-	-	-	-	-	-	29,208	-
Reversal of special reserve recognized from asset disposals	-	-	-	-	-	(35,459)	35,459	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2022	\$ 71,561,817	\$ 2,000,000	\$ -	\$ 65,985,865	\$ 23,950,392	\$ 13,004,401	\$ 29,572,801	\$ 66,527,594	\$ (8,294,175)	\$ 20,286,916	\$ (1,651)	\$ (171,600)	\$ 217,894,766

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

# TAIWAN CEMENT CORPORATION

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax from continuing operations	\$ 6,021,470	\$ 19,653,962
Profit before income tax from discontinued operations	-	1,073,939
Income before income tax	6,021,470	20,727,901
Adjustments for:		
Depreciation expense	1,011,625	989,349
Amortization expense	-	1
Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss	474,616	(24,637)
Finance costs	1,936,156	1,351,009
Interest income	(114,030)	(36,258)
Dividend income	(559,116)	(418,689)
Share-based compensation	66,820	24,325
Share of profit of subsidiaries and associates	(3,493,766)	(17,757,136)
Loss (gain) on disposal of property, plant and equipment, net	(13,938)	11,670
Loss (gain) on disposal of investment properties, net	(502,346)	4,298
Loss (gain) on disposal of investments, net	16	(1,092,894)
Write-down (reversal) of inventories	19,604	(26,213)
Unrealized loss on foreign exchange, net	3,357	3,425
Changes in operating assets and liabilities:		
Notes and accounts receivable	(153,506)	(381,956)
Notes and accounts receivable from related parties	(35,211)	(141,088)
Inventories	(700,917)	(384,580)
Other current assets	(28,069)	(65,073)
Net defined benefit assets	(8,165)	(3,724)
Accounts payable	698,009	389,241
Accounts payable to related parties	(162,503)	533,757
Other payables	(252,225)	116,511
Other current liabilities	46,919	74,965
Cash generated from operations	4,254,800	3,894,204
Income tax paid	(629,366)	(228,906)
Net cash generated from operating activities	3,625,434	3,665,298
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	-	(1,510,555)
Disposal of financial assets at fair value through other comprehensive income	-	-
Acquisition of financial assets at amortized cost	-	-
Disposal of financial assets at amortized cost	15,470	4,892,170
Net cash out flow on acquisition of subsidiaries	(36,844,773)	(17,628,894)
Disposal of subsidiary	-	2,400,208
Payments for property, plant and equipment	(2,815,142)	(3,368,582)
Proceeds from disposal of property, plant and equipment	14,142	12,128

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# TAIWAN CEMENT CORPORATION

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Proceeds from disposal of investment properties	\$ 560,763	\$ -
Decrease (increase) in other non-current assets	25,181	(194,235)
Interest received	111,485	62,311
Dividends received	<u>3,484,193</u>	<u>4,355,448</u>
Net cash used in investing activities	<u>(35,448,681)</u>	<u>(10,980,001)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term loans	-	2,071,411
Decrease in short-term loans	(19,404,870)	-
Increase in short-term bills payable	-	1,897,708
Decrease in short-term bills payable	(1,897,708)	-
Issuance of bonds	11,050,000	38,567,539
Increase in long-term loans	29,809,000	-
Repayment of long-term loans	(17,200,000)	(4,300,000)
Increase in long-term bills payable	38,734,624	33,905,553
Decrease in long-term bills payable	(37,318,956)	(26,914,800)
Repayment of the principal portion of lease liabilities	(368,022)	(363,467)
Increase (decrease) in other non-current liabilities	(7,886)	36,741
Cash dividends paid	(6,466,173)	(20,944,434)
Proceeds from issuance of ordinary shares	13,393,957	-
Treasury shares transferred to employees	159,833	93,025
Acquisitions of subsidiaries	-	(685,985)
Interest paid	<u>(1,336,912)</u>	<u>(1,137,347)</u>
Net cash generated from financing activities	<u>9,146,887</u>	<u>22,225,944</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(22,676,360)</u>	<u>14,911,241</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>26,919,655</u>	<u>12,008,414</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 4,243,295</u>	<u>\$ 26,919,655</u>

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

(Concluded)

# TAIWAN CEMENT CORPORATION

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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#### 1. GENERAL INFORMATION

Taiwan Cement Corporation (the “Corporation”) was incorporated in 1946 and restructured as a corporation in 1951, which was jointly operated by the Ministry of Economics Resource Committee and the Taiwan Provincial Government. In 1954, the Corporation was privatized as a result of the Taiwan government’s land reform program, land-to-the-tiller policy. The Corporation engages in the manufacturing and marketing of cement, cement-related products and ready-mixed concrete. The Corporation’s shares have been listed on the Taiwan Stock Exchange since February 1962.

The financial statements are presented in New Taiwan dollars, the functional currency of the Corporation.

#### 2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Corporation’s board of directors on February 24, 2023.

#### 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Corporation’s accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the financial statements were authorized for issue, the Corporation has assessed that the application of other standards and interpretations will not have a material impact on the Corporation's financial position and financial performance.

- c. The New IFRSs issued by International Accounting Standards Board (IASB) but not yet endorsed and issued into effect by the FSC

<b>New IFRSs</b>	<b>Effective Date Announced by IASB (Note 1)</b>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date the financial statements were authorized for issue, the Corporation is continuously assessing the possible impact that the application of other standards and interpretations will have on the Corporation's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

- b. Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit asset which are measured at the present value of the defined benefit obligation less the fair value of the plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 on the basis of the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs on an asset or liability.



When preparing its financial statements, the Corporation used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in its financial statements to be the same as the amounts attributable to the owners of the Corporation in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, share of profit or loss of subsidiaries and associates, share of other comprehensive income of subsidiaries and associates and related equity items, as appropriate, in these financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Corporation does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

In preparing the Corporation's financial statements, transactions in currencies other than the Corporation's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purpose of presenting the financial statements, the functional currencies of the Corporation and its foreign operations (including subsidiaries and associates in other countries that use currencies that are different from the currency of the Corporation) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., a disposal of the Corporation's entire interest in a foreign operation or a disposal involving the loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Corporation losing control over the subsidiary, the proportionate share of accumulated exchange differences is included in the calculations involved in the equity-method transaction but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

Inventories consist of raw materials, supplies, finished goods and work in process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost at the end of the reporting period.

f. Investments in subsidiaries

The Corporation uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Corporation.

Under the equity method, investments in a subsidiary are initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the subsidiary. The Corporation also recognizes the changes in the Corporation's share of the equity of its subsidiaries.

Changes in the Corporation's ownership interest in a subsidiary that do not result in the Corporation losing control of the subsidiary are equity accounted for as transactions. The Corporation recognizes directly in equity any difference between the carrying amount of such investments and the fair value of the consideration paid or received.

When the Corporation's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Corporation's net investment in the subsidiary), the Corporation continues recognizing its share of further losses.

Any excess of the cost of an acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of the acquisition is recognized immediately in profit or loss. When the Corporation acquires a subsidiary that does not constitute a business, the Corporation appropriately allocates the cost of acquisition to the Corporation's share of the amounts of the identifiable assets acquired (including intangible assets) and liabilities assumed, and the transaction does not give rise to goodwill nor gains.

The Corporation assesses its investments for any impairment by comparing the respective carrying amounts with the estimated recoverable amounts as assessed based on the entire financial statements of its investee companies. Impairment loss is recognized when the carrying amount of any such investment exceeds the recoverable amount. If the recoverable amount of an investment subsequently increases, the Corporation recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Corporation loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, the Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Corporation had directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full only in the Corporation's parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the Corporation's financial statements only to the extent of interests in the subsidiaries that are not related to the Corporation.

g. Investments in associates

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The Corporation uses the equity method to account for its investments in associates. Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the associate. The Corporation also recognizes the changes in the Corporation's share of the equity of associates.

Any excess of the cost of an acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of the acquisition, after reassessment, is recognized immediately in profit or loss.

When the Corporation subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Corporation's proportionate interest in that associate. The Corporation records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus - changes in the Corporation's share of equity of associates. If the Corporation's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Corporation's share of losses of an associate equals or exceeds its interest in that associate, the Corporation discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Corporation has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any assets, including goodwill, that form part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Corporation discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on its initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture, the Corporation continues to apply the equity method and does not remeasure the retained interest.

When the Corporation transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Corporation's financial statements only to the extent that interests in the associate are related to the Corporation.

h. Property, plant and equipment

Property, plant and equipment are initially stated and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rentals or for capital appreciation and land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

For a transfer of classification from investment properties to property, plant and equipment, the deemed cost of an item of property for subsequent accounting is its carrying amount at the commencement of owner-occupation. On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

## 2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

### k. Impairment of property, plant and equipment, right-of-use assets, intangible assets other than goodwill

At the end of each reporting period, the Corporation reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets, excluding goodwill, in order to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of an asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount (less amortization expenses or depreciation expenses) that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

### l. Financial instruments

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

#### 1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

##### a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.



i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI.

Financial assets at FVTPL are subsequently measured at fair value, and dividends, interest earned and remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 27.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents and trade receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties

Cash equivalents include time deposits and bonds with repurchase agreements with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Corporation may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Corporation's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investments.

b) Impairment of financial assets

The Corporation recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Corporation always recognizes lifetime expected credit losses (ECLs) for accounts receivable. For all other financial instruments, the Corporation recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Corporation measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, without considering the collateral held, the Corporation determines that a financial asset is in default when internal or external information show that the debtor is unlikely to pay its creditors, unless there is reasonable and corroborative information to support a more lagged default criterion.

The Corporation recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

## 2) Equity instruments

Debt and equity instruments issued by the Corporation are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Corporation are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Corporation's own equity instruments is recognized in and deducted directly from equity, the carrying amount of equity instruments should be calculated using the weighted-average method of stock type. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Corporation's own equity instruments.

## 3) Financial liabilities

### a) Subsequent measurement

Except for financial liabilities at FVTPL, all financial liabilities are carried at amortized cost using the effective interest method.

Financial liabilities are classified as at fair value through profit or loss when any such financial liability is held for trading. Financial liabilities held for trading are stated at fair value, with any gains or losses arising on remeasurement recognized in other gains or losses. Fair value is determined in the manner described in Note 27.

### b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in other profit or loss.

## 4) Convertible bonds

The component parts of compound instruments (i.e. convertible bonds) issued by the Corporation are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

#### 5) Derivative financial instruments

The Corporation enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

#### m. Revenue recognition

The Corporation identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

- 1) Revenue from the sale of goods is recognized when the goods are delivered to customer's specific location and the ownership of the goods is transferred to customer.
- 2) Service income is recognized by reference to the stage of completion of the contract or when services are provided.

#### n. Leases

At the inception of a contract, the Corporation assesses whether the contract is, or contains, a lease.

For a contract that contains a lease component and non-lease components, the Corporation allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

##### 1) The Corporation as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under finance leases, the lease payments comprise in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives payable. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Corporation's net investment outstanding in respect of leases.

Lease payments less any lease incentives payable from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

## 2) The Corporation as lessee

The Corporation recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, and variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Corporation uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Corporation remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Corporation accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decrease the scope of the lease, and recognizes in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.



o. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than the above-stated, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

p. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service costs and net interest on the net defined benefit assets are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit assets represent the actual deficit (surplus) in the Corporation's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for a defined benefit plan except that remeasurement is recognized in profit or loss.

q. Share-based payment arrangements

The fair value at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Corporation's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. It is recognized as an expense in full at the grant date if vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees and treasury shares transferred to employees is the date on which the number of shares that the employees purchase is confirmed.

r. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards and unused tax credits for research and development expenditures to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and joint ventures, except where the Corporation is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. For deferred tax assets arising from deductible temporary differences associated with such investments and equity, the interests are only recognized to the extent that it is probable that there will be sufficient taxable profit against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, and in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for the acquisition of a subsidiary, the tax effect is included in the accounting for the acquisition of a subsidiary.

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Corporation's accounting policies, management is required to make judgments, estimations and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Corporation considers the possible impact of the recent development of the COVID-19 pandemic and the volatility in energy market when making its critical accounting estimations on cash flow, growth rate, discount rate, profitability, etc. The estimations and the underlying assumptions will be continuously reviewed by the management. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### Investments Accounted for Using the Equity Method

The Corporation immediately recognizes impairment loss on its net investments in subsidiaries and associates when there is any indication that an investment may be impaired and the carrying amount may not be recoverable. The Corporation's management evaluates such impairment based on the estimated future cash flow expected to be generated by the investments accounted for using the equity method. The Corporation also takes into consideration the market conditions and industry developments to evaluate the appropriateness of the relevant assumptions.

## 6. CASH AND CASH EQUIVALENTS

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Cash on hand	\$ 1,236	\$ 1,256
Checking accounts and demand deposits	3,044,369	12,884,624
Cash equivalents		
Time deposits with original maturities of less than 3 months	1,197,690	13,923,040
Bonds with repurchase agreements	-	110,735
	<u>\$ 4,243,295</u>	<u>\$ 26,919,655</u>

The market rate intervals of cash in banks and bonds with repurchase agreements at the end of the reporting period were as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Cash in banks	0.01%-4.05%	0.01%-0.25%
Bonds with repurchase agreements	-	0.30%

Financial assets at amortized cost are mainly pledged time deposits with original maturities of more than 3 months:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Non-current (included in other non-current assets)	<u>\$ 499,905</u>	<u>\$ 515,375</u>

The market rate intervals of time deposits with original maturities of more than 3 months at the end of the reporting period were as follows:

December 31	
2022	2021
0.10%-1.47%	0.10%-0.84%

Refer to Note 29 for information relating to pledged financial assets at amortized cost.

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2022	2021
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic listed shares	\$ 164,774	\$ 198,850
Domestic emerging market shares	<u>95,145</u>	<u>107,225</u>
	<u>\$ 259,919</u>	<u>\$ 306,075</u>
<u>Financial liabilities at FVTPL - current</u>		
Held for trading		
Derivative instruments (not under hedge accounting)		
Redemption options and put options of convertible bonds	<u>\$ 641,522</u>	<u>\$ 213,062</u>

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2022	2021
<u>Current</u>		
Domestic investments		
Listed shares	\$ 3,578,378	\$ 3,802,852
Convertible preference shares	<u>29,441</u>	<u>29,854</u>
	<u>\$ 3,607,819</u>	<u>\$ 3,832,706</u>
<u>Non-current</u>		
Domestic investments		
Unlisted shares	\$ 6,603,304	\$ 7,203,461
Privately placed listed shares	<u>1,030,299</u>	<u>1,255,794</u>
	<u>\$ 7,633,603</u>	<u>\$ 8,459,255</u>

The Corporation subscribed 37,520 thousand privately placed ordinary shares of Phihong Technology Co., Ltd. via private placement in consideration of \$1,510,555 thousand in December 2021. After the private placement, the Corporation owns 9.9998% of shares in Phihong Technology Co., Ltd. The privately placed ordinary shares may not be transferred to others within 3 years under the relevant laws and regulations.

The Corporation recognized subsidiary's disposal of foreign listed shares of China Conch Venture Holdings Limited in the year of 2021. The gain on disposal in the amount of \$1,029,880 thousand was reclassified from unrealized gain on financial assets at FVTOCI to retained earnings.

## 9. NOTES AND ACCOUNTS RECEIVABLE

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Notes receivable	\$ 1,201,876	\$ 1,131,803
Less: Allowance for impairment loss	<u>(9,249)</u>	<u>(10,938)</u>
	<u>1,192,627</u>	<u>1,120,865</u>
Accounts receivable	4,156,152	4,079,649
Less: Allowance for impairment loss	<u>(29,411)</u>	<u>(34,652)</u>
	<u>4,126,741</u>	<u>4,044,997</u>
	<u>\$ 5,319,368</u>	<u>\$ 5,165,862</u>

The Corporation recognizes allowance for impairment loss on account receivable on the basis of individual customers for which credit losses have actually taken place. Moreover, the Corporation separates all customers into different segments based on their risks and determines their expected credit loss rates by reference to past default experience with the counterparties, on analysis of their current financial positions and observable economic condition of the industry in which the customer operates. The Corporation recognizes an allowance for impairment loss of 100% against past due receivables which have indication of impairment.

The Corporation writes off an account receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect for recovery of the receivable. For accounts receivable that have been written off, the Corporation continues to engage in enforcement activity to attempt to recover the receivable which are due. Where recoveries are made, these are recognized in profit or loss.

The aging analysis of receivables was as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Up to 90 days	\$ 5,274,672	\$ 5,108,039
91-180 days	43,915	35,521
181-365 days	495	11,077
Over 365 days	<u>286</u>	<u>11,225</u>
	<u>\$ 5,319,368</u>	<u>\$ 5,165,862</u>

The above aging schedule was based on the number of days past due from the invoice date.

The movements of the allowance for doubtful notes and accounts receivable were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 45,590	\$ 46,730
Less: Net remeasurement of loss allowance	(6,930)	-
Less: Amounts written off	<u>-</u>	<u>(1,140)</u>
Balance at December 31	<u>\$ 38,660</u>	<u>\$ 45,590</u>

## 10. DISCONTINUED OPERATIONS

On March 19, 2021, the Board of Directors of the Corporation approved to sell all its issued shares of Taiwan Prosperity Chemical Corporation for the total consideration of \$2,400,000 thousand to Chang Chun Plastics Co., Ltd. According to the Share Purchase Agreement, the Corporation planned to assist the termination of Equipment Lease Agreement between Taiwan Prosperity Chemical Corporation and TCC Chemical Corporation before the closing. Taiwan Prosperity Chemical Corporation planned to pay \$400,000 thousand to TCC Chemical Corporation as the consideration of the termination. The Corporation has completed the share transaction on August 17, 2021. Refer to consolidated financial statements for the year ended December 31, 2021 for detailed information relating to the disposal.

The above transactions met the criteria of IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”. Therefore, gain (loss) on disposal of Taiwan Prosperity Chemical Corporation was presented as income (loss) from discontinued operations. The profit from discontinued operations for the year ended December 31, 2021 was \$1,073,939 thousand.

The carrying amounts of assets and liabilities and information relating to the disposal of Taiwan Prosperity Chemical Corporation at the date of disposal are disclosed in consolidated financial statements for the year ended December 31, 2021.

## 11. INVENTORIES

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Finished goods	\$ 733,303	\$ 288,019
Work in process	377,157	379,555
Raw materials	725,455	610,786
Supplies	<u>485,935</u>	<u>362,177</u>
	<u>\$ 2,321,850</u>	<u>\$ 1,640,537</u>

The costs of inventories recognized as cost of goods sold for the years ended December 31, 2022 and 2021 were \$19,825,473 thousand and \$18,823,716 thousand, respectively. The cost of goods sold included (reversal) of write-downs of inventory \$19,604 thousand and \$(26,213) thousand for the years ended December 31, 2022 and 2021, respectively.

Previous write-downs were reversed because slow moving inventories were sold.

## 12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2022	2021
Investments in subsidiaries	\$ 298,134,543	\$ 258,933,969
Investments in associates	<u>8,967,166</u>	<u>8,601,409</u>
	<u>\$ 307,101,709</u>	<u>\$ 267,535,378</u>

### a. Investments in subsidiaries

	December 31	
	2022	2021
Listed company		
Taiwan Prosperity Chemical Corporation	\$ -	\$ -
Unlisted companies		
TCC International Ltd. (“TCCI”)	113,099,217	114,241,779
TCC International Holdings Ltd. (“TCCIH”)	81,991,082	60,257,962
Taiwan Cement (Dutch) Holdings B.V. (TCC Dutch)	39,985,279	24,496,751
Ho-Ping Power Company	14,328,687	16,403,671
TCC Recycle Energy Technology Company	10,528,163	10,333,631
TCC Green Energy Corporation	13,488,265	9,379,579
Hoping Industrial Port Corporation	5,722,337	5,865,242
TCC Investment Corporation	4,374,356	4,976,399
Ta-Ho Maritime Corporation	3,579,298	2,831,185
Taiwan Transport & Storage Corporation	2,345,525	2,093,912
TCC Energy Storage Technology Corporation	2,330,046	1,979,067
Ho Sheng Mining Co., Ltd.	1,279,400	1,326,807
TCC Chemical Corporation	1,324,924	1,246,575
Taiwan Cement Engineering Corporation	722,448	719,091
Kuan-Ho Refractories Industry Corporation	658,767	599,906
Ta-Ho Onyx RSEA Environment Co., Ltd.	419,001	599,889
Hong Kong Cement Manufacturing Co., Ltd. (“HKCMCL”)	577,559	459,780
Feng Sheng Enterprise Company	486,573	432,661
TCC Information Systems Corporation	333,143	265,911
Jin Chang Minerals Corporation	307,783	175,885
E.G.C. Cement Corporation	122,655	124,088
HPC Power Service Corporation	127,215	121,105
Tung Chen Mineral Corporation	977	1,226
Tuo Shan Recycle Technology Company	944	955
TCC Sustainable Energy Investment Corporation	899	912
TCCMOLI Holdings (Singapore) Pte. Ltd. (“TCCMOLI”)	<u>-</u>	<u>-</u>
	<u>\$ 298,134,543</u>	<u>\$ 258,933,969</u>

	<b>Proportion of Ownership and Voting Rights</b>	
	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Listed company		
Taiwan Prosperity Chemical Corporation (Note 1)	-	-
Unlisted companies		
TCCI	100.0%	100.0%
TCCIH (Note 2)	45.5%	38.3%
TCC Dutch (Note 2)	100.0%	100.0%
Ho-Ping Power Company	59.5%	59.5%
TCC Recycle Energy Technology Company (Notes 4 and 5)	36.6%	63.3%
TCC Green Energy Corporation (Note 2)	100.0%	100.0%
Hoping Industrial Port Corporation	100.0%	100.0%
TCC Investment Corporation	100.0%	100.0%
Ta-Ho Maritime Corporation	64.8%	64.8%
Taiwan Transport & Storage Corporation (Note 1)	83.9%	83.9%
TCC Energy Storage Technology Corporation (Note 2)	100.0%	100.0%
Ho Sheng Mining Co., Ltd.	100.0%	100.0%
TCC Chemical Corporation	100.0%	100.0%
Taiwan Cement Engineering Corporation (Note 1)	99.2%	99.2%
Kuan-Ho Refractories Industry Corporation	95.3%	95.3%
Ta-Ho Onyx RSEA Environment Co., Ltd.	66.6%	66.6%
HKCMCL	84.7%	84.7%
Feng Sheng Enterprise Company (Note 5)	45.4%	45.4%
TCC Information Systems Corporation	99.4%	99.4%
Jin Chang Minerals Corporation (Note 2)	100.0%	100.0%
E.G.C. Cement Corporation	50.6%	50.6%
HPC Power Service Corporation	60.0%	60.0%
Tung Chen Mineral Corporation	99.5%	99.5%
Tuo Shan Recycle Technology Company (Note 3)	100.0%	100.0%
TCC Sustainable Energy Investment Corporation	100.0%	100.0%
TCCMOLI (Note 3)	-	100.0%
TMC (Note 6)	72.7%	72.7%
TPMC (Notes 5 and 6)	40.0%	40.0%

Note 1: The Corporation conducted a tender offer of 28.9% of the ordinary shares of Taiwan Prosperity Chemical Corporation in the first quarter of 2021, including 0.2% of the ordinary shares for \$5,335 thousand from TCC Investment Corporation and 2.3% of the ordinary shares for \$54,165 thousand from Hoping Industrial Port Corporation. In March 2021, the Board of Directors of the Corporation approved to sell all issued shares of Taiwan Prosperity Chemical Corporation. The Corporation completed the transaction and lost the control of Taiwan Prosperity Chemical Corporation in August 2021. The Corporation purchased a portion of shares of Taiwan Transport & Storage Corporation with \$840 thousand and \$141 thousand in 2022 and 2021, respectively.

Note 2: The Corporation increased \$4,000,000 thousand in the capital of TCC Green Energy Corporation, \$10,869,300 thousand in the capital of TCC Dutch, \$500,000 thousand in the capital of TCC Energy Storage Technology Corporation and the Corporation increased \$21,466,100 thousand in the capital of TCCIH, and its percentage of ownership was increased to 45.5% in 2022. The Corporation increased \$90,000 thousand in the capital of Jin Chang Minerals Corporation, \$6,300,000 thousand in the capital of TCC Green Energy Corporation and \$2,005,000 thousand in the capital of TCC Energy Storage Technology Corporation for the years ended December 31, 2021.



Note 3: The Corporation invested \$1,000 thousand in the establishments of Tuo Shan Recycle Technology Company in 2021. TCCMOLI was in the process of liquidation at the end of December 2021, and has completed liquidation in 2022.

Note 4: TCC Recycle Energy Technology Company increased its capital by \$10,000,000 thousand by cash in August 2021. The Corporation invested \$9,232,894 thousand in TCC Recycle Energy Technology Company. Due to the non-subscription by other shareholders, the shares held by the Corporation increased from 18.2% to 63.3% and the Corporation obtained the right to control TCC Recycle Energy Technology Company and its subsidiaries. Thus TCC Recycle Energy Technology Company was included in the consolidated entities from August 2021 and the Corporation recognized loss on disposal of investments for 43,718. Please refer to the notes of the consolidated financial statements for the year ended December 31, 2021. The Corporation purchased \$8,533 thousand of TCC Recycle Energy Technology Company, and non-subscription in its capital increase in 2022, causing the percentage of ownership by the Corporation decreased to 36.6%.

Note 5: Although the Corporation's percentages of ownership in Feng Sheng Enterprise Company and TPMC and TCC Recycle Energy Technology Company were all less than 50%, the Corporation still has control over those entities. Thus, Feng Sheng Enterprise Company, TPMC and TCC Recycle Energy Technology Company are considered as subsidiaries of the Corporation.

Note 6: Due to the recognition of investment losses in TMC and TPMC, credit balances of \$18,658 thousand and \$18,251 thousand were generated, which were recorded in other non-current liabilities as of December 31, 2022 and 2021, respectively.

The investments accounted for using the equity method and the Corporation's share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2022 and 2021 were based on the subsidiaries' audited financial statements for the same years except for the financial statements of TMC and TPMC, which were based on financial statements which were not audited. The Corporation considered that there would be no significant adjustments if such financial statements were to be audited.

b. Investments in associates

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Associates that are not individually material		
International CSRC Investment Holdings Co., Ltd.	\$ 5,669,050	\$ 5,642,349
CCC USA Corp.	1,899,822	1,731,743
ONYX Ta-Ho Environmental Services Co., Ltd.	1,391,240	1,220,989
Synpac Ltd.	<u>7,054</u>	<u>6,328</u>
	<u>\$ 8,967,166</u>	<u>\$ 8,601,409</u>

c. Aggregate information of associates that are not individually material

	<b>December 31</b>	
<b>Corporation Name</b>	<b>2022</b>	<b>2021</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>2022</b>	<b>2021</b>
The Corporation's share of:		
Net income for the period	\$ 647,598	\$ 1,034,362
Other comprehensive income (loss)	<u>135,538</u>	<u>(847)</u>
Total comprehensive income for the period	<u>\$ 783,136</u>	<u>\$ 1,033,515</u>

Note: The Corporation's ownership percentage in International CSRC Investment Holdings Co., Ltd. is less than 20%; however, the Corporation has significant influence and therefore accounts for the investment by using the equity method.

The aforementioned investments in associates accounted for using the equity method and the share of profit or loss and other comprehensive income of these associates for the years ended December 31, 2022 and 2021 were based on the associates' audited financial statements for the same periods.

### 13. PROPERTY, PLANT AND EQUIPMENT

	<b>Land</b>	<b>Buildings</b>	<b>Machinery and Equipment</b>	<b>Miscellaneous Equipment</b>	<b>Property in Construction</b>	<b>Total</b>
<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	<u>\$ 23,759,660</u>	<u>\$ 16,472,793</u>	<u>\$ 19,972,545</u>	<u>\$ 4,186,300</u>	<u>\$ 3,006,190</u>	<u>\$ 67,397,488</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2022	\$ 808,904	\$ 8,725,799	\$ 18,423,553	\$ 3,358,585	\$ -	\$ 31,316,841
Depreciation expenses	-	317,732	243,591	124,329	-	685,652
Disposals	-	(10,038)	(135,178)	(43,385)	-	(188,601)
Reclassification	-	1,308	(1,308)	-	-	-
Balance at December 31, 2022	<u>\$ 808,904</u>	<u>\$ 9,034,801</u>	<u>\$ 18,530,658</u>	<u>\$ 3,439,529</u>	<u>\$ -</u>	<u>\$ 31,813,892</u>
Carrying amount at December 31, 2022	<u>\$ 22,950,756</u>	<u>\$ 7,437,992</u>	<u>\$ 1,441,887</u>	<u>\$ 746,771</u>	<u>\$ 3,006,190</u>	<u>\$ 35,583,596</u>
<u>Cost</u>						
Balance at January 1, 2021	\$ 21,560,146	\$ 16,100,926	\$ 20,722,946	\$ 3,891,120	\$ 280,243	\$ 62,555,381
Additions	1,861,979	77,760	256,889	180,255	1,499,045	3,875,928
Disposals	-	(67,301)	(1,141,603)	(113,567)	-	(1,322,471)
Reclassification	336,621	259,646	112,582	73,782	(753,974)	28,657
Balance at December 31, 2021	<u>\$ 23,758,746</u>	<u>\$ 16,371,031</u>	<u>\$ 19,950,814</u>	<u>\$ 4,031,590</u>	<u>\$ 1,025,314</u>	<u>\$ 65,137,495</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2021	\$ 808,904	\$ 8,452,463	\$ 19,327,195	\$ 3,376,260	\$ -	\$ 31,964,822
Depreciation expenses	-	316,693	234,227	103,603	-	654,523
Disposals	-	(51,823)	(1,133,771)	(113,079)	-	(1,298,673)
Reclassification	-	8,466	(4,098)	(8,199)	-	(3,831)
Balance at December 31, 2021	<u>\$ 808,904</u>	<u>\$ 8,725,799</u>	<u>\$ 18,423,553</u>	<u>\$ 3,358,585</u>	<u>\$ -</u>	<u>\$ 31,316,841</u>
Carrying amount at December 31, 2021	<u>\$ 22,949,842</u>	<u>\$ 7,645,232</u>	<u>\$ 1,527,261</u>	<u>\$ 673,005</u>	<u>\$ 1,025,314</u>	<u>\$ 33,820,654</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	50 years
Main plants	15-50 years
Storage units	35-50 years
Others	20-50 years
Machinery and equipment	8-28 years
Miscellaneous equipment	2-20 years

Property, plant and equipment pledged as collateral for performance bonds are set out in Note 29.

Acquisitions of property, plant and equipment included non-cash items which were reconciled as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Acquisitions of property, plant and equipment	\$ 2,474,047	\$ 3,875,928
Increase (decrease) in prepayments for equipment	308,638	(364,453)
Decrease (increase) in payables for equipment	<u>32,457</u>	<u>(142,893)</u>
	<u>\$ 2,815,142</u>	<u>\$ 3,368,582</u>

#### 14. LEASE ARRANGEMENTS

##### a. Right-of-use assets

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Carrying amount</u>		
Land	\$ 246,235	\$ 328,930
Buildings	1,133,664	1,271,720
Machinery	366,764	450,559
Others	<u>42,309</u>	<u>40,896</u>
	<u>\$ 1,788,972</u>	<u>\$ 2,092,105</u>
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Additions to right-of-use assets	<u>\$ 21,477</u>	<u>\$ 1,230,626</u>
Depreciation charge for right-of-use assets		
Land	\$ 86,897	\$ 83,449
Buildings	138,056	138,225
Machinery	83,795	96,435
Others	<u>17,166</u>	<u>16,595</u>
	<u>\$ 325,914</u>	<u>\$ 334,704</u>

b. Lease liabilities

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Carrying amount</u>		
Current	<u>\$ 275,841</u>	<u>\$ 314,565</u>
Non-current	<u>\$ 1,551,162</u>	<u>\$ 1,806,283</u>

Range of discount rate for lease liabilities was as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Land	1.79%-1.85%	1.79%-1.85%
Buildings	1.79%-1.85%	1.79%-1.85%
Machinery	1.85%-1.90%	1.85%-1.90%
Others	1.85%-2.20%	1.85%-1.90%

c. Important tenancy activities and terms

The Corporation leases certain land and buildings for use as plants and offices. The Corporation does not have bargain purchase options to acquire the leased premises at the end of the lease terms.

d. Other lease information

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Expenses relating to short-term leases	<u>\$ 15,061</u>	<u>\$ 17,081</u>
Expenses relating to low-value asset leases	<u>\$ 56</u>	<u>\$ 1,375</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 53,721</u>	<u>\$ 36,298</u>
Total cash outflow for leases	<u>\$ (436,860)</u>	<u>\$ (417,958)</u>

The Corporation's leases of certain assets which qualify as short-term leases and low-value asset leases. The Corporation has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

## 15. INVESTMENT PROPERTIES

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Land	\$ 2,435,824	\$ 2,494,241
Buildings	<u>851</u>	<u>910</u>
	<u>\$ 2,436,675</u>	<u>\$ 2,495,151</u>

The buildings of the investment properties are depreciated using the straight-line method over their estimated useful lives of 50 years.

The Corporation disposed of land classified as investment property in the year ended December 31, 2022. The transaction amount was \$560,763 thousand, and the Corporation recognized gain on disposal of investment properties in the amount of \$502,346 thousand.

The fair values of the investment properties were determined by independent qualified professional valuers or the Corporation's management using market prices of similar properties. As of December 31, 2022 and 2021, the fair values of investment properties were \$5,868,607 thousand and \$6,268,832 thousand, respectively.

## 16. BORROWINGS

### a. Short-term loans

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Unsecured borrowings		
Bank loans - unsecured	\$ 5,900,000	\$ 24,748,000
Bank loans - letters of credit	<u>126,632</u>	<u>678,775</u>
	<u>\$ 6,026,632</u>	<u>\$ 25,426,775</u>
Interest rate	1.29%-2.53%	0.56%-0.95%

### b. Short-term bills payable

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Commercial paper	\$ -	\$ 1,900,000
Less: Unamortized discount on bills payable	<u>-</u>	<u>2,292</u>
	<u>\$ -</u>	<u>\$ 1,897,708</u>
Interest rate	-	0.88%-0.93%

### c. Long-term loans and long-term bills payable

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Unsecured borrowings	\$ 29,825,090	\$ 17,174,917
Less: Current portions	<u>-</u>	<u>6,450,000</u>
	<u>\$ 29,825,090</u>	<u>\$ 10,724,917</u>
Long-term bills payable	\$ 13,500,000	\$ 12,000,000
Less: Discount of bills payable	<u>102,253</u>	<u>17,921</u>
	<u>\$ 13,397,747</u>	<u>\$ 11,982,079</u>
Interest rate		
Long-term loans	1.58%-2.19%	1.80%
Long-term bills payable	1.92%-1.97%	1.19%

Long-term loans and long-term bills payable are due in May 2027, interest will be paid once a month.

The Corporation entered into a 5-year syndicated loan agreement with a bank consortium with a credit line of \$43 billion in March 2018, which was divided into two tranches, A and B. As of December 31, 2022, total amount has been repaid.

The Corporation has entered into 5-year syndicated loan agreements in 2022 with certain bank consortium, with an expiry date of May 2027. The credit line is divided into two tranches: A and B. The long-term credit line of Tranche A will be repaid in May 2027. The credit facility of Tranche B, which is a long-term revolving credit line, is divided into Tranche B-1 and Tranche B-2. The Corporation has the right to decide whether to utilize the long-term loans Tranche B-1 or the long-term notes payable Tranche B-2 at its sole discretion. When each utilized amount expires, it can be directly reimbursed by the newly allocated funds. For the same amount, the Corporation does not need to remit funds in and out.

The Corporation did not violate the financial covenants of other long-term loans and long-term bills payable.

## 17. BONDS PAYABLE

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
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	-
2 <sup>nd</sup> issued in 2022	<u>3,300,000</u>	<u>-</u>
	72,250,000	61,200,000
Less: Discount on bonds payable	<u>(113,426)</u>	<u>(110,690)</u>
	<u>72,136,574</u>	<u>61,089,310</u>
Overseas unsecured convertible bonds		
1 <sup>st</sup> issued in 2021	22,200,000	22,200,000
Less: Discount on bonds payable	<u>(1,414,553)</u>	<u>(1,762,865)</u>
	<u>20,785,447</u>	<u>20,437,135</u>
Less: Current portion	<u>(20,785,447)</u>	<u>-</u>
	<u>\$ 72,136,574</u>	<u>\$ 81,526,445</u>

On April 11, 2022, the Board of Directors of the Corporation resolved to issue domestic sustainable bond or normal unsecured bonds at the price not exceeding NT\$20,000,000 thousand (or its equivalent in US dollars) denominated in NTD or USD; issue overseas green bonds or social responsibility bonds or normal unsecured bonds denominated in USD. The above plans can be executed alternatively or all at the same time. As of December 31, 2022, the Corporation has issued a portion of the abovementioned bonds.

### a. Domestic unsecured bonds

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$12,000,000 thousand on June 21, 2018, with a fixed coupon rate of 1.7% per annum. The bonds have a maturity period of 15 years, and a one-off payment of principal should be made in full on June 21, 2033 and with interest paid annually.

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$12,600,000 thousand on June 14, 2019, with a fixed coupon rate of 0.85% per annum. The bonds have a maturity period of 5 years, and a one-off payment of principal should be made in full on June 14, 2024 and with interest paid annually.

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$20,000,000 thousand on April 15, 2020. According to the issuance conditions, the unsecured bonds are classified into bonds A and bonds B, with a fixed coupon rate of 0.69% and 0.93% per annum, and with the issuance amounts of NT\$5,200,000 thousand and NT\$14,800,000 thousand, respectively. The bonds will be repaid in a one-off payment on April 15, 2027 and April 15, 2035, respectively, while the interests will be paid annually.

The Corporation issued domestic unsecured bonds at par value in the total amount of NT\$16,600,000 thousand on August 31, 2021. According to the issuance conditions, the unsecured bonds are classified into bonds A, bonds B, bonds C and bonds D, with a fixed coupon rate of 0.59%, 0.68%, 0.78% and 0.95% per annum, and with the issuance amounts of NT\$5,800,000 thousand, NT\$3,100,000 thousand, NT\$1,200,000 thousand and NT\$6,500,000 thousand, respectively. The bonds will be repaid in a one-off payment on August 31, 2026, August 31, 2028, August 31, 2031 and August 31, 2036, respectively, while the interests will be paid annually.

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$7,750,000 thousand on June 8, 2022. According to the issuance conditions, the unsecured bonds are classified into bonds A and bonds B with a fixed coupon rate of 1.90% and 2.15% per annum, and with the issuance amounts of NT\$4,950,000 thousand and NT\$2,800,000 thousand, respectively. The bonds will be repaid in a one-off payment on June 8, 2028 and June 8, 2032, respectively, while the interests will be paid annually.

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$3,300,000 thousand on November 25, 2022. According to the issuance conditions, the unsecured bonds are classified into bonds A and bonds B with a fixed coupon rate of 2.10% and 2.65% per annum, and with the issuance amounts of NT\$2,100,000 thousand and NT\$1,200,000 thousand, respectively. The bonds will be repaid in a one-off payment on November 25, 2027 and November 25, 2032, respectively, while the interests will be paid annually.

b. Overseas unsecured convertible bonds

Overseas unsecured convertible bonds 1st issued in 2021

In September 2021, the Corporation's Board of Directors resolved to issue overseas unsecured convertible bonds for the first time. This proposal was approved and became effective under the letter issued by the Financial Supervisory Commission ("FSC") dated November 26, 2021 (Ref. No. Jin-Guan-Zheng-Fa-Zi 1100373764). The bonds, which have a zero-coupon rate and a duration of 5 years, were listed on the Singapore Stock Exchange on December 7, 2021, and have a face value of US\$800,000 thousand.

Bondholders may request the Corporation to convert the bonds into the Corporation's ordinary shares at the price of NT\$59.8 per share at any time within the period from the following day after three months from the issuance date to 10 days prior to maturity date. The conversion price after the issuance of convertible corporate bonds will be adjusted according to the anti-dilution clause of the 2021 First Overseas Unsecured Convertible Bonds Issuance and Conversion Rules of the Corporation. As of December 31, 2022, the adjusted conversion price was NT\$52.53 per share. Bondholders can request the Corporation to convert the bonds at the fixed exchange rate of US\$1=NT\$27.75, which is to be divided by the conversion price per share on the conversion date. As of December 31, 2022, no conversion had been requested.

From the second anniversary of the issue date of the convertible bonds to the maturity date, The Corporation may redeem all the outstanding convertible bonds at the early redemption amount, provided that the closing price of issuer's ordinary shares on TWSE, for a total of 20 days out of 30 consecutive trading days, has reached at least 130% of the total amount of the early redemption amount that multiplied by the conversion price, and divided by the par value, or provided that at least 90% of the convertible bonds have been redeemed, converted, repurchased and cancelled.

Unless the convertible bonds have been early redeemed, repurchased and cancelled or converted, the bondholders shall have the right to request the Corporation to redeem the convertible bonds, in whole or in part, at the early redemption amount on the second anniversary of the issue date. Therefore, on December 31, 2022, the overseas unsecured convertible bonds were converted to convertible bonds expired within a year.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 1.69% per annum on initial recognition.

	<b>Convertible 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>22,701</u>
Liability component at December 31, 2021	20,437,135
Interest charged at an effective interest rate	<u>348,312</u>
Liability component at December 31, 2022	<u><u>\$ 20,785,447</u></u>

## 18. OTHER PAYABLES

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Salaries and bonuses payable	\$ 488,679	\$ 704,276
Payables for repairs	361,590	396,926
Interest payable	528,957	373,961
Payables for equipment	285,421	318,323
Freight payables	133,994	126,578
Taxes payable	120,227	111,633
Payables for electricity	91,112	87,330
Payables for rentals	13,997	28,128
Others	<u>287,032</u>	<u>406,490</u>
	<u><u>\$ 2,311,009</u></u>	<u><u>\$ 2,553,645</u></u>



## 19. RETIREMENT BENEFIT PLANS

### a. Defined contribution plans

The Corporation adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

### b. Defined benefit plan

The defined benefit plan adopted by the Corporation, which is in accordance with the Labor Standards Act, is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Corporation contributes amounts equal to a specified percentage of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Corporation has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Corporation's defined benefit plan were as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Present value of defined benefit obligation	\$ (596,091)	\$ (650,977)
Fair value of plan assets	<u>2,122,637</u>	<u>2,474,245</u>
Net defined benefit assets	<u>\$ 1,526,546</u>	<u>\$ 1,823,268</u>

Movements in net defined benefit assets were as follows:

	<b>Present Value of Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Assets</b>
Balance at January 1, 2022	<u>\$ (650,977)</u>	<u>\$ 2,474,245</u>	<u>\$ 1,823,268</u>
Service costs			
Current service costs	(951)	-	(951)
Net interest income (expense)	<u>(3,248)</u>	<u>12,364</u>	<u>9,116</u>
Recognized in profit or loss	<u>(4,199)</u>	<u>12,364</u>	<u>8,165</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(298,398)	(298,398)
Actuarial gain - changes in financial assumptions	29,321	-	29,321
Actuarial loss - experience adjustments	<u>(35,810)</u>	<u>-</u>	<u>(35,810)</u>
Recognized in other comprehensive loss	<u>(6,489)</u>	<u>(298,398)</u>	<u>(304,887)</u>
Benefits paid	<u>65,574</u>	<u>(65,574)</u>	<u>-</u>
Balance at December 31, 2022	<u>\$ (596,091)</u>	<u>\$ 2,122,637</u>	<u>\$ 1,526,546</u>

(Continued)

	<b>Present Value of Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Assets</b>
Balance at January 1, 2021	\$ (679,318)	\$ 2,228,366	\$ 1,549,048
Service costs			
Current service costs	(2,085)	-	(2,085)
Net interest income (expense)	(2,547)	8,356	5,809
Recognized in profit or loss	(4,632)	8,356	3,724
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	279,263	279,263
Actuarial loss - changes in demographic assumptions	(16,466)	-	(16,466)
Actuarial gain - changes in financial assumptions	5,616	-	5,616
Actuarial gain - experience adjustments	2,083	-	2,083
Recognized in other comprehensive income (loss)	(8,767)	279,263	270,496
Benefits paid	41,740	(41,740)	-
Balance at December 31, 2021	\$ (650,977)	\$ 2,474,245	\$ 1,823,268 (Concluded)

Through the defined benefit plan under the Labor Standards Act, the Corporation is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Discount rates	1.25%	0.50%
Expected rates of salary increase	2.25%	2.25%

If possible reasonable change in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Discount rates		
0.25% increase	<u>\$ (9,291)</u>	<u>\$ (11,281)</u>
0.25% decrease	<u>\$ 9,527</u>	<u>\$ 11,592</u>
Expected rates of salary increase		
0.25% increase	<u>\$ 9,269</u>	<u>\$ 11,200</u>
0.25% decrease	<u>\$ (9,086)</u>	<u>\$ (10,958)</u>

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
The expected contributions to the plan for the next year	<u>\$ -</u>	<u>\$ -</u>
The average duration of the defined benefit obligation	6.6 years	7.3 years

## 20. EQUITY

### a. Share capital

#### 1) Ordinary shares

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Number of shares authorized (in thousands)	<u>8,500,000</u>	<u>7,000,000</u>
Shares authorized	<u>\$ 85,000,000</u>	<u>\$ 70,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>7,156,182</u>	<u>6,125,234</u>
Shares issued	<u>\$ 71,561,817</u>	<u>\$ 61,252,340</u>

A holder of issued ordinary shares with par value of \$10 is entitled to the proportional rights to vote and to receive dividends. The authorized shares include ordinary shares and preference shares containing 60,000 thousand units retained for the exercise of employee share options.

In May 2022, the Corporation's shareholders meeting resolved to amend the Articles of Incorporation to increase the authorized share capital and the number of shares to \$85,000,000 thousand and 8,500,000 thousand of shares, respectively.

The Corporation's shareholders meeting resolved to distribute share dividends of \$6,116,173 thousand in May 2022, which was approved by the Financial Supervisory Commission ("FSC"). The ex-dividend date was July 27, 2022 as determined by the Board of Directors of the Corporation.

The changes in the number of issued shares included the conversion of convertible bonds, the distribution of share dividends, the cancelation of treasury stocks and the issuance of global depositary receipt.

## 2) Preference shares

In June 2018, the Corporation's Board of Directors resolved to increase cash capital by issuing preference shares for the second time, which was approved by the FSC under letter dated July 25, 2018 (Ref. No. Jin-Guan-Zheng-Fa-Zi 1070325853), and the record date of capital increase was determined as of December 13, 2018, it was expected to issue 200,000 thousand shares with a face value of \$10 per share at the issue price of NT\$50 per share, with 3.5% coupon per annum (based on a five-year term 0.9375% IRS interest rate + 2.5625% fixed interest rate). Five-year term IRS interest rate will be reset on the next business day of the expiry of the five-year period from the date of issue and every five years thereafter. The shareholders of the second preference shares do not have the right to vote and to elect in the shareholders meeting but can be elected as directors. The Corporation has full discretion on the dividend distribution of the second preference shares. If there is no surplus or insufficient surplus to pay the preference share dividends upon the close of current fiscal year, the Corporation's resolution to cancel the distribution of preference share dividends will not constitute an event of default or a termination event in a contract. Preference share dividends are non-accumulative, and dividends that are not distributed or distributed in excess are not accumulated in the future year with deferred annual repayment. There is no maturity of the Corporation's second preference shares, but the Corporation may recover whole or part of the second preference shares at the actual issue price from the day following the five-year period from the issue date. The preference shares may not be converted to ordinary shares, and the preference shareholders do not have the rights to require the Corporation to redeem the preference shares they hold.

## 3) Issuance of global depositary receipt

In May 2022, the shareholders meeting of the Corporation resolved the issuance of new ordinary shares for sponsoring issuance of global depositary 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 depositary receipts represents five ordinary shares of the Corporation with the total number of 420,000 thousand of shares. As of December 31, 2022, 83,006 thousand of units were converted into ordinary shares.

## b. Capital surplus

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)		
Issuance of ordinary shares	\$ 53,366,704	\$ 44,176,367
Conversion of bonds	10,539,771	10,540,825
Treasury share transactions	186,289	204,127
Donations	31,537	31,537
Forfeited share options	36,879	16,456
Exercised employee share options	22,347	7,652
<u>May be used to offset a deficit only (Note 2)</u>		
Changes in percentage of ownership interests in subsidiaries	179,578	114,834
Dividends distributed by subsidiaries not yet received by shareholders	2,510	2,510

(Continued)

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>May not be used for any purpose</u>		
Equity component of convertible bond	\$ 1,337,823	\$ 1,337,823
Changes in interests in associates accounted for using the equity method	<u>282,427</u>	<u>325,339</u>
	<u>\$ 65,985,865</u>	<u>\$ 56,757,470</u> (Concluded)

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus).
- 2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary resulting from equity transactions, other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the dividend policy as set in the amended Articles, where the Corporation made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's Board of Directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' general meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors, refer to Note 21(c): Net profit from continuing operations - compensation of employees and remuneration of directors.

In addition to the capital-intensive, mature and stable production and marketing of cement and cement-related products, the Corporation aggressively pursues diversification. For the development of diversified investments or other important capital budgeting plans, the Corporation decided that the payout ratio of cash dividend is to be at least 20% of the total dividends to be distributed to ordinary shareholders; the rest will be paid in share dividends.

An appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Corporation's share capital. The legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's share capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2021 and 2020 approved in the shareholders' general meetings in May 2022 and July 2021, respectively, were as follows:

	<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>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Legal reserve	\$ 2,068,477	\$ 2,530,554		
Cash dividends on preference shares	350,000	350,000	<u>\$ 1.75</u>	<u>\$ 1.75</u>
Cash dividends on ordinary shares	6,116,173	20,594,434	<u>\$ 1.00</u> (Note 2)	<u>\$ 3.50</u> (Note 1)
Share dividends on ordinary shares	6,116,173	-	<u>\$ 1.00</u> (Note 2)	<u>\$ -</u>

Note 1: Given the transfer of treasury shares to employees has not been implemented and the registration amendment to the number of ordinary shares converted from outstanding overseas unsecured convertible bonds has not been completed, the total number of issued and outstanding shares does not reflect the actual situation. Therefore, the cash dividend was adjusted to \$3.36811984 per ordinary share.

Note 2: The number of ordinary shares outstanding was affected by the Corporation's purchase of treasury shares which has not been transferred to employees. Therefore, the cash dividend was adjusted to \$0.99928258 per ordinary share and the share dividend was adjusted to \$0.99928258 per ordinary share.

As of February 24, 2023, the appropriation of earnings for 2022 had not yet been proposed by the Corporation's board of directors. Information on the appropriation of the earnings proposed by the Corporation's board of directors and approved by shareholder's general meeting is available at the Market Observation Post System website of the Taiwan Stock Exchange.

d. Special reserve

The Corporation appropriated to special reserve the amounts that were the same as the unrealized revaluation increment and cumulative translation adjustments transferred to retained earnings at the first-time adoption of IFRSs, which were \$10,454,422 thousand and \$2,709,369 thousand, respectively.

The special reserve appropriated at the first-time adoption of IFRSs relating to investment in properties other than land may be reversed according to the period of use. The special reserve relating to land may be reversed upon disposal or reclassification, and such special reserve of \$35,459 thousand and \$0 thousand was reversed for the years ended December 31, 2022 and 2021, respectively. The special reserve appropriated, due to currency translation adjustments for financial statements of foreign operations (including subsidiaries), shall be reversed based on the Corporation's disposal percentage, and all of the special reserve shall be reversed when the Corporation loses significant influence.

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ (16,068,895)	\$ (9,523,576)
Share from subsidiaries and associates accounted for using the equity method	<u>7,774,720</u>	<u>(6,545,319)</u>
Balance at December 31	<u>\$ (8,294,175)</u>	<u>\$ (16,068,895)</u>

2) Unrealized gain (loss) on financial assets at FVTOCI

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 26,988,909	\$ 30,670,817
Recognized for the year		
Unrealized gain - equity instruments	(1,050,539)	1,723,801
Share from subsidiaries and associates accounted for using the equity method	<u>(5,651,454)</u>	<u>(4,375,829)</u>
Other comprehensive loss recognized for the year	<u>(6,701,993)</u>	<u>(2,652,028)</u>
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>-</u>	<u>(1,029,880)</u>
Balance at December 31	<u>\$ 20,286,916</u>	<u>\$ 26,988,909</u>

3) Cash flow hedges

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ -	\$ (250)
Recognized for the year		
Share from subsidiaries and associates accounted for using the equity method	<u>(1,651)</u>	<u>250</u>
Balance at December 31	<u>\$ (1,651)</u>	<u>\$ -</u>

f. Treasury shares

(In Thousands of Shares)

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Number of shares at January 1	9,061	11,522
Transferred to employees	(4,391)	(2,461)
Cancelled during the year	<u>(670)</u>	<u>-</u>
Number of shares at December 31	<u>4,000</u>	<u>9,061</u>

The Corporation's Board of Directors resolved to buy back treasury shares mainly for transferring to employees. The compensation costs recognized for transferring treasury shares to employees were \$66,820 thousand and \$24,325 thousand for the years ended December 31, 2022 and 2021, respectively.

The Corporation cancelled the treasury stocks overdue which had not yet been transferred to employees pursuant to the law, and the Board of Directors of the Corporation resolved to decrease its capital by \$6,696 thousand in August 2022, cancelled 670 thousand issued shares, and scheduled the record date for capital reduction of August 10, 2022.

The Corporation's board of directors resolved in January 2023 to buy back 20,000 thousand shares mainly for transferring to employees. The scheduled buy-back period was from January 5, 2023 to March 3, 2023. As of the date the consolidated financial statements were authorized for issue, 20,000 thousand shares have already been bought back and the total amount was \$732,459 thousand.

Under the Securities Exchange Act, the Corporation shall neither pledge treasury shares nor exercise shareholder's rights on these shares, such as rights to dividends and to vote.

## 21. NET PROFIT FROM CONTINUING OPERATIONS

### a. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
An analysis of depreciation by item		
Property, plant and equipment	\$ 685,652	\$ 654,523
Right-of-use assets	325,914	334,704
Investment properties	<u>59</u>	<u>122</u>
	<u>\$ 1,011,625</u>	<u>\$ 989,349</u>
An analysis of depreciation by function		
Operating costs	\$ 875,368	\$ 857,953
Operating expenses	136,257	129,331
Non-operating expenses	<u>-</u>	<u>2,065</u>
	<u>\$ 1,011,625</u>	<u>\$ 989,349</u>
An analysis of amortization by function		
Operating costs	<u>\$ -</u>	<u>\$ 1</u>

### b. Employee benefits expense

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Retirement benefit plans		
Defined contribution plans	\$ 38,526	\$ 35,467
Defined benefit plans	<u>(8,165)</u>	<u>(3,724)</u>
	<u>30,361</u>	<u>31,743</u>
Share-based payments		
Equity-settled	66,820	24,325
Other employee benefits	<u>1,343,393</u>	<u>1,488,170</u>
Total employee benefits expense	<u>\$ 1,440,574</u>	<u>\$ 1,544,238</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 709,779	\$ 632,667
Operating expenses	<u>730,795</u>	<u>911,571</u>
	<u>\$ 1,440,574</u>	<u>\$ 1,544,238</u>



c. Compensation of employees and remuneration of directors

The Corporation accrued compensation of employees and remuneration of directors at the rates of 0.01%-3% and no higher than 1%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The total amount of compensation of employees and remuneration of directors were \$79,123 thousand and \$61,622 thousand for the year ended December 31, 2022. The Corporation may settle compensation of employees and remuneration of directors in cash were \$106,914 thousand and \$210,453 thousand for the year ended December 31, 2021, which was approved by the Corporation's board of directors in April 2022.

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2021 and 2020.

Information on the compensation of employees and remuneration of directors resolved by the Corporation's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

d. Other income

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Financial income	\$ 32,113	\$ 14,735
Others	<u>93,046</u>	<u>92,846</u>
	<u><b>\$ 125,159</b></u>	<u><b>\$ 107,581</b></u>

e. Finance costs

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Interest on corporate bonds	\$ 1,054,515	\$ 627,393
Interest on bank borrowings	699,732	588,969
Interest on lease liabilities	35,403	33,015
Other finance costs	<u>146,506</u>	<u>101,632</u>
	<u><b>\$ 1,936,156</b></u>	<u><b>\$ 1,351,009</b></u>

f. Other expenses

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Loss on work stoppages	\$ 120,647	\$ 130,285
Loss on disposal of investments	16	43,772
Others	<u>18,062</u>	<u>73,321</u>
	<u><b>\$ 138,725</b></u>	<u><b>\$ 247,378</b></u>

## 22. INCOME TAX

### a. Major components of tax expense recognized in profit or loss

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Current tax		
In respect of the current year	\$ 292,148	\$ 337,647
Income tax on unappropriated earnings	301,697	91,068
Adjustments for prior years	<u>5,278</u>	<u>25,875</u>
	<u>599,123</u>	<u>454,590</u>
Deferred tax		
In respect of the current year	<u>17,363</u>	<u>16,945</u>
Income tax expense recognized in profit or loss	<u>\$ 616,486</u>	<u>\$ 471,535</u>

A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Income before income tax	<u>\$ 6,021,470</u>	<u>\$ 20,727,901</u>
Income tax expense at the statutory rate	\$ 1,204,294	\$ 4,145,580
Tax-exempt income	(546,586)	(878,808)
Unrecognized deductible temporary differences	(149,682)	(2,944,490)
Realized investment loss	(199,997)	(10,608)
Adjustments for prior years	5,278	25,875
Income tax on unappropriated earnings	301,697	91,068
Others	<u>1,482</u>	<u>42,918</u>
Income tax expense recognized in profit or loss	<u>\$ 616,486</u>	<u>\$ 471,535</u>

### b. Income tax recognized in other comprehensive income

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Deferred tax in the current year		
Remeasurement on defined benefit plan	<u>\$ (60,977)</u>	<u>\$ 54,099</u>

### c. Current tax assets and liabilities

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Current income tax assets (included in other current assets)	<u>\$ 16,310</u>	<u>\$ 16,310</u>
Current income tax liabilities	<u>\$ 411,503</u>	<u>\$ 423,152</u>

d. Deferred income tax assets and liabilities

The movements of deferred income tax assets (included in other non-current assets) and deferred income tax liabilities were as follows:

For the year ended December 31, 2022

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehen- sive Income</b>	<b>Others</b>	<b>Closing Balance</b>
<u>Deferred income tax assets</u>					
Inventories	\$ 42,846	\$ 3,921	\$ -	\$ -	\$ 46,767
Property, plant and equipment	16,750	(1,114)	-	-	15,636
Long-term employee benefits plan	12,207	993	-	-	13,200
Deferred revenue	4,160	(246)	-	-	3,914
Others	<u>11,376</u>	<u>(5,153)</u>	<u>-</u>	<u>-</u>	<u>6,223</u>
	<u>\$ 87,339</u>	<u>\$ (1,599)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,740</u>
<u>Deferred income tax liabilities</u>					
Land value increment tax	\$ 4,883,412	\$ -	\$ -	\$ (18,594)	\$ 4,864,818
Defined benefit plan	343,175	1,633	(60,977)	-	283,831
Unappropriated earnings from foreign subsidiaries	<u>207,419</u>	<u>14,131</u>	<u>-</u>	<u>-</u>	<u>221,550</u>
	<u>\$ 5,434,006</u>	<u>\$ 15,764</u>	<u>\$ (60,977)</u>	<u>\$ (18,594)</u>	<u>\$ 5,370,199</u>

For the year ended December 31, 2021

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehen- sive Income</b>	<b>Closing Balance</b>
<u>Deferred income tax assets</u>				
Inventories	\$ 48,088	\$ (5,242)	\$ -	\$ 42,846
Property, plant and equipment	19,694	(2,944)	-	16,750
Long-term employee benefits plan	15,145	(2,938)	-	12,207
Deferred revenue	4,406	(246)	-	4,160
Others	<u>5,568</u>	<u>5,808</u>	<u>-</u>	<u>11,376</u>
	<u>\$ 92,901</u>	<u>\$ (5,562)</u>	<u>\$ -</u>	<u>\$ 87,339</u>
<u>Deferred income tax liabilities</u>				
Land value increment tax	\$ 4,883,412	\$ -	\$ -	\$ 4,883,412
Defined benefit plan	288,331	745	54,099	343,175
Unappropriated earnings from foreign subsidiaries	195,732	11,687	-	207,419
Others	<u>1,049</u>	<u>(1,049)</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,368,524</u>	<u>\$ 11,383</u>	<u>\$ 54,099</u>	<u>\$ 5,434,006</u>

- e. Aggregate temporary differences associated with investments for which deferred income tax liabilities have not been recognized

As of December 31, 2022 and 2021, the taxable temporary differences in respect of investments in subsidiaries and associates for which no deferred income tax liabilities have been recognized were \$96,366,824 thousand and \$97,109,400 thousand, respectively.

- f. Income tax assessments

The tax returns of the Corporation through 2018 and 2020 have been assessed by the tax authorities.

## 23. EARNINGS PER SHARE

	Unit: NT\$ Per Share	
	For the Year Ended December 31	
	2022	2021
Basic earnings per share		
From continuing operations	\$ 0.74	\$ 2.84
From discontinued operations	<u>-</u>	<u>0.16</u>
	<u>\$ 0.74</u>	<u>\$ 3.00</u>
Diluted earnings per share		
From continuing operations	\$ 0.73	\$ 2.81
From discontinued operations	<u>-</u>	<u>0.16</u>
	<u>\$ 0.73</u>	<u>\$ 2.97</u>

The weighted average number of shares outstanding used in the earnings per share computation was adjusted retrospectively. The basic and diluted earnings per share adjusted retrospectively for the year ended December 31, 2021 were as follows:

	Unit: NT\$ Per Share	
	Before Retrospective Adjustment	After Retrospective Adjustment
Basic earnings per share		
From continuing operations	\$ 3.12	\$ 2.84
From discontinued operations	<u>0.18</u>	<u>0.16</u>
	<u>\$ 3.30</u>	<u>\$ 3.00</u>
Diluted earnings per share		
From continuing operations	\$ 3.09	\$ 2.81
From discontinued operations	<u>0.18</u>	<u>0.16</u>
	<u>\$ 3.27</u>	<u>\$ 2.97</u>

The earnings and weighted average number of ordinary shares (in thousands) outstanding in the computation of earnings per share were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Profit for the year attributable to owners of the Corporation (Note)	\$ 5,054,984	\$ 19,906,366
Profit for the period used in the computation of basic earnings per share from discontinued operations	<u>-</u>	<u>(1,073,939)</u>
Profit used in the computation of basic earnings per share from continuing operations	5,054,984	18,832,427
Effect of potentially dilutive ordinary shares:		
Interest on convertible bonds	<u>230,158</u>	<u>67,416</u>
Profit used in the computation of diluted earnings per share from continuing operations	<u>\$ 5,285,142</u>	<u>\$ 18,899,843</u>
<b><u>Number of shares (in thousands)</u></b>		
Weighted average number of ordinary shares in computation of basic earnings per share	6,835,603	6,646,406
Effect of potentially dilutive ordinary shares:		
Compensation of employees	2,948	2,784
Convertible bonds	<u>354,302</u>	<u>79,950</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>7,192,853</u>	<u>6,729,140</u>

Note: Preference share dividends of \$350,000 thousand were deducted in 2022 and 2021, respectively.

The Corporation may settle compensation paid to employees in cash or shares; therefore, the Corporation assumes that the entire amount of the compensation or bonus will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

## 24. ACQUISITION OR DISPOSAL OF SUBSIDIARIES

Refer to the notes of the consolidated financial statements for the year ended December 31, 2022 for the following disclosures of equity movements of subsidiaries.

### Partial acquisition or disposal of subsidiaries without change of control

In 2022, the Corporation acquired a portion of the shares of Taiwan Transport & Storage Corporation and TCC Recycle Energy Technology Company, and its proportion of ownership interests remained at 83.9% and 36.6%, respectively.

In 2021, the Corporation had acquired a portion of the shares of Taiwan Prosperity Chemical Corporation, and increased its proportionate ownership interests from 71.1% to 100.0%. The Corporation had acquired a portion of the shares of Taiwan Cement Engineering Corporation and its proportionate ownership interests was still 99.2%.

The above transactions were accounted for as equity transactions since there was no change in the Corporation's control over these subsidiaries.

### Disposal of subsidiary

On March 19, 2021, the Corporation's Board of Directors resolved to enter into a sale agreement to dispose of all its interests in Taiwan Prosperity Chemical Corporation for Chang Chun Plastic Co., Ltd. by receiving 2,400,000 thousand in cash. According to the agreement, Taiwan Prosperity Chemical Corporation should pay \$400,000 thousand to TCC Chemical Corporation as the consideration of ending the machinery lease agreement before the acquisition date. The Corporation has completed the share transaction on August 17, 2021, and has recognized gain on disposal of investment \$521,414 thousand.

### Acquisition of subsidiary

The Corporation subscribed TCC Recycle Energy Technology Company with \$9,232,894 thousand, leading to an increase of the percentage of ownership in TCC Recycle Energy Technology Company from 18.2% to 63.3% with non-subscription by other shareholders and subsequently gaining control of TCC Recycle Energy Technology Company and its subsidiaries.

## 25. CASH FLOWS INFORMATION

Changes in liabilities arising from financing activities:

For the year ended December 31, 2022

	<b>Opening Balance</b>	<b>Cash Flows</b>	<b>Effect of Exchange Rate and Others</b>	<b>Closing Balance</b>
Short-term borrowings	\$ 25,426,775	\$ (19,404,870)	\$ 4,727	\$ 6,026,632
Long-term borrowings (including expiring within a year)	<u>17,174,917</u>	<u>12,609,000</u>	<u>41,173</u>	<u>29,825,090</u>
	<u>\$ 42,601,692</u>	<u>\$ (6,795,870)</u>	<u>\$ 45,900</u>	<u>\$ 35,851,722</u>

For the year ended December 31, 2021

	<b>Opening Balance</b>	<b>Cash Flows</b>	<b>Effect of Exchange Rate and Others</b>	<b>Closing Balance</b>
Short-term borrowings	\$ 23,351,729	\$ 2,071,411	\$ 3,635	\$ 25,426,775
Long-term borrowings (including expiring within a year)	<u>21,453,417</u>	<u>(4,300,000)</u>	<u>21,500</u>	<u>17,174,917</u>
	<u>\$ 44,805,146</u>	<u>\$ (2,228,589)</u>	<u>\$ 25,135</u>	<u>\$ 42,601,692</u>

## 26. CAPITAL MANAGEMENT

The Corporation needs to maintain sufficient capital to fulfill the Corporation's requirements of business expansion and construction. Therefore, the capital management of the Corporation shall focus on a comprehensive operational plan to ensure sound profitability and financial structure so as to fulfill the mid- and long-term demand of working capital, capital expenditures, debts repayment and dividend distributions.

## 27. FINANCIAL INSTRUMENTS

### a. Fair value of financial instruments not measured at fair value

Except for those listed in the table below, the Corporation considers that the carrying amount of financial instruments not measured at fair value in the financial statements approximates fair value.

December 31, 2022

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds payable	\$ 20,785,447	\$ -	\$ -	\$ 20,734,800	\$ 20,734,800

December 31, 2021

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds payable	\$ 20,437,135	\$ -	\$ -	\$ 20,599,380	\$ 20,599,380

### b. Fair value of financial instruments measured at fair value on a recurring basis

#### 1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets mandatorily classified as at FVTPL				
Domestic listed shares	\$ 164,774	\$ -	\$ -	\$ 164,774
Domestic emerging market shares	<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 and put options of convertible bond	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 641,522</u>	<u>\$ 641,522</u>

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets mandatorily classified as at FVTPL				
Domestic listed shares	\$ 198,850	\$ -	\$ -	\$ 198,850
Domestic emerging market shares	<u>107,225</u>	<u>-</u>	<u>-</u>	<u>107,225</u>
	<u>\$ 306,075</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 306,075</u>
Financial assets at FVTOCI				
Equity instrument investment				
Domestic listed shares	\$ 3,802,852	\$ -	\$ -	\$ 3,802,852
Domestic privately placed listed shares	-	1,255,794	-	1,255,794
Domestic unlisted shares	-	-	7,203,461	7,203,461
Domestic convertible preference shares	<u>29,854</u>	<u>-</u>	<u>-</u>	<u>29,854</u>
	<u>\$ 3,832,706</u>	<u>\$ 1,255,794</u>	<u>\$ 7,203,461</u>	<u>\$ 12,291,961</u>
Financial liabilities at FVTPL				
Derivative instrument - redemption options and put options of convertible bond	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 213,062</u>	<u>\$ 213,062</u>

There were no transfers between Levels 1 and 2 for the years ended December 31, 2022 and 2021.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

For domestic listed privately placed listed shares with no market price available as reference, their fair values are estimated using the evaluation method. The estimations and assumptions used by the Corporation in the evaluation method are consistent with those used by market participants in pricing the financial instruments. The relevant information is available to the Corporation.

The evaluation method adopted by the Corporation is the Black-Scholes model, which calculates the fair value based on the observable share price, share price volatility, risk-free interest rate and liquidity discount at the end of the year.

3) Reconciliation of Level 3 fair value measurements of financial instruments

	For the Year Ended December 31, 2022
Financial assets at FVTOCI	
Equity instrument investment	
Balance at January 1, 2022	\$ 7,203,461
Recognized in other comprehensive loss	<u>(600,157)</u>
Balance at December 31, 2022	<u>\$ 6,603,304</u>
Financial liabilities at FVTPL	
Derivative instrument investment	
Balance at January 1, 2022	\$ 213,062
Recognized in loss	<u>428,460</u>
Balance at December 31, 2022	<u>\$ 641,522</u>



	<b>For the Year Ended December 31, 2021</b>
Financial assets at FVTOCI	
Equity instrument investment	
Balance at January 1, 2021	\$ 5,653,008
Recognized in other comprehensive income	<u>1,550,453</u>
Balance at December 31, 2021	<u>\$ 7,203,461</u>
Financial assets at FVTPL	
Derivative instrument investment	
Balance at January 1, 2021	\$ 17,092
Recognized in loss	(10,114)
Convertible bonds converted into ordinary shares	<u>(6,978)</u>
Balance at December 31, 2021	<u>\$ -</u>
Financial liabilities at FVTPL	
Derivative instrument investment	
Balance at January 1, 2021	\$ -
Additions	215,282
Recognized in profit	<u>(2,220)</u>
Balance at December 31, 2021	<u>\$ 213,062</u>

4) Valuation techniques and inputs applied for Level 3 fair value measurement

- a) There were no quoted prices in active markets for put options and redemption options of ECB issued by the Corporation. Hence, the fair values of options are determined using the binomial option pricing model where the unobservable input is historical volatility. An increase in historical volatility used in isolation would result a change in an increase in the fair value. The historical volatility used were 19.41% and 21.37% on December 31, 2022 and 2021, respectively.
- b) The Corporation measures the fair value of its investments on domestic unlisted shares by using the asset-based approach, and the dividend discount model.

Under the asset-based approach, the total value of an investment is based on the fair value of its assets and liabilities. The significant unobservable inputs used are listed in the table below.

	<u>December 31</u>	
	<b>2022</b>	<b>2021</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>2022</b>	<b>2021</b>
Comprehensive discount for lack of marketability and non-controlling interests		
1% increase	<u>\$ (9,753)</u>	<u>\$ (13,003)</u>
1% decrease	<u>\$ 9,753</u>	<u>\$ 13,003</u>

The dividend discount model values a target company based on its stability of dividend payments in the past.

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Discount rate	9.1%	5.4%
Dividend growth rate	1.6%	1.4%
Discount for lack of marketability	10.0%	10.0%

If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair value of the shares would increase (decrease) as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Discount for lack of marketability		
1% increase	<u>\$ (63,875)</u>	<u>\$ (66,623)</u>
1% decrease	<u>\$ 63,875</u>	<u>\$ 66,623</u>

c. Categories of financial instruments

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Financial assets</u>		
Financial assets at FVTPL		
Financial assets mandatorily classified as at FVTPL	\$ 259,919	\$ 306,075
Financial assets measured at amortized cost (1)	10,816,297	33,316,519
Financial assets at FVTOCI		
Equity instrument investment	11,241,422	12,291,961
<u>Financial liabilities</u>		
Financial liabilities at FVTPL		
Held for trading	641,522	213,062
Financial liabilities measured at amortized cost (2)	147,731,447	143,126,355

- 1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable (including related parties transactions), other receivables (including related parties transactions and included in other current assets).

- 2) The balances include financial liabilities measured at amortized cost, which comprise short-term loans, short-term bills payable, accounts payable (including related parties transactions), other payables, other payable to related parties (included in other current liabilities), bonds payable (including current portion), long-term loans (including current portion) and long-term bills payable.

d. Financial risk management objectives and policies

The risk control and hedging strategy performed by the Corporation were affected by operation environments, and the Corporation adopted appropriate risk controls and hedging strategies according to its nature of business and risk diversification principles. These risks include market risk, credit risk and liquidity risk.

1) Market risk

The Corporation's financial instruments were mainly comprised of listed shares, and these investments were subject to fluctuations in market prices. The Corporation has periodically evaluated the investment's performance, and no significant market risk was anticipated.

a) Foreign currency risk

The foreign financial assets and liabilities were exposed to risk of foreign currency fluctuations. To lower foreign currency risk, the Corporation has established control mechanisms to immediately monitor its foreign currency position and exchange rate fluctuations.

The carrying amounts of the significant monetary assets and liabilities not denominated in functional currency at the end of the reporting period are set out in Note 31.

The Corporation was mainly exposed to the USD. Regarding outstanding foreign monetary items, if there is a 1% increase or decrease in the NTD against the USD net income and equity for the years ended December 31, 2022 and 2021 would increase/decrease by \$8,662 thousand and \$173,661 thousand, respectively.

b) Interest rate risk

The carrying amount of the Corporation's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Cash flow interest rate risk		
Financial assets	\$ 3,044,369	\$ 12,884,624
Financial liabilities	35,851,722	42,601,692

The interest risk was evaluated based on the position of financial assets and liabilities. The sensitivity analysis below was determined based on the Corporation's floating interest rate financial assets and liabilities at the end of the reporting period, an increase or decrease of 50-basis points was used, which represented management's assessment of reasonably possible change in interest rates. The fair values of fixed interest rate financial assets and liabilities will change due to variances in market interest rates; the future cash flows of floating interest rate financial assets and financial liabilities will change due to variances in effective interest rates, which vary with market interest rates.

For the Corporation's floating interest rate financial assets, if interest rates had been 50 basis points higher/lower, the cash inflows from floating interest rate financial assets for the years ended December 31, 2022 and 2021 would increase/decrease by \$12,177 thousand and \$51,538 thousand, respectively.

For the Corporation's floating interest rate financial liabilities, if interest rates had been 50 basis points higher/lower, the cash outflows from floating interest rate financial liabilities for the years ended December 31, 2022 and 2021 would increase/decrease by \$143,407 thousand and \$170,407 thousand, respectively.

c) Other price risk

The Corporation was exposed to equity instruments and commodities price risk through its investments in equity securities. Equity investments are held for strategic rather than trading purposes. The Corporation does not actively trade these investments. Sensitivity analyses were used for evaluating the exposure to equity price risks.

The sensitivity analyses below were based on the exposure of equity instruments/commodity prices risk on the balance sheet date.

The sensitivity analyses were based on the exposure of equity instruments/commodities prices at the end of the reporting period. If equity instruments/commodities prices of financial assets at FVTPL had been 5% higher/lower, profit or loss for the years ended December 31, 2022 and 2021 would increase/decrease by \$12,996 thousand and \$15,304 thousand, respectively. If equity instruments/commodity prices of financial assets at FVTOCI had been 5% higher/lower, other comprehensive income (loss) for the years ended December 31, 2022 and 2021 would increase/decrease by \$562,071 thousand and \$614,598 thousand, respectively.

2) Credit risk

Potential impacts on financial assets would occur if the Corporation's counterparties breach financial instrument contracts, including impacts to the concentration of credit risk, components, contractual amounts and other receivables.

As at the end of the reporting period, the Corporation's maximum exposure to credit risk, which would cause a financial loss to the Corporation due to the failure of counterparties to discharge an obligation, could arise from the carrying amounts of the respective recognized financial assets as stated in the balance sheets.

The Corporation transacted with a large number of customers from various industries and geographical locations. The Corporation continuously assesses the operations and financial positions of customers and monitors the collectability of accounts receivable. The Corporation required credit enhancements by bank guarantees or collateral for certain customers.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings which were assigned by international credit-rating agencies.

3) Liquidity risk

The Corporation manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Corporation's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank facilities and ensures compliance with loan covenants. As of December 31, 2022 and 2021, the amount of unused financing facilities was \$63,958,860 thousand and \$25,469,332 thousand, respectively.

The following table details the Corporation's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Corporation can be required to pay. The table included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

#### December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 1,049,645	\$ 4,448,889	\$ 221,561	\$ 73,430	\$ 2,398
Lease liabilities	74,481	25,034	206,615	959,834	711,497
Variable interest rate liabilities	177,310	5,637,282	788,278	31,040,918	-
Fixed interest rate liabilities	<u>-</u>	<u>-</u>	<u>23,041,180</u>	<u>42,209,200</u>	<u>50,795,840</u>
	<u>\$ 1,301,436</u>	<u>\$ 10,111,205</u>	<u>\$ 24,257,634</u>	<u>\$ 74,283,382</u>	<u>\$ 51,509,735</u>

Additional information about the maturity analysis for lease liabilities after eliminating transactions:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Non-interest bearing	\$ 5,720,095	\$ 73,430	\$ 2,398	\$ -	\$ -	\$ -
Lease liabilities	306,130	959,834	491,576	219,921	-	-
Variable interest rate liabilities	6,602,870	31,040,918	-	-	-	-
Fixed interest rate liabilities	<u>23,041,180</u>	<u>42,209,200</u>	<u>11,305,720</u>	<u>39,490,120</u>	<u>-</u>	<u>-</u>
	<u>\$ 35,670,275</u>	<u>\$ 74,283,382</u>	<u>\$ 11,799,694</u>	<u>\$ 39,710,041</u>	<u>\$ -</u>	<u>\$ -</u>

#### December 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 693,664	\$ 3,553,583	\$ 1,136,510	\$ 70,321	\$ 3,475
Lease liabilities	80,466	30,587	238,765	1,043,434	912,241
Variable interest rate liabilities	12,203,446	13,859,912	8,272,105	10,798,295	-
Fixed interest rate liabilities	<u>600,000</u>	<u>1,300,000</u>	<u>12,576,844</u>	<u>40,716,112</u>	<u>46,209,100</u>
	<u>\$ 13,577,576</u>	<u>\$ 18,744,082</u>	<u>\$ 22,224,224</u>	<u>\$ 52,628,162</u>	<u>\$ 47,124,816</u>

Additional information about the maturity analysis for lease liabilities after eliminating transactions:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Non-interest bearing	\$ 5,383,757	\$ 70,321	\$ 3,475	\$ -	\$ -	\$ -
Lease liabilities	349,818	1,043,434	626,041	286,200	-	-
Variable interest rate liabilities	34,335,463	10,798,295	-	-	-	-
Fixed interest rate liabilities	<u>14,476,844</u>	<u>40,716,112</u>	<u>11,641,790</u>	<u>34,567,310</u>	<u>-</u>	<u>-</u>
	<u>\$ 54,545,882</u>	<u>\$ 52,628,162</u>	<u>\$ 12,271,306</u>	<u>\$ 34,853,510</u>	<u>\$ -</u>	<u>\$ -</u>

## 28. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in other notes, details of transactions between the Corporation and other related parties are as follows:

a. Name of the related parties and relationship

<u>Related Party</u>	<u>Relationship with the Corporation</u>
Ta-Ho Maritime Corporation (Ta-Ho Maritime)	Subsidiary
Taiwan Transport & Storage Corporation (Taiwan Transport & Storage)	Subsidiary
Taiwan Cement Engineering Corporation	Subsidiary
Kuan-Ho Refractories Industry Corporation (Kuan-Ho Refractories Industry)	Subsidiary
TCC Investment Corporation (TCC Investment)	Subsidiary
TCC Chemical Corporation (TCC Chemical)	Subsidiary
TCC Information Systems Corporation (TCC Information Systems)	Subsidiary
Taiwan Prosperity Chemical Corporation	Subsidiary (became non-related party in August 2021 after disposal)
Tung Chen Mineral Corporation	Subsidiary
Jin Chang Minerals Corporation (Jin Chang Minerals)	Subsidiary
Hoping Industrial Port Corporation	Subsidiary
Ho-Ping Power Company	Subsidiary
HPC Power Services Corporation	Subsidiary
Feng Sheng Enterprise Company (Feng Sheng Enterprise)	Subsidiary
E.G.C. Cement Corporation (E.G.C. Cement)	Subsidiary
Union Cement Traders Inc. (Union Cement Traders)	Subsidiary
Hong Kong Cement Company Ltd. ("HKCCL")	Subsidiary
TCC International Ltd. ("TCCI")	Subsidiary
TCC International Holdings Ltd.	Subsidiary
TCC Green Energy Corporation	Subsidiary
Ho Sheng Mining Co., Ltd.	Subsidiary
Taiwan Cement (Dutch) Holdings B.V.	Subsidiary
TCCMOLI Holdings (Singapore) Pte. Ltd.	Subsidiary (liquidation completion in 2022)
TCC Sustainable Energy Investment Corporation	Subsidiary
TCC Energy Storage Technology Corporation (TCC Energy Storage)	Subsidiary
Tuo Shan Recycle Technology Company	Subsidiary
TCC Recycle Energy Technology Company	Subsidiary (classified as associate until August 2021 and has been reported as subsidiary ever since)
TJ Transport Corporation	Subsidiary
E-One Moli Energy Corp.	Subsidiary (classified as associate until August 2021 and has been reported as subsidiary ever since)
Molie Quantum Energy Corporation	Subsidiary (classified as associate until August 2021 and has been reported as subsidiary ever since)

(Continued)

<u>Related Party</u>	<u>Relationship with the Corporation</u>
NHOA ENERGY S.R.L.(NHOA ENERGY)	Subsidiary
TCC Yingde Cement Co., Ltd.	Subsidiary
Dr. Cecilia Koo Botanic Conservation and Environmental Protection Foundation	Same key management personnel
Chienten Temple	Same key management personnel
Chinatrust Investment Co., Ltd.	Same key management personnel
Linyuan Advanced Materials Technology Co., Ltd.	Same key management personnel
Circular Commitment Company	Same key management personnel
Hualien County Private Hoping Sustainability Charity Foundation	Same key management personnel
Sing Cheng Investment Co., Ltd.	Same key management personnel
Phihong Technology Co., Ltd.	The Corporation acts as key management personnel (became related parties since June 2022)
Pan Asia Corporation	The Corporation acts as key management personnel
China Hi-Ment Corporation (China Hi-Ment)	The Corporation acts as key management personnel
CTCI Corporation	The Corporation acts as key management personnel
O-Bank Co., Ltd.	The Corporation acts as key management personnel
CTCI Resources Engineering Inc.	The Corporation acts as key management of its parent company
Chia Hsin Cement Corporation (Chia Hsin Cement)	Management personnel in substance
Chia Hsin R.M.C. Corp. (Chia Hsin R.M.C.)	Management personnel in substance
The Koo Foundation	Management personnel in substance
L'Hotel de Chine Corporation	Management personnel in substance
FDC International Hotels Corporation	Management personnel in substance
Fortune Quality investment Limited	Management personnel in substance
International CSRC Investment Holdings Co., Ltd.	Associate
Onyx Ta-Ho Environmental Services Co., Ltd.	Associate
Onyx Ta-Ho Waste Clearance Co., Ltd.	Subsidiary of associates
Onyx Ta-Ho Lu-Tsao Environment Co., Ltd.	Subsidiary of associates
ULPU International Co., Ltd.	Subsidiary of associates
Winbond Electronics Corporation	Related party in substance
	(Concluded)

b. Operating revenue

Continuing operations

	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Subsidiaries	\$ 2,813,452	\$ 2,158,708
Management personnel in substance	579,970	698,337
The Corporation acts as key management personnel	388,249	187,016
Associates	18,715	18,724
Others	<u>26,208</u>	<u>4,302</u>
	<u>\$ 3,826,594</u>	<u>\$ 3,067,087</u>

Discontinued operations

		<b>For the Year Ended December 31</b>	
		<b>2022</b>	<b>2021</b>
	Subsidiaries	\$ <u>-</u>	\$ <u>2,753</u>
c.	Purchases of goods and operating expenses		
		<b>For the Year Ended December 31</b>	
		<b>2022</b>	<b>2021</b>
	Subsidiaries	\$ 4,340,783	\$ 4,609,659
	The Corporation acts as key management personnel	819,531	788,938
	Management personnel in substance	57,321	69,636
	Others	<u>14,585</u>	<u>5,591</u>
		<u>\$ 5,232,220</u>	<u>\$ 5,473,824</u>
d.	Receivables from related parties		
		<b>December 31</b>	
		<b>2022</b>	<b>2021</b>
	Subsidiaries		
	Feng Sheng Enterprise	\$ 195,623	\$ 153,226
	E.G.C. Cement	105,628	166,785
	HKCCL	64,921	75,968
	Others	<u>45,547</u>	<u>51,966</u>
		<u>411,719</u>	<u>447,945</u>
	Management personnel in substance		
	Chia Hsin Cement	110,880	123,932
	Others	<u>1,545</u>	<u>2,571</u>
		<u>112,425</u>	<u>126,503</u>
	The Corporation acts as key management personnel	<u>142,262</u>	<u>70,358</u>
	Others	<u>15,387</u>	<u>2,002</u>
		<u>\$ 681,793</u>	<u>\$ 646,808</u>
e.	Payables to related parties		
		<b>December 31</b>	
		<b>2022</b>	<b>2021</b>
	Subsidiaries		
	Ta-Ho Maritime	\$ 565,708	\$ 541,421
	Taiwan Transport & Storage	148,407	144,048
	Others	<u>231,504</u>	<u>389,377</u>
		<u>945,619</u>	<u>1,074,846</u>
	The Corporation acts as key management personnel		
	China Hi-Ment	<u>215,633</u>	<u>242,055</u>
	Others	<u>3,207</u>	<u>10,064</u>
		<u>\$ 1,164,459</u>	<u>\$ 1,326,965</u>



The price and terms of the above transactions were by contracts.

f. Other receivables from related parties (included in other current assets)

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Subsidiaries	\$ 35,648	\$ 28,566
Others	<u>406</u>	<u>999</u>
	<u>\$ 36,054</u>	<u>\$ 29,565</u>

Other receivables from related parties included dividend receivables and interest receivables.

g. Other payables to related parties (included in other current liabilities)

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Subsidiaries		
NHOA ENERGY	\$ 59,636	\$ -
Others	<u>5,494</u>	<u>10,688</u>
	<u>65,130</u>	<u>10,688</u>
The Corporation acts as key management of its parent company		
CTCI Resources Engineering Inc.	<u>151,160</u>	<u>61,398</u>
Others	<u>10,247</u>	<u>3,406</u>
	<u>\$ 226,537</u>	<u>\$ 75,492</u>

h. Acquisitions of property, plant and equipment

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Subsidiaries		
NHOA ENERGY	\$ 553,227	\$ -
The Corporation acts as key management of its parent company		
CTCI Resources Engineering Inc.	666,260	559,777
Others	<u>7,278</u>	<u>-</u>
	<u>\$ 1,226,765</u>	<u>\$ 559,777</u>

i. Endorsements and guarantees

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Subsidiaries		
TCCI	\$ 3,285,970	\$ 469,800
TCC Investment	1,630,000	1,580,000
Union Cement Traders	750,000	750,000
TCC Chemical	359,117	366,117
TCC Energy Storage	1,102,190	-
Others	<u>131,141</u>	<u>131,141</u>
	<u>\$ 7,258,418</u>	<u>\$ 3,297,058</u>

j. Lease arrangements

Related Party Category/Name	For the Year Ended December 31	
	2022	2021
<u>Acquisition of right-of-use assets</u>		
Management personnel in substance Chia Hsin R.M.C.	\$ -	\$ 23,313

Line Item	Related Party Category/Name	December 31	
		2022	2021
Lease liabilities	Subsidiaries		
	E.G.C. Cement	\$ 237,422	\$ 253,553
	Others	2,713	4,992
		<u>240,135</u>	<u>258,545</u>
	Management personnel in substance Chia Hsin R.M.C.	16,317	20,699
		<u>\$ 256,452</u>	<u>\$ 279,244</u>

Related Party Category/Name	For the Year Ended December 31	
	2022	2021
<u>Interest expense</u>		
Subsidiaries		
E.G.C. Cement	\$ 4,541	\$ 4,836
Others	73	114
	<u>4,614</u>	<u>4,950</u>
Management personnel in substance	<u>328</u>	<u>308</u>
	<u>\$ 4,942</u>	<u>\$ 5,258</u>

The lease contracts between the Corporation and related parties were based on market price and general terms of payment.

k. Compensation of key management personnel

	For the Year Ended December 31	
	2022	2021
Short-term employee benefits	\$ 161,793	\$ 343,048
Post-employment benefits	2,506	2,261
Share-based payment	<u>7,877</u>	<u>8,187</u>
	<u>\$ 172,176</u>	<u>\$ 353,496</u>

## 29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were pledged or mortgaged as collateral for performance bonds and other credit accommodations:

	December 31	
	2022	2021
Property, plant and equipment	\$ 148,896	\$ 148,896
Pledged bank deposits (included in other non-current assets)	499,905	515,375

## 30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

- As of December 31, 2022 and 2021, the balances of letters of credit for the purchase of raw materials were \$71,368 thousand and \$437,292 thousand, respectively.
- As of December 31, 2022 and 2021, the amounts of letters of guarantee issued by banks for the Corporation were both \$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 February 25, 2022, the Board of Directors of the Corporation approved the plan to build energy storage systems in the Corporation's Hoping factory with the aggregate investment amount of \$657,300 thousand.
- On May 10, 2022, the Board of Directors of the Corporation resolved to increase the capital of \$5,500,000 thousand to TCC Green Energy Corporation, as of December 31, 2022, part of the investment has been completed.

## 31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than the Corporation's functional currency and the exchange rates between such foreign currencies and the Corporation's functional currency were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

### December 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 59,778	30.71 (USD:NTD)	\$ 1,835,789
Non-monetary items			
USD	62,093	30.71 (USD:NTD)	1,906,876
HKD	49,687,115	3.938 (HKD:NTD)	195,667,858
EUR	1,219,110	32.72 (EUR:NTD)	39,985,279
			(Continued)

	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount (In Thousands)</b>
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 24,521	30.71 (USD:NTD)	\$ 753,043 (Concluded)

December 31, 2021

	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount (In Thousands)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 809,431	27.68 (USD:NTD)	\$ 22,405,050
Non-monetary items			
USD	62,792	27.68 (USD:NTD)	1,738,071
HKD	49,298,259	3.549 (HKD:NTD)	174,959,521
EUR	775,062	31.32 (EUR:NTD)	24,496,751

Financial liabilities

Monetary items			
USD	25,195	27.68 (USD:NTD)	697,406

The realized and unrealized foreign exchange losses were \$210,323 thousand and \$64,293 thousand for the years ended December 31, 2022 and 2021, respectively. It is impractical to disclose net foreign exchange losses by each significant foreign currency due to the variety of foreign currency transactions and functional currencies of the Corporation.

## 32. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures) (Table 3)
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the share capital (Table 4)
- 5) Acquisitions of individual real estate at costs of at least NT\$300 million or 20% of the share capital (None)
- 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the share capital (Table 5)

- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the share capital (Table 6)
  - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the share capital (Table 7)
  - 9) Trading in derivative instruments (Notes 7, 17 and 27)
  - 10) Information on investees (Table 8)
- b. Information on investments in mainland China (Table 9)
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area.
  - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
    - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
    - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
    - c) The amount of property transactions and the amount of the resultant gains or losses.
    - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
    - e) The highest balance during the year, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
    - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of service.
- c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (None)

### 33. OTHER EVENTS

Due to the impact of the COVID-19 pandemic since January 2020, governments all over the world have successively implemented various epidemic prevention measures, which slightly affected the business of the Corporation. Although the domestic pandemic has slowed down and the government regulations have been loosened, many countries are still under lockdown which could result in global recession and cause turbulence to the international relations, impacting the energy price rising. The Group has adopted relevant measures, including maintained close contact with customers and manufacturers, and committed to strengthen employee health management and cost management to mitigate the COVID-19 pandemic impact on the Corporation's operations. However, the actual impact on the Corporation still depends on the subsequent development of the pandemic.

TABLE 1

## TAIWAN CEMENT CORPORATION

FINANCINGS PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
1	Taiwan Transport & Storage Corporation	Tai-Jie Transport & Storage Corporation	Other receivables from related parties	Yes	\$ 100,000	\$ 100,000	\$ 70,000	1.95	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 1,118,539	\$ 1,118,539	
2.	Hong Kong Cement Co., Ltd.	TCCIH	Other receivables from related parties	Yes	533,674	508,742	508,742	3.745	The need for short-term financing	-	Operating capital	-	-	-	1,304,703	2,609,406	
3	TCC Investment Corporation	Tai-Jie Transport & Storage Corporation	Other receivables from related parties	Yes	40,000	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,675,548	1,675,548	
4	TCC Development Ltd.	TCCIH	Other receivables from related parties	Yes	299,592	287,474	287,474	3.075	The need for short-term financing	-	Operating capital	-	-	-	1,116,428	1,116,428	
5	TCCI	TCCIH	Other receivables from related parties	Yes	3,865,800	3,685,200	-	-	The need for short-term financing	-	Operating capital	-	-	-	113,099,217	226,198,434	
		TCC Dutch	Other receivables from related parties	Yes	1,636,000	1,636,000	-	-	The need for short-term financing	-	Operating capital	-	-	-	113,099,217	226,198,434	
		TCEH	Other receivables from related parties	Yes	654,400	654,400	-	-	The need for short-term financing	-	Operating capital	-	-	-	113,099,217	226,198,434	
6	TCEH	TCC Dutch	Other receivables from related parties	Yes	1,308,800	1,308,800	1,145,200	2.931	The need for short-term financing	-	Operating capital	-	-	-	8,980,951	17,961,902	
7	Yingde Dragon Mountain Cement Co., Ltd.	TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	931,488	882,112	882,112	3.045	The need for short-term financing	-	Operating capital	-	-	-	15,707,514	31,415,028	
		TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	1,061,896	1,005,608	793,901	3.045	The need for short-term financing	-	Operating capital	-	-	-	15,707,514	31,415,028	
		TCC (Guigang) Cement Ltd.	Other receivables from related parties	Yes	7,917,648	7,497,952	5,954,256	3.045	The need for short-term financing	-	Operating capital	-	-	-	15,707,514	31,415,028	
8	TCC (Guigang) Cement Ltd.	Guigang TCC DongYuan Environmental Technology Company Limited	Other receivables from related parties	Yes	139,723	132,317	-	-	The need for short-term financing	-	Operating capital	-	-	-	22,938,444	45,876,888	
		TCC Huaying Cement Company Limited	Other receivables from related parties	Yes	1,341,343	1,270,241	-	-	The need for short-term financing	-	Operating capital	-	-	-	22,938,444	45,876,888	
		TCC (Hangzhou) Recycle Resource Technology Limited	Other receivables from related parties	Yes	46,574	44,106	-	-	The need for short-term financing	-	Operating capital	-	-	-	22,938,444	45,876,888	
		TCC Anshun Cement Company Limited	Other receivables from related parties	Yes	465,744	441,056	-	-	The need for short-term financing	-	Operating capital	-	-	-	22,938,444	45,876,888	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	931,488	882,112	-	-	The need for short-term financing	-	Operating capital	-	-	-	22,938,444	45,876,888	
		TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	698,616	661,584	441,056	3.48	The need for short-term financing	-	Operating capital	-	-	-	22,938,444	45,876,888	
		Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	302,734	286,686	-	-	The need for short-term financing	-	Operating capital	-	-	-	22,938,444	45,876,888	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	1,304,083	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	22,938,444	45,876,888	
		Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	465,744	441,056	-	-	The need for short-term financing	-	Operating capital	-	-	-	22,938,444	45,876,888	
		TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	1,397,232	1,323,168	1,323,168	3.48	The need for short-term financing	-	Operating capital	-	-	-	22,938,444	45,876,888	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables from related parties	Yes	93,149	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	22,938,444	45,876,888	

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
9	TCC Yingde Cement Co., Ltd.	TCC Yongren (Hangzhou) Environmental Protection Technology Co., Ltd.	Other receivables from related parties	Yes	\$ 93,149	\$ 88,211	\$ 15,437	3.48	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 30,521,659	\$ 61,043,318	
		TCC Yongren (Hangzhou) Renewable Resources Development Co., Ltd.	Other receivables from related parties	Yes	53,554	44,106	2,205	3.48	The need for short-term financing	-	Operating capital	-	-	-	30,521,659	61,043,318	
		Beijing TCC Environment Technology Co., Ltd.	Other receivables from related parties	Yes	179,554	176,422	99,238	3.48	The need for short-term financing	-	Operating capital	-	-	-	30,521,659	61,043,318	
		TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	Other receivables from related parties	Yes	3,185,689	3,016,823	2,884,506	3.48	The need for short-term financing	-	Operating capital	-	-	-	30,521,659	61,043,318	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	838,339	793,901	-	-	The need for short-term financing	-	Operating capital	-	-	-	30,521,659	61,043,318	
		Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	232,872	220,528	-	-	The need for short-term financing	-	Operating capital	-	-	-	30,521,659	61,043,318	
		Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	465,744	441,056	44,106	3.48	The need for short-term financing	-	Operating capital	-	-	-	30,521,659	61,043,318	
		TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	232,872	220,528	220,528	3.48	The need for short-term financing	-	Operating capital	-	-	-	30,521,659	61,043,318	
		TCC Shaoquan Cement Co., Limited	Other receivables from related parties	Yes	5,468,255	5,178,396	4,851,616	3.48	The need for short-term financing	-	Operating capital	-	-	-	30,521,659	61,043,318	
		TCC (Dong Guan) Cement Co., Limited	Other receivables from related parties	Yes	465,744	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	30,521,659	61,043,318	
		TCC Anshun Cement Company Limited	Other receivables from related parties	Yes	931,488	882,112	-	-	The need for short-term financing	-	Operating capital	-	-	-	30,521,659	61,043,318	
		Guangan Changxing Cement Company Ltd.	Other receivables from related parties	Yes	931,488	882,112	-	-	The need for short-term financing	-	Operating capital	-	-	-	30,521,659	61,043,318	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	931,488	882,112	529,267	3.48	The need for short-term financing	-	Operating capital	-	-	-	30,521,659	61,043,318	
		TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	232,872	220,528	-	-	The need for short-term financing	-	Operating capital	-	-	-	30,521,659	61,043,318	
		TCC Chongqing Cement Company Limited	Other receivables from related parties	Yes	465,744	441,056	-	-	The need for short-term financing	-	Operating capital	-	-	-	30,521,659	61,043,318	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	698,616	661,584	-	-	The need for short-term financing	-	Operating capital	-	-	-	30,521,659	61,043,318	
10	TCC Fuzhou Cement Co., Ltd.	TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	326,021	308,739	-	-	The need for short-term financing	-	Operating capital	-	-	-	898,783	2,696,349	
		TCC New (Hangzhou) Management Company Limited	Other receivables from related parties	Yes	465,744	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	898,783	2,696,349	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	232,872	220,528	-	-	The need for short-term financing	-	Operating capital	-	-	-	898,783	2,696,349	
11	TCCIH	TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	226,745	214,726	209,387	-	The need for short-term financing	-	Operating capital	-	-	-	180,319,072	360,638,144	
12	Prime York Ltd.	Upper Value Investment Limited	Other receivables from related parties	Yes	209,304	200,838	200,838	-	The need for short-term financing	-	Operating capital	-	-	-	2,956,046	5,912,092	
13	Jurong TCC Cement Co., Ltd.	TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	1,397,232	1,323,168	520,446	3.48	The need for short-term financing	-	Operating capital	-	-	-	19,145,704	38,291,408	
		TCC Huaihua Concrete Company Limited	Other receivables from related parties	Yes	139,723	132,317	61,307	3.48	The need for short-term financing	-	Operating capital	-	-	-	19,145,704	38,291,408	
		Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	326,021	308,739	176,422	3.48	The need for short-term financing	-	Operating capital	-	-	-	19,145,704	38,291,408	
		Kaili TCC Environment Technology Co., Ltd.	Other receivables from related parties	Yes	396,950	396,950	246,991	3.48	The need for short-term financing	-	Operating capital	-	-	-	19,145,704	38,291,408	
		TCC Anshun Cement Company Limited	Other receivables from related parties	Yes	931,488	882,112	-	-	The need for short-term financing	-	Operating capital	-	-	-	19,145,704	38,291,408	
		TCC Chongqing Cement Company Limited	Other receivables from related parties	Yes	931,488	882,112	-	-	The need for short-term financing	-	Operating capital	-	-	-	19,145,704	38,291,408	
		Guangan Changxing Cement Company Ltd.	Other receivables from related parties	Yes	465,744	441,056	-	-	The need for short-term financing	-	Operating capital	-	-	-	19,145,704	38,291,408	
		TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	326,021	308,739	-	-	The need for short-term financing	-	Operating capital	-	-	-	19,145,704	38,291,408	
		TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	465,744	441,056	-	-	The need for short-term financing	-	Operating capital	-	-	-	19,145,704	38,291,408	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	698,616	661,584	-	-	The need for short-term financing	-	Operating capital	-	-	-	19,145,704	38,291,408	

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No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
14	TCC Anshun Cement Company Limited	Anshun Xin Tai Construction Materials Company Limited	Other receivables from related parties	Yes	\$ 93,149	\$ 88,211	\$ -	-	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 7,294,241	\$ 14,588,482	
		Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	279,446	264,634	264,634	3.48	The need for short-term financing	-	Operating capital	-	-	-	7,294,241	14,588,482	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables from related parties	Yes	139,723	132,317	-	-	The need for short-term financing	-	Operating capital	-	-	-	7,294,241	14,588,482	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	139,723	132,317	-	-	The need for short-term financing	-	Operating capital	-	-	-	7,294,241	14,588,482	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	139,723	132,317	-	-	The need for short-term financing	-	Operating capital	-	-	-	7,294,241	14,588,482	
		TCC Chongqing Cement Company Limited	Other receivables from related parties	Yes	931,488	882,112	-	-	The need for short-term financing	-	Operating capital	-	-	-	7,294,241	14,588,482	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	698,616	661,584	176,422	3.48	The need for short-term financing	-	Operating capital	-	-	-	7,294,241	14,588,482	
		TCC Anshun Cement Company Limited.	Other receivables from related parties	Yes	88,211	88,211	-	-	The need for short-term financing	-	Operating capital	-	-	-	2,917,696	2,917,696	
15	Guangan Changxing Cement Company Ltd.	Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd.	Other receivables from related parties	Yes	265,939	264,634	92,622	3.65	The need for short-term financing	-	Operating capital	-	-	-	6,280,442	12,560,884	
		TCC Huaying Cement Company Limited	Other receivables from related parties	Yes	465,744	441,056	-	-	The need for short-term financing	-	Operating capital	-	-	-	6,280,442	12,560,884	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	139,723	132,317	-	-	The need for short-term financing	-	Operating capital	-	-	-	6,280,442	12,560,884	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	698,616	661,584	507,214	3.48	The need for short-term financing	-	Operating capital	-	-	-	6,280,442	12,560,884	
		Kaili TCC Environment Technology Co., Ltd.	Other receivables from related parties	Yes	134,665	132,317	18,745	3.48	The need for short-term financing	-	Operating capital	-	-	-	6,280,442	12,560,884	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	93,149	88,211	-	-	The need for short-term financing	-	Operating capital	-	-	-	6,280,442	12,560,884	
16	Wayly Holdings Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	63,418	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,854,555	3,709,110	
17	TCC Chongqing Cement Company Limited	Guangan Changxing Cement Company Ltd.	Other receivables from related parties	Yes	465,744	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	9,672,136	19,344,272	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	232,872	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	9,672,136	19,344,272	
		Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	139,723	132,317	44,106	3.48	The need for short-term financing	-	Operating capital	-	-	-	9,672,136	19,344,272	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	232,872	220,528	-	-	The need for short-term financing	-	Operating capital	-	-	-	9,672,136	19,344,272	
		TCC Huaying Cement Company Limited	Other receivables from related parties	Yes	116,436	110,264	-	-	The need for short-term financing	-	Operating capital	-	-	-	9,672,136	19,344,272	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	931,488	882,112	872,850	3.48	The need for short-term financing	-	Operating capital	-	-	-	9,672,136	19,344,272	
		TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	93,149	88,211	-	-	The need for short-term financing	-	Operating capital	-	-	-	9,672,136	19,344,272	
		Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	139,723	132,317	132,317	3.48	The need for short-term financing	-	Operating capital	-	-	-	9,672,136	19,344,272	
18	TCC New (Hangzhou) Management Company Limited	Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	288,761	88,211	88,211	3.48	The need for short-term financing	-	Operating capital	-	-	-	389,088	778,176	
		Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	256,159	194,065	194,065	3.48	The need for short-term financing	-	Operating capital	-	-	-	389,088	778,176	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables from related parties	Yes	37,260	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	389,088	778,176	
19	Prosperity Minerals (China) Ltd.	TCC New (Hangzhou) Management Company Limited	Other receivables from related parties	Yes	371,416	351,728	348,434	-	The need for short-term financing	-	Operating capital	-	-	-	947,400	1,894,800	
20	Da Tong (Guigang) International Logistics Co., Ltd.	Guigang Da-Ho Shipping Co., Ltd.	Other receivables from related parties	Yes	139,723	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,009,376	2,018,753	
21	Taini (Hangzhou) Environmental Protection Technology Co., Ltd.	Taini Yongren (Hangzhou) Renewable Resources Technology Co., Ltd.	Other receivables from related parties	Yes	49,377	48,516	8,821	3.48	The need for short-term financing	-	Operating capital	-	-	-	6,837,726	13,675,452	

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No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
22	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	\$ 139,723	\$ 132,317	\$ -	-	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 3,690,907	\$ 3,690,907	
		Kaili TCC Environment Technology Co., Ltd.	Other receivables from related parties	Yes	186,298	176,422	176,422	3.48	The need for short-term financing	-	Operating capital	-	-	-	3,690,907	3,690,907	
23	TCC Huaihua Cement Company Limited	TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	93,149	88,211	-	-	The need for short-term financing	-	Operating capital	-	-	-	3,294,583	6,589,166	
24	Scitus Luzhou Cement Co., Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	93,149	88,211	-	-	The need for short-term financing	-	Operating capital	-	-	-	3,579,624	7,159,248	
25	E-One Moli Energy Corp.	E-One Moli Energy (Canada) Ltd.	Other receivables from related parties	Yes	433,166	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	5,428,301	10,856,602	
26	E-One Moli Energy (Canada) Ltd	E-One Moli Energy Corp.	Other receivables from related parties	Yes	196,134	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,609,430	3,218,859	
27	NHOA S.A.	NHOA ENERGY S.R.L.	Other receivables from related parties	Yes	304,000	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	861,659	861,659	
		NHOA ENERGY S.R.L.	Other receivables from related parties	Yes	304,000	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	861,659	861,659	
		NHOA AUSTRALIA PTY LTD	Other receivables from related parties	Yes	274,300	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	861,659	861,659	
		NHOA AUSTRALIA PTY LTD	Other receivables from related parties	Yes	274,300	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	861,659	861,659	
		ATLANTE S.R.L.	Other receivables from related parties	Yes	304,000	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	861,659	861,659	
		ATLANTE S.R.L.	Other receivables from related parties	Yes	160,000	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	861,659	861,659	
		ATLANTE FRANCE S.A.S.	Other receivables from related parties	Yes	144,000	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	861,659	861,659	
		NHOA CORPORATE S.R.L.	Other receivables from related parties	Yes	248,770	248,770	248,770	3.968	The need for short-term financing	-	Operating capital	-	-	-	861,659	861,659	
		ATLANTE TOPCO S.R.L.	Other receivables from related parties	Yes	674,032	674,032	549,696	3.968	The need for short-term financing	-	Operating capital	-	-	-	861,659	861,659	
28	NHOA ENERGY S.R.L.	NHOA AMERICAS LLC	Other receivables from related parties	Yes	32,215	30,710	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,683,984	3,367,968	
		ATLANTE S.R.L.	Other receivables from related parties	Yes	256,000	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,683,984	3,367,968	
		FREE2MOVE ESOLUTIONS S.P.A.	Other receivables from related parties	Yes	159,950	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	673,594	673,594	
29	NHOA AUSTRALIA PTY LTD	NHOA ENERGY S.R.L.	Other receivables from related parties	Yes	320,000	163,600	98,160	4.088	The need for short-term financing	-	Operating capital	-	-	-	527,944	1,055,888	
		NHOA ENERGY S.R.L.	Other receivables from related parties	Yes	307,100	307,100	276,390	4.088	The need for short-term financing	-	Operating capital	-	-	-	527,944	1,055,888	
30	NHOA CORPORATE S.R.L.	FREE2MOVE ESOLUTIONS S.P.A.	Other receivables from related parties	Yes	245,400	245,400	245,400	2.75-2.762	The need for short-term financing	-	Operating capital	-	-	-	268,778	268,778	
31	ATLANTE TOPCO S.R.L.	ATLANTE S.R.L	Other receivables from related parties	Yes	327,200	327,200	152,083	3.968	The need for short-term financing	-	Operating capital	-	-	-	489,294	978,588	
32	ATLANTE S.R.L.	ATLANTE FRANCE S.A.S.	Other receivables from related parties	Yes	147,240	147,240	-	-	The need for short-term financing	-	Operating capital	-	-	-	828,207	1,656,414	

Note 1: “Financing Limits for Each Borrower” and “Aggregate Financing Limits”:

- A. For Taiwan Cement Corporation, financing limits are as follows:
- a) Where a business relationship exists, the individual financing limits were the total transaction amounts with the borrower and 20% of Taiwan Cement Corporation’s net equity in the recent year.
- b) Where there is a need for a short-term financing facility, the individual financing limits were 20% of Taiwan Cement Corporation’s net equity as stated in its latest financial statements.
- c) For the above items a and b, the aggregate financing limits were 40% of Taiwan Cement Corporation’s net equity as stated in its latest financial statements.

(Continued)

B. The restrictions above in paragraph A, subparagraphs b and c shall not apply to inter-company loans of funds between foreign companies of which Taiwan Cement Corporation holds, directly or indirectly, 100% of the voting shares. The aggregate and individual financing limits for the companies were 200% and 100%, respectively, of the net equity of each company as stated in their respective latest financial statements. In addition, the aggregate and individual financing limits for TCC International Ltd. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for TCC Fuzhou Cement Co., Ltd. were 300% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for TCC New (Hangzhou) Management Company Limited were 1,200% and 600%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for Prosperity Minerals (China) Ltd. were 400% and 200%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for TCC Development Ltd. were 200% and 200%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for E-One Moli Energy (Canada) Ltd. were 600% and 300%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for NHOA S.A. were 40% and 40%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for NHOA ENERGY S.R.L. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for NHOA AUSTRALIA PTY LTD. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for ATLANTE TOPCO S.R.L. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for ATLANTE S.R.L. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for Taiwan Cement Europe Holdings BV were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for NHOA CORPORATE S.R.L. were 40% and 40%, respectively, of its net equity as stated in its latest financial statements.

(Concluded)

TABLE 2

## TAIWAN CEMENT CORPORATION

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 3)											
0	Taiwan Cement Corporation	Union Cement Traders Inc.	b	\$ 108,947,383	\$ 1,420,000	\$ 1,420,000	\$ 750,000	\$ -	0.65	\$ 217,894,766	Y	N	N	
		TCC Investment Corporation	b	108,947,383	2,570,000	2,370,000	1,630,000	-	1.09	217,894,766	Y	N	N	
		TCC Chemical Corporation	b	108,947,383	1,499,117	1,299,117	359,117	-	0.60	217,894,766	Y	N	N	
		Jin Chang Minerals Corporation	b	108,947,383	31,257	31,257	31,257	31,257	0.01	217,894,766	Y	N	N	
		Ho Sheng Mining Co., Ltd.	b	108,947,383	99,884	99,884	99,884	99,884	0.05	217,894,766	Y	N	N	
		TCC Energy Storage Technology Corporation	b	108,947,383	1,288,600	1,228,400	1,102,190	-	0.56	217,894,766	Y	N	N	
		TCCI	b	108,947,383	6,797,365	6,479,810	3,285,970	-	2.97	217,894,766	Y	N	N	
1	Ho Sheng Mining Co., Ltd.	Taiwan Cement Corporation	c	1,005,298	137,964	137,964	137,964	-	41.17	1,005,298	N	Y	N	
2	TCC Green Energy Corporation	TCC Chemical Corporation	a	13,437,112	6,117	6,117	6,117	-	0.05	13,437,112	N	N	N	
3	TCCIH	TCC Yingde Cement Co., Ltd.	b	90,159,536	1,949,738	545,598	-	-	0.30	180,319,072	Y	N	Y	
		Jurong TCC Cement Co., Ltd.	b	90,159,536	2,247,184	1,847,702	-	-	1.02	180,319,072	Y	N	Y	
		TCC Fuzhou Cement Co., Ltd.	b	90,159,536	1,215,393	735,088	-	-	0.41	180,319,072	Y	N	Y	
		TCC Liaoning Cement Company Limited	b	90,159,536	919,679	561,117	-	-	0.31	180,319,072	Y	N	Y	
		TCC (Guigang) Cement Ltd.	b	90,159,536	4,510,560	1,374,768	-	-	0.76	180,319,072	Y	N	Y	
		TCC Chongqing Cement Co., Limited	b	90,159,536	1,313,037	963,126	-	-	0.53	180,319,072	Y	N	Y	
		Guizhou Kong On Cement Company Limited	b	90,159,536	325,372	310,171	-	-	0.17	180,319,072	Y	N	Y	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	b	90,159,536	322,150	307,100	-	-	0.17	180,319,072	Y	N	Y	
		Guangan Changxing Cement Company Ltd.	b	90,159,536	326,021	-	-	-	-	180,319,072	Y	N	Y	
		TCC Anshun Cement Company Limited	b	90,159,536	698,616	661,584	-	-	0.37	180,319,072	Y	N	Y	
		TCC Huaihua Cement Company Limited	b	90,159,536	884,914	-	-	-	-	180,319,072	Y	N	Y	
		TCC Jingzhou Cement Company Limited	b	90,159,536	279,446	-	-	-	-	180,319,072	Y	N	Y	
4	TCC (Guigang) Cement Ltd.	Guigang Conch - TCC New Material Technology Co., Ltd.	f	11,469,222	139,723	132,317	-	-	0.58	22,938,444	N	N	Y	
5	TCC Dutch	NHOA S.A.	b	19,944,633	1,081,564	1,081,564	1,081,564	1,081,564	2.71	39,889,267	Y	N	N	
		NHOA AUSTRALIA PTY LTD.	b	19,944,633	2,677,747	-	-	-	-	39,889,267	Y	N	N	
6	NHOA S.A.	NHOA AUSTRALIA PTY LTD	b	4,308,294	3,589,098	3,037,989	2,893,323	-	141.03	8,616,587	Y	N	N	
		NHOA ENERGY S.R.L.	b	4,308,294	484,834	462,183	462,183	-	21.46	8,616,587	Y	N	N	
		ATLANTE S.R.L.	b	4,308,294	20,540	20,540	6,609	-	0.95	8,616,587	Y	N	N	
		ATLANTE IBERIA S.L.	b	4,308,294	492,741	492,741	-	-	22.87	8,616,587	Y	N	N	
7	NHOA ENERGY S.R.L.	NHOA AMERICAS LLC	b	3,367,968	118,818	113,267	113,267	-	6.73	6,735,936	Y	N	N	

Note 1: Limits on endorsement/guarantee given on behalf of each party were as follows:

- a. i For endorsements/guarantees given by Taiwan Cement Corporation due to business transactions, 50% of the business transaction amounts in the previous year.  
ii Except for i, the aggregate and individual endorsements/guarantees given by Taiwan Cement Corporation were the net equity in its respective latest financial statements and 50% of the net equity in its respective latest financial statements.

(Continued)

- b. Ho Sheng Mining Co., Ltd. guaranteed by land use lease agreement.
- c. Jin Chang Minerals Corporation guaranteed by deposit contract.
- d. NHOA S.A. guaranteed by deposit.

Note 2: Aggregate endorsement/guarantee limit was 300% of its net equity in its latest financial statements for Ho Sheng Mining Co., Ltd., and 400% of its net equity in its latest financial statements for NHOA S.A., and 400% of its net equity in its latest financial statements for NHOA ENERGY S.R.L., and the limit for other the 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:

- a. Having a business relationship.
- b. The endorser/guarantor directly or indirectly owns more than 50% of the ordinary shares of the endorsee/guarantee.
- c. The endorsee/guarantee directly or indirectly owns more than 50% of the ordinary shares of the endorser/guarantor.
- d. Company in which the public company directly or indirectly holds 90% or more of the voting shares may make endorsements/guarantees for each other.
- e. Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or joint builders for the purposes of undertaking a construction project.
- f. Due to joint venture, all shareholders provide endorsements/guarantees to the endorsee/guarantee in proportion to its ownership.
- g. Where companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

(Concluded)

TABLE 3

## TAIWAN CEMENT CORPORATION

MARKETABLE SECURITIES HELD  
DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taiwan Cement Corporation	<u>Ordinary shares</u>							
	Chien Kuo Construction Co., Ltd.	-	FVTPL - current	7,522	\$ 85,753	-	\$ 85,753	
	Taiwan Television Enterprise, Ltd.	The Corporation serves as supervisor	FVTPL - current	13,573	95,145	-	95,145	
	Chinatrust Financial Holding Co., Ltd.	-	FVTPL - current	3,576	79,021	-	79,021	
	China Hi-Ment Corporation	The Corporation serves as director	FVTOCI - current	30,196	1,389,023	-	1,389,023	
	Taishin Financial Holding Co., Ltd.	-	FVTOCI - current	70,071	1,058,067	-	1,058,067	
	CTCI Corporation	The Corporation serves as director	FVTOCI - current	9,054	378,925	-	378,925	
	Chia Hsin Cement Corporation	Directors	FVTOCI - current	27,419	477,098	-	477,098	
	O-Bank	The Corporation serves as director	FVTOCI - current	32,809	275,265	-	275,265	
	IBT II Venture Capital Corporation	-	FVTOCI - non-current	2,626	-	8.3	-	
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	29,553	872,097	9.4	872,097	
	Pan Asia Corporation	The Corporation serves as supervisor	FVTOCI - non-current	6,204	8,996	5.4	8,996	
	Taiwan Stock Exchange Corporation	The Corporation serves as director	FVTOCI - non-current	67,952	5,722,211	6.6	5,722,211	
	Excel Corporation	-	FVTOCI - non-current	600	-	9.5	-	
	Privately placed shares - Phihong Technology Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	37,520	1,030,300	9.998	1,030,300	
	<u>Convertible preference shares</u>							
	O-Bank	The Corporation serves as director	FVTOCI - current	2,956	29,441	-	29,441	
Taiwan Transport & Storage Corporation	<u>Ordinary shares</u>							
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	8,632	150,189	-	150,189	
TCC Investment Corporation	<u>Ordinary shares</u>							
	O-Bank	The Corporation serves as director	FVTOCI - current	24,214	203,158	-	203,158	21,000 thousand shares were pledged
	Taishin Financial Holding Co., Ltd.	-	FVTOCI - current	13,404	202,400	-	202,400	
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	8,334	145,010	-	145,010	7,000 thousand shares were pledged
	China Conch Venture Holdings Limited	-	FVTOCI - non-current	11,110	742,020	-	742,020	
	China Conch Environment Protection Holdings Limited	-	FVTOCI - non-current	11,110	138,691	-	138,691	
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	10,884	321,183	3.5	321,183	
	Pan Asia Corporation	The Corporation serves as supervisor	FVTOCI - non-current	1	14	-	14	
	<u>Convertible preference shares</u>							
	O-Bank	The Corporation serves as director	FVTOCI - current	2,182	21,728	-	21,728	
Ta-Ho Maritime Corporation	<u>Ordinary shares</u>							
	Prosperity Dielectrics Co., Ltd.	-	FVTPL - current	951	32,436	-	32,436	
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	25,761	448,246	-	448,246	
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	6,612	195,110	2.1	195,110	
TCC Chemical Corporation	<u>Ordinary shares</u>							
	Taiwan Stock Exchange Corporation	The Corporation serves as director	FVTOCI - non-current	3,880	326,741	-	326,741	
Hoping Industrial Port Corporation	<u>Ordinary shares</u>							
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	10,444	308,194	3.3	308,194	
E.G.C. Cement Corporation	<u>Ordinary shares</u>							
	Feng Yu United Engineering Company	-	FVTPL - current	119	-	0.1	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Union Cement Traders Inc.	<u>Ordinary shares</u>							
	Taishin Financial Holding Co., Ltd.	-	FVTOCI - current	30,953	\$ 467,391	-	\$ 467,391	
	CTCI Corporation	The Corporation serve as director	FVTOCI - current	13,365	559,339	-	559,339	
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	7,441	129,473	-	129,473	
	Videoland Inc.	-	FVTOCI - non-current	6,437	277,776	5.6	277,776	
TCCI (Group)	<u>Ordinary shares</u>							
	Anhui Conch Cement Co., Ltd.	-	FVTOCI - non-current	116,568	12,531,923	-	12,531,923	
	Yargoan Co., Ltd.	-	FVTOCI - non-current	19	-	12.5	-	
NHOA ENERGY S.R.L.	<u>Government bonds</u>							
	Bonos Y Oblig Del Estado	-	FVTPL - current	-	14,636	-	14,636	
	Buoni Ordinari Del Tes	-	FVTPL - current	-	22,275	-	22,275	
	Buoni Poliennali Del Tes	-	FVTPL - current	-	53,701	-	53,701	
	Obrigacoes Do Trsouro	-	FVTPL - current	-	19,136	-	19,136	
	France (GOVT OF)	-	FVTPL - current	-	76,965	-	76,965	
	Deutschland I/L Bond	-	FVTPL - current	-	35,397	-	35,397	
	Italien, Republik	-	FVTPL - current	-	55,662	-	55,662	
	<u>Corporate bonds</u>							
	RCI BANQUE SA	-	FVTPL - current	-	16,831	-	16,831	
	Goldman Sachs Group Inc.	-	FVTPL - current	-	6,311	-	6,311	
	STELLANTIS NV	-	FVTPL - current	-	6,266	-	6,266	
	Mercedes-Benz	-	FVTPL - current	-	12,267	-	12,267	
	<u>Government bonds</u>							
	Buoni Poliennali Del Tes	-	FVTPL - non-current	-	284,876	-	284,876	\$284,876 thousand were pledged
	<u>Preference shares</u>							
	GROUP 14 TECHNOLOGIES, INC.	-	FVTOCI - non-current	353	276,390	0.3	276,390	

Note 1: Marketable securities in the table refer to shares, bonds, beneficiary certificates and other related securities within the scope of IFRS 9 “Financial Instruments”.

Note 2: See Tables 8 and 9 for the information on investments in subsidiaries, associates and joint ventures.

(Concluded)

TABLE 4

## TAIWAN CEMENT CORPORATION

MARKETABLE SECURITIES ACQUIRED AND DISPOSED AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE SHARE CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Other Adjustment (Note)	Ending Balance	
					Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount	Carrying Amount	Gain on Disposal		Shares/Units (In Thousands)	Amount
Taiwan Cement Corporation	Shares TCCIH	Investments accounted for using the equity method	-	Subsidiary	2,581,832	\$ 60,257,962	889,386	\$ 21,466,100	-	\$ -	\$ -	\$ -	\$ 267,020	3,471,218	\$ 81,991,082
	TCC Dutch	Investments accounted for using the equity method	-	Subsidiary	838	24,496,751	341	10,869,300	-	-	-	-	4,619,228	1,179	39,985,279
	TCC Green Energy Corporation	Investments accounted for using the equity method	-	Subsidiary	950,899	9,379,579	400,000	4,000,000	-	-	-	-	108,686	1,350,899	13,488,265
	TCC Energy Storage Technology Corporation	Investments accounted for using the equity method	-	Subsidiary	200,600	1,979,067	50,000	500,000	-	-	-	-	(149,021)	250,600	2,330,046
TCC Green Energy Corporation	Chia-Ho Green Energy Corporation	Investments accounted for using the equity method	-	Subsidiary	10,000	67,292	304,500	3,045,000	-	-	-	-	(3,707)	314,500	3,108,585
	TCC Chia-Chien Green Energy Corporation	Investments accounted for using the equity method	-	Subsidiary	230,200	2,302,000	90,000	900,000	-	-	-	-	(77,168)	320,200	3,124,832
TCCI (HK)	TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	Investments accounted for using the equity method	-	Subsidiary	-	-	-	4,379,161	-	-	-	-	(398,004)	-	3,981,157
TCCIH	TCC Recycle Energy Technology Company	Investments accounted for using the equity method	-	Subsidiary	-	-	1,101,939	11,019,388	-	-	-	-	113,768	1,101,939	11,133,156
TCC Recycle Energy Technology Company	E-One Moli Energy Corp.	Investments accounted for using the equity method	-	Subsidiary	1,566,311	14,764,695	1,200,000	12,000,000	-	-	-	-	376,810	2,766,311	27,141,505
E-One Moli Energy Corp.	Molie Quantum Energy Corporation	Investments accounted for using the equity method	-	Subsidiary	1,000,100	9,921,156	1,200,000	12,000,000	-	-	-	-	(97,033)	2,200,100	21,824,123
NHOA S.A.	NHOA ENERGY S.R.L.	Investments accounted for using the equity method	-	Subsidiary	1,000	2,328,829	1,000	961,052	-	-	-	-	(1,655,610)	2,000	1,634,271
	ATLANTE TOPCO S.R.L.	Investments accounted for using the equity method	-	Subsidiary	-	-	1,000	420,706	-	-	-	-	(329,303)	1,000	91,403
	NHOA CORPORATE S.R.L.	Investments accounted for using the equity method	-	Subsidiary	-	-	1,000	671,676	-	-	-	-	(493,960)	1,000	177,716
ATLANTE TOPCO S.R.L.	ATLANTE S.R.L.	Investments accounted for using the equity method	-	Subsidiary	-	-	5,000	896,136	-	-	-	-	(406,988)	5,000	489,148
Ta-Ho Maritime Corporation	Ta-Ho Maritime Holdings Ltd.	Investments accounted for using the equity method	-	Subsidiary	44,300	5,451,392	30,000	884,250	-	-	-	-	863,938	74,300	7,199,580
Ta-Ho Maritime Holdings Ltd.	THC International S.A.	Investments accounted for using the equity method	-	Subsidiary	64,310	4,428,772	30,000	884,250	-	-	-	-	777,662	94,310	6,090,684

Note: Including the profit and loss parts of subsidiaries recognized under the equity method and adjustments to shareholder's equity.

TABLE 5

TAIWAN CEMENT CORPORATION

DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	Gain (Loss) on Disposal	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
Taiwan Cement Corporation	Taichung Business Office Located in six parcels of land and located in Six Subsection, Fuxing Section, East District, Taichung City, and the building thereon.	2022.09.15	1968.12.31	\$ 56,230	\$ 563,250	Received in full	\$ 506,247	Enlit Real Estate	Non-related party	Revitalize the company’s underused assets	Appraisal report	-



TABLE 6

## TAIWAN CEMENT CORPORATION

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE SHARE CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total (Note)	
Taiwan Cement Corporation	Feng Sheng Enterprise Company Limited	Subsidiary	Sales	\$ (724,389)	(3)	30 days	\$ -	-	\$ 195,623	29	
			Purchases	220,213	1	30 days	-	-	(25,579)	(2)	
	TCCIH	Subsidiary	Service revenue	(441,949)	(2)	By contract	-	-	37,423	5	
	HKCCL	Subsidiary	Sales	(820,408)	(3)	65 days counting from the completion of shipment	-	-	64,921	10	
	E.G.C. Cement Corporation	Subsidiary	Sales	(739,495)	(3)	50 days after the end of the day when delivery was made	-	-	105,628	15	
	Taiwan Transport & Storage Corporation	Subsidiary	Purchases	666,070	3	30 days	-	-	(148,407)	(13)	
	Hoping Industrial Port Corporation	Subsidiary	Purchases	483,438	2	20 days	-	-	(23,857)	(2)	
	Ta-Ho Maritime Corporation	Subsidiary	Purchases	2,181,766	11	30 days	-	-	(565,708)	(49)	
	Ho Sheng Mining Co., Ltd.	Subsidiary	Purchases	106,198	1	30 days	-	-	(8,975)	(1)	
	Jin Chang Minerals Corporation	Subsidiary	Purchases	288,053	1	30 days	-	-	(91,901)	(8)	
	Kuan-Ho Refractories Industry Corporation	Subsidiary	Purchases	242,147	1	By contract	-	-	(58,104)	(5)	
	Chia Hsin Cement Corporation	Directors of the corporation	Sales	(574,787)	(2)	65 days after the end of the day when delivery was made	-	-	110,880	16	
	China Hi-Ment Corporation	The Corporation serves as director	Purchases	819,521	4	60 days	-	-	(215,633)	(19)	
			Sales	(157,475)	(1)	60 days	-	-	37,338	5	
	CTCI Corporation	The Corporation serves as director	Sales	(186,326)	(1)	110 days	-	-	88,653	8	
Ho-Ping Power Company	Hoping Industrial Port Corporation	The same parent company	Purchases	1,062,754	4	20 days	-	-	(28,071)	(33)	
	HPC Power Service Corporation	The same parent company	Purchases	505,973	2	By contract	-	-	(48,331)	(56)	
Hoping Industrial Port Corporation	Taiwan Cement Corporation	Parent company	Sales	(483,438)	(30)	20 days	-	-	23,857	44	
	Ho-Ping Power Company	The same parent company	Sales	(1,062,754)	(65)	20 days	-	-	28,071	52	
	Taiwan Transport & Storage Corporation	The same parent company	Purchases	241,701	35	30 days	-	-	(21,298)	(89)	
Feng Sheng Enterprise Company Limited	Taiwan Cement Corporation	Parent company	Sales	(220,213)	(5)	30 days	-	-	25,579	100	
			Purchases	724,389	20	30 days	-	-	(195,623)	(100)	
Taiwan Transport & Storage Corporation	Taiwan Cement Corporation	Parent company	Sales	(666,070)	(42)	30 days	-	-	148,407	89	
	Hoping Industrial Port Corporation	The same parent company	Sales	(241,701)	(15)	30 days	-	-	21,298	13	
	Linyuan Advanced Materials Technology Co., Ltd.	The same chairman	Sales	(183,787)	(12)	30 days	-	-	11,232	7	
Ta-Ho Maritime Corporation	Taiwan Cement Corporation	Parent company	Freight revenue	(2,181,766)	(84)	30 days	-	-	565,708	100	
TCCIH	Taiwan Cement Corporation	Parent company	Service expense	441,949	100	By contract	-	-	(37,423)	(68)	
Ho Sheng Mining Co., Ltd.	Taiwan Cement Corporation	Parent company	Sales	(106,198)	(46)	30 days	-	-	8,975	30	
	Jin Chang Minerals Corporation	The same parent company	Sales	(123,656)	(54)	30 days	-	-	20,552	70	
HPC Power Service Corporation	Ho-Ping Power Company	The same parent company	Sales	(505,973)	(100)	By contract	-	-	48,331	100	
Da Tong (Guigang) International Logistics Co., Ltd.	TCC (Guigang) Cement Ltd.	The same ultimate parent company	Freight revenue	(336,318)	(86)	By negotiation	-	-	39,780	66	
Guigang Da-Ho Shipping Co., Ltd.	TCC Yingde Cement Co., Ltd.	The same ultimate parent company	Freight revenue	(173,952)	(19)	By negotiation	-	-	76,582	39	
	TCC (Guigang) Cement Ltd.	The same ultimate parent company	Freight revenue	(238,680)	(27)	By negotiation	-	-	93,657	48	
	TCC (Hangzhou) Environment Protection Technology Co., Ltd.	The same ultimate parent company	Freight revenue	(175,179)	(19)	By negotiation	-	-	24,826	13	

(Continued)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total (Note)	
TCC (Guigang) Cement Ltd.	Da Tong (Guigang) International Logistics Co., Ltd.	The same ultimate parent company	Purchases	\$ 336,318	5	By negotiation	\$ -	-	\$ (39,780)	(1)	
	Guigang Da-Ho Shipping Co., Ltd.	The same ultimate parent company	Purchases	238,680	3	By negotiation	-	-	(93,657)	(1)	
	TCC (Hangzhou) Environment Protection Technology Co., Ltd.	The same ultimate parent company	Purchases	2,352,837	33	By negotiation	-	-	(360,387)	(5)	
TCC Yingde Cement Co., Ltd.	Guigang Da-Ho Shipping Co., Ltd.	The same ultimate parent company	Purchases	173,952	1	By negotiation	-	-	(76,582)	(1)	
	TCC (Hangzhou) Environment Protection Technology Co., Ltd.	The same ultimate parent company	Purchases	4,753,837	38	By negotiation	-	-	(544,709)	(9)	
TCC (Hangzhou) Environment Protection Technology Co., Ltd	Guigang Da-Ho Shipping Co., Ltd.	The same ultimate parent company	Purchases	175,179	2	By negotiation	-	-	(24,826)	(100)	
	TCC Yingde Cement Co., Ltd.	The same ultimate parent company	Sales	(4,753,837)	(56)	By negotiation	-	-	544,709	52	
	TCC (Guigang) Cement Ltd.	The same ultimate parent company	Sales	(2,352,837)	(28)	By negotiation	-	-	360,387	34	
	TCC Shaoguan Cement Co., Ltd.	The same ultimate parent company	Sales	(1,365,104)	(16)	By negotiation	-	-	148,766	14	
HKCCL	Taiwan Cement Corporation	Parent company	Purchases	820,408	88	65 days counting from the completion of shipment	-	-	(64,921)	(97)	
	Quon Hing Concrete Co., Ltd.	Associate	Sales	(383,973)	(31)	By negotiation	-	-	137,255	38	
E.G.C. Cement Corporation	Taiwan Cement Corporation	Parent company	Purchases	739,495	100	50 days after the end of the day when delivery was made	-	-	(105,628)	(100)	
Jin Chang Minerals Corporation	Taiwan Cement Corporation	Parent company	Sales	(288,053)	(100)	30 days	-	-	91,901	100	
	Ho Sheng Mining Co., Ltd.	The same parent company	Purchases	123,656	84	30 days	-	-	(20,552)	(100)	
Kuan-Ho Refractories Industry Corporation	Taiwan Cement Corporation	Parent company	Sales	(242,147)	(24)	By contract	-	-	58,104	73	
E-One Moli Energy Corp.	E-One Moli Energy (Canada) Ltd.	The same ultimate parent company	Sales	(1,674,851)	(29)	90 days	-	-	559,791	35	
E-One Moli Energy (Canada) Ltd.	E-One Moli Energy Corp.	The same ultimate parent company	Purchases	1,674,851	100	90 days	-	-	(559,791)	(99)	
			Service revenue	(126,584)	(37)	90 days	-	-	32,141	7	
NHOA ENERGY S.R.L.	Taiwan Cement Corporation	Parent company	Sales	(334,350)	(14)	By negotiation	-	-	9,772	1	
	TCC Yingde Cement Co., Ltd.	The same ultimate parent company	Sales	(714,544)	(29)	By negotiation	-	-	345,902	25	
	TCC Lien-Hsin Green Energy Corporation	The same ultimate parent company	Sales	(261,673)	(11)	By negotiation	-	-	270,969	19	
TCC Shaoguan Cement Co., Ltd.	TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	The same ultimate parent company	Purchases	1,365,104	81	By negotiation	-	-	(148,766)	3	

Note: The percentage to total accounts receivable from (payable to) related parties.

(Concluded)

**TABLE 7**

**TAIWAN CEMENT CORPORATION**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE SHARE CAPITAL**

**DECEMBER 31, 2022**

**(In Thousands of New Taiwan Dollars)**

Related Party	Company Name	Relationship	Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Taiwan Cement Corporation	Feng Sheng Enterprise Company	Subsidiary	\$ 195,623	4.2	\$ -	-	\$ 138,608	\$ -
	E.G.C. Cement Corporation	Subsidiary	105,628	5.4	-	-	90,485	-
	Chia Hsin Cement Corporation	Directors	110,880	4.9	-	-	69,300	-
HKCCL	Quon Hing Concrete Co., Ltd.	Associates	137,255	2.9	-	-	71,193	-
E-One Moli Energy Corp.	E-One Moli Energy (Canada) Ltd.	The same ultimate parent company	559,791	2.8	-	-	310,500	-
Ta-Ho Maritime Corporation	Taiwan Cement Corporation	Parent company	565,708	3.9	-	-	369,614	-
Taiwan Transport & Storage Corporation	Taiwan Cement Corporation	Parent company	148,407	4.6	-	-	148,407	-
NHOA ENERGY S.R.L.	TCC Yingde Cement Co., Ltd.	The same ultimate parent company	345,902	4.1	-	-	345,902	-
	TCC Lien-Hsin Green Energy Corporation	The same ultimate parent company	270,969	1.9	-	-	270,969	-
TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	TCC Yingde Cement Co., Ltd.	The same ultimate parent company	544,709	17.5	-	-	301,321	-
	TCC (Gui Gang) Cement Ltd.	The same ultimate parent company	360,387	13.1	-	-	180,924	-
	TCC Shaoguan Cement Co., Ltd.	The same ultimate parent company	148,766	18.4	-	-	-	-

TABLE 8

## TAIWAN CEMENT CORPORATION

INFORMATION ON INVESTEEES  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2022	December 31, 2021	Shares/Units (In Thousands)	%	Carrying Amount			
Taiwan Cement Corporation	TCCI	British Virgin Islands	Investment holding	\$ 33,774,761	\$ 33,774,761	1,100,875,900	100.00	\$ 113,099,217	\$ 23,196	\$ 23,196	
	Ho-Ping Power Company	Taiwan	Thermal power generation	6,037,720	6,037,720	805,940,306	59.50	14,328,687	(1,488,561)	(885,694)	
	Hoping Industrial Port Corporation	Taiwan	Hoping Industrial Port management	3,198,500	3,198,500	319,990,000	100.00	5,722,337	700,877	700,855	
	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	528,506	528,506	175,078,520	64.79	3,579,298	803,053	520,277	
	Taiwan Transport & Storage Corporation	Taiwan	Warehousing, transportation and sale of sand and gravel	91,703	90,863	52,410,366	83.88	2,345,525	311,453	261,170	
	TCC Investment Corporation	Taiwan	Investment	190,000	190,000	239,800,000	100.00	4,374,356	671,787	671,787	
	Ho Sheng Mining Co., Ltd.	Taiwan	Mining excavation	1,414,358	1,414,358	30,100,000	100.00	1,279,400	8,689	8,689	
	CCC USA Corp.	U.S.A.	Rubber raw materials	1,284,421	1,284,421	79,166	33.33	1,899,822	(61,993)	(20,664)	
	Taiwan Cement Engineering Corporation	Taiwan	Engineering services	320,514	320,514	59,681,501	99.20	722,448	1,993	3,357	
	ONYX Ta-Ho Environmental Services Co., Ltd.	Taiwan	Waste collection and treatment	72,000	72,000	58,828,112	50.00	1,391,240	1,120,881	560,440	
	Kuan-Ho Refractories Industry Corporation	Taiwan	Production and sale of refractory materials	181,050	181,050	46,710,900	95.29	658,767	55,017	52,426	
	Feng Sheng Enterprise Company	Taiwan	Sale of ready-mixed concrete	250,000	250,000	27,260,611	45.43	486,573	285,905	129,899	
	TCC Chemical Corporation	Taiwan	Leasing property and energy technology services	1,510,842	1,510,842	140,000,000	100.00	1,324,924	94,359	94,359	
	TCC Information Systems Corporation	Taiwan	Information software design	71,000	71,000	14,904,000	99.36	333,143	66,187	65,764	
	Ta-Ho RSEA Environment Co., Ltd.	Taiwan	Waste collection and treatment	666,000	666,000	39,960,000	66.60	419,001	(943)	(628)	
	HKCMCL	Hong Kong	Investment holding	72,005	72,005	38,094	84.65	577,559	76,932	65,125	
	TCC Green Energy Corporation	Taiwan	Renewable energy generation	13,446,046	9,446,046	1,350,898,696	100.00	13,488,265	102,848	102,848	
	Jin Chang Minerals Corporation	Taiwan	Afforestation and sale of limestone	108,042	108,042	9,100,000	100.00	307,783	131,898	131,898	
	HPC Power Service Corporation	Taiwan	Business consulting	1,861	1,861	6,000	60.00	127,215	207,958	124,775	
	E.G.C. Cement Corporation	Taiwan	Sale of cement	184,359	184,359	8,062,600	50.64	122,655	34,973	17,712	
	Synpac Ltd.	British Virgin Islands	Investment	70,367	70,367	2,700,000	25.00	7,054	131	32	
	Tung Chen Mineral Corporation	Taiwan	Afforestation and sale of limestone	1,989	1,989	19,890	99.45	977	(249)	(249)	
	TMC	Philippines	Mining excavation	11,880	11,880	119,997	72.70	-	-	-	
	TPMC	Philippines	Mining excavation	2,105	2,105	19,996	40.00	-	-	-	
	TCCIH	Cayman Islands	Investment holding	62,167,771	40,701,671	3,471,217,785	45.47	81,991,082	(1,783,461)	(745,927)	
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	3,563,397	3,563,397	153,476,855	15.59	5,669,050	691,602	107,790	
	TCC Dutch	Netherlands	Investment holding	40,565,030	29,695,730	1,179,219	100.00	39,985,279	1,524,589	1,398,800	
	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	10,431,652	10,423,119	1,041,502,886	36.61	10,528,163	419,262	254,774	
	TCC Sustainable Energy Investment Corporation	Taiwan	Investment holding	1,000	1,000	100,000	100.00	899	(13)	(13)	
	TCC Energy Storage Technology Corporation	Taiwan	Energy storage equipment manufacturing production and sales	2,506,000	2,006,000	250,600,000	100.00	2,330,046	(149,021)	(149,021)	
	Tuo Shan Recycle Technology Company	Taiwan	Waste collection and treatment	1,000	1,000	100,000	100.00	944	(11)	(11)	
Taiwan Transport & Storage Corporation	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	303,435	303,432	79,050,904	29.25	1,616,113	803,053	234,914	
	E.G.C. Cement Corporation	Taiwan	Sale of cement	136,476	136,476	7,857,400	49.36	148,914	34,973	17,261	
	Tai-Jie Transport & Storage Corporation	Taiwan	Transportation	25,000	25,000	2,500,000	100.00	36,822	8,473	8,473	
TCC Investment Corporation	Union Cement Traders Inc.	Taiwan	Import and export trading	219,450	219,450	34,200,000	100.00	1,112,110	67,083	67,083	
	Ho-Ping Power Company	Taiwan	Thermal power generation	68,911	68,911	6,772,608	0.50	116,941	(1,488,561)	(7,443)	
	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	343	343	50,634	0.02	1,035	803,053	150	
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	388,079	388,079	22,008,505	2.23	806,566	691,602	15,458	
	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	312,833	312,833	31,859,829	1.12	227,617	419,262	8,115	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2022	December 31, 2021	Shares/Units (In Thousands)	%	Carrying Amount			
Ta-Ho Maritime Corporation	Ta-Ho Maritime Holdings Ltd.	Samoa	Investment	\$ 2,129,164	\$ 1,244,914	74,300,000	100.00	\$ 7,199,580	\$ 311,776	\$ 311,776	
TCC Information Systems Corporation	Taicem Information (Samoa) Pte., Ltd. International CSRC Investment Holdings Co., Ltd.	Samoa	Investment	3,042	3,042	100,000	100.00	65,190	13,412	13,412	
		Taiwan	Investment	49,882	49,882	2,055,473	0.21	75,370	691,602	1,444	
Hoping Industrial Port Corporation	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	112,898	112,898	11,695,699	0.41	83,558	419,262	2,979	
Union Cement Traders Inc.	Taiwan Transport & Storage Corporation	Taiwan	Warehousing, transportation and sale of sand and gravel	2,612	2,612	419,013	0.67	18,752	311,453	2,088	
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	281,806	281,806	11,463,551	1.16	420,345	691,602	8,052	
	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	298,046	298,046	30,702,994	1.08	219,352	419,262	7,820	
Ho-Ping Power Company	Ho-Ping Renewable Energy Company	Taiwan	Renewable energy generation	1,000	1,000	100,000	100.00	991	(3)	(3)	
TCC Green Energy Corporation	TCC Chia-Chien Green Energy Corporation	Taiwan	Renewable energy generation	3,202,000	2,302,000	320,200,000	100.00	3,124,832	43,528	43,528	
	TCC Yun-Kai Green Energy Corporation	Taiwan	Renewable energy generation	25,000	25,000	2,500,000	100.00	22,148	65	65	
	TCC Lien-Hsin Green Energy Corporation	Taiwan	Renewable energy generation	4,012,000	4,012,000	401,200,000	100.00	4,025,239	17,895	17,895	
	TCC Chang-Ho Green Energy Corporation	Taiwan	Renewable energy generation	2,456	2,456	245,635	100.00	2,346	(30)	(30)	
	TCC Kao Cheng Green Energy Corporation	Taiwan	Renewable energy generation	82,000	82,000	8,200,000	100.00	83,784	1,562	1,562	
	TCC Nan Chung Green Energy Corporation	Taiwan	Renewable energy generation	170,000	170,000	17,000,000	100.00	170,075	625	625	
	Chang-Wang Wind Power Co., Ltd.	Taiwan	Renewable energy generation	720,000	720,000	72,000,000	100.00	740,347	43,743	43,743	
	TCC Ping-Zhi Green Energy Corporation	Taiwan	Renewable energy generation	2,000	2,000	200,000	100.00	1,852	(31)	(31)	
	Chia-Ho Green Energy Corporation	Taiwan	Renewable energy generation	3,145,000	100,000	314,500,000	85.00	3,108,585	(10,134)	(9,545)	
	TCC Tung-Li Green Energy Corporation	Taiwan	Renewable energy generation	270,000	150,000	27,000,000	100.00	242,952	(21,013)	(21,013)	
Ta-Ho Maritime Holdings Ltd.	THC International S.A.	Panama	Marine transportation	2,699,049	1,814,799	94,310,000	100.00	6,090,684	248,276	248,276	
	Ta-Ho Maritime (Hong Kong) Limited	Hong Kong	Marine transportation	141,168	141,168	5,100,000	100.00	1,025,345	63,783	63,783	
	Ta-Ho Maritime (Singapore) Pte. Ltd.	Singapore	Marine transportation	2,768	2,768	100,000	100.00	73,028	(30)	(30)	
TCC International Ltd. (Group)	Quon Hing Concrete Co., Ltd.	Hong Kong	Investment holding	157,899	157,899	100,000	50.00	233,343	135,570	67,785	
	Hong Kong Concrete Co., Ltd.	Hong Kong	Cement processing services	24,211	24,211	129,150	31.50	190,844	99,941	31,481	
	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	11,019,388	-	1,101,938,824	38.73	11,133,156	419,262	15,195	
TCC Recycle Energy Technology Company	E-One Moli Energy Corp.	Taiwan	Manufacturing and sales of Lithium battery	27,683,427	15,683,427	2,766,310,703	100.00	27,141,505	418,013	418,013	
E-One Moli Energy Corp.	E-One Holdings Ltd.	British Virgin Islands	Investment holding	2,050,040	2,050,040	65,344,940	100.00	536,510	74,751	74,751	
	Molie Quantum Energy Corporation	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	22,001,000	10,001,000	2,200,100,000	100.00	21,824,123	(94,224)	(94,224)	
E-One Holdings Ltd.	E-One Moli Holdings (Canada) Ltd.	Canada	Investment holding	2,430,170	2,430,170	23,800	100.00	536,473	74,751	74,751	
E-One Moli Holdings (Canada) Ltd.	E-One Moli Energy (Canada) Ltd.	Canada	Battery research and development and sales	1,917,161	1,917,161	6,649,200	100.00	533,765	74,746	74,746	
TCC Energy Storage Technology Corporation	Energy Helper TCC Corporation	Taiwan	Renewable energy retail and energy technology services	10,000	-	1,000,000	100.00	9,599	(401)	(401)	
TCC Dutch	Cimpor Global Holdings B.V.	Netherlands	Holding company	26,255,753	26,255,753	100,000	40.00	30,866,698	7,066,885	2,759,525	
	TCEH	Netherlands	Investment holding	10,627,883	10,627,883	75,001,000	100.00	8,980,951	(933,161)	(933,161)	
TCEH	NHOA S.A.	France	Investment holding	7,595,278	7,595,278	16,635,102	65.15	6,043,134	(1,240,776)	(923,167)	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2022	December 31, 2021	Shares/Units (In Thousands)	%	Carrying Amount			
NHOA S.A.	NHOA ENERGY S.R.L.	Italy	Renewable energy and energy storage system construction	\$ 1,963,292	\$ 1,002,240	2,000,000	100.00	\$ 1,634,271	\$ (257,067)	\$ (257,067)	
	ELECTRO POWER SYSTEM MANUFACTURING	Italy	Intellectual property	664,059	664,059	1,004,255	100.00	227,365	90,713	90,713	
	Comores Energie Nouvelles S.A.R.L.	Union of the Comoros	Independent power plants	18,719	305	100	100.00	(21,847)	(9,634)	(6,909)	
	ATLANTE TOPCO S.R.L.	Italy	Investment holding	420,706	-	1,000,000	100.00	91,403	(378,005)	(378,005)	
	NHOA CORPORATE S.R.L.	Italy	Investment holding	671,676	-	1,000,000	100.00	177,716	(417,828)	(417,828)	
NHOA AMERICAS LLC	NHOA LATAM S.A.C.	Peru	Renewable energy and energy storage system construction	3	-	300	10.00	256	2,474	247	
NHOA CORPORATE S.R.L.	FREE2MOVE ESOLUTIONS S.P.A.	Italy	Electric vehicle charging equipment	528,255	-	16,344,531	49.90	177,440	(837,233)	(417,779)	Note
NHOA ENERGY S.R.L.	FREE2MOVE ESOLUTIONS S.P.A.	Italy	Electric vehicle charging equipment	-	528,255	-	-	-	(837,233)	-	Note
	NHOA AMERICAS LLC	U.S.A.	Renewable energy and energy storage system construction	274	274	10,000	100.00	(1,708)	(38,719)	(38,719)	
	NHOA AUSTRALIA PTY LTD	Australia	Renewable energy and energy storage system construction	505,225	505,225	25,210,000	100.00	527,944	22	22	
	NHOA LATAM S.A.C.	Peru	Renewable energy and energy storage system construction	23	-	2,700	90.00	2,556	2,474	2,226	
	ATLANTE S.R.L.	Italy	Renewable energy and charging equipment	-	78,136	-	-	-	-	-	Note
ATLANTE TOPCO S.R.L.	ATLANTE S.R.L.	Italy	Renewable energy and charging equipment	896,136	-	5,000,000	100.00	489,148	(377,550)	(377,550)	Note
ATLANTE S.R.L.	ATLANTE IBERIA S.L.	Spain	Renewable energy and charging equipment	128	-	4,000	100.00	(2,510)	(45,087)	(45,087)	
	ATLANTE FRANCE S.A.S.	France	Renewable energy and charging equipment	3,192	-	100,000	100.00	23,982	(72,782)	(72,782)	
	ATLANTE Fast Charging Portugal LDA	Portugal	Renewable energy and charging equipment	4,000	-	1,000	100.00	(1,586)	(1,646)	(1,646)	
FREE2MOVE ESOLUTIONS S.P.A.	FREE2MOVE ESOLUTIONS FRANCE S.A.S.	France	Electric vehicle charging equipment	1,553	-	100,000	100.00	(2,698)	(4,154)	(4,154)	
	FREE2MOVE ESOLUTIONS SPAIN S.L.U.	Spain	Electric vehicle charging equipment	3,126	-	100,000	100.00	(3,102)	(6,109)	(6,109)	
	FREE2MOVE ESOLUTIONS NORTH AMERICA LLC	U.S.A.	Electric vehicle charging equipment	3,071	-	100,000	100.00	(50,646)	(50,504)	(50,504)	
	FREE2MOVE ESOLUTIONS UK LTD	UK	Electric vehicle charging equipment	3,709	-	100,000	100.00	(863)	(851)	(851)	

Note: Due to the Group strategic development and operating arrangement, the Group proceeded an organizational restructuring by transferring the equity interest of ATLANTE S.R.L. held by NHOA ENERGY S.R.L. to ATLANTE TOPCO S.R.L. and FREE2MOVE ESOLUTIONS S.P.A. held by NHOA ENERGY S.R.L. to NHOA CORPORATE S.R.L. in 2022.

(Concluded)

TABLE 9

## TAIWAN CEMENT CORPORATION

INFORMATION ON INVESTMENT IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)

A.

Investee Company	Main Businesses and Products	Share Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022 (Note 2)	Investment Flow (Note 2)		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022 (Note 2)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of December 31, 2022 (Note 3)	Accumulated Repatriation of Investment Income as of December 31, 2022	Note
					Outflow	Inflow							
TCC Fuzhou Cement Co., Ltd.	Manufacturing and sale of cement	\$ 499,038	(b)	\$ 281,956	\$ -	\$ -	\$ 281,956	\$ (124,393)	100.00	\$ (124,393)	\$ 898,783	\$ -	
TCC Fuzhou Yangyu Port Co., Ltd.	Service of port facility	153,550	(b)	86,756	-	-	86,756	7,315	100.00	7,315	313,905	-	
TCC Liuzhou Construction Materials Company Limited	Manufacturing and sale of slag powder	414,585	(b)	99,500	-	-	99,500	(27,389)	42.00	(11,504)	353,766	-	
TCC Yingde Cement Co., Ltd.	Manufacturing and sale of cement	7,812,624	(b)	4,881,692	-	-	4,881,692	362,692	100.00	362,692	30,512,659	-	
Jurong TCC Cement Co., Ltd.	Manufacturing and sale of cement	7,155,430	(b)	4,176,406	-	-	4,176,406	241,523	100.00	241,523	18,130,163	-	
TCC (Gui Gang) Cement Ltd.	Manufacturing and sale of cement	10,222,619	(b)	7,312,047	-	-	7,312,047	(1,678,662)	100.00	(1,678,662)	22,938,444	-	
Jiangsu TCC Investment Co., Ltd.	Investment holding	1,535,500	(b)	867,558	-	-	867,558	22,628	100.00	22,628	4,032,381	-	
Yingde Dragon Mountain Cement Co., Ltd.	Manufacturing and sale of cement	1,887,109	(b)	3,336,123	-	-	3,336,123	412,526	100.00	412,526	15,707,514	-	
TCC Liaoning Cement Company Limited	Manufacturing and sale of cement	1,635,368	(b)	1,369,098	-	-	1,369,098	(90,447)	100.00	(90,447)	1,795,063	-	
TCC Anshun Cement Company Limited	Manufacturing and sale of cement	4,713,678	(b)	3,434,176	-	-	3,434,176	(68,328)	100.00	(68,328)	7,296,107	-	
TCC Chongqing Cement Company Limited	Manufacturing and sale of cement	3,623,780	(b)	2,620,219	-	-	2,620,219	120,471	100.00	120,471	9,672,136	-	
Guangan Changxing Cement Company Ltd.	Manufacturing and sale of cement	2,364,363	(b)	1,716,547	-	-	1,716,547	216,775	100.00	216,775	6,280,442	-	
TCC (Dong Guan) Cement Company Ltd.	Manufacturing and sale of cement	614,200	(b)	347,023	-	-	347,023	21,576	100.00	21,576	3,544	-	
Guizhou Kong On Cement Company Limited	Manufacturing and sale of cement	623,413	(b)	281,002	-	-	281,002	(116,499)	65.00	(75,725)	349,159	-	
TCC New (Hangzhou) Management Company Limited	Operation management	245,680	(b)	138,809	-	-	138,809	(4,195)	100.00	(4,195)	64,848	-	
Guizhou Kaili Rui An Jian Cai Co., Ltd.	Manufacturing and sale of cement	1,717,623	(b)	1,098,632	-	-	1,098,632	(89,289)	100.00	(89,289)	3,690,907	-	
TCC Shaoguan Cement Co., Limited	Manufacturing and sale of cement	2,122,061	(b)	1,988,473	-	-	1,988,473	(255,685)	100.00	(255,685)	1,576,446	-	
TCC Huaying Cement Company Limited	Manufacturing and sale of cement	4,187,071	(b)	3,152,936	-	-	3,152,936	(415,140)	100.00	(415,140)	3,294,583	-	
TCC Huaihua Cement Company Limited (Note 4)	Manufacturing and sale of cement	1,322,400	(b)	5,771,739	-	-	5,771,739	(443,837)	100.00	(443,837)	4,563,663	-	
TCC Jingzhou Cement Company Limited (Note 4)	Manufacturing and sale of cement	661,200	(b)	-	-	-	-	(122,645)	100.00	(122,645)	2,152,452	-	
TCC Huaihua Concrete Company Limited (Note 4)	Sale of ready-mixed concrete	44,080	(b)	-	-	-	-	(14,562)	100.00	(14,562)	18,345	-	
TCC Jiangsu Mining Industrial Company Limited	Mining excavation	122,840	(b)	384,087	-	-	384,087	51,862	100.00	51,862	401,336	-	
TCC Yingde Mining Industrial Company Limited	Mining excavation	353,165	(b)	277,854	-	-	277,854	(5,545)	100.00	(5,545)	360,789	-	
TCC Guigang Mining Industrial Company Limited	Mining excavation	153,550	(b)	132,625	-	-	132,625	4,652	100.00	4,652	397,997	-	
Scitus Naxi Cement Co., Ltd.	Manufacturing and sale of cement	645,816	(b)	-	-	-	-	(111,179)	100.00	(111,179)	482,341	-	
Scitus Luzhou Cement Co., Ltd.	Manufacturing and sale of cement	1,741,160	(b)	-	-	-	-	126,153	100.00	126,153	3,579,624	-	
Scitus Hejiang Cement Co., Ltd.	Manufacturing and sale of cement	102,486	(b)	-	-	-	-	4,608	100.00	4,608	8,850	-	
Scitus Luzhou Concrete Co., Ltd.	Sale of ready-mixed concrete	110,200	(b)	-	-	-	-	(15,358)	100.00	(15,358)	81,455	-	
Anshun Xin Tai Construction Materials Company Limited	Filtering of sand and gravel and sale of ready-mixed concrete	66,120	(b)	93,843	-	-	93,843	(8,227)	100.00	(8,227)	56,289	-	
Fuzhou TCC Information Technology Co., Ltd. (Note 5)	Software product and equipment maintenance	2,955	(b)	2,955	-	-	2,955	9,717	100.00	9,717	27,049	39,372	
Da Tong (Guigang) International Logistics Co., Ltd. (Note 5)	Logistics and transportation	153,550	(b)	-	-	-	-	64,081	100.00	64,081	1,009,376	-	
Da Tong (Ying De) Logistics Co., Ltd. (Note 5)	Logistics and transportation	22,040	(b)	-	-	-	-	12,757	100.00	12,757	146,297	-	
Guigang Da-Ho Shipping Co., Ltd. (Note 5)	Marine transportation	17,632	(b)	-	-	-	-	39,263	100.00	39,263	574,843	-	
Prosperity Conch Cement Co., Ltd.	Manufacturing and sale of cement	2,556,640	(b)	2,248,152	-	-	2,248,152	1,354,080	25.00	338,520	8,198,939	-	
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Manufacturing and sale of cement	3,636,600	(b)	1,465,697	-	-	1,465,697	66,909	30.00	22,426	1,536,535	-	Note 3
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Manufacturing and sale of cement	1,818,653	(b)	709,757	-	-	709,757	152,030	30.00	40,931	929,214	-	Note 3
Sichuan Taichang Building Material Group Company Limited	Manufacturing and sale of cement	881,600	(b)	354,801	-	-	354,801	34,426	30.00	10,328	565,573	-	
Yingjing Xinan New material Co., Ltd.	Manufacturing and sale of cement	88,160	(b)	-	-	-	-	-	30.00	-	(168,966)	-	
Guangan Xin Tai Construction Materials Company Limited	Manufacturing and sale of concrete aggregate	68,324	(b)	48,437	-	-	48,437	-	50.00	-	-	-	
Guigang TCC Dong Yuan Environmental Technology Company Limited	Dangerous waste treatment	881,600	(b)	515,736	-	-	515,736	91,439	100.00	91,439	1,015,695	-	
Beijing TCC Environmental Technology Co., Ltd.	Technology development, enterprise management and sales	26,448	(b)	26,448	-	-	26,448	(42,124)	100.00	(42,124)	(106,096)	-	
TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	Environment, cement, business management consulting	7,449,520	(b)	3,085,600	4,379,161	-	7,464,761	(11,949)	100.00	(11,949)	6,796,117	-	
Kaili TCC Environment Technology Co., Ltd.	Waste collection and treatment	35,264	(b)	13,224	-	-	13,224	(6,136)	100.00	(6,136)	(72,866)	-	
TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd.	Technology development, enterprise management and sales	17,632	(b)	9,698	-	-	9,698	139	55.00	77	8,981	-	

(Continued)

Investee Company	Main Businesses and Products	Share Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022 (Note 2)	Investment Flow (Note 2)		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022 (Note 2)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of December 31, 2022 (Note 3)	Accumulated Repatriation of Investment Income as of December 31, 2022	Note
					Outflow	Inflow							
Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd.	Technology development, enterprise management consulting	\$ 132,240	(b)	\$ -	\$ -	\$ -	\$ -	\$ (4,288)	45.00	\$ (1,740)	\$ 88,687	\$ -	
TCC (Hangzhou) Recycle Resource Technology Environmental Limited	Resource recycling technology development, business management and sales	2,468,480	(b)	-	-	-	-	28,786	100.00	28,786	2,532,021	-	
Guigang Conch-TCC New Material Technology Co., Ltd.	Technology development and service, Manufacturing and sale of dedicated chemical production	105,792	(b)	-	-	-	-	138,332	40.00	55,333	90,781	-	
Jurong TCC Environmental Co., Ltd.	Dangerous waste treatment	661,200	(b)	-	-	-	-	1,500	100.00	1,500	656,578	-	
Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.	Manufacturing and sale of cement, technology development, enterprise management and sales	1,763,200	(b)	-	-	-	-	(199,029)	40.00	(79,612)	604,483	-	
TCC Yongren (Hangzhou) Renewable Resources Technology Co., Ltd.	Resource recycling technology consultation, biomass energy technology and fuel sales, solid waste treatment	4,408	(b)	-	-	-	-	(126)	100.00	(126)	2,420	-	
TCC Yongren (Hangzhou) Renewable Resources Development Co., Ltd.	Resource recycling technology consultation, solid waste treatment, biomass fuel sales	26,448	(b)	-	-	-	-	86	100.00	86	26,548	-	
TCC Yongren (Hangzhou) Environmental Protection Technology Co., Ltd.	Resource reusing technology and development, solid waste treatment, biomass fuel processing and sales	4,408	(b)	-	-	-	-	(65)	100.00	(65)	4,346	-	
TCC Yongren (Hangzhou) Environmental Technology Co., Ltd.	Resource regeneration technology research and development, solid waste treatment, biomass fuel processing and sales	4,408	(b)	-	-	-	-	(1)	100.00	(1)	4,410	-	
TCC (Shaoguan) Environment Technology Co., Ltd.	Biomass fuel processing and sales, solid waste treatment, urban and kitchen waste treatment	4,408	(b)	-	-	-	-	13	100.00	13	4,423	-	
TCC Zhongrun (Anshun) Environmental Technology Co., Ltd.	Co-processing fly ash disposal and domestic waste fly ash in Cement Kiln	22,040	(b)	-	-	-	-	88	65.00	-	12,129	-	

Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$80,519,806	\$81,212,007	(Note 6)

Note 1: The method of investments were as follows:

- Direct investment in mainland companies.
- Investments in mainland China companies were through a company invested and established in a third region.

Note 2: Including outward remittance from offshore subsidiaries.

Note 3: Investment gain (loss) was based on the associates' audited financial statements except Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd., Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd. and TCC Zhongrun (Anshun) Environmental Technology Co., Ltd. The Group considers that there would be no significant adjustments if such financial statements were to be audited.

Note 4: As of December 31, 2022, the accumulated outward remittance for investments was a total of those from TCC Huaihua Cement Company Limited, TCC Jingzhou Cement Company Limited and TCC Huaihua Concrete Company Limited.

Note 5: Including the amounts attributable to non-controlling interests.

Note 6: The Corporation received a confirmation letter of Operation Headquarter from the Industrial Development Bureau of the MOEA in March 2020 stating that the Corporation is not limited by the restriction on the accumulated percentage or amount of investment in mainland China.

B. Refer to Tables 1, 2, 4, 6, 7 and 9 for the information about significant transactions with investees in the mainland China either directly or indirectly through a third area.

(Concluded)



# TAIWAN CEMENT CORPORATION

## THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

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**TAIWAN CEMENT CORPORATION****STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

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<b>Item</b>	<b>Period</b>	<b>Annual Rate</b>	<b>Amount</b>
Cash			
Cash on hand			\$ 1,236
Checking accounts and demand deposits (Note)			<u>3,044,369</u>
			<u>3,045,605</u>
Cash equivalents			
Time deposits with original maturities of less than 3 months (Note)	2022.12.09-2023.01.09	4.05%	<u>1,197,690</u>
			<u>\$ 4,243,295</u>

Note: Including US\$39,000 thousand, the rate of exchange US\$1=\$30.71.

**TAIWAN CEMENT CORPORATION****STATEMENT OF FINANCIAL ASSETS AT FVTOCI - CURRENT****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars, Unless Unit Price is New Taiwan Dollars)**

Name of Financial Instruments	Number of Shares (In Thousands)	Cost of Acquisition	Fair Value (Note)	
			Unit Price	Total Amount
Taishin Financial Holding Co., Ltd.	70,071	\$ 646,575	15.10	\$ 1,058,067
China Hi-Ment Corporation	30,196	261,546	46.00	1,389,023
Chia Hsin Cement Corporation	27,419	305,388	17.40	477,098
CTCI Corporation	9,054	200,438	41.85	378,925
O-Bank				
Ordinary shares	32,809	305,799	8.39	275,265
Convertible preference shares	2,956	<u>29,559</u>	9.96	<u>29,441</u>
		<u>\$ 1,749,305</u>		<u>\$ 3,607,819</u>

Note: Calculated based on the closing price and the last strike price on December 31, 2022.

**TAIWAN CEMENT CORPORATION****STATEMENT OF NOTES AND ACCOUNTS RECEIVABLE****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars)**

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<b>Client Name (Note)</b>	<b>Amount</b>
Client A	\$ 261,135
Client B	259,387
Client C	254,260
Others	<u>4,583,246</u>
	5,358,028
Less: Allowance for doubtful accounts	<u>38,660</u>
	<u><u>\$ 5,319,368</u></u>

Note: The amount of individual client does not exceed 5% of the account balance.

**TAIWAN CEMENT CORPORATION****STATEMENT OF INVENTORIES****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Amount</b>	
	<b>Cost</b>	<b>Net Realizable Value</b>
Finished goods	\$ 736,514	\$ 872,836
Work in process	381,340	395,337
Raw materials	<u>1,437,831</u>	<u>1,316,472</u>
	2,555,685	<u>\$ 2,584,645</u>
Less: Allowance for write-downs (Note)	<u>233,835</u>	
	<u>\$ 2,321,850</u>	

Note: Included provision for obsolete inventory loss.

## TAIWAN CEMENT CORPORATION

STATEMENT OF FINANCIAL ASSETS AT FVTOCI - NON-CURRENT  
FOR THE YEAR ENDED DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars, Unless Unit Price is New Taiwan Dollars)

Name of Securities	Balance at January 1, 2022		Addition		Unrealized Gain (Loss) on Financial Instruments	Fair Value on December 31, 2022		
	Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount		Number of Shares (In Thousands)	Unit Price	Balance, December 31, 2022
Privately placed listed shares								
Phihong Technology Co., Ltd.	37,520	\$ 1,255,794	-	\$ -	\$ (225,495)	37,520	\$27.46	\$ 1,030,299
Unlisted shares								
Taiwan Stock Exchange Corporation	55,698	6,002,580	12,254	-	(280,369)	67,952	84.21	5,722,211
Chinatrust Investment Co., Ltd.	29,553	1,177,376	-	-	(305,279)	29,553	29.51	872,097
IBT II Venture Capital Corporation	2,626	14,509	-	-	(14,509)	2,626	-	-
Pan Asia Corporation	6,204	8,996	-	-	-	6,204	1.45	8,996
Excel Corporation	600	-	-	-	-	600	-	-
		<u>\$ 8,459,255</u>		<u>\$ -</u>	<u>\$ (825,652)</u>			<u>\$ 7,633,603</u>

## TAIWAN CEMENT CORPORATION

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars, Unless Unit Price is New Taiwan Dollars)

Name of Investee Company	Balance, January 1, 2022		Changes for the Year		Investee Company Distributed as Cash Dividends	Investment Income or Loss for Using the Equity Method (Note 6)	Equity Adjustments (Note 1)	Balance, December 31, 2022			Market Price (Note 5)	
	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount				Shares (In Thousands)	Ownership	Amount	Unit Price	Total Amount
Listed company												
International CSRC Investment Holdings Co., Ltd.	153,477	\$ 5,642,349	-	\$ -	\$ (30,695)	\$ 107,790	\$ (50,394)	153,477	15.6	\$ 5,669,050	\$ 19.5	\$ 2,985,125
Unlisted company												
TCCI	1,100,876	114,241,779	-	-	-	23,196	(1,165,758)	1,100,876	100.0	113,099,217		
TCCIH (Note 2)	2,581,832	60,257,962	889,386	21,466,100	-	(745,927)	1,012,947	3,471,218	45.5	81,991,082		
Taiwan Cement Dutch (Note 2)	838	24,496,751	341	10,869,300	-	1,398,800	3,220,428	1,179	100.0	39,985,279		
Ho-Ping Power Company	805,940	16,403,671	-	-	(1,190,000)	(885,694)	710	805,940	59.5	14,328,687		
Hoping Industrial Port Corporation	319,990	5,865,242	-	-	(735,977)	700,855	(107,783)	319,990	100.0	5,722,337		
TCC Investment Corporation (Note 3)	131,488	4,976,399	108,312	-	(2,479)	671,787	(1,271,351)	239,800	100.0	4,374,356		
TCC Green Energy Corporation (Note 2)	950,899	9,379,579	400,000	4,000,000	-	102,848	5,838	1,350,899	100.0	13,488,265		
Ta-Ho Maritime Corporation (Note 3)	161,512	2,831,185	13,567	-	(33,918)	520,277	261,754	175,079	64.8	3,579,298		
Taiwan Transport & Storage Corporation (Note 3)	48,690	2,093,912	3,720	840	(86,668)	261,170	76,271	52,410	83.9	2,345,525		
CCC USA Corp.	79	1,731,743	-	-	-	(20,664)	188,743	79	33.3	1,899,822		
TCC Chemical Corporation (Note 2)	240,000	1,246,575	(100,000)	-	-	94,359	(16,010)	140,000	100.0	1,324,924		
Ho Sheng Mining Co., Ltd.	30,100	1,326,807	-	-	(56,096)	8,689	-	30,100	100.0	1,279,400		
TCC Recycle Energy Technology Company (Note 3)	1,040,653	10,333,631	850	8,533	-	254,774	(68,775)	1,041,503	36.6	10,528,163		
ONYX Ta-Ho Environmental Services Co., Ltd.	58,828	1,220,989	-	-	(394,148)	560,440	3,959	58,828	50.0	1,391,240		
Taiwan Cement Engineering Corporation	59,682	719,091	-	-	-	3,357	-	59,682	99.2	722,448		
Kuan-Ho Refractories Industry Corporation (Note 3)	38,926	599,906	7,785	-	-	52,426	6,435	46,711	95.3	658,767		
HKCMCL	38	459,780	-	-	-	65,125	52,654	38	84.7	577,559		
Feng Sheng Enterprise Company	27,261	432,661	-	-	(76,330)	129,899	343	27,261	45.4	486,573		
TCC Information Systems Corporation	14,904	265,911	-	-	-	65,764	1,468	14,904	99.4	333,143		
Ta-Ho Onyx RSEA Environment Co., Ltd.	39,960	599,889	-	-	(180,260)	(628)	-	39,960	66.6	419,001		
Jin Chang Minerals Corporation	9,100	175,885	-	-	-	131,898	-	9,100	100.0	307,783		
E.G.C. Cement Corporation	8,063	124,088	-	-	(19,264)	17,712	119	8,063	50.6	122,655		
HPC Power Service Corporation	6	121,105	-	-	(119,242)	124,775	577	6	60.0	127,215		
Synpac Ltd.	2,700	6,328	-	-	-	32	694	2,700	25.0	7,054		
Tung Chen Mineral Corporation	20	1,226	-	-	-	(249)	-	20	99.5	977		
TCC Energy Storage Technology Corporation (Note 2)	200,600	1,979,067	50,000	500,000	-	(149,021)	-	250,600	100.0	2,330,046		
TCC Sustainable Energy Investment Corporation	100	912	-	-	-	(13)	-	100	100.0	899		
Tuo Shan Recycle Technology Company	100	955	-	-	-	(11)	-	100	100.0	944		
TMC (Note 4)	120	-	-	-	-	-	-	120	72.7	-		
TPMC (Note 4)	20	-	-	-	-	-	-	20	40.0	-		
		<u>261,893,029</u>		<u>36,844,773</u>	<u>(2,894,382)</u>	<u>3,385,976</u>	<u>2,203,263</u>			<u>301,432,659</u>		
		<u>\$ 267,535,378</u>		<u>\$ 36,844,773</u>	<u>\$ (2,925,077)</u>	<u>\$ 3,493,766</u>	<u>\$ 2,152,869</u>			<u>\$ 307,101,709</u>		

Note 1: Including exchange differences on translating foreign operations and investee company changes in equity.

Note 2: TCCIH increased its capital not in proportion to shareholding by \$21,466,100 thousand (889,386 thousand shares); Taiwan Cement Dutch increased its capital by \$10,869,300 thousand (341 thousand shares); TCC Green Energy Corporation increased its capital by \$4,000,000 thousand (400,000 thousand shares); TCC Chemical Corporation decreased its capital by 100,000 thousand shares; TCC Energy Storage Technology Corporation increased its capital by \$500,000 thousand (50,000 thousand shares).

Note 3: The increase in the number of shares in the current year is due to the transfer of retained earnings to common stock and purchase of fractional shares.

Note 4: Due to the recognition of investment losses in TMC and TPMC, credit balances of \$18,658 thousand and \$18,251 thousand were generated, which were recorded in other non-current liabilities as of December 31, 2022 and 2021, respectively.

Note 5: It was calculated based on the closing price on December 31, 2022.

## TAIWAN CEMENT CORPORATION

STATEMENT OF CHANGE IN RIGHT-OF-USE ASSETS  
 FOR THE YEAR ENDED DECEMBER 31, 2022  
 (In Thousands of New Taiwan Dollars)

Item	Land	Buildings	Machinery and Equipment	Others	Total
Cost					
Balance at January 1, 2022	\$ 500,519	\$ 1,609,788	\$ 638,416	\$ 77,290	\$ 2,826,013
Additions	3,983	-	-	17,494	21,477
Remeasurement	219	-	-	1,085	1,304
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,845)</u>	<u>(9,845)</u>
Balance at December 31, 2022	<u>\$ 504,721</u>	<u>\$ 1,609,788</u>	<u>\$ 638,416</u>	<u>\$ 86,024</u>	<u>\$ 2,838,949</u>
Accumulated depreciation					
Balance at January 1, 2022	\$ 171,589	\$ 338,068	\$ 187,857	\$ 36,394	\$ 733,908
Depreciation expenses	86,897	138,056	83,795	17,166	325,914
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,845)</u>	<u>(9,845)</u>
Balance at December 31, 2022	<u>\$ 258,486</u>	<u>\$ 476,124</u>	<u>\$ 271,652</u>	<u>\$ 43,715</u>	<u>\$ 1,049,977</u>
Carrying amount at December 31, 2022	<u>\$ 246,235</u>	<u>\$ 1,133,664</u>	<u>\$ 366,764</u>	<u>\$ 42,309</u>	<u>\$ 1,788,972</u>



## TAIWAN CEMENT CORPORATION

STATEMENT OF CHANGES IN INVESTMENT PROPERTIES  
 FOR THE YEAR ENDED DECEMBER 31, 2022  
 (In Thousands of New Taiwan Dollars)

Item	Balance at January 1, 2022	Addition	Disposal	Balance at December 31, 2022
Cost				
Land	\$ 2,612,902	\$ -	\$ (58,417)	\$ 2,554,485
Buildings	<u>167,580</u>	<u>-</u>	<u>-</u>	<u>167,580</u>
	<u>2,780,482</u>	<u>-</u>	<u>(58,417)</u>	<u>2,722,065</u>
Accumulated depreciation				
Buildings	<u>145,174</u>	<u>59</u>	<u>-</u>	<u>145,233</u>
Accumulated impairment				
Land	118,661	-	-	118,661
Buildings	<u>21,496</u>	<u>-</u>	<u>-</u>	<u>21,496</u>
	<u>140,157</u>	<u>-</u>	<u>-</u>	<u>140,157</u>
	<u>\$ 2,495,151</u>	<u>\$ (59)</u>	<u>\$ (58,417)</u>	<u>\$ 2,436,675</u>

**TAIWAN CEMENT CORPORATION****STATEMENT OF SHORT-TERM LOANS****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars)**

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<b>Item (Note 1)</b>	<b>Loan Period</b>	<b>Amount</b>
Bank loans - unsecured		
Export-Import Bank of the Republic of China	2022/06/15-2023/06/14	\$ 400,000
DBS Bank (Taipei)	2022/08/12-2023/02/10	3,700,000
Oversea-Chinese Banking Corporation Ltd.	2022/08/12-2023/02/13	800,000
Chang Hwa Commercial Bank (Zhongshan N. Rd.)	2022/08/18-2023/02/14	<u>1,000,000</u>
		<u>5,900,000</u>
Bank loans - letters of credit (Note 2)		
Mega International Commercial Bank Co., Ltd. (foreign department)	2022/10/19-2023/02/08	<u>126,632</u>
		<u>\$ 6,026,632</u>

Note 1: The interval of rate is 1.29%-2.53%, and the total loan commitments is \$61,916,980 thousands.

Note 2: Bank loans - letters of credit included EUR3,870 thousand, translated at the exchange rate of EUR1=NT\$32.72.

## TAIWAN CEMENT CORPORATION

## STATEMENT OF BONDS PAYABLE

DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars, Unless Unit Price is New Taiwan Dollars)

Bonds Name	Trustee	Issuance Date	Interest Payment Date	Coupon Rate (%)	Amount					Unamortized Repayment	Collateral	Remark
					Total Amount	Repayment Paid	Balance, End of Year	Premiums (Discounts)	Carrying Value			
Domestic bonds												
Unsecured bonds-107-1	CTBC Bank Co., Ltd.	2018.06.21	Simple interest payments are made once a year from the date of issue	1.70	\$ 12,000,000	\$ -	\$ 12,000,000	\$ (16,755)	\$ 11,983,245	Bullet repayment	Nil	
Unsecured bonds-108-1	CTBC Bank Co., Ltd.	2019.06.14	Simple interest payments are made once a year from the date of issue	0.85	12,600,000	-	12,600,000	(11,004)	12,588,996	Bullet repayment	Nil	
Unsecured bonds-109-1-A	CTBC Bank Co., Ltd.	2020.04.15	Simple interest payments are made once a year from the date of issue	0.69	5,200,000	-	5,200,000	(6,372)	5,193,628	Bullet repayment	Nil	
Unsecured bonds-109-1-B	CTBC Bank Co., Ltd.	2020.04.15	Simple interest payments are made once a year from the date of issue	0.93	14,800,000	-	14,800,000	(24,250)	14,775,750	Bullet repayment	Nil	
Unsecured bonds-110-1-A	CTBC Bank Co., Ltd.	2021.08.31	Simple interest payments are made once a year from the date of issue	0.59	5,800,000	-	5,800,000	(10,626)	5,789,374	Bullet repayment	Nil	
Unsecured bonds-110-1-B	CTBC Bank Co., Ltd.	2021.08.31	Simple interest payments are made once a year from the date of issue	0.68	3,100,000	-	3,100,000	(6,271)	3,093,729	Bullet repayment	Nil	
Unsecured bonds-110-1-C	CTBC Bank Co., Ltd.	2021.08.31	Simple interest payments are made once a year from the date of issue	0.78	1,200,000	-	1,200,000	(2,599)	1,197,401	Bullet repayment	Nil	
Unsecured bonds-110-1-D	CTBC Bank Co., Ltd.	2021.08.31	Simple interest payments are made once a year from the date of issue	0.95	6,500,000	-	6,500,000	(14,803)	6,485,197	Bullet repayment	Nil	
Unsecured bonds-111-1-A	CTBC Bank Co., Ltd.	2022.06.08	Simple interest payments are made once a year from the date of issue	1.90	4,950,000	-	4,950,000	(8,970)	4,941,030	Bullet repayment	Nil	
Unsecured bonds-111-1-B	CTBC Bank Co., Ltd.	2022.06.08	Simple interest payments are made once a year from the date of issue	2.15	2,800,000	-	2,800,000	(5,284)	2,794,716	Bullet repayment	Nil	
Unsecured bonds-111-2-A	CTBC Bank Co., Ltd.	2022.11.25	Simple interest payments are made once a year from the date of issue	2.10	2,100,000	-	2,100,000	(4,116)	2,095,884	Bullet repayment	Nil	
Unsecured bonds-111-2-B	CTBC Bank Co., Ltd.	2022.11.25	Simple interest payments are made once a year from the date of issue	2.65	1,200,000	-	1,200,000	(2,376)	1,197,624	Bullet repayment	Nil	
Overseas bonds												
Unsecured convertible bonds-110-1	Citicorp International Limited	2021.12.07	Maturity is repaid in full according to the par value of the bond	-	22,200,000	-	22,200,000	(1,414,553)	20,785,447	Bullet repayment	Nil	Note
Current portions					-	-	-	-	(20,785,447)			
					\$ 94,450,000	\$ -	\$ 94,450,000	\$ (1,527,979)	\$ 72,136,574			

Note: The bonds, which are listed on the Singapore Stock Exchange, have a face value of US\$800,000 thousand. As of December 31, 2022, no conversion had been requested.

## TAIWAN CEMENT CORPORATION

## STATEMENT OF LONG-TERM LOANS AND LONG-TERM BILLS PAYABLE

DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars)

Type of Loan and Creditor	Contract Period	Annual Interest Rates (%)	Amount	Loan Commitments	Collateral
Syndicated loan agreement with Mega International Commercial Bank and other banks (Note 1)					
Type A	2022.5-2027.5	1.80%	\$ 13,600,000	\$ 25,800,000	-
Type B	2022.5-2027.5	1.92%-1.97%	<u>13,500,000</u>	<u>25,800,000</u>	-
			<u>27,100,000</u>	<u>51,600,000</u>	
Long-term bank borrowings in non-syndicated loans agreement (Note 2)					
First Commercial Bank (Chung-Shan)	2022.7-2025.7	1.65%	4,000,000	4,000,000	-
Yuanta Commercial Bank Co., Ltd.	2022.7-2025.7	1.68%	2,800,000	2,800,000	-
Oversea-Chinese Banking Corporation Limited	2022.7-2024.7	1.74%	1,838,000	5,000,000	-
DBS Bank (Taipei)	2022.7-2024.12	1.87%-1.96%	2,300,000	7,200,000	-
Mizuho Corporate Bank Ltd (Taipei)	2022.10-2024.10	1.78%	1,100,000	4,000,000	-
DBS Bank	2022.7-2024.7	1.87%	1,000,000	1,500,000	-
Taishin International Bank	2022.11-2025.11	1.95%	1,000,000	2,000,000	-
Bank of Taiwan (Chung-Shan)	2022.12-2025.11	1.58%	700,000	1,500,000	-
Mega International Commercial Bank Co., Ltd. (foreign department)	2022.12-2025.12	1.98%	600,000	1,600,000	-
Chang Hwa Commercial Bank (Chung-Shan)	2022.10-2024.8	2.19%	500,000	1,500,000	-
Bank SinoPac Company Limited	2022.10-2024.10	1.75%	<u>500,000</u>	<u>500,000</u>	-
			16,338,000	31,600,000	
Less: Issuance costs			<u>(215,163)</u>	<u>-</u>	
			<u>\$ 43,222,837</u>	<u>\$ 83,200,000</u>	

(Continued)

- Note 1: The Corporation has entered into 5-year syndicated loan agreements in 2022 with certain bank consortium, with an expiry date of May 2027. The credit line is divided into two tranches: A and B. The long-term credit line of Tranche A will be repaid in May 2027. The credit facility of Tranche B, which is a long-term revolving credit line, is divided into Tranche B-1 and Tranche B-2. The Corporation has the right to decide whether to utilize the long-term loans Tranche B-1 or the long-term notes payable Tranche B-2 at its sole discretion. When each utilized amount expires, it can be directly reimbursed by the newly allocated funds. For the same amount, the Corporation does not need to remit funds in and out.
- Note 2: The principles of long-term unsecured is credit borrowings that due in December 2025, and the interests are paid monthly.

(Concluded)

**TAIWAN CEMENT CORPORATION****STATEMENT OF NET REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Shipments</b>	<b>Amount</b>
Domestic sales		
Cement - related products	5,228 thousand cubic meters	\$ 13,923,839
Cement	2,894 thousand tons	7,658,492
Clinker	871 thousand tons	1,771,785
Others		<u>527,444</u>
		<u>23,881,560</u>
Export sales		
Cement	551 thousand tons	1,037,388
Others		<u>441,950</u>
		<u>1,479,338</u>
		<u>\$ 25,360,898</u>

**TAIWAN CEMENT CORPORATION**
**STATEMENT OF OPERATING COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
**(In Thousands of New Taiwan Dollars)**


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<b>Item</b>	<b>Amount</b>
Balance at beginning of year	\$ 1,143,684
Add: Raw materials purchased	11,316,624
Less: Raw materials, end of year	<u>1,437,831</u>
Raw materials used	11,022,477
Direct labor	274,658
Manufacturing expenses	<u>3,848,144</u>
Manufacturing costs	15,145,279
Add: Work in process, beginning of year	393,010
Work in process purchased	475,493
Less: Work in process, end of year	381,340
Work in process sold	<u>1,296,448</u>
Cost of finished goods	14,335,994
Add: Finished goods, beginning of year	318,074
Finished goods purchased	526,580
Less: Finished goods, end of year	736,514
Add: Transportation costs	3,519,898
Commodity tax	540,103
Work in process sold	1,296,448
Write-downs of Inventories	19,604
Others	<u>46,115</u>
Operating costs	<u>\$ 19,866,302</u>

## TAIWAN CEMENT CORPORATION

STATEMENT OF OPERATING EXPENSES  
 FOR THE YEAR ENDED DECEMBER 31, 2022  
 (In Thousands of New Taiwan Dollars)

Item	Selling Expenses	General and Administrative Expenses	Total
Payroll and pension	\$ 98,952	\$ 499,687	\$ 598,639
Professional service fees	1,627	172,853	174,480
Board compensation	-	91,990	91,990
Depreciation expenses	25,256	111,001	136,257
General and administrative expenses	20,922	84,778	105,700
Shipping expenses	98,410	3,132	101,542
Others (Note)	<u>32,625</u>	<u>281,656</u>	<u>314,281</u>
	<u>\$ 277,792</u>	<u>\$ 1,245,097</u>	<u>\$ 1,522,889</u>

Note: The amount of each item in others does not exceed 5% of the amount balance.



## TAIWAN CEMENT CORPORATION

STATEMENT OF LABOR, DEPRECIATION AND AMORTIZATION BY FUNCTION  
 FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
 (In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

	2022				2021			
	Classified as Operating Costs	Classified as Operating Expenses	Classified as Non-operating Income and Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Classified as Non-operating Income and Expenses	Total
Labor cost								
Salary and bonus	\$ 613,597	\$ 510,233	\$ -	\$ 1,123,830	\$ 555,651	\$ 591,116	\$ -	\$ 1,146,767
Labor and health insurance	55,344	40,166	-	95,510	52,532	38,681	-	91,213
Pension	18,301	12,060	-	30,361	19,523	12,220	-	31,743
Board compensation	-	91,990	-	91,990	-	241,310	-	241,310
Others	<u>22,537</u>	<u>76,346</u>	<u>-</u>	<u>98,883</u>	<u>4,961</u>	<u>28,244</u>	<u>-</u>	<u>33,205</u>
	<u>\$ 709,779</u>	<u>\$ 730,795</u>	<u>\$ -</u>	<u>\$ 1,440,574</u>	<u>\$ 632,667</u>	<u>\$ 911,571</u>	<u>\$ -</u>	<u>\$ 1,544,238</u>
Depreciation	<u>\$ 875,368</u>	<u>\$ 136,257</u>	<u>\$ -</u>	<u>\$ 1,011,625</u>	<u>\$ 857,953</u>	<u>\$ 129,331</u>	<u>\$ 2,065</u>	<u>\$ 989,349</u>
Amortization	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>

Note 1: As of December 31, 2022 and 2021, the Corporation had 1,147 and 1,114 employees, respectively. There were 13 and 14 non-employee directors, respectively.

Note 2: Average labor cost for the years ended December 31, 2022 and 2021 were \$1,189 thousand and \$1,184 thousand, respectively.

Note 3: Average salary and bonus for the years ended December 31, 2022 and 2021 were \$991 thousand and \$1,043 thousand, respectively. The average salary and bonus changed by 4.99% year over year.

Note 4: The Corporation did not have supervisors for the year ended December 31, 2022 and 2021, respectively. Therefore, there was no compensation to the supervisors.

Note 5: The compensation standard of the Corporation's employees is enacted fairly by referring to the industry compensation level, company performance, and internal organization structure, and the annual raise will be granted from time to time taking into account the external industry trends and government regulations. The year-end bonus, quarterly bonus, business performance bonus are granted based on company performance and personal contribution, and the employees' compensation is granted in accordance with the Corporation's Article of Incorporation to reward employees' efforts at work.

Note 6: The compensation policy for the president, vice presidents and executive officers is decided based on the company's operational strategy, company performance, personal performance and the compensation standards of the industry, which is submitted to the Compensation Committee for reasonable comments and then further resolved by the Board of Directors.

Note 7: The performance evaluation and remuneration of the Corporation's directors refer to industry practice, and will evaluate reasonable correlation between individual and the company's performance as well as future risk exposures, based on evaluation results, positions and financial situation of the company. The remuneration contains fixed amount paid on a monthly basis and the attendance fee paid by actual attendance. In addition, according to the Corporation's Articles of Incorporation, less than 1% of annual profits shall be recognized as remuneration of the directors and allocation shall be based on the results of the performance evaluation of the directors.