



TCC Group Holdings CO., LTD.

(incorporated as a company limited by shares in Taiwan, the Republic of China)

US\$350,000,000 Zero Coupon Green Convertible Bonds due 2030

TCC Group Holdings CO., LTD. (the “Company,” the “Issuer” and together with its subsidiaries, the “Group”, or, to the extent applicable, “we”, “us”, “our”) is offering US\$350,000,000 aggregate principal amount of currency-linked US dollar denominated zero coupon green convertible bonds due 2030 (the “Bonds”), through Morgan Stanley Services Pty Limited and DBS Bank Ltd. (the “Initial Purchasers”). The Bonds are being issued as “Green Bonds” under our Green Financing Framework. See “Green Financing Framework.”

The Bonds will be direct, unconditional, unsecured and unsubordinated obligations of the Company, and will rank *pari passu* without any preference or priority among themselves and with all of the Company’s other present and future direct, unconditional, unsecured and unsubordinated obligations, except as otherwise provided herein. Unless the Bonds have been previously redeemed, repurchased and cancelled or converted, the Company will redeem the Bonds at the Settlement Equivalent (as defined herein) of 109.78% of the outstanding principal amount thereof at maturity. The Bonds will not bear any interest.

The Bonds will be convertible into common shares of the Company, par value NT\$10.00 per share (the “Common Shares,” together with the preferred shares of the Company (the “Preferred Shares”), the “Shares”), during the period from and including June 29, 2025 to and including March 18, 2030 (subject to certain restrictions) at a conversion price which will initially be NT\$38.80 per Share (subject to adjustment as set forth in “Description of the Bonds—Conversion—Adjustments to the Conversion Price”) determined on the basis of a fixed exchange rate of NT\$33.0200 = US\$1.00 applicable on conversion of the Bonds. The Common Shares are currently listed under the trading code “1101” on the Taiwan Stock Exchange (the “TWSE”) in the Republic of China (the “ROC”) and application will be made to list the Common Shares issued on conversion of the Bonds on the TWSE. The closing sale price per Common Share on the TWSE on March 19, 2025 was NT\$33.65 (equivalent to US\$1.02 at the exchange rate of NT\$33.0200 to US\$1.00 based on the Taipei Forex Inc. Taiwan Dollar 11:00 fixing rate on March 19, 2025). See “Risk Factors—Risks Relating to Ownership of the Bonds and the Common Shares.”

At any time after March 28, 2028, by giving the requisite notice, the Company may redeem the Bonds, in whole or in part, at the Settlement Equivalent (as defined herein) of the Early Redemption Amount (as defined herein), if the closing price of the Common Shares for 20 out of 30 consecutive Trading Days (as defined herein) immediately prior to the date upon which notice of such redemption was given, is at least 130% of the quotient of the prevailing Conversion Price (as defined herein) multiplied by the Early Redemption Amount and divided by US\$200,000. In addition, the Company may, at our option, redeem the Bonds then outstanding, in whole but not in part, at the Settlement Equivalent of the Early Redemption Amount if (i) more than 90% in principal amount of the Bonds originally issued has been redeemed, repurchased and canceled or converted or (ii) the Company becomes obligated to pay Additional Amounts (as defined herein) as a result of certain changes in the tax laws of the ROC occurring after the Closing Date, which is expected to be on March 28, 2025.

You may require the Company to repurchase the Bonds, in whole or in part (being US\$200,000 in principal amount or any integral multiple of US\$100,000 in excess thereof), at the Settlement Equivalent of 105.76% of the principal amount in US dollars with respect to your Bonds on March 28, 2028. You may also require the Company to repurchase the Bonds at the Settlement Equivalent of the Early Redemption Amount, if the Common Shares cease to be listed or admitted to trading on the TWSE or there is a Change of Control (as defined herein).

Approval in-principle has been received for the listing and quotation of the Bonds on the Singapore Exchange Securities Trading Limited (the “SGX-ST”). The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained in this offering circular (the “Offering Circular”). Approval in-principle for the listing and quotation of the Bonds and admission of the Bonds to the Official List of the SGX-ST are not to be taken as an indication of the merits of this offering (the “Offering”), the Company, the Group, its subsidiaries, or any of their associated companies or the Bonds. Prior to this offering, there has been no market anywhere for the Bonds, or any market outside Taiwan for the Common Shares.

Notification pursuant to Section 309B(1) of the Securities and Futures Act 2001 of Singapore — The Bonds are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore).

Investing in and holding the Bonds involve a high degree of risk. See “Risk Factors” beginning on page 10 for a discussion of certain factors to be considered in connection with an investment in, and the holding of, the Bonds.

The Bonds and the Common Shares to be issued upon conversion of the Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or any state securities laws. The Bonds are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the Securities Act (“Regulation S”). The Bonds are sold subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and the applicable securities laws of any state or other jurisdiction pursuant to registration thereunder or exemption from registration. As a prospective purchaser, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. The Bonds are not being directly or indirectly offered or sold in the ROC. See “Transfer Restrictions” and “Plan of Distribution.”

The Bonds will be represented by beneficial interests in one or more global bonds registered in the name of Citivic Nominees Limited as nominee for the common depositary for Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, S.A. (“Clearstream”). Except as described herein, beneficial interests in the global bonds will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream and their participants. The Initial Purchasers expect to deliver the Bonds to purchasers accounts on or about March 28, 2025.

Bonds Issue Price: 100%

Sole Global Coordinator and Joint Bookrunner

Morgan Stanley

Joint Bookrunner



Offering Circular dated March 19, 2025

You should rely only on the information contained in this Offering Circular. Neither the Company nor the Initial Purchasers have authorized anyone to provide you with different information. Neither the Company nor the Initial Purchasers are making an offer of these securities in any state or jurisdiction where the offer is not permitted. This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which it relates or an offer to sell or the solicitation of an offer to buy such securities by any person in any circumstances in which such offer or solicitation is unlawful. You should not assume that the information contained in this Offering Circular is accurate as of any date other than the date of this Offering Circular. The Company's business, financial condition, results of operations and prospects may have changed since that date.

Except as described below, the Company accepts responsibility for the information contained in this Offering Circular. The Company, having made all reasonable enquiries, confirm that this Offering Circular contains all information with respect to the Company, the Group, the Bonds and the Common Shares to be delivered upon conversion of the Bonds that is material in the context of the issue and offering of the Bonds, that the statements contained in this Offering Circular are true and accurate in all material respects and are not misleading, that the opinions, beliefs, expectations and intentions expressed in this Offering Circular are honestly held and based on reasonable grounds after due and careful consideration and enquiry, that there are no other facts, the omission of which would, in the context of the issue and offering of the Bonds, make any statement in this Offering Circular misleading in any material respect and that this Offering Circular does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements, in the light of the circumstances under which they are made, not misleading. The information contained in the sections entitled "Appendix A—The Securities Markets of the ROC" and "Appendix B—Foreign Investment and Exchange Controls in the ROC" has been extracted from publicly available resources. However, such information has not been verified by the Company, the Initial Purchasers or any of the Company's or the Initial Purchasers' respective affiliates or advisors in connection with this offering.

The distribution of this Offering Circular and the offering and sale of the Bonds, in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Company and the Initial Purchasers to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on the offering and sale of the Bonds, and distribution of this Offering Circular, see "Plan of Distribution" and "Transfer Restrictions." This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Company or the Initial Purchasers to subscribe for or purchase any of the Bonds in any jurisdiction in which such offer or invitation would be unlawful. This Offering Circular may be used only for the purposes for which it has been published.

The Bonds are not intended to be offered, sold, or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA"). For the purposes of this provision, a "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold, or otherwise made available to any retail investor in the United Kingdom (the "UK"). For the purposes of this provision, a "retail investor" means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

This Offering Circular is only being distributed to and is only directed at: (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (ii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). The Bonds are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the Bonds will be

engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Offering Circular or any of its contents.

Important Notice to Prospective Investors

Prospective investors should be aware that certain intermediaries in the context of this offering of the Bonds, including the Initial Purchasers, are “capital market intermediaries” (“CMIs”) subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “Code”). This notice to prospective investors is a summary of certain obligations the Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as “overall coordinators” (“OCs”) for this Offering and are subject to additional requirements under the Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the Code as having an association (“Association”) with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the Bonds and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this Offering.

Prospective investors should ensure, and by placing an order, prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e., two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with the Initial Purchasers, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Initial Purchasers or its group company has more than 50% interest, in which case it will be classified as a “proprietary order” and subject to appropriate handling by CMIs in accordance with the Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to this Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not such a “proprietary order”. If a prospective investor is otherwise affiliated with the Initial Purchasers, such that its order may be considered to be a “proprietary order” (pursuant to the Code), such prospective investor should indicate to the Initial Purchasers when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not such a “proprietary order”. Where prospective investors disclose such information but do not disclose that such “proprietary order” may negatively impact the price discovery process in relation to this Offering, such “proprietary order” is hereby deemed not to negatively impact the price discovery process in relation to this Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private bank(s) which acts as a CMI in connection with this Offering (“Private Banks”)) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Initial Purchasers and/or any other third parties as may be required by the Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the Code, it being understood and agreed that such information shall only be used for the purpose of complying with the Code, during the bookbuilding process for this Offering. Failure to provide such information may result in that order being rejected.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The Company has made forward-looking statements in this Offering Circular. The words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “plan,” “project,” “seek” and similar words identify forward-looking statements. In addition, all statements other than statements of historical fact included in this Offering Circular are forward-looking statements. The Company’s forward-looking statements contain information regarding:

- the Company’s future revenue and profitability;
- the Company’s business strategies;
- expected growth in consumer demand;
- the expected industry trends; and

- our capital expenditure plans.

Other matters discussed in this Offering Circular regarding matters that are not historical facts, are only forecasts based on information currently available to us. The Company has based these forward-looking statements on its current expectations and projections about future events. Although we believe that these expectations and projections are reasonable, these forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, among others:

- the intensely competitive industries in which we operate;
- industry risks;
- general economic, political and social conditions and developments in the ROC, the PRC, Europe and other jurisdictions in which we operate our business, and developments of geopolitical tensions between the PRC, the United States and other jurisdictions which would have a significant impact on our business;
- market acceptance of our products and services;
- risks associated with our entry into new markets or businesses;
- risks associated with business acquisitions and integration of acquired businesses, as well as forming joint ventures with third parties;
- changes in market prices for our products;
- our rate of growth and ability to meet the demands in relation to our growth;
- changes in the availability and prices of raw materials and machinery and equipment we need to manufacture our products;
- our ability to meet financial and other covenants provided under our loan agreements;
- our continued ability to secure funding to meet our liquidity needs and investment objectives;
- the impact of the ongoing Russia-Ukraine and Israel-Hamas conflicts and the economic sanctions imposed on Russia and Israel, and their impact on the global economy;
- legal proceedings, if any; and
- other risks identified in the “Risk Factors” section of this Offering Circular.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, the Company can give no assurance that such expectations will prove correct. The Company undertakes no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise. In light of the foregoing and the risks, uncertainties and assumptions in “Risk Factors” and elsewhere in this Offering Circular, the forward-looking events in this Offering Circular are not guarantees of future performance and might not occur and our actual results could differ materially from those anticipated in those forward-looking statements.

ENFORCEABILITY OF FOREIGN JUDGMENTS IN THE ROC AND THE PRC

The following is a brief description of certain limitations on the enforceability of foreign judgments in the ROC, where the Company was incorporated, and the PRC, where a material portion of the Group's assets are located.

The Company is a company limited by shares and incorporated under the ROC Company Act. Most of the Company's directors and executive officers named in this Offering Circular are residents of the ROC and a significant portion of its assets and the assets of such persons are located in the ROC. As a result, it may be difficult for investors to enforce judgments obtained outside the ROC against the Company or such persons in the ROC, including those predicated upon the civil liability provisions of the federal securities laws of the United States. Any final judgment obtained against the Company or such persons in any court other than the courts of the ROC in respect of any legal suit or proceeding arising out of or relating to the Bonds or Common Shares to be issued upon conversion of the Bonds will be enforced by the courts of the ROC without further review of the merits only if the court of the ROC in which enforcement is sought is satisfied that:

- the court rendering the judgment has jurisdiction over the subject matter according to the laws of the ROC;
- neither the judgment nor the court proceedings resulting in the judgment are contrary to the public order or good morals of the ROC;
- if the judgment was rendered by default by the court rendering the judgment, (i) process was duly served on the Company or such persons within a reasonable period of time within the jurisdiction of such court in accordance with the laws and regulations of such jurisdiction or (ii) process was served on the Company or such persons with judicial assistance of the ROC; and
- judgments of the courts of the ROC are recognized and enforceable in the jurisdiction of the court rendering the judgment on a reciprocal basis.

A party seeking to enforce a foreign judgment in the ROC would, except under limited circumstances, be required to obtain foreign exchange approval from the Central Bank of the Republic of China (Taiwan) (the "CBC"), for the remittance out of the ROC of any amounts exceeding US\$100,000 or its equivalent recovered in respect of such judgment denominated in a currency other than NT dollars. See "Appendix B—Foreign Investment and Exchange Controls in the ROC."

A portion of our assets are located in the PRC. It may be difficult for investors to effect service of process upon those persons inside the PRC or to enforce against us or them in the PRC any judgments obtained from non-PRC courts. Commerce & Finance Law Offices, our PRC legal counsel, advises us that the recognition and enforcement of foreign judgments are governed by the PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law based either on treaties between the PRC and the country where the judgment is made or on reciprocity between jurisdictions, provided that the foreign judgments do not violate the basic principles of laws of the PRC or its sovereignty, security or social and public interest. However, since the PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the United States, there is uncertainty as to the recognition and enforcement in the PRC of judgments of a court in the United States in relation to any matter not subject to a binding arbitration provision.

CERTAIN CONVENTIONS AND OTHER DATA

Except where the context otherwise requires, all references in this Offering Circular to “Issuer,” the “Company,” or, to the extent applicable, “we,” “us,” and “our” are to TCC Group Holdings CO., LTD. itself. References to “Group,” or, to the extent applicable, “we,” “us,” and “our” are to TCC Group Holdings CO., LTD. and its subsidiaries. All references to “Taiwan” or the “ROC” are to Taiwan and other areas under the effective control of the Republic of China. All references to the “ROC Government” are references to the government of the Republic of China. All references to “China” or the “PRC” are to the People’s Republic of China and excludes, for the avoidance of doubt, Taiwan, Hong Kong and Macau. All references to the “NDRC” are references to the PRC National Development and Reform Commission of the PRC. All references to “Taiwan IFRS” are to the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China (collectively, “Taiwan IFRS”). All references to “IFRS” are to International Financial Reporting Standards as issued by International Accounting Standard Board. All references to “United States dollars,” “US dollars” and “US\$” are to United States dollars, references to “Euro” and “€” are to Euro, references to “New Taiwan dollars,” “NT dollars” and “NT\$” are to New Taiwan dollars and references to “Renminbi” and “RMB” are to Renminbi.

As the Shares are listed on the TWSE, our financial statements are required to be presented in New Taiwan dollars, the lawful currency of the ROC. Except as otherwise specified, all translations from NT dollars to US dollars are made using the exchange rate of NT\$32.79 to US\$1.00 as set forth in the statistical release published by the Federal Reserve Board of the United States on December 31, 2024. No representation is made that the NT\$ or US\$ amounts referred to in this Offering Circular could have been or could be converted into US\$ or NT\$, as the case may be, at any particular rate, the above rates or at all.

Unless expressly stated otherwise, all financial information, description and other information regarding our financial condition and results of operations as of and for the years ended December 31, 2022, 2023 and 2024 included in this Offering Circular are presented on a consolidated basis. Our consolidated financial statements as of and for the years ended December 31, 2022 and 2023 and as of and for the years ended December 31, 2023 and 2024 have been audited by our independent auditors.

In this Offering Circular, where information has been presented in thousands, millions or billions of units, amounts may have been rounded up or down. Accordingly, the total of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding.

In this Offering Circular, information related to our production capacity is disclosed for illustration purpose only. We may adjust the actual production volume according to market supply and demand from time to time in its sole discretion.

We have compiled all industry and market information and statistics contained in this Offering Circular from various published and private sources, which may be inconsistent with other information compiled elsewhere. Unless otherwise indicated, all industry and market information and statistics contained in this Offering Circular relate to the ROC, the PRC, Turkey and Portugal. Neither we, nor the Initial Purchasers, have independently verified the accuracy of any of such information.

NON-GAAP FINANCIAL MEASURES

We refer to the terms EBITDA and EBITDA margin (as defined in “Summary Financial Data”) in various places in this Offering Circular. These non-GAAP financial data are supplemental financial measures that are not required by, or presented in accordance with Taiwan IFRS, US GAAP or IFRS and are therefore referred to as “non-GAAP” financial measures. They are not measurements of our financial performance under Taiwan IFRS, US GAAP or IFRS and should not be considered as an alternative to profit from operations or any other performance measures derived in accordance with Taiwan IFRS, US GAAP or IFRS or as an alternative to cash flows from operating activities or as a measure of our liquidity.

Our measurement of these non-GAAP items may not be comparable to those of other companies. See the sections titled “Summary Financial Data” and “Selected Financial Data” for a more thorough discussion of our use of these non-GAAP items in this Offering Circular, including the reasons why we believe this information is useful to management and why they may be useful to investors, and a reconciliation of EBITDA to the most closely comparable financial measure calculated in accordance with Taiwan IFRS.

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SUMMARY

The following is only a summary and should be read in conjunction with, and is qualified in its entirety by, the detailed information appearing elsewhere in this Offering Circular, including the “Risk Factors” section and the Audited Financial Statements and the notes thereto.

Overview

The Company’s Common Shares have been listed on the TWSE since February 1962 under the trading code “1101.” As of December 31, 2024, its total capitalization was NT\$408,516 million (US\$12,459 million). The Company’s principal executive offices are located at No. 113, Sec. 2, Zhongshan N. Rd., Zhongshan District, Taipei, Taiwan, ROC, and its telephone number is +886-2-2531-7099.

We have been the largest cement manufacturer in the ROC since our inception. We entered into the cement industry of Europe and Africa and subsequently enhanced our presence through the joint venture with OYAK in November 2018, the acquisition of Portuguese and Cape Verde operations of CIMPOR in August 2019, the completion of a series of share purchase and restructuring transactions in March 2024 pursuant to which we consolidated control over our Turkish, Portuguese and African cement operations, the completion of construction of two cement plants in the Republic of Côte d’Ivoire and Cameroon in August 2020 and July 2024, respectively, and the construction of another cement plant in Ghana, which is expected to complete in the last quarter of 2025. In addition, in the PRC, we were the seventh and the sixth largest cement manufacturer in terms of clinker production capacity in 2023 and 2024, respectively.

With “In Service of Life” as our key value proposition and “Total Climate Commitment” and “Total Care Commitment” as our core values, we are committed to reining in global warming, decelerating the momentum of climate change and creating solutions that pave the way towards net-zero emissions. Over the past six years, we have dedicated to transforming into a low-carbon corporation through various means, including by investing in renewable energy solutions that could be stored, managed and aggregated for using and trading.

We also engage in some other segments, including thermal electricity, waste management and logistics solutions. An overview of our business segments is as follows:

- **Cement segment:** We manufacture and sell cement, clinker, RMC and other cement products, including our newly formulated ultra-high performance concrete (“UHPC”);
- **Electricity and energy segment:** Our electricity and energy segment consists of two parts. The first is the thermal electricity business conducted through our thermal power plant, the Ho-Ping Power Plant. The second is the renewable energy business, which includes (1) generating electricity from renewable energy, such as solar, wind and geothermal power, (2) developing power batteries and energy storage devices of different scales, such as the EnergyArk cabinets, and (3) constructing charging infrastructure, such as the fast charging network that NHOA S.A. (“NHOA”) is developing in southern Europe; and
- **Other segments:** We also engage in waste management that processes both industrial and municipal waste in the ROC and the PRC and logistics solutions, including port operation and maritime transportation with a fleet of 11 ships as of December 31, 2024.

Competitive Strengths

We believe our success is primarily attributable to the following competitive strengths:

- ESG-centric leading cement group with a dominant market share in the ROC and leading market positions in attractive southern PRC cement markets;
- Strategic expansion of low-carbon cement business in Europe evidenced by the successful consolidation of two industry-leading subsidiaries, providing strong support for geographical diversification and future growth;
- Industry leader in the adoption of innovative alternative materials and fuels, effectively supporting the reduction of carbon emission;

- Clear green energy transition roadmap with strengths in energy storage as evidenced by deep involvement in the green energy value chain as a renewable energy generator, BESS developer and EPC service provider;
- Leading fast charging network operator in southern Europe well positioned to benefit from the promising growth potential of under-penetrated fast charging space in Europe; and
- Resilient financial performance with diversified funding channels evidenced by active geographical diversification in operations, stable cash-generative business with well-distributed debt maturity profile and diversified funding sources with proven capital market access.

Our Business Strategies

We plan to pursue the following strategies to accomplish our mission:

- Continue to grow our green energy businesses to support a sustainable low-carbon economy;
- Continue our low-carbon cement production to achieve total climate commitment and total care commitment; and
- Solidify leadership position as a circular economy promoter through comprehensive resource recycling roadmap.

Recent Developments

As announced on the Market Observation Post System on the TWSE, or MOPS, the Company's unaudited consolidated operating revenue for January and February 2025 was NT\$12,213.4 million and NT\$9,123.5 million, respectively, compared to NT\$7,237.9 million and NT\$4,798.6 million, respectively, for the same months of 2024. The increase in the Company's consolidated operating revenue compared to the same months of last year was partly due to the consolidation of OYAK Çimento Fabrikaları Anonim Şirketi ("OYAK F") and CIMPOR Portugal Holdings SGPS, S.A. ("CIMPOR") into the Company's financial results as subsidiaries in March 2024. The consolidated operating revenue data for January and February 2025 has not been audited nor reviewed by our auditor and is subject to adjustments based upon, among other things, completion of applicable reporting processes. Actual results could differ materially from the financial data provided above.

THE OFFERING

The following is only a summary and is qualified in its entirety by reference to the “Description of the Bonds.”

Issuer	TCC Group Holdings CO., LTD.
The Offering	US\$350,000,000 aggregate principal amount of currency-linked US dollar denominated zero coupon green convertible bonds due 2030, being offered outside the United States in reliance on Regulation S under the U.S. Securities Act.
Interest	The Bonds will not bear any interest.
Closing Date	March 28, 2025
Maturity Date and Final Redemption	Unless previously redeemed, repurchased and canceled or converted, the Bonds will mature, and the Company will redeem the Bonds, on March 28, 2030 at the Settlement Equivalent (as defined herein) of 109.78% of the outstanding principal amount thereof.
Issue Price	100%
Ranking	The Bonds will be the Company’s direct, unconditional, unsecured and unsubordinated obligations (but subject to a negative pledge, as described in “Negative Pledge” below), and will rank <i>pari passu</i> without any preference or priority among themselves and with all of its other direct, unconditional, unsecured and unsubordinated.
Conversion	Subject to certain conditions, each holder of the Bonds (a “Holder”) will have the right during the Conversion Period (as defined herein) to convert its Bonds (or any portion thereof being US\$200,000 in principal amount or an integral multiple of US\$100,000 in excess) into Common Shares, provided, however, that the Conversion Right during any Closed Period (as defined herein) shall be suspended and the Conversion Period shall not include any such Closed Period. See “Description of the Bonds—Conversion” and “Risk Factors—Risks Relating to Ownership of the Bonds and the Common Shares—There are limitations on the Bondholders’ ability to exercise conversion rights.” Subject to changes to ROC laws and regulations, the Company shall as soon as practicable but in no event more than five Trading Days (as defined herein) from the Conversion Date (as defined herein) deliver Common Shares in book-entry form to the converting Holders for the purpose of trading the Common Shares on the TWSE.
Conversion Price	The conversion price will initially be NT\$38.80 per share determined on the basis of a fixed exchange rate applicable on conversion of Bonds of NT\$33.0200 = US\$1.00. The conversion price will be subject to adjustments for, among other things, subdivision or consolidation of shares, right issues, distributions, stock dividends, and other dilutive events. See “Description of the Bonds.”
Settlement Equivalent	For the relevant Rate Calculation Date (as defined herein) in respect of any US Dollar-denominated amount payable in respect of the Bonds, means such US Dollar amount converted into NT Dollar amount using the Fixed Exchange Rate of NT\$33.0200 = US\$1.00, and then converted back to US Dollar amount using the applicable Prevailing Rate (as defined herein) on such date.

Early Redemption Amount.....	The Early Redemption Amount for each US\$200,000 of the Bonds is determined so that it represents for the Holder a yield of 1.875% per annum, calculated on a semi-annual basis.
Redemption at the Option of the Issuer	At any time after March 28, 2028, the Bonds may be redeemed at the option of the Company, in whole or in part, on not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable) and upon written notice to the Trustee and the Agents, at the Settlement Equivalent of the Early Redemption Amount, provided that: (1) the Closing Price of the Common Shares for 20 out of 30 consecutive Trading Days immediately prior to the date upon which notice of such redemption was given, is at least 130% of the quotient of the prevailing Conversion Price multiplied by the Early Redemption Amount and divided by US\$200,000; and (2) the applicable Redemption Date does not fall within a Closed Period. Notwithstanding the foregoing, the Company may redeem the Bonds, in whole but not in part, at any time, on not less than 30 nor more than 60 days' notice, at the Settlement Equivalent of the Early Redemption Amount if more than 90% in principal amount of the Bonds originally issued has been redeemed, repurchased and canceled or converted; provided that the applicable Redemption Date does not fall within a Closed Period.
Additional Amounts	Payment of principal of and other amounts on the Bonds will be made without withholding for or on account of taxes of the ROC or such other jurisdiction in which the Company is then organized or resident for tax purposes or from which any payment on the Bonds is made (or any political subdivision or authority or agency thereof), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Company will, subject to certain exceptions, pay such Additional Amounts (as defined herein) on the Bonds as will result in receipt by the Holder of each Bond of such amounts as would have been received by such Holder had no such withholding or deduction been required.
Green Bonds.....	The Bonds are being issued as "Green Bonds" under the Green Financing Framework. See "Green Financing Framework."
Tax Redemption.....	If, as a result of certain changes relating to the tax laws in the ROC or such other jurisdiction in which the Company is then organized or resident for tax purposes (or any political subdivision or authority or agency thereof), the Company becomes obligated to pay Additional Amounts, the Bonds may be redeemed at the option of the Company, in whole but not in part, at the Settlement Equivalent of the Early Redemption Amount; provided that such right cannot be exercised earlier than 45 days prior to the first date on which the Company would be obligated to make an Additional Amounts payment with respect to all or substantially all of the outstanding Bonds were a payment then due. Notwithstanding the foregoing, if the outstanding principal amount of the Bonds at the time when such redemption notice is given is greater than 10% of the aggregate principal amount of the Bonds as of the Closing Date, Holders may elect not to have their Bonds redeemed but with no entitlement to any Additional Amounts or reimbursement of additional tax. See "Description of the Bonds—Redemption for Taxation Reasons."
Repurchase at the Option of the Holder	Unless the Bonds have been previously redeemed, repurchased and canceled or converted, each Holder shall have the right, at such Holder's option, to require the Company to repurchase, in whole or in part (being US\$200,000 in principal amount or an integral multiple of

US\$100,000), such Holder's Bonds, on March 28, 2028 at the Settlement Equivalent of the Early Redemption Amount in US dollars with respect to such Holder's Bonds to be repurchased.

Repurchase in the Event of Change of Control.....

Unless the Bonds have been previously redeemed, repurchased and canceled or converted, each Holder shall have the right, at such Holder's option, to require the Company to repurchase, in whole or in part (being US\$200,000 in principal amount or an integral multiple of US\$100,000 in excess), such Holder's Bonds at the Settlement Equivalent of the Early Redemption Amount upon the occurrence of a Change of Control, as defined herein. See "Description of the Bonds—Repurchase in the Event of Change of Control."

Repurchase in the Event of Delisting.....

Unless the Bonds have been previously redeemed, repurchased and canceled or converted, in the event that the Common Shares cease to be listed or admitted to trading on the TWSE, each Holder shall have the right, at such Holder's option, to require the Company to repurchase, in whole or in part (being US\$200,000 in principal amount or an integral multiple of US\$100,000), such Holder's Bonds on the 20th Business Day after the Paying Agent mails to each Holder a notice regarding such delisting at the Settlement Equivalent of the Early Redemption Amount with respect to such Holder's Bonds to be repurchased. See "Description of the Bonds—Repurchase in the Event of Delisting."

Negative Pledge.....

Subject to certain exceptions, the Company will not, and will ensure that none of its Principal Subsidiaries (as defined herein) will, create or permit to subsist any Lien (as defined herein) to secure for the benefit of the holders of any International Investment Securities (as defined herein) any sum owing in respect thereof or any guarantee or indemnity thereof without making effective provision to secure the Bonds (a) equally and ratably with such International Investment Securities with a similar Lien or (b) with such other security as shall be approved by registered Holders holding not less than 50% of the principal amount of the outstanding Bonds. See "Description of the Bonds—Certain Covenants—Negative Pledge."

Form and Denomination.....

The Bonds will be issuable only in book-entry form and only in denominations of US\$200,000 in principal amount and any integral multiples of US\$100,000 in excess thereof. Bonds will be represented by the Global Bond. On the closing date of the Offering, the Company will deliver the Global Bond to the common depository for Euroclear and Clearstream.

If (i) at any time, the Common Depository advises the Company in writing that it is unwilling or unable to continue as a depository for the Global Bond and a successor depository is not appointed by the Company within 90 days, (ii) either Euroclear or Clearstream or any alternative clearing system on behalf of which the Bonds evidenced by the Global Bond may be held is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so, or (iii) an Event of Default (as defined herein) has occurred and is continuing with respect to the Bonds and the Trustee notifies the Company in writing that any of the Bonds have become immediately due and payable pursuant to the Indenture, the Company shall issue individual certificated bonds in registered form in exchange for the Global Bond in any authorized denominations and in an aggregate principal amount equal to the principal amount of the Global Bond.

	The Bonds will not be issuable in a bearer form.
Use of Proceeds	The gross proceeds to be received by the Company from this offering will be US\$350,000,000, before deducting underwriting commissions and related expenses. The Company intends to use the net proceeds of the Offering to invest in overseas subsidiaries. An amount equivalent to the net proceeds from the issuance of the Bonds will be used to finance or refinance, in part or in full, Eligible Green Projects that meet the Eligibility Criteria set out in the Green Financing Framework. See “Use of Proceeds”.
Listing	Approval in-principle has been received for the listing and quotation of the Bonds on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained in this Offering Circular. Approval in-principle for the listing and quotation of the Bonds and admission of the Bonds to the Official List of the SGX-ST are not to be taken as an indication of the merits of the Offering, the Company, the Group, its subsidiaries or any of their associated companies or the Bonds. Prior to the Offering, there has been no market anywhere for the Bonds, or any market outside the ROC for the Common Shares. For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Bonds will be traded on the SGX-ST in a minimum board lot size of US\$200,000.
Lock-Ups	The Company has agreed that, subject to certain exceptions, for a period of 90 days after the Closing Date, the Company will not, without the Initial Purchasers’ prior written consent, offer, pledge, sell, contract to sell or otherwise dispose of any Bonds or Common Shares or any securities convertible into or exercisable or exchangeable for the Common Shares. See “Plan of Distribution.”
Trading Market for the Common Shares	The only trading market for the Common Shares is the TWSE. The Common Shares have been listed on the TWSE under the trading code “1101”.
Governing law	The Indenture and the Bonds will be governed by, and construed in accordance with, the laws of the State of New York.
Trustee	Citicorp International Limited
Principal Paying Agent, Conversion Agent, and Transfer Agent	Citibank, N.A., London Branch
Registrar	Citicorp International Limited
Transfer restrictions	None of the Bonds or the Common Shares issuable upon conversion of the Bonds has been registered under the Securities Act, and those securities are subject to restrictions on transfer. See “Transfer Restrictions”.
Delivery of the Bonds	Delivery of the Bonds, against payment in same-day funds, will be on the Closing Date.

SUMMARY FINANCIAL DATA

The selected financial information has been derived from the Company's audited consolidated financial statements as of and for the years ended December 31, 2022 and 2023 and as of and for the years ended December 31, 2023 and 2024 included elsewhere in this Offering Circular. The consolidated financial statements as of and for the years ended December 31, 2022 and 2023 and as of and for the years ended December 31, 2023 and 2024 have been audited by independent auditors. Our consolidated financial statements are presented in conformity with the Taiwan IFRS. You should read the following selected financial information together with our financial statements included elsewhere in this Offering Circular. Neither these data nor the format in which they are presented should be viewed as comparable to information prepared in accordance with IFRS or generally accepted accounting principles elsewhere. See "Summary of Certain Material Differences between Taiwan IFRS and IFRS." For information relating to the Company's consolidation of CIMPOR and OYAK F, which have affected the Company's consolidated financial statements presented herein, please also see "Risk Factors—Risks Relating to Our Overall Business—Our expansion into new industries, new markets, and overseas markets may not be successful, and we may not be able to realize the anticipated benefits of these mergers, acquisitions or investments" and "—Foreign exchange fluctuations may adversely affect our earnings and profitability."

Consolidated financial information

Consolidated Statements of Comprehensive Income Data

	Year ended December 31,			
	2022	2023	2024	
	NT\$	NT\$	NT\$	US\$
	(audited)			
	(in thousands, except per share information)			
Operating Revenue	113,929,706	109,314,335	154,606,511	4,715,051
Operating Costs	(103,794,557)	(88,780,566)	(121,878,486)	(3,716,941)
Gross Profit	10,135,149	20,533,769	32,728,025	998,110
Operating Expenses				
Marketing	(820,576)	(967,612)	(1,405,451)	(42,862)
General and administrative	(6,850,260)	(8,095,687)	(12,742,894)	(388,622)
Research and development	(1,302,175)	(1,440,310)	(1,453,063)	(44,314)
Total operating expenses	(8,973,011)	(10,503,609)	(15,601,408)	(475,798)
Income from Operations	1,162,138	10,030,160	17,126,617	522,312
Non-operating Income and Expenses				
Share of profit of associates and joint ventures	3,919,856	4,568,339	620,788	18,932
Interest income	2,102,495	3,402,888	5,508,534	167,995
Dividend income	2,498,353	1,433,442	1,239,211	37,793
Gain from bargain purchase	-	-	1,440,571	43,933
Other income	583,112	670,792	1,391,593	42,440
Gain on disposal of investment, net	-	-	173,531	5,292
Foreign exchange gains (losses), net	201,611	(847,143)	(8,821)	(269)
Finance costs	(2,869,888)	(3,542,684)	(5,253,572)	(160,219)
Net gain (loss) on disposal of property, plant and equipment	(20,296)	(111,686)	(346,977)	(10,582)
Net gain (loss) on disposal of investment properties	502,346	332,065	3,257,173	99,334
Other expenses	(829,313)	(763,103)	(1,329,180)	(40,536)
Non-financial assets impairment loss	(89,923)	(873,596)	(1,100,987)	(33,577)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(514,394)	57,357	114,278	3,485
Total non-operating income and expenses	5,483,959	4,326,671	5,706,142	174,021

	Year ended December 31,			
	2022	2023	2024	
	NT\$	NT\$	NT\$	US\$
	(audited)			
	(in thousands, except per share information)			
Income Before Income Tax	6,646,097	14,356,831	22,832,759	696,333
Income Tax Expense	(2,489,012)	(4,352,218)	(7,203,262)	(219,679)
Net Income	4,157,085	10,004,613	15,629,497	476,654
Other Comprehensive Income (Loss)	1,144,923	(2,534,440)	16,570,238	505,344
Total Comprehensive Income for the period.....	5,302,008	7,470,173	32,199,735	981,998
Net Income (Loss) Attributable to:				
Shareholders of the Corporation.....	5,404,984	7,997,814	11,259,317	343,376
Non-controlling interests.....	(1,247,899)	2,006,799	4,370,180	133,278
	4,157,085	10,004,613	15,629,497	476,654
Total Comprehensive Income (Loss) Attributable to:				
Shareholders of the Corporation.....	6,253,579	5,438,043	25,287,948	771,209
Non-controlling interests.....	(951,571)	2,032,130	6,911,787	210,789
	5,302,008	7,470,173	32,199,735	981,998
Earnings per Share (NT\$/US\$) ⁽¹⁾				
Basic earnings per share.....	0.74	1.06	1.45	0.04
Diluted earnings per share.....	0.73	1.04	1.42	0.04

Notes:

- (1) Prior year EPS were retrospectively adjusted to reflect dividend issued.

Consolidated Balance Sheet Data

	As of December 31,			
	2022	2023	2024	
	NT\$	NT\$	NT\$	US\$
	(audited)			
	(in thousands)			
Current Assets	175,624,058	153,113,300	173,380,580	5,287,605
Non-current Assets	285,184,903	316,325,222	420,033,067	12,809,792
Total Assets	460,808,961	469,438,522	593,413,647	18,097,397
Current Liabilities.....	75,209,411	72,581,236	86,373,382	2,634,138
Non-current Liabilities	147,323,770	142,956,245	199,132,001	6,072,949
Equity Attributable to Shareholders of the Corporation	217,894,766	230,933,254	248,097,494	7,566,255
Non-controlling Interests	20,381,014	22,967,787	59,810,770	1,824,055
Total Liabilities and Equity	460,808,961	469,438,522	593,413,647	18,097,397

Consolidated Statements of Cash Flow Data

	Year ended December 31,			
	2022	2023	2024	2024
	NT\$	NT\$	NT\$	US\$
	(audited) (in thousands)			
Net cash generated from operating activities	6,192,301	36,919,281	31,793,945	969,623
Net cash used in investing activities	(16,601,833)	(46,046,012)	(36,707,879)	(1,119,484)
Net cash generated from (used in) financing activities	6,041,431	(12,510,709)	13,823,041	421,563
Effects of exchange rate changes on cash and cash equivalents	2,088,653	(838,432)	2,488,775	75,900
Net increase (decrease) in cash and cash equivalents .	(2,279,448)	(22,475,872)	11,397,882	347,602
Cash and cash equivalents at the beginning of the period	91,121,942	88,842,494	66,366,622	2,023,990
Cash and cash equivalents at the end of the period	88,842,494	66,366,622	77,764,504	2,371,592

Other Financial Data

	Year ended December 31,			
	2022	2023	2024	
	(audited)			
Gross margin ⁽¹⁾	8.9%	18.8%	21.2%	21.2%
Operating margin ⁽²⁾	1.0%	9.2%	11.1%	11.1%
Net margin ⁽³⁾	3.6%	9.2%	10.1%	10.1%
EBITDA (in thousands) ^{(4) (6)}	NT\$9,689,969	NT\$19,314,882	NT\$33,596,549	US\$1,024,597
EBITDA margin ^{(5) (6)}	8.5%	17.7%	21.7%	21.7%

- (1) Gross margin is calculated by dividing gross profit by operating revenue.
- (2) Operating margin is calculated by dividing income from operations by operating revenue.
- (3) Net margin is calculated by dividing net income by operating revenue.
- (4) EBITDA is defined as income from operations adding back depreciation (but excluding non-operating depreciation) and amortization.
- (5) EBITDA margin is calculated by dividing EBITDA by operating revenue.
- (6) The Company has presented EBITDA and EBITDA margin because the Company considers them important supplemental measures of our operating performance and believe they are frequently used by analysts, investors and other interested parties in the evaluation of companies in our industry. The Company's management uses EBITDA and EBITDA margin as additional measurement tools for purposes of business decision-making, including developing budgets, managing expenditures and evaluating potential acquisitions or divestitures. Other companies in our industry may calculate EBITDA and EBITDA margin differently than the Company does. EBITDA and EBITDA margin are not measures of operating performance under Taiwan IFRS and should not be considered as a substitute for, or superior to, income from operations or operating margin prepared in accordance with Taiwan IFRS. EBITDA and EBITDA margin have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our results as reported under Taiwan IFRS. You are encouraged to evaluate these adjustments and the reasons the Company considers them appropriate for supplemental analysis. In evaluating EBITDA and EBITDA margin, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. The Company's presentation of EBITDA and EBITDA margin should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

RISK FACTORS

In purchasing the Bonds, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Bonds. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Offering Circular a number of factors which could materially adversely affect its businesses and ability to make payments due. In addition, factors that are material for the purpose of assessing the market risks associated with the Bonds are also described below. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

Risks Relating to Our Overall Business

Our operations are subject to all relevant environmental laws, regulations and broader governmental policies that may be changed.

Our operations are subject to various laws and regulations relating to environmental protections. These include provisions for prevention and treatment of noise, water, soil and air pollution and other industrial pollution. We cannot assure you that we are in compliance with all relevant environmental laws and regulations in all respects, and we may be subject to fines and penalties imposed by the relevant governmental authorities from time to time. Our cement manufacturing process requires the combustion of large amounts of fuel, which results in the emission of greenhouse gases, and therefore, we are subject to certain statutory or regulatory requirements on reduction of greenhouse gas emissions. In recent years, the ROC Government has continued to enhance the regulations and policies relating to environmental protection. In order to regulate emissions from sources of pollution from the cement industry, the Ministry of Environment announced the draft amendment to the List of Public and Private Premises Which Shall Perform Regular Analysis and Report Test Results of Stationary Pollution Sources (公私場所應定期檢測及申報之固定污染源) on August 14, 2024 to strengthen the control of public and private places in using resource recycling fuels while effectively implementing air pollution prevention measures. In addition, regarding carbon regulatory planning, the Greenhouse Gas Reduction and Management Act has been amended and renamed as the Climate Change Response Act (氣候變遷因應法) on February 15, 2023. According to the Climate Change Response Act, carbon fees will be levied on emission sources with a phased approach planned for implementation, with trial reporting expected to begin in 2025 and the formal collection of carbon fees starting in 2026. On August 29, 2024, the Ministry of Environment announced three carbon fee related regulations: the “Regulations Governing the Collection of Carbon Fees,” the “Designated Greenhouse Gas Reduction Goals for Entities Subject to Carbon Fees,” and the “Regulations for Administration of Self-Determined Reduction Plans.” These three regulations comprise the supporting mechanism for implementation of the carbon fee system.

In order to help address the carbon leakage problem, the European Commission has implemented a regulation establishing the Carbon Border Adjustment Mechanism (the “CBAM”) in 2023. The CBAM initially applies to imports of certain goods and selected precursors in the EU whose production is carbon intensive and at most significant risk of carbon leakage: cement, iron and steel, aluminum, fertilizers, electricity and hydrogen. During the transitional phase, which is from October 1, 2023 to December 31, 2025, importers are required to regularly report the total greenhouse gas (“GHG”) emissions embedded in their imports, including both direct and indirect emissions. Once the permanent system comes into force on January 1, 2026, importers of products in the selected categories will begin to pay a border carbon tax for their products based on the price of allowances in the European Union Emissions Trading System. Our subsidiary, OYAK F, is an exporter from Turkey into the EU and will be subject to the requirements of CBAM. Compliance with regulations such as carbon cap-and-trade schemes or carbon border adjustment mechanisms may lead to increased costs, lower competitiveness, supply chain risks, and reputational risks. In addition, relevant regulatory practices, trade policies, and financial instruments such as customs duties may result in additional operating costs.

Similarly, in recent years, the PRC Government has adopted broad policies and specific regulations that promote or mandate, among other things, reductions in carbon or other GHG emissions, priority dispatch of renewable energy and protection of environment, including the Notice on Establishing and Improving the Guarantee Mechanism of Renewable Energy Power Consumption (關於建立健全可再生能源電力消納保障機制的通知) in May 2019, the Action Plan for Carbon Dioxide Peak Before 2030 (2030年前碳達峰行動方案) in October 2021, the Implementation Measures of Carbon Emission Peak of Industrial Sector (工業領域碳達峰實施方案) in August 2022 and the Progress Report of China's National Carbon Market (全國碳市場發展報告) in July 2024.

Those environmental policies have a mixed effect on our business. While they bring support to our renewable energy as well as waste management business, they may also impose restrictions on or discourage our cement production and thermal power generation. Although we actively adjust our cement production and thermal power generation to achieve low carbon emission and apply an ESG and circular-economy focused growth strategy, we cannot assure you that our actions can effectively minimize the negative impacts of those policies on our cement and thermal power segments. In addition, the governmental policies are subject to future change. We cannot guarantee that we can fully fulfill the requirements of future policies or those policies would not affect our business, financial condition and results of operations adversely.

On the other hand, the Trump administration in the United States that assumed office in January 2025 took actions to encourage fossil energy production and ease environmental requirements and regulations. Through a number of executive orders and memoranda, the Trump administration reversed many of the previous climate policies adopted by the U.S. government, and aimed to, among others, deregulating energy industry, limiting offshore wind projects, and withdrawing the United States from the Paris Agreement and other international climate agreements. While our direct business exposure to the United States is limited, the actions taken by the Trump administration may have adverse impact to our businesses.

We are subject to stringent health and safety laws and regulations that give rise to significant costs and could give rise to significant liabilities.

We are subject to a broad range of health and safety laws and regulations in each of the jurisdictions in which we operate. These laws and regulations, as interpreted by relevant agencies and the courts, impose increasingly stringent health and safety protection standards. The costs of complying with, and the imposition of liabilities pursuant to, health and safety laws and regulations could be significant, and failure to comply could result in assessment of civil and criminal penalties, suspension of permits or operations, and lawsuits by third parties. In addition, under certain circumstances, the relevant authorities could demand our facilities to be curtailed or operations to be suspended on the grounds of health and safety concerns.

Despite our efforts to monitor and minimize accidents at our facilities, health and safety incidents do occur, some of which may result in costs and liabilities and may negatively impact our operations and reputation. Such accidents could include explosions, gas leaks, fires, vehicular accidents or other accidents involving mobile equipment, or exposure to potentially hazardous material. Some of our industrial activities involve the use, storage and transport of dangerous chemicals and toxic substances, and we are therefore subject to the risk of industrial accidents, which could have significant adverse consequences for our workers and facilities, as well as the environment. Such accidents could lead to production stoppages and loss of key personnel and key assets and could put at risk our employees (and those of subcontractors and suppliers) and persons living near the affected sites.

We may fail to obtain or maintain the approvals, permits, licenses and certificates required for our business operations in a timely manner.

We are required to obtain various approvals, permits, licenses and certificates from various governmental authorities for our business operations, for example:

- for cement production, our operation in the ROC, Turkey, Portugal and the PRC is required to maintain certain licenses and permits, such as the production license for industrial products, the production safety license, and mining permit;
- for electricity generation, including from thermal power and from renewable energy such as solar and wind power, the power projects in the ROC require, among others, electricity business licenses from the Ministry of Economic Affairs (the “MOEA”) before becoming operational pursuant to the Electricity Act, Renewable Energy Development Act and relevant regulations of the ROC. If the wind farms are to be developed in coastal conservation zones, additional approvals are required pursuant to the Coastal Zone Management Act of the ROC. Similarly, power projects in the PRC require, among others, project registration with the competent Development and Reform Commission and electric power business permits (電力業務許可證) from the relevant provincial or regional energy departments before becoming operational and able to sell electricity to the relevant grids; and
- for the waste management business in the ROC, permits from local regulators under the Waste Disposal Act and relevant regulations are required for waste clearance and waste disposal before operations may begin. In the PRC, to carry out hazardous waste business, hazardous waste business permit shall be obtained from the relevant environment department engaging in the collection, storage and/or disposal of hazardous wastes.

Procedures for granting such licenses and permits vary geographically, and certain projects may not receive their approvals or permits in a timely manner for a variety of reasons. For example, certain third parties challenged the permit/license of development and construction of the DAKA Regeneration Resource Utilization Center issued by the Hualien County, including (i) a lawsuit based on the Environment Impact Assessment Law for the purpose of seeking annulment of the administrative decision granted by the Hualien County, ruled by the Taipei High Administrative Court in favor of the Hualien County on June 1, 2023, now pending before the Supreme Administrative Court after the counterparties' appeal; (ii) a lawsuit based on the Building Act for the purpose of seeking annulment of the building permit granted by the Hualien County, ruled by the Taipei High Administrative Court in favor of the Hualien County on May 16, 2024, now pending before the Supreme Administrative Court after the counterparties' appeal; and (iii) a lawsuit based on the Building Act for the purpose of seeking annulment of the usage permit granted by the Hualien County, now on trial before the Taipei High Administrative Court. If the court decides against the governmental authority, we may face a potential risk of the cancelation of our permit/license, which may result in material costs and losses. In addition, some of these approvals, licenses, permits and certificates are subject to periodic review and renewal by governmental authorities and the standards of compliance required in relation thereto may from time to time be subject to changes without substantial advance notice. Any changes in the existing policies in relation to the renewal criteria or standards of compliance may result in our failure to obtain or maintain such approvals, permits, licenses and certificates. In addition, our Turkish and Portuguese operations have not complied with certain mandatory licensing procedures or lack certain licenses and permits with respect to certain facilities and activities, some of which are material to the conduct of our business and may result in costs and penalties to us, and in the case of repeated noncompliance with licensing, permit and certification requirements, in some instances, may lead to suspension or halt of the operation of the relevant facilities pending the receipt of necessary registrations or permits.

We cannot assure you that we will be able to obtain the required approvals, licenses, registrations, permits and certificates in a timely manner or at all. If we fail to obtain the required approvals, permits, licenses and certificates, we may be subject to fines and penalties imposed by the relevant governmental authorities, and we may be required to suspend or halt the operation of the relevant facilities pending the receipt of necessary registrations or permits. Any penalties, allegations or proceedings arising from the lack of required approvals, licenses, permits and certificates may have an adverse effect on our business, financial condition, results of operations and prospects.

We are subject to price fluctuations of cement, electricity, and other products and services we provide, and a material decline in their prices could adversely affect our business and results of operation.

Our financial performances are highly dependent on the prevailing prices of our products including cement, electricity, and other products, as well as related materials in the markets in which we operate. Historically, such prices have been influenced by the forces of supply and demand dynamics, market conditions, overall economic growth as well as a variety of other factors beyond our control. Government actions may also affect the prices. The external factors mentioned, in addition to the volatility of the markets in which we operate, render prices of cement and other products difficult to predict. Any substantial or extended decline in prices of cement or other products we produce would adversely affect the results of our operations and financial condition. Moreover, we may not be able to maintain or increase our production volumes in the future. A sustained and material decline in our product prices, a significant rise in our production costs, or a decline in our production volumes or capacity utilization could each have a material adverse effect on our business, financial condition and results of operations.

Our expansion into new industries, new markets, and overseas markets may not be successful, and we may not be able to realize the anticipated benefits of these mergers, acquisitions or investments.

We continue to grow our business and enter into new industries and markets. In recent years, we expanded our cement segment into Europe and West Africa. In November 2018, we formed a Dutch joint venture with OYAK, the then largest cement company in Turkey, into which we injected cash and OYAK injected its interest in all its cement subsidiaries. The joint venture was controlled by OYAK and operated the cement business in Turkey through OYAK F, a Turkish corporation listed on Borsa Istanbul Stock Exchange. In August 2019, the joint venture acquired the Portuguese and Cape Verde operations of CIMPOR. In March 2024, we completed a series of share purchase and restructuring transactions, pursuant to which we and Oyak Capital Investments B.V., a subsidiary of OYAK, established a new Dutch joint venture, TCC OYAK Amsterdam, in which we increased our ownership percentage to 60.0%, to control OYAK F and operate OYAK F's cement business in Turkey. Following the transactions, we became 100.0% owner of CIMPOR. In March 2024, OYAK F and CIMPOR were consolidated into our financial results as our subsidiaries. In addition, through CIMPOR, we built a cement plant in the Republic of Côte d'Ivoire in August 2020 and an environment-friendly cement plant in Cameroon in July 2024, and we are also building a cement plant in Ghana designed to produce calcined clay as an alternative to traditional clinker to reduce our carbon footprint, which is expected to complete in the last quarter of 2025.

We also adjusted our electricity and energy segment and entered into the renewable energy industry. In July 2021, we acquired 60.5% of the issued share capital of NHOA, a European company operating in the sustainable energy sector and specializing in energy storage solutions, and increased our shareholding to 65.2% following a simplified mandatory tender offer. In September 2023, we increased our shareholding in NHOA to 87.8% following the completion of a rights issue. On November 7, 2024, TCC Europe Holdings B.V. (previously known as Taiwan Cement Europe Holdings B.V.), a wholly owned subsidiary of ours, launched a simplified tender offer to acquire all the issued share capital of NHOA not already held by us. Following the settlement of the tender offer, TCC Europe Holdings B.V. held 99.2% of the share capital of NHOA and implemented a squeeze-out and delisting of NHOA's shares from the Euronext market in Paris. As of December 31, 2024, TCC Europe Holdings B.V. held 99.99% of NHOA. NHOA is carrying out projects in southern Europe to develop the first electric vehicle ("EV") fast charging network that is 100% vehicle-to-grid integrated, enabled by renewables and energy storage. We have also been investing in battery cell production capabilities and power generation from renewable energy in the ROC. In August 2021, we completed an additional investment in TCC Recycle Energy Technology Company, increasing our percentage of ownership from 29.7% to 67.8% and obtaining control of this company. On September 15, 2022, we completed the capital increase in TCC Recycle Energy Technology Company, increasing our percentage of ownership to 78.0%. TCC Recycle Energy Technology Company is the 100% shareholder of E-One Moli Energy Corporation ("Molicel"), a company focusing on manufacturing rechargeable lithium-ion batteries and battery pack products. Through Molicel, we are expanding our battery production business in the ROC.

The construction of additional plants and launch of new projects involve substantial capital expenditure and other risks associated with major projects, such as cost overruns, delays in implementation, regulatory approvals and technical and economic viability, and changes in market conditions, any of which may adversely affect our business, financial condition and prospects. Factors which may contribute to delays and cost overruns include price changes and availability of key equipment or materials, the cost and availability of financing, risks relating to construction, changes in safety and/or environmental requirements, changes in the economic conditions, adverse weather conditions, natural disasters, epidemics and outbreaks of contagious diseases, accidents and unforeseen circumstances and problems. In addition, our future growth will require significant managerial, operational and financial resources. If we cannot manage our growth effectively, or if there are any significant delays in the completion of any of the projects or a material increase in the costs of any of the projects, the implementation of our business strategy and our financial performance may be adversely affected.

Our limited operating experience and experience with regulatory environments and market practices in the new markets and industries may also limit our expansion strategy, and cause our business and growth to suffer. We may face different market dynamics and competition as we expand our presence in the new industries and markets, and may not be as successful as our competitors in generating revenues in those industries and markets. Any expansion efforts could be more costly and less profitable than our efforts in our existing markets. We may lack knowledge of the local regulatory environment, market conditions, cultural and economic background, labor market and competitive landscape. In particular, the expansion of our businesses outside of the jurisdictions in which we have historically operated may expose us to risks and challenges inherent in operating businesses internationally, including:

- increased resource requirements to manage regulatory compliance across our international businesses;
- failure to attract and retain capable talent with international and local perspectives who can effectively manage and operate local businesses;
- additional resources and efforts required to manage local management teams;
- uncertain enforcement of our intellectual property rights in different jurisdictions;
- uncertain, complex and potentially adverse and conflicting customs, import/export laws, currency controls, anti-dumping rules, tax rules and regulations or other trade barriers or restrictions, which could negatively affect margins on sales of our products in foreign countries and on sales of products that include components obtained from foreign suppliers;
- credit and collectability risks on our trade receivables with customers in different regions;
- availability, reliability and security of international and cross-border payment systems and logistics infrastructure;
- exchange rate fluctuations and inflation;

- political instability and general economic or political conditions in particular countries or regions, including territorial or trade disputes, war and terrorism;
- challenges in replicating or adapting our policies and procedures to operating environments different from that of the jurisdictions in which we have historically operated;
- challenges of maintaining efficient and consolidated internal systems and of achieving customization and integration of these systems;
- lack of acceptance of our product and service offerings, and challenges of localizing our offerings to appeal to local tastes;
- increased competition with local players in different markets and sub-markets; and
- protectionist or national security policies that restrict our ability to invest in or acquire companies, develop, import or export certain technologies, or utilize technologies that are deemed by local governmental regulators to pose a threat to their national security.

There is no assurance that we will be able to manage these risks and challenges as we continue to grow our businesses and enter into new industries and markets. If we are less successful in the new industries and markets than we expect, we may not be able to realize an adequate return on our initial investment, and our business, financial condition and results of operations may be materially and adversely affected. Therefore, failure to manage any of the above-mentioned risks and challenges could negatively affect our ability to expand our businesses and operations, as well as materially and adversely affect our business, financial condition and results of operations.

Currently, our expansion to new industries and new markets heavily relies on acquiring or investing in other companies. Mergers, acquisitions or investments that we have entered into, and may enter into in the future, entail a number of risks that could materially and adversely affect our businesses, operating and financial results, including, among others:

- problems integrating the acquired operations, technologies or products into our existing business and products;
- diversion of management's time and attention from our other segments;
- conflicts with joint venture partners or other shareholders of the acquired subsidiaries;
- adverse effects on our existing business relationships with customers;
- need for financial resources above our planned investment levels;
- failures in realizing anticipated synergies;
- difficulties in retaining business relationships with suppliers and customers of the acquired company;
- risks associated with entering markets in which we lack experience;
- potential loss of key employees of the acquired company; and
- potential write-offs of acquired assets.

Our failure to address these risks successfully may have a material adverse effect on our financial condition and results of operations. Any such acquisition or investment will likely require a significant amount of capital investment, which would decrease the amount of cash available for working capital or capital expenditures.

If we are not able to obtain necessary financial resources to fund our capital expenditures, we may not be able to implement our business strategies.

Our cement segment, electricity and energy segment and certain other segments, such as our waste management business, are capital intensive. In order to build, maintain, upgrade and expand our production facilities,

power generation facilities, energy storage and charging facilities, and waste disposal facilities, we are required to obtain significant financial resources to fund our capital expenditures. Our expansion to new industries and markets also requires additional capital. In the past, we have been relying mainly on our cash flow generated from operating activities and financing activities to fund our capital expenditures. There is no guarantee, however, that we will continue to obtain sufficient financial resources to support our business on commercially acceptable terms, or at all, and if we do not, our financial condition and liquidity will be materially and adversely affected, and we may not be able to implement our business strategies as planned.

Our business operations are subject to seasonal fluctuations.

Production and sale of our cement products are subject to seasonal fluctuations. In the ROC and the PRC, we usually record our lowest quarterly sales in the first quarter due to the holiday season and cold weather in certain regions where we operate. Our cement sales generally recover in the second quarter because of the improved weather conditions. Production and sale are relatively low in the third quarter due to the storms and heavy or sustained rainfall in some regions, and the influence of certain climate conditions has aggravated as extreme weather becomes more common due to climate change. The fourth quarter is our peak season and we generally increase the prices of our products due to higher demand as a result of the higher level of construction activities.

Demand for electricity is subject to seasonable fluctuations as summertime is the peak season. Our generation of wind and solar power is also seasonal. Factors affecting the seasonality of the capacity of our wind and solar power plants include the speed of wind and the intensity of sunlight, which are affected by weather and climate conditions. Adverse meteorological conditions can have a material impact on our plants' output and could result in production of electricity below expected output, which in turn could adversely affect our profitability.

As a result of the seasonal fluctuations, our quarterly results may not be indicative of our business and financial performance for the year as a whole.

Any future outbreaks of health epidemics and outbreaks of contagious diseases, including avian influenza, swine flu, SARS or COVID-19, may materially affect our operations and business.

Influenza viruses circulating in animals pose threats to human health. Humans can become ill when infected with viruses from animal sources, such as avian influenza virus subtypes H5N1, H9N2 and H7N9 and swine influenza virus subtype H1N1 and H3N2. An outbreak of a contagious disease such as New Influenza A, more commonly known as the "bird flu" and "swine flu," severe acute respiratory syndrome ("SARS") or avian influenza with virus subtype H7N9, for which there is inadequate treatment or no known cure or vaccine, may potentially result in a quarantine of infected employees and related persons and adversely affect our operations at one or more of our facilities or the operations of our customers or suppliers. We cannot predict the impact that any further future outbreak of the aforementioned influenza viruses or other diseases could have on our business and results of operations.

The coronavirus 2019 ("COVID-19") pandemic has had impacts on worldwide economic activity. The COVID-19 pandemic has caused us to modify our business practices, including but not limited to health management of employees, customers and suppliers, management of production inventory, and supply chain risk management. Still, there can be no assurance that such preventive measures will be sufficient to mitigate the risks posed by COVID-19 or other epidemics in the future, and our ability to perform critical functions could be adversely affected. Prolonged impacts of COVID-19 or future similar events could adversely affect our business and results of operations in several ways, including but not limited to:

- interruption of the operations of our suppliers;
- shortage of shipping capacity and increase of logistic cost;
- downward pressure on demand from our customers due to the slowdown of construction projects;
- production delays in our products due to mandatory closures of our production facilities; and
- implementation of our global development strategy due to the travel restrictions and pandemic outbreak in certain regions of the world.

In addition, if any of our employees are affected by a severe communicable disease, it could adversely affect or disrupt our operations (including the closure of our production facilities to prevent the spread of the disease) and materially and adversely affect our business, financial condition and results of operations. Any future outbreak may restrict the level of economic activity in affected regions, which may also adversely affect our businesses. As a result,

there is no assurance that any future outbreak of contagious diseases would not have a material adverse effect on our business, financial condition and results of operations.

Earthquakes, typhoons, floods and other natural disasters could severely disrupt the normal operation of our business and adversely affect our earnings.

Certain regions where we operate our business are susceptible to earthquakes and have experienced severe earthquakes in the past, which caused significant property damage and loss of life. In the ROC, earthquakes usually hit the central and eastern regions. For the PRC, which has very densely populated cities, earthquakes can inflict massive damage and casualties. In February 2016, a 6.4-magnitude earthquake struck the southern ROC, causing death of more than 100 people and damage to buildings. On October 24, 2021, a 6.5-magnitude earthquake struck the ROC's northeast coast. On September 17 and 18, 2022, a 6.4-magnitude earthquake and a 6.8-magnitude earthquake struck the ROC's southeastern part, respectively. On April 3, 2024, a 7.2-magnitude earthquake struck ROC's east coast, causing the death of 18 people and injury of more than 1,000 as well as damaging some equipment of TCC Heping Plant, the Ho-Ping Power and Heping Industrial Port Corporation. Some of our associates and joint ventures also operate business in areas susceptible to earthquakes. On February 6, 2023, two severe earthquakes struck Turkey, where OYAK F operates its cement business, and severely damaged OYAK F's facilities in Iskenderun, Turkey. There can be no assurance that future earthquakes will not occur and result in major damage to facilities, which could have a material adverse effect on our results of operations.

The ROC and the PRC are also susceptible to typhoons, which may cause damage and business interruptions to companies. Flood is another potential risk that may disrupt our operations or the operations of our customers or suppliers, which could result in a decline in the demand for our respective products or lack of raw material supply. In May 2023 and September 2024, heavy rain and storm brought devastating floods to Italy, where NHOA conducts R&D and production activities. Any temporary or sustained adverse impact from any future floods may adversely affect the economic, social or political conditions in the regions where we conduct business and may lead to fluctuations in the market price of the Bonds.

If our customers are affected by an earthquake, a typhoon, a flood or other natural disasters, it could result in a decline in the demand for our respective products or services. If our respective suppliers and providers of complementary raw materials or transport services are affected, our respective operations could be interrupted or delayed. As a result, a major earthquake, typhoon, flood or other natural disaster in any of the areas where we conduct our business could severely disrupt our normal business operations and have a material adverse effect on our respective financial conditions and results of operations.

We, along with many of our customers and suppliers, are vulnerable to events beyond our control, which may seriously disrupt our operations.

Disruptions of the operations at our facilities or the facilities of our customers and suppliers for any reason, including work stoppages, power outages, water supply shortages, fire or other events, could cause delays in the manufacturing and shipment of our products. For instance, a massive power outage occurred in the ROC on March 3, 2022 and we estimated approximately NT\$121 million reduction in the consolidated revenue. We may not be able to manage our sources of raw materials to respond to such events. Any delays or disruptions of our operations could drive our customers to seek their supply of cement products from other manufacturers.

We depend on seaborne freight, rail, trucking, overland conveyor and other systems to deliver our products to the market. Disruptions or significant increase in the freight for these transportation services due to market conditions, weather-related problems, key equipment failures, strikes, lock-outs, pandemic outbreaks or other events could temporarily impair our ability to supply commodities to our customers and thus could adversely affect our results of operations and financial condition. Even though we seek to coordinate our delivery logistics to improve our turnover performance, our ability to increase export sales, for example, may be restricted by available port capacity which may adversely affect our ability to increase turnover.

Insurance coverage may not be sufficient to cover the risks related to both of our operations and losses.

We may experience major accidents in the course of our operations. Although we maintain liability insurance, such an insurance program does not cover, or may not cover adequately, every potential risk associated with our operations and the consequences resulting from them. While we maintain business interruption insurance for some of our subsidiaries and plants, including but not limited to Suao cement plant, Ho-Ping cement plant, Ho-Ping Power Plant, Molicel, TCC Green Energy Corporation, TCC Yingde Cement Co., Ltd., Jurong TCC Cement Co., Ltd., TCC (Guigang) Cement Limited, TCC Chongqing Cement Co., Ltd, Ankara cement plant, Eregli cement plant, Bolu cement plant, Denizli cement plant, Adana cement plant, Aslan cement plant, Mardin cement plant, Alhandra cement plant, Souselas cement plant and Loulé cement plant, not all of our subsidiaries or plants are covered by

insurance policies, and we may be negatively affected by accidents either on our properties or relating to our operations. In addition, as a result of market conditions, premiums and deductibles for our existing insurance policies can increase substantially and, in some instances, our existing insurance may become unavailable or available only for reduced amounts of coverage. Furthermore, we may not be able to obtain meaningful coverage at reasonable rates for certain types of environmental hazards. The occurrence of an accident, the losses and damages of which are not fully covered by insurance, could have a material adverse effect on our business, financial condition and results of operations.

Any failure to maintain an effective quality control system at our production facilities could have a material and adverse effect on our business, financial condition and results of operations.

The quality of our products is critical to the success of our business. The quality of our products depends on the effectiveness of our quality control system, which in turn depends on a number of factors, including the design of the system, the quality control training program and our ability to ensure that our employees adhere to our quality control policies and guidelines. Any failure of our quality control system could result in the production of defective or substandard products, which in turn may result in delays in the delivery of our products, the need to replace defective or substandard products, product liability claims brought against us and damage to our reputation, which could have a material and adverse effect on our business, financial condition and results of operations.

Foreign exchange fluctuations may adversely affect our earnings and profitability.

A portion of our raw material costs and borrowings are denominated in US dollars, while a significant portion of our labor cost and assets are denominated in Renminbi. Our expansion to Europe, including our acquisition of NHOA and CIMPOR and our joint venture with OYAK, also bring some revenue, costs and assets denominated in Euro and Turkish Lira. Accordingly, our operations are exposed to fluctuations among US dollar, Euro, Turkish Lira, Renminbi and NT dollar exchange rates and, to a lesser extent, exchange rates between other currencies. The value of the Renminbi is subject to changes in the PRC Government's policies and depends to a large extent on domestic and international economic and political developments, as well as supply and demand in the local market. Effective from July 21, 2005, the Renminbi is no longer pegged solely to the US dollar. Instead, it is pegged against a basket of currencies, determined by the People's Bank of China, against which its value can rise or fall by as much as 0.3% each day. Since then, the PRC Government has made, and may in the future make, further adjustments to the exchange rate system. On June 19, 2010, the PRC Government announced its intention to further relax its currency policy, and starting from March 17, 2014, the Renminbi has been permitted to rise or fall within a 2% range. From 2020 to now, the Renminbi to US dollar exchange rate has fluctuated. We cannot assure you of the future trend of the exchange rate. Fluctuations in exchange rates may adversely affect the value, translated or converted into US dollars, of our net assets, earnings or any declared dividends.

From March 2024, the financial position and operating result of OYAK F has been incorporated into our consolidated financial statements due to the increase in our ownership interest. The soaring inflation in Turkey over recent years has resulted in continuing significant depreciation of Turkish Lira in relation to US dollar and Euro. In addition, as the three-year cumulative inflation rate of Turkey exceeds 100%, Turkey represents a hyperinflationary economy. As a result, we account for our Turkish operations in accordance with the highly inflationary accounting rules in the International Accounting Standard ("IAS") 29 adopted by IFRS, and inflation adjustments were made in the financial statements of OYAK F. IAS 29 requires that, for a hyperinflationary economy, financial statements of an entity, including comparative information, must be expressed in units of the functional currency current as at the end of the relevant reporting period. The incorporation of OYAK F into our consolidated financial statements, together with the fact that Turkey has become a hyperinflationary economy, may have an adverse effect on our consolidated financial position, results of operations, or cash flows in future periods.

The impact of future exchange rate fluctuations among these currencies on our results of operations and financial condition cannot be accurately predicted, and there can be no assurance that our attempt to mitigate the adverse effects of exchange rate fluctuations will be successful or that such exchange rate fluctuations will not in the future have a material adverse effect on our results of operations, financial condition and prospects.

Our business depends substantially on the continuing efforts of our executive directors, senior management, key personnel and our ability to maintain an adequate and skilled labor force.

We depend on our respective board of directors and senior management for our daily business operations and for formulating and implementing our business strategies and future plans. Our success is, to a large extent, attributable to the experience, expertise and managerial skills of our respective boards of directors and senior management. If one or more of our executive directors or senior management were unable or unwilling to continue in their present positions, we may be unable to identify and recruit suitable replacements in a timely manner, or at all. In addition, if any member of our senior management were to join a competitor or form a competing company, we

may lose some of our know-how and customers. While we launched competitive welfare policy and internal training program to build and maintain our management team, there is no assurance that any of our senior management members will not discontinue their service for whatever reason in the future.

In order to retain key managers, from time to time, we may have to offer attractive compensation packages, including share-based compensation. Such share-based compensation will be treated as an expense item under IFRS and therefore, may affect our overall profitability, especially if the per-share value is high at the time of issuance, even though there is no impact on our cash flows. As announced on November 11, 2024, to retain the services of the management team of CIMPOR, TCC Europe Holdings B.V., our wholly owned subsidiary, has agreed to, in addition to a cash payment of EUR 4.5 million in cash, (i) issue such number of shares in CIMPOR (“CIMPOR Shares”) representing 5% of the issued share capital of CIMPOR before the end of 2024 as a retention bonus for technical contributions; (ii) grant the management team an option to purchase totaling 10% of CIMPOR Shares at a total price of approximately EUR 80 million within two years; and (iii) allocate certain number of CIMPOR Shares up to a maximum of 10% of the issued share capital of CIMPOR as performance bonus, provided that certain performance targets are met (the “CIMPOR Share-based Incentives”). In 2024, we incurred non-cash expenses and costs of NT\$1,694,617 thousand in total in relation to the CIMPOR Share-based Incentives. While we cannot predict the exact number of CIMPOR Shares to be issued under the CIMPOR Share-based Incentives or their value at the time of issuance, if CIMPOR’s issued share capital is allocated under provision (iii) and the per-share value is high at the time of issuance, the CIMPOR Share-based Incentives could significantly impact the overall expenses of CIMPOR over the next five years.

Furthermore, recruiting and retaining capable personnel, for example experienced professionals familiar with our production processes, are vital to maintaining the quality of our products, continuously improving our production processes and supporting the expansion of our production capacity. We need to recruit personnel with relevant experience to maintain and strengthen our internal control systems and procedures. We may also need to employ and retain more management personnel to support our expansion in the future. Our use of new technologies like artificial intelligence in the operation, as well as our expansion into the green and renewable energy industry also create more needs for recruiting experienced and capable personnel. There is substantial competition for qualified personnel in the cement industry, especially given that the cement industry is a traditional industry facing pressure from the high-tech industry in recruiting talent. In addition to recruiting suitable employees, we have also experienced difficulties maintaining rapport with employees in certain jurisdictions we have expanded into in the recent years. For example, employees of our Portuguese subsidiary went on a strike in April 2024. While we were able to resolve the issue through direct communication with the employees and there was no material impact on us as a result of the strike, we cannot guarantee that such incidents will not happen again or can be resolved with no material impact on us. Similarly, in Turkey, a portion of OYAK F’s workforce is unionized or otherwise party to collective bargaining agreements. As such, labor costs may increase due to the renegotiation of such agreements, wage inflation caused by Turkey’s hyperinflationary economy, or if a greater percentage of OYAK F’s workforce becomes unionized. In addition, any inability to renew collective bargaining agreements on satisfactory terms or the occurrence of strikes, work stoppages, or labor unrest may increase our workforce cost and adversely affect OYAK F’s operations. Therefore, we cannot assure you that we will be able to attract or retain qualified personnel in the future. If we are unable to attract and retain qualified employees, key personnel and senior management, our operating efficiency may deteriorate, and our business, financial condition and results of operations may be materially and adversely affected.

Unfavorable tax law changes, unfavorable import and export tariffs changes, an unfavorable government review of our tax returns or the imposition of withholding taxes on repatriated earnings could adversely affect our effective tax rate and our operating results.

We are subject to, among others, income and transaction taxes in the ROC, Turkey, Portugal, the PRC and other jurisdictions in which we conduct business. An adverse change in the tax laws of the jurisdictions in which we conduct business, such as an increase in tax rates or an adverse change in the treatment of an item of income or expense, could result in a material increase in the amount of taxes we incur. For example, the statutory income tax rate applicable to us in the ROC was adjusted from 17% to 20% since January 1, 2018.

We are subject to periodic audits or other reviews by tax authorities in the jurisdictions in which we conduct our activities. Any such audit, examination or review requires our management’s time, diverts internal resources and, in the event of an unfavorable outcome, may result in additional tax liabilities or other adjustments to our historical results.

The Company’s subsidiaries’ and investees’ ability to pay dividends may be subject to limitations under applicable laws and regulations and other limitations.

We receive cash dividends from associates and investments accounted for using the equity method. In 2022, 2023 and 2024, the Group received cash dividends of NT\$3,074 million, NT\$2,785 million and NT\$1,864 million,

respectively. The ability of the Company's subsidiaries and affiliates to pay dividends to their shareholders (including the Company) is subject to various factors, such as the financial performance of each of these companies; the applicable laws and regulations; double taxation treaties between the countries we operate and treatment of dividends thereunder; changes in foreign exchange controls in the jurisdictions in which these companies are located; restrictions or veto rights of other parties pursuant to any joint venture arrangements; dividend policies of these companies; and considerations relating to minority shareholders' interests with respect to the Company's subsidiaries or other investees that are public companies.

For example, the dividend policy of Ho-Ping Power Company ("Ho-Ping Power"), a joint venture the Company established with Power Infrastructure Holdings (Malaysia) SN Bhd, a subsidiary of CLP Holdings Limited, in March 1995, is subject to the requirements under the Electricity Act (電業法) of the ROC. Under Article 64 of the Electricity Act, a power company may distribute its annual net profit (not including those from the generation of renewable-energy-based electricity) only after its annual net profit as calculated per the requirements of relevant rules and regulation exceeds its total paid-in capital and a special reserve prescribed by the same article of the Electricity Act is set aside for improving the operation and maintenance of the machineries, investing in the pollution-minimizing infrastructure and facilitating further advancement in renewable energy. The special reserve currently required to be set aside includes: (i) when the portion of annual net profit exceeding the paid-in capital is more than 10% but less than 25% of the total paid-in capital of the power company, 50% of the excess portion; and (ii) when the portion of annual net profit exceeding the total paid-in capital reaches 25% or more of its paid-in capital, the full amount in excess of the total paid-in capital.

In addition, although the Company's subsidiaries in the PRC have not made significant distribution of dividends to the Company and it is not intended that they would increase their dividend payments significantly, their ability to pay dividends is also subject to the various factors mentioned above such as limitations under PRC laws and regulations on payment of dividends. Similarly, NHOA has not made any distribution of dividends to the Company, and any future dividend distribution will be subject to the various factors mentioned above such as limitations under the relevant laws and regulations on the payment of dividends.

Further, the board of directors of CIMPOR must have regard to CIMPOR's existing and future working capital, debt servicing requirements, regulatory capital requirements, operating and capital expenditures needs and growth requirements of CIMPOR and ensure CIMPOR could meet its capital needs for the next eighteen (18) months before recommending any distribution of dividends.

Geopolitical tensions and volatile global economic conditions may put downward pressure on our business, financial condition, liquidity and results of operations.

The global credit markets have experienced significant volatility in recent years, including due to the global inflation, financial sector turmoil, deglobalization, the U.S.-China trade tensions, the Russia-Ukraine and Israel-Hamas military conflicts and the COVID-19 pandemic, which have led to less favorable financial and economic conditions.

The uncertain nature, magnitude, and duration of hostilities stemming from the conflicts between Russia and Ukraine, the conflicts involving Hamas and Israel, and further escalation of tensions between Israel and various countries in the Middle East and North Africa, including the potential effects of sanctions limitations, retaliatory cyber-attacks on the world economy and markets, and potential shipping delays, have contributed, and may continue to contribute, to volatility in markets and uncertainty in our operation results. In May 2024, the Turkish Trade Ministry announced an embargo on trade between Turkey and Israel, which restricts the export of goods from Turkey to Israel and the import of products from Israel to Turkey. As our Turkish operation has historically generated only a modest portion of its revenue from exports to Israel, the direct impact of the embargo would be very limited and immaterial. However, as a result of the embargo, cement manufacturers in Turkey that used to export to Israel may shift to the domestic market, which may increase competition and have a negative impact on our and results of operation.

The recent geopolitical conflicts relating to Ukraine have resulted in the United States and several countries in the North Atlantic Treaty Organization (NATO) imposing sanctions on Russia, following which the Russian government has issued a list of countries and territories taking "unfriendly actions" against Russia, including, among others, the ROC, Great Britain, the United States, European Union member states and Singapore. In July 2022, the Russian government has expanded the list of countries and territories to include more European countries. Corporate deals with companies and individuals from the countries and territories covered under the list will have to be approved by a Russian government commission. While we currently do not have business operations or investment in Russia or Ukraine and we have ceased to import coal from Russia since October 2024, it is uncertain whether our business prospects will be adversely affected as the Russia-Ukraine military conflicts continue and consequential sanctions and countermeasures develop. In addition, the military conflicts between Ukraine and Russia may disrupt trade patterns and trade routes, including shipping in the Black Sea and elsewhere, and may impact the transportation costs of

products and raw materials of business operations in Europe. There is no assurance that no additional cost or other negative influence will be imposed on our business and growth prospects in relation to the military conflicts and related sanctions.

In addition, there have been sustained tensions between the United States and the PRC, as well as a trend of deglobalization, which have continued to put pressure on manufacturers and supply chains in light of tariffs and potential international and regional sanctions. While the US-PRC geopolitical tension has not casted any direct influence on our operation, there remains considerable uncertainty as to the relationship between the United States and the PRC, including due to the Trump administration in the United States that assumed office in January 2025. We cannot assure you that any trade-relevant regulations, rules, or measures will not have an adverse impact on our business, financial condition and results of operations.

Claims made against us and our directors from time to time can result in litigation or regulatory proceedings, which could result in liability or harm our reputation.

From time to time, claims are, or may be, raised against us relating to the conduct of our business, including environmental claims, non-compliance with provisions of our licenses, torts, breach of contracts and labor disputes. Such claims could result in litigation against us or regulatory proceedings brought against us by various government and state agencies. Often these cases raise complex factual and legal issues, which are subject to risks and uncertainties and could require significant time from our management team. While we timely make and regularly adjust our provisions for actual or potential claims in our financial statements in accordance with applicable accounting principles, litigations and regulatory proceedings against us or our management could result in unexpected expenses and liabilities and could also materially and adversely affect our operations and our reputation. See “Our Business—Legal Proceedings” for more information.

Risks Relating to Cement Production and Thermal Power Generation

We operate in highly competitive markets and may not be able to compete successfully.

The cement industry is highly competitive in the regions where we operate. Although we have a leading share of the ROC cement market, we face intense competition from other market participants, primarily Asia Cement Corporation. In the PRC, the market is increasingly competitive and we face competition from domestic participants with large international cement manufacturers seeking to expand their operations. In Turkey and Portugal, we face competition from local and international market participants. There is excess capacity in Turkey and export has become mandatory. Due to reasons such as embargos, some Turkish cement manufacturers have experienced a decline in export capabilities and may redirect excess production capacity to the domestic market, leading to increased supply and competition within Turkey. We have to compete with other manufacturers for customers, raw materials, energy and distribution resources. Many of our current and potential competitors may have better brand recognition in local markets, better pricing or greater financial, technical or marketing resources than we do.

We compete primarily on the basis of our product pricing, quality of product offerings, access to resources, sales and marketing network, production efficiency and brand image. Since our entrance into Europe in 2018 through acquisitions and joint ventures, we have been relying heavily on local management with respect to business strategies and daily operations. If the local management fails to make appropriate decisions regarding any of the aforementioned factors, we may be unable to compete successfully with local players and our business, financial condition and results of operations could be materially and adversely affected.

In the PRC, large cement manufacturing companies have been acquiring smaller competitors, and further consolidation is expected to continue in this industry, which is likely to further increase market competition. Accordingly, we may not be able to compete successfully with others in the future in light of the changing and competitive market environment and regulation. If we are unable to compete successfully, our business, financial condition and results of operations could be materially and adversely affected.

The cement industry is subject to significant regulation by the relevant governments, and subsequent introduction of new policies may affect the current and future development plans of our business.

The cement industry is an industry heavily regulated by a number of PRC Government authorities, including, without limitation, the Ministry of Natural Resources, the Ministry of Emergency Management and the State Administration for Market Regulation. All cement producers in the PRC must comply with various regulations and standards, including requirements on the composition and technical specifications for cement products, and cement products that fail to meet the relevant quality standards may not be sold in the PRC. Should there be any change to the existing requirements or new requirements applicable to our cement products, we may need to incur additional expenses to ensure compliance. In recent years, the PRC government authorities have also adopted a series of policy

reforms, guidelines and directives to improve the efficiency of production and protect the environment, such as the Comprehensive Work Program for Energy Saving and Emission Reduction of 14th Five-Year Plan, which proposed to reduce both total energy consumption and energy intensity (the “Dual Control Policy”), and the Implementation Measures for Capacity Replacement in the Cement and Glass Industry, which provides more stringent requirements to construct a new cement project.

In Europe, the CBAM, adopted by the European Commission in 2023 to help address the carbon leakage problem, currently requires importers of cement, among others, to regularly report the total GHG emissions embedded in their imports and will impose a border carbon tax for such imports based on the price of allowance in the European Union Emissions Trading System starting from January 1, 2026. The CBAM has introduced additional costs for cross-border cement purchases. While we believe this regulatory shift will stimulate demand for our low-carbon cement products, there is no guarantee that consumer interest in imported cement products will not be negatively affected. We believe we are well-positioned to benefit from those regulations and policies due to our large scale, high production efficiency, application of environment-friendly production technology and long experience operating in a mature market like the ROC. However, we cannot assure you that we will not be requested to reduce our production capacity, suspend the production activities, upgrade our production technology, or even consolidate, merge or restructure our production sites in the PRC and Turkey in order to comply with the environmental standards and production efficiency or competition requirements. Compliance with regulations and policies and efforts to obtain relevant approvals and permits may result in significant adjustments to our current or future development plans, increase our costs and divert our management resources, which may adversely affect our profitability and growth aspects. In addition, regulations like the CBAM could impose additional costs and burden on our current or potential customers, which may reduce demand of our cement products and have a negative effect on our results of operation.

The cement industry is also subject to antitrust laws and regulations. In particular, the Turkish Competition Authority closely monitors the cement and RMC sector in Turkey and regularly examines the market practices of the producers. Accordingly, in 2022 and 2023, the Turkish Competition Authority launched four investigations against a number of cement and RMC companies in Turkey, including OYAK F. The allegations concerned several infringements from price fixing to territory and customer allocation in Ankara, Hatay, Aydın and Adana in Turkey. OYAK F has settled these investigations with the Turkish Competition Authority and was granted the maximum settlement discount rate from the administrative monetary fine imposed as a result of the infringement findings. Pursuant to the settlement decisions, a total fine of TL305,913,912 (approximately US\$9 million) was imposed against OYAK F, and full payment has been made with an additional 25% early payment discount as of December 2024. Following the settlement, we have increased our risk sensitivity and awareness pertaining to competition laws in Turkey to avoid future violations. Cement and RMC sectors in Turkey generally operate based on traditional market practices, and a significant number of market players lack awareness of competition law issues. As the Turkish Competition Authority closely monitors market behaviors and practices in these sectors and regularly initiates full-fledged investigations either in response to complaints or *ex officio*, the possibility of a future investigation and potential monetary fines cannot be totally excluded despite the efforts to ensure compliance with Turkish competition laws.

Our cement business is affected by the level of activity in the construction and infrastructure industries, which are affected by the general economic conditions in the jurisdictions where we operate.

Our cement segment is substantially affected by the general level of activity in the construction and infrastructure industries in the jurisdictions in which we conduct business. General economic conditions, mortgage and interest rate levels, inflation, unemployment, demographic trends, gross domestic product growth and consumer confidence are some of the factors that may influence the performance of the construction industry. Infrastructure projects are highly dependent on governments’ policies and long-term plans as well as government budgets, which are not within our control and are subject to changes from time to time. In recent years, certain real estate developers in the PRC have missed payment and defaulted on some of their debt, which have had an adverse impact on the PRC property market and the overall PRC economy. In September 2024, the PRC Government introduced a range of targeted policies, including lowering the down payment requirements and mortgage rates and easing real property purchase restrictions, in order to drive recovery of the PRC real estate market. There is no guarantee, however, that such policies would be effective in boosting the real estate sector. A downturn in the construction industry, infrastructure projects or the general economy in the ROC, Turkey, Portugal or the PRC or in any of the regional markets in which we operate could materially and adversely affect our financial condition, results of operations and prospects.

The average selling price of our cement products sold in regional markets is sensitive to the supply of cement products in such regional markets. Future oversupply in regional cement markets may have a material adverse effect on the average selling price, operating revenue, and profitability of our cement segment.

A majority of our operating revenue is derived from our cement segment. In accordance with the customary pricing approaches, our price for selling cement products in the PRC is adjusted constantly to reflect the current change of market price, and changes in cement price in the ROC market will be reflected in our price for selling products quarterly. Similarly, we also adjust the price of our cement products in Turkey and Portugal based on demand and supply of the markets. Therefore, the average selling price (the “ASP”) of our cement products is highly sensitive to the supply of and demand for cement products in these markets.

The supply-side structural reform on the cement industry by the State Council of the PRC, which began in 2016, aims to eliminate obsolete capacity and inefficient manufacturers, including those failing to comply with the PRC Government’s environmental requirements. As a result, the oversupply of cement products in the PRC has been alleviated, and the cement products price in the PRC has rebounded since 2016. Still, there has been an imbalance between supply and demand of cement products in the PRC in recent years, and the excess capacity of cement casted some pressure on the ASP of our cement products. Although the cement price in the PRC rose in the last quarter of 2024, it declined overall from January to December of the same year, and there is no assurance that the cement price would not further decline in the future. Similarly, the price of clinker in Africa has been adversely affected by competition from African producers, and thus we have adopted the strategy to reduce exports of clinkers from Turkey and Portugal to Africa and to sell more of our products in domestic markets. There are factors that could cause cement prices to decrease, many of which are beyond our control. For example, any negative trend relating to the level of demand and supply in our primary markets, the nature and extent of governmental regulation and taxation, the number, strength and pricing policy of our competitors, the availability, proximity and capacity of transportation facilities, and general economic conditions, could have a negative effect on cement prices.

We are exposed to the risks of increasing energy and raw material costs and the inability to secure a steady supply of such resources.

A significant portion of the total production costs of our cement segment and thermal power generation segment is composed of expenses that are subject to changes in commodity pricing, such as power and fuel costs for cement production. For our cement business, our cost of coal accounted for 18% to 31% of the operating costs in our ROC cement business and 37% to 46% of the operating costs in our cement business in the PRC between 2021 and the nine months ended September 30, 2024; our electricity costs accounted for 8% to 12% of the operating costs in our ROC cement business and 11% to 13% of the operating costs in our cement business in the PRC during the same period. For thermal power generation, the cost of coal accounted for 84% to 94% of the total production cost of Ho-Ping Power Plant during the same period.

The operating cost ratio was 70% to 75% for our cement business in Turkey and 67% to 83% for our cement business in Portugal between 2022 and 2024. Due to a natural gas-related crisis in the EU, electricity prices fluctuated with high deviations in the last few years.

We cannot predict future price trends for coal, petcoke and electricity, or the degree of any price volatility. Any shortage or interruption in the supply of coal could disrupt our operations and increase the costs of sale. Any interruption in our ability to continue operations at our facilities may have an adverse effect on our operations and reputation, and could have a material adverse effect on our business, financial condition and results of operations.

Specifically, for coal cost, we are exposed to the risk of increases in global coal prices that would increase our production costs and reduce our operating margins if we are unable to pass these increased costs on to consumers. While the global coal price has decreased compared to 2023, we cannot guarantee that the coal prices would not increase again and have an adverse impact on our business and operations. In the ROC, given the electricity tariff that Ho-Ping Power charges for a specific year is based on the average coal costs of Taiwan Power Company (“Taipower”) for the previous year rather than the costs paid by Ho-Ping Power, increase in coal prices might not be completely reflected in the electricity tariff and could affect the short-term profitability of our electricity and energy segment. Our ability to manage these costs through importing coal may be restricted if the ROC Government imposes additional tariffs on the import of coal. From the second half of 2022, the electricity charges for Ho-Ping Power have been adjusted to be calculated based on current year’s average coal costs of Taipower, reducing the risk of coal price fluctuations across the year compared to the previous method. In addition, due to the slow post-pandemic market recovery and the ongoing trade tensions between the U.S. and China, the PRC real estate market remains sluggish, and thus we cannot fully pass the production cost increase on to our customers.

The production of cement also relies on steady supplies of various raw materials, including limestone, clay, silica sand, petroleum coke and iron slag. Some of these are shipped to our plants by sea and/or land transport, which are subject to disruption by various factors beyond our control including limited transport infrastructure and weather conditions. In addition, those raw materials are subject to price volatility caused by external conditions, such as fluctuations in commodity prices and changes in government policies and programs. We may also not always accurately estimate the amount and quality of the reserves on our own mining sites. As a result, any increase or

material fluctuations in the prices of the raw materials or failure to maintain a continuous supply of them could have a material adverse effect on our business, financial condition and results of operations.

While we have taken actions to counter the risks of increased energy and raw material costs, including making investments in renewable energy, such as biomass and solar energy, such efforts may not be successful.

We do not control certain joint ventures with other cement producers whose interests may not always align with ours.

We have formed joint ventures with certain large cement producers as part of our strategic cooperation with well-established market players. For example, in the PRC, we partner with Anhui Conch Cement Co., Ltd., the second largest cement producer in the PRC in terms of clinker production capacity in 2024, in the operation of the Yingde Conch plant through Prosperity Conch Cement Co., Ltd. in which we hold 25.0% equity interest.

We do not control these joint ventures, and our joint venture partners controlling the joint ventures are or might also be our competitors in their respective markets and may therefore have a different interest that does not always align with ours.

We do not possess valid title or rights to certain land and/or properties that we occupy.

In the PRC, title to land and properties are conferred through certain certificates, including land use right certificates and building ownership certificates. We have not obtained land use right and/or building ownership certificates for a substantial part of the land and properties of our cement facilities in the PRC. Under the PRC law, the relevant government authorities could impose a fine or demand for demolition or cessation of the use of the lands and properties with defective title. If any of such penalties is imposed on us, we may be prevented from continuing with our production and as a result, our business, results of operations and financial condition may be materially and adversely affected.

Certain of the Company's subsidiaries in the PRC have also been subject to fines for occupying and using agricultural land and woodland for industrial purposes without completing proper conversion approvals. We have signed an investment agreement with the local government in Guigang, the PRC in March 2009 in which the local government covenanted to carry out required proper conversion approval procedures for allocating or granting us with the relevant land use rights. However, such procedures have not been completed for certain dormitories so far. Other than the imposition of fines as aforementioned, as of the date of this Offering Circular, we are not aware of any legal proceeding or administrative action initiated against us by the relevant PRC government authorities with respect to land use right and/or property defects, or any order demanding us to cease the use of such land or properties, to pay a penalty or to take any other actions.

In addition, certain land use right lease agreements that were entered into by certain of the Company's PRC subsidiaries have a term between 30 and 50 years, while the maximum term for a lease under the PRC law is 20 years, beyond which the tenants' right to lease and use the premise shall be invalid and shall not be protected or enforceable under the PRC law unless a new lease is entered into with a term not exceeding 20 years. We cannot predict how our rights as owner or lessee of these land use right and/or properties and our business, results of operations and financial condition may be materially and adversely affected as a result of the title or right defects. We cannot assure you that ownership disputes or claims will not occur or that third parties will not assert any claims against us for compensation in respect of any illegal and/or authorized use of their land.

Cement-related mining activities are extensively regulated. Changes in policies or regulations may cause us to incur significant compliance costs. We may also be unable to obtain, retain and renew government approvals, permits and licenses required for our mining activities.

Cement-related mining activities are subject to governmental regulations, policies and controls, including mining safety regulations, environmental protection policies and regulations with respect to exploration rights and mining rights. The liabilities, costs, obligations and requirements associated with these laws and regulations may delay the commencement of, or cause interruptions to, our mining production and consequently adversely affect our earnings. There is no assurance that we will not be in any material violation of the relevant laws and regulations in the future. A failure to comply with the relevant laws and regulations applicable to our mining operations could result in fines or monetary damages imposed by governmental authorities, reduction of our capacity or suspension of our cement business operations, and thus materially and adversely affect our business, financial condition and results of operations. In addition, there is no assurance that the relevant government agencies will not change such laws or regulations or impose additional or more stringent laws or regulations in the future.

For example, under the Mining Act (礦業法) of the ROC, all mineral ownerships in the ROC are owned by the state. Companies engaged in exploitation of mineral resources or mining must obtain prior approvals from the government. The duration of a mining right cannot exceed a period of 20 years. Extension of the mining right may be submitted to the MOEA for approval before expiration, and the extension duration shall not exceed a period of 20 years each time. There are also restrictions on the location and horizontal surface area of a mineral concession. Similarly, under the Mineral Resources Law of the PRC (中華人民共和國礦產資源法), all mineral resources in the PRC are owned by the state. Companies that engage in mining activities are required to obtain certain government approvals, permits and licenses prior to undertaking any exploration, mining and relevant production activities. The exploration and mining permit is limited to a specific area and time period.

Our mining activities in our limestone quarries are subject to such approvals, permits and licenses. Whether we can carry on mining activities depends on our ability to obtain mining permits and other approvals and permits from relevant government authorities and to renew such approvals and permits upon their expiration. The willingness of the government authorities to issue, renew and not revoke the mining permits materially affects our operation. The authorities may amend the approvals, permits and licenses to impose certain restrictions or prohibitions on exploration and mining activities in specific areas or limestone quarries in which we are carrying out mining activities. In recent years, MOEA has suspended granting extension of mining rights due to the pending review of the new Mining Act in the Legislative Yuan, the ROC. Negotiations for the amendment to the Mining Act have recently concluded and the amended Mining Act has come into effect on June 21, 2023. According to the amended Mining Act, we are still entitled to continue the mining activities prior to the withdrawal of the mining extension application by MOEA. However, the amended Mining Act imposes stricter restrictions on the permit for the “mining land.” For instance, the mineral right holder must obtain the consent of local indigenous peoples before starting any new projects on designated indigenous land, in accordance with the Indigenous Peoples Basic Law. For the extraction permit on certain indigenous land that has already been granted without the consent of indigenous residents, the mineral right holder shall conduct negotiations with them and seek their consent within one year from the effective date of the amended Mining Act. As our mining activities are subject to the above newly added articles, our operation and business may therefore be affected. For example, while the Company is allowed to continue mining activities during negotiations, if it fails to obtain the consent within such one-year period, it could be ordered to suspend operations. In addition, the amended Mining Act places limits on mining activities, such as capping the amount of ore extraction in each project. Hence, if the relevant limit is reached, the Company is required to re-apply for mining permit.

The mining license obtained by Yingde Dragon Mountain Cement Co., Ltd., the Company’s subsidiary in the PRC, is subject to certain mining restrictions, including geographic and altitude limits. We had not been in full compliance with such restrictions at all times. For example, the mining activities of Yingde Dragon Mountain Cement Co., Ltd., the Company’s subsidiary in the PRC, had previously exceeded the permitted geographic scope, which has been rectified through completing a reassessment, making required payments and obtaining a new permit. We may also be subject to significant environmental liabilities if our mining activities cause substantial harm to the environment. In addition, certain of the Company’s PRC subsidiaries are still in the process of applying for expansion of permitted capacity for mining activities carried out. On October 29, 2024 and November 5, 2024, respectively, TCC Yingde Cement Co., Ltd. was fined for failing to secure a woodland usage permit. TCC Yingde Cement Co., Ltd. has paid the fines and is in the process of applying for such woodland usage permit.

In addition, operation of quarries in Portugal is also subject to an extensive regulatory framework. For example, a mandatory environmental impact assessment must be carried out before certain modifications to existing mining activities are made, and a permit must be obtained from relevant authorities before a quarry operator purchases and uses explosive material. We cannot assure you that we have always been in full compliance with such requirements. Similarly, under Turkish mining law, mineral resources are exclusively owned by the state, and companies must obtain exploration and operation licenses to carry out mining activities. These licenses are subject to specific conditions, including meeting production quotas and obtaining environmental and special area permits, such as those required for forestry or military zones. Non-compliance with these requirements may result in administrative fines or license cancellations, which could adversely affect our Turkish subsidiaries’ operations. We cannot assure you that we have always been in full compliance with such requirements.

Our applications for obtaining or renewing mining approvals, permits and licenses are subject to a certain degree of discretion of various government agencies, and there is no guarantee that we will be able to obtain any extension thereof in the future. In addition, in the event that we identify prospective limestone resources, there is no assurance that mining permits can be successfully obtained. If we are unable to obtain any of such approvals, permits and licenses or renew any of current ones upon their expiration, our business and results of operations could be materially and adversely affected.

Failure to obtain fire safety approvals and make contingency plans for work safety incidents may prevent us from utilizing the premises we occupy and subject us to significant penalties and liabilities.

We have not obtained fire safety approvals for certain of our cement facilities in the PRC due to certain historical reasons and our lack of property ownership certificates for such facilities, and we are in the process of applying for certain new facilities for which we have commenced trial operations. Under the PRC fire safety laws and regulations, we are required to undergo fire inspection checks and obtain fire inspection certificates for all our facilities in the PRC before we can commence operations thereon. Under the PRC law, an entity which has not passed the fire safety inspection may be subject to penalties such as fines, an order to stop utilizing the premises, and the imposition of fines on the person responsible for the operations. Furthermore, should a fire occur on such premises without fire safety approvals, we may be liable for any losses or damages to property or personal injuries, the quantum of which would depend on the outcome of findings of a PRC court.

In addition, under certain PRC laws and regulations, we are required to make contingency plans for work safety incidents, and allocate the responsibilities for the safety of production with third-party contractors. We had not fully complied with such requirements at all times, which may lead to cessation of operations and fines. For example, one of our PRC subsidiaries, Jurong TCC Cement Co., Ltd., once failed to enter into an agreement with a third-party contractor to allocate work safety responsibilities. We cannot assure you that such failure to meet requirements would not impede our operations or affect our financial situations in the future.

We currently enjoy certain government incentives. Expiration of, or changes to, these incentives could have a material adverse effect on our results of operations.

The PRC Government is currently offering VAT refunds and preferential enterprise income tax to enterprises that engage in refuse disposal. In November 2014, the State Council decided to comprehensively streamline and standardize all existing preferential tax policies. Accordingly, local governments can no longer formulate any tax preferential policies unless it has the tax administration power under the relevant tax laws and regulations, and specific tax preferential policies may not be provided for in any laws, regulations, rules, development plans and regional policies without the approval of the State Council. In May 2015, the State Council promulgated further notice on matters relating to preferential policies, stipulating that except for matters specified in the laws and regulations, any new preferential policies to be released by all regions and departments with regard to matters related to taxes or to non-tax revenues that are approved by the central government shall be reported to the State Council for implementation upon approval. Given the uncertainties of PRC tax preferential policies, we might not be able to continue to enjoy such preferential treatments, incentives and favorable support on the same terms, or at all. Unfavorable changes in such preferential treatments, incentives or support could adversely affect our business, results of operations and financial condition.

In addition, we receive government incentives for both our operations in Turkey and Portugal. In Turkey, the government implements regional investment incentives. Depending on the region where the investment is made, the calculated investment expenditure is deducted from the tax base in accordance with the investment contribution amount determined by the state. In Portugal, tax subsidies are received from the government for investments that are within the scope of the government incentives. If unfavorable changes are made to such incentive schemes, our business, results of operations and financial condition may be negatively affected.

We outsource some of our limestone mining activities to third-party contractors that are beyond our control and we may be liable for their failure to comply with applicable laws and regulations.

We outsource a portion of the mining of our limestone reserves to third-party contractors whose operations are beyond our control. These third-party contractors might not continue to provide the limestone excavation services to us. If any or all of them cease to provide such services or fail to perform to our satisfaction, we may not be able to locate suitable replacements to ensure a continuous and adequate supply of limestone for our production of cement products, and our results of operations and financial performance could be adversely affected. We may be held liable by the authorities if any of our contractors fail to comply with relevant laws and regulations and we may be subject to fines or other penalties, which may negatively and adversely affect our results of operation and financial performance.

There are risks associated with the operations of Ho-Ping Power, including possible political, operational and commercial risks related to the ROC power industry.

Although Ho-Ping Power has fully documented its arrangements with Taipower and other governmental bodies to mitigate against any possible political, operational and commercial risks, there are certain risks associated with its business, such as: (i) force majeure, property damage and business interruptions; (ii) interest rate risks; (iii) damage to transmission lines or towers; (iv) security of its fuel supply; and (v) any amendment of the ROC Power Business Law by the Legislative Yuan. The Power Purchase Agreement has a duration from August 4, 1998 to May 31, 2027 for Unit 1, and to September 5, 2027 for Unit 2, respectively.

Certain of the risks faced by Ho-Ping Power are outside of our control. To the extent feasible, Ho-Ping Power has taken actions designed to mitigate the risks. However, there can be no assurance that actions taken by Ho-Ping Power in order to mitigate business or financial risks would be effective. Given the significance of Ho-Ping Power to our business, we cannot assure you that such commercial and operational risks will not have an adverse effect upon our operations or financial condition.

In addition, in line with the recommendations of the International Energy Agency (“IEA”) and the contract renewal arrangement and supply demand of Taipower, we plan to phase out the coal-fired power units of Ho-Ping Power by 2040 and replace such units with the first large-scale ocean thermal energy conversion (“OTEC”) plant in the world as part of our green energy transition plan. The proposal for replacement of coal-fired power units by OTEC plant is currently subject to government approvals. There is no guarantee, however, that such approvals will be obtained or, if the approvals are obtained, the transition into OTEC plant will be successful.

Risks Relating to Entering into the Renewable Energy Industry

There are risks associated with the integration and operations of NHOA, including risks related to NHOA’s financial condition and growth potential.

While the acquisition of NHOA completed in July 2021 is an essential step of our transition and entry into the renewable energy industry, NHOA has incurred losses during the past few years, and there is no assurance that NHOA will make profit in the near future, if at all. If NHOA continues to incur losses in the future, it may have a material adverse effect on our results of operations, overall financial condition and liquidity.

The growth opportunities that are expected to result from the acquisition of NHOA will depend, in part, on our ability to realize the anticipated benefits and cost synergies as a result of the acquisition. Our success in realizing these anticipated benefits and cost synergies, and the timing of this realization, depends on the successful integration of NHOA that permits, among other things, enhanced revenues and revenue synergies, an expanded market reach and operating efficiencies, and does not materially disrupt the existing customer relationships of our Company and NHOA, nor result in decreased revenues due to any loss of customers. Failure to realize such anticipated benefits could result in increased costs, decreases in the amount of expected revenues and diversion of management’s time and energy. There is a significant degree of difficulty and management distraction inherent in the process of integration. These difficulties include, without limitation:

- the necessity of coordinating geographically separated organizations, systems and facilities;
- the challenge of operating acquired facilities profitably or achieving improvements in their financial performance;
- the challenge of integrating the business backgrounds, corporate cultures and management philosophies of NHOA, which may prove to be incompatible;
- the challenge and cost of aligning standards, controls, procedures, policies and compensation structures of NHOA and our Company, including, without limitation, accounting and finance, payroll, revenue management, commercial operations, risk management and employee benefits;
- the challenge and cost of integrating manufacturing, logistics, information technology and other systems of NHOA;
- the potential difficulty in maintaining employee morale and retaining key officers and personnel of NHOA;
- the potential difficulty in retaining existing customers and suppliers, including intellectual property licenses;
- the potential negative impact on our net worth due to impairment of acquired goodwill and intangible assets, including intellectual property rights and customer relationships; and
- other potential difficulties due to unanticipated delays, costs or inefficiencies associated with integrating NHOA’s operations with our own.

The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of NHOA and our Company. Members of our senior management may be required to devote considerable amounts

of time to this integration process, which will decrease the time they will have to manage our Company, service existing customers, attract new customers and develop new products or strategies. If senior management is not able to effectively manage the integration process, or if any significant business activities are interrupted as a result of the integration process, our business could suffer. There can be no assurance that we will successfully or cost-effectively integrate NHOA. The failure to do so may adversely affect our ability to maintain relationships with clients, customers, suppliers and employees or to fully achieve the anticipated benefits and cost synergies of the acquisition.

Even if we are able to integrate NHOA successfully, this integration may not result in the full realization of the growth opportunities that we currently expect, nor can we give assurances that the benefits and cost synergies as a result of the acquisition will be achieved within the anticipated time frames or at all. Accordingly, the benefits from the acquisition may be offset, in part or in whole, by the costs or delays incurred in integrating the businesses.

In addition, on July 5, 2024, NHOA revised downward its consolidated revenue and EBITDA 2025 targets and 2030 outlook previously released in 2023 (the “2023 Guidance”) as a result of recent unfavorable developments in the EV and energy storage sectors. In the EV market, the growth in sales of EVs has significantly slowed down. In Italy, Spain and France for instance, where ATLANTE S.R.L. (“Atlante”) has points of charge, the lower-than-expected number of EVs in these countries will likely impact the utilization rates and revenues generation for the Atlante network. Bloomberg’s Electric Vehicle Market Outlook published on June 12, 2024 also reported an unexpected negative trend in Italy and forecasted 450,000 EVs in the country by 2025 and 833,000 in 2027, meaning a three-and-a-half year delay of the market compared with the assumptions underlying the 2023 Guidance. Coupled with the growing uncertainty on the policy support for EVs, as demonstrated by the reductions in EV incentives in some countries and postponement of the phase-out from internal combustion sales in others, key automakers have cut their near-term goals for EVs. In the energy storage market, abrupt oversupply of batteries from the PRC has led to a reduction in the nominal value of contracts, as customers reasonably expect NHOA ENERGY S.R.L. (“NHOA Energy”) and its competitors to pass on the resulting batteries price reduction to them. Furthermore, counterparty risk has increased on the supplier side due to the strong margin compression for battery makers, and NHOA Energy has therefore been more selective in the commercial opportunities it is pursuing.

Further, NHOA’s e-Mobility sector offers innovative solutions for EV charging and develops vehicle-to-grid technology through Free2Move eSolutions S.p.A. (“Free2Move eS”), a subsidiary of NHOA that is a joint venture with Stellantis N.V. (together with its subsidiaries, “Stellantis”) to directly sell easyWallbox and eProWallbox, residential charging systems for EVs, and provide charging service to EV owners. Nevertheless, pursuant to an investment and shareholders agreement, Stellantis has a call option to acquire from us from January 1, 2025 to May 31, 2025, and we have a put option to sell to Stellantis from June 1, 2025 to June 30, 2025, the shares held by us in Free2Move. As the call option is currently deeply in the money, it would be in Stellantis’ financial interest to exercise the option. If and to the extent the call option is not exercised by Stellantis, we may exercise the put option and sell our shares in Free2Move to Stellantis in 2025. Accordingly, by mid-2025, Free2Move eS might cease to be a subsidiary of NHOA and NHOA will cease to operate in the e-Mobility sector.

In order to more efficiently implement long-term strategies without the pressures of the capital markets’ expectations and eliminate the costs and other burdens associated with running a publicly listed company, we have launched a tender offer for the shares of NHOA and expect to subsequently delist NHOA’s shares from the Euronext market in Paris. There is no guarantee, however, that NHOA’s results of operations or financial conditions will improve following the privatization. In addition, the future operation and development of NHOA, including R&D activities and the building up of its fast charging network, may continue to need substantial additional funding from us. Providing a large amount of additional funding to NHOA may impose a negative impact on our capital situation, and even drain our funding resources.

We face significant competition in the markets in which we operate.

The renewable energy industry is highly competitive. We face competition from local and international developers of wind and solar power plants, energy storage, and fast charging network. Given this market is an emerging and fast-growing one, the number of players striving to secure or gain market share is constantly increasing.

For solar and wind power plants, we also compete with utilities generating power from conventional fossil fuels. We compete with these traditional utilities primarily based on price, predictability of production, and the ease with which customers can switch to electricity generated by our wind and solar power plants. If we cannot offer compelling value to our customers based on these factors, our business will not grow. Volatility in the price and availability of conventional fuels, in particular, natural gas and coal, has enhanced the business competitiveness of electricity generated using renewable energy sources. However, there can be no assurance that this will continue to be the case going forward.

For the energy storage and fast charging sector, we face competition from players with more past experience of storage solutions. Key suppliers such as battery manufacturers are likely to focus more on early winners in the storage race, and we might still need time to build our brand in this sector. In addition, major electric car producers might also conduct upstream and downstream consolidation, creating their own production line of battery or fast charging pile, and thus could add competition pressure to our business.

Some of our competitors may have advantages over us in terms of greater operational, financial, technical, management or other resources in particular markets or in general. Our market position depends on our financing, development and operational capabilities, reputation and experience. Our competitors may also enter into strategic alliances or form affiliated companies with other competitors to our detriment. Suppliers or contractors may merge with our competitors and may also provide them cost efficiencies that put us at a competitive disadvantage, which may limit our choice of contractors and hence the flexibility of our overall project execution capabilities. We cannot assure you that our current or potential competitors will not offer products or services comparable or superior to those that we offer at the same or lower prices or that they will not adapt more quickly than we do. Increased competition may result in price reductions, reduced profit margin and loss of market share.

The reduction, modification or elimination of government subsidies and economic incentives may reduce the economic benefits of the renewable energy projects that we own, develop or acquire in the future.

In the ROC, the PRC and other countries where we have established or intend to establish business operations, wind and solar power markets partially owe their rising commercial viability to government support in the form of subsidies or economic incentives. These subsidies and incentives include government subsidies, tax credits and other incentives to end users, distributors, system integrators and manufacturers of wind and solar power products.

The availability and size of such subsidies and incentives depend, to a large extent, on political and policy developments relating to environmental concerns in a given country and the overall cost of developing solar and wind power plants. In the PRC, Adjustments to subsidies and economic incentives are subject to the sole discretion of the PRC Government. The Minister of Finance (“MOF”), the NDRC and the NEA have historically jointly issued notices in relation to registration onto the Renewable Energy Tariff Subsidy Catalogues, and most recently have issued the 7th Batch Catalogue in June 2018, as well as the 3rd Batch Catalogue of Photovoltaic Poverty Alleviation Projects in February 2020. However, pursuant to Caijian 2020 No. 4 Notice on Several Opinions of Promoting the Healthy Development of the Power Generation of Non-Water Renewable Energy (關於促進非水可再生能源發電健康發展的若干意見) issued in January 2020, the PRC Government will no longer publish the Renewable Energy Tariff Subsidy Catalogues. In addition, as the renewable energy industry becomes more mature, the PRC Government may reduce or stop the applicable subsidies. For example, on June 7, 2021, the NDRC issued a notice halting subsidies for the newly recorded centralized photovoltaic power plants and commercial and industrial distributed photovoltaic projects, which becomes effective from August 1, 2021. There are also various preferential tax treatments, including tax exemptions and reductions for enterprise income taxes. For example, under the relevant tax rules and regulations, the wind and solar power plants approved by the regulatory authorities after January 1, 2008 are entitled to an enterprise income tax exemption for the first three years after such projects generate revenue and a 50% tax reduction for the following three years. However, the favorable tax treatments may change in the future. Interruption in any of such tariff subsidy and preferential tax treatment could increase our tax expense, and as a result, our business, financial condition, results of operations and prospects could be adversely affected.

In the ROC, in order to promote renewable energy, the ROC Government currently offers incentives, including, for a project selling power to Taipower, a guarantee to purchase power for 20 years at the agreed Feed-in Tariffs (“FITs”) announced by the Energy Administration of the MOEA annually pursuant to the Renewable Energy Development Act. While we have terminated such agreements with Taipower as of December 31, 2024, we used to sell all of the power generated from our solar plants and wind farms to Taipower and thus received the FITs through this incentive scheme. In addition, the Renewable Energy Development Act also provides exemption from customs duty for imported power generating equipment and machineries if such goods cannot be manufactured or supplied domestically. The Ministry of Finance has published the implementation rules for exemption of customs duty in January 2010. Regarding our European operations, our subsidiary Atlante has been awarded with a €90 million grant by the EU under Connecting European Facilities (“CEF”) transport program, the second largest award in Europe, and will also receive additional €20 million by the French Groupe Caisse de Dépôts, all to support the roll-out of its EV fast charging network in southern Europe.

However, we cannot assure you that incentives for renewable energy will not decrease or change in the future. Change of government subsidies and incentives for renewable energy may affect our profitability and have certain impacts on our future plans to develop suitable renewable energy projects. A significant reduction in the scope or discontinuation of government incentive programs could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may experience exposure to risks associated with grid connection, utility interconnection, construction, cost overruns and delays, including those related to obtaining government permits that may arise in the course of facility installations.

In order for us to successfully distribute and sell electricity to the local grids to which our wind and solar plants are connected, the grid companies must have the capacity to off-take our electricity and distribute it to its customers. This requires a stable connection to the transmission and distribution network of the local grid in the localities we operate as well as the capacity of the grid to absorb and transmit our electricity. When we develop and construct wind and solar power plants, we must obtain the relevant local grid companies' consent to connect our wind or solar power plants to the local grids. In the ROC, obtaining the consent from the local grid company, i.e., Taipower, is the pre-requisite for obtaining the governmental approval on constructing solar and wind plants. Obtaining such consent from local grid companies may depend on a number of factors, including the availability and reliability of existing grids, the progress of construction and upgrade of local grids, the distance of our proposed wind or solar power plants from the local grids and the cost of these grid connection facilities. Furthermore, wind and solar power plants and other energy facilities of our competitors located in sites near our wind and solar power plants may compete with us to secure grid connection. Many of these factors are beyond our control, and there is no assurance that we will be able to obtain all necessary consent for our new wind and solar power projects in a timely manner or at all. Failure to obtain grid companies' consent to connect to the grids may delay or prevent the development of our wind and solar power projects. In addition, once connected to the local grids, our wind and solar power plants depend on electric interconnection and transmission facilities owned and operated by others to deliver the electricity we intend to sell. A failure or delay in the operation or development of these interconnection or transmission facilities or a significant increase in the cost of the development of such facilities could result in the disturbance of our operations.

A similar issue of grid connection may also occur in our energy storage and fast charging system, since we intend to provide integrated solutions, including energy exchange between the power grid and energy storage facilities or vehicles. See "Our Business—Electricity and Energy Segment—Renewable Energy Business" for more information. We may not be able to secure access to the available transmission and distribution networks at reasonable prices, in a timely manner or at all, and we may encounter technical difficulties in achieving successful grid connection and utility interconnection. Such failures, delays or inadequacies could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Moreover, our construction activities may be subject to cost overruns or delays. Substantial expenses are also incurred in the construction and development of projects, including power plants, giga-storage facilities and fast charging network. If these projects cannot be operationalized, we may have to write-off such expenses, which could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows. In addition, we often utilize and rely on third-party subcontractors or contractors to construct and install some portions of our projects. For example, our solar plants and wind farms are constructed by third-party contractors. We could experience significant delays or cost overruns if our subcontractors do not satisfy their obligations or do not perform work that meets our quality standards or if there is a shortage of third-party subcontractors. We may not be able to recover any of these losses in connection with construction cost overruns or delays.

Furthermore, our projects may be subject to certain governmental permits and scrutiny process in the course of completing installations, the delay or failure of which may impede our projects under construction into operational projects. Even if we fulfill the governmental requirements, the commercial operations of the projects may not meet our return expectations due to schedule delays, cost overruns or revenue shortfalls, or they may not generate the capacity that we anticipate or generate revenue in the originally anticipated period or at all.

Our electricity generation depends on the operating performance of our wind and solar power plants. The limited history of the whole industry and our plants may not serve as an adequate basis to judge our future results of operations.

Our wind and solar power business and our ability to generate revenue depend upon the operating performance of our wind and solar power plants. A wind or solar power plant's non-performance or under-performance will have a direct negative effect on that wind or solar power plant's return on investment, financial condition, and results of operations. The ongoing operation of our facilities involves risks, including the breakdown or failure of equipment, or processes or performance below expected levels of output or efficiency due to wear and tear, latent defects, design error, operator error or force majeure events, among other things. Our inability to efficiently operate our wind power and solar power plants, manage capital expenditures and costs and generate earnings and cash flow from our asset-based businesses could have a material adverse effect on our business, financial condition, results of operations and cash flow.

Furthermore, some wind and solar power plants, in particular, plants using newly developed technology, have relatively short operating history. Our earliest solar power projects were only constructed in 2018. All of our

renewable energy projects have limited operating histories. Accordingly, the limited operating histories of our power projects may not be an adequate basis for evaluating our business prospects and financial performance, and make it difficult to predict the future results of our operations. In particular, our future revenues and cash flows may vary significantly from our historical results, as our projects generally ramp up after becoming operational.

In addition, the renewable energy industry is at a relatively early stage of development, and has only seen significant growth over the past decade. Trends in the renewable energy industry are based only on limited data and may not be reliable. Many factors may affect the demand for renewable projects, including:

- fluctuations in economic and market conditions that affect the viability of conventional and non-renewable energy sources;
- the cost and reliability of renewable energy compared to conventional and other renewable energy sources;
- the availability of grid capacity to dispatch power generated from renewable energy projects;
- public perceptions of the direct and indirect benefits of adopting renewable energy technology; and
- regulations and policies governing the electric utility industry that may present technical, regulatory and economic barriers to the purchase and use of renewable energy.

If the renewable energy market fails to develop sufficiently, our business, prospects, financial condition, results of operations and cash flows could be materially and adversely affected.

The generation of electric energy from renewable energy sources depends heavily on suitable meteorological conditions. If conditions are unfavorable, our electricity generation, and therefore revenue from our projects, may be substantially below our expectations.

Production levels for our solar and wind projects are dependent upon adequate sunlight and wind, which are beyond our control, and can vary significantly from period to period. General weather conditions and unusually severe weather could also result in volatility in production levels and profitability. Our wind businesses depend on suitable wind conditions, which exhibit seasonal patterns and are difficult to predict. For example, winds exceeding certain speeds may require us to halt our turbines or wind speeds below or above the average of the seasonal patterns. In addition, windiness may be reduced by neighboring wind farms or other large structures. Similarly, operating results generated by a solar energy project will highly depend on suitable solar conditions and associated weather conditions. For example, excessive temperatures may reduce solar energy production. While we also consider possible variations in normal weather patterns and potential impacts on our operations and our businesses, there can be no assurance that such planning can prevent these impacts or accurately predict future weather conditions.

We base our investment decisions with respect to each solar or wind project on the findings of related solar or wind resource assessments and other technical studies conducted on-site prior to construction. Although most of our projects are operational, actual climatic conditions at a project site may not conform to the findings of these studies and therefore, our facilities may not meet the anticipated production levels or the rated capacity of our generation assets. To the extent that climate change causes changes in temperature and wind patterns, variability in precipitation, rise in sea levels or exacerbation of the intensity or frequency of extreme weather events, including hurricanes, it could negatively impact our business and operations. Any such significant variations from normal weather where our businesses are located could have a material impact on our results of operations.

The delay between making significant upfront investments in our solar and wind power plants and receiving the corresponding revenue could materially and adversely affect our liquidity, business and results of operations.

When we develop solar and wind power plants, there are generally several months or even years between our initial investments and the point when we begin to receive on-grid tariffs from the sale of electricity generated by such solar power plants from the relevant government authorities. Such investments include, without limitation, legal, accounting and other third-party fees, costs associated with feasibility studies, payments for land use rights, government permits, or other payments that may be non-refundable.

Solar and wind power plants generate revenue only after they become commercially operational and start to sell electricity to the power grid. There may be a long delay from the initial land and interconnection assessments to the actual commencement of construction, especially when we must obtain permits directly from regulators and site control rights directly from third-party landowners. Between our initial investments in solar and wind power plants

and their connection to the transmission grid, there may also be other adverse developments to the commercial or operational viability of such power plants. The timing gap between our upfront investments and actual generation of revenue, or any added delay in between due to unforeseen events, could also put strain on our liquidity and resources, and materially and adversely affect our business, financial condition, and results of operations.

Solar and wind power project development and construction are challenging and uncertain and may ultimately not be successful.

The development and construction of solar and wind power plants involve numerous risks and uncertainties and require extensive research, planning and due diligence. Before we can determine whether a solar power plant is economically, technologically or otherwise feasible, we may be required to incur significant amounts of capital expenditure for land and interconnection rights, preliminary engineering, permitting, legal and other expenses. Success in developing a particular solar power plant is contingent upon, among other things:

- timely securing appropriate land with satisfactory land use permissions on reasonable terms;
- securing required permits and approvals for project development from government authorities on schedule, including procuring rights to interconnect the solar or wind power plant to the electric grid or to transmit energy;
- accurately assessing resource availability at levels deemed acceptable for project development and operations;
- receiving critical components and equipment (that meet our design specifications) and making it available at project site on schedule and on acceptable commercial terms;
- negotiating satisfactory engineering, procurement and construction agreements and favorable payment terms with suppliers;
- obtaining financing on competitive terms; and
- completing construction on schedule.

There may be delays or unexpected difficulties in completing our projects as a result of these or other factors. We may also reduce the size of some of our projects due to the occurrence of any of these factors. If we experience such problems, our business, financial condition, results of operations and prospects could be materially and adversely affected. Additionally, these factors may adversely affect the demand for wind and solar energy projects, which could impair our business and prospects.

Our energy storage and fast charging projects are still at an early stage, and the future profitability of these projects is unclear and subject to various factors that are beyond our control.

We invested in the development of energy storage and a fast charging network. For example, we are a key founding investor of Atlante, carried out by NHOA, a business line dedicated to the development of a unique fast charging network for EVs, enabled by renewables, energy storage and 100% grid integration, and we plan to continue investing in network growth until 2030. The nascent stage and the wide span of the projects make future development and profitability hard to predict, and subject to many factors that may be beyond our control, including but not limited to:

- the uncertainty of obtaining strategic locations to deploy the fast charging stations;
- change of tariffs or policies supporting renewable energy sectors;
- fierce competition from existing and new players; and
- disruption or failure of research and development of new energy storage technology.

In Europe, the EV and energy storage sectors are facing, and may continue to face, uncertainties in market conditions. In the EV market, the growth in sales of EVs has slowed down significantly. In Italy, Spain and France for instance, where Atlante has points of charge, the lower-than-expected number of EVs in these countries may have a negative impact on the utilization rates and revenues generation for the Atlante network. In the energy storage

market, abrupt oversupply of batteries from the PRC has led to a reduction in the nominal value of contracts, and counterparty risk has increased on the supplier side due to the strong margin compression for battery makers.

There can be no assurance that we will be able to execute our projects as envisaged, or those projects will become commercially profitable. Even if the projects are carried out successfully, there is a time gap between making upfront investments in those projects and receiving the corresponding revenues, which could put strain on our liquidity and resources and materially and adversely affect our business, financial condition and results of operations.

Significant changes in the cost of raw materials or in logistic cost could adversely affect our financial performance.

The prices or availability of raw materials, energy or other production factors like logistic cost vary with market conditions and may be volatile. The main raw materials required for our battery and energy storage production and operation include lithium compounds, cathode materials, anode materials, separators, and electrolytes. The main raw materials required for our electricity generation from renewable energy include silicon wafer, copper, aluminum, steel, glass, silver composites, and IC chips. The purchase price and supply of our raw materials may fluctuate to a certain extent, affected by the changes in commodity prices and market supply and demand. If there is a shortage of major raw materials or a sharp increase in prices, our operations may be disrupted and production costs may increase. The fluctuation of other costs like logistics costs may also add uncertainty to our operation costs and thereby adversely affect our business, financial condition and results of operations.

We may not be able to obtain, maintain, and enforce intellectual property protection for our technology, or we may face allegations of infringement of intellectual property rights of others.

Our success depends in part on our ability to obtain and maintain patents and other intellectual property protection for our technologies, to successfully protect such intellectual properties, and to defend ourselves against third-party challenges. If we fail to protect our intellectual property or rights adequately, our competitors might gain access to our technology, or develop and commercialize technology substantially similar to ours. Consequently, our ability to successfully commercialize our technology may be adversely affected, and our competitive edge may weaken.

Monitoring unauthorized use of our intellectual property is difficult and expensive, and we may not be able to immediately detect the unauthorized use of our intellectual property and proprietary information and take remedial steps to protect our rights. Additionally, applicable laws in different jurisdictions vary, some of which may not fully protect our intellectual property rights or proprietary information. Our global expansion also makes it more expensive and complicated to monitor and protect our intellectual property in different jurisdictions. We cannot assure you that the protection measures we currently implement are adequate to enforce the protection effectively or to prevent any unauthorized use of our intellectual property by third parties throughout the world, nor can we assure you that our competitors will not independently develop or license from third parties the technologies that are equivalent or superior to our technologies, in which case we would not be able to gain or keep our competitive advantage. Any claims or litigation that we may initiate in the future to protect our intellectual property rights or proprietary information could be time-consuming and expensive, diverting resources from our business regardless of whether or not the disputes are decided in our favor.

As we expand our business, third parties may also assert that our technologies or techniques infringe their intellectual property rights. Successful intellectual property claims against us could result in significant financial liability or prevent us from operating our business or part of our business. Despite our efforts to comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing upon any existing third-party intellectual property rights which may force us to alter our technologies, obtain additional licenses or cease certain portions of our operations. We may also be susceptible to claims from third parties asserting infringement and other related claims. Regardless of their merits, such claims could adversely affect our relationships with current or future customers, result in costly litigation, divert management's attention and resources, subject us to significant liabilities, require us to enter into additional royalty or licensing agreements or require us to cease certain activities. Any of the foregoing could adversely affect our business, financial condition, results of operations and prospects.

Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.

The technologies used in the renewable energy industry are evolving rapidly, and in order to maintain our competitiveness and expand our business, we must be able to respond to these technological changes. Changes in technology may require us to make additional capital expenditures to upgrade our facilities. The development and implementation of such technology entails technical and business risks and significant costs of employee implementation. The cost of upgrading or implementing new technologies could be significant and could adversely affect our results of operations. Moreover, we may be unable to update our technologies swiftly and regularly, possibly

rendering our operations less competitive. Failure to respond to current and future technological changes in the renewable energy industry in an effective and timely manner may have a material adverse effect on our business, financial condition or results of operations.

If our renewable energy products or services are not suitable for widespread adoption, lack sufficient market demand, or need longer periods to develop market demand than we anticipate, our sales may decline and we may be unable to achieve or sustain profitability.

The market for the renewable energy solutions is still a relatively new market, and is subject to rapid change. While there is a trend of wider adoption of relevant technologies like solar power generation, as well as broader acceptance of new products like EVs, the nascent stage of the market makes it hard to predict whether our renewable energy products or services are suitable for widespread adoption, whether there is sufficient market demand, and whether longer periods are needed to develop our anticipated market demand. Therefore, our success to a large extent depends on our capability to understand the needs, preferences and requirements of our customers. Failure to provide products and services that can be widely adopted and meet market demand may result in excess inventory levels, price reductions, or write downs of slow moving or excess stock, resulting in lower profits. There is no assurance that our products and services will achieve widespread market acceptance or meet customers' expectations. If we fail to develop and offer products and services that receive the expected market acceptance, our competitive position, profitability and business prospects will also be adversely affected.

Risks Relating to the ROC

We are subject to risks associated with the political status and international relations of the ROC.

The Company is incorporated in the ROC, some of its assets and operations are located in the ROC, and the Common Shares are listed on the TWSE. Accordingly, our business, results of operations, financial condition and the market price of the Common Shares may be affected by changes in the ROC governmental policies, law, taxation, inflation, interest rates, social instability and other political, economic, diplomatic or social developments in or affecting the ROC that are outside our control. The ROC has a unique international political status. Since 1949, the ROC and the Chinese mainland have been separately governed. The PRC Government regards the ROC as a province of the PRC and does not recognize the legitimacy of the ROC. Although significant economic and cultural relations have been established in the past decades between the ROC and the PRC, the PRC has refused to renounce the possibility that it may use military force to gain control over the ROC, particularly under what it considers as highly provocative circumstances, such as a declaration of independence by the ROC. Furthermore, the PRC Government passed the Anti-Secession Law in March 2005, which authorized non-peaceful means and other necessary measures should the ROC move to gain independence from the PRC. Relations between the PRC and the ROC have at times been strained. Strained relations could result in future military actions or economic sanctions or other disruptive activities undertaken by either government. Past tensions between the ROC and the PRC have from time to time adversely affected the value of securities listed on the TWSE, including the price of the Common Shares. Tension between the ROC and the PRC and other factors affecting political or economic conditions in the ROC could have a material adverse effect on our results of operations and financial condition, as well as the market price and liquidity of the Common Shares.

Further, if relations between the ROC and the PRC worsen, it could also have a material adverse effect on the ROC's economy and our ability to manage and operate our production facilities in the PRC and to implement future plans for the expansion of our existing PRC production facilities or the establishment of new production facilities in the PRC. There can be no assurance that the present tensions will not worsen, which could have a significant adverse impact on our financial condition, results of operations and future prospects.

Our future investment in the PRC or other countries may be restricted by the ROC laws and regulations relating to investment of ROC entities in the PRC or foreign countries and failure to obtain, maintain or renew approvals for inbound and outbound investments may materially and adversely affect our financial condition and results of operations.

Under the ROC Relations Between Peoples of the Taiwan Area and the Mainland Area Act (the "Act"), Taiwanese nationals may only invest in the PRC after obtaining the prior approval of the MOEA unless the investment amount is less than US\$1,000,000. The cement industry falls within the permitted investment category under the Act and the Company obtained the qualification as an operational headquarter in the ROC approved by the Industrial Development Bureau of the MOEA, which allows the Company to make investments in the PRC without being subject to the restriction on investment amount set forth in the regulations governing investments by ROC persons in the PRC. However, the qualification as an operational headquarters approved by the Industrial Development Bureau is valid for three years only. The Company's approval for such qualification will expire on April 6, 2026. There is no assurance that we will be able to renew this qualification in the future, and if we fail to obtain it, we would be subject to the

restriction on the investment amount, which is lower than the amount of our current consolidated net assets in the PRC. Thus, our capability to invest and expand in the PRC might be impeded.

The Department of Investment Review (formerly known as the Investment Commission) of the ROC MOEA has supervisory and regulatory authority for matters relating to, among other things, inbound investment in the ROC companies by non-ROC persons and overseas ROC nationals, and outbound investments by ROC companies or individuals. Under current ROC law, ROC companies are required to obtain prior approval from or, within the period of time prescribed by relevant laws and regulations, a post filing with the Department of Investment Review of the ROC MOEA for making certain investments in any other jurisdiction outside the ROC under certain circumstances. There is no assurance that we will be able to continue to satisfy the requirements for, or otherwise obtain, permits or approvals for current and future projects. Failure to obtain, maintain or renew such permits and approvals may impede or hinder our operations, and adversely affect our financial condition, results of operations and business prospects.

The imposition of foreign exchange restrictions may have an adverse effect on foreign investors' abilities to acquire ROC securities, including the Common Shares, or to repatriate the interest, dividends or sale proceeds from those securities.

The ROC Government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the ROC Government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in the ROC. These restrictions may require foreign investors to obtain the ROC Government's approval before acquiring ROC securities, repatriating the interest or dividends from those securities or repatriating the proceeds from the sale of those securities. There can be no assurance that these restrictions, if imposed, will not adversely affect, among other things, the secondary market price of the Bonds.

Financial reporting and accounting standards in the ROC differ from those in certain other countries.

We are subject to financial reporting requirements in the ROC that differ in significant respects from those applicable to companies in certain other countries, including the United States. In addition, our financial statements are prepared in accordance with the Taiwan IFRS, which differ in certain significant respects from generally accepted accounting principles in certain other countries, such as US GAAP or IFRS. See "Summary of Certain Material Differences Between Taiwan IFRS and IFRS." Potential investors should consult their own professional advisers for an understanding of such differences and how they might affect the financial information contained herein.

You may not be able to enforce a judgment of a foreign court in the ROC.

The Company is a company incorporated under the ROC Company Act. Most of the Company's directors and executive officers and certain of the parties named herein are residents of the ROC, and a certain portion of the Company's assets and the assets of such persons are located in the ROC. As a result, it may be difficult for investors to enforce judgments obtained outside the ROC against the Company or such persons in the ROC, including those predicated upon the civil liability provisions of the federal securities laws of the United States.

Risks Relating to the PRC

Adverse changes in economic, political or social conditions or government policies in the PRC could have a material adverse effect on our business and results of operations.

Currently, a portion of our production facilities and operations are located in the PRC, and we may make further investments in the PRC in the future. Accordingly, our results of operations, financial condition and prospects are subject, to a significant degree, to the political and economic environment and legal developments in the PRC. There can be no assurance that our investments in the PRC and our production operations in the PRC will not be adversely affected if relations between the PRC and the ROC are further strained.

The PRC Government has broad discretion and authority to regulate the industry in the PRC, and the government implements policies from time to time to regulate economic expansion in the PRC. The PRC Government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall economy of the PRC but may have a negative effect on us. For example, our business, results of operations and financial condition may be adversely affected by its effort to slow the pace of growth of the real estate industry to a more sustainable level and the Dual Control Policy.

Changes and development with respect to the interpretation and enforcement of PRC laws, rules and regulations could have adverse effect on us.

Our business and operations conducted through our subsidiaries in the PRC are governed by PRC laws, rules and regulations. The PRC legal system is based on written statutes. Prior court decisions are not legally binding and can only be cited as reference. Additionally, PRC written statutes are often principle-oriented and require detailed interpretations by the enforcement bodies in applying and enforcing such laws. Since 1979, the PRC Government has promulgated laws and regulations in relation to economic matters. However, as these laws and regulations are continually evolving in response to changing economic and other conditions, and because of the limited volume of published cases and their non-binding nature, interpretation of PRC laws and regulations are subject to change. In addition, the PRC legal system is based in part on government policies and rules, and these policies and rules may be subject to future changes.

Furthermore, the PRC is geographically large and divided into various provinces and municipalities, and provincial people's congress may enact local regulations to implement PRC laws and regulations. As such, when PRC laws, rules, regulations and policies apply in different parts in the PRC, there may be varying applications, interpretations and enforcement of these laws, rules and regulations. These PRC laws and regulations, local regulations and government policies and rules may require additional costs to ensure compliance, and such compliance or any associated inquiries or investigations or any other government actions may delay or impede our development and/or subject us to liabilities that may harm our business.

Profits from the Company's PRC operating subsidiaries available for distribution are determined under PRC GAAP.

We derive a portion of our profits from operating subsidiaries established in the PRC. The profits available for distribution are therefore dependent on, to a significant extent, the profit available for distribution by the PRC subsidiaries to the Company, which is determined in accordance with generally accepted accounting principles and financial regulations in the PRC, or PRC GAAP, which differ in certain significant respects from generally accepted accounting principles in certain other countries, such as IFRS. In addition, under the relevant PRC financial regulations, profit available for distribution is determined after offsetting losses in previous years and setting aside a statutory capital reserve equal to 10% of the remaining profits until an aggregate statutory capital reserve is 50% of the company's registered capital. These limitations on the ability of the Company's PRC subsidiaries to transfer funds to the Company limit our ability to receive and utilize such funds.

Dividends the Company receives from its PRC subsidiaries may be subject to PRC withholding tax, and the Company may be classified as a PRC resident enterprise for PRC enterprise income tax purposes, which will subject it to PRC withholding taxes on interest it pays on the Bonds.

The PRC Enterprise Income Tax Law (the "EIT Law") that took effect on January 1, 2008 provides that a maximum income tax rate of 20% may be applicable to dividends payable to non-PRC investors that are "non-resident enterprises," to the extent such dividends are derived from sources within the PRC, and the State Council has reduced such rate to 10% through the implementation of the EIT Law. Under the Arrangement between the PRC and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion, dividends from the Company's PRC subsidiaries paid to the Company's Hong Kong subsidiary shall be subject to a withholding tax at a rate of 5% if the Hong Kong subsidiary is considered a "real operating business other than only holding function and is beneficial owner of such dividend" under the EIT Law.

Under the PRC EIT Law and its implementation rules, an enterprise established outside of the PRC with its "de facto management body" within the PRC is considered a "resident enterprise" and will be subject to the enterprise income tax on its global income. We believe that the Company is not a PRC resident enterprise for PRC tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." Additionally, if the Company is deemed as a PRC resident enterprise, payments of interest by the Company will be regarded as derived from sources within the PRC, and therefore the Company will be obligated to withhold PRC income tax at 10% on payments of interest on the Bonds to non-PRC-resident enterprise investors, unless such non-PRC-resident enterprise investors' jurisdiction of incorporation has a tax treaty with the PRC that provides for preferential withholding tax treatment. In the case of non-PRC-resident individual investors, the tax will be withheld at a rate of 20%, unless a lower treaty rate is applicable. In addition, if the Company is deemed as a PRC resident enterprise, any gain realized on the transfer of the Bonds by non-PRC-resident investors will be regarded as derived from sources within the PRC and will be subject to a 10% PRC income tax in the case of non-PRC-resident enterprises or 20% in the case of non-PRC-resident individuals (or a lower applicable treaty rate, if any). According to an arrangement between Mainland China and Hong Kong for the avoidance of double taxation, the holders of the Bonds who are Hong Kong residents, including both enterprise holders and individual holders, may be exempted from PRC income tax on capital gains derived from a sale or exchange of the Bonds. In addition, if the Company is deemed to be a PRC-tax-resident enterprise by the PRC tax authorities in the future, the Company will be required to withhold value-added tax ("VAT") at a rate of 6% and certain surcharges on VAT for payments of interest and certain other amounts in respect of the

Bonds to any non-PRC Bondholders, if such non-PRC Bondholders are deemed to be providing financing service to the Company within the territory of the PRC.

Failure to make adequate contributions to social insurance and housing provident funds for all eligible employees as required by PRC regulations may subject us to penalties.

Companies operating in the PRC are mandatorily required to participate in various employee benefit plans, including pension insurance, unemployment insurance, medical insurance, work-related injury insurance, maternity insurance and housing provident fund, and contribute to the plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of their employees up to a maximum amount specified by the local government from time to time at locations where they operate their businesses. Certain of our PRC principal operating subsidiaries have not made full contributions to social insurance and/or housing provident funds for all of their eligible employees. As of the date of this Offering Circular, no administrative action had been initiated against us by the relevant PRC government authorities with respect to the above non-compliance shortfalls, nor had any order been received by us to settle the historical contribution shortfall. However, we cannot assure that the relevant local government authorities will not require the relevant subsidiaries to pay the outstanding amount within a specified time limit or impose late charges or fines on it, which may materially and adversely affect our financial condition and results of operations.

Risks Relating to Turkey

The political instability in Turkey may adversely affect our business, financial condition and results of operations.

Prior to its current presidential republic system, Turkey was a parliamentary republic from 1923 to 2018. Unstable coalition governments have been common and, since the establishment of the parliamentary system, Turkey has had over 60 governments, with political disagreements frequently resulting in early elections. Furthermore, although its role has diminished in recent years, the Turkish military establishment has historically played a significant role in Turkish government and politics, intervening in the political process in 1960, 1971 and 1980. Most recently in July 2016, the Turkish government was subject to a failed coup attempt. As a result of the coup attempt, a nationwide state of emergency was imposed until July 2018.

Political uncertainty has affected certain investors' perception of Turkey and the strength of the Turkish economy. Since 2016, each of Standard & Poor's, Moody's and Fitch has repeatedly downgraded Turkey's sovereign credit rating. Although such credit rating agencies have revised Turkey's outlook from negative to stable or even positive in recent years, there is no guarantee that they would not negatively adjust Turkey's credit rating or outlook in the future.

As a portion of our operations are located in Turkey, from which we derive a fair amount of revenue, the potentially unstable political conditions in Turkey, as well as the resulting lack of confidence of investors, may directly affect our business, financial condition and results of operations.

Turkey's economy has been undergoing a significant transformation and remains subject to ongoing structural and macroeconomic risks, which could have an adverse effect on us.

Since the mid-1980s, the Turkish economy has moved from a highly protected state-directed system to a more market-oriented system, though the Turkish Government continues to exercise significant influence over many aspects of the Turkish economy. Reforms have, among other things, largely removed price controls and reduced subsidies, reduced the role of the public sector in the economy, emphasized growth in the industrial and service sectors, liberalized foreign trade, reduced tariffs, promoted export growth, eased capital transfer and exchange controls, encouraged foreign investment, strengthened the independence of the Central Bank, led to full convertibility of Turkish Lira by accepting Article VIII of the International Monetary Fund's (the "IMF") Articles of Agreement and overhauled the tax system.

The Turkish economy has also experienced a succession of financial crises and severe macroeconomic imbalances. These include substantial budget deficits, significant current account deficits, high rates of inflation, depreciation of Turkish Lira and high real rates of interest. In addition, the Turkish foreign exchange market has historically been volatile. Such structural and macroeconomic risks may have an adverse effect on our business, financial condition and results of operations.

Further, certain rules were introduced in Turkey in recent years in respect of exchange control regulations. In particular, the Communiqué No. 2018-32/48 on Decree No. 32 published on September 4, 2018 and the Exports Circular (the "Exports Circular") published on January 16, 2020 by the Central Bank of the Republic of Turkey (the "CBRT") require, subject to limited exceptions, export entities operating in Turkey to transfer their export revenue back to Turkey within 180 days of the export date and evidencing the transfer of relevant export revenue to a bank

account located in Turkey. Further, the Directive on the Application of the Foreign Currency Sales to Turkish Central Bank Under Additional Article 1 of the Exports Circular, issued by the CBRT on January 3, 2022, requires Turkish exporters to convert 25% of their foreign currency export revenue transferred back to Turkey into Turkish Lira, based on the exchange rate published by the CBRT for the relevant currency. Effective from April 18, 2022, such requirement was increased to 40% and later reduced to 25% as of March 3, 2025, following an amendment to the Exports Circular on February 28, 2025. Such rules adversely affect the ability of Turkish companies to service their payment obligations in U.S. dollars or in other foreign currencies and, at times of devaluation or depreciation in the value of Turkish Lira, further adversely affect the results of operations of Turkish companies.

Turkey is subject to internal and external unrest and the threat of future terrorist acts, which may adversely affect us.

Turkey is located in a region characterized by ongoing internal and external unrest, including incidents of terrorism and regional conflicts, which can have significant impacts on the Turkish economy. Turkey has experienced a number of terrorist attacks in recent years, resulting in fatalities and injuries. These incidents have previously had, and could continue to have, a material adverse effect on consumer confidence, business activities and overall economic stability within Turkey, all of which could negatively impact our business, financial condition, results of operations and growth prospects.

In addition, Turkey's geopolitical landscape is marked by periodic political instability and tensions with neighboring countries, which can adversely affect both its economy and investor sentiment. Heightened regional tensions or any significant deterioration in Turkey's international relations, particularly with countries close to Turkey or key neighboring nations, could weaken Turkey's political and economic environment and further affect the operations of Turkish companies related to such nations. Regional instability has also resulted in an influx of displaced persons in Turkey. Such political unrest may have a negative impact on the Turkish economy. Such instability may, in turn, reduce consumer confidence, dampen demand for our services, and materially and adversely affect our financial performance and operational results.

This challenging environment heightens the risk that further incidents or geopolitical tensions may periodically arise, potentially leading to prolonged reductions in economic activity and demand for our products.

Risks Relating to Ownership of the Bonds and the Common Shares

There are limitations on the Bondholders' ability to exercise conversion rights.

The Bondholders will not be able to exercise conversion rights during any Closed Period, as defined in "Description of the Bonds". In addition, under the current ROC laws, regulations and policies, a PRC person is not permitted to convert the Bonds or to register as the Company's shareholder unless (i) it is a qualified domestic institutional investor, or a QDII, who will hold less than 10% of the Issuer's issued shares after conversion of the Bonds, or (ii) it otherwise obtains the approval of the MOEA if all the business items are within the positive list promulgated by the ROC Government from time to time and it will hold 10% or more (or other threshold required by the regulators) of the Issuer's issued shares after conversion of the Bonds. There are also restrictions on the amount remitted to the ROC for investments by QDIIs, separately and jointly. Accordingly, the qualification criteria for a PRC person to make investment and the investment threshold imposed by the FSC and the TWSE may cause a Bondholder who is a PRC person to be unable to convert the Bonds and hold the Common Shares. Under current ROC laws, "PRC person" means an individual holding a passport issued by the PRC, a resident of any area of the PRC under the effective control or jurisdiction of the PRC (but not including a special administrative region of the PRC such as Hong Kong and Macau, if so excluded by applicable laws of the ROC), any agency or instrumentality of the PRC and any corporation, partnership or other entity organized under the laws of any such area, or in countries outside of the ROC or PRC that is directly or indirectly controlled by, or directly or indirectly having more than 30% of its capital owned by, or beneficially owned by any such person, resident, agency, instrumentality, corporation, partnership or entity.

Common Shares or any securities that are substantially similar to the Common Shares, including any securities that may be convertible into, or exchangeable for, the Common Shares that are eligible for future sale by the Company or the Company's current shareholders, may adversely affect the value of your investment.

The market prices of the Bonds and the Common Shares could decline as a result of sales of a large number of the Company's Common Shares or any securities that are substantially similar to the Common Shares including, but not limited to any securities that may be convertible into, or exchangeable for, the Common Shares after this offering or the perception that such sales could occur. In connection with the Offering, the Company agreed to certain lock-ups, subject to certain exceptions, for a period of 90 days after the Closing Date, not to offer, pledge, sell, contract to sell or otherwise dispose of any Bonds or Common Shares or any securities convertible into or exercisable or

exchangeable for the Common Shares without the prior written consent of the Initial Purchasers. Nevertheless, the Initial Purchasers may lift or waive all or some of these restrictions at their sole discretion, and when the applicable restrictive period expires, the Company will be able to sell or otherwise dispose of the Common Shares, subject to legal restrictions. In addition, we cannot assure you that any of the Company's shareholders will not sell, or otherwise dispose of, the Common Shares. If the Company's shareholders sell a large number of the Common Shares after this offering, the market price of the Bonds and the Common Shares could be depressed and the value of your investment could substantially decrease. The market prices of the Common Shares and the Bonds could also decline if substantial amounts of the Common Shares or securities convertible or exchangeable into the Common Shares are sold after the closing of this offering, or if there is a perception that these sales could occur.

A liquid market for the Bonds may not develop, and the market for the Common Shares may not be liquid.

Prior to this offering, there has been no market for the Bonds. Approval in-principle has been received for the listing and quotation of the Bonds on the SGX-ST. An active trading market for the Bonds might not develop.

The Bonds have not been registered under the securities laws of the United States or elsewhere and cannot be publicly offered, sold, pledged or otherwise transferred in any jurisdiction where such registration may be required. The Bonds may not be publicly offered or sold, directly or indirectly, in the ROC. Furthermore, there has been no trading market for the Common Shares outside the ROC, and the only trading market for the Common Shares is the TWSE.

Holders of the Bonds will bear the risk of fluctuations in the price of the Common Shares.

The market price of the Bonds at any time will be affected by fluctuations in the price of the Common Shares. It is impossible to predict how the price of the Common Shares will change. Trading prices of the Common Shares will be influenced by, among other things, our results of operations and political, economic, financial and other factors that affect capital markets generally. Any decline in the price of the Common Shares would adversely affect the market price of the Bonds.

Fluctuations in the exchange rate between the NT Dollar and the US dollar may have a material adverse effect on the value of the Bonds in US dollar terms.

Although the principal amount of the Bonds is denominated in US dollars, the Common Shares are listed on the TWSE, which quotes and trades the Common Shares in NT dollars. As a result, fluctuations in the exchange rate between the NT Dollar and the US dollar will affect, among other things, the market price of the Bonds and the US dollar equivalent of the Common Shares received upon conversion of the Bonds.

Furthermore, the Bonds are currency-linked debt instruments. Bondholders are required to pay the subscription money for the Bonds in US dollars, while all amounts due from the Company under the Bonds will be settled in US dollars, translated to NT dollars at the Fixed Exchange Rate and then translated back to US dollars at the Prevailing Rate. Accordingly, the US dollar return on the Bonds, or yield to maturity, will depend on the principal amount converted into US dollars at the prevailing exchange rate at the time of payment. Any volatility of the exchange rate between NT dollar and the US dollar during the term of the Bonds will affect the return on the Bonds, or yield to maturity, in US dollars. In particular, any devaluation of the NT dollar against the US dollar during the term of the Bonds will decrease the US dollar return on the Bonds and will result in the yield to maturity of the Bonds in US dollars being less than the stated yield to maturity of the Bonds. In the event of a material devaluation of the NT dollar against the US dollar, Bondholders may not receive the full US dollar subscription amount upon redemption of the Bonds.

There can be no assurance that the allocation of an equivalent amount of the net proceeds of the Bonds for financing Eligible Green Projects will be suitable for the investment criteria of an investor.

In connection with the issue of the Bonds, we have engaged ISS Corporate Solutions, Inc. to provide a second-party opinion on the Green Financing Framework (the "Second-Party Opinion").

The Second-Party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Bonds. The Second-Party Opinion is not a recommendation to buy, sell or hold the Bonds and was only current as of the date that the Second-Party Opinion was initially issued, and may be updated, suspended or withdrawn at any time. Currently, the provider of Second-Party Opinion and certification is not subject to any regulatory regime or oversight. In addition, although we have agreed to certain reporting and allocation of an equivalent amount of the net proceeds obligations in connection with certain criteria, any failure to comply with such obligations does not constitute a breach or an Event of Default under the Indenture. A withdrawal of the Second-Party Opinion or any failure to allocate an equivalent

amount of the net proceeds of the Bonds in projects within the definition of the Eligible Green Projects, or to meet or continue to meet the investment requirements of certain environmentally focused investors with respect to such Bonds, may have an adverse effect on the value of the Bonds and/or may have adverse consequences for certain investors with portfolio mandates to invest in green assets. Moreover, no assurance can be provided with respect to the suitability or reliability of the Second-Party Opinion. The Initial Purchasers have not undertaken, nor are responsible for, any assessment of the eligibility of the assets within the definition of Eligible Green Projects or the monitoring of the allocation of an equivalent amount of the net proceeds from the offering of the Bonds. The Second-Party Opinion is not incorporated into, or forms part of, this Offering Circular.

It is our intention to allocate an equivalent amount of the net proceeds from the offer of the Bonds specifically for Eligible Green Projects (as defined under “Green Financing Framework” below). Prospective investors should have regard to the information set out in this Offering Circular regarding such allocation of an equivalent amount of the net proceeds and must determine for themselves the relevance of such information for the purpose of any investment in the Bonds together with any other investigation such investor deems necessary. In particular no assurance is given by us or any Initial Purchaser that the allocation of such an equivalent amount of the net proceeds for any Eligible Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by our own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Projects.

Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a “green”, “social”, “sustainable” or an equivalently labelled project or as to what precise attributes are required for a particular project to be defined as “green”, “social”, “sustainable” or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Eligible Green Projects will meet any or all investor expectations regarding such “green”, “social”, “sustainable” or other equivalently labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Green Projects.

In the event that the Bonds are listed or admitted to trading on any dedicated “green”, “environmental”, “social”, “sustainable” or other equivalently labelled segment of any stock exchange or securities market or index (whether or not regulated), no representation or assurance is given by us or any Initial Purchaser or any other person that such listing or admission, or inclusion in such index, satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, social or sustainability impact of any projects or uses, the subject of or related to, any Eligible Green Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange, securities market or index to another. Nor is any representation or assurance given or made by us or any Initial Purchaser or any other person that any such listing or admission to trading will be obtained in respect of any such Bonds or, if obtained, that any such listing or admission to trading will be maintained during the life of the Bonds.

While it is our intention to allocate an equivalent amount of the net proceeds of the Bonds for Eligible Green Projects in, or substantially in, the manner described under “Use of Proceeds”, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Eligible Green Projects will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such an equivalent amount of the net proceeds will be totally or partially disbursed for such Eligible Green Projects. Nor can there be any assurance that such Eligible Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by us. Any such event or failure by us will not constitute an Event of Default under the Bonds. Each potential investor should regard the factors described under the section entitled “Green Financing Framework” and determine for itself the relevance of the information contained in this Offering Circular regarding the allocation of an equivalent amount of the net proceeds and its purchase of the Bonds based upon such investigation as it deems necessary. Neither we nor the Initial Purchasers make any representation as to whether the Bonds fulfill the relevant environmental criteria.

Holders of the Bonds will have no rights as shareholders until they acquire the Common Shares upon conversion of the Bonds.

Unless and until the holders of the Bonds acquire the Common Shares upon conversion of the Bonds, the holders of the Bonds will have no rights as shareholders, including any voting rights or rights to receive any dividends

or other distributions with respect to the Common Shares. Subject to the Indenture and other applicable ROC laws, holders of the Bonds who acquire the Common Shares upon the exercise of their conversion rights will be entitled to exercise the rights of shareholders only as to actions for which the applicable record date occurs after the Conversion Date.

Holders of the Bonds are subject to government-imposed requirements of appointing a tax guarantor and local agent in the ROC.

Under current ROC laws, if a non-ROC person is an overseas Chinese or foreign national or entity having not been registered with the TWSE, when exercising the conversion right, such non-ROC person will be required to first register with the TWSE and then appoint a local agent to, among other things, open a securities trading account with a local securities brokerage firm to hold or trade the common shares, open an NT dollar bank account, remit funds, pay ROC tax, exercise shareholders' rights, and perform such other matters as may be designated by the converting holder. In addition, under the current ROC laws, a non-ROC person is required to appoint a local bank to act as custodian for handling confirmation and settlement of trades, safekeeping of securities and cash proceeds, and reporting and declaration of information. Under existing ROC laws and regulations, without satisfying these requirements, a non-ROC person will not be able to hold or to sell or otherwise transfer the Company's Common Shares on the TWSE or otherwise.

In addition, when a non-ROC person converts the Bonds or registers as the Company's shareholder, such non-ROC person will be required under the current ROC laws and regulations to appoint an agent, or a tax guarantor, in the ROC for filing tax returns and making tax payments. A tax guarantor must meet certain qualifications set by the Ministry of Finance of the ROC and, upon appointment, becomes a guarantor of your ROC tax obligations. We cannot assure that such non-ROC person will be able to appoint and obtain approval for a tax guarantor in a timely manner, if at all.

Holders of the Bonds may be subject to the income tax imposed by the ROC when they sell the Common Shares delivered upon conversion of the Bonds.

As used in this section, a "Non-ROC Resident Individual" is a foreign national individual who owns the Bonds or the Common Shares and is not physically present in the ROC for 183 days or more during any calendar year, and a "Non-ROC Resident Entity" is a corporation or a non-corporate body that owns the Bonds or the Common Shares and is organized under the laws of a jurisdiction other than the ROC and has no fixed place of business or business agent in the ROC. "Non-ROC Resident Individuals" and "Non-ROC Resident Entities" are jointly referred to as "Non-ROC Holders".

Starting from January 1, 2016, capital gains realized from the sale or disposal of the Company's Common Shares are exempt from ROC income tax under Article 4-1 of the ROC Income Tax Act. Nevertheless, capital gains realized from the sale or disposal of the Bonds are exempt from ROC income tax. There is no assurance that capital gains realized from the sale or disposal of the Company's Common Shares may be able to be exempted from ROC income tax in the future.

A holder of the Bonds or its designee requesting the conversion of the Bonds may be required to provide certain information to the Company or the Conversion Agent, and failure to provide such information may result in a delay of the conversion.

A holder of the Bonds or its designee requesting the conversion of the Bonds may be required to provide certain information to the Company or the Conversion Agent, including the name and nationality of the person to be registered as the shareholder, the number of Common Shares the person is acquiring and has acquired in the past as a result of the conversion of the Bonds it holds, the Conversion Date, or such other information as may be reasonably required, before such conversion is effected. Under applicable ROC laws, the Company is required to report to the FSC if the person to be registered as a shareholder (i) is a "related party" of the Company as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuer or (ii) will hold, immediately following such conversion, more than 10% of the total number of the Common Shares deliverable upon conversion of the aggregate principal amount of all such Bonds at the time of issue. Failure to provide such information may cause the delay or rejection of such conversion of the Bonds.

The value of the Common Shares and the Bonds may be adversely affected by the volatility of the ROC securities market.

The ROC securities market is smaller and more volatile than the securities markets in the United States and in certain European countries. The TWSE has experienced substantial fluctuations in the prices, and has shown particular volatility following certain political events, market events and scandals. Also, there are currently limits on

the range of daily price movements on the TWSE. From time to time, the ROC regulatory agencies have intervened in the ROC stock market during periods of extreme volatility. In 2024, the TWSE Capitalization Weighted Index (the “TAIEX”) fell to a low of 17,161.79 points on January 17, 2024 and subsequently reached a peak of 24,390.03 points on July 11, 2024. On March 19, 2025, the TAIEX closed at 21960.83 points. See “Appendix A—The Securities Market of the ROC”. The TWSE has experienced problems such as market manipulation, insider trading and payment defaults. The recurrence of these or similar problems could adversely affect the market price and liquidity of the securities of ROC companies, including the Bonds and the Common Shares, in both domestic and international markets.

In response to major past declines and volatility in the securities markets in the ROC, and in line with similar activities by other countries in Asia, the ROC Government formed the National Stabilization Fund in 2000, which has purchased, and may from time to time purchase, shares listed on the TWSE to support these securities markets in the ROC. In addition, other funds associated with the ROC Government have in the past purchased, and may from time to time purchase, shares listed on the TWSE or other securities markets in the ROC. In the future, market activity by government entities, or the perception that such activity is taking place, may take place or has ceased, may cause fluctuations in the market prices and liquidity of the Common Shares.

The Company’s public shareholders may have more difficulty in protecting their interests than they would as a shareholder of a corporation of other jurisdictions.

The Company’s corporate affairs are mainly governed by its Articles of Incorporation and ROC Company Act. The rights of its shareholders to bring shareholders’ suits against its management, controlling shareholders or board of directors under ROC laws are much more limited than those of the shareholders of corporations of some other jurisdictions. Therefore, the Company’s public shareholders may have greater difficulty in protecting their interests in connection with actions taken by its management, members of board of directors or controlling shareholders than they would as shareholders of corporations of other jurisdictions.

A Bondholder’s right to receive payments on the Bonds is structurally subordinated.

As of December 31, 2024, we had outstanding secured debt of NT\$6,826 million. The Bonds will be effectively subordinated to any of the Company’s secured obligations with respect to assets that secure such obligations. The terms of the Bonds do not prevent the Company from incurring additional debt in the future, and the Company is generally permitted to secure this indebtedness, although the Company’s existing financial covenants may restrict the Company’s future borrowings. If the Company incurs further indebtedness, its ability to make payments on the Bonds and, if required, to redeem the Bonds may be adversely affected.

The Company may not have the ability to redeem the Bonds in cash if investors exercise the early redemption right upon the occurrence of a change of control, delisting or upon their option in certain circumstances.

The Company may be required by Bondholders to redeem for cash all or some of their Bonds upon a transaction or event constituting a change of control, delisting or upon their option in certain circumstances as described under “Description of the Bonds”. The Company may not have sufficient funds or other financial resources to make the required redemption in cash at such time or the ability to arrange necessary financing on acceptable terms. In addition, the Company’s ability to redeem the Bonds in cash may be limited by law, by the terms of other agreements relating to the Company’s senior debt, and by indebtedness and agreements that the Company may enter into in the future which may replace, supplement or amend its existing or future indebtedness. If the exercise of the redemption right upon the occurrence of a change of control or delisting occurs at a time when the Company is prohibited from redeeming the Bonds, the Company could seek the consent of lenders to redeem the Bonds or could attempt to refinance the borrowings that contain this prohibition. If the Company is not able to obtain consent or refinance these borrowings, the Company could remain prohibited from redeeming the Bonds. The Company’s failure to redeem Bonds would constitute an event of default, which might constitute a default under the terms of the Company’s other indebtedness at that time.

The Company may call the Bonds prior to maturity if the Company has or will become obligated to pay additional amounts as a result of certain changes in applicable tax law.

The Company may call the Bonds prior to maturity if the Company has or will become obligated to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations. In such an event, each Bondholder will have the right to elect that his Bond(s) shall not be redeemed but, in that case, subject as provided in “Description of the Bonds—Redemption of the Bonds—Redemption for Taxation Reasons”, no additional amounts will be payable on the electing Bondholder’s Bonds after the relevant tax redemption date and payment of all amounts shall be made subject to the deduction of

withholding of any taxation required to be withheld or deducted. See “Description of the Bonds—Redemption of the Bonds—Redemption for Taxation Reasons”.

Bondholders have limited anti-dilution protection.

The conversion price of the Bonds will be adjusted in the event that there is a free distribution, bonus issue, division, consolidation and reclassification, declaration of dividends, rights issue, warrants issue, capital distribution or other adjustment, but only in the circumstances and only to the extent provided in “Description of Bonds—Conversion—Adjustments to the Conversion Price”. There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of Common Shares. Events in respect of which no adjustment is made may adversely affect the value of Common Shares and, therefore, adversely affect the value of the Bonds.

Future issues, offers or sales of Common Shares may hurt the value of the Bonds.

The market price of the Bonds and Common Shares could decline as a result of future issues, offers or sales of a large number of Common Shares, or securities convertible into or exercisable for Common Shares, or any securities or financial instruments whose economic value is determined, directly or indirectly, by reference to the market price of Common Shares, or the perception that such issues, offers or sales could occur. If a large number of Common Shares is sold, the market price for the Bonds or Common Shares could be depressed.

The Trustee may request that the Bondholders provide indemnity, security and/or prefunding to its satisfaction.

In certain circumstances, the Trustee may (at its sole discretion) request the Bondholders to provide indemnity, security, and/or prefunding to its satisfaction before it takes steps and/or actions and/or institutes proceedings on behalf of Bondholders. The Trustee shall not be obligated to take any such steps and/or actions and/or institute such proceedings if not indemnified, secured, and/or prefunded to its satisfaction. Negotiating and agreeing to any indemnity, security, and/or prefunding can be a lengthy process and may impact when such steps and/or actions can be taken and/or such proceedings can be instituted. The Trustee may not be able to take such steps and/or actions and/or institute proceedings, notwithstanding the provision of indemnity, security or prefunding to it, in breach of the terms of the indenture governing the Bonds and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Bondholders to take such actions directly.

USE OF PROCEEDS

The gross proceeds to be received by the Issuer from the Offering will be US\$350 million, before deducting underwriting commissions and related expenses. The Company plans to use the net proceeds of the Offering for investing in overseas subsidiaries. An amount equivalent to the net proceeds from the issuance of the Bonds will be used to finance or refinance, in part or in full, Eligible Green Projects that meet the Eligibility Criteria set out in the Green Financing Framework.

The Green Financing Framework, the Second-Party Opinion and any public reporting by or on behalf of the Issuer in respect of the application of proceeds will be available on the Issuer's website at https://www.tccgroup Holdings.com/en/ir_green-sustainable-finance.html.

GREEN FINANCING FRAMEWORK

Background

With industry experience of over 75 years, the Company is a leading cement producer with its headquarter in Taiwan. In 1954, the Company was officially transformed from a state-owned enterprise to a private company, and later became the first publicly listed company in Taiwan in 1962. The Company, by expanding its services in line with concerned policies which enabled itself to grow together in sync with the industry and the society, takes pride in being a leading brand name in Taiwan. “TCC” in the Company’s name is not just an abbreviation for Taiwan Cement Corporation, but also stands for Total Climate Commitment and Total Care Commitment to environmental and human concerns, demonstrating its dedication to a low-carbon transformation.

The Company’s industry categories encompass cement, green energy, battery, energy storage charging, transportation, information technology, shipping, power generation, waste management, property management, and applied building materials. As a company dedicated to green-conscious operating, the Company has built its seven key competencies, including outstanding business model and positioning, sustainable growth business model, production facilities as products, AI-powered R&D, leading costs and operations, supply and raw material advantages, as well as talent development, DEI and just transition.

Mr. An-Ping, Chang assumed the office as the chairman in 2017 and the Company undertook to start a full-scale overhaul in 2018, transforming its characteristics from cement manufacturing and sales into green environmental engineering via its acquisition of NHOA in 2021 and the continued investments in power battery and renewable energy developments, dedicated to the handling of the complex relationship between human civilization and the Nature, and further from an ECO-SOLUTION PROVIDER that actively addresses environmental issues into promoting an EARTH HELPER initiative. The Company increased its investment in the low carbon cement in Europe, Asia and Africa, through increase in ownership percentage and consolidation of control over our Turkish, Portuguese and African cement operations.

This Green Financing Framework (the “Framework”) is an important step in aligning our financing strategy with our sustainability commitments, as outlined in our sustainability strategy. The Framework creates a further opportunity for us to communicate with investors and other market participants on our commitments to creating shared value for the business, society and the environment. The aim will also be to diversify our Group’s investor base and engage in a sustainable dialogue with socially responsible investors.

The Framework is aligned with the Green Bond Principles (“GBP”) published in June 2021 (with June 2022 Appendix 1) as administered by the International Capital Market Association (“ICMA”) as well as the Green Loan Principles (“GLP”) published in February 2023 as administered by the Loan Market Association (“LMA”).

Eligible Green Projects

An amount equivalent to the net proceeds from the issuance of green financing instruments (the “Green Financing Instruments”) will be used to finance or refinance, in part or in full, Eligible Green Projects that meet the Eligibility Criteria set out in the Framework.

Eligible Green Projects

Eligible Green Category	Eligibility Criteria	The Group’s Projects Examples
Manufacture of Cement Environmental Objective: Climate Change Mitigation 	Cement manufacturing facilities, R&D and/or application of technology that are expected to result in one of the following: • Grey cement clinker where the specific GHG emissions are lower than 0.722 tCO₂ per ton of grey cement clinker • Cement from grey clinker or alternative hydraulic binder, where the specific GHG emissions from the clinker and cement or	• Manufacturing facilities of low-carbon cement & concrete • Low-Carbon Product R&D

Eligible Green Category	Eligibility Criteria	The Group's Projects Examples
	alternative binder production are lower than 0.469 tCO₂ per ton of cement or alternative binder manufactured Where CO₂ that would otherwise be emitted from the manufacturing process is captured for the purpose of underground storage, the CO₂ is transported and stored underground, in accordance with the technical screening criteria set out in Sections 5.11 and 5.12 of EU Taxonomy Climate Delegated Act Annex 1	
Circular Economy Adapted Products, Production Technologies and Processes Environmental Objective: Climate Change Mitigation, Transition to a Circular Economy, and Pollution Prevention and Control 	Waste co-processing and collaboration with industry partners to build a sustainable ecosphere through: - Reduction and recycling of wastes and the dedicated collection and transport activities - Conversion into secondary raw materials and alternative cement raw materials and fuels, with conversion rate of minimum 50% (in terms of weight) of the separately collected waste into secondary raw materials that are suitable for the substitution of primary raw material in production processes	- Collection, management and recycling of wastes - Conversion of waste into alternative cement raw materials and fuels - Investment in alternative raw materials (such as calcium fluoride sludge), reducing consumption, mining and procurement of natural raw materials such as coal, limestone, clay and silica sand
Energy Efficiency Environmental Objective: Climate Change Mitigation  	Equipment and process enhancements, measures to increase energy efficiency that could result in increased energy efficiency based on our best efforts to ensure projects achieve at least a 30% energy efficiency improvement, including investments in energy efficiency systems, lighting upgrades, smart devices to optimize energy consumption, energy-efficient ventilation units Expenditures related to waste heat electricity generation systems (e.g. utilization of heat energy from cement rotary kilns to generate electricity) and flash distillation technology to enhance heat recovery efficiency and reduce purchased electricity	- Energy efficiency equipment and systems such as the air compressor system energy efficiency management - Power generation by waste heat recovery
Pollution Prevention and Control Environmental Objective: Pollution Prevention and Control 	Financing related to the development and acquisition of: Alternative fuels (including green hydrogen, bioenergy, solid recovered fuel, agricultural residual materials) for the manufacturing process Technology to eliminate or significantly reduce and mitigate air pollutants	- Green hydrogen as fuel to replace petcoke - Air pollutant emissions management such as NO_x control technologies using reducing agents based on selective non-catalytic reduction (SNCR), the 24-hour Continuous

Eligible Green Category	Eligibility Criteria	The Group's Projects Examples
		- Emission Monitoring Systems (CEMS) - R&D of CCUS
Sustainable Water and Wastewater Management Environmental Objective: Sustainable Use and Protection of Water and Marine Resources 	Water efficiency and water-saving solutions to reduce leakage, reduce water use, increase water reused, or increase the amount of wastewater treated	- Wastewater recycling and Membrane Bioreactor (MBR) treatment system - Water use control and rainwater harvesting
Renewable Energy Environmental Objective: Climate Change Mitigation  	Development, acquisition, maintenance, and operation of renewable energy including solar, wind, geothermal, and marine energy with direct life cycle emissions of less than 100gCO ₂ e/kWh, and energy storage solutions	- Solar-plus storage system which consists of solar PV and battery storage, aimed at transforming intermittent energy generated from solar PV into a dispatchable power supply - Modular utility-scale battery storage systems to provide grid stabilization services and enable the integration of more renewable energy into the grid - Industrial microgrids that combine distributed renewable energy sources, storage capacity and conventional backup to supplement or replace grid supply for both single and multiple users
Clean Transportation Environmental Objective: Climate Change Mitigation  	Design, development, construction, acquisition, operation, maintenance and upgrades of zero tailpipe emission vehicles, dedicated infrastructure and e-mobility solutions Exclusion: Vehicles and infrastructure dedicated to the transport or storage of fossil fuels Purchase, financing, operation and investment of vessels that meets the following thresholds: the vessels have zero direct (tailpipe) CO₂ emissions; or	- Charging solutions for electric vehicles (EV) - Advanced charging technology that enables the use of parked electric vehicles as energy storage systems for grid stabilization - EV charging infrastructure, equipment and stations - Infrastructure projects associated with electric vehicles

Eligible Green Category	Eligibility Criteria	The Group's Projects Examples
	- the vessels that are able to run on zero direct (tailpipe) CO2 emission fuels or on fuels from renewable sources have an attained Energy Efficiency Design Index (EEDI) value equivalent to reducing the EEDI reference line by at least 20 percentage points below the EEDI requirements applicable on 1 April 2022, and are able to plug-in at berth. For gas-fuelled ships, demonstrate the use of state-of-the-art measures and technologies to mitigate methane slippage emissions; or - Until 31 December 2025, vessels which have an attained Energy Efficiency Design Index (EEDI) value 10 % below the EEDI requirements applicable on 1 April 2022 if the vessels are able to run on zero direct (tailpipe) CO2 emission fuels or on fuels from renewable sources	- Manufacturing facilities and manufacture of raw materials to produce devices and batteries for electric vehicles - The Group's own electric vehicle and electric truck fleet
Green Buildings Environmental Objective: Climate Change Mitigation  	Energy-efficient buildings which have obtained or will obtain Minimum certification for e.g. "BREEAM Excellent", "LEED Gold", "EEWH Gold" or similar recognized standard Investments and expenditures relating to the renovation of buildings leading to a reduction of primary energy demand of at least 30%; or achieving one of the above-mentioned green building certification levels, as a result of the retrofit	Molice Plant with certified green building labelling
Environmentally Sustainable Management of Living Natural Resources and Land Use Environmental Objective: Protection and Restoration of Biodiversity and Ecosystems  	Financing related to the maintenance and sustainable management of natural resources such as land, water, air, minerals, forests, wild flora and fauna, including: - Protection of the Indigenous species (such as coral restoration and conservation, restoration of local species and habitats by ecosystem rebuilding and modelling to address ecology challenges) - Environmentally sustainable forestry, including afforestation or reforestation, and preservation or restoration of natural landscapes and resources	Projects in CIMPOR's CEMBUREAU Biodiversity roadmap for 2030, including ecosystem rehabilitation and services, the EU Pollinators initiative, invasive species and protected species

Process for Project Evaluation and Selection

The Group has established a Green Finance Committee (the "Green Finance Committee") with responsibility for governing the selection and monitoring of the Eligible Green Projects.

The Green Finance Committee will be chaired by the CEO and consists of senior members of the following teams: Finance, Corporate Sustainability, and Operation. The Green Finance Committee will be supported by members of sustainability teams, finance teams, and any other teams from across the Group, its divisions and its operating businesses, as appropriate. The Green Finance Committee will meet on a quarterly basis, and as required for specific issuances.

Where applicable, the Group will limit the allocation to a maximum of 10% of the use of proceeds from Green Financing Instruments to equity investments into pure play companies.

Green Finance Committee

The Green Finance Committee is the oversight mechanism for:

- Reviewing, selecting and validating the Eligible Green Projects:
 - Members from different Project teams will quarterly recommend Eligible Green Projects to the Green Finance Committee that meet the eligibility criteria.
 - The Green Finance Committee will further screen and assess that the Eligible Green Projects meet the eligibility criteria, as well as the Group's Sustainability Policies and Procedures;
- Annually reviewing the list of Eligible Green Projects against the eligibility and exclusionary criteria. If a project no longer meets the eligibility criteria set forth in this framework, the Eligible Green Project will be removed from the register and replaced as soon as a substitute has been identified;
- Annually reviewing the allocation of the use of proceeds and determine if any necessary changes (e.g., if an asset has amortized, been prepaid, sold or otherwise become ineligible) and to facilitate ongoing reporting. The Green Finance Committee will decide any necessary update to maintain continued eligibility of the use of proceeds of the Green Financing Instruments.
- Overseeing, approving and publishing the Allocation and Impact reporting;
- Monitoring the on-going market evolution, particularly in relation to disclosure and reporting, to ensure the Group is in-line with market practices.

Identification and Mitigation of Environmental and Social Risks

The Group has put in place a strong evaluation and selection process, which leverages its existing sustainability and risk management framework, to ensure the mitigation of potential environmental and social risks associated with the Eligible Green Projects. This is in addition to ensuring that Eligible Green Projects meet applicable national and international environmental and social standards and regulations.

The Group's Risk Management Committee is responsible for the identification and management of risks associated with corporate operations, including the physical, transition, and emerging risks potentially arising from climate change, and leads the planning for relevant countermeasures. The Risk Management Committee reports to the Company's board of directors on the risk management status annually. The Board adopted "Risk Management Policy and Principles" and "Risk Management Committee Charter" in 2020, to contain the risks potentially resulted from businesses thereof to a tolerable extent and to establish the risk management principles. For further details on risk management, please refer to the Group's sustainability report and/or Task Force on Climate-related Financial Disclosures ("TCFD") report.

Management of Proceeds

The Group's Finance team will manage the allocation of an amount equivalent to the net proceeds of its Green Financing Instruments on an aggregated basis for multiple green financing instruments (portfolio approach). To manage this process, the Group will establish a Green Financing Register which will be reviewed quarterly by Finance team.

The Group will strive to achieve a level of allocation to the Eligible Green Project portfolio that matches or exceeds the balance of net proceeds of its outstanding Green Financing Instruments.

In the process of considering investments for allocation under the Green Financing Instruments, the Group will only allocate proceeds to the portion of the Eligible Green Projects that have not been already financed and/or refinanced by one or several other issuers (the Company's subsidiaries and owned entities, including joint ventures entered into by its subsidiaries).

Pending full allocation of an amount equal to the net proceeds of outstanding Green Financing Instruments, the unallocated proceeds may be used for the repayment of outstanding indebtedness or held in temporary investments such as cash, cash equivalents and/ or other liquid marketable investments in line with the Group's treasury management policies, and will exclude any investments in activities listed in the Exclusions in the Green Financing Framework.

Reporting

For Green Bonds, the Group commits to publish on its website an allocation and impact report annually, starting one year after issuance of the bond, until the full allocation (or until maturity) of the Green Bonds.

For Green Loans and other financing instrument, TCC Group will provide the following reporting according to the specific request by lenders, with the principle to provide transparency and alignment to the GLP.

(a) Allocation Reporting

The Group will provide information on the allocation of the net proceeds of its Green Financing Instruments on its website. The information will contain at least the following details:

- Net proceeds of outstanding Green Financing Instruments;
- Amount of net proceeds allocated to Eligible Green Projects as defined in the Use of Proceeds section of this Framework;
- Subject to confidentiality considerations, a list of the Eligible Green Projects financed through the Group's Green Financing Instruments, including a description of the projects and their geographical distribution where feasible;
- The proportional allocation of proceeds between existing projects (refinancing) and new projects;
- The remaining balance of unallocated proceeds, if any.

(b) Impact Reporting

The Group intends to align, on a best effort basis, with the reporting recommendations as outlined in ICMA's "Handbook – Harmonized Framework for Impact Reporting (June 2023)".

The Group will provide impact reporting at the Eligible Green Project Category level, including project level information where possible, which may include the following estimated impact reporting metrics:

Eligible Green Category	Potential Impact Indicators
Manufacture of Cement	• GHG emissions intensity (kgCO₂e/tonne cement) • Amount of CO₂ emissions captured/reduced/avoided (in tCO₂ eq./year)
Circular economy adapted products, production technologies and processes	• Amount of waste that is prevented, minimised, reused or recycled before and after the project in % of total waste and/or in absolute amount in tonnes p.a. • Amount and type of alternative raw materials used • Volume of used products collected from customers for recycling • % reduction in carbon intensity in CO₂ emissions intensity • Non-hazardous waste sorted or recovered (m³ or tonnes)

Eligible Green Category	Potential Impact Indicators
Energy Efficiency	- Annual energy savings in MWh/GWh (electricity) and GJ/TJ (other energy savings) - Annual GHG emissions reduced/avoided in tonnes of CO₂e - Annual power generation by waste heat recovery (GJ)
Pollution Prevention and Control	- Amount of CO₂ emissions captured/reduced/avoided (in tCO₂ eq./year) - Reduction of air pollutants: particulate matter (PM), sulphur oxides (SO_x), nitrogen oxides (NO_x), carbon monoxide (CO), and non-methane volatile organic compounds (NMVOCs) - Amount and type of alternative fuels used
Sustainable Water and Wastewater Management	- Annual water savings (m³/a, reduction in water use in %) - Annual volume of wastewater treated, reused or avoided (m³/a and p.e./a and as %)
Renewable Energy	- Annual CO₂ emissions reduced/avoided (in tCO₂ eq./year) - Annual connection of renewable energy generation in MWh/GWh (electricity)
Clean Transportation	- Annual GHG emissions reduced/avoided in tCO₂-e p.a. - Amount of energy saved through production of devices and batteries for electric vehicles - Number of ZEVs deployed - Estimated reduction in fuel consumption - Number and type of green vessel financed
Green Buildings	- Certification Standards - Type of scheme, certification level - Annual GHG emissions reduced/avoided in tonnes of CO₂ equiv/a - Annual energy use reduced/avoided (kWh/a)
Environmentally Sustainable Management of Living Natural Resources and Land Use	- Area covered by sustainable land and water resources management practices - Maintenance/safeguarding/increase of natural landscape area (including forest) in km² and in % for increase - GHG emissions removed/reduced/avoided CO₂ equiv/a

External Review

The Company has appointed ISS Corporate Solutions, Inc. to provide a second party opinion on the Green Financing Framework, to confirm alignment with the ICMA 2021 Green Bond Principles and LMA 2023 Green Loan Principles. The second party opinion is available on the Company's website. The Company will request on an annual basis, starting one year after issuance and until full allocation, an assurance report on the allocation of Green Financing Instrument proceeds to Eligible Green Projects, provided by an external review provider.

DIVIDENDS AND DIVIDEND POLICY

Dividend Policy

Pursuant to the Company's Articles of Incorporation and certain ROC regulatory requirements, the Company is generally not permitted to distribute dividends or make other distributions to shareholders for any year in which the Company has no current or retained earnings. Before the Company can distribute a dividend or make any distribution to shareholders from profits, the Company must pay all outstanding taxes, apply its profits to losses incurred in previous years, if any, and set aside 10% of its annual net income, as legal reserve, unless the legal reserve amounts to its paid-in capital.

Any remaining profits plus accumulated retained earnings, unless special reserve is made pursuant to relevant laws and regulations, shall be distributed, first, as special dividends to the holders of the Preferred Shares at up to 8% per annum on a non-cumulative basis, and after that, as dividends to the holders of the Common Shares, taking into consideration financial, business and operational factors. The Company's board of directors has decided that the rate of interest of the Preferred Shares is 4.0525% (five-year IRS rate (currently 1.490%) plus fix margin rate of 2.5625%) per annum at the issuance. The five-year IRS rate will be reset every five years. The percentage distribution of dividends and the ratio between cash dividend and stock dividend is proposed by the Company's board of directors and approved by the Company's shareholders at the shareholders' meeting. Pursuant to the Company's Articles of Incorporation, the distribution of dividends is subject to the condition that cash dividends shall not be less than 20% of total dividends payable to shareholders of Common Shares. Dividends are paid after shareholder approval has been received.

On December 13, 2018, the Company issued 200,000,000 Preferred Shares of par value NT\$10 each in the Company. The issue price is NT\$50 per Preferred Share. As of the date of this Offering Circular, all of the Preferred Shares are still outstanding.

The Company's dividend distribution policy is made in accordance with the Company's Articles of Incorporation, taking into account various factors, including, among others, its capital, financial structure, earnings, future development and the market environment. The Company's current policy is that apart from engaging in a capital-intensive cement and cement product manufacturing and sale industry at the steady growth stage, the Company is also expanding into different segments of the market in an active manner. In order to satisfy the demand of the diversity of investment or major capital planning, cash dividends shall not be less than 20% of total dividends payable to shareholders of Common Shares and the remaining dividends shall be in the form of stock dividends. Subject to the Company's Articles of Incorporation, its dividend policy may be adjusted from time to time in accordance with economic and market conditions and, in particular, its future development and profitability.

Recent Historical Dividends

On March 12, 2025, the Company's board of directors resolved to propose the distribution of a cash dividend of NT\$2.03 per Share in the total amount of NT\$405.3 million for Preferred Shares, a cash dividend of NT\$1.00 per Share in the total amount of NT\$7,531.2 million for Common Shares in respect of the 2024 financial year. The Company's shareholder's general meeting to approve such dividend distribution plans is scheduled on May 27, 2025.

On March 20, 2024, the Company's board of directors resolved to propose the distribution of a cash dividend of NT\$1.76 per Share in the total amount of NT\$352.7 million for Preferred Shares, a cash dividend of NT\$1.00 per Share in the total amount of NT\$7,531.2 million for Common Shares in respect of the 2023 financial year. The Company's shareholders approved dividend distribution plans at the shareholder's general meeting held on May 21, 2024. The dividends were paid and distributed on July 30, 2024.

On March 24, 2023, the Company's board of directors resolved to propose the distribution of a cash dividend of NT\$1.75 per Share in the total amount of NT\$350.0 million for Preferred Shares, a cash dividend of NT\$0.50 per Share in the total amount of NT\$3,566.1 million for Common Shares in respect of the 2022 financial year. The Company's shareholders approved dividend distribution plans at the shareholder's general meeting held on May 31, 2023. The dividends were paid and distributed on August 9, 2023.

On April 11, 2022, the Company's board of directors resolved to propose the distribution of a cash dividend of NT\$1.75 per Share in the total amount of NT\$350.0 million for Preferred Shares, a cash dividend of NT\$1.00 per Share in the total amount of NT\$6,116.2 million and a stock dividend of NT\$1.00 per Share in the amount of NT\$6,116.2 million (equivalent to 611.6 million new Common Shares) for Common Shares in respect of the 2021 financial year. The Company's shareholders approved dividend distribution plans at the shareholder's general meeting held on May 26, 2022. The dividends were paid and distributed on August 22, 2022.

The Company historical dividends payment history is not, and should not be taken as, an indication of its potential future practice with respect to dividend payments.

CAPITALIZATION

The following table sets forth under Taiwan IFRS (i) the Company's consolidated capitalization as of December 31, 2024 on an actual basis; and (ii) the Company's consolidated capitalization as of December 31, 2024, as adjusted for the offering of the Bonds, before deducting underwriting discount and commission and other offering expenses.

The following table should be read in conjunction with our financial statements and the notes thereto included elsewhere herein.

	As of December 31, 2024			
	Actual		As Adjusted for the offering of Bonds	
	NT\$	US\$(¹)	NT\$	US\$(¹)
	(in millions)			
Short-term loans (including current portion of long-term loans and bonds payable)	36,772	1,121	36,772	1,121
Long-term liabilities				
Bonds payable ⁽²⁾	90,060	2,747	101,617	3,099
Long-term loans, net of current portion ⁽³⁾	70,359	2,146	70,359	2,146
Total long-term liabilities	160,419	4,893	171,976	5,245
Shareholders' equity				
Common shares.....	75,512	2,303	75,512	2,303
Preferred shares.....	2,000	61	2,000	61
Capital surplus.....	74,790	2,281	74,790	2,281
Retained earnings	72,772	2,219	72,772	2,219
Other items ⁽⁴⁾	23,023	702	23,023	702
Total shareholders' equity of the parent company.....	248,097	7,566	248,097	7,566
Total capitalization⁽⁵⁾.....	408,516	12,459	420,073	12,811

Notes:

- (1) Translation of amounts from US dollars into NT dollars has been made at the rate prevailing on December 31, 2024 of NT\$32.79 = US\$1.00. However, the sum of the line item "Common shares" and "Preferred shares" is arrived at by multiplying the total number of shares issued by NT\$10, which is the par value of a share, and then translated at the fixed historical exchange rate as of the date indicated.
- (2) The fair value of the convertible option related to the Bonds has not been determined at this time.
- (3) Long-term loans include long-term bills payable.
- (4) Other items include treasury shares.
- (5) Total capitalization is total long-term liabilities plus total shareholders' equity of the parent company.

SELECTED FINANCIAL DATA

The selected financial information has been derived from the Company's audited consolidated financial statements as of and for the years ended December 31, 2022 and 2023 and as of and for the years ended December 31, 2023 and 2024 included elsewhere in this Offering Circular. The consolidated financial statements as of and for the years ended December 31, 2022 and 2023 and as of and for the years ended December 31, 2023 and 2024 have been audited by independent auditors. Our consolidated financial statements are presented in conformity with the Taiwan IFRS. You should read the following selected financial information together with our financial statements included elsewhere in this Offering Circular. Neither these data nor the format in which they are presented should be viewed as comparable to information prepared in accordance with IFRS or generally accepted accounting principles elsewhere. See "Summary of Certain Material Differences between Taiwan IFRS and IFRS." For information relating to the Company's consolidation of CIMPOR and OYAK F, which have affected the Company's consolidated financial statements presented herein, please also see "Risk Factors—Risks Relating to Our Overall Business—Our expansion into new industries, new markets, and overseas markets may not be successful, and we may not be able to realize the anticipated benefits of these mergers, acquisitions or investments" and "—Foreign exchange fluctuations may adversely affect our earnings and profitability."

Consolidated financial information

Consolidated Statements of Comprehensive Income Data

	Year ended December 31,			
	2022	2023	2024	
	NT\$	NT\$	NT\$	US\$
	(audited)			
	(in thousands, except per share information)			
Operating Revenue	113,929,706	109,314,335	154,606,511	4,715,051
Operating Costs	(103,794,557)	(88,780,566)	(121,878,486)	(3,716,941)
Gross Profit	10,135,149	20,533,769	32,728,025	998,110
Operating Expenses				
Marketing	(820,576)	(967,612)	(1,405,451)	(42,862)
General and administrative	(6,850,260)	(8,095,687)	(12,742,894)	(388,622)
Research and development	(1,302,175)	(1,440,310)	(1,453,063)	(44,314)
Total operating expenses	(8,973,011)	(10,503,609)	(15,601,408)	(475,798)
Income from Operations	1,162,138	10,030,160	17,126,617	522,312
Non-operating Income and Expenses				
Share of profit of associates and joint ventures	3,919,856	4,568,339	620,788	18,932
Interest income	2,102,495	3,402,888	5,508,534	167,995
Dividend income	2,498,353	1,433,442	1,239,211	37,793
Gain from bargain purchase	-	-	1,440,571	43,933
Other income	583,112	670,792	1,391,593	42,440
Gain on disposal of investment, net	-	-	173,531	5,292
Foreign exchange gains (losses), net	201,611	(847,143)	(8,821)	(269)
Finance costs	(2,869,888)	(3,542,684)	(5,253,572)	(160,219)
Net gain (loss) on disposal of property, plant and equipment	(20,296)	(111,686)	(346,977)	(10,582)
Net gain (loss) on disposal of investment properties	502,346	332,065	3,257,173	99,334
Other expenses	(829,313)	(763,103)	(1,329,180)	(40,536)
Non-financial assets impairment loss	(89,923)	(873,596)	(1,100,987)	(33,577)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(514,394)	57,357	114,278	3,485
Total non-operating income and expenses	5,483,959	4,326,671	5,706,142	174,021

	Year ended December 31,			
	2022	2023	2024	
	NT\$	NT\$	NT\$	US\$
	(audited)			
	(in thousands, except per share information)			
Income Before Income Tax	6,646,097	14,356,831	22,832,759	696,333
Income Tax Expense	(2,489,012)	(4,352,218)	(7,203,262)	(219,679)
Net Income	4,157,085	10,004,613	15,629,497	476,654
Other Comprehensive Income (Loss)	1,144,923	(2,534,440)	16,570,238	505,344
Total Comprehensive Income for the period.....	5,302,008	7,470,173	32,199,735	981,998
Net Income (Loss) Attributable to:				
Shareholders of the Corporation.....	5,404,984	7,997,814	11,259,317	343,376
Non-controlling interests.....	(1,247,899)	2,006,799	4,370,180	133,278
	4,157,085	10,004,613	15,629,497	476,654
Total Comprehensive Income (Loss) Attributable to:				
Shareholders of the Corporation.....	6,253,579	5,438,043	25,287,948	771,209
Non-controlling interests.....	(951,571)	2,032,130	6,911,787	210,789
	5,302,008	7,470,173	32,199,735	981,998
Earnings per Share (NT\$/US\$) ⁽¹⁾				
Basic earnings per share.....	0.74	1.06	1.45	0.04
Diluted earnings per share.....	0.73	1.04	1.42	0.04

Notes:

- (1) Prior year EPS were retrospectively adjusted to reflect dividend issued.

Consolidated Balance Sheet Data

	As of December 31,			
	2022	2023	2024	
	NT\$	NT\$	NT\$	US\$
	(audited)			
	(in thousands)			
Current Assets	175,624,058	153,113,300	173,380,580	5,287,605
Non-current Assets	285,184,903	316,325,222	420,033,067	12,809,792
Total Assets	460,808,961	469,438,522	593,413,647	18,097,397
Current Liabilities.....	75,209,411	72,581,236	86,373,382	2,634,138
Non-current Liabilities	147,323,770	142,956,245	199,132,001	6,072,949
Equity Attributable to Shareholders of the Corporation	217,894,766	230,933,254	248,097,494	7,566,255
Non-controlling Interests	20,381,014	22,967,787	59,810,770	1,824,055
Total Liabilities and Equity	460,808,961	469,438,522	593,413,647	18,097,397

Consolidated Statements of Cash Flow Data

	Year ended December 31,			
	2022	2023	2024	2024
	NT\$	NT\$	NT\$	US\$
	(audited)			
	(in thousands)			
Net cash generated from operating activities	6,192,301	36,919,281	31,793,945	969,623
Net cash used in investing activities	(16,601,833)	(46,046,012)	(36,707,879)	(1,119,484)
Net cash generated from (used in) financing activities	6,041,431	(12,510,709)	13,823,041	421,563
Effects of exchange rate changes on cash and cash equivalents	2,088,653	(838,432)	2,488,775	75,900
Net increase (decrease) in cash and cash equivalents .	(2,279,448)	(22,475,872)	11,397,882	347,602
Cash and cash equivalents at the beginning of the period	91,121,942	88,842,494	66,366,622	2,023,990
Cash and cash equivalents at the end of the period	88,842,494	66,366,622	77,764,504	2,371,592

Other Financial Data

	Year ended December 31,			
	2022	2023	2024	
	(audited)			
Gross margin ⁽¹⁾	8.9%	18.8%	21.2%	21.2%
Operating margin ⁽²⁾	1.0%	9.2%	11.1%	11.1%
Net margin ⁽³⁾	3.6%	9.2%	10.1%	10.1%
EBITDA (in thousands) ^{(4) (6)}	NT\$9,689,969	NT\$19,314,882	NT\$33,596,549	US\$1,024,597
EBITDA margin ⁽⁵⁾⁽⁶⁾	8.5%	17.7%	21.7%	21.7%

- (1) Gross margin is calculated by dividing gross profit by operating revenue.
- (2) Operating margin is calculated by dividing income from operations by operating revenue.
- (3) Net margin is calculated by dividing net income by operating revenue.
- (4) EBITDA is defined as income from operations adding back depreciation (but excluding non-operating depreciation) and amortization.
- (5) EBITDA margin is calculated by dividing EBITDA by operating revenue.
- (6) The Company has presented EBITDA and EBITDA margin because the Company considers them important supplemental measures of our operating performance and believe they are frequently used by analysts, investors and other interested parties in the evaluation of companies in our industry. The Company's management uses EBITDA and EBITDA margin as additional measurement tools for purposes of business decision-making, including developing budgets, managing expenditures and evaluating potential acquisitions or divestitures. Other companies in our industry may calculate EBITDA and EBITDA margin differently than the Company does. EBITDA and EBITDA margin are not measures of operating performance under Taiwan IFRS and should not be considered as a substitute for, or superior to, income from operations or operating margin prepared in accordance with Taiwan IFRS. EBITDA and EBITDA margin have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our results as reported under Taiwan IFRS. You are encouraged to evaluate these adjustments and the reasons the Company considers them appropriate for supplemental analysis. In evaluating EBITDA and EBITDA margin, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. The Company's presentation of EBITDA and EBITDA margin should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

OUR BUSINESS

OVERVIEW

We have been the largest cement manufacturer in the ROC since our inception. We entered into the cement industry of Europe and Africa and subsequently enhanced our presence through the joint venture with OYAK in November 2018, the acquisition of Portuguese and Cape Verde operations of CIMPOR in August 2019, the completion of a series of share purchase and restructuring transactions in March 2024 pursuant to which we consolidated control over our Turkish, Portuguese and African cement operations, the completion of construction of two cement plants in the Republic of Côte d'Ivoire and Cameroon in August 2020 and July 2024, respectively, and the construction of another cement plant in Ghana, which is expected to complete in the last quarter of 2025. In addition, in the PRC, we were the seventh and the sixth largest cement manufacturer in terms of clinker production capacity in 2023 and 2024, respectively.

All life is precious, for each and every life is unique and irreplaceable. All life has its value, as it functions as an integral part of nature, no matter how insignificant or trivial it may appear. With “In Service of Life” as our key value proposition and “Total Climate Commitment” and “Total Care Commitment” as our core values, we are committed to reining in global warming, decelerating the momentum of climate change and creating solutions that pave the way towards net-zero emissions. Over the past six years, we have dedicated to transforming into a low-carbon corporation through various means, including by investing in renewable energy solutions that could be stored, managed and aggregated for using and trading.

We tapped into the renewable energy sector in 2018 and expanded our business into renewable energy generation, power batteries, energy storage and fast charging networks, through a combination of organic growth and acquisitions. In July 2021, we acquired 60.5% of the issued capital of NHOA, an energy storage solutions leader with global presence and leading European e-mobility and charging platform. With our participation in and the completion of a rights issue of NHOA in September 2023, we have increased our shareholding in NHOA to 87.8%. On November 7, 2024, we launched a tender offer to acquire the remaining shares of NHOA. Following the settlement of the tender offer, we implemented a squeeze-out and delisting of NHOA's shares from the Euronext market in Paris, and as of December 31, 2024, we held 99.99% of NHOA.

We also engage in other complementary businesses, including thermal electricity, waste management and logistics solutions.

An overview of our current business segments is as follows:

- **Cement segment:** We manufacture and sell cement, clinker, RMC and other cement products, including our newly formulated UHPC;
- **Electricity and energy segment:** Our electricity and energy segment consists of two parts. The first is the thermal electricity business conducted through our thermal power plant, the Ho-Ping Power Plant. The second is the renewable energy business, which includes (1) generating electricity from renewable energy, such as solar, wind and geothermal power, (2) developing power batteries and energy storage devices of different scales, such as the EnergyArk cabinets, and (3) constructing charging infrastructure, such as the fast charging network that NHOA is developing in southern Europe; and
- **Other segments:** We also engage in waste management that processes both industrial and municipal waste in the ROC and the PRC and logistics solutions, including port operation and maritime transportation with a fleet of 11 ships as of December 31, 2024.

COMPETITIVE STRENGTHS

We believe our success is primarily attributable to the following competitive strengths:

ESG-centric leading cement group with a dominant market share in the ROC and leading market positions in attractive southern PRC cement markets

We are an ESG-centric leading cement group having an undisputed dominant market share in the ROC and leading market positions in attractive southern PRC cement markets. In recent years, we have focused on transforming

into a low-carbon cement company and tapped into waste management and green energy businesses that bring significant synergies with our low-carbon cement operations.

Founded in 1946, we have been the undisputed cement market leader in the ROC with a consistent leadership position since our inception. In 2024, we had a market share of 34.4% in terms of domestic sales of cement and clinker in a very concentrated and stable market, in which we and Asia Cement Corporation, the two largest cement companies in the ROC, jointly held a market share of 58.0% in the ROC in 2024, according to Taiwan Cement Manufacturers' Association. Our leading position and 79 years of operating history in the ROC cement market not only provide us with a steady source of profit and cash flow but also equip us with a competitive edge for our operations in the PRC, which together ensure a stable growth momentum.

We are the seventh and the sixth largest cement producer in the PRC in terms of clinker production capacity in 2023 and 2024, respectively. Our plants are strategically located in southern or southwestern regions of the PRC. Currently, over 85% of our total cement production capacity in the PRC comes from our facilities in south and southwest PRC, including Guangdong, Guangxi, Hunan, Sichuan, Guizhou and Yunnan provinces and Chongqing municipality. We believe that we are well-positioned in these strategically selected markets characterized by favorable market conditions and a dense population, which significantly enhance our market relevant and pricing power.

In recent years, we have been committed to sustainability in our day-to-day cement operations, including building zero-emission and zero-wastewater environment-friendly RMC plants in the ROC. We are the first company that has cement and RMC plants with BSI carbon footprint and carbon reduction verification in the ROC. We also installed solar panels on the rooftop of our cement and RMC plants. Notably, we have formulated UHPC, which possesses ultra-high durability and high mechanically compressive strength, surpassing conventional concrete and marking a significant engineering advancement. We have reduced the carbon emission intensity of our cement operations in the ROC and the PRC, measured by metric tons of CO₂ emission per metric ton of cementitious materials produced, from 0.722 in 2021 to 0.686 in 2023 and target to further reduce to 0.675 in 2025 and 0.585 in 2030. In addition, we have reduced the clinker ratio of our cement operations in the ROC and the PRC, calculated as the ratio of the weight of clinker used in cement production to the weight of cementitious materials produced, from 0.823 in 2021 to 0.799 in 2023 and target to further reduce to 0.796 in 2025 and 0.780 in 2030.

To further our strategy to transform into an ESG and low-carbon centric group, we have tapped into waste management and green energy businesses that bring significant synergies with our low carbon cement operations. We adopt a “one minus” and “one plus” strategy, which aims to minimize carbon emissions of our existing cement business and amplify our efforts and footprint in green energy sector. We expect to continue increasing the scale of our waste management, green energy solutions and other ESG-focused business so as to become a pre-eminent ESG-focused and low carbon company.

Strategic expansion of low-carbon cement business in Europe evidenced by the successful consolidation of two industry-leading subsidiaries, providing strong support for geographical diversification and future growth

In addition to the ROC and the PRC markets, we have strategically expanded our low-carbon cement business into Europe, which has provided us with greater geographical diversification and additional growth drivers. We entered into the cement industry of Turkey and Portugal through the joint venture with OYAK in November 2018 and the acquisition of Portuguese operations of CIMPOR in August 2019, respectively. In March 2024, we completed a series of share purchase and restructuring transactions, pursuant to which we and Oyak Capital Investments B.V., a subsidiary of OYAK, established a new Dutch joint venture, TCC OYAK Amsterdam, in which we increased our ownership percentage to 60.0%, to control OYAK F and operate OYAK F's cement business in Turkey. Following the transactions, CIMPOR became our wholly owned subsidiary. As of March 2024, OYAK F and CIMPOR were consolidated into our financial results as our subsidiaries.

Europe offers promising market opportunities driven by growing imports and stricter regulation. According to Cembureau, imports of cement and clinker into the EU are projected to increase significantly in the coming years, with an expected compounded annual growth rate of 10.6% from 2023 to 2030. Additionally, starting in 2026, the EU will implement the CBAM, requiring importers to declare the emissions embedded in their imports and purchase a corresponding number of CBAM certificates each year. This regulatory shift is expected to further stimulate demand for low-carbon cement solutions.

We are well positioned to capitalize on the future market tailwind in Europe. As an early mover and pioneer in the low-carbon cement market, we have leveraged strong technical capabilities and secured an abundant supply of calcined clay in the Republic of Côte d'Ivoire, an alternative material for clinker with reduced unit production costs. We started the world's first calcined clay mass production base in the Republic of Côte d'Ivoire in 2020. In terms of cement production capacity, OYAK F and CIMPOR are the largest cement manufacturers in Turkey and Portugal,

respectively. In addition, as a leading low-carbon cement manufacturer, we expect to follow the SBT 1.5°C pathway to reduce our SCOPE 1+2 carbon emission by over 26.8% by 2030.

We believe that our investment in the low-carbon cement business in Europe would continue to diversify our business portfolio and fuel our business growth.

Industry leader in the adoption of innovative alternative materials and fuels, effectively supporting the reduction of carbon emission

We are an industry leader in the usage of alternative materials and fuels in our cement plants to achieve carbon emission reduction.

We are at the forefront of adopting supplementary materials and recycled concrete in the cement production process to reduce environmental impact. We expect to produce a total of approximately 1.5 million tons of calcined clays per year up to 2026, which serves as an alternative to traditional Ordinary Portland Cement clinker and offers significant protection to our environment. Produced through our innovative DeOHClay calcined clay production technology, our calcined clays provide a 63% reduction in electricity consumption, 31% reduction in heat usage and 90% reduction in CO₂ emissions compared to traditional Ordinary Portland Cement clinker, effectively improving energy efficiency and reducing GHG emissions in production. In addition to the calcined clay, we utilize a wide range of other alternative materials, such as slag, pozzolana and recycled concrete, at our production facilities in, among other jurisdictions, Turkey and Portugal. As a result, we produce at least 5 million tons of composite cement made from alternative materials per year, contributing to a reduction of 1.2 million tons of CO₂ emissions annually.

In addition, we adopt a wide range of alternative fuels in our cement production process as part of our commitment to sustainable energy. We have been actively utilizing diverse alternative fuels and continuing to explore categories such as waste wood, waste plastic, waste textiles and non-hazardous oil sludge. In 2023, we, in partnership with the Industrial Technology Research Institute, completed the construction of the “SRF with high heating value co-firing and clean integration system for cement kiln” to develop high calorific value solid recovered fuel (“SRF”) materials and co-processing technology.

We are committed to furthering the usage of alternative materials and fuels in our production to reduce carbon emissions and achieve sustainability. We achieved the thermal substitution rate (“TSR”) of 14% for our ROC operations, 19% for our PRC operations, 30.5% for our Turkish operations and 39.3% for our Portuguese operations in 2024, respectively.

We have received major awards in recognition of our achievements in reduction of carbon emissions. We are the first cement company in East Asia to commit to the Science-Based Targets (“SBT”) 1.5°C pathway. On January 10, 2025, we passed the expert advisory group review of the Science-Based Targets initiative (“SBTi”), committing to follow the 1.5°C carbon reduction pathway starting from 2025, using 2016 as the baseline year for emissions. This scope includes our cement plants cross-strait, aiming to reduce Scope 1 and Scope 2 carbon emissions by a total of 26.8% by 2030. We are also the initiating member of the GCCA 2050 Climate Ambition Initiative, which published 2050 Industry Roadmap for Net Zero Concrete. In addition, in 2023, we won the Annual Honors Award and Low Carbon Operation Model Award in the 19th Foresight ESG Corporate Sustainability Awards and participated in the Taipei International Building Materials and Products Exhibition, where we actively promoted our low-carbon products and exhibited low-carbon solutions that integrate new energy approaches. In 2024, we were selected as one of the “World’s Most Sustainable Companies of 2024” by TIME Magazine.

Clear green energy transition roadmap with strengths in energy storage as evidenced by deep involvement in the green energy value chain as a renewable energy generator, BESS developer and EPC service provider

We have strategically formulated a clear green energy transition roadmap towards renewable and clean energy development through involvement in renewable energy generation operated through TCC Green Energy Corporation and domestic and overseas battery electricity storage system (“BESS”) businesses.

For renewable energy generation, we have renewable investment plans targeting to achieve at least 200MW renewable energy installation by 2025 throughout the ROC and some parts of the PRC, with a primary focus on large solar photovoltaics and wind projects. In addition, as a leader in renewable energy innovation, we are also developing geothermal and ocean thermal energy projects in the ROC. As of September 30, 2024, we have 59.53MW of solar power plants, 30.6MW of wind power plants and 109.9MW of storage system in operation, and another 83.92MW of solar power plants and 1MW of geothermal power plants under construction in the ROC. We have built renewable energy plants at the Changhua Coastal Industrial Park since June 2018. These plants represent the first large-scale combo wind and solar power plant in the ROC. We have also started constructing solar power plants in the PRC. As

of September 30, 2024, in the PRC, we have three solar power plants, located in Yingde, Guigang and Jurong, in production with a total solar power installations of 18.87MW.

We operate our domestic BESS business through NHOA.TCC, a subsidiary of us that is currently the biggest provider to support enhancement dynamic regulation (“E-dReg”) fields in the ROC. E-dReg service provides not only frequency regulation but also energy shifting for the grid and adjusts and optimizes performance in real time based on charging conditions or inputs, ensuring more efficient and stable operation. NHOA.TCC’s notable projects include advanced BESS installations at the Hoping plant, Suao plant, Hualien plant Phase I and Changbin AFC. Additionally, the Hualien plant Phase II is set to launch online and add another 25MW/80.06MWh storage capacity in the first quarter of 2025. Through its BESS deployments, NHOA.TCC is not only stabilizing the electricity grid in the ROC but also setting the foundation for a more resilient and sustainable energy infrastructure that accommodates the growing share of renewable energy.

We operate our overseas BESS engineering, procurement and construction (“EPC”) business through NHOA Energy, a subsidiary of NHOA. In 2021, we expanded our footprint to Europe through the acquisition of NHOA so as to tap into the energy storage and charging businesses. On November 7, 2024, we launched a tender offer to acquire the remaining shares of NHOA. Following the settlement of the tender offer, we implemented a squeeze-out and delisting of NHOA’s shares from the Euronext market in Paris, and as of December 31, 2024, we held 99.99% of NHOA. With over 15 years of experience, NHOA Energy was acknowledged by BloombergNEF in 2024 as Tier 1 energy storage supplier, a recognition awarded to a selected group of global leaders in the energy storage industry. As of December 31, 2024, NHOA, through NHOA Energy, has deployed iconic projects across Europe, America, Asia, Australia and Oceania, with over 1GWh of projects online, an additional 1.5GWh of projects under construction and over €2 billion potential projects in pipeline in five continents with 49 operational sites.

In addition, we also combine the energy storage capabilities of NHOA and UHPC, to ensure that we can offer the cutting-edge energy storage cabinet and battery energy storage system for the future. We introduced “EnergyArk”, the world’s first fire- and explosion-resistant energy storage cabinet. With its wide applicability to both commercial and industrial and municipality ESS projects, the EnergyArk cabinet has unlocked great demand growth potential. Developed for both indoor and outdoor installations, the EnergyArk cabinet has wide applications spanning data centers, fast charging networks and industrial and commercial buildings. The EnergyArk cabinet can perfectly meet the energy storage demand of AI-driven data centers, offering a second-line power backup that reduces the need for BBU/UPS battery capacity by at least 50%. During peak power demands or outages, the EnergyArk cabinet can quickly step in to support critical systems, reducing peak-time energy costs and offering a strong and safe backup. In addition, from carbon reduction perspective, the EnergyArk cabinet reduces carbon emissions by approximately 50% compared to metal energy storage cabinets of the same size.

In line with the recommendations of the IEA and the contract renewal arrangement and supply demand of Taipower, we plan to phase out the coal-fired power units of Ho-Ping Power and cease operations of such units by 2040, and replace such units with the first large-scale OTEC plant in the world as part of our green energy transition plan. The proposal for replacement of coal-fired power units by OTEC plant is currently subject to government approvals. Our long-term commitment to a green energy transition has laid a solid foundation for us to penetrate as a first mover into the renewable energy generation and ESS businesses where we see abundant business opportunities and synergies with our cement business.

Leading fast charging network operator in southern Europe well positioned to benefit from the promising growth potential of under-penetrated fast charging space in Europe

As a leading fast charging network operator in southern Europe, we are well positioned to benefit from the promising growth potential of the under-penetrated fast charging space in Europe, as evidenced by a significant gap between the fast charging penetration rates in Europe of 16% and worldwide of 36% in 2023.

For charging business, Atlante, NHOA’s wholly owned subsidiary, has emerged as a leader in fast EV charging in southern Europe. To enhance customer satisfaction from the charging experience and to position EVs as a distributed energy resource to balance the electric grid and help reduce costs, Atlante is equipped with cutting-edge fast chargers, solar canopy, municipal level energy storage DC-to-DC charging and vehicle-grid-integration. Atlante has been awarded with a €90 million grant by the EU under CEF transport program, the second largest award in Europe, and will also receive additional €20 million by the French Groupe Caisse de Dépôts, all to support the roll-out of its EV fast charging network in southern Europe.

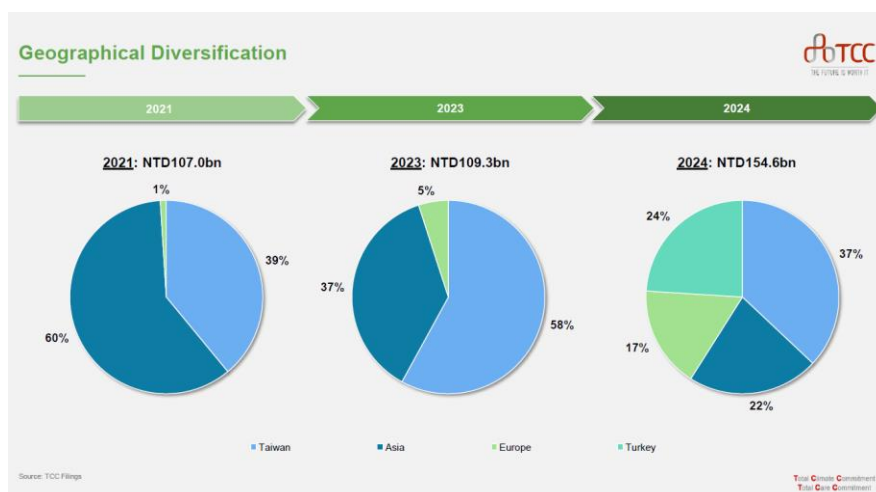
Through Atlante, we have the most extensive fast or ultra-fast charging network in southern Europe. Our charging stations are 100% powered by green energy sources, aligning with our global sustainability goals and enabling the transition into a low-carbon future. In addition, our EV charging network is integrated with advanced

energy storage systems. Utilizing self-developed digital platforms that includes a proprietary energy management system, our EV charging network can effectively reduce grid burden while providing superior quality fast charging experience. These features highlight our leadership in sustainable EV infrastructure, making us a key player poised to capitalize on the accelerating demand for fast charging solutions across Europe.

Resilient financial performance with diversified funding channels evidenced by active geographical diversification in operations, stable cash-generative business with well-distributed debt maturity profile and diversified funding sources with proven capital market access.

We have manifested resilient financial performance with diversified funding channels, evidenced by active geographical diversification in operations, stable cash-generative business with well-distributed debt maturity profile and diversified funding sources with proven capital market access.

Recognizing the importance of geographical diversification and the threats and opportunities presented by the climate challenge, we began with a home base in the ROC with a primary business focus in Europe and Asia and have proactively expanded our global presence across five continents spanning 13 countries, which included diversification into green energy businesses. We have a strategically selected, diversified geographical presence for our businesses evidenced by growing geographical diversification in our sources of revenue. In addition to the ROC and southern PRC, we expanded our presence into the European and African markets for our cement business and southern Europe for our energy storage and fast charging businesses. The following chart shows a breakdown of our operating revenue contribution by geography in 2021, 2023 and 2024:



We have established a stable cash-generating business supported by a well-distributed and manageable debt maturity profile. Our financial stability, coupled with our remaining net debt duration of over 10 years, provides us with superior flexibility to enable smooth execution of business plans and exceptional liquidity to meet our funding needs over at least the next 24 months.

In addition, we also benefit from a diversified funding structure with substantial liquidity and proven capital market access. We have successfully raised capital through various financial instruments, such as bonds, syndicated loans and global depositary receipts. Such a diversified funding structure not only demonstrates the well acceptance of us in global capital markets but also assures the flexibility to execute our long-term growth strategies.

OUR BUSINESS STRATEGIES

We plan to pursue the following strategies to accomplish our mission:

Continue to grow our green energy businesses to support a sustainable low-carbon economy

We will continue to invest in and develop our renewable and clean energy business.

For renewable energy generation, we have a combined installed capacity of 109MW in the ROC and the PRC as of September 30, 2024, and we believe we are well-positioned to capture the huge growth potential in the renewable energy market. We intend to continue to develop our pipeline of solar and wind farms for power generation in order to reach a renewable energy installed capacity of at least 200MW by 2025 in the ROC and the PRC. The

ROC Government targets to generate 15.5% of electricity through renewable energy by 2025. With government support, solar power generation in the ROC currently has a total capacity of 13.7GW and is expected to grow to the government's target of 20GW by 2026. Regarding the onshore wind power market, we expect the feed-in tariff mechanism will gradually be replaced by a free market system, and consequently the onshore wind power sector will benefit from receiving higher end-user prices than the previous price set under feed-in tariff.

In the energy storage sector, we expect to further develop business synergies already achieved with NHOA Energy, which offers a complimentary energy storage product portfolio so as to meet the increasing renewables adoption and surging EV charging demand. Since its acquisition in 2021, NHOA Energy has designed and supplied to our Asian operations four large scale energy storage systems in the ROC and the PRC for a total nominal capacity of 577MWh. The systems installed make us the largest owner and operator of energy storage capacity in the ROC, allowing to provide grid support services to Taipower and arbitrage between power price differences at different times of the day. NHOA Energy's energy management system can be further deployed to coordinate operations of multiple energy storage systems, generation plants and load. Before that, in 2021, we had already launched the ROC's first AFC Smart Storage System with 5MW of installed capacity in Changhua Coastal Industrial Park. The AFC system can regulate power dispatch during peak and non-peak electricity consumption seasons with its real-time ramping capability to maintain system frequency stability and avoid power outages. Outside the ROC, NHOA Energy has completed, among others, a 200MWh battery energy storage system ("BESS") project in Western Australia in 2023, and is currently commissioning a 400MWh BESS project in South Australia. Furthermore, NHOA Energy continues to expand into new key markets, such as the United Kingdom with 130MWh projects for Eku Energy and a 113MWh project for StatKraft expected to be completed in 2025 and Spain where NHOA Energy has entered into agreements with Red Eléctrica, the Spanish transmission system operator, for the supply of two BESS in the Balearic Islands for a total nominal power of 140MW and energy storage capacity of 105MWh. In addition, NHOA Energy continues to invest in its domestic Italian market where it has initiated an approximately 50MWh battery storage project in southern Italy to support the Vicari wind farm of ERG, an independent power producer.

Moreover, Atlante, NHOA's wholly owned subsidiary, has emerged as a leader in fast EV charging in southern Europe in just three years. For instance, Atlante has been awarded with a €90 million grant by the EU under CEF transport program, the second largest award in Europe. Atlante will also receive additional €20 million by the French Groupe Caisse de Dépôts, all to support the roll-out of its EV fast charging network in southern Europe. With 5,402 points of charge online and under construction as of December 31, 2024, we plan to further expand the regional scale in the future.

In addition, we set up the ROC's first battery gigafactory in Kaohsiung with the focus of manufacturing high-end, high-capacity, and high-charge-discharge nickel ternary batteries, on which we already invested NT\$22 billion as of September 30, 2024. The planned capacity of the gigafactory is 1.8GWh, equivalent to the volume of long-distance batteries needed for the annual production of 24,000 electric vehicles. The 1.8GWh capacity is the latest addition to Molicel's existing annual capacity of 1.2GWh.

By strengthening our green energy portfolio, we are building a resilient and environment-friendly operation that aligns with our ESG objectives, contributing meaningfully to a sustainable and low-carbon economy.

Continue our low-carbon cement production to achieve total climate commitment and total care commitment

We plan to continue our low-carbon cement production so as to achieve two sustainability commitments—total climate commitment and total care commitment—for the mutual benefit and harmony with earth and life. We are dedicated to becoming a preeminent ESG-focused low-carbon group company that has a large-scale green cement production business and a fast growing renewable and clean energy business. We joined the UN Climate Action and aimed to solve the complex relationship between humans and nature and search for a balance between the development of civilization and the environment. With our target to achieve carbon neutrality by 2050, we will strive to incorporate ESG elements in our cement production.

We have a strong commitment to decarbonization through our clear step-by-step strategy. Controlling carbon emission for our cement business is one of our main missions, which is not only a way of taking social responsibilities, but also a strategic movement to strengthen our competitive edge. We are committed to follow the 1.5°C carbon reduction pathway. Using 2016 as the baseline year, we aim to reduce Scope 1 and Scope 2 carbon emissions by a total of 26.8% by 2030. By 2050, we aim to achieve zero carbon emission and produce carbon neutral RMC product.

We formally introduced low-carbon Portland limestone cement on January 1, 2024, which contains 15.4% lower carbon than conventional Portland Type I products. With the intention of meeting our net-zero carbon emission target by 2050, we are dedicated to increasing the sales of low-carbon Portland limestone cement with the goal to eventually substitute the higher carbon Type I ordinary cement entirely. For raw materials, we are replacing ordinary

clinkers with specialized supplementary cementitious materials to reduce the carbon footprint associated with our cement production. Our innovative deOHClay calcined clay production technology enables us to reduce the clinker content down to 50%. Moreover, we utilize a wide range of other alternative materials, such as slag, pozzolana, bottom and fly ash and recycled concrete, at our production facilities in, among other jurisdictions, Turkey and Portugal. As a result, we were able to produce low-carbon cement that reduces CO₂ emissions by approximately 40% compared to traditional cement products.

Solidify leadership position as a circular economy promoter through comprehensive resource recycling roadmap

To solidify our leadership position as a circular economy promoter, we will continue to advance resource recycling as a critical component of our circular economy strategy.

We have built the DAKA Renewable Resource Recycling Center (“RRRC”), utilizing rotary kilns and gasifiers to dispose of domestic waste in Hualien. Our DAKA RRRC has a distinctive pioneering approach to waste disposal. It can handle 200 metric tons of waste daily and can help prevent methane pollution equivalent to 40,000 metric tons annual carbon reduction. The DAKA RRRC started operation at the end of December 2023 and assisted in processing 41,921 tons of Hualien municipal solid waste throughout 2024. In addition, for every ton of municipal solid waste processed by DAKA RRRC, it provides approximately 2,000 kcal of heat for the cement kiln. In 2024, the TSR contributed by DAKA RRRC to the cement kiln was 4.5%, thereby reducing our dependence on coal. Targeting zero odor and zero smell for residents and visitors alike, the DAKA RRRC has become a welcoming and eco-friendly destination. The DAKA RRRC is not just a facility, but a symbol of our unwavering dedication to a sustainable future.

We are also committed to furthering the usage of alternative fuels and materials in our production to reduce carbon emissions and achieve sustainability. Demonstrated by a satisfactory TSR in 2024 for our operations, we intend to set more progressive TSR targets aiming to achieve 35% for our ROC and PRC operations, 50% for our Turkish operations and 62% for our Portuguese operations in 2030.

In addition, we will also continue to integrate waste co-processing and recycling system into our future cement plants in the initial design. Such an integration has been implemented in our Ho-Ping cement plant as well as our plants in Jurong, Guigang and Shaoguan of the PRC. Specifically, our cement plant in Shaoguan, the PRC that commenced operations in 2021 is our first attempt to establish such integration through the initial design. Given the great synergies achieved through the integration, including providing alternative fuel and raw materials to the cement production, we expect to continue this kind of practice. We believe that we are in a good position to further expand our waste treatment operations in the ROC and the PRC, and we may also seek potential cooperation opportunities with governmental authorities and other market players.

CEMENT SEGMENT

Overview

Our history can be traced to our cement business in the ROC. The ROC Government originally controlled the cement manufacturing industry in the ROC. Our company was originally incorporated in May 1946 under the ownership of the ROC Government. The former Resources Committee, a division of the MOEA, managed the Company together with the Taiwan Provincial Government until 1952, during which the Resources Committee was abolished and replaced by the National Finance Department. The ROC Government privatized the Company by issuing shares in the Company to several large landholders in the ROC, including members of the Koo family in 1954. Our shares were listed on the TWSE on February 9, 1962, making us the first company listed on the TWSE. We have been the largest cement producer in the ROC in terms of domestic sales since our inception.

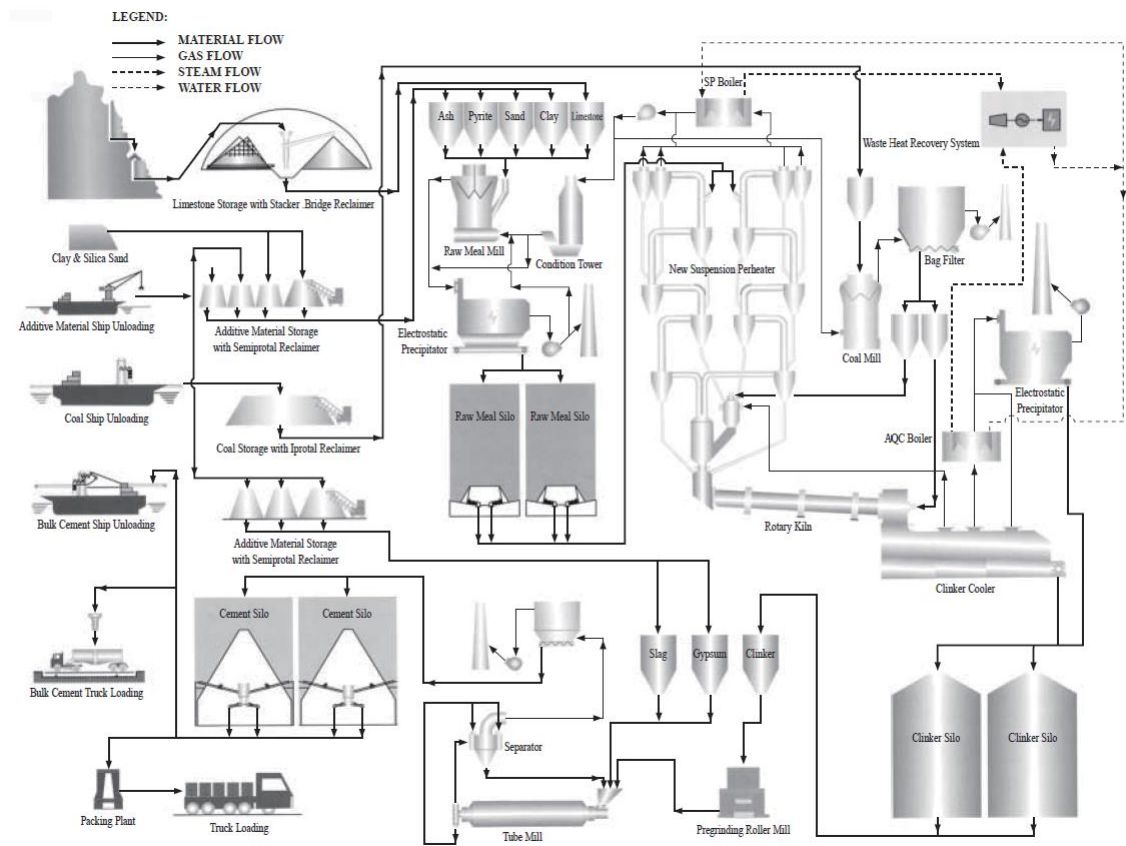
We entered into the cement industry of Turkey and Portugal through the joint venture with OYAK in November 2018 and the acquisition of Portuguese operations of CIMPOR in August 2019, respectively. In March 2024, we completed a series of share purchase and restructuring transactions, pursuant to which we and Oyak Capital Investments B.V., a subsidiary of OYAK, established a new Dutch joint venture, TCC OYAK Amsterdam, in which we increased our ownership percentage to 60.0%, to control OYAK F and operate OYAK F’s cement business in Turkey. Following the transactions, we also increased our ownership percentage in CIMPOR to 100.0%. We also established a presence in Africa through the acquisition of CIMPOR’s Cape Verde operation in 2018, at the same time we acquired its Portuguese operation, the completion of construction of two cement plants in the Republic of Côte d’Ivoire and Cameroon in August 2020 and July 2024, respectively, and the construction of a cement plant in Ghana that is expected to complete in the last quarter of 2025.

In the PRC, we are the seventh and the sixth largest cement producer in the PRC in terms of clinker production capacity in 2023 and 2024, respectively. We manufacture and sell a wide range of high-quality cement products, including ordinary and specialized cement and clinker. In 2023, we sold a total of 35.47 million metric tons of cement and clinker.

Our Cement Products

Cement is produced primarily utilizing limestone, clay, and certain additives. The raw materials are dried and ground into a powder known as raw meal and then homogenized in a blending silo. X-ray fluorescent analyzing equipment monitors the quality of the raw meal continuously. The raw meal is then conveyed to a preheater for calcination and preheating by heat exchange before entering a kiln. The rotary kiln further heats the raw meal up to 1,500 degrees Celsius, which causes a chemical reaction and turns the raw meal into small modular particles called clinker. After being air-cooled, the clinker is then mixed with gypsum and ground into cement. The finished product is then stored in cement tanks and silos for further transportation by truck, rail, or ship in bulk or packed bags.

The general production process of cement is illustrated as follows:



Cement is graded on the basis of several characteristics, such as compressive strength, stress tolerance, soundness, speed of setting and other specifications. Different grades can be produced by adding varying amounts of additives, such as fly-ash, produced by power stations, and gypsum. Specialized cement is used for certain specific applications. For example, the constructions of oil wells and dams require cement with certain properties, such as heat resistance, quick bonding or special adhesive characteristics. Higher grade cement is required for certain applications, such as the construction of skyscrapers, infrastructure projects and airports.

The following table sets forth the major types of cement we manufacture and their applications:

Types of Cement	Application
Portland Type I cement.....	Also known as general-purpose cement, this is a typical product manufactured by all industry players in the ROC. Unlike other types of cement, this type of cement lacks special properties, thus making it better suited for general construction and building use.

Portland Type II (MH) cement	Also known as moderate heat of hydration cement, this type of cement provides moderate sulfate resistance, and gives off less heat during the hydration process. Unlike Type 1 Cement, this type of cement has specified limits for its chemical composition. It is used for the construction of structures that will be exposed to water or soil with a moderate amount of sulfate, such as dams, reservoirs, harbors, piers, coastal buildings, artificial reefs, sewers, industrial drainage systems, and smokestacks.
Portland Type V cement	This is intended to provide high sulfate resistance. It has a very low composition of tricalcium aluminate ($C_3A < 5\%$). Another limitation of the composition is that the sum of the percentages of calcium aluminoferrite and twice the percentage of C_3A cannot exceed 25% ($(C_4AF) + 2(C_3A) < 25\%$). Type V cement is used for the construction of structures that will be exposed to water or soil with high sulfate, such as harbors, structures in the ocean, tunnels, bridges, sewers, chemical plants, hot springs, and coastal buildings.
Portland Type I low alkalinity cement.....	This type of specialty cement is manufactured for Taiwan High Speed Rail, Taipei City MRT, and Kaohsiung MRT projects. It can be used to prevent concrete from cracking due to heat and alkali-aggregate reactions. It can also be used to enhance the durability of the structure.
Portland Type II/V high strength cement.....	These types of cement are manufactured specifically to meet the requirements of specific customers. They feature high sulfate resistance and equally high strength at early and later periods.
Portland limestone cement.....	This type of cement is manufactured by adding limestone powder to ordinary Portland cement. This type of cement has several advantages, including reducing the carbon footprint and enhancing the durability of concrete.

Clinker is a semi-finished product that can be used to produce different types of cement products by mixing in different additives during the grinding process. Most of the clinker output that we produce is used for our cement manufacturing, and we also sell clinkers to certain customers.

RMC is a downstream cement product produced by blending and mixing cement with aggregates, paste, and water in appropriate proportions. RMC is used in construction projects for commercial, industrial, and residential buildings, civil engineering works, and infrastructure projects.

We are dedicated to exploring the transition from conventional Ordinary Portland Cement to low carbon cement. Notably, we have formulated ultra-high performance concrete (UHPC), which possesses ultra-high durability and high mechanically-compressive strength, surpassing conventional concrete and marking a significant engineering advancement. The patented UHPC energy storage containers will also be a major focus in the future as it represents a milestone in sustainability and safety. In addition, from carbon reduction perspective, UHPC cabinet reduces carbon emissions by approximately 50% compared to metal energy storage cabinets of the same size. In addition, we formally introduced low-carbon Portland limestone cement on January 1, 2024. With the goal of meeting our net-zero carbon emission target by 2050, we are dedicated to increasing the sales of UHPC and low-carbon Portland limestone cement with the goal to eventually substitute the higher carbon Type I ordinary cement entirely.

Our Production Facilities

We operate two cement plants and 25 RMC plants in the ROC, seven cement plants, three grinding plants and 56 RMC plants in Turkey, three cement plants, two grinding plants and 38 RMC plants in Portugal, 17 cement plants and three grinding plants in the PRC, and two cement plants in Africa, with a total annual production capacity of 7.89 million, 22.9 million, 9.45 million, 66.54 million and 1.65 million metric tons of cement (including grinding plants capacity) in the ROC, Turkey, Portugal, the PRC and Africa, respectively, as of September 30, 2024. In 2023, we sold 4.7 million metric tons of cement and clinker in the ROC and 35.47 million metric tons in the PRC. Through

our then joint venture, we sold 10.2 million metric tons of grey cement and 0.2 million metric tons of white cement in Turkey, 2.3 million metric tons in Portugal and 0.5 million metric tons in Africa in 2023.

The following table sets forth a breakdown of our operating revenue from cement business in the ROC, Turkey, Portugal, the PRC and Africa for the periods indicated:

	Year ended December 31,						Nine months ended September 30,			
	2021		2022		2023		2023		2024	
	NT\$ (in thousands)	% of Total	NT\$ (in thousands)	% of Total	NT\$ (in thousands)	% of Total	NT\$ (in thousands)	% of Total	NT\$ (in thousands)	% of Total
ROC	25,451,613	28.31	27,206,191	35.17	28,323,116	41.28	20,647,798	40.55	21,428,923	26.65
Turkey	-	-	-	-	-	-	-	-	23,252,838 ⁽¹⁾	28.91
Portugal ⁽²⁾ ...	-	-	-	-	-	-	-	-	12,398,630 ⁽¹⁾	15.41
PRC	64,439,782	71.69	50,147,738	64.83	40,295,784	58.72	30,265,694	59.45	23,354,134	29.03
Total	89,891,395	100.00	77,353,929	100.00	68,618,900	100.00	50,913,492	100.00	80,434,525	100.00

(1) Representing revenue from our Turkish and Portuguese operations from March 6, 2024, when revenue our Turkish and Portuguese operations were incorporated into our consolidated financial statements, to September 30, 2024.

(2) Representing revenue of CIMPOR, including revenue generated from our cement business in both Portugal and Africa.

The following table sets forth the production capacity, production volume and equipment utilization of our cement plants for the periods indicated:

	Year ended December 31,								
	2021			2022			2023		
	Production Capacity	Production Volume	Utilization rate (%)	Production Capacity	Production Volume	Utilization rate (%)	Production Capacity	Production Volume	Utilization rate (%)
Cement and clinker (thousand metric tons)	76,942	50,479	65.61%	74,430	42,082	56.54%	74,430	40,076	53.84%

ROC

We operate two cement plants and 25 RMC plants and affiliated factories in the ROC, with a total annual production capacity of approximately 7.89 million metric tons of cement (including grinding plant capacity) as of September 30, 2024, and sold 3,585,025 cubic meters of RMC in the first nine months of 2024. The following table sets forth the number of mills and annual production capacity of our cement plants in the ROC as of September 30, 2024:

Cement Plants	Number of Mills	Annual Cement Production Capacity (million metric tons)
Ho-Ping cement plant	4	6.17
Suao cement plant	4	1.72
Total	8	7.89

The following table sets forth the sale volumes of our RMC plants in the ROC in the first nine months of 2024:

RMC Plants	Sale Volumes (cubic meters)
Taipei RMC Plant (ten plants in total)	1,647,780
Kaohsiung RMC Plant (eight plants in total)	1,088,629
Taichung RMC Plant (five plants in total)	810,160
Hualien RMC Plant (two plants in total)	38,456
Total	3,585,025

Our cement production facilities feature high technical performance and the ability to produce a diverse product range. We use technologically advanced rotary kilns for cement production. Our cement plants in the ROC

produce various types of cement products, including Portland Cement Type I, Portland Cement Type II (MH), low temperature and low alkali cement (Type I), Portland Cement Type V and Portland Limestone Cement. In 2023, our cement plants in the ROC produced a total of 4.05 million metric tons of cement, of which 4% was exported.

Turkey

We operate seven cement plants, three grinding plants and 56 RMC plants in Turkey, with a total annual production capacity of approximately 22.9 million metric tons of cement (including grinding plant capacity) as of September 30, 2024. Our operating subsidiary in Turkey, OYAK F, sold approximately 4.2 million cubic meters of RMC in the nine months ended September 30, 2024.

The following table sets forth the number of mills and annual production capacity of our cement plants in Turkey as of September 30, 2024:

Cement Plants	Number of Mills	Annual Cement Production Capacity (million metric tons)
Adana cement plant	6	3.50
Bolu cement plant	4	2.50
Ankara cement plant	2	1.75
Aslan cement plant	3	3.30
Ünye cement plant	4	2.75
Mardin cement plant	4	2.70
Denizli cement plant	4	3.00
Total	27	19.50

The following table sets forth the annual production capacity of our grinding plants in Turkey as of September 30, 2024:

Grinding Plants	Annual Production Capacity (million metric tons)
Two Iskederun grinding plants	2.40
Eregli grinding plant.....	1.00
Total.....	3.40

Our cement plants in Turkey produce various types of cement products, including Portland Cement, Portland White Cement, Portland Composite Cement, Pozzolan Cement, Blast Furnace Slag Cement and sulfate-resistant cement. We are the first cement company in Turkey to make the net-zero carbon emission commitment and complete the setting of the target to limit the global temperature increase to 1.5°C.

Portugal

We operate three cement plants, two grinding plants and 38 RMC plants in Portugal, with a total annual production capacity of approximately 9.45 million metric tons of cement (including grinding plant capacity) as of September 30, 2024, and sold 1.1 cubic meters of RMC in the first nine months of 2024. In addition, we hold minority interests in six RMC plants in Portugal that are not operated by us.

The following table sets forth the number of mills and annual production capacity of our cement plants in Portugal as of September 30, 2024:

Cement Plants	Number of Mills	Annual Cement Production Capacity (million metric tons)
Alhandra cement plant.....	4	3.65
Sousela cement plant	4	3.65
Loule cement plant	2	1.10
Total.....	10	8.40

The following table sets forth the annual production capacity of our grinding plants in Portugal as of September 30, 2024:

Grinding Plants	Annual Production Capacity (million metric tons)
Murtas grinding plant	0.25
Sines grinding plant	0.80
Total	1.05

The major product types of our cement plants in Portugal include Portland Cement, Portland Limestone Cement and Sulfate-Resistant Cement. Our consolidated thermal substitution rate has reached up to 40%, and we have implemented on-going improvement plans targeting to reach over 50% by the end of 2026.

PRC

We operate 17 cement plants and three grinding plants located in ten provinces or municipalities in the PRC through our various subsidiaries or affiliates in the PRC, with a total annual production capacity of approximately 66.54 million metric tons of cement (including grinding plant capacity) as of September 30, 2024. In addition, we hold minority interests in four cement plants in the PRC that are not operated by us.

We are equipped with large-scale clinker lines providing greater production efficiency. In the PRC, 23 of the 32 clinker lines we operate have capacities of at least 5,000 tons per day, which account for 82% of the whole capacity as of September 30, 2024. We believe we are well positioned to adapt to the market requirements with our large scale, high production efficiency, application of environment-friendly production technology, and length of experience operating in a mature market like the ROC.

Africa

We operate in Africa through our now wholly owned subsidiary CIMPOR. We built a cement plant in the Republic of Côte d'Ivoire in August 2020, with grinding capacity of 0.8 million tons and calcined clay production capacity of 0.38 million tons as of September 30, 2024. We also aim to capture the green cement market and built another environment-friendly cement plant in Cameroon in July 2024, with grinding capacity of 0.85 million tons and calcined clay production capacity of 0.23 million tons as of September 30, 2024. We are also building a cement plant in Ghana designed to produce calcined clay as an alternative to traditional clinker to reduce our carbon footprint, which is expected to complete in the last quarter of 2025.

Raw Materials

The raw materials for cement production primarily include limestone, clay, silica sand, iron slag and gypsum, and coal as fuel.

Limestone is the main raw material for manufacturing cement. We utilize limestone from our mining area extracted by ourselves or third-party mining operators. We have adopted safe and environment-friendly approaches for mining and shipping limestone. For example, in the ROC, the exploded limestone is shipped from the mining area to the vertical shaft for discharge first, roughly crushed by the crusher at the bottom of the shaft, and then transported with a conveyor to the sub-crushers for secondary crushing before being transported to pre-mixing chamber for mixing evenly. The exploded limestone may also be loaded onto the crusher for crushing, carried through over-head ropeway to the transit stone chamber at downhill, transported through conveyor to the pre-mixing chamber for mixing evenly, and then withdrawing the limestone with even quality from the re-taking machine. In addition, we also procure a portion of limestone from third-party suppliers.

We generally source clay and silica sand on a long-term contract basis from third-party manufacturers. We purchase gypsum, low alkali sand, blast furnace slag, and iron slag from domestic and foreign suppliers. The coal we use in the ROC is mainly imported from Australia and procured via spot tender, and the coal we use in the PRC is procured from local suppliers. While we used to import coal for our operations in the ROC from Russia, we have discontinued such purchases since October 2024. Petcoke is the primary fossil fuel we use for our Turkish and Portuguese operations. The petcoke we use in Turkey is procured from local refineries or imported from the U.S. and Europe, and the petcoke we use in Portugal is imported mainly from Spain, the U.S. and South America.

As of December 31, 2024, we did not depend on any of our suppliers of raw materials to conduct our business.

Energy

The production of cement is an energy intensive process. In the ROC and the PRC, we primarily rely on coal and electricity to meet our energy needs. For our cement business, our cost of coal accounted for 18% to 31% of the operating costs incurred in the ROC and 37% to 46% of the operating costs incurred in the PRC between 2021 and the nine months ended September 30, 2024; our electricity costs accounted for 8% to 12% of the operating costs incurred in the ROC and 11% to 13% of the operating costs incurred in the PRC during the same period.

In Turkey and Portugal, we primarily rely on petcoke and electricity to meet our energy needs. The operating cost ratio was 70% to 75% for our cement business in Turkey and 67% to 83% for our cement business in Portugal between 2021 and the nine months ended September 30, 2024. Due to natural gas related crisis in the EU, electricity prices fluctuated with high deviations in last years.

We have not experienced any shortage or delays in our supply of coal and have not experienced any stoppage or reduction in production due to an interruption in our electricity supply.

Customers

Our end customers of cement products primarily include government construction and infrastructure projects, real estate development projects and certain rural construction projects. In order to sustain the ecosystem of the ROC cement industry, we also sell some of our cement products to peer cement companies in the ROC that have suspended their own cement production. In addition to customers in the ROC, we also sell our cement products produced in the ROC to customers in Guam and Hong Kong. In Turkey and Portugal, our end customers of cement products are construction companies for residential, infrastructure and other real estate projects. Some of our cement products are also sold to peer cement and RMC companies upon their request. In the PRC, the key construction and infrastructure project companies involve certain government-backed entities that are responsible for government infrastructure projects, for which we bid to provide cement. The general distributors are primarily companies engaged principally in the distribution of cement products or construction materials.

Pricing

We consider various factors in pricing our cement products, including the costs of raw materials, operating expenses, market demand, market competition, government policy, and seasonality. We also apply different pricing methods depending on the types of customers, their location, their financial strength and creditworthiness, and changes to the market conditions, among other factors. Our pricing policies are approved by our Head of Sales and reviewed on a regular basis.

Terms and Sales and Credit Policy

For our ROC and PRC operations, our sales of cement products are generally settled through bank transfer or bank draft. We accept pre-payments for sales within the PRC and standby letter of credit or telegraphic transfer within 30 days for sales outside of the PRC. All customers have to prepay for sales through bank transfer or bank draft. We do not grant any credit terms to our customers. We believe our policies are generally consistent with industry practice.

For our Turkish and Portuguese operations, credit risk is managed within the framework of our credit policies to identify, measure, monitor and minimize potential risks in advance by evaluation (i) the impact of changing economic and sectorial conditions and (ii) the financial condition of customers. In Turkey, we ask all of our cement customers, except for those that are cement companies, to provide collateral covering 100% of the outstanding balance, such as bank guarantee, credit insurance and direct debit. For concrete customers, the collateral requirement is 87% of the outstanding balance. Sales terms are always subject to change according to the changing market conditions. The same policies are in place in Portugal as well. Collateral is required for the majority of our clients, covering 80% to 85% of the outstanding balance.

Distribution

We maintain sales and marketing offices in the ROC, Turkey, Portugal, Hong Kong and the PRC, and we also engage third-party distributors to distribute our cement products in the ROC, Turkey, Portugal and the PRC. We believe that adopting such a sales model could enhance our sales performance and leverage our distributors' established sales network and local experience. We generally enter into distribution agreements with these distributors with a one-year term. In selecting the distributors, we consider a wide range of factors, including their operating track record, financial condition, the breadth and depth of their sales network, and their marketing capacities. In our distributorship agreements, we have agreed with our distributors on detailed arrangements for the geographical

coverage of each distributor to minimize competition among the distributors. We believe we have maintained a good working relationship with all of our distributors.

Seasonality

Production and sale of our cement products is subject to seasonal fluctuations. In the ROC and the PRC, we usually record our lowest quarterly sales in the first quarter due to the holiday season and cold weather in certain regions where we operate. Our cement sales generally recover in the second quarter because of the improved weather conditions. Production and sale are relatively low in the third quarter due to the storms and heavy or sustained rainfall in some regions, and the influence of certain climate conditions has aggravated as the extreme weather becomes more common due to climate change. The fourth quarter is our peak season and we generally increase the prices of our products due to higher demand as a result of the higher level of construction activities.

Logistics

The development of logistical and transportation-related services to deliver our products within the markets in which we operate is critical to our business. We maintain sufficient capacity at our loading ports, adjacent to each of our major cement production facilities in Ho-Ping and Suao, the ROC. Each wharf supporting the cement production facilities is located in deep water ports and features berths wide enough to accommodate most large commercial vessels. Due to the high concentration of cement and RMC plants in the ROC, a facility's geographical sales market is generally divisible into an area of no more than 100 km in radius. Similarly, we also maintain sufficient transportation capacity near our major production facilities in Turkey and Portugal. In Turkey and Portugal, the sales markets are as large as 300km, and cement is transported by road in domestic market and by water for exportation. In the PRC, sales markets are as large as 300 km or more. Our cement plants in the PRC generally transport cement products by water or road.

R&D, Patents and Licenses

Our Sustainability R&D Center had 31 full-time employees as of September 30, 2024 and features a dual-certified laboratory for cement and concrete by Taiwan Accreditation Foundation (TAF). We focus on research relating to low-carbon cement, low-carbon concrete, resource recycling and UHPC, while also assisting our cement facilities in optimizing cement quality and conducting feasibility studies on waste recycling. In recent years, we have achieved significant R&D breakthroughs in low-carbon cement and concrete applications technology. We also assisted our Ho-Ping Plant in obtaining two patents for inventions in the ROC, which are for containers and slurries used to make containers, and their manufacturing methods. Additionally, we utilized the UHPC developed by the R&D center for our storage cabinets, which, have acquired the two-hour fire-resistance certification of CNS12514-1/-8, passing both tests of fire integrity and flame retardancy under burning at 1,000°C. In 2024, they further passed the test and acquired the UL263 fire resistance certification in the United States.

The Sustainability R&D Center has also assisted our cement plants in the ROC in obtaining certifications from Societe Generale de Surveillance (SGS), a global leader in inspection, verification, testing and certification, and British Standards Institution (BSI). In 2004, we became the first cement manufacturer in the ROC certificated with the ISO 50001 Energy Management System. In 2018, we became the world's first cement company to be certified with the BS 8001 circular economy certification. In 2022, we passed the third verification of BS 8001:2017 (with a classification of Level 4 Optimizing) in the execution of the circular economy framework. In 2023, our concrete products acquired the certification for green building material. We are also the first cement manufacturer in the ROC certified under the "Low Carbon (Low Embodied Carbon) Building Assessment and Certification System" for low-carbon circular building materials by the Architectural Research Institute of the Ministry of the Interior. Furthermore, the R&D center has assisted several of our cement plants in the PRC in obtaining low-carbon cement product certifications. Our research laboratory will continue its R&D efforts to optimize quality, reduce costs and carbon emissions of cement, and enhance resource recycling and efficiency. It will also conduct further research in areas such as oxy-fuel combustion technology and UHPC development.

Since 2011, we have collaborated with the Industrial Technology Research Institute (ITRI) on developing and validating the first- and second-generation calcium looping CO₂ capture technology. As of September 30, 2024, we have acquired 11 patents for our calcium-based CO₂ capture technology in the ROC, the PRC and the United States. In 2024, we began collaborating with Germany's thyssenkrupp Polysius GmbH to develop third-generation oxy-fuel combustion processes and technology, aiming to increase the concentration of captured CO₂ to above 90% while reducing the energy required for such CO₂ capture. We aim to capture 100,000 tons of CO₂ annually by 2030. Furthermore, the R&D center has independently developed UHPC applicable to 3D printing.

Quality Control

Our quality control departments perform quality control functions throughout the entire production process, from the excavation of raw materials to the transportation of the products, in order to ensure that the cement products and clinker can meet their respective industry standards. In addition, we have also implemented a comprehensive quality control and production tracking system with respect to the raw materials we source and at every stage of the production process. Every stage of the production process is automated and constantly monitored by engineers. Our production lines are regularly inspected and maintained by engineers to ensure that they are in proper working condition.

Environmental Protection

The main environmental concerns in the cement industry are (i) the air pollution from dust generated by the crushing, grinding and production processes and (ii) the destruction of the environment through the process of extracting limestone. We have adopted safe and environment-friendly approaches for mining and shipping limestone, which have substantially mitigated the risks we may impose on the environment for extracting limestone. For air pollution prevention, we have set up a continuous emission monitoring system to monitor the pollutant opacity of NO_x, SO_x, and other pollutants. We purchase advanced equipment to reduce the emissions of total suspended particles (TSP), NO_x, SO_x and other pollutants, and we successfully managed to manage or reduce the emissions of such pollutants.

The following table sets forth the emissions of NO_x and SO_x for the periods indicated:

	Year ended December 31,		
	2021	2022	2023
	(metric tons)		
NO _x ⁽¹⁾	16,381	13,634	9,979
SO _x ⁽¹⁾	1,110	1,161	1,059

- (1) Including the emissions of our ROC and PRC operations, as our Turkish, Portuguese and African operations have not been consolidated into our financial reports as subsidiaries for the periods indicated.

We place significant emphasis on environmental protection and have been contributing substantive efforts to enhance energy efficiency, reduce emissions and improve resource recycling. The following table sets forth the cement division's estimated environmental protection expenditures for the cement sector for the next three years:

	Year ended December 31,			3-year Total
	2025	2026	2027	
	(million)			
ROC (NTD)	105.60	105.60	105.60	316.80
Turkey (EUR)	116.00	79.00	100.00	295.00
Portugal (EUR)	128.00	33.00	80.00	241.00
PRC (RMB)	163.94	94.51	94.51	352.96
Africa (EUR)	5.00	10.00	10.00	25.00

In addition to the accumulated NT\$10 billion spent on replacing obsolete equipment and installing new environmental protection equipment, we upgraded our electric dust precipitators to electrostatic-bag composite dust precipitators at the Ho-Ping and Suao cement plants in 2019. This upgrade raised our dust collection capabilities beyond the required legal threshold and meets the highest EU and U.S. standards while reducing out particulate emissions. Since 2022, we have completed the installation of selective catalytic reduction (SCR) de-NO_x systems in several plants, including the Guigang Plant, the Yingde Plant, the Shaoguan Plant, the Chongqing Plant, the Xuyong Plant, the Jurong Plant, the Anshun Plant, the Kaili Plant, the Huaying Plant and the Jingzhou Plant, and modified pre-heating systems to incorporate multi-stage combustion technology at the Ho-Ping cement plant, Suao plant and 13 of our plants in the PRC. In Turkey and Portugal, there are continuous monitoring systems, and all the plants have selective non-catalytic reduction (SNCR) systems to prevent any high NO_x emissions. Additionally, we have implemented chlorine bypass system in the Souselas plant. These investments aimed at further reducing our NO_x emissions during the manufacturing process and optimizing our pollution control strategies.

To reduce CO₂ emissions, we join hands with Germany's thyssenkrupp Polysius GmbH to develop innovative carbon capture technology with separate oxyfuel, and calciner CO₂ capture is expected to reach more than 100,000 tons per year by 2030. In 2018, we became the first cement company in the world to pass BS 8001 circular economy certification. In 2024, we were rated "A" in the MSCI ESG Ratings, "B" in the CDP Water Security program and "B" in the CDP Climate Change program. We are also the first cement company in East Asia that completed SBT 1.5°C pathway. On January 10, 2025, we passed the expert advisory group review of the SBTi, committing to follow the 1.5°C carbon reduction pathway starting from 2025, using 2016 as the baseline year for emissions. This scope includes our cement plants cross-strait, aiming to reduce Scope 1 and Scope 2 carbon emissions by a total of 26.8% by 2030. We are also the initiating member of the GCCA 2050 Climate Ambition Initiative which jointly published 2050 Industry Roadmap for Net Zero Concrete. We won the Annual Honors Award and Low Carbon Operation Model Award in the 19th Foresight ESG Corporate Sustainability Awards in 2023. During 2023, we launched our Total Climate series of low-carbon building materials. We also put green ready-mix trucks on the road and signed a contract with Fubon Construction in a press conference introducing the lowest carbon concrete in Taiwan, a giant step toward achieving low-carbon construction. In 2023, we won both the BSI Sustainability Resilience Pilot Award and the TCSA Top Ten Sustainability Model Enterprises, affirming our status as the leader in circular economy operations for six consecutive years. In addition, in 2023, we participated in the Taipei International Building Materials and Products Exhibition for the first time, actively promoting our low-carbon products and exhibiting low-carbon solutions that integrate new energy approaches. In 2024, we were selected as one of the "World's Most Sustainable Companies of 2024" by TIME Magazine.

We have also adopted the necessary measures to prevent all types of industrial risks, which include fire prevention, explosion prevention, industrial safety and construction safety for our production facilities. We have not encountered any material fire and industrial accidents, serious injury or death to personnel, and have not received claims for material damages resulting from occupational hazards or injuries relating to our operations. Save as disclosed in "Risk Factors" and "—Legal Proceedings" in this section, we have been in compliance with all material environmental regulations in the jurisdictions where we operate and enjoy good relationships with environmental groups who monitor the impact of cement factories on the environment.

We are planning to carry out the following environmental protection initiatives in the future:

- reinforcing and ensuring the normal operation of our environmental facilities;
- continuing our R&D in pollutant reduction and resource recycling rates;
- utilizing wastes as resources and enhance resource utilization efficiency; and
- enhancing environment-friendly measures and techniques on an on-going basis.

Competition in the Cement Industry

The cement industry is generally a localized industry. For example, in the ROC and the PRC, the sales market for a cement plant is generally within a 100- and 300-kilometer radius, respectively. Similarly, in Turkey and Portugal, the sales market is generally within a 300-kilometer radius. Common distribution problems include high land transportation costs, storage problems and short shelf life of products. Competition is primarily driven by the location of our cement and RMC operations, as well as the quality of our products, which tend to be priced at the higher end of the market.

The cement and RMC industries are highly competitive. In the ROC, our principal competitor is Asia Cement Corporation. In Turkey, our major competitors are Limak Cement, Çimsa Cement, Nuh Cement and Çimko Cement, and the cement market is more fragmented compared to other countries. In Portugal, our major competitors are Secil Cement B.V., Votorantim Cimentos and Grupo Cementos Portland Valderrivas. In the PRC, there are a large number of competitors in both markets, including both local and foreign-based entities, and our major competitors include Anhui Conch Cement Co., Ltd., although we also own a strategic interest in that company, and other large cement manufacturers such as BBMG Corporation, China National Building Material Co., Ltd., China Resources Cement Holdings Ltd., Huaxin Cement Co., Ltd., and Hongshi Group Co., Ltd.

ELECTRICITY AND ENERGY SEGMENT

Thermal Power Plant

We conduct our power generation business in the ROC through the Ho-Ping Power Plant, which is owned by our subsidiary Ho-Ping Power, a joint venture we established with CLP (International) Limited, a subsidiary of CLP Holdings Limited, in March 1995. Ho-Ping Power constructed the Ho-Ping Power Plant on the eastern seaboard of the ROC in the Ho-Ping Industrial Park, located north of Hualien. Ho-Ping power station is interconnected to the Tong-Shan substation operated by Taipower, the national power company of the ROC. The Ho-Ping Power Plant's emissions meet the requirements of ROC environmental laws and regulations. Fly ash produced by the power station boilers is transferred through soot blowing tubes and gypsum produced by the power station boilers is transferred through trucks to the nearby Ho-Ping cement plant, and recycled as raw materials, decreasing our requirements for clay in the production of cement. The power generated by the Ho-Ping Power Plant accounted for approximately 4.9% among private thermal plants in the ROC and approximately 3.8% of total power sales in the ROC in 2023. We currently hold 60% equity interest on a consolidated basis in Ho-Ping Power.

The following table sets forth the production capacity and production volume of our Ho-Ping Power Plant for the periods indicated:

	Year ended December 31,						Nine months ended September 30,	
	2021		2022		2023		2024	
	Production capacity (MW)	Production volume (GWh)	Production capacity (MW)	Production volume (GWh)	Production capacity (MW)	Production volume (GWh)	Production capacity (MW)	Production volume (GWh)
Electricity	1,320	8,340	1,320	8,119	1,320	8,756	1,320	5,444

In the ROC, the Ho-Ping Power Plant is an independent power producer ("IPP"). With the liberalization of the ROC power market, IPPs are entering into the power market. However, according to the relevant provisions of the Electricity Act, electricity produced by an IPP is still required to be coordinated by Taipower, which further allocates the electricity for livelihood or industrial use. As such, electricity generated by an IPP is not permitted to be sold directly to end-users.

Ho-Ping Power entered into the current Power Purchase Agreement with Taipower in 1998, which has a duration from August 4, 1998 to May 31, 2027 for Unit 1, and to September 5, 2027 for Unit 2, and is renewable for five years each time upon mutual agreement. Taipower may seek a possible renegotiation of such agreement. Under the current Power Purchase Agreement, the electricity tariff rate at which the Ho-Ping Power Plant charges Taipower is based on Taipower's average coal costs and other variable operation and maintenance costs. The set pricing formula for tariff rate removes energy merchant risk and improves earnings stability. In addition, the Ho-Ping Power Plant is strategically located close to our cement plants, which enable us to co-process residual ashes from the power plant in our nearby cement plant, creating significant synergies. From the conventional Ho-Ping Power Plant and cement facility, we have transformed the area into a futuristic low-carbon industrial park, with renewable resource recycling, smart energy storage, rooftop solar energy, alternative marine power and ocean thermal energy conversion projects. Our smart energy storage not only supports grid stability through the energy trading platform, but also receives income, benefiting the energy storage business. We have been installing rooftop solar photovoltaic systems at buildings of the Ho-Ping Power Plant, which are estimated to contribute to an annual carbon reduction of 1,381 tons upon the project's completion by the end of 2024.

The key raw material for our thermal power generation is coal and we primarily import coal from Australia and Indonesia under long- and short-term supply contracts. While we used to import coal for our thermal power generation from Russia, we have discontinued such purchases since October 2024. Our power generation is subject to seasonal fluctuations as summertime is the peak season for electricity demand.

Complying with the ISO 14001 environmental policy, our Ho-Ping Power Plant has been committed to complying with the environmental laws and regulations, improving the performance of our pollution prevention equipment, reducing waste and enhancing recycling. We have also established a robust environmental management system, and we regularly review and assess our pollution prevention measures to ensure their effectiveness and adequacy. We provide relevant environmental awareness trainings for our employees, and we also promote transparent disclosure of our performance of environmental protection by publishing periodic reports to the public. We also implemented the ISO 9001 quality management system to enhance our quality control and maintain the stability of our power generation services. Moreover, in an effort to improve equipment efficiency and stabilize operation, we implemented the plan to upgrade the distributed control systems for two equipment units in 2024. In addition, we adopted the ISO 45001 Occupational Health and Safety Management System for safety, health and environment to further improve our production environment and safety. With the goal of reducing emissions, we completed the "Unit1 AQCS", "LP Turbine" and "Dynamic Classifier to Improvement of Boiler Efficiency" retrofit projects in 2024.

In alignment with our commitment to reining in global warming and paving the way towards net-zero emissions, we plan to operate the Ho-ping Power Plant's coal-fired units until their designed lifespan and phase out the coal-fired units in 2040.

Renewable Energy Business

We are also expanding into the renewable energy business. The development of renewable energy has been encouraged globally. The United Nations set the Sustainable Development Goal of ensuring universal access to affordable, reliable and modern energy services, as well as increasing substantially the share of renewable energy in the global energy mix by 2030. At the regional level, renewable energy generation has been a key target of the ROC Government, which provides continuous support. The ROC Government has projected several targets of renewable growth by 2025, including generating 15.5% of electricity from renewables and phasing out nuclear at that time. In Europe, several governments set targets of phasing out the sale of internal combustion engine cars in the next two decades. Some European governments also have national subsidy schemes to meet CO₂ emission targets. Supported by government initiatives, incentivized by feed-in tariffs, tax breaks, as well as tradable energy certificates, and driven by the need to reduce dependency on fossil fuel imports, we plan to capitalize on attractive growth opportunities in the renewable energy market in the ROC as well as overseas. Our renewable energy business can be divided into two parts: (1) electricity generation from solar, wind and geothermal power; and (2) development of energy storage, including battery and giga-storage and charging infrastructure.

Renewable Energy Generation

We are currently developing a portfolio of renewable assets in the ROC. We have been constructing renewable energy plants, including solar power plants, wind farms and geothermal plants, in Taichung, Nantou, Changhua, Chiayi, Tainan, Kaohsiung, Hualien and Taitung. We have newly installed 35.78MW, 43.28MW, 2.08MW and 9MW renewable energy plants in 2021, 2022, 2023 and the nine months ended September 30, 2024, respectively. Our renewable energy plants at the Changhua Coastal Industrial Park are the first large-scale combo wind and solar power plant in the ROC. The construction of the solar power plant was initiated in June 2018. As of September 30, 2024, we have 59.53MW of solar power installations and 30.6MW of wind power installations in operation in the ROC. In addition, as of September 30, 2024, we have 83.92MW of solar power plants and 1MW of geothermal power plants under construction in the ROC. As of September 30, 2024, we have also scheduled the construction of 81.9MW of solar power plants and 31.2MW of wind plants in the ROC.

We also have started constructing solar power plants in the PRC. As of September 30, 2024, in the PRC, we have three solar power plants, located in Yingde, Guigang and Jurong, in production with a total solar power installations of 18.87MW. We plan to install another 14.71MW of solar power generation device in 2025.

The electricity generated from our renewable energy plants in the ROC is primarily sold to Taipower and transmitted to users through the national grid of the ROC. The electricity generated from our renewable energy plants in the PRC is for our own use.

Since the electricity generated from renewable sources such as wind and sunlight may be influenced by the weather condition and subject to seasonable fluctuation, we are working on the development of energy storage, AFC, and other techniques to better stabilize power generation and connection to the national grids. See “—Our Business Strategies” in this section for more information.

Energy Storage and Charging Infrastructure

In addition to renewable energy generation, we also carry out business in the energy storage and charging infrastructure sector, mainly through our subsidiaries. The ROC Government has planned for renewable energy capacity to reach 27GW by 2025 and 49.4GW by 2030. In order to catch the wave, in the ROC, we invest in the development and manufacture of energy storage solutions through TCC Energy Storage Technology Corporation and TCC Recycle Energy Technology Company, and, in particular, our subsidiary Molicel plays a key role in meeting the fast-growing demand for cells. We have also expanded our business to the overseas market through the acquisition of NHOA, which has over 15 years of experience in the field of energy storage.

(1) Molicel

Our 78.1% owned subsidiary, TCC Recycle Energy Technology Company, is the 100% shareholder of Molicel, a company founded in 1998 that has been focusing on manufacturing rechargeable lithium-ion batteries and battery pack products. The key applications of Molicel include eVTOL, energy storage system urban fast charging, E-motorcycle and E-supercar, power tool and garden tool, and aerospace and industry. With its experience in high-

power cylindrical cell segment, MoliceL has been exploring the use of its technology and products in the renewable energy area. Its products, including the ternary lithium battery, can be used in the development of grid level BESS and EV charging infrastructure. In addition, MoliceL is able to achieve high energy density of battery and fast charge and ultra-high discharge rate performance from cell level, and thus it can support the need of EVs for long driving range and high-power outputs. Its battery products are famous in the applications of high-end sport cars and electric VTOL for extreme power output in short time.

The year 2024 has been a remarkable year for MoliceL’s EV customers. For E-sports cars, the McMurtry Spéirling PURE has dominated both European and American circuits, showcasing exceptional performance and versatility. The Spéirling PURE broke the closed-wheel track record at Hockenheim in June. It also set the fastest lap ever recorded at the historic Castle Combe circuit in the UK in August, with a time of 54.559 seconds. Additionally, the car claimed two new records at the iconic Laguna Seca Reverse Corkscrew Hillclimb in August. MoliceL’s advanced cells also power two legendary hypercar makers’ latest models, Koenigsegg’s revolutionary plug-in hybrid hypercar Gemera and Bugatti’s Tourbillon. Additionally, our strategic partnership with Podium Advanced Technologies aims to revolutionize high-performance battery systems for the next-generation GEN4 ABB FIA Formula E World Championship, starting in 2026. Such strategic partnerships mark significant milestones in the advancement of electric vehicle technology.

Not only with electric vehicles on the ground, MoliceL has also been selected exclusively by leading eVTOL (electric vertical takeoff and landing) OEMs such as Archer from North America and Vertical Aerospace based in Europe to work together with regulators like FAA and EASA for certification process and also in the commercial service phase. Benefiting from our battery technology, our aviation customers cover more than 50% of the listed urban advanced mobility companies. With the FAA Special Airworthiness Certificate in hand and a strong preorder placed by global airlines and aircraft makers, we see a booming new market on the horizon. In 2024, MoliceL’s customer Archer received FAA Certification to begin operating commercial airline and completed the construction of its production facility in Georgia, U.S., which aims to have full commercialized operation in 2025.

Apart from the e-Mobility sector, MoliceL’s ultra-high power technology products have received great attention from data center as the new generative AI chips’ high power demand has been doubled compared to previous generation. This fast-moving new trend has made MoliceL’s back-up battery unit (“BBU”) product for data centers very competitive. In 2024, we started to supply to three leading CSPs, Amazon (AWS), Google and Microsoft. And in near future, MoliceL’s BBU solution shall become the key role for more CSPs in coming multiple higher power generation projects.

Our market leading 21700 battery product is in mass production at existing production line from 2022. In the second half of 2023, the new Gigafactory had been working on production transfer validation with a design capacity of three times existing production capacity. Both production sites have been working to acquire automotive and aviation quality system certificates. In particular, our Tainan production facility received IATF16949 certificates in Q4, 2023.

The following table sets forth certain operational statistics for the periods indicated:

	Year ended December 31,						Nine months ended	
	2021		2022		2023		September 30,	
	Production capacity	Production volume	Production capacity	Production volume	Production capacity	Production volume	Production capacity	Production volume
Battery ⁽¹⁾	68	62	84	71	84	47	99 ⁽²⁾	56.2 ⁽³⁾

Note:

- (1) Units: million battery cells.
- (2) Representing the production capacity for the nine months ended September 30, 2024 (including Tainan and Kaohsiung factories).
- (3) Representing the production volume for the nine months ended September 30, 2024.

As of September 30, 2024, MoliceL maintains a R&D team of 150 full-time employees dedicated to major R&D domains, such as advanced materials, cell chemistry development, cell design and advanced manufacturing engineering. In the past few years, it had successful R&D progress on developing materials and improving production technologies, including high nickel cathode, high efficiency silicon and architected graphite materials. Those material technologies can bring battery performance to the leading edge of ultra-high-power application. As of September 30, 2024, MoliceL holds 16 patents and 9 patent applications are under preparation. Its current focus includes carrying out

R&D for low temperature high rate usage, ultra-fast full charging, and aviation fitted safety performance to keep its leading position in the ultra-high-power cell segment.

(2) NHOA

We are also expanding our international energy and energy storage footprint. In July 2021, we acquired 60.5% of the issued share capital of Engie EPS S.A. Engie EPS S.A. was renamed as NHOA after the acquisition. Since NHOA is listed on the Euronext market in Paris, we followed the requirements under French securities law and launched a simplified compulsory tender offer for the remaining shares in July 2021, which was completed in September 2021, pursuant to which we increased our shareholding to 65.2%. In September 2023, we further increased our shareholding in NHOA to 87.8% following the completion of a rights issue. On November 7, 2024, we launched a simplified tender offer to acquire all the issued share capital of NHOA not already held by us. Following the settlement of the tender offer, we implemented a squeeze-out and delisting of NHOA's shares from the Euronext market in Paris, and as of December 31, 2024, we held 99.99% of NHOA.

NHOA maintains all R&D functions and production activities in Italy, with a global market serving customers from America, Europe, Asia Pacific and Africa. As of December 31, 2024, NHOA, through NHOA Energy, NHOA's global business line dedicated to stationary energy storage, had over 1GWh of projects online and an additional 1.5GWh of projects under construction, and the pipeline was at over €2 billion. As of December 31, 2024, the capacity of NHOA Energy's BESS, including both installed and under construction, was 2.5GWh.

The energy storage sector of NHOA offers (a) utility-scale storage solutions designed to support the transmission and distribution grids in the face of increasing penetration of intermittent renewable energy sources, and (b) industrial-scale distributed storage solutions designed to ensure the sustainability, affordability, flexibility and reliability of industrial and conventional power generation.

The fast charging sector, Atlante, NHOA's wholly owned subsidiary, has emerged as a leader in fast EV charging in southern Europe. To enhance customer satisfaction from the charging experience and to position EVs as a distributed energy resource to balance the electric grid and help reduce costs, Atlante is equipped with cutting-edge fast chargers, solar canopy, municipal level energy storage DC-to-DC charging and vehicle-grid-integration. With 5,402 points of charge online and under construction as of December 31, 2024, we look forward to further expanding our regional scale. In addition, Atlante acquired 60% of the equity of the charging station construction department spun-off from Kilometer Low Cost, S.A. in February 2023 and, in the exercising of an option granted in connection with the acquisition, acquired the remaining 40% of the equity in May 2024.

The e-Mobility sector offers innovative solutions for EV charging and develops vehicle-to-grid technology. This sector of the business is mainly conducted through Free2Move eSolutions S.p.A. ("Free2Move eS"), a subsidiary of NHOA that is a joint venture with Stellantis N.V. (together with its subsidiaries, "Stellantis"). In addition to the direct sale of charging products like easyWallbox and eProWallbox, residential charging systems for EVs, NHOA is also working with selected partners to provide charging service to EV owners. Pursuant to an investment and shareholders agreement, Stellantis has a call option to acquire from us, and we have a put option to sell to Stellantis, the shares held by us in Free2Move eS in 2025. As the call option is currently deeply in the money, it would be in Stellantis' financial interest to exercise the option. If and to the extent the call option is not exercised by Stellantis, we may exercise the put option and sell our shares in Free2Move eS to Stellantis in 2025.

NHOA's market position has been built on R&D. NHOA's technology platform originated from an extended R&D effort on the integration of energy storage into the design of electrical systems to master the intermittency of renewable energy sources. The platform was decisively tested, and commercially vetted, in the Terna Storage Lab project, a pioneering large-scale deployment of energy storage systems in critical electrical sub-stations promoted by Terna, the Italian operator of the electricity transmission networks. The project was designed to enhance the security of the electrical system in the country's areas with the highest penetration of renewable energy sources. The commissioning and testing of the system was completed successfully in 2016. Since then, NHOA has led the market in the adoption of energy storage in groundbreaking applications, from off-grid systems combining wind and solar generation, such as the Garowe microgrid project in Somalia, to the addition of storage capacity to conventional coal- and gas- fuelled power plants in order to enhance their operating flexibility, such as the projects in Spain and Italy, to the first microgrid comprising battery and hydrogen-based storage in the Atacama Desert, Chile. The technology platform, as well as an abundant portfolio of patents and trade and industrial secrets, enables NHOA to (a) operate an automatic and instant transition from maximum power point tracking mode to required power point tracking operation mode with respect to the renewable sources; (b) manage multiple configurations including one or more renewable sources, energy storage systems, the presence of a single local load, and/or the interconnection with the grid; and (c) conduct seamless transition in less than 20ms from on-grid to off-grid operation. As a result, NHOA is able to manage the intermittency of renewables and increase the stability and predictability of the outputs.

In addition, we have chosen NHOA as our technology supplier to construct two large-scale electricity storage systems at our Suao cement plant and Ho-Ping industrial park, for an aggregate capacity of around 147MW/470MWh. We believe that with our acquisition and investment in NHOA, we will be better positioned to strengthen our technical capabilities in the energy storage field, become a comprehensive storage solution provider and enter the global markets for EV fast chargers and microgrids.

(3) EnergyArk

To mitigate the concerns regarding battery fire risks in energy storage, we combined the energy storage capabilities of NHOA and the safety and durability of UHPC to create the “EnergyArk,” the world’s first fire- and explosion-resistant energy storage cabinet.

The EnergyArk cabinet is engineered for unparalleled safety and durability, offering superb temperature and weather resistance. Batteries can rapidly reach a temperature of 1,000 degrees Celsius in a mere 10 seconds, posing a considerable challenge for conventional metal containers, which begin to lose structural integrity at around 500 degrees Celsius. With cabinet panels made of UHPC whose compressive strength exceeds 17,000 PSI., the patented EnergyArk cabinet can withstand temperatures of 1,000 degrees for up to two consecutive hours. In addition to the UHPC construction, the EnergyArk cabinet is equipped with a self-developed energy management system. In the event of overheating, a fire extinguishing system will automatically submerge the battery assembly in water while maintaining cabinet integrity, providing comprehensive protection through robust, multi-layered safety features.

Developed for both indoor and outdoor installations, the EnergyArk cabinet has wide applications spanning data centers, fast charging networks and industrial and commercial buildings. The EnergyArk cabinet can perfectly meet the energy storage demand of AI-driven data centers, offering a second-line power backup that reduces the need for BBU/UPS battery capacity by at least 50%. During peak power demands or outages, the EnergyArk cabinet can quickly step in to support critical systems, reducing peak-time energy costs and offering a strong and safe backup.

OTHER SEGMENTS

We also engage in waste management that processes both industrial and municipal waste in the ROC and the PRC and logistic solutions, including port operation and maritime transportation with a fleet of ships.

Waste Management

The high temperature generated by our cement kilns when manufacturing cement products can incinerate urban and industrial waste. Therefore, we have several projects on the co-processing of municipal waste, solid and hazardous waste from our own cement plants and industrial waste from other companies, including but not limited to companies in semiconductor, computer electronics, and pulp and paper industries, as well as from power plants, steel mills, water purification plants and waste-to-energy plants.

In the ROC, we operate waste management business through Onyx Ta-Ho Environmental Services Company Limited (“Ta-Ho Environmental”), a joint venture organized in 1992 by us in association with the world’s leading group in optimized resource management, Veolia group of France. Through its subsidiaries, Onyx Ta-Ho Waste Clearance and ULPU International Co., Ltd. (“ULPU”), Ta-Ho Environmental also provides waste collection and wastewater plant operation and maintenance services. Ta-Ho Environmental operates nine waste-to-energy plants with a total waste treated volume of approximately 2.3 million tons in 2024, and ULPU operates nine wastewater collection or treatment plants with a total volume around 631.9 million cubic meters in 2024 in the ROC. We entered into agreements with governmental authorities to process municipal waste. For example, in 2019, our Ho-Ping cement plant signed a contract with the Hualien County Environmental Protection Bureau for the co-processing of municipal solid waste in the region. For the co-processing of industrial waste, our Suao plant and Ho-Ping plant co-process several types of waste, including but not limited to calcium fluoride sludge, inorganic sludge, and coal ash.

As we continue our efforts in providing integrated eco-solutions and improving our environmental protection performance, we have also established waste management facilities in the PRC adjacent to our cement production plants. For example, our waste co-processing and recycling in cement kilns in Anshun, the PRC, which commenced operations in late 2015, has a daily capacity of handling 200 metric tons of household waste, 150 metric tons of municipal waste incinerator fly ash and 60 metric tons of municipal landfill leachate. Our Shaoguan and Jingzhou facilities have a daily capacity of handling 200 metric tons of household waste. Our Kaili Taini Environmental Protection Technology Co., Ltd. has an annual capacity of processing 50,000 metric tons of hazardous waste. Our Guangan TCC Jiuyuan Environmental Technology Co., Ltd. has an annual capacity of processing 100,000 metric tons of hazardous waste and 150,000 metric tons of general solid waste. Our Jurong facility has an annual capacity of processing 50,000 metric tons of municipal waste incinerator fly ash and 100,000 metric tons of polluted soil.

Leveraging our past experience, we also start to include the plan for constructing waste treatment facilities when we establish or expand our cement production lines. For example, when we developed a new cement production plant in Shaoguan, the PRC, we also planned the establishment of its waste co-processing and recycling system in the cement plant in the initial design. Similar as in the ROC, we also entered into agreements with governmental authorities to process municipal waste in the PRC. For industrial waste, our Guigang TCC Dongyuan Environmental Technology Company Limited in Guangdong province has completed the first phase of construction of the treatment, storage, and disposal facility, and commenced operations in April 2020, which has the capacity to process 200,000 tons of hazardous waste and 30,000 tons of general solid waste annually, with the permit to process 33 classes and 334 categories of hazardous waste.

In addition to minimizing harmful emissions to the environment, we also benefit from the synergies through the integration of our cement production operations and waste management operations. The waste processing generates alternative raw materials and alternative fuel to our cement production. For example, the Suao plant can use wood chips as an alternative fuel and repurposed waste refractories as an alternative raw material. We are currently expanding the list of alternative fuel and raw materials generated from waste management for our cement production.

Logistic Solutions

In 1996, we established Ho-Ping Industrial Port Corp. and constructed the Ho-Ping Port in Hualien, the ROC in 2003, to facilitate the importation of raw materials and the shipment of product from the Ho-Ping cement plant and to serve the manufacturers in the Ho-Ping Industrial Park. We own 99.99% of the port operation. The 158.8 hectare port comprises six wharves that are able to handle loading and uploading by ships with capacity of no more than 80,000 deadweight tons, with a total handling capacity of 20.5 million deadweight tons per year. The navigation channel has a length of 1,200 meters, a width of 200 meters and a water depth of 16 to 20 meters. Loading, unloading and transport facilities include the coal and raw materials unloaders, a belt conveyor and the loaders for cement, clinker and limestone. Ancillary facilities and equipment include tugboats, lighthouses, operation offices, a port administration building and the buildings for the harbor police and the coast guard.

We have also established a well-organized transportation business that serves our cement, and electricity and energy segments as well as third parties. Our transportation business is operated primarily through Ta-Ho, a bulk-focused shipping company that had, as of December 31, 2024, a fleet of 11 ships in operation with a total capacity of approximately 670,199 deadweight tons. On January 21, 2025, Ta-Ho launched a new eco-friendly cement carrier, MV TAHO COMPLIANCE, whose design and functionality are fully focused on smart technology and environmental efficiency. We utilize Ta-Ho's shipping capacity to transport coal to Ho-Ping industrial port to meet the demands of the Ho-Ping Power Plant, and support the export of our cement products.

CUSTOMERS

Taipower is our largest customer, and is also the only customer from which the annual operating revenue amounted to over 10% of our total annual operating revenue in 2021, 2022 and 2023. Our operating revenue from Taipower, were NT\$11,183.6 million, NT\$23,605.0 million and NT\$27,901.9 million in 2021, 2022 and 2023, respectively, accounting for 10%, 21% and 26% of our total operating revenue during the same periods.

EMPLOYEES

We had 11,931, 12,188, 9,984 and 13,352 employees as of December 31, 2021, 2022 and 2023 and as of September 30, 2024, respectively. The following table sets forth a breakdown of the number of our employees by geography as of September 30, 2024:

Country/Region	Number
The ROC.....	2,957
Turkey	2,968
Europe	1,147
Africa.....	102
The PRC	6,178
Total	13,352

The following table sets forth a breakdown of the number of our employees by our three business segments as of September 30, 2024:

Business Segment	Number
Cement segment	11,578
Electricity and energy segment.....	1,492
Others	282
Total	13,352

All the employees at the Company are eligible for the employee incentive plan. The Company and the individual employees will contribute to the contribution fund deposited in the exclusive trust account by a 1:1 ratio on a monthly basis so as to retain talent and assist employees in accumulating wealth. A trustee will buy the shares based on the total fund received from the Company and individual employees and then deposit the shares in the trust account. Upon termination of the employment, the shares will be transferred to the individual employees or settled by payment of cash at the discretion of such individual employees.

REGULATIONS

Our business activities are subject to various governmental regulations in the jurisdictions where we operate, including regulations relating to operations of our cement segment, electricity and energy segment and other segments; investment approvals; consumer protection including product liability and safety; export regulations including tariffs, antitrust and competition laws; intellectual property; taxation; foreign exchange controls; and environmental and recycling requirements. See “Risk Factors” for more information. Other than disclosed in this Offering Circular, we believe we are in compliance in material respects with all these material laws and regulations in the jurisdictions where we operate and are capable of adapting to policy changes.

PROPERTIES

As of September 30, 2024, we owned properties of a total area of approximately 4.1 million square meters and leased properties of a total area of approximately 5.4 million square meters in the ROC, which are mainly used for our cement production facilities, power plants, waste management facilities, R&D facilities and offices. As of the same date, we owned properties of a total area of approximately 9.7 million square meters in Turkey, 12.1 million square meters in Portugal and 16.1 million square meters in the PRC, which are mainly used for our cement production facilities and offices. As of the same date, we also operated, owned and leased properties in Italy, which are mainly used for the R&D and production activities of our energy storage and charging infrastructure operations. In addition, we own and lease properties in other regions worldwide to support our business operations.

INSURANCE

We maintain a range of insurance policies which cover certain liability risks including commercial general liabilities, employer’s liability, public liability, and fire and property liabilities. We believe such coverage is consistent with the customary practices in the markets in which we operate. We review the sufficiency and adequacy of our insurance coverage regularly. We maintain insurance policies for our directors’ and senior management’s liabilities. We also maintain insurance for our employees as required by the applicable laws and regulations of the jurisdictions where we operate.

LEGAL PROCEEDINGS

Ho-Ping Power Company

Our subsidiary, Ho-Ping Power, is involved in the following pending proceedings:

Litigation with the FTC

Nine IPPs including Ho-Ping Power were investigated by the FTC in October 2012, for collectively refusing to adjust the electricity tariff rates set forth in their respective power purchase agreements with Taipower. The FTC alleged that the nine IPPs had contacted each other and had held meetings to reach an agreement for the purpose of refusing to adjust the electricity tariff rates, which had impact on the supply and demand in the electricity market and violated the Fair Trade Act. The FTC thus imposed penalties on the nine IPPs in the total amount of about NT\$6,300 million in March 2013. In the said case, Ho-Ping Power was fined NT\$1,350 million which was later reduced to NT\$1,320 million in November 2013 (“FTC Second Sanction”), and such penalty amount remains the same (i.e., NT\$1,320 million) in the sanction made by FTC on July 10, 2014 (“FTC Third Sanction”). The nine IPPs appealed against the FTC Second Sanction because there was no concerted action among them and they are not competitors of

one another since all of the electricity generated by them was sold to Taipower, and accordingly there was no violation of the Fair Trade Act. Taipei High Administrative Court ruled in favor of Ho-Ping Power Plant in October 2014 and dismissed the FTC's decision but the FTC appealed. The Supreme Administrative Court overturned the judgment of Taipei High Administrative Court in June 2015, and ordered a re-examination by the Taipei High Administrative Court. Taipei High Administrative Court made its judgment in May 2017, which again dismissed the decision of the FTC. The FTC appealed again, and the Supreme Administrative Court on September 6, 2018 partially dismissed the appeal and remanded the rest back to the Taipei High Administrative Court. In May 2020, the Taipei High Administrative Court dismissed FTC's claim. In June 2020, the FTC appealed again. In August 2022, the Supreme Administrative Court overturned the judgment of Taipei High Administrative Court and ruled in favor of the FTC. The only two possible legal recourses to revoke the decision made by the Supreme Administrative Court are retrial (再審) and constitutional suit, and both of these have been filed by Ho-Ping Power. In September 2022, Ho-Ping Power applied for a retrial and the case is still pending before the Supreme Administrative Court. However, winning a retrial would be extremely difficult. In 2023, Ho-Ping Power and other IPPs also filed for constitutional interpretation, respectively, but the Constitutional Court has dismissed their requests. In June 2023, Ho-Ping Power brought another suit against the FTC Third Sanction to the Taipei High Administrative Court and the case is still pending.

Ho-Ping Power accrued for the relevant losses in 2012, and had paid all of the penalties by June 30, 2019.

Litigation with Taipower

Based on the alleged concerted action of the nine IPPs stated above, Taipower filed an administrative lawsuit with the Taipei High Administrative Court in September 2015 against the nine IPPs (including Ho-Ping Power) respectively for damages and compensation for the losses it suffered due to violation of the Fair Trade Act and fault in contractual negotiations, torts, change of circumstances, and breach of contract by the nine IPPs. Taipower initially claimed NT\$5,500 million against Ho-Ping Power Plant, and the claim amount was later increased to NT\$10,760 million. Taipower also filed another claim with the Taipei District Court against the nine IPPs (including Ho-Ping Power) for damages and compensation for losses based on the same facts and claims in November 2015, and the claim amount against Ho-Ping Power is NT\$5,268 million, which was later reduced to NT\$1,755 million. The litigation at the Taipei High Administrative Court was transferred to the Taipei District Court for judgment in February 2017, given that the nature of the claims was based on private law contract instead of public law contract and Taipei High Administrative Court lacks jurisdiction over this case. Taipei District Court denied the first claim (claim of NT\$10,760 million) in October 2019. Taipower filed an appeal with the Taipei High Administrative Court in December 2019, but subsequently withdrew it in June 2020. Taipei District Court denied the second claim (claim of NT\$1,755 million) in May 2021, and Taipower appealed to the Taiwan High Court in June 2021. The Taiwan High Court also denied the second claim (claim of NT\$1,755 million) in July 2023. However, Taipower has appealed the second claim (i.e., the claim of NT\$1,755 million) to the Supreme Court, and on January 24, 2024, the Supreme Court issued a judgment remanding the case to the Taiwan High Court.

As of the date of this Offering Circular, Ho-Ping Power believes that Taipower's claims lack reasonable legal grounds and considers Taipower's odds of winning this case to be low and thus has not set aside reserves in this case.

In addition to the matters described above, we are also a party to other litigations or proceedings that arise during our ordinary course of business. However, except as mentioned above, we are not involved in any material litigation or proceedings which, if adversely determined, could be expected to have a material adverse effect on our business or operations.

LIST OF SIGNIFICANT SUBSIDIARIES

The following table sets forth a list of our significant consolidated subsidiaries as of December 31, 2024:

Name	Place of Incorporation	Proportion of Ownership Interest
TCC International Ltd.....	British Virgin Islands	100%
TCC International Holdings Ltd	Cayman Islands	100%
TCC Hong Kong Cement (BVI) Holdings Ltd	British Virgin Islands	100%
Ho-Ping Power Company	the ROC	60%
TCC Hong Kong Cement (International) Ltd	Hong Kong	100%
TCC International (Hong Kong) Co., Ltd.....	Hong Kong	100%
Upper Value Investments Ltd	British Virgin Islands	100%

TCC (Guigang) Cement Ltd	the PRC	100%
TCC Yingde Cement Co., Ltd	the PRC	100%
Yingde Dragon Mountain Cement Co., Ltd.....	the PRC	100%
Jurong TCC Cement Co., Ltd.	the PRC	100%
TCC Dutch Holdings B.V.....	Netherlands	100%
NHOA S.A.	France	99.99%
TCC Oyak Amsterdam Holdings B.V.	Netherlands	60%
Cimpor Portugal Holdings, SGPS, S.A.	Portugal	100%

OUR MANAGEMENT

Directors

The Company's board of directors has ultimate responsibility for the management of its business and affairs. The Company's Articles of Incorporation permits its board of directors to consist of no fewer than 11 persons and no more than 15 persons. The Company currently has 15 directors (including one vacancy). The following tables contain certain information about each of the Company's directors and senior executive officers. Each of the Company's directors listed below can be reached at its representative office located at No. 113, Sec. 2, Zhongshan N. Rd., Zhongshan District, Taipei, Taiwan, ROC. The Company's directors serve for a term of three years once (re-)appointed.

Name	Representative	Position	Since	Expiration Date of the Current Term	Number and Percentage of Shares held as of December 31, 2024 ⁽¹⁾
Chia Hsin R.M.C Corporation	An-Ping, Chang	Chairman of the Board	June 22, 2018	May 20, 2027	3,835,997 ⁽²⁾ (0.05%)
Tai Ho Farming Co., Ltd.	Yao-Hui, Cheng	Director	May 21, 2024	May 20, 2027	6,647,005 ⁽³⁾ (0.09%)
International CSRC Investment Holdings Co., Ltd	Kenneth C.M. Lo	Director	June 18, 2002	May 20, 2027	113,896,285 (1.51%) 2,000,000 (Preferred shares) (1%)
Hsing Cheng Investment Co., Ltd.	Yu-Cheng, Chiao	Director	June 21, 2012 ⁽⁸⁾	May 20, 2027	4,000,929 (0.05%)
C. F. Koo Foundation	Sun-Te, Chen	Director	June 22, 2016	May 20, 2027	3,485,455 ⁽⁴⁾ (0.05%)
Chia Hsin Cement Corporation	Jason Kang-Lung, Chang	Director	June 21, 2012	May 20, 2027	239,629,776 ⁽⁵⁾ (3.17%)
Heng Qiang Investment Co., Ltd.	Por-Yuan, Wang	Director	June 26, 2003	May 20, 2027	112,457,746 (1.49%)
CS Development & Investment Co.	Kung-Yi, Koo	Director	June 22, 2018	May 20, 2027	30,860,136 ⁽⁶⁾ (0.41%) 782,130 (Preferred shares) (0.39%)
Fu Pin Investment Co., Ltd.	Chien, Wen	Director	June 26, 2003	May 20, 2027	85,225,165 (1.13%)
Chia Hsin Cement Corporation	Li-Hsin, Wang	Director	May 21, 2024	May 20, 2027	239,629,776 (3.17%)
Victor, Wang		Independent Director	June 21, 2013	May 20, 2027	-
Lynette Ling-Tai, Chou		Independent Director	June 22, 2018	May 20, 2027	1 ⁽⁷⁾ (<0.01%) 200,000 (Preferred shares) (0.10%)
Sherry S. L. Lin		Independent Director	July 5, 2021	May 20, 2027	-
Ruu-Tian, Chang		Independent Director	May 21, 2024	May 20, 2027	-

- (1) Representing shareholding information available on the Market Observation Post System (MOPS) on the TWSE.
- (2) Representing 3,835,997 shares held by Chia Hsin R.M.C Corporation. 3,333,151 shares were held by its representative, An-Ping, Chang, and 4,599,808 shares were beneficially held through his spouse and minor children.
- (3) Representing 6,647,005 shares held by Tai Ho Farming Co., Ltd. 105,000 shares were held by Yao-Hui, Cheng, who is the representative of Tai Ho Farming Co., Ltd.
- (4) Representing 3,485,455 shares held by C. F. Koo Foundation. 230,984 shares were held by Sun-Te, Chen, who is the representative of C. F. Koo Foundation.
- (5) Representing 239,629,776 shares held by Chia Hsin Cement Corporation. 264,484 shares were beneficially held through the spouse and minor children of Jason Kang-Lung, Chang, who is the representative of Chia Hsin Cement Corporation.
- (6) Representing 30,860,136 shares held by CS Development & Investment Co. 760,947 shares were held by Kung-Yi, Koo, who is the representative of CS Development & Investment Co.
- (7) Representing 1 share held by Lynette Ling-Tai, Chou. 2 shares were beneficially held through her spouse and minor children.
- (8) Yu-Cheng, Chiao has served as an individual director since June 21, 2012 and started to serve as a director representative of Hsing Cheng Investment Co., Ltd. on May 21, 2024.

An-Ping, Chang, aged 72, is the chairman of the Company's board of directors and the Company's president and Group chief executive officer. He is also the chairman and president of each of TCC Energy Storage Technology Corporation and Molie Quantum Energy Corporation, the chairman of each of Ho-Ping Power Company, Ho-Ping

Renewable Energy Company, TCC Sustainable Energy Investment Corporation, TCC (Hangzhou) Environmental Protection Technology Co., Ltd., E-one Moli Energy Corporation, TCC Recycle Energy Technology Company, TCC chemical Corporation, Upper Value Investments Limited, TCC Investment Corporation and THC International S.A., the vice chairman of Ta-Ho Maritime Corporation, and a director of each of TCC Information Systems Corporation, Ho-Ping Industrial Port Corporation, Taiwan Transport & Storage Co., Ltd., Ta-Ho Maritime (SG) Corporation, Chia Hsin R.M.C. Corporation, CTCI Corporation, Chinatrust Investment Co., Ltd., TCC Oyak Amsterdam Holdings B.V., Cimpor Global Holdings B.V., TWSE Corporation, TCC Europe Holdings B.V., NHOA S.A., NHOA Corporate S.r.l., E-One Holdings Ltd., E-One Moli Holdings (Canada) Ltd., E-One Moli Energy (Canada) Ltd. and Cheng Hsin General Hospital. Before becoming the chairman of the Company, he was the chairman of International CSRC Investment Holdings Co., Ltd., Taiwan Prosperity Chemical Corporation and Chia Hsin Cement Corporation. Mr. Chang received a master's degree in business administration from Stern School of Business of New York University. Mr. Chang is the uncle of Mr. Kang-Lung, Chang and Mr. Kung-Yi, Koo.

Sun-Te, Chen, aged 70, is a member of the Company's board of directors. He is also the chairman of Fubon Commercial Bank Co., Ltd., an independent non-executive Director of Uni-President China Holdings Ltd., and an independent director of Lion Travel Service Co., Ltd. and a director of each of Fubon Financial Holding Co., Ltd. and Fubon Securities Co., Ltd. He was a director of Zoyi Capital Ltd., the president of North Asia and Greater China, Fullerton Financial Holdings Pte. Ltd., the chief executive officer of Corporate Banking and President, Chinatrust Financial Holding Co., Ltd., and the country officer and country head of corporate bank in Taiwan, Citigroup. He received a bachelor's degree from National Chengchi University and a master's degree in business administration from the University of Missouri.

Jason Kang-Lung, Chang, aged 53, is a member of the Company's board of directors. He is also the chairman of Chia Hsin Cement Corporation, Chia Hsin International Co., Ltd., Chia Hsin Foundation and Yun Chia International Co., Ltd., the vice chairman of Epoch Foundation, and a director of Chia Hsin Property Management and Development Corp. He was the president of Chia Hsin Cement Corporation. He received a master's degree in management studies from the Sloan School of Management of Massachusetts Institute of Technology.

Kenneth C.M. Lo, aged 82, is a member of the Company's board of directors. He is also the managing director of O-Bank Co., Ltd. He received a master's degree in finance from the Manderson School of Business in the University of Alabama.

Yu-Cheng, Chiao, aged 68, is a member of the Company's board of directors. He is also the director of each of Marketplace Management Limited, Newfound Asian Corporation, Peaceful River Corporation, Pigeon Creek Holding Co., Ltd., and Winbond Electronics Corporation America. Before joining the Company, he was the chairman and CEO of Winbond Electronics Corp., a director of each of Nuvoton Technology Corporation, Walsin Lihwa Corporation, and Walsin Technology Corporation. Mr. Chiao has a bachelor's degree in communications engineering from National Chiao Tung University and a master's degree in electronic engineering from the University of Washington.

Yao-Hui, Cheng, aged 58, is a member of the Company's board of directors. He is also the Company's chief executive officer, a director of each of TCC Energy Storage Technology Corporation, TCC Sustainable Energy Investment Corporation, Union Cement Traders, Inc. and Hualien County Private Hoping Sustainability Charity Foundation. He previously worked as the president of Taipei Fubon Commercial Bank Co., Ltd. He received a master's degree in MBA, National Chengchi University.

Li-Hsin, Wang, aged 51, is a member of the Company's board of directors. She is also the president of Chia Hsin Cement Corp.

Kung-Yi, Koo, aged 41, is a member of the Company's board of directors. He was a vice president at the Investment Banking Department of Morgan Stanley, a chairman of Taiwan Prosperity Chemical Corporation and a vice chairman of the Company. He is also the chairman of each of International CSRC Investment Holdings Co., Ltd., Linyuan Advanced Materials Technology Co., Ltd., Circular Commitment Company, Yun Cheng Investment Corporation, Chung Cheng Development & Investment Co., Consolidated Resource Company, Taiwan Transport & Storage Corporation, Synpac (North Carolina), Inc., CCC USA Corp. and Continental Carbon Company, a director of each of E-ONE Moli Energy Corp., TCC Recycle Energy Technology Company, Ho-Ping Power Company, CSRC (BVI) Ltd., CSRC (Singapore) Pte. Ltd., Synpac Ltd., Continental Carbon Nanotechnologies, Inc., OYAK Carbon Black Investments B.V., Chiefolk Company Limited, Hong Kong Cement Company Limited, Kong On Cement Holdings Ltd. and China Steel Chemical Corporation, a supervisor of TCC New (Hangzhou) Management Company Limited and a manager of each of Synpac Venture Capital L.P., SVC Management, LLC and SVC Services, LLC. Mr. Koo received a bachelor's degree in economics from the National Central University and a master's degree in

business administration from the Wharton School of the University of Pennsylvania. Mr. Kung-Yi, Koo is the nephew of Mr. An-Ping, Chang.

Chien, Wen, aged 73, is a member of the Company's board of directors. He was a director of International CSRC Investment Holdings Co., Ltd., the CFO of Winbond Electronics Corp. a supervisor of Winbond Electronics Corp. and the president of Cathay Securities Investment Trust. Currently, He received a master's degree in business administration from the Wharton School of the University of Pennsylvania.

Por-Yuan, Wang, aged 82, is a member of the Company's board of directors. He is also the honorary chairman of Sercomm Corporation, the chairman of Pacific Venture Partners and K.T. Li Foundation Development of Science and Technology, the vice chairman of Fairs Winds Foundation, a director of Prosperity Dielectrics Co., Ltd., and an independent director of UPC Technology Corporation. He was the chairman of Taiwan Venture Capital Association, Sercomm Corporation and Monte Jade Science & Technology Association of Taiwan. Mr. Por-Yuan, Wang received a doctor's degree from Carnegie-Mellon University.

Victor, Wang, aged 74, is an independent director of the Company. Before joining the Company, he was the vice chairman of Deloitte Taiwan. He has also been a director of YAGEO Corporation and YFY Investment Holding Co., Ltd., an independent director of Fulin Plastic Industry (Cayman) Holding Co., Ltd., and Taiwan Navigation Co., Ltd. Currently, he is also an independent director of DACIN Construction Co., Ltd. Mr. Victor, Wang has a bachelor's degree in accounting from Soochow University and graduated from the EMBA program of National Taiwan University.

Lynette Ling-Tai, Chou, aged 69, is an independent director of the Company. Before joining the Company, she was a professor of Guanghai School of Management, the dean of student affairs and the dean of the Department of Accounting in National Chengchi University. She also worked as a managing supervisor of Taiwan Public Television Services and an independent director of F-MStar Co., Ltd. Currently, she is also an independent director of Chief Telecom Co., Ltd. and an Emeritus and Tenured Professor of accounting at National Chengchi University. She received a doctor's degree in accounting from the University of Houston.

Ruu-Tian, Chang, aged 71, is an independent director of the Company. She is also the executive vice president of Gartner Group Taiwan Limited.

Sherry S. L. Lin, aged 75, is an independent director of the Company. Before joining the Company, she was a director of Tong Lung Metal Industry Co., Ltd. and Cathay Financial Holding Co., Ltd., and an independent director of Accton Technology Corporation. Currently, she is also the chairman of Bar Koo Investment Corporation, Bar Koo Consultation Corporation, Sheng Fu Investment Co., Ltd., Cheng Yu Investment Corporation, Cheng Yu Financial Consultation Corporation and Cheng Yu Sheng Investment Corporation, an independent director of Cathay Real Estate Development Co., Ltd., and a special senior consultant of Lee and Li, Attorneys-at-Law. She received a bachelor's degree in law from National Taiwan University Law Department.

Save as disclosed above, there is no family relationship among the directors listed above and the senior management listed below.

The Company has not entered into a service contract with its directors. No compensation is payable to its directors upon termination of their services with the Company, except that pursuant to the ROC Company Act, a director discharged by the shareholders' meeting during his or her term of office without justifiable reason may claim indemnification against the Company.

Board Practices

Audit Committee

Victor, Wang, Lynette Ling-Tai, Chou, Ruu-Tian, Chang and Sherry S. L. Lin are the members of the audit committee. Victor, Wang is also the convener of the audit committee.

The primary responsibilities of the Company's audit committee include:

- drafting or modifying the Company's internal control system, and examining the effectiveness of the internal control system;

- determining the proceedings of significant financial matters, including but not limited to derivative transactions, acquisition of assets and provision of loans or guarantees;
- reviewing the documents of the Company's financial matters, including but not limited to annual and semi-annual financial statements, transaction documents related to the Company's material assets or derivatives, and important loan agreements and guarantees;
- reviewing the appointment and dismissal of managers of finance, accounting or internal auditing; and
- supervising the Company's compliance with relevant statutes and regulations and the Company's control of existing or potential risks.

The audit committee holds at least one meeting every quarter. The recommendations made by the audit committee will be submitted to the board of directors for final decision.

Remuneration Committee

Victor, Wang, Lynette Ling-Tai, Chou, Ruu-Tian, Chang and Sherry S. L. Lin are the members of the remuneration committee.

The primary responsibilities of the Company's remuneration committee include:

- determining and making recommendations with respect to the compensation granted to the board of directors and executive officers; and
- drafting and reviewing the policies, systems, standards and structure of performance and compensation evaluation for the board of directors and executive officers.

The remuneration committee holds at least two meetings every year. The recommendations made by the remuneration committee will be submitted to the board of directors for final decision.

Nomination Committee

An-Ping, Chang, Kenneth C.M. Lo, Victor, Wang, Lynette Ling-Tai, Chou and Sherry S. L. Lin are the members of the nomination committee. Victor, Wang is also the convener of the nomination committee.

The primary responsibilities of the Company's nomination committee include:

- formulating the selection standards and procedures for directors and senior management; and
- formulating and regularly reviewing directors' training plans, directors' performance and evaluation forms of the board members and the succession plans of the senior management.

The nomination committee holds at least two meetings every year. The recommendations made by the nomination committee will be submitted to the board of directors for final decision.

Risk Management Committee

Li-Hsin, Wang, Sherry S. L. Lin, Victor, Wang, Ruu-Tian, Chang, and Lynette Ling-Tai, Chou are the members of the risk management committee. Sherry S. L. Lin is also the convener of the risk management committee.

The primary responsibilities of the Company's risk management committee include:

- being responsible for the overall risk management of the Company, formulating risk management policies, structure, organization and mechanism, and establishing qualitative and quantitative management standards;
- implementing risk management decisions of the board of directors, and regularly reviewing the development, establishment and implementation effectiveness of the Company's overall risk management mechanisms;

- coordinating and promoting cross-organizational risk management programs;
- supervising and managing the overall risk management improvement mechanism of the Company; and
- reviewing and consolidating risk management reports and submitting reports to the board of directors on a regular basis each year, and providing timely feedback to the board of directors on the implementation of risk management initiatives and making necessary recommendations for improvement.

The risk management committee holds at least one meeting every year. The recommendations made by the risk management committee will be submitted to the board of directors for final decision.

Corporate Sustainable Development Committee

An-Ping, Chang, Yao-Hui, Cheng, Victor, Wang, Li-Hsin, Wang, Lynette Ling-Tai, Chou and Sherry S. L. Lin are the members of the corporate sustainable development committee. An-Ping, Chang is also the convener of the corporate sustainable development committee.

The primary responsibilities of the Company's corporate sustainable development committee include:

- making policies for sustainable development;
- establishing the objectives, strategies, and implementation plans for sustainable development, including sustainable governance, ethical corporate management, and environmental and social aspects;
- reviewing and following up the status of implementation and effectiveness of and revising the policies for sustainable development, and periodically reporting the outcome to the board of directors; and
- keeping track of the issues that concern stakeholders, including shareholders, customers, suppliers, employees, the government, non-governmental organizations, communities, and the media; and supervising communication plans.

The corporate sustainable development committee holds at least two meetings every year. The recommendations made by the corporate sustainable development committee will be submitted to the board of directors for final decision.

Senior Management

The following table contains certain information about each of the Company's senior executive officers. Each of the Company's senior executive officers listed below can be reached at the Company's representative office located at No. 113, Sec. 2, Zhongshan N. Rd., Zhongshan District, Taipei, Taiwan, ROC.

Name	Position	Position held since	Number and Percentage of Shares held as of December 31, 2024
An-Ping, Chang	President and Group Chief Executive Officer	July 17, 2019	7,932,959 ⁽¹⁾ (0.11%)
Yao-Hui, Cheng	Chief Executive Officer	November 21, 2022	105,000 (<0.01%)
Chien-Chiang, Huang	Senior Vice President	January 1, 2006	1,019,424 (0.01%) 20,616 (Preferred shares) (0.01%)
Ker-Fu, Lu	Senior Vice President	June 30, 2008	324,882 (<0.01%)
Bao-Luo, Ge	Vice President	August 11, 2017	523,458 (<0.01%)
Chien-Chuan, Wang	Vice President	February 9, 2015	259,263 ⁽²⁾ (<0.01%)
Feng-Ping, Liu	Vice President	February 9, 2015	207,905 ⁽³⁾ (<0.01%)
Yu-Jun, Yeh	Vice President	January 29, 2018	254,480 (<0.01%)
Ming-Jen, Yu	Chief Financial Officer	September 13, 2022	49,000 (<0.01%)

- (1) Representing 3,333,151 shares held by An-Ping, Chang and 4,599,808 shares beneficially held through his spouse and minor children.
- (2) Representing 257,374 shares held by Chien-Chuan, Wang and 1,889 shares beneficially held through his spouse and minor children.
- (3) Representing 207,654 shares held by Feng-Ping, Liu and 251 shares beneficially held through his spouse and minor children.

An-Ping, Chang, aged 72, is the Company's president and Group chief executive officer. See "—Directors" above for his biographical details.

Yao-Hui, Cheng, aged 58, is the Company's chief executive officer. See "—Directors" above for his biographical details.

Chien-Chiang, Huang, aged 75, is the Company's senior vice president. He is also the chairman of each of Ho-Ping Industrial Port Corporation, E.G.C. Cement Corp., Feng Sheng Industrial Co., Ltd., Tai-Jie Transport & Storage Corporation, TCC Fuzhou Cement Co., Ltd., and TCC Fuzhou Yangyu Port Co., Ltd., and a director of each of Taiwan Cement Engineering Corporation, TCC Information Systems Corporation, Ho-Ping Power Company, Ta-Ho Maritime Corporation, Taiwan Transport & Storage Corporation, and TCC Dutch Holdings B.V., and the president of Hong Kong Cement Manufacturing Co. Ltd. He received a bachelor's degree in transportation and logistics management science from National Cheng Kung University.

Ker-Fu, Lu, aged 70, is the Company's senior vice president. He is also the chairman and president of Taiwan Cement Engineering Corporation, the chairman of each of TCC Green Energy Corporation, Jin Chang Minerals Corporation, and Beijing TCC Environmental Protection Technology Co., Ltd., a director of TCC Information Systems Corporation, Ho-Ping Power Company, ONYX TA-HO Environmental Services Co., Ltd. and Ta-Ho Maritime Corporation, a director and president of TCC (Hangzhou) Environmental Protection Technology Co., Ltd., the president of TCC Chemical Corporation, and a supervisor of Ho-Ping Renewable Energy Company. He received a bachelor's degree in mechanical engineering from Tamkang University.

Bao-Luo, Ge, aged 69, is the Company's vice president. He is also the chairman of TCC (Hangzhou) Recycle Resource Technology Limited, a director of each of ONYX TA-HO Environmental Services Co., Ltd., TCC Yongren (Hangzhou) Environmental Protection Technology Co., Ltd, TCC Yongren (Hangzhou) Environmental Technology Co., Ltd., TCC (Hangzhou) New Energy Company Limited and TCC Zhihe (Hangzhou) Environmental Protection Company Limited. He holds a master's degree in foreign service from the Edmund A. Walsh School of Foreign Studies in Georgetown University.

Chien-Chuan, Wang, aged 64, is the Company's vice president. He is also the chairman of each of TA-HO RSEA Environment Co., Ltd. Tung Chen Mineral Corporation Ltd., Kuan-Ho Refractories Industry Corporation, TCC Liaoning Cement Company Limited and TCC Zhongrun (Anshun) Environmental Technology Co., Ltd., a director and president of Ho-Ping Renewable Energy Company, a president of TCC (Hangzhou) Recycle Resource Technology Limited, a supervisor of Guizhou Kaili Rui An Jian Cai Co., Ltd., and a director of each of Taiwan Cement Engineering Corporation, Taiwan Transport & Storage Corporation, TCC Chemical Corporation, TCC Recycle Energy Technology Company, Energy Helper TCC Corporation, TCC Liuzhou Construction Materials Co., Ltd., TCC Shaoguan Cement Co., Ltd., and TCC (Gui Gang) Cement Ltd.. He holds a bachelor's degree in mechanical engineering from Feng Chia University.

Feng-Ping, Liu, aged 53, is the Company's vice president. She is also the director of the Dr. Cecilia Koo Botanic Conservation Center and NHOA S.A. She holds a master's degree in technology application and human resource development, National Taiwan Normal University.

Yu-Jun, Yeh, aged 54, is the Company's vice president. She is also spokesperson of TCC Group Holdings CO., LTD. and the director of Dr. Cecilia Koo Botanic Conservation Center; Hualien County Private Hoping Sustainability Charity Foundation. She holds a master's degree in Senior Executive Management, National Chengchi University.

Ming-Jen, Yu, aged 59, is the Company's Chief Financial Officer. He is also an independent director of GlobalWafers Co., Ltd. He previously worked as the chief financial officer and spokesperson of Elite Material Co. Ltd; and as an executive director of FIH Mobile Limited (stock code: 2038.HK), a company listed on the Stock Exchange of Hong Kong. He holds a Master of Business Administration (MBA) from the Stern School of Business at New York University.

Compensation of Directors and Key Management Personnel

The aggregate amount of compensation paid by the Company to its directors and other key management personnel in 2024 was NT\$3,060.1 million (US\$93.3million).

As of the date of this Offering Circular, the Company has not granted stock options to any directors or executive officers. In addition, the Company has no outstanding loans provided to any directors or executive officers. None of the administrative, management and supervisory bodies had interests in transactions effected by the Company which were unusual in their nature or condition during 2024 and since January 1, 2025 to the date of this Offering Circular.

PRINCIPAL SHAREHOLDERS

As of December 31, 2024, the Company did not have any major shareholder who beneficially owned 5% or more of its shares. The following table sets forth the Company's ten largest shareholders as of July 7, 2024:

Common Shares

Ranking	Company	Number of Common Shares	% of Total Common Shares
1	Chia Hsin Cement Corporation	239,629,826	3.17%
2	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	215,033,748	2.85%
3	Chinatrust Investment Co., Ltd.	186,189,210	2.47%
4	Old Labor Pension Scheme Fund	127,695,767	1.69%
5	Chia Hsin International Co., Ltd.	116,912,847	1.55%
6	International CSRC Investment Holdings Co., Ltd.	113,896,285	1.51%
7	Heng Qiang Investment Co., Ltd.	112,457,746	1.49%
8	Chunghwa Post Co., Ltd.	104,456,746	1.38%
9	Taiwan Life Insurance Co., Ltd.	100,531,192	1.33%
10	Department of Government Employees Insurance, Bank of Taiwan.	99,341,262	1.32%

Preferred Shares

Ranking	Company	Number of Preferred Shares	% of Total Preferred Shares
1	China Life Insurance Co., Ltd.	40,000,000	20.00%
2	Nan Shan Life Insurance Company, Ltd.	30,000,000	15.00%
3	Yuanta Commercial Bank	28,350,000	14.18%
4	Chunghwa Post Co., Ltd. Labor Pension Fund Management Committee	27,650,000	13.83%
5	New Labor Pension Scheme Fund	20,000,000	10.00%
6	Labor Insurance Fund	12,000,000	6.00%
7	Bank Taiwan Life Insurance Co., Ltd. Reserves for Military Personnel Insurance Special Account	6,337,000	3.17%
8	Yuanta Life Insurance Co., Ltd.	3,825,000	1.91%
9	Far Eastern International Bank	3,173,000	1.59%
10	Union Insurance Company	2,785,000	1.39%

Each of the Common Shares has one vote, while the preferred shareholders have no voting rights at the shareholders' meeting. Preferred shareholders have the right to vote in the preferred shareholders' meeting or vote on matters that pertain to their rights and obligations at the general shareholders' meeting. As of July 7, 2024, 84.22% of the Common Shares, being 6,359,285,810 Common Shares, and 99.94% of the Preferred Shares, being 199,873,178 Preferred Shares, were held by shareholders in the ROC, with the remaining 15.78% of the Common Shares, being 1,191,895,932 Common Shares, and 0.06% of the Preferred Shares, being 126,822 Preferred Shares, were held by foreign entities or individuals.

As of September 30, 2024, the Company's directors (including their representatives) and executive officers, together with members of their immediate families, owned of record 611,076,283 Common Shares and 2,220,616 Preferred Shares, or 7.88% and 0.03% of the Company's total issued Shares, respectively. As of September 30, 2024, none of the Company's directors or executive officers held any outstanding options.

CHANGES IN ISSUED SHARE CAPITAL

As of December 31, 2024, the Company's authorized share capital registered with the MOEA was NT\$100,000,000,000, and the Company's paid-in share capital was NT\$77,511,817,420, divided into 7,751,181,742 shares with a par value of NT\$10 per share, of which 7,551,181,742 were Common Shares and 200,000,000 were Preferred Shares. The Company is not a subsidiary of any entity.

The following table sets forth the changes in the Company's issued share capital as at the dates indicated:

<u>Date</u>	<u>Type of issue</u>	<u>Number of Shares issued</u> <i>(in thousands)</i>	<u>Number of Shares Outstanding</u> <i>(in thousands)</i>
August 2018.....	Capital Increase by Earnings Recapitalization	424,051	4,670,560
September 2018	Issuance of Global Depositary Shares	437,500	5,108,060
January 2019.....	Issuance of Preferred Shares	200,000	5,308,060
September 2019	Capital Increase by Earnings Recapitalization	357,559	5,665,619
September 2020	Capital Increase by Earnings Recapitalization	272,881	5,938,500
October 2020	Conversion of Convertible Bonds	2,901	5,941,401
February 2021.....	Conversion of Convertible Bonds	68,854	6,010,255
March 2021.....	Conversion of Convertible Bonds	85,391	6,095,646
June 2021.....	Conversion of Convertible Bonds	61,795	6,157,440
August 2021.....	Conversion of Convertible Bonds	166,140	6,323,580
November 2021	Conversion of Convertible Bonds	620	6,324,200
January 2022.....	Conversion of Convertible Bonds	1,034	6,325,234
August 2022.....	Capital Increase by Earnings Recapitalization	611,617	6,936,851
	Paid-in Capital Reduction as a Result of Cancellation of		
September 2022	Treasury Shares	-669	6,936,182
October 2022	Issuance of Global Depositary Shares	420,000	7,356,182
October 2023	Issuance of Global Depositary Shares	395,000	7,751,182

TRANSACTIONS WITH RELATED PARTIES

From time to time we have engaged in a variety of transactions with our affiliates. Our internal policy on transactions with affiliates is that they must be conducted on terms that are substantially the same as those for comparable transactions with non-affiliates on an arm's-length basis. For a list of all of our related party transactions presented on a consolidated basis, see note 34 to the audited consolidated financial statements as of and for the years ended December 31, 2022 and 2023, and note 35 to the audited consolidated financial statements for the years ended December 31, 2023 and 2024. The transactions among us and our subsidiaries were eliminated during the consolidation process.

Sales and Purchases of Goods

In 2022, 2023 and 2024, we mainly purchased hearthstone from our related parties in the aggregate amount of NT\$894.5 million, NT\$2,342.4 million and NT\$4,213.1 million, respectively.

In 2022, 2023 and 2024, we sold cement and labor services to our related parties in the aggregate amount of NT\$2,027.7 million, NT\$1,967.0 million and NT\$3,305.4 million, respectively.

Receivables and Payables

Due to our transactions with our related parties, we generated certain receivables and payables.

As of December 31, 2022, 2023 and 2024, notes receivable and accounts receivable generated from cement and labor services we sold to the related parties amounted to NT\$514.0 million, NT\$563.4 million and NT\$1,014.3 million, respectively.

As of December 31, 2022, 2023 and 2024, accounts payable generated from our purchases from the related parties amounted to NT\$268.9 million, NT\$447.2 million, and NT\$965.5 million, respectively.

As of December 31, 2022, 2023 and 2024, other receivables due from our related parties amounted to NT\$415.6 million, NT\$25.8 million and NT\$344.8million, respectively.

As of December 31, 2022, 2023 and 2024, other payables due to our related parties amounted to NT\$750.2 million, NT\$1,375.1 million and NT\$5,032.6 million, respectively.

Acquisitions of Property, Plant and Equipment

In 2022, we acquired property, plant and equipment that amounted to NT\$3,256.2 million from related parties, among which NT\$2,265.3 million of assets was acquired from CTCI Smart Engineering Inc. and CTCI Resources Engineering Inc., mainly including manufacturing facilities.

In 2023, we acquired property, plant and equipment that amounted to NT\$2,446.3 million from related parties, among which NT\$2,359.1 million of assets was acquired from CTCI Smart Engineering Inc. and CTCI Resources Engineering Inc., mainly including manufacturing facilities.

In 2024, we acquired property, plant and equipment that amounted to NT\$2,343.7 million from related parties, among which NT\$2,227.7 million of assets was acquired from CTCI Resources Engineering Inc. and CTCI Smart Engineering Inc., mainly including manufacturing facilities.

DESCRIPTION OF SHARE CAPITAL

Set forth below is a summary of information relating to the Company's share capital including brief summaries of the relevant provisions of the Company's Articles of Incorporation, the ROC Securities and Exchange Act and the ROC Company Act, all as currently in effect.

General

As of December 31, 2024, the Company's authorized share capital registered with the MOEA was NT\$100,000,000,000, and the Company's paid-in share capital was NT\$77,511,817,420, divided into 7,751,181,742 shares with a par value of NT\$10 per share, of which, 7,551,181,742 were Common Shares and 200,000,000 were Preferred Shares. Any change in the authorized share capital of a public company limited by shares, such as the Company, requires an amendment to the Company's Articles of Incorporation (which requires approval at a shareholders' meeting). The Company may issue new shares within the authorized share capital under its Articles of Incorporation pursuant to the ROC Company Act and the ROC Securities and Exchange Act.

The Company's Articles of Incorporation authorize that the Company may issue Preferred Shares within the scope of the authorized capital. According to Company's Articles of Incorporation, the Preferred Shares which are not convertible into Common Shares and have no maturity date may have interest each year up to 8% per annum subject to the determination of the Company's board of directors. In 2023, the Company's board of directors has adjusted the interest rate of the Preferred Shares issued to 4.0525% (five-year IRS rate (1.490% as of December 12, 2023) plus fix margin rate of 2.5625%) per annum at the issuance. The five-year IRS rate will be reset every five years. The interest of Preferred Shares is non-cumulative. The holders of Preferred Shares have priority over the Company's remaining assets ahead of the holders of Common Shares, but have no voting rights in the shareholders meeting of Common Shares. The holders of Preferred Shares cannot request the Company to redeem the Preferred Shares, but the Company may redeem the Preferred Shares in whole or in part after five years of issuance at the actual issue price.

Authorized but unissued shares may also be issued at such times and, subject to the provisions of the applicable laws and the approval of, or registration with, the MOEA and the FSC, upon terms that the Company's board of directors may determine.

Dividends and Distributions

Dividend payments and distributions are generally governed by the ROC Company Act as well as the Company's Articles of Incorporation.

Except in limited circumstances, the Company is not permitted to distribute dividends or make other distributions to shareholders for any year in which the Company does not have current or retained earnings (excluding reserves). Pursuant to the Company's Articles of Incorporation, before the Company can distribute a dividend or make any distribution to shareholders from profits, the Company must pay all outstanding taxes, apply its profits to losses incurred in previous years, and set aside 10% of its annual net income as legal reserve, unless the legal reserve amounts to its paid-in capital. In addition, the Company may set aside a special reserve in accordance with applicable laws and regulations. Any remaining profits plus accumulated retained earnings, unless special reserve is made pursuant to relevant laws and regulations, shall be distributed, first, as special dividends to the holders of Preferred Shares at up to 8% per annum on a non-cumulative basis, and after that, as dividends to the shareholders of Common Shares, taking into consideration financial, business and operational factors.

In addition to permitting dividends to be paid out of net income, if the Company does not have losses, the ROC Company Act permits that the Company can make distributions in cash or in the form of additional common shares to its shareholders from the legal reserve and capital surplus of premium from issuing shares and earnings from gifts received. However, the portion payable out of the Company's legal reserve is limited to the portion that the accumulated legal reserve exceeds 25% of the Company's paid-in capital. Under the ROC Civil Code, Company Act and relevant regulations, if the shareholder of the Company fails to claim cash dividends within five years from the date of declaration, the dividends will be included in the capital reserve of the Company. In contrast, according to a ruling of the MOEA of the ROC, once a stock dividend is declared, the shareholder will be entitled to such stock dividend without being subject to the five year time limitation.

The Company Articles of Incorporation provide that upon the final settlement of accounts, if there is any surplus profit (meaning the net profit before tax), the Company shall set aside no more than 1% of the earnings as the directors' remuneration and 0.01% to 3% of the earnings as employees' remuneration; provided that, if the Company has accumulated losses, it shall reserve an amount thereof for making up the losses. Employees' remuneration may

be in the form of cash or shares. Employees (including those of the Company's subsidiaries or subsidiaries controlled by the Company) entitled to such remuneration shall meet certain requirements, where such requirements shall be determined by the Company's board of directors.

The Company's Articles of Incorporation further provide that its net profit after tax shall be distributed in the following manner:

- making up accumulated losses;
- setting aside a 10% legal reserve; and
- setting aside the special reserve in accordance with ROC laws and regulations.

The remaining earnings along with the undistributed earnings at the beginning of the period are considered as accumulated distributable earnings. In accordance with the Company's dividend policy, the proposal of earnings appropriation is prepared by the Company's board of directors and resolved by the shareholders.

Apart from engaging in a capital-intensive cement and cement product manufacture and sale industry at the steady growth stage, the Company also actively expand into different segments of the market. In order to satisfy the demand of diverse investment or major capital planning, the cash dividend payout ratio for Common Share dividend is set at over 20%. Rest of the dividend shall be paid as stock dividend.

Preemptive Rights

According to the ROC Company Act, when a company issues new common shares for cash, 10% to 15% of the issue must be offered to its employees. In addition, the ROC Securities and Exchange Act and the relevant securities regulations require that, if a public company listed on the TWSE or whose shares are traded on the Taipei Exchange (formerly known as GreTai Securities Market) intends to offer new shares for cash, at least 10% of the issue must be offered to the public, except under certain circumstances or when exempted by the FSC. This percentage can be increased by a resolution passed at a shareholders' meeting, thereby reducing the number of new shares subject to the preemptive rights of existing shareholders. Unless the percentage of shares to be offered to the public is increased by the shareholders, existing shareholders who are listed on the shareholders' register as of the record date have a preemptive right to acquire the remaining 75% to 80% of the issue. The shares not subscribed for by the employees and shareholders at the expiration of the period for the exercise of their rights may be sold to the public or specified persons at the direction of the Company's board of directors. The preemptive rights provisions will not apply to offering of new shares through a private placement approved at a shareholders' meeting.

Meetings of Shareholders

Meetings of the Company's shareholders may be ordinary or extraordinary. Ordinary meetings of the Company's shareholders will generally be held within six months following the end of each fiscal year.

In contrast, extraordinary shareholders' meetings may be convened by resolution of the Company's board of directors or, under certain circumstances, by the shareholders.

Notice in writing of the Company's shareholders' meeting, stating the place, time, date and agenda must be dispatched to each shareholder at least 30 days, in the case of ordinary meetings and at least 15 days, in the case of extraordinary meetings, before the date set for each meeting.

Voting Rights

The Company's Articles of Incorporation provide that holders of Common Shares have one vote for each Share. Except as otherwise provided by applicable laws or the Company's Articles of Incorporation, a resolution can be adopted by holders of a majority of the Common Shares represented at a shareholders' meeting at which the holders of a majority of all issued and outstanding Common Shares are present. The election of directors (including independent directors) is by means of cumulative voting. Ballots for the election of directors are cast separately from those for the election of independent directors. The Company's Articles of Incorporation provide that the directors (including independent directors) shall be nominated by adopting the candidate nomination system specified in the ROC Company Act. In an election of directors, the holders of Common Shares shall elect directors from the list of nominated candidates.

In order for the Company to approve certain major corporate actions, including any amendment to the Company's Articles of Incorporation, entering into, modification or termination of any contracts regarding leasing of all business, outsourcing of operations or joint operations, the dissolution or amalgamation or spin-off, the transfer of the whole or a substantial part of the Company's business or the Company's property, the taking over of a whole of the business or property of any other entity which would have a significant impact on the Company's operations, removal of directors or the distribution of any stock dividend, a meeting of the shareholders must be convened with a quorum of holders of at least two-thirds of all issued and outstanding Common Shares at which the holders of at least a majority of the shares represented at the meeting vote in favor of the resolution.

Alternatively, in the case of a public company, such as the Company, such a resolution may be adopted by the shareholders' meeting convened with a quorum of holders of at least a majority of all issued and outstanding Common Shares at which the holder of at least two-thirds of the shares represented at the meeting vote in favor of the resolution.

A shareholder may be represented at an ordinary or extraordinary meeting by proxy if a valid proxy form is delivered to the Company five days before such meeting.

Shareholders Record Dates

The Company shall, by giving advance public notice, set a record date and close the register of shareholders for a specified period (60 days, 30 days and 5 days immediately before each ordinary meeting of the shareholders, extraordinary meeting of shareholders and relevant record date, respectively) in order for the Company to determine the shareholders and pledgees that are entitled to rights pertaining to the Shares.

Annual Financial Statements

At least ten days before an annual shareholders' meeting, the Company's annual financial statements will be made available at its principal office in Taipei, Taiwan and the Company's share registrar for inspection by the shareholders. According to the regulations of the FSC, the Company is required to publish its annual and quarterly financial statements on a consolidated basis.

Transfer of Shares

The transfer of shares in registered form is effected by endorsement and delivery of the related share certificates. However, settlement of trading of share of a listed company, such as the Company, is generally carried out on the book-entry system maintained by TDCC. In order to assert shareholder's rights against the Company, the transferee must have its name and address registered on the Company's register of shareholders. Shareholders are required to file their respective specimen seals, also known as chops, with the Company's share registrar.

Repurchase of Shares by the Company

With minor exceptions, the Company cannot acquire its own Shares under the ROC Company Act.

Under the ROC Securities and Exchange Act, the Company may, by resolution adopted by a majority of its board of directors at a meeting where more than two-thirds of the directors are present, repurchase the Shares on the TWSE or by a tender offer in accordance with the procedures prescribed by the FSC for the following purposes:

- for delivery upon conversion of bonds with warrants, preferred shares with warrants, convertible bonds and convertible preferred shares or certificates of warrants issued by the Company into capital stock;
- to transfer to the Company's employees, or
- if necessary, to maintain the Company's credit and shareholders' equity, provided that the Shares so repurchased shall be canceled thereafter.

The total Shares repurchased by the Company may not exceed 10% of the Company's total issued and outstanding Shares. In addition, the total cost of the purchased Shares may not exceed the aggregate amount of the Company's retained earnings, any premium from share issuance and the realized portion of the Company's capital reserve. Shares repurchased in the first two instances mentioned above are to be transferred to the intended transferees within five years from the repurchase, failing which they will be canceled and the Company is required to complete

an amended registration for the cancellation. In the third instance mentioned above, the Shares repurchased by the Company must be canceled, and the Company shall complete an amended registration for such cancellation within six months after the repurchase. The Shares repurchased by the Company may not be pledged or hypothecated. In addition, the Company may not exercise any of the shareholder's rights attached to these Shares. The Company's affiliates, as defined in Article 369-1 of the ROC Company Act, directors, managers and their respective spouses and minor children and nominees, are prohibited from selling the Shares until the Company's repurchase period has lapsed.

Liquidation Rights

In the event of the Company's liquidation, the remaining assets after payment of all debts, liquidation expenses and taxes and distribution to holders of Preferred Shares (if any) will be distributed pro rata to the holders of Common Shares in accordance with the relevant provisions of applicable laws and the Company's Articles of Incorporation.

Substantial Shareholders and Transfer Restrictions

The Company's directors, managers and shareholders (each together with his or her spouse, minor children or nominees) holding more than 10% of the Company's Shares are required to report to the Company, on a monthly basis, any changes in their shareholding in the Company. The number of Shares that they may sell or transfer on the TWSE on any given day is limited by ROC laws. In addition, they may only sell or transfer such Shares on the TWSE at least three days after they have filed a notification with the FSC in connection with such sale or transfer, provided that such notification is not required if the number of Shares to be sold or transferred does not exceed 10,000. A person who individually or together with other persons (as defined under the FSC regulations) acquires more than 5% of the Company's issued and outstanding shares shall report to the FSC, within ten days from the acquisition date, the acquisition purpose, funding sources and other information required by the FSC.

Rights to Bring Shareholder Suits

Under the ROC Company Act, a shareholder may bring a suit against the Company in the following events:

- Within 30 days after the date of the shareholders' meeting, any shareholder has the right to annul any resolution adopted at a shareholders' meeting where the procedures or the method of resolution were or was legally defective. However, if the court is of the opinion that such violation is not material and does not affect the result of the resolution, the court may reject or dismiss the shareholder's lawsuit.
- If the substance of a resolution adopted at a shareholders' meeting contradicts any applicable law or regulation or the Company's Articles of Incorporation, a shareholder may bring a suit to determine the validity of such resolution.

Shareholders may bring suit against the Company's directors under the following circumstances:

- Shareholders who have continuously held 1% or more of the total number of issued and outstanding shares for a period of six months or longer may request in writing that an audit committee member institute an action against a director on behalf of the Company. In case the audit committee member fails to institute an action within 30 days after receiving such request, the shareholders may institute an action on behalf of the Company. In the event that shareholders institute an action, a court may, upon application of the defendant, order such shareholders to furnish appropriate security.
- Shareholders holding 3% or more of the total number of issued and outstanding shares may institute an action with a court to remove a director who has materially violated the applicable laws or the Company's Articles of Incorporation or has materially damaged the Company's interests if a resolution for removal on such grounds has first been voted on and rejected by the shareholders and such suit is filed within 30 days of such shareholders' vote.
- In the event that any director, officer or shareholder (together with his or her spouse, minor children or nominees) holding more than 10% of the issued and outstanding shares and their respective spouse and minor children and/or nominees sells shares within six months after the acquisition of such shares, or repurchases the shares within six months after the sale, the Company may make a claim for recovery of any profits realized from the sale and purchase. If the Company's board of

directors fails or fail to make a claim for recovery, any shareholder may request the Company's board of directors to make such claim within 30 days. After such 30-day period, the requesting shareholder will have the right to make a claim for such recovery, and the Company's directors will be jointly and severally liable for damages suffered by the Company as a result of their failure to exercise the right of claim.

Other Rights of Shareholders

Under the ROC Company Act, dissenting shareholders are entitled to appraisal rights in the event of merger, spin-off and various other major corporate actions. A dissenting shareholder who has expressed the objection and waived the voting right may request the Company to redeem all of the shares owned by such shareholder at a fair price to be determined by mutual agreement. If an agreement cannot be reached, the valuation will be determined by a court order.

In addition, one or more shareholders who have held more than 3% of the Company's issued and outstanding Shares for over a year may require the Company's board of directors to convene an extraordinary shareholders' meeting by sending a written request to the Company's board of directors. Further, shareholders holding over 50% of its issued shares for continuously three months may convene its extraordinary shareholders' meeting by themselves.

The ROC Company Act allows shareholders holding 1% or more of the total issued shares of a company to submit, during the period of time prescribed by the company, one proposal in writing or in electronic form for discussion at the ordinary meeting of shareholders. The ROC Company Act also provides that a company may adopt a nomination procedure for election of directors. If a company wishes to adopt the nomination procedure, it must be stipulated in its articles of incorporation. With such provision in the articles of incorporation of a company, shareholders representing 1% or more of the total issued shares of such company may submit a candidate list along with relevant information and supporting documents to the company within the period prescribed by the company. The Company's Articles of Incorporation currently offer such nomination procedure.

Share Registrar

With respect to shareholders who have opened book-entry accounts at TDCC, the Company's register of such shareholders is maintained by the database of TDCC. With respect to shareholders who have not opened TDCC book-entry accounts, the Company's share registrar, CTBC Bank Co., Ltd., maintains the register of the Company's shareholders at its offices located at 5th Floor, No. 83, Sec 1, Chongqing South Road, Taipei, Taiwan, and enters transfers of shares in such register upon presentation of, among other documents, certificates representing the shares transferred.

DESCRIPTION OF THE BONDS

The Bonds are to be issued under an indenture, to be dated as of March 28, 2025 (the “Indenture”), between TCC Group Holdings CO., LTD. (the “Issuer” or the “Company”) and Citicorp International Limited, in its capacity as trustee (the “Trustee”). The following summary of certain provisions of the Bonds and the Indenture does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the provisions of the Bonds and Indenture, including the definitions of certain terms therein. Whenever particular Sections or defined terms of the Indenture not otherwise defined herein are referred to, such Sections or defined terms are incorporated herein by reference. Copies of the Indenture will be available for inspection by any Holder (as defined below) on or after the Closing Date (as defined below) at the office of the Trustee.

General

Except in certain limited circumstances, the Bonds will only be issued in book-entry form.

The Bonds will be issued on or about March 28, 2025 (the date on which the Bonds are issued under the Indenture being referred to herein as the “Closing Date”) as direct, unconditional, unsecured and unsubordinated obligations of the Issuer limited in aggregate principal amount to US\$350,000,000 and will be redeemed on March 28, 2030 (the “Maturity Date”) unless earlier redeemed, repurchased and canceled or converted pursuant to the terms thereof and of the Indenture.

The Bonds will not bear interest.

Each Bond will be convertible into the Common Shares (as defined below), subject to compliance with certain conditions and procedures (see “— Conversion — Procedures; Conversion Notice; Taxes and Duties” below), at the Holder’s election on any Business Day (as defined below) during the period (the “Conversion Period”) commencing on June 29, 2025 (the next day immediately after the end of a three-month period following the Closing Date) and ending at the close of business in the location of the applicable Paying Agent (as defined below) on (i) March 18, 2030 (the 10th day prior to the Maturity Date) or (ii) the fifth (5th) Business Day prior to the applicable Purchase Date of such Bonds or date fixed for redemption (other than the Maturity Date) of such Bond pursuant to a notice of redemption given by the Issuer in accordance with the provisions of the Indenture. The Conversion Period shall not include any Closed Period (as defined below).

The principal of and other amounts on the Bonds will be payable in US Dollars by the Issuer pursuant to the Indenture, and the Bonds may be presented for registration of transfer, exchange or conversion, at the office of the Issuer or Citibank, N.A., London Branch, the agent of the Issuer maintained for such purpose (the “Paying Agent”), located in 1 North Wall Quay, Dublin 1, Ireland.

The Issuer reserves the right, subject to the provisions of the Indenture and the applicable Paying Agent and Registrar Appointment Letter, at any time to vary or terminate the appointment of any Paying Agent and to appoint further or other Paying Agents, provided that the Issuer will at all times maintain a Paying Agent having offices in a European Union member state. Notice of any such termination or appointment and of any changes in the specified offices of the Paying Agents will be given promptly by the Issuer to the Holders (and other applicable parties) in accordance with the notice provisions of the Indenture as described below under “— Notices”.

The Bonds will be issued only in fully registered form, without interest coupons, at 100% of par value in denominations of US\$200,000 and any integral multiples of US\$100,000 in excess thereof. See “— Book Entry; Delivery and Form” below. No service charge will be payable for any registration of transfer or exchange of the Bonds, for the conversion thereof or for the charges of the Paying Agents in connection therewith, but the Issuer may require payment by a Holder of a sum sufficient to cover any transfer or stamp tax or other similar governmental charge payable in connection therewith.

The Issuer and its Affiliates (as defined below) may at any time, subject to applicable law, purchase the Bonds in the open market, or otherwise, at any price. The Bonds which are purchased by the Issuer (including purchase in the open market), early redeemed, repurchased and repaid when due, converted or sold back by the Holders will be canceled and will not be re-issued. A Bond does not cease to be outstanding because any of the Issuer’s Affiliates holds such Bond; provided, however, any Bonds owned by any Affiliate of the Issuer will be deemed not to be outstanding in determining whether the Holders of the requisite principal amount of Bonds have given or concurred in any request, demand, authorization, direction, notice, consent or waiver under the Indenture.

Further Issues

To the extent permitted by applicable laws of the ROC, the Issuer may from time to time, without the consent of the Holders, create and issue, pursuant to the Indenture, additional bonds, having the same terms and conditions under the Indenture as the previously outstanding Bonds in all respects, except for issue date, issue price, and amount of the applicable first payment of interest thereon. Additional bonds may be consolidated with and form a single series with the previously outstanding Bonds; provided, however, that such additional bonds will not be issued under the same CUSIP, ISIN or other identifying number as the outstanding Bonds unless such additional bonds are fungible with the outstanding Bonds for U.S. federal income tax purposes.

Book Entry; Delivery and Form

The Bonds will only be represented by a permanent global certificate in fully registered book-entry form (the “Global Bond”) and will be deposited with a common depository (the “Common Depository”) for Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, S.A. (“Clearstream”) and registered in the name of a nominee of the Common Depository. If (i) at any time, the Common Depository advises the Issuer in writing that it is unwilling or unable to continue as a depository for the Global Bond and a successor depository is not appointed by the Issuer within 90 days, (ii) either Euroclear or Clearstream or any alternative clearing system on behalf of which the Bonds evidenced by the Global Bond may be held is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so, or (iii) an Event of Default has occurred with respect to the Bonds and the Trustee notifies the Issuer in writing that any of the Bonds have become immediately due and payable pursuant to the Indenture, the Issuer shall issue individual certificated bonds in registered form in exchange for the Global Bond in any authorized denominations and in an aggregate principal amount equal to the principal amount of the Global Bond. The Bonds will have minimum denominations of US\$200,000 and any integral multiples of US\$100,000 in excess thereof.

The Bonds are not issuable in bearer form.

Transfers of interests in the Bonds evidenced by the Global Bond will be effected in accordance with the rules of the relevant clearing systems. In addition, transfers of the Bonds and Common Shares are subject to certain restrictions. See “Transfer Restrictions”.

Ranking

The Bonds will (i) be direct, unconditional, unsecured and unsubordinated obligations of the Issuer, (ii) rank *pari passu* without any preference or priority among themselves and with all other direct, unconditional, unsecured and unsubordinated Debt (as defined below) of the Issuer now or hereafter outstanding (except to the extent that such other Debt (x) ranks above such obligation solely by reason of Liens (as defined below) permitted under the Indenture or (y) is preferred by mandatory provisions of law), and (iii) be senior in right of payment to all Debts of the Issuer that is expressed to be subordinated in right of payment to the Bonds.

The Bonds will be effectively subordinated to all secured obligations but subject to the negative pledge as described in “Certain Covenants — Negative Pledge” of the Issuer with respect to claims against the assets securing such obligations (“Secured Debt”). As of December 31, 2024, we had outstanding Secured Debt of approximately NT\$6,826 million (US\$208 million).

Sinking Fund

The Bonds will not be entitled to the benefit of a sinking fund.

Transfer of Certificated Bonds and Delivery of New Certificated Bonds

In the event Certificated Bonds are issued, the following provisions will apply:

- (i) Transfer of Certificated Bonds

A Certificated Bond may be transferred upon the surrender at the specified office of any Paying Agent of the Certificated Bonds to be transferred, together with the form of transfer endorsed thereon (the “Form of Transfer”) duly completed and executed and any other evidence that such Paying Agent may reasonably require. In the case of a transfer of only part of a holding of Certificated Bonds, a new Certificated Bond shall be issued to the transferee in respect of the part transferred and a further new Certificated Bond in respect of the balance of the holding not transferred shall be issued to the transferor. The Form of Transfer will be available at the specified office of the Paying Agent.

(ii) Delivery of New Certificated Bonds

Each new Certificated Bond shall be available for delivery upon receipt by the Paying Agent at its specified office of the relevant Certificated Bond and the Form of Transfer.

Delivery of the new Certificated Bonds shall be made at the specified office of such Paying Agent to whom the relevant Certificated Bond and the Form of Transfer shall have been surrendered or delivered or, at the option of the Holder making such delivery or surrender as aforesaid and as specified in the relevant Form of Transfer or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new Certificated Bond to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the relevant Paying Agent the costs of such other method of delivery and/or such insurance as it may specify.

(iii) Formalities Free from Charge

Transfers of the Certificated Bonds will be effected without charge by or on behalf of the Issuer or any Paying Agent, but only upon confirmation of payment (or the giving of such indemnity as such Paying Agent may require in respect) of any tax or other governmental charges which may be imposed in relation thereto.

(iv) Restricted Transfer Periods

No Holder may require the transfer of a Certificated Bond to be registered (i) during the period of 15 days ending on (and including) a Redemption Date, (ii) after such Bond has been selected by the Issuer or the Holder for redemption, pursuant to the terms of the Indenture or (iii) after such Holder has exercised its Conversion Right (as defined below).

Payments

All amounts due under, and all claims arising out of or pursuant to, the Bonds and/or the Indenture or the Agency Agreement from or against the Issuer shall be payable and settled in US Dollars only.

The definitions of certain terms used in this section and the Indenture are listed below.

“*Fixed Exchange Rate*” means the fixed rate of US\$1.00=NT\$33.0200.

“*Independent Investment Bank*” means (i) an independent investment bank of international repute or (ii) leading independent securities company or bank in the ROC (in each case of (i) and (ii), acting as an expert) selected by the Issuer at the expense of the Issuer and notified in writing to the Trustee and the Paying Agent.

“*NT Dollars*” or “*NT\$*” means the lawful currency for the time being of the ROC.

“*Prevailing Rate*” for each Rate Calculation Date, means a rate determined by the Issuer in good faith as follows:

- (a) the fixing rate at 11:00 a.m., expressed as the number of NT Dollars per one US Dollar, quoted by Taipei Forex Inc.;
- (b) if no such rate is available under sub-paragraph (a), the prevailing rate determined by the Issuer in good faith on the basis of quotations provided by the Reference Dealers of the specified exchange rate for the Rate Calculation Date as obtained in accordance with the provisions below; and
- (c) if fewer than two quotations are provided under sub-paragraph (b), the exchange rate for the Rate Calculation Date as shall be determined by an Independent Investment Bank in good faith.

In determining the prevailing rate under sub-paragraph (b), the Issuer will request the Taipei office of each of the Reference Dealers to provide a quotation of what the specified screen rate would have been had it been published, reported or available for the Rate Calculation Date, based upon each Reference Dealer’s experience in the foreign exchange market for NT Dollars and general activity in such market on the Rate Calculation Date. The quotations used to determine the Prevailing Rate for a Rate Calculation Date will be determined in each case for such Rate Calculation Date, and will be requested at 3:30 p.m. (Taipei time) on such Rate Calculation Date or as soon as practicable after it is determined that the specified screen rate was not available.

If four quotations are provided, the rate for a Rate Calculation Date will be the arithmetic mean of the rates, without regard to the rates having the highest and lowest value. For this purpose, if more than one quotation has the same highest value or lowest value, then the rate of only one of such quotations shall be disregarded. If two or three quotations are provided, the rate for a Rate Calculation Date will be the arithmetic mean of the rates provided.

As soon as practicable after the Prevailing Rate has been determined, the Issuer will notify the Paying Agent by email or facsimile of the Prevailing Rate and the applicable Settlement Equivalent on the Rate Calculation Date.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of determining the Prevailing Rate, whether by the Reference Dealers (or any of them), the Issuer or the Independent Investment Bank, will (in the absence of fraud, willful misconduct or gross negligence) be binding on the Issuer, the Trustee, the Agents and all Bondholders.

“*Rate Calculation Date*” means the day which is two Business Days before the due date of the relevant amount.

“*Reference Dealers*” means four leading dealers engaged in the foreign exchange market of the relevant currency selected by the Issuer.

“*Settlement Equivalent*” for the relevant Rate Calculation Date in respect of any US Dollar-denominated amount payable in respect of the Bonds, means such US Dollar amount converted into NT Dollar amount using the Fixed Exchange Rate, and then converted back to US Dollar amount using the applicable Prevailing Rate on such date.

“*US Dollars*” or “*US\$*” means the lawful currency for the time being of the United States of America.

Interest

The Bonds will not bear interest.

In any case where the date of the payment of the principal of the Bonds or the date fixed for redemption of the Bonds is not a Business Day (as defined below), then payment of such principal or the Early Redemption Amount (as defined below) shall be made on the next succeeding Business Day, with the same force and effect as if made on the Maturity Date or the date fixed for redemption, as the case may be, and no interest shall accrue for the period after such date.

Additional Amounts

All payments of the principal of and other amounts on the Bonds and all deliveries of Common Shares (as defined below) made on conversion of the Bonds are to be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or other governmental charges (“*Taxes*”) imposed, levied, collected, withheld or assessed by or within the ROC or any other jurisdiction in which the Issuer is organized or resident for tax purposes or from which any payment on the Bonds is made (or any political subdivision or Taxing Authority (as defined below) thereof or therein), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Issuer will pay such additional amounts on the Bonds (all such additional amounts being referred to herein as “*Additional Amounts*”) as will result in receipt by the Holder of each Bond of such amounts as would have been received by such Holder had no such withholding or deduction been required, except that no Additional Amounts shall be payable for or on account of:

- (i) any Taxes that would not have been imposed but for:
 - (A) the existence of any present or former connection between the Holder of such Bond and the ROC or any other jurisdiction in which the Issuer is organized or resident for tax purposes, other than merely holding such Bond or receiving payments or enforcing rights thereunder, including such Holder being or having been a national, domiciliary or resident of or treated as a resident thereof or being or having been present or engaged in a trade or business therein or having had a permanent establishment therein;
 - (B) the presentation of such Bond (if presentation is required) more than 30 days after the later of the date on which the payment of the principal of or other amounts on such Bond became due and payable pursuant to the terms thereof or the date that such payment was made or duly provided for, except to the extent that the Holder thereof would have been entitled to

such Additional Amounts if it had presented such Bond for payment on any date within such 30 day period; or

- (C) the presentation of such Bond (if presentation is required) for payment in the ROC, unless such Bond could not have been presented for payment elsewhere;
- (ii) any estate, inheritance, gift, sale, transfer, stamp, personal property or similar tax, assessment or other governmental charge; or
- (iii) any combination of Taxes referred to in the preceding clauses (i) and (ii),

The Issuer will not pay Additional Amounts if the registered Holder of the Bond is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that the beneficiary, partner or settler with respect to such fiduciary, partnership or person, or the beneficial owner of that payment, would not have been entitled to the Additional Amounts if it had been the registered Holder of the Bonds.

Whenever there is mentioned, in any context, (i) the payment of the principal of and other amounts on any Bond, or (ii) the delivery of Common Shares or cash payments (if any) on conversion of any Bond, such mention shall be deemed to include the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable with respect thereto.

Subject to certain exceptions, the Issuer will pay any present or future stamp, court or documentary taxes, or any other excise or property taxes, charges or similar levies which arise in any jurisdiction from the issue, initial delivery or registration of the Bonds or any other document or instrument referred to herein, including those resulting from or required to be paid in connection with, the enforcement of the Bonds or any other document or instrument following the occurrence of any Event of Default with respect to the Bonds and excluding those payable upon issue and delivery of Bonds to the order of a person other than a Holder.

The Paying Agent and the Trustee will make payments free of withholdings or deductions on account of taxes unless required by applicable law. If such a deduction or withholding is required, the Paying Agent or the Trustee will not be obligated to pay any Additional Amount to the recipient unless such an Additional Amount is received by the Paying Agent or the Trustee.

Redemption of the Bonds

Redemption for Taxation Reasons

The Bonds may be redeemed, in whole but not in part (subject to the provision of the paragraph below), at the option of the Issuer, at any time, upon giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable) and upon written notice to the Trustee, at the Settlement Equivalent of the Early Redemption Amount on the Redemption Date (as defined below), if the Issuer determines and certifies to the Trustee in an officer's certificate immediately prior to the giving of such notice that, as a result of any change in, or amendment to the laws (including any regulations or rulings promulgated thereunder) of the ROC or such other jurisdiction in which the Issuer is then organized or resident for tax purposes (or any political subdivision or Taxing Authority thereof or therein), affecting taxation, or any change in official position regarding the application, interpretation or administration of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction), which change, amendment, application, interpretation or administration is proposed and becomes effective on or after the Closing Date (or, in the case of any jurisdiction other than the ROC, the date (if later than the Closing Date) on which the Issuer first becomes organized or resident for tax purposes in such other jurisdiction) with respect to any payment due or to become due on the Bonds, the Issuer is required to pay Additional Amounts in connection therewith and such requirement to pay Additional Amounts cannot be avoided by the taking of reasonable measures by the Issuer; provided that such right cannot be exercised earlier than 45 days prior to the first date on which the Issuer would be obligated to make an Additional Amounts payment with respect to all or substantially all of the outstanding Bonds were a payment then due. Prior to the giving of any such notice of redemption, the Issuer is required to deliver to the Trustee (i) an officer's certificate stating that such change or amendment has occurred, describing the facts related thereto and stating that such requirement cannot be avoided by the Issuer taking reasonable measures and (ii) an opinion of counsel or written advice of a qualified tax expert that the circumstances referred to in the preceding sentence exist as a result of such change, amendment, application, interpretation or administration. The Trustee shall be entitled to rely conclusively on such certificate, opinion and notice as sufficient evidence of the satisfaction of the conditions precedent described above. The Trustee is not obligated to verify any information in any certificate, opinion or notice.

Notwithstanding the foregoing, if the Issuer has given a redemption notice for taxation reasons in accordance with the paragraph above and if the outstanding principal amount of the Bonds at the time when such redemption notice is given is greater than 10% of the aggregate principal amount of the Bonds as of the Closing Date, each Holder of the Bonds will have the right to elect, and the redemption notice will state that each Holder will have the right to elect, that all or a portion of its Bonds should not be redeemed. Upon the exercise of such right by the Holder, the provisions set forth in “— Additional Amounts” will not apply to any payment in respect of such Bonds that is due after the relevant Redemption Date, and such payment will be made subject to the deduction of any ROC tax (or tax of such other jurisdiction in which the Issuer is then organized or resident for tax purposes) required to be withheld or deducted. To exercise such right the Holder must give notice to the Issuer in the manner set out in the Indenture no later than 15 days prior to the relevant Redemption Date.

Redemption at the Option of the Issuer

At any time after March 28, 2028, the Issuer may, on not less than 30 nor more than 60 days’ notice to the Holders (which notice shall be irrevocable) and upon written notice to the Trustee and the Agents, redeem the Bonds, in whole or in part, at the Settlement Equivalent of the Early Redemption Amount; provided, however, that no such redemption may be made unless:

- (1) the Closing Price of the Common Shares for 20 out of 30 consecutive Trading Days (the “Calculation Period”) immediately prior to the date upon which notice of such redemption was given, is at least 130% of the quotient of the prevailing Conversion Price multiplied by the Early Redemption Amount and divided by US\$200,000; and
- (2) the applicable Redemption Date does not fall within a Closed Period (as defined below).

If there shall occur an event giving rise to a change in the Conversion Price during any Calculation Period, appropriate adjustments for the relevant days, determined by an opinion of an Independent Investment Bank, shall be made for the purpose of calculating the Closing Price for such days. Notice of any such adjustments in the Conversion Price will be given promptly by the Issuer to the Trustee and the Paying Agent.

Notwithstanding the foregoing, the Issuer may redeem the Bonds, in whole but not in part, at any time, on not less than 30 nor more than 60 days’ notice, at the Settlement Equivalent of the Early Redemption Amount if more than 90% in principal amount of the Bonds originally issued has been redeemed, repurchased and canceled or converted; provided that the applicable Redemption Date does not fall within a Closed Period.

Notice of any such redemption will be given by the Issuer to the Holders (and other applicable parties) in accordance with the notice provisions of the Indenture as described below under “— Notices”.

Redemption at Maturity

Unless the Bonds have been previously redeemed, repurchased and canceled or converted, the Issuer will redeem the Bonds on the Maturity Date at the Settlement Equivalent of a redemption price equal to 109.78% of the outstanding principal amount thereof. The Bonds may be redeemed prior to the Maturity Date only as described herein.

Redemption Procedures

Payment of the relevant redemption price for a Certificated Bond is conditioned upon delivery of such Bond (together with necessary endorsements) to any Paying Agent. Payment of the relevant redemption price for any Bond will be made on the Redemption Date or, if such Bond is a Certificated Bond and has not been so delivered on or prior to the Redemption Date, at the time of delivery of such Bond. If the Paying Agent holds, in accordance with the terms of the Indenture, cash sufficient to pay the relevant redemption price of such Bond on the Redemption Date, then, immediately after such Redemption Date, such Bond will cease to be outstanding, whether or not such Bond is delivered to a Paying Agent, and all other rights of the Holder shall terminate (other than the right to receive the relevant redemption price).

In the case of any redemption other than on the Maturity Date, notice of redemption to each Holder shall specify the Redemption Date, the price at which such Bonds will be redeemed and the place or places of payment and that payment will be made upon presentation and surrender of the Bonds to be redeemed. Such notice shall also specify the Conversion Price then in effect and the date on which the right to convert such Bonds will expire.

Repurchase of the Bonds

Repurchase at the Option of the Holder

Unless the Bonds have been previously redeemed, repurchased and canceled or converted, each Holder shall have the right (the “Holder’s Put Right”), at such Holder’s option, to require the Issuer to repurchase, in whole or in part (being US\$200,000 in principal amount or any integral multiple of US\$100,000 in excess thereof), such Holder’s Bonds, on March 28, 2028 (the “Bondholder’s Put Option Date”) at a price equal to the Settlement Equivalent of 105.76% of the principal amount in US Dollars with respect to such Holder’s Bonds to be repurchased (the “Holder’s Put Price”).

Repurchase in the Event of Delisting

In the event that the Common Shares cease to be listed or admitted to trading on the TWSE (a “Delisting”) each Holder shall have the right (the “Delisting Put Right”), at such Holder’s option to require the Issuer to repurchase, in whole or in part (being US\$200,000 in principal amount or any integral multiple of US\$100,000 in excess thereof), such Holder’s Bonds on the 20th Business Day after the Paying Agent mails to each Holder a notice regarding the Delisting referred to under “— Repurchase Procedures” below (the “Delisting Put Date”) at the Settlement Equivalent of the Early Redemption Amount with respect to such Holder’s Bonds to be repurchased on the Delisting Put Date (the “Delisting Put Price”).

Repurchase in the Event of Change of Control

If a Change of Control (as defined below) occurs with respect to the Issuer, each Holder shall have the right (the “Change of Control Put Right”), at such Holder’s option, to require the Issuer to repurchase, in whole or in part (being US\$200,000 in principal amount or any integral multiple of US\$100,000 in excess thereof), such Holder’s Bonds on the date set by the Issuer for such repurchase (the “Change of Control Put Date”), which shall be not less than 30 nor more than 60 days following the date on which the Issuer notifies the Trustee and the Paying Agent in writing of the Change of Control, at the Settlement Equivalent of the Early Redemption Amount with respect to such Holder’s Bonds to be repurchased on the Change of Control Put Date (the “Change of Control Put Price”).

Repurchase Procedures

Not less than 30 nor more than 60 days prior to the Bondholder’s Put Option Date and not less than 30 nor more than 60 days promptly after becoming aware of a Delisting or Change of Control, the Issuer will provide sufficient information to the Trustee and the Paying Agent in sufficient time to permit the Trustee and the Paying Agent to mail to each Holder a notice regarding such Holder’s Put Right, Delisting Put Right or Change of Control Put Right, as the case may be, which notice shall state, as appropriate:

- (A) the Bondholder’s Put Option Date, the Delisting Put Date or the Change of Control Put Date, as the case may be (each, a “Purchase Date”);
- (B) in the case of a Delisting, the date of such Delisting and, briefly, the events causing such Delisting;
- (C) in the case of a Change of Control, the date of such Change of Control and, briefly, the events causing such Change of Control;
- (D) the date by which the Holder Purchase Notice (as defined below) must be given;
- (E) the Holder’s Put Price, the Delisting Put Price or the Change of Control Put Price, as the case may be, and the method by which such amount will be paid;
- (F) the names and addresses of all Paying Agents;
- (G) briefly, the Conversion Right (as defined below) of the Holders and the then current Conversion Price and the date on which the right to convert such Bond will expire;
- (H) the procedures that Holders must follow and the requirements that Holders must satisfy in order to exercise their repurchase rights and/or Conversion Right; and
- (I) that a Holder Purchase Notice, once validly given, may not be withdrawn.

To exercise its right to require the Issuer to repurchase its Bonds, the Holder must deliver a written irrevocable notice of the exercise of such right (a “Holder Purchase Notice”) to any Paying Agent on any Business Day prior to the close of business at the location of such Paying Agent on such day and which day is not less than ten (10) Business Days prior to the Purchase Date.

Payment of the Holder’s Put Price upon exercise of the Holder’s Put Right, Delisting Put Price upon exercise of the Delisting Put Right or Change of Control Put Price upon exercise of the Change of Control Put Right for any Certificated Bond for which a Holder Purchase Notice has been delivered is conditioned upon delivery of such Certificated Bond (together with any necessary endorsements) to any Paying Agent on any Business Day together with the delivery of such Holder Purchase Notice and will be made promptly following the later of the Purchase Date and the time of delivery of such Certificated Bond. If the Paying Agent holds on the Purchase Date money sufficient to pay the Holder’s Put Price, Delisting Put Price or the Change of Control Put Price, as the case may be, of Bonds for which Holder Purchase Notices have been delivered in accordance with the provisions of the Indenture upon exercise of such right, then, whether or not such Bond is delivered to the Paying Agent, on and after such Purchase Date, (i) such Bond will cease to be outstanding, (ii) such Bond will be deemed paid, and (iii) all other rights of the Holder shall terminate (other than the right to receive the Holder’s Put Price, the Delisting Put Price or the Change of Control Put Price, as the case may be).

Certain Definitions

Set forth below is a summary of certain of the defined terms used in the covenants and other provisions of the Indenture. Reference is made to the Indenture for the full definition of all such terms, as well as any other capitalized terms used herein for which no definition is provided.

“*Affiliate*” means, with respect to any Person (the “Specified Person”), (i) any Person other than the Specified Person directly or indirectly controlling, controlled by or under direct or indirect common control with, the Specified Person or (ii) any Person who is a director or executive officer (A) of the Specified Person, (B) of any Subsidiary of such Specified Person or (C) of any Person described in clause (i) above. For purposes of this definition, the term “control” when used with respect to any Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

“*Agent*” means any registrar, paying agent, conversion agent and transfer agent.

“*Business Day*” means any day except a Saturday, Sunday or other day on which commercial banks in Taipei, Hong Kong, London, and the City of New York (or, if applicable, in the city where the relevant Paying Agent is located) are authorized by law to close or are otherwise not open for business.

“*Capital Stock*” means, with respect to any Person, any and all shares, ownership interests, participation or other equivalents (however designated), including all common stock and all preferred stock, of such Person.

“*Certificated Bonds*” means the individual certificated Bonds executed and delivered by the Issuer and authenticated by or to the order of the Trustee, which may be delivered in exchange for the Global Bond in certain circumstances.

“*Change of Control*” occurs when:

- (1) any Person or Persons (as defined below) acting together acquires Control of the Issuer if such Person or Persons does not or do not have, and would not be deemed to have, Control of the Issuer on the Closing Date; or
- (2) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer’s assets to any other Person.

“*Closing Price*” means for any Trading Day (a) with respect to the Common Shares, the closing sales price of the Common Shares on the TWSE on such day or, if no reported sales take place on such day, the average of the reported closing bid and offered prices, in either case as reported by the TWSE for such day as furnished by an Independent Investment Bank, and (b) with respect to Capital Stock of the Issuer (other than Common Shares), the closing bid price for such Capital Stock (other than Common Shares) on the Selected Exchange (as defined under “Trading Day” below); provided that for the purpose of determining the Closing Price used in “— Redemption at the Option of the Issuer” above for all Trading Days on or between the ex-rights or ex-dividends date and the record date

for the determination of the shareholders entitled to receive such rights or dividends, the Closing Price shall be adjusted upwards to include the value of such rights or dividends.

“*Common Shares*” means shares of the common stock of the Issuer, par value NT\$10.0 per share.

“*Control*” means (i) the right to appoint and/or remove all or the majority of the members of the Issuer’s board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise; or (ii) the acquisition or control of more than 50% of the voting rights of the issued share capital of the Issuer.

“*Conversion Price*” means the initial conversion price of NT\$38.80 per Common Share set forth on the cover of this offering memorandum, subject to adjustment in the manner provided in “— Conversion — Adjustments to the Conversion Price” below.

“*Debt*” means, with respect to any Person at any date, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of trading, (iv) all obligations of such Person as lessee which are capitalized in accordance with the generally accepted accounting principles applicable to such Person, (v) all Debt secured by a Lien on any asset of such Person, whether or not such Debt is otherwise an obligation of such Person, (vi) all obligations of such Person to purchase securities or other property that arise out of or in connection with the sale of the same or substantially similar securities or property, (vii) all non-contingent obligations of such Person to reimburse any bank or other Person in respect of amounts paid under a letter of credit or similar instrument and (viii) all Debt of others guaranteed by such Person.

“*Default*” means any condition or event which, with the giving of notice or lapse of time or both, would become an Event of Default (as defined below).

“*Early Redemption Amount*” for each US\$200,000 principal amount of the Bonds, the amount calculated in accordance with the following formula, rounded (if necessary) to two decimal places with 0.005 being rounded upwards:

$$\text{Early Redemption Amount} = I \times (1 + r/2)^{d/180}$$

where:

I = Issue price (100 % of principal amount) of the Bonds.

r = 1.875% expressed as a decimal.

d = number of days from, and including, March 28, 2025 to, but excluding, the date for redemption, calculated on the basis of a 360-day year consisting of 12 months of 30 days each, and in the case of an incomplete month, the actual number of days elapsed.

Semi-Annual Date	Early Redemption Amount (in US Dollars)
September 28, 2025	100,937.50
March 28, 2026.....	101,883.79
September 28, 2026	102,838.95
March 28, 2027.....	103,803.06
September 28, 2027	104,776.22
March 28, 2028.....	105,758.50
September 28, 2028	106,749.98
March 28, 2029.....	107,750.76
September 28, 2029	108,760.93

“FSC” means the Financial Supervisory Commission of the ROC.

“Holder”, “holder” and “Bondholder” in relation to a Bond means the person in whose name a Bond is registered in the Bond register.

“Lien” means, with respect to any property or asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such property or asset, including, without limitation, the right of a vendor, lessor or similar party under any conditional sales agreement, capital lease or other title retention agreement relating to such property or asset, and any other right of or arrangement with any creditor to have its claims satisfied out of any property or assets, or the proceeds therefrom prior to any general creditor of the owner thereof.

“Market Value” means (i) in the case of Common Shares, the average of the Closing Prices of the Common Shares for the most recent 30 Trading Days, (ii) in the case of Capital Stock (other than Common Shares) which is listed on the Selected Exchange, the average of the Closing Prices of such Capital Stock (other than Common Shares) for the most recent 30 Trading Days and (iii) in the case the market value cannot be determined pursuant to the procedures above, the market value determined by an opinion of an Independent Investment Bank.

“Person” means any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organization, trust, state or agency of a state (in each case whether or not being a separate legal entity) limited liability company, government or political subdivision or agency or instrumentality thereof, or any other entity or organization; provided that in the context of a Change of Control, a Person does not include the Issuer’s board of directors or any other governing board and does not include the Issuer’s wholly-owned direct or indirect Subsidiaries.

“Principal Subsidiary” means any Subsidiary (as defined below) of the Issuer (i) whose gross revenues, as shown by the latest audited income statement (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary, exceed 10% of the consolidated gross revenues as shown by the then latest published audited consolidated income statement of the Issuer and its Subsidiaries; (ii) whose gross assets, as shown by the latest audited balance sheet (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary, exceed 10% of the gross consolidated assets as shown by the then latest published audited consolidated balance sheet of the Issuer and its Subsidiaries; or (iii) to which is transferred the whole or substantially the whole of the assets and undertaking of a Subsidiary which immediately prior to such transfer is a Principal Subsidiary, provided that, in such a case, the Subsidiary so transferring its assets and undertaking shall thereupon cease to be a Principal Subsidiary unless such Subsidiary would continue to be a Principal Subsidiary on the basis of such accounts by virtue of the provisions of paragraph (i) above. References to the audited income statement and balance sheet of a Subsidiary which has subsidiaries shall be construed as references to the audited consolidated income statement and consolidated balance sheet of such Subsidiary and its subsidiaries, if such are required by law to be produced, or if no such income statement or balance sheet is required by law to be produced or is not produced when the Subsidiary becomes a Principal Subsidiary, to a pro forma income statement or balance sheet for the purpose of such determination.

“Purchase Date” has the meaning specified under the caption “— Repurchase Procedures” above.

“Redemption Date” means, with respect to any Bond, (i) the date fixed for redemption of such Bond pursuant to a notice of redemption given by the Issuer in accordance with the provisions of the Indenture; or (ii) the Maturity Date of such Bond if such Bond has not been redeemed, repurchased and canceled or converted in accordance with its terms prior to the Maturity Date.

“Securities Act” means the United States Securities Act of 1933, as amended.

“Subsidiary” means, with respect to any Person, (a) any entity which is controlled or of which more than 50% of its Capital Stock is owned directly or indirectly by such Person, or (b) any entity which at any time has its accounts consolidated with those of that Person or which, under the law, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such Person from time to time, should have its accounts consolidated with those of that Person.

“Taxing Authority” means any government or political subdivision or any authority or agency thereof, having the legal power and authority to levy a mandatorily payable charge, assessment or tax.

“Trading Day” means (a) with respect to the Common Shares, a day when the TWSE is open for business, provided, however, if no transaction price or closing bid and offered prices are reported by the TWSE in respect of the Common Shares for one or more Trading Days, such day or days will be disregarded in any relevant calculation and will be deemed not to have existed when ascertaining any period of consecutive Trading Days and (b) with respect to Capital Stock of the Issuer (other than Common Shares), a day on which any securities exchange or quotation

system selected by the Issuer and notified to the Paying Agent for this purpose (the “Selected Exchange”) on which shares of such Capital Stock (other than Common Shares) are quoted or traded is open for trading or quotation; provided, however, if no bid price is reported by the Selected Exchange in respect of such Capital Stock (other than Common Shares) for one or more Trading Days, such day or days will be disregarded in any relevant calculation and will be deemed not to have existed when ascertaining any period of consecutive Trading Days.

“TWSE” means the Taiwan Stock Exchange Corporation.

Certain Covenants

Negative Pledge

So long as any Bond remains outstanding, the Issuer shall not, and shall ensure that none of its Principal Subsidiaries will, create or permit to subsist any Lien on any of its or, as the case may be, such Principal Subsidiary’s, property, assets or revenues, present or future, to secure for the benefit of the holders of any International Investment Securities (as defined below) (i) payment of any sum owing in respect of any such International Investment Securities, (ii) any payment under any guarantee of any such International Investment Securities or (iii) any payment under any indemnity or other like obligation relating to any such International Investment Securities, unless contemporaneously therewith effective provision is made to secure the Bonds (a) equally and ratably with such International Investment Securities with a similar Lien on the same property, assets or revenues securing such International Investment Securities for so long as such International Investment Securities are secured by such Lien or (b) with such other security, guarantee, indemnity or other arrangement as shall be approved by registered Holders holding not less than 50% of the principal amount of the outstanding Bonds.

As used herein, “International Investment Securities” means bonds, debentures, notes or other similar investment securities of the Issuer or any other person evidencing indebtedness with a maturity of not less than one year from the issue date thereof, or any guarantees thereof, which (i) either (A) are by their terms payable, or confer a right to receive payment, in any currency other than NT Dollars or (B) are denominated in NT Dollars and more than 50% of the aggregate principal amount thereof is initially distributed outside the ROC by or with the consent of the Issuer and (ii) are for the time being, or are intended to be, quoted, listed, ordinarily dealt in or traded, in each case primarily, on any stock exchange or over-the-counter or other securities market outside the ROC.

Consolidation, Amalgamation or Merger

The Issuer shall not consolidate with, merge or amalgamate into or transfer or convey all or substantially all of its properties and assets to, any Person (the consummation of any such event, a “Merger”), unless:

- (i) the corporation formed by such Merger or the Person that acquired such properties and assets shall expressly assume, by an indenture supplemental to the Indenture, all obligations of the Issuer under the Indenture and the performance of every covenant and agreement applicable to it contained therein;
- (ii) immediately after giving effect to any such Merger, no Default or Event of Default shall have occurred or be continuing or would result therefrom;
- (iii) the Issuer at least 20 Business Days prior to the Merger has delivered to the Trustee an officer’s certificate stating that such Merger complies with the provisions of the Indenture relating to this matter and that all conditions precedent therein provided for or relating to such Merger have been complied with;
- (iv) the corporation formed by such Merger, or the Person that acquired such properties and assets, shall expressly agree to (A) indemnify each holder of a Bond against any tax, assessment or governmental charge payable by withholding or deduction thereafter imposed on such holder solely as a consequence of such Merger with respect to the payment of principal of and other amounts on the Bonds and (B) if organized under the laws of a jurisdiction other than the ROC, to deliver a substitute undertaking to the Trustee to pay any additional amounts as may be necessary in order that the net amounts received by the holders of the Bonds, after any withholding or deduction of any such tax, assessment or other governmental charge shall equal the respective amounts of the principal of and Additional Amounts on the Bonds, which would have been receivable in respect of the Bonds in the absence of such Merger. No successor corporation or other Person shall have the right to redeem the Bonds unless the Issuer would have been entitled to redeem the Bonds pursuant to the Indenture in the absence of the Merger; and

- (v) the Issuer shall as soon as practicable on or prior to the Merger, deliver to the Trustee an opinion satisfactory to the Trustee of counsel(s) of recognized standing that the condition in paragraph (i) above has been satisfied.

In the event of any such Merger, the provisions described under “— Additional Amounts” and “— Redemption for Taxation Reasons” above will be applicable to the corporation formed by such Merger or the Person acquiring such properties and assets as appropriate, and any reference to the Issuer shall be read to include such successor person.

Conversion

Conversion Right

Each Holder will have the right (the “Conversion Right”) during the Conversion Period to convert its Bonds (being US\$200,000 in principal amount or an integral multiple of US\$100,000 in excess thereof), at the option of such converting Holder, upon delivery of an irrevocable notice (the “Conversion Notice”) at the office of any Paying Agent, on any Business Day prior to the close of business at the location of the Paying Agent to which such Conversion Notice is delivered, into Common Shares; provided, however, that the Conversion Right during any Closed Period (as defined below) shall be suspended and the Conversion Period shall not include any such Closed Period. “Closed Period” means (i) the 60-day period immediately prior to the date of any of the Issuer’s ordinary shareholders’ meetings; (ii) the 30-day period immediately prior to the date of any of the Issuer’s extraordinary shareholders’ meetings; (iii) the period from the fifteenth business day prior to the fifth day before the record date (inclusive) for the determination of the shareholders entitled to the receipt of dividends, subscription of new Common Shares due to capital increase or other benefits and bonuses to such record date; (iv) the period from the record date of any capital reduction to the day immediately preceding the date on which the Common Shares resume trading after such capital reduction; (v) the period from the commencement of the suspension of the conversion in respect of the change of par value of the Common Shares to the day immediately preceding the date on which the reissued Common Shares resume trading after such change of par value of the Common Shares; and (vi) such other periods during which the Issuer may be required to close its stock transfer books under the ROC laws and regulations and the rules of the TWSE applicable from time to time. The Issuer shall procure that Holders (and other applicable parties) are given at least 7 days’ but not more than 60 days’ prior notice of any Closed Period in accordance with the provisions of the Indenture.

The number of Common Shares to be issued upon conversion will be determined by dividing the aggregate principal amount of all the Bonds to be converted by such Holder (translated into NT Dollars at the Fixed Exchange Rate) by the Conversion Price in effect on the Conversion Date (as defined below). Fractions of Common Shares will not be issued on conversion, and the Issuer will pay in US Dollars for any fraction of a Common Share not issued as aforesaid, net of remittance fees, rounding to one US Dollar with US\$0.50 being rounded upwards.

The Conversion Price shall at all times be subject to Anti-dilution Adjustment (as defined below).

On the Conversion Date, the Agents shall be entitled to write down and cancel the relevant Bonds subject to such exercised Conversion Right with no further liability. The Trustee and the Agents shall not be required to monitor or assist with the delivery of Common Shares or for any registration that may arise pursuant to an exercise of a Conversion Right.

Restrictions on Shareholdings by PRC Persons

Under current ROC laws, regulations and policy, a PRC person is not permitted to convert the Bonds and to register as a shareholder of the Issuer unless (i) it is a PRC qualified domestic institutional investor (“QDII”) who will hold less than 10% of the Issuer’s issued shares after conversion of the Bonds, or (ii) it otherwise obtains the approval of the MOEA if all the business items are within the positive list promulgated by the ROC government from time to time and it will hold 10% or more (or other threshold required by the regulators) of the Issuer’s issued shares after conversion of the Bonds. In addition, there are restrictions on the amount remitted to the ROC for investments by QDIIs, separately and jointly. Accordingly, the qualification criteria for a PRC person to make investment and the investment threshold imposed by the FSC and the TWSE might cause a Bondholder who is a PRC person to be unable to convert and hold the Common Shares issuable upon conversion of the Bonds. Under current ROC laws, “PRC person” means an individual holding a passport issued by the PRC, a resident of any area of the PRC under the effective control or jurisdiction of the PRC (but not including a special administrative region of the PRC such as Hong Kong and Macau, if so excluded by applicable laws of the ROC), any agency or instrumentality of the PRC and any corporation, partnership or other entity organized under the laws of any such area, or in countries outside of the ROC or PRC that is directly or indirectly controlled by, or directly or indirectly having more than 30% of its capital owned by, or beneficially owned by any such person, resident, agency, instrumentality, corporation, partnership or entity.

ROC Procedures for Foreign Persons Holding Common Shares

Under current ROC law, a non-ROC converting Holder who is not a PRC person, before exercising the Conversion Right, is required to register with the TWSE for making investments in the ROC securities market. Such non-ROC converting Holder is also required to appoint a local agent in the ROC which meets the qualifications that are set from time to time by the FSC to open a securities trading account with a local brokerage firm and a bank account to remit funds, pay taxes, exercise shareholders' rights and perform such other functions as may be designated by such Holder. In addition, such non-ROC converting Holder must also appoint a custodian in the ROC to hold the securities and any cash proceeds for safekeeping, to make confirmation and settlement of trades and to report all relevant information. Furthermore, such non-ROC converting Holder is required to appoint an agent, referred to as a Tax Guarantor, in the ROC which meets the qualifications that are set from time to time by the Ministry of Finance of the ROC for filing tax returns and making tax payments on their behalf. Without meeting such requirements, such non-ROC converting Holder would not be able to hold or sell or otherwise transfer Common Shares into which the Bonds may be converted on the TWSE or otherwise. For more details, see "Appendix B — Foreign Investment and Exchange Controls in the ROC".

Delivery of Common Shares upon Conversion

Upon a converting Holder exercising its Conversion Right, the Issuer shall as promptly as practicable issue Common Shares upon conversion of Bonds in accordance with the ROC law.

The Issuer's delivery to the Bondholder of the number of Common Shares into which the Bonds are convertible, together with any cash payment for any fraction of Common Shares, will be deemed to satisfy the Issuer's obligation to pay the principal of and other amounts on such Bonds.

See "Risk Factors — Risks Relating to Ownership of the Bonds and the Common Shares — A liquid market for the Bonds may not develop, and the market for the Common Shares may not be liquid."

Procedures; Conversion Notice; Taxes and Duties

In order to effect a conversion, each Holder must complete, execute and deliver at such Holder's expense during the Conversion Period to the office of any Paying Agent on any Business Day prior to the close of business at the location of the Paying Agent, a Conversion Notice, in the form then obtainable from the office of any Paying Agent, together, in the case of Certificated Bonds, with the certificate representing the Bonds to be converted, and any certificates and other documents as may be required under applicable law and any expenses or other payments required to be paid by the Holder pursuant to the terms of the Indenture. The Conversion Notice shall contain, inter alia, an appointment of a local agent by such converting Holder and the name and address of such local agent.

Upon receipt of such Conversion Notices, the Paying Agent shall have not more than one full Business Day to process and transmit such Conversion Notices to the Issuer.

A Conversion Notice once so delivered may not be withdrawn without the consent in writing of the Issuer. Holders who deposit a Conversion Notice during a Closed Period will not be permitted to convert their Bonds until the first Business Day which is a Trading Day following the last day of that Closed Period which (if all other conditions to conversion have been fulfilled) will be the Conversion Date for such Bonds. Such Holders will not be registered as holders until the Conversion Date. The price at which such Bonds will be converted will be the Conversion Price in effect on the Conversion Date.

As conditions precedent to conversion, the Holder must confirm to the applicable Paying Agent that all stamp, issue, registration and similar taxes and duties (if any) arising on conversion in the country in which the Bond is deposited for conversion, or payable in any jurisdiction consequent upon the issue and delivery of Common Shares or any other property or cash upon conversion to or to the order of a person other than the converting Bondholder have been paid to the relevant authority. Except as aforesaid, the Issuer will pay the expenses arising in the ROC on the issue of Common Shares on conversion of Bonds and all charges of the Paying Agents in connection therewith as provided in the Indenture. The date on which any Bond and the Conversion Notice (in duplicate) relating thereto, together with any certificates and other documents as may be required under applicable law, are duly deposited with a Paying Agent without any omission or error to the satisfaction of the Issuer and the payments, if any, required to be paid by the Bondholder are duly made is hereinafter referred to as the "Deposit Date". The "Conversion Date" applicable to a Bond shall mean the next Business Day following the Deposit Date (or the first Business Day which is a Trading Day following the last day of a Closed Period if the related Conversion Notice was deposited during such Closed Period), which day must be a Trading Day and must fall within the Conversion Period. The Holder must therefore satisfy all such conditions on or before the Business Day prior to the end of the Conversion Period.

With effect from the opening of business in the ROC on the Conversion Date, the Issuer will deem the person designated in the Conversion Notice as the person in whose name the Common Shares to be issued upon such conversion are to be registered as the holder of record of the number of Common Shares (disregarding any retroactive adjustment of the Conversion Price referred to below prior to the time such retroactive adjustment shall have become effective), and at such time the rights of such converting Holder as a Holder with respect to the Bonds deposited for conversion shall cease.

On the Conversion Date, the Issuer will register the converting Holder (or its designee) in the Issuer's register of shareholders as the owner of the number of Common Shares to be issued upon conversion of such Bonds and, subject to any applicable limitations then imposed by ROC laws and regulations, according to the request made in the relevant Conversion Notice, procure that, as soon as practicable, and in any event within five Trading Days from the Conversion Date (subject to changes to ROC laws and regulations) (or where the converting Holder has not appointed a local agent, after such local agent is appointed), there be delivered to the local agent appointed by the converting Holder through book-entry system of Taiwan Depository & Clearing Corporation ("TDCC") or through physical delivery of a certificate or certificates for the relevant Common Shares, registered in the name specified for that purpose in the relevant Conversion Notice, together with any other property or cash required to be delivered upon conversion and such assignments and other documents (if any) as may be required by law to effect the delivery thereof.

Adjustments to the Conversion Price

Anti-dilution. The Conversion Price will be subject to adjustment ("Anti-dilution Adjustment") in the circumstances described below:

- (i) If the Issuer shall issue Common Shares as a dividend in Common Shares or make a free distribution or bonus issue of Common Shares which is treated as a capitalization issue for accounting purposes (including but not limited to capitalization of retained earnings or capital reserves), then the Conversion Price in effect on the record date for the determination of the shareholders entitled to receive such dividend and/or distribution shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} \times [N / (N + n)]$$

where:

NCP = the Conversion Price after such adjustment.

OCP = the Conversion Price before such adjustment.

N = the number of Common Shares outstanding at the time of issuance of such dividend and/or distribution (or at the close of business in Taipei on such record date, as the case may be).

n = the number of Common Shares to be distributed to the shareholders as a dividend and/or distribution.

- (ii) If the Issuer shall (a) subdivide its outstanding Common Shares, (b) combine its outstanding Common Shares into a smaller number of Common Shares, or (c) re-classify any of its Common Shares into other securities of the Issuer, then the Conversion Price shall be appropriately adjusted so that the Holder, in respect of the Conversion Date which occurs after the coming into effect of the adjustment described in this subsection (ii), shall be entitled to receive the number of Common Shares and/or other securities of the Issuer which it would have held or have been entitled to receive after the happening of any of the events described above had such Bond been converted immediately prior to the happening of such event (or, if the Issuer has fixed a prior record date for the determination of the shareholders entitled to receive any such securities issued upon any such subdivision, combination or reclassification, immediately prior to such record date), but without prejudice to the effect of any other adjustment to the Conversion Price made with effect from the date of the happening of such event (or such record date) or any time thereafter.
- (iii) If the Issuer shall grant, issue or offer to the holders of Common Shares rights entitling them to subscribe for or purchase Common Shares, which expression shall include those Common Shares which are required to be offered to employees and persons other than shareholders in connection

with such grant, issue or offer, at a consideration per Common Share receivable by the Issuer which is fixed:

- (A) on or prior to the record date mentioned below and is less than the Market Value per Common Share on such record date; or
- (B) after the record date mentioned below and is less than the Market Value per Common Share on the date the Issuer fixes the said consideration,

then the Conversion Price in effect (in the case of (A) above) on the record date for the determination of the shareholders entitled to receive such rights or (in the case of (B) above) on the date the Issuer fixes the said consideration shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} \times [(N + v) / (N + n)]$$

where:

NCP and OCP have the meanings ascribed thereto in subsection (i) above.

- N = the number of Common Shares outstanding at the close of business in the ROC (in the case of (A) above) on such record date or (in the case of (B) above) on the date the Issuer fixes the said consideration.
- n = the number of Common Shares to be issued in connection with such rights issue at the said consideration.
- v = the number of Common Shares which the aggregate consideration receivable by the Issuer would purchase at such Market Value specified in (A) or, as the case may be, (B) above.

Subject as provided below, such adjustment shall become effective immediately after the latest date for the submission of applications of such Common Shares by shareholders entitled to the same pursuant to such rights or (if later) immediately after the Issuer fixes the said consideration but retroactively to immediately after the record date mentioned above.

If, in connection with a grant, issue or offer to the holders of Common Shares of rights entitling them to subscribe for or purchase Common Shares, any Common Shares which are not subscribed for or purchased by the persons entitled thereto are purchased by other persons after the latest date for the submission of applications for such Common Shares, an adjustment shall be made to the Conversion Price in accordance with the above provisions which shall become effective immediately after the date the Issuer receives the consideration in full, from such other persons but retroactively to immediately after the record date mentioned above.

If, in connection with a grant, issue or offer to the holders of Common Shares of rights entitling them to subscribe for or purchase Common Shares, any such Common Shares which are not subscribed for or purchased by such other persons as referred to above or by the persons entitled thereto (or persons to whom shareholders have transferred such rights) who have submitted applications for such Common Shares as referred to above are offered to and/or subscribed by others, no further adjustment shall be made to the Conversion Price by reason of such offer and/or subscription.

- (iv) If the Issuer shall grant, issue or offer to the holders of Common Shares warrants entitling them to subscribe for or purchase Common Shares at a consideration per Common Share receivable by the Issuer which is fixed:
 - (A) on or prior to the record date for the determination of the shareholders entitled to receive such warrants and is less than the Market Value per Common Share at such record date; or
 - (B) after the record date mentioned above and is less than the Market Value per Common Share on the date the Issuer fixes the said consideration,

then the Conversion Price in effect (in a case within (A) above) on the record date for the determination of the shareholders entitled to receive such warrants or (in a case within (B) above) on the date the Issuer fixes the said consideration shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} \times [(N + v) / (N + n)]$$

where:

NCP and OCP have the meanings ascribed thereto in subsection (i) above.

N = the number of Common Shares outstanding at the close of business in the ROC (in the case of (A) above) on such record date or (in the case of (B) above) on the date the Issuer fixes the said consideration.

n = the number of Common Shares initially to be issued upon exercise of such warrants at the said consideration where no applications by shareholders entitled to such warrants are required. Where applications by shareholders entitled to such warrants are required, n equals the number of such Common Shares that equals (a) the number of warrants which underwriters have agreed to underwrite as referred to below or, as the case may be, (b) the number of warrants for which applications are received from shareholders as referred to below except to the extent already adjusted for under (a).

v = the number of Common Shares which the aggregate consideration receivable by the Issuer would purchase at such Market Value per Common Share specified in (A) or, as the case may be, (B) above.

Subject as provided below, such adjustment shall become effective, where applications by shareholders entitled to the same are required as aforesaid, immediately after the latest date for the submission of such applications or (if later) immediately after the Issuer fixes the said consideration but retroactively to immediately after the record date mentioned above.

If, in connection with a grant, issue or offer to the holders of Common Shares of warrants entitling them to subscribe for or purchase Common Shares where applications by shareholders entitled to the same are required, any warrants which are not subscribed for or purchased by the shareholders entitled thereto are purchased by other persons after the latest date for the submission of applications for such warrants, an adjustment shall be made to the Conversion Price in accordance with the above provisions which shall become effective immediately after the date the Issuer receives the consideration in full, from such other persons but retroactively to immediately after the record date mentioned above.

If, in connection with a grant, issue or offer to the holders of Common Shares of warrants entitling them to subscribe for or purchase Common Shares where applications by shareholders entitled to the same are required, any such warrants which are not subscribed for or purchased by such other persons as referred to above or by the shareholders entitled thereto (or persons to whom shareholders have transferred the right to purchase such warrants) who have submitted applications for such warrants as referred to above are offered to and/or subscribed by others, no further adjustment shall be made to the Conversion Price by reason of such offer and/or subscription.

- (v) In case the Issuer or any Subsidiary of the Issuer shall distribute to all holders of Common Shares, any shares of Capital Stock of the Issuer other than Common Shares, evidences of indebtedness or other assets (other than cash distributions described below) of the Issuer, or rights or warrants to subscribe for or purchase any Capital Stock of the Issuer (other than Common Shares) at less than the Market Value of such indebtedness, assets or Capital Stock, determined as of the date on which the Board of Directors of the Issuer approves such distribution, then in each such case the Conversion Price shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} \times [(M - \text{fmv}) / M]$$

where:

NCP and OCP have the meanings ascribed thereto in subsection (i) above.

M = the Market Value per Common Share on the record date for the determination of shareholders entitled to receive such distribution.

fmv = the Fair Market Value (as determined by an independent financial institution selected by the Issuer, at the expense of the Issuer and promptly notified in writing to the Trustee) of the portion of Capital Stock other than Common Shares, evidences of indebtedness or other assets so distributed applicable to one Common Share less any consideration payable for the same by the relevant Shareholder.

- (vi) In case the Issuer shall, by dividend or otherwise, distribute to all holders of Common Shares cash then, in such case, the Conversion Price shall be adjusted downward, not upward (with such adjustment to be effective on the record date for the determination of the shareholders entitled to receive such distribution) in accordance with the following formula and rounded to the nearest cent of a NT Dollar;

$$\text{NCP} = \text{OCP} \times [1 - (C/M)]$$

where:

NCP and OCP have the meanings ascribed thereto in subsection (i) above.

C = the amount of cash so distributed applicable to one Common Share.

M = the Market Value per Common Share on such record date.

If such dividend or distribution is not so paid or made, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such dividend or distribution had not been approved.

- (vii) (A) If the Issuer shall reduce its share capital other than by means of canceling any Common Shares repurchased for the purpose of holding such Common Shares in treasury and does not distribute any cash in connection with such share capital reduction, then the Conversion Price in effect on the record date of such capital reduction shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} \times (N/n)$$

where:

NCP and OCP have the meanings ascribed thereto in subsection (i) above.

N = the number of Common Shares outstanding immediately prior to such capital reduction.

n = the number of Common Shares outstanding immediately after such capital reduction.

For the avoidance of doubt, no adjustment to the Conversion Price under this subsection will be required if the Issuer cancels any Common Shares repurchased for the purpose of holding such Common Shares in treasury.

- (B) If the Issuer shall reduce its share capital other than by means of canceling any Common Shares repurchased for the purpose of holding such Common Shares in treasury and shall distribute cash in connection with such share capital reduction, the Conversion Price then in effect on the record date of such capital reduction shall be adjusted in accordance with the following formula:

$$\text{NCP} = (\text{OCP} \times (1 - C/c) \times (N/n))$$

where:

NCP and OCP have the meanings ascribed thereto in subsection (i) above.

N and n have the meanings ascribed thereto in clause (A) of this subsection above.

C = the amount of cash distributed per Common Share.

c = the Closing Price on the last Trading Day prior to the reissuance of Common Shares.

For the avoidance of doubt, no adjustment to the Conversion Price under this subsection will be required if the Issuer cancels any Common Shares repurchased for the purpose of holding such Common Shares in treasury.

(C) Effective date of adjustment: Such adjustment shall become effective immediately on the record date of such capital reduction.

- (viii) In case a tender or exchange offer made by the Issuer or any Subsidiary of the Issuer for all or any portion of the Common Shares shall expire and such tender or exchange offer shall involve the payment by the Issuer or such Subsidiary of consideration per Common Share having a Fair Market Value (as determined by an independent financial institution selected by the Issuer, at the expense of the Issuer and promptly notified in writing to the Trustee) at the last time (the "Expiration Date") tenders or exchanges could have been made pursuant to such tender or exchange offer (as it shall have been amended) that exceeds the Market Value per Common Share, as of the Expiration Date, the Conversion Price shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} \times [(N \times M) / (a + [(N - n) \times M])]$$

where:

NCP and OCP have the meanings ascribed thereto in subsection (i) above.

N = the number of Common Shares outstanding (including any tendered or exchanged Common Shares) on the Expiration Date.

M = Market Value per Common Share as of the Expiration Date.

a = the Fair Market Value of the aggregate consideration payable to the holders of Common Shares based on the acceptance (up to a maximum specified in the terms of the tender or exchange offer) of all Common Shares validly tendered or exchanged and not withdrawn as of the Expiration Date (the Common Shares deemed so accepted up to any such maximum, being referred to as the "Purchased Shares").

n = the number of Purchased Shares.

such reduction to become retroactively effective immediately prior to the opening of business on the day following the Expiration Date.

If the Issuer is obligated to purchase Common Shares pursuant to any such tender or exchange offer, but the Issuer is permanently prevented by applicable law from effecting any such purchase or all such purchases are rescinded, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such tender or exchange offer had not been made.

- (ix) In case the Issuer issues Common Shares (other than (A) Common Shares issued upon conversion or exchange of any convertible or exchangeable securities (including the Bonds) issued by the Issuer; (B) Common Shares issued upon exercise of any rights or warrants granted, offered or issued by the Issuer; (C) Common Shares issued as stock-based employee compensation; or (D) Common Shares issued in any of the circumstances described in subsections (i) and (ii)) or the Issuer or any Subsidiary of the Issuer shall issue any securities initially convertible into or exchangeable for

Common Shares at a price per Common Share less than the Market Value per Common Share determined as of the date on which the Board of Directors or shareholders' meeting of the Issuer or such Subsidiary, if applicable, approves such issuance, the Conversion Price in effect immediately prior to the date of issue of such Common Shares or convertible or exchangeable securities shall be adjusted and become effective in accordance with the following formula:

$$\text{NCP} = \text{OCP} \times [(N + v) / (N + n)]$$

where:

NCP and OCP have the meanings ascribed thereto in subsection (i) above.

- N = the number of Common Shares outstanding on the date of issuance of such Common Shares or initially convertible or exchangeable securities, immediately prior to such issuance.
- n = the number of Common Shares issued or issuable upon conversion or exchange of such initially convertible or exchangeable securities.
- v = the number of Common Shares which the aggregate consideration issue price of the total amount of Common Shares would purchase at Market Value; in the case of convertible or exchangeable securities, the number of Common Shares which the conversion price or exchange price of the newly issued securities multiply by "n" would purchase at Market Value; provided that if the new Common Shares are issued by the Issuer to exchange for the total outstanding shares of an entity to be consolidated with, merged or amalgamated into the Issuer, such "aggregate consideration issue price of the total amount of Common Shares" shall mean the aggregate amount of the fair value per common share of such entity multiplied by "n" and further multiplied by the applicable share swap ratio under such consolidation, merger or amalgamation. The fair value per common share of such entity shall be (x) in the case of a listed company, the closing price of its common share on the date on which the share swap ratio was approved by the shareholder's meeting; or (y) in the case of a private company, the fair value falling into the fair value of such entity as determined by an independent expert in its fairness opinion, times the share swap ratio.

If the conversion or exchange right of any such convertible or exchangeable securities expires prior to exercise, the Conversion Price shall be readjusted to reflect the actual securities converted or exchanged.

- (x) In case the Issuer reissues the Common Shares to change the par value of the Common Shares, then the Conversion Price shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} \times (N / n)$$

where:

NCP and OCP have the meanings ascribed thereto in subsection (i) above.

N = the number of Common Shares outstanding immediately prior to such change of par value of Common Shares.

n = the number of Common Shares outstanding immediately after such change of par value of Common Shares.

Such adjustment shall become effective immediately on the record date for exchanging the Common Share with new par value for the Common Shares with original par value.

- (xi) If the Issuer shall declare a dividend in, or make a free distribution or bonus issue of, Common Shares which dividend, issue or distribution is to be paid or made to shareholders as of a record date which is also:

- (A) the record date for the issue of any rights or warrants which requires an adjustment of the Conversion Price pursuant to subsections (iii) or (iv) above;
- (B) the day immediately before the date of issue of any securities convertible into or exchangeable for Common Shares which requires an adjustment of the Conversion Price pursuant to subsection (ix) above;
- (C) the day immediately before the date of a distribution which requires an adjustment of the Conversion Price pursuant to subsection (v) above;
- (D) the record date for distribution of cash which requires an adjustment of the Conversion Price pursuant to subsection (vi) above;
- (E) the record date of capital reduction which requires an adjustment of the Conversion Price pursuant to subsection (vii) above;
- (F) the record date for exchanging the Common Share with new par value for the Common Shares with original par value which requires an adjustment of the Conversion Price pursuant to subsection (x) above;
- (G) the Expiration Date with respect to any tender or exchange offer which requires an adjustment to the Conversion Price pursuant to subsection (viii) above; or
- (H) the relevant date for an analogous event or circumstance which requires an adjustment to the Conversion Price;

then (except where such dividend, bonus issue or free distribution gives rise to a retroactive adjustment of the Conversion Price under subsections (i) or (ii) above) no adjustment of the Conversion Price in respect of such dividend, bonus issue or free distribution shall be made under the relevant subsections, but in lieu thereof an adjustment shall be made (A) under subsections (iii), (iv), (ix) or (x) above, as applicable, by including in the denominator of the fraction described therein the aggregate number of Common Shares to be issued pursuant to such dividend, bonus issue or free distribution and (B) under subsections (v), (vi), (vii) and (viii) above, as applicable, by multiplying the Conversion Price after the adjustment under such subsections by a fraction the numerator of which is the number of Common Shares outstanding on the record date and the denominator of which is the sum of such number of Common Shares outstanding and the aggregate number of Common Shares to be issued pursuant to such dividends, bonus issue or free distribution.

- (xii) In case of a Merger of the Issuer, each Bond then outstanding shall, without the consent of any Bondholders, become convertible only into the kind and amount of securities, cash and other property receivable upon such Merger by a holder of the number of Common Shares, into which such Bonds could have been converted immediately prior to such Merger. The corporation formed by such Merger or the Person that acquired such properties and assets shall enter into a supplemental indenture with the Trustee to provide for the continuation of the Conversion Rights to continue after such Merger and such supplemental indenture shall provide for adjustments to the Conversion Price which shall be as nearly equivalent as practicable to the adjustments provided in the Indenture provided that where there has been a Change of Control pursuant to such a Merger, a Holder may exercise its Change of Control Put Right as set forth in “— Repurchase in the Event of Change of Control”.

If any event or circumstance analogous to the events and circumstances described in subsections (i) through (x) occur, the Conversion Price shall be adjusted as set forth in the analogous subsection in the Indenture.

For the avoidance of doubt, no adjustment to the Conversion Price will be required if an equity placement is conducted by the Issuer concurrently with the Offering of the Bonds.

Provisions Applicable to All Conversions and Adjustments of Conversion Price

No adjustment of the Conversion Price will be required to be made until cumulative adjustments, required to be made in the circumstances set forth above, amount to 1.0% or more of the Conversion Price as last adjusted. However, any adjustment, required to be made in the circumstances set forth above, which is not made because of failure to

meet the 1.0% threshold, will be carried forward. Except as otherwise described below, the Conversion Price may at any time be reduced by the Issuer.

The Issuer will not take any action which would reduce the Conversion Price per Common Share below the par value of the Common Shares (currently NT\$10 per share), unless, under applicable law then in effect, the Bonds could be converted at such reduced Conversion Price into legally issued, fully-paid and non-assessable Common Shares.

All calculations relating to conversion, including adjustments of the Conversion Price, will be made to the lower 0.001 of a share of securities or other property or nearest cent, as the case may be.

Whenever the Conversion Price is adjusted, the Issuer will promptly file with the Paying Agent an officer's certificate setting forth the date on which such adjustment became effective, the Conversion Price after such adjustment and prior to such adjustment and setting forth a brief statement of the facts requiring such adjustment. Promptly after receipt of such certificate, the Paying Agent will prepare a notice of such adjustment of the Conversion Price setting forth the adjusted Conversion Price, the Conversion Price prior to such adjustment, a brief statement of the facts requiring such adjustment and the date on which such adjustment became effective and shall give such notice of such adjustment of the Conversion Price to each Holder of a Bond.

Events of Default; Notice and Waiver

The Indenture provides that, if one or more of the following events or conditions (each an "Event of Default") shall have occurred, either the Trustee or the Holders of not less than 25% in aggregate principal amount of the Bonds then outstanding may declare the Bonds to be immediately due and payable at the Settlement Equivalent of the Early Redemption Amount, Additional Amounts, if any, and other amounts. In the case of certain events of bankruptcy or insolvency, the Bonds shall automatically become and be immediately due and payable at the Settlement Equivalent of the Early Redemption Amount, Additional Amounts, if any, and other amounts. Under certain circumstances, the Holders of a majority in aggregate principal amount of the outstanding Bonds may rescind any such acceleration with respect to the Bonds and its consequences.

Under the Indenture, Events of Default include:

- (i) default in payment of the principal of any Bond, as and when the same becomes due and payable, and continuance of such default for three Business Days;
- (ii) default in the payment of Additional Amounts upon any Bond as and when the same becomes due and payable, and continuance of such default for five Business Days;
- (iii) failure by the Issuer to deliver the Common Shares as and when such Common Shares are required to be delivered following conversion of a Bond and which default is not remedied within five Business Days;
- (iv) failure on the part of the Issuer duly to observe or perform any of the covenants or agreements provided in the Bonds or the Indenture (other than those referred to in clauses (i), (ii) or (iii) above) which failure cannot be remedied or, if such failure is capable of being remedied, is not remedied within 30 days after the date on which written notice thereof requiring the Issuer to remedy the same shall have been given to the Issuer by the Trustee or the Holders of at least 25% in aggregate principal amount of the Bonds then outstanding;
- (v) there shall have been entered against the Issuer or any of its Principal Subsidiaries a final judgment, decree or order by a court of competent jurisdiction for the payment of money in excess of US\$40 million with respect to the Issuer or any of its Principal Subsidiaries (or its equivalent in any other currency or currencies) and 60 days shall have passed since the entry of the order without it being bonded, satisfied, discharged or stayed;
- (vi) (A) the Issuer or any of its Principal Subsidiaries shall fail to make any payment with respect to present or future Debt (other than the Bonds) in an aggregate principal amount in excess of US\$40 million with respect to the Issuer or any of its Principal Subsidiaries (or its equivalent in any other currency or currencies) when and as the same shall become due and payable, if such failure shall continue for more than the period of grace, if any, originally applicable thereto or (B) the Issuer or any of its Principal Subsidiaries shall fail to perform or observe any covenant or agreement to be performed or observed by the Issuer or any of its Principal Subsidiaries contained in any agreement or instrument evidencing Debt (other than the Bonds) in an aggregate principal amount in excess of

US\$40 million with respect to the Issuer or any of its Principal Subsidiaries (or its equivalent in any other currency or currencies) and such failure results in the acceleration of the maturity of any amount owing thereunder;

- (vii) a decree or order by a court having jurisdiction shall have been entered under any applicable bankruptcy, insolvency, reorganization or other similar law (A) adjudging the Issuer or any of its Principal Subsidiaries as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization of the Issuer or any of its Principal Subsidiaries or (B) appointing a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Issuer or any of its Principal Subsidiaries or of its property or (C) ordering the winding up or liquidation of the affairs of the Issuer or any of its Principal Subsidiaries and in any such case such decree or order shall have continued undischarged and unstayed for a period of 60 days;
- (viii) the Issuer or any of its Principal Subsidiaries shall voluntarily commence proceedings to be adjudicated a bankrupt or insolvent, or shall consent to the filing of a bankruptcy or insolvency proceeding against it, or shall file a petition or answer or consent seeking reorganization under any applicable bankruptcy, insolvency, reorganization or other similar law or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or its property, or shall make an assignment for the benefit of creditors;
- (ix) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any material part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries and is not discharged within 60 days;
- (x) any step is taken by any person with a view to the expropriation or nationalization of all or a material part of the assets of the Issuer or any of its Principal Subsidiaries;
- (xi) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorization, exemption, filing, license, order, recording or registration) at any time required to be taken, fulfilled or done in order (a) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds and the Indenture, (b) to ensure that those obligations are legally binding and enforceable, and (c) to make the Bonds and the Indenture admissible in evidence in the courts of the ROC is not taken, fulfilled or done and, in the case of paragraph (c), if capable of being remedied, is not remedied within 30 days after the date of the Trustee's notice;
- (xii) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Bonds or the Indenture; or
- (xiii) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of paragraphs (i) to (xii) (both inclusive).

If an Event of Default shall have occurred and be continuing, interest shall accrue on the overdue sum at the rate of 3.875% per annum from the due date and ending on the date on which payment is made to the Holders in respect thereof (both dates inclusive). Such default interest shall accrue on the basis of the actual number of days elapsed and a 360-day year consisting of 12 months of 30 days each.

The Trustee shall, within 30 days after the occurrence of any Default, give Holders notice of all Defaults of which the Trustee shall have received written notice, unless such Defaults shall have been cured or waived and the Trustee shall have been notified so in writing before the giving of such notice.

The Holders of a majority in aggregate principal amount of the outstanding Bonds may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee; provided that such direction shall not be in conflict with any law or the Indenture and subject to certain other limitations. The Trustee may refuse to perform any duty, exercise any right or power, extend or risk its own funds or otherwise incur any financial liability, unless it receives indemnity and/or security satisfactory to it against any loss, liability or expense. For the avoidance of doubt, for so long as the Bonds are represented by one or more Global Bond and such Global Bond are registered in the name of the Common Depository or its nominee or held through Euroclear or Clearstream, the Trustee may treat the beneficial owner(s) of the Global Bond as the "Holder" of such principal amount of the Bonds so held by such beneficial owner(s) (as shown in the records of

Euroclear or Clearstream at the relevant time) for purposes of the provision of directions or instructions to the Trustee. No Holder will have the right to pursue any remedy with respect to the Indenture or the Bonds, unless:

- (i) such Holder shall have previously given the Trustee written notice of a continuing Event of Default;
- (ii) the Holders of at least 25% in aggregate principal amount of the outstanding Bonds shall have made a written request to the Trustee to pursue such remedy;
- (iii) such Holder or Holders shall have offered to the Trustee security and/or indemnity against any loss, liability or expense satisfactory to it;
- (iv) the Trustee shall have failed to comply with the request within 60 days after receipt of such notice, request and provision of security or indemnity; and
- (v) the Holders of a majority in aggregate principal amount of the outstanding Bonds shall not have given the Trustee a direction inconsistent with such request within 60 days after receipt of such request.

The right of any Holder (i) to receive payment of the principal of the Bonds, Additional Amounts, the Holder's Put Price upon exercise of the Holder's Put Right, the Delisting Put Price upon exercise of the Delisting Put Right or the Change of Control Put Price upon exercise of the Change of Control Put Right, or to receive Common Shares on or after any Redemption Date, Purchase Date or Conversion Date, as the case may be, (ii) to convert its Bonds or (iii) to bring suit for the enforcement of any such right, shall not be materially impaired or materially adversely affected without such Holder's consent.

The Holders of a majority in aggregate principal amount of Bonds at the time outstanding may waive any existing Default and its consequences, except (i) any default in any payment on the Bonds, (ii) any default with respect to the Conversion Rights of Holders or (iii) any default with respect to certain covenants or provisions in the Indenture which may not be modified without the consent of the Holder as described in "— Meeting of Bondholders; Modification and Waiver" below. When a Default is waived, it is deemed cured and shall cease to exist, but no such waiver shall extend to any subsequent or other Default or impair any consequent right.

The Trustee and the Agents shall not be required to take any steps to ascertain whether an Event of Default or any event which could lead to the occurrence of an Event of Default has occurred and will not be responsible to Holders or any other person for any loss arising from any failure by it to do so. The Trustee or the Agents shall be entitled to assume that no such event has occurred and that the Issuer is performing all its obligations under the Indenture and the Bonds until they have received written notice to the contrary from the Issuer. The Trustee is entitled to rely on any opinion of counsel or officer's certificate regarding whether an Event of Default has occurred.

The Issuer will be required to furnish to the Trustee annually, and within 14 days at the request of the Trustee, a statement concerning the performance and observance of its obligations under the Bonds or the Indenture. In addition, the Issuer is required to file promptly with the Trustee written notice of the occurrence of any Default or Event of Default, specifying each such default and the nature and status thereof.

Prescription

Claims in respect of payment of the principal of or other amounts on the Bonds will be prescribed unless made within a period of six years from the relevant due date of payment in respect thereof.

Under ROC laws, claims in respect of the payment of (a) principal and (b) premium and default interest would become unenforceable after 15 years and 5 years, respectively from the relevant due date of payment in respect thereof.

Meeting of Bondholders; Modification and Waiver

The Indenture contains provisions for convening meetings (including by way of teleconference or videoconference call) of the Holders to consider any matter affecting their interests, including the approval of certain amendments or modifications of the Bonds or the provisions of the Indenture upon either the written consent of the Holders of a majority in aggregate principal amount of the outstanding Bonds or the approval at a meeting of the Holders duly called by persons entitled to vote a majority in principal amount of the outstanding Bonds. The quorum at any such meeting shall be two or more persons entitled to vote a majority in principal amount of the outstanding Bonds.

Modifications and amendments of the Indenture or the Bonds may be made by the Issuer and the Trustee with the written consent of the Holders of not less than a majority in aggregate principal amount of the outstanding Bonds; provided that no such modification or amendment may, without the consent of the Holders of not less than 75% in aggregate principal amount of the outstanding Bonds:

- (i) change the Maturity Date of the principal of any Bond;
- (ii) change the Bondholder's Put Option Date;
- (iii) reduce the principal of or other amounts on any Bond or Settlement Equivalent payable in respect of the Bonds, or change the method of calculation of the Settlement Equivalent;
- (iv) increase the then current Conversion Price (except as required by the anti-dilution provisions of the Indenture);
- (v) change the place or currency of payment of the principal of or other amounts on any Bond or the method of calculating any such payment;
- (vi) impair the right to institute suit for the enforcement of any payment on or after the Maturity Date (or, in the case of a redemption, on or after the Redemption Date) of any Bond;
- (vii) alter the obligations of the Issuer under "— Certain Covenants — Negative Pledge", "— Certain Covenants — Consolidation, Amalgamation or Merger" or "— Additional Amounts" above;
- (viii) materially adversely affect the Conversion Right, the Holder's Put Right, the Delisting Put Right or the Change of Control Put Right;
- (ix) modify the obligations of the Issuer to maintain an office or agency in Dublin, Ireland or London, England;
- (x) reduce the above-stated percentage of outstanding Bonds the consent of whose Holders is necessary to modify or amend the Indenture;
- (xi) reduce the percentage or aggregate principal amount of outstanding Bonds the consent of whose Holders is necessary for waiver of compliance with certain provisions of the Indenture or for waiver of certain Defaults;
- (xii) modify any of the percentage voting and quorum provisions described under "—Meeting of Bondholders; Modification and Waiver"; or
- (xiii) release the Issuer from any obligation under the Indenture other than in accordance with the provisions of the Indenture, or amend or modify any provision relating to such release in a manner that materially adversely affects the rights of the Holders.

Neither the Issuer nor any of its Subsidiaries will, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Bonds, unless such consideration is offered to be paid or agreed to be paid to all Holders that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or amendment.

Without the consent of any Holder, the Issuer together with the Trustee may amend the Indenture to:

- (i) cure any ambiguity, manifest errors, defect or inconsistency in the Indenture or the Bonds;
- (ii) provide for the assumption of the Issuer's obligations under the Bonds and the Indenture by the surviving Person in a Merger effected in accordance with the provisions of the Indenture described under "— Certain Covenants — Consolidation, Amalgamation or Merger" above;
- (iii) make any other change that does not materially adversely affect the rights of any Holder;
- (iv) make any change necessary to comply with applicable ROC laws and regulations; or

- (v) add to the covenants or obligations of the Issuer under the Indenture or decrease the Conversion Price at the discretion of the Issuer or surrender any right, power or option conferred by the Indenture on the Issuer.

Notices

Whenever the Indenture provides for notice to be given to Holders, such notice will be validly given (except as otherwise expressly provided) if in writing and delivered to each Holder entitled thereto, at such Holder's address as it appears on the Bond register. Any such notice shall be deemed to have been given on the seventh day after being so delivered. Notwithstanding the foregoing, so long as the Bonds are represented by the Global Bonds and the Global Bonds are held on behalf of Euroclear and Clearstream, notice to Holders may be given by delivery of the relevant notice to Euroclear and Clearstream or their successor clearing systems for communication by them to entitled accountholders in substitution for notification as required by the foregoing sentence.

Concerning the Trustee

The Indenture provides that, prior to the occurrence of an Event of Default, the Trustee will not be liable except for the performance of such duties as are specifically set forth in such Indenture and no implied covenant, duty or obligation shall be read into the Indenture, the Bonds or any documents to which the Trustee is a party against the Trustee. If an Event of Default has occurred and is continuing, the Trustee will be obligated to use the same degree of care and skill as a prudent person would exercise under the circumstances in the conduct of such person's own affairs. The Trustee will not be responsible for any loss, liability, cost, claim, actions, demand, expense or inconvenience which may result from their exercise or non-exercise of any rights or powers conferred under the Indenture for the benefit of the Holders. Whenever in the Indenture, the Bonds or by law, the Trustee shall have discretion or permissive power it may decline to exercise the same in the absence of approval by the Bondholders. In the exercise of its duties, the Trustee shall not be responsible for the verification of the accuracy or completeness of any certification submitted to it by the Issuer and is entitled to rely exclusively on the certification contained therein, and take action based on the information contained in, the certification or legal opinion. Notwithstanding anything described herein, the Trustee has no duty to monitor the performance or compliance of the Issuer in the fulfillment of its obligations under the Indenture and the Bonds. Furthermore, the Trustee shall not be deemed to have knowledge of any event unless it has been actually notified in writing of such event.

The Trustee shall not be responsible for the performance by any other person appointed by the Issuer in relation to the Bonds and, unless notified in writing to the contrary, shall assume that the same are being duly performed. The Trustee shall not be liable to any Holders or any other person for any action taken by the Holders or the Trustee in accordance with the instructions of the Holders.

The Trustee is entitled to rely on all instructions, notices, declarations and certifications received pursuant to the Indenture without investigating or being responsible for the accuracy, authenticity and validity of these instructions, notices, declarations and certifications.

Neither the Trustee nor the Agents will be responsible for making calculations or for verifying calculations performed by the Issuer or any other persons unless otherwise specified in the Indenture.

Pursuant to the terms of the Indenture and the Bonds, the Issuer will reimburse the Trustee and the Agents for all reasonable expenses except to the extent that any such expense was due to the Trustee's fraud, willful default or gross negligence.

The Indenture contains limitations on the rights of the Trustee, should it become a creditor of the Issuer to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise. The Trustee is permitted to engage in other transactions with the Issuer and its Affiliates and shall not be obligated to account for any profits therefrom; *provided, however*, that if it becomes aware it has acquired any conflicting interest that may have a materially prejudicial effect upon the Holders, it must eliminate such conflict or resign. The Trustee and the Agents may have an interest in, may be providing, or may in the future provide financial or other services to other parties.

The Trustee will not be under any obligation to exercise and have absolute and uncontrolled discretion as to exercise or non-exercise of any rights or powers conferred under the Indenture for the benefit of the Holders unless such Holders have instructed the Trustee in writing and offered to the Trustee indemnity and/or security indemnity and/or pre-funding satisfactory to the Trustee against any loss, liability or expense. Furthermore, each Holder, by accepting the Bonds will agree, for the benefit of the Trustee, that it is solely responsible for its own independent

appraisal of and investigation into all risks arising under or in connection with the Indenture and has not relied on and will not at any time rely on the Trustee in respect of such risks.

Disclosure Obligations

The Indenture provides that the Issuer may have certain disclosure obligations and reporting obligations under ROC law if:

- (i) the person to be registered as a shareholder of the Issuer is a “related party” of the Issuer under the Regulations Governing the Preparation of Financial Reports by Securities Issuers of the ROC and such person beneficially owns Common Shares converted from the Bonds; or
- (ii) the person to be registered as a shareholder owns Common Shares issued upon conversion of the Bonds and the Common Shares so issued on conversion exceed 10% of the total number of Common Shares expected to be issued upon conversion of the Bonds based on the conversion price at the time of issue of the Bonds.

Due to these obligations, if so instructed by the Issuer, the Paying Agent may ask the converting Holders to disclose the name of the person to be registered as the shareholder and to provide proof of identity and genuineness of any signature and other documents before it will convert the Bonds. The conversion of Bonds may be delayed until the Paying Agent receives the requested information and satisfactory evidence of the compliance with all laws and regulations by the Holders. The information the Holder is required to provide may include the name and nationality of the person to be registered as a shareholder of the Issuer and the total number of Common Shares such person is converting or has converted in the past.

Governing Law and Jurisdiction

The Indenture and the Bonds are governed by, and shall be construed in accordance with, the laws of the State of New York. In relation to any legal action or proceedings arising out of or in connection with the Indenture and the Bonds, the Issuer has in the Indenture irrevocably submitted to the non-exclusive jurisdiction of the New York State and United States Federal courts sitting in the Borough of Manhattan, The City of New York. The Issuer has appointed Cogency Global Inc., now at 122 East 42nd Street, 18th Floor, New York, NY 10168, as its agent for service of process.

Bondholders should note that exercise of a Conversion Right is subject not only to the provisions of the Indenture but also to the applicable ROC law.

TAXATION

The following is a summary addresses the principal ROC tax consequences of the ownership and disposition of the Bonds or the Common Shares to a Non-ROC Resident Individual or Non-ROC Resident Entity (each a “Non-ROC Holder”). As used in the preceding sentence, a “Non-ROC Resident Individual” is a foreign national individual who owns the Bonds or the Company Common Shares and does not reside in the ROC for 183 days or more during any calendar year, and a “Non-ROC Resident Entity” is a corporation or a non-corporate body that owns the Bonds or the Company Common Shares and is organized under the laws of a jurisdiction other than the ROC and has no fixed place of business or business agent in the ROC.

You should consult your tax advisors concerning the ROC tax consequences of owning the Bonds or Common Shares and the laws of any relevant taxing jurisdiction to which you are subject.

Bonds

Possible Interest Payments

Payments of interest or premium (if any ever becomes payable on the Bonds) to a Non-ROC Holder constitute interest income derived from the ROC and, therefore, are subject to ROC withholding tax at a rate of 15% at the time of payment unless a lower withholding rate is provided under a tax treaty between the ROC and the jurisdiction where the Non-ROC Holder is a resident. The Company has agreed to pay Additional Amounts in respect of such withholding tax on the payments of interest or premium. See “Description of the Bonds — Additional Amounts”.

Sale

The sale of convertible bonds which were issued and offered by ROC companies outside of the ROC is not subject to ROC securities transaction tax according to a tax directive issued by the ROC Ministry of Finance dated March 23, 2010. Accordingly, the sale of the Bonds will not be subject to the securities transaction tax.

Gains from the sale of property in the ROC are generally subject to ROC income tax. However, under current ROC law, capital gains in transactions of corporate bonds issued by ROC companies are exempt from income tax. This exemption applies to capital gains derived from the sale of the Bonds.

Conversion into Common Shares

The conversion of the Bonds into Common Shares is not subject to ROC tax. However, securities transaction tax, gift tax and/or income tax may be imposed in relation to the converting holder’s designation of other person to be the holder of Common Shares upon conversion of the Bonds.

Common Shares

Dividends on the Common Shares

Dividends (whether in cash or Common Shares) distributed by the Company out of retained earnings and paid out to Non-ROC Holders of Common Shares are normally subject to ROC income tax collected by way of withholding at the time of distribution. The current rate of withholding for Non-ROC Holders of Common Shares is 21% of the amount of the distribution, unless a lower withholding rate is provided under a tax treaty between the ROC and the jurisdiction where the Non-ROC Holder is a resident.

Distributions of stock dividends declared by the Company out of capital reserves are not subject to withholding tax, except under limited circumstances.

In accordance with the ROC Income Tax Act, a 5% retained earnings tax will be imposed on a company for its after-tax earnings generated after January 1, 1998 which are not distributed in the following year. The retained earnings tax so paid will further reduce the retained earnings available for future distribution.

Preemptive Rights

Distributions of statutory subscription rights for the Common Shares in compliance with the ROC Company Act are not subject to ROC tax. Proceeds derived from sales of statutory subscription rights evidenced by securities

are subject to securities transactions tax, currently at the rate of 0.3% of the gross amount received. Non-ROC Holders are exempt from income tax on any capital gains from such sales. However, proceeds derived from sales of statutory subscription rights which are not evidenced by securities are subject to income tax at the rate of 20% of the gains realized. Subject to compliance with ROC law, the Company has the sole discretion to determine whether statutory subscription rights shall be evidenced by the issuances of securities.

Sale

Under current ROC law, Non-ROC Holders are exempt from income tax on any capital gains generated from the sale of Common Shares.

The ROC Government imposes a securities transaction tax that will apply to sales of the Common Shares. The transaction tax, which is payable by the seller, is levied on sales of Common Shares at the rate of 0.3% of the gross amount received.

Estate Tax and Gift Tax

ROC estate tax is payable on any property within the ROC of a deceased Non-ROC Resident Individual, and ROC gift tax is payable on any property within the ROC donated by a Non-ROC Resident Individual. Estate tax and gift tax are currently imposed at progressive rates of 10%, 15% and 20%. Under ROC estate and gift tax laws, the Bonds and Common Shares are deemed located in the ROC without regard to the location of the owner.

Tax Treaty

At present, the ROC has double tax treaties with Indonesia, Singapore, New Zealand, Australia, South Africa, Gambia, Senegal, Sweden, Eswatini, Malaysia, North Macedonia, the Netherlands, Belgium, Denmark, the UK, Vietnam, Israel, Paraguay, Hungary, France, India, Slovakia, Switzerland, Germany, Thailand, Kiribati, Luxembourg, Austria, Italy, Japan, Canada, Poland, Czech Republic, Saudi Arabia and South Korea. These tax treaties may provide a reduced withholding tax rate on interests and dividends paid with respect to bonds or shares in ROC companies.

TRANSFER RESTRICTIONS

Transfer Restrictions on the Bonds

Because of the following restrictions, we encourage you to consult a legal counsel prior to making any offer, resale, pledge or other transfer of the Bonds or the Common Shares issuable upon conversion of the Bonds.

The Bonds may not be offered or sold directly or indirectly in the ROC. The Bonds and the Common Shares issuable upon conversion of the Bonds have not been registered under the Securities Act and the Bonds may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

Except in certain limited circumstances, interests in the Bonds may only be held through interests in the Global Bond. Such interests in the Global Bond will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream and their respective direct and indirect participants.

Each purchaser of the Bonds, by accepting delivery of the Bonds, will be deemed to have acknowledged and represented to and agreed as follows (terms used herein that are defined in Regulation S are used as defined therein):

1. the Bonds and the Common Shares issuable upon conversion of the Bonds have not been and are not expected to be registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions on transfer;
2. it is purchasing such Bonds outside the United States in an offshore transaction meeting the requirements of Regulation S;
3. it agrees (or if it is a broker-dealer, its customer has confirmed to it that such customer agrees) that it (or such customer) will not offer, sell, pledge or otherwise transfer such Bonds except as permitted by the applicable legend set forth in paragraph (4) below;
4. it understands that the Regulation S Global Bond and any physical certificate evidencing the Bonds will bear a legend to the following effect, unless the Company determines otherwise in compliance with applicable law, and that it will observe the restrictions contained therein:

THE ZERO COUPON GREEN CONVERTIBLE BONDS DUE 2030 (THE “BONDS”) AND THE COMMON SHARES ISSUABLE UPON CONVERSION OF THE BONDS HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ALL APPLICABLE SECURITIES LAWS. EACH HOLDER AND BENEFICIAL OWNER, BY ITS ACCEPTANCE OF THE BONDS EVIDENCED HEREBY, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS;

5. it understands that the Bonds will be represented initially by a Global Bond; and
6. we, the Trustee, the Initial Purchasers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of Bonds that may wish to resell any Bonds pursuant to Regulations S is advised that approval in-principle has been received for the listing and quotation of the Bonds on the SGX-ST. The SGX-ST is a “designated offshore securities market” (within the meaning of Regulation S) and accordingly, a resale transaction could be effected in, on or through the facilities of such exchange in reliance upon the safe harbor provided by Rule 904 of Regulation S, subject to compliance with the conditions of Rule 904.

PLAN OF DISTRIBUTION

Morgan Stanley Services Pty Limited and DBS Bank Ltd. are the joint bookrunners and the Initial Purchasers of this offering.

Subject to the terms and conditions stated in a purchase agreement, dated as of March 19, 2025, entered into between the Company and the Initial Purchasers, the Initial Purchasers have agreed to purchase, and the Company has agreed to sell to that Initial Purchasers, the following principal amounts of the Bonds:

Initial Purchasers	Principal Amount
Morgan Stanley Services Pty Limited	US\$262,500,000
DBS Bank Ltd.	US\$87,500,000
Total.....	US\$350,000,000

The purchase agreement provides that the obligations of the Initial Purchasers to purchase the Bonds included in this offering are subject to certain conditions, including receipt of certain legal opinions, and entitles the Initial Purchasers to terminate it in certain circumstances prior to payment being made to the Company.

The Initial Purchasers or their affiliates may purchase the Bonds for their own account and enter into transactions, including (a) credit derivatives including asset swaps, repackaging and credit default swaps relating to the Bonds and/or the Company's securities or (b) equity derivatives and stock loan transactions relating to the Common Shares at the same time as the offer and sale of the Bonds or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counter-parties and separately from any existing sale or resale of the Bonds to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Bonds). The Initial Purchasers or their affiliates may purchase Bonds and be allocated Bonds for asset management and/or proprietary purposes and not with a view to distribution. The Initial Purchasers or their affiliates are not expected to disclose such transactions or the extent of any such investment, except as required by any legal or regulatory obligation to do so. These transactions may involve a substantial portion of the Bonds.

The Bonds and the Common Shares (to be delivered upon conversion of the Bonds) have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. See "Transfer Restrictions." The Bonds will not be offered or sold directly or indirectly in the ROC, or to, or for the account or benefit of, any ROC person.

Approval in-principle has been received for the listing and quotation of the Bonds on the SGX-ST. However, the Company cannot assure you that the prices at which the Bonds will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the Bonds will develop and continue after this offering.

For a period of 90 days after the Closing Date, without the prior written consent of the Initial Purchasers of this offering, the Company will not (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act relating to, any Common Shares or any securities convertible into or exercisable or exchangeable for the Common Shares, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, or (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Common Shares or any such other securities, whether any such transaction described in clause (a) or (b) above is to be settled by delivery of the Common Shares or such other securities, in cash or otherwise, other than (1) the Bonds to be sold in this offering and the Common Shares issuable upon conversion of the Bonds and (2) the Common Shares issuable upon conversion of the NT\$8,000 million unsecured convertible corporate bonds issued by the Company on December 10, 2024. Notwithstanding the foregoing, the Company may (i) issue or declare stock dividends consistent with past practice, (ii) implement stock splits, (iii) transfer the Common Shares repurchased by the Company to its employees consistent with past practice and in accordance with the Measures on Transfer of Repurchased Shares to Employees of the Company (買回股份轉讓員工辦法), and (iv) issue the Common Shares issuable upon the conversion of securities or the exercise of warrants outstanding as of the date of the purchase agreement and as described in this Offering Circular.

The Initial Purchasers have performed commercial banking, investment banking and advisory services for us from time to time for which it has received customary fees and reimbursement of expenses. The Initial Purchasers

may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. In addition, affiliates of the Initial Purchasers are lenders, and in some cases agents or managers for the lenders, under our credit facility.

Pursuant to the purchase agreement, the Company has agreed to indemnify the Initial Purchasers against certain losses and liabilities, including civil liabilities under the Securities Act in certain situation, or to contribute to payments that the Initial Purchasers may be required to make in respect thereof.

The Bonds are being sold outside of the United States to non-U.S. persons in reliance on Regulation S.

Restriction on related party subscription under ROC law

The Bonds may not be offered or sold directly or indirectly in the ROC, or to, or for the account or benefit of, any ROC person.

Under applicable ROC laws and regulations, the Company and the Initial Purchasers are prohibited from offering and selling the Bonds to the “related parties” as set forth in the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the persons as specified in Section 36 of the ROC Securities Association Rules Governing Underwriting and Resale of Securities by Securities Firms. Therefore, each subscriber or purchaser of the Bonds described in this Offering Circular will be deemed to have acknowledged and represented to us and the Initial Purchasers that he, she or it is not: (a) a related party to the Company, (b) a business entity that is invested by us using equity method in the Company’s accounting reporting, (c) a business entity that invests in the Company and uses equity method in its accounting reporting, (d) a company whose chairperson of the board or president is the same as that of the Company or is the spouse thereof, (e) a foundation with one-third or more of its total paid-in fund donated by the Company, (f) our director, president, vice-president, assistant vice president, and other department head under the immediate supervision by the Company’s president, (g) a spouse of the Company’s director or president, (h) a director or employee of any member of the underwriting syndicate or a spouse thereto, and (i) a person subscribing for the Bonds on behalf of or for the benefit of any person set forth in items (b) to (h) above.

Notice to Capital Market Intermediaries and Prospective Investors Pursuant to Paragraph 21 of the Code – Important Notice to CMIIs (including Private Banks)

This notice to CMIIs (including Private Banks) is a summary of certain obligations the Code imposes on CMIIs, which require the attention and cooperation of other CMIIs (including Private Banks). Certain CMIIs may also be acting as OCs for this Offering and are subject to additional requirements under the Code.

Paragraph 21.3.3(c) of the Code requires that a CMI should take all reasonable steps to identify whether its investor clients may have any associations with the Issuer, a CMI or a company in the same group of companies as the CMI and provide sufficient information to the OC to enable it to assess whether orders placed by these investors may negatively impact the price discovery process.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the Code as having an Association with the Issuer, the CMI or the relevant group company. CMIIs should specifically disclose whether their investor clients have any Association when submitting orders for the Bonds. In addition, Private Banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the Initial Purchasers accordingly.

CMIIs are informed that the marketing and investor targeting strategy for this Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language (if applicable) set out elsewhere in this Offering Circular.

CMIIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e., two or more corresponding or identical orders placed via two or more CMIIs). CMIIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIIs should disclose the identities of all investors when submitting orders for the Bonds (except for omnibus orders where underlying investor information should be provided to the OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIIs should not place “X-orders” into the order book.

CMI should segregate and clearly identify their own proprietary orders (and those of their group companies, including Private Banks as the case may be) in the order book and book messages.

CMI (including Private Banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMI (including Private Banks) should not enter into arrangements which may result in prospective investors paying different prices for the Bonds.

The Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, the Initial Purchasers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Bonds, Private Banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private Banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Private Banks who disclose that they are placing their order other than on a “principal” basis (i.e., they are acting as an agent) should note that such order may be considered to be an omnibus order pursuant to the Code. Private Banks should be aware that if any of their group companies is a CMI of this Offering, placing an order on a “principal” basis may require the Initial Purchasers to apply the “proprietary orders” of the Code to such order and will require the Initial Purchasers to apply the “rebates” requirements of the Code (if applicable) to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including Private Banks) are requested to provide the following underlying investor information, preferably in Excel Workbook format, in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including Private Banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to the OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to the OCs. By submitting an order and providing such information to the OCs, each CMI (including Private Banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by the OCs and/or any other third parties as may be required by the Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the Code, for the purpose of complying with the Code, during the bookbuilding process for the Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the Offering. The Initial Purchasers may be asked to demonstrate compliance with its obligations under the Code, and may request other CMIs (including Private Banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including Private Banks) are required to provide the relevant Initial Purchasers with such evidence within the timeline requested.

Notice to prospective investors in the European Economic Area

The Initial Purchasers have represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds which are the subject of the offering contemplated by this Offering Circular to any retail investor in the EEA. For the purposes of this provision, (a) the expression “retail investor” means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

Notice to prospective investors in the United Kingdom

Each of the Initial Purchaser has represented and agreed that: (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or the sale of the Bonds in circumstances in which section 21(1) of the FSMA does not apply to us; and (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Bonds in, from or otherwise involving the UK.

Each of the Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds which are the subject of the offering contemplated by this Offering Circular to any retail investor in the UK. For the purposes of this provision: (a) the expression “retail investor” means a person who is one (or more) of the following: (i) a retail client, as defined in

point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; and (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

Notice to prospective investors in Hong Kong

The securities may not be offered or sold in Hong Kong by means of any document other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and no advertisement, invitation or document relating to the securities may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the SFO and any rules made thereunder.

Notice to prospective investors in Japan

The securities offered in this Offering Circular have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948) (as amended) (the “FIEA”). Accordingly, the securities have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to, or for the account of, any resident of Japan, or to others for re-offering or re-sale, directly or indirectly in Japan or to, for the benefit of, any resident of Japan, except pursuant to any exemption from the registration requirements of the FIEA and otherwise in compliance with the FIEA and other applicable provisions of Japanese laws, regulations and governmental guidelines. As used in this paragraph, “resident of Japan” means any person residing in Japan, including any corporation or other entity organized under the laws of Japan.

Notice to prospective investors in Singapore

Each dealer has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each dealer has represented and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

Investors should note that there may be restrictions on the secondary sale of the Notes under Section 276 of the SFA.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Notice to prospective investors in the PRC

This Offering Circular is not intended to constitute a public offer of the Bonds, whether by way of sale or subscription, in the PRC. The Bonds are not being offered and may not be offered or sold, directly or indirectly, in the PRC to or for the benefit of, legal or natural persons of the PRC other than to QDIIs in the PRC. Pursuant to the Measures for the Administration of Overseas Securities Investment by Qualified Domestic Institutional Investors, with the exception of QDIIs in the PRC, the Bonds may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in any country other than the PRC.

SUMMARY OF CERTAIN MATERIAL DIFFERENCES BETWEEN TAIWAN IFRS AND IFRS

Our financial statements are prepared and presented in accordance with Taiwan IFRS, which differs in certain material respects from IFRS. Certain material differences between Taiwan IFRS applicable to us and IFRS are summarized below. The summary should not be taken as inclusive of all Taiwan IFRS/IFRS differences. Additionally, no attempt has been made to quantify all differences or identify all disclosure, presentation or classification differences that would affect the manner in which events and transactions are presented in the financial statements or notes thereto. Further, no attempt has been made to identify future differences between Taiwan IFRS and IFRS as a result of prescribed changes in accounting standards. Regulatory bodies that promulgate Taiwan IFRS and IFRS have significant projects ongoing that could affect future comparisons such as this one.

If we were to prepare a complete reconciliation between Taiwan IFRS and IFRS additional accounting and disclosure differences might have come to our attention.

Subject	Taiwan IFRS	IFRSs
Tax on undistributed earnings	Under Taiwan IFRS, companies in the ROC are subject to 10% surtax on profits earned and retained since December 31, 1997. If the retained profits are distributed to the shareholders in the fiscal year following the year of earnings, the surtax could be avoided. If the earnings are not fully distributed to the shareholders, surtax is recorded as income tax expenses in the fiscal year when shareholders' decision on distribution is made. In addition, starting from 2018, the rate of the corporate surtax applicable to the unappropriated earnings is reduced from 10% to 5%.	Under IFRS, current and deferred tax assets and liabilities are measured at the tax rate applicable to the undistributed profits. Consequently, tax on undistributed earnings should be accrued during the period in which the earnings arise and adjusted to the extent of the distributions approved by the shareholders in the following year.
Disclosure of goodwill from business combinations.....	Taiwan IFRS requires additional disclosure if there is a significant difference between the actual operation conditions after a business combination and the expected benefits at the acquisition date.	Under IFRS, there is no such additional disclosure required as Taiwan IFRS.
Disclosure of related party transactions.....	Taiwan IFRS requires additional disclosure of the names of the related parties and the relationships with whom the company has significant transactions. If the transaction amount or balance with a specific related party is 10% or more of the company's respective total transaction amount or balance, such transactions should be separately disclosed by the name of each related party. Furthermore, Taiwan IFRS also stipulates that other companies or institutions of which the chairman of the company's board of directors or president serves as the chairman of the board of directors or the president of the company or its subsidiaries, or is the spouse or second immediate family member of the chairman of the company's board of directors or president of the company or its subsidiaries, are	Under IFRS, in considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form. However, there is no such additional disclosure required as Taiwan IFRS.

deemed to have a substantive related party relationship, unless it can be demonstrated that no control, joint control, or significant influence exists.

The information set forth above does not in any way attempt to quantify the effects of the aforementioned differences between Taiwan IFRS and IFRS and the impact that such differences would have on net income or shareholder's equity under IFRS.

LEGAL MATTERS

Certain legal matters with respect to the Bonds will be passed upon for us by Lee and Li, Attorneys-at-Law as to ROC law, Commerce & Finance Law Offices as to PRC law, Hergüner Bilgen Üçer Attorney Partnership as to Turkish law, PLMJ Advogados, Sociedade Multidisciplinar SP, RL as to Portuguese law and WongPartnership LLP as Singapore listing agent, and for the Initial Purchasers by Sullivan & Cromwell (Hong Kong) LLP as to U.S. Federal and New York law.

INDEPENDENT AUDITORS

The consolidated financial statements of TCC Group Holdings CO., LTD. (previously known as Taiwan Cement Corporation), except Cimpor Global Holdings B.V., as of and for the years ended December 31, 2022 and 2023 and except OYAK Çimento Fabrikaları A.Ş. and its subsidiaries, as of and for the years ended December 31, 2023 and 2024 included in this Offering Circular have been audited by Deloitte & Touche, independent auditors, as stated in their reports appearing herein. The financial statements of Cimpor Global Holdings B.V. (an investee company held through TCC Dutch Holdings B.V. (previously known as Taiwan Cement (Dutch) Holdings B.V.) accounted for using the equity method, but not presented separately herein for the year ended December 31, 2023) and the consolidated financial statements of OYAK Çimento Fabrikaları A.Ş. and its subsidiaries (consolidated with those of TCC Group Holdings CO., LTD., but not presented separately herein) have been audited by other auditors. Deloitte & Touche are located at 20th Floor, Taipei Nan Shan Plaza, No. 100, Songren Rd., Xinyi District, Taipei 110016, Taiwan. Deloitte & Touche are a member of the Taiwan CPA Association.

GENERAL INFORMATION

The Company was incorporated as a company limited by shares in the ROC on May 1, 1946. The Company is registered with the MOEA of the ROC and its unified business number is 11913502. The Company's registered office is located at No. 113, Section 2, Zhongshan North Road, Taipei, Taiwan (ROC). As of December 31, 2024, the Company's authorized share capital registered with the MOEA was NT\$100,000,000,000, and the Company's paid-in share capital was NT\$77,511,817,420, divided into 7,751,181,742 shares with a par value of NT\$10 per share, of which, 7,551,181,742 were Common Shares and 200,000,000 were Preferred Shares. The Company is not a subsidiary of any entity. The Company's Legal Entity Identifier is 529900C56C3PB9X9ZO58.

The Company's business scope as provided under the Article 2 of the Company's Articles of Incorporation are: (1) cement manufacturing; (2) concrete mixing manufacturing; (3) cement and concrete mixing manufacturing; (4) other non-metallic mineral products manufacturing; (5) on-land clay and stone quarrying; (6) wholesale of building materials; (7) retail sale of building materials; (8) waste disposing; (9) international trade; (10) warehousing and storage; (11) paper containers manufacturing; (12) residence and buildings lease construction and development; (13) industrial factory buildings lease construction and development; (14) real estate rental and leasing; and (15) all business items that are not prohibited or restricted by law, except those that are subject to special approval.

The Bonds have been accepted for clearance and settlement by Euroclear and Clearstream. Relevant trading information is set forth below.

	<u>ISIN</u>	<u>Common Code</u>
Bonds.....	XS2973002707	297300270

Approval in-principle has been received for the listing and quotation of the Bonds on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained in this Offering Circular.

The Company has obtained all necessary consents, approvals and authorizations in connection with the issue of the Bonds, including the approvals of the CBC and the FSC which have been duly obtained and are, and will be on the Closing Date, in full force and effect.

The issue of the Bonds was authorized by the resolutions of the Company's board of directors passed on September 13, 2024.

Except as disclosed, there has been no significant change in the Company's financial or trading position since December 31, 2024 or any material adverse change in the Company's financial position or prospects since December 31, 2024.

Except as disclosed in "Our Business—Legal Proceedings", neither the Company nor any of its subsidiaries is involved in any litigation or arbitration proceedings which may have, or have had during the period recently preceding the date of this Offering Circular, a material adverse effect on the Company's financial position, nor, so far as the Company or any of its subsidiaries is aware, are any such proceedings pending or threatened except as may be otherwise disclosed or referred to herein.

No company in which the Company has a direct or indirect holding of more than 50% of capital or issued shares holds any Shares.

Copies (and certified English translations where the documents are not in English) of the following documents may be inspected, free of charge, at the specified offices of the Issuer, so long as the Bonds remain outstanding:

- the Company's Articles of Incorporation;
- the Indenture relating to the Bonds;
- the purchase agreement relating to the Bonds;
- this Offering Circular; and

- a copy of the Company's audited consolidated financial statements as of and for the years ended December 31, 2022 and 2023 and as of and for the years ended December 31, 2023 and 2024.

Trades for the Bonds on the SGX-ST will be cleared through Clearstream and Euroclear in accordance with their respective rules and operating procedures.

For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Company will appoint and maintain a paying agent in Singapore, where the Bonds may be presented or surrendered for payment or redemption. In addition, in the event that any of the Global Bonds is exchanged for individual definitive Bonds, announcement of such exchange will be made by the Company or on its behalf through the SGX-ST. Such announcement will include all material information with respect to the delivery of the individual definitive Bonds, including details of the paying agent in Singapore. For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Bonds will be traded on the SGX-ST in a minimum board lot size of US\$200,000.

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**Taiwan Cement Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Years Ended December 31, 2022 and 2023 and
Independent Auditors' Report**

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the combined financial statements of affiliates as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are all the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10 “Consolidated Financial Statements”. In addition, relevant information required to be disclosed in the combined financial statements has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Consequently, Taiwan Cement Corporation and its subsidiaries did not prepare a separate set of combined financial statements of affiliates.

Very truly yours,

TAIWAN CEMENT CORPORATION

AN-PING CHANG
Chairman

February 27, 2024

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Taiwan Cement Corporation

Opinion

We have audited the accompanying consolidated financial statements of Taiwan Cement Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The description of the key audit matter of the Group's consolidated financial statements for the year ended December 31, 2023 is as follows:

Revenue Recognition of Cement Sales

The Group is mainly engaged in the production and sale of various cement and cement products. Revenue from the sale of cement fluctuates frequently due to changes in raw material prices, market supply and demand and the economic environment; in addition, related revenue is recognized at the point in time when the customer collects the cement and the performance obligations are satisfied. Therefore, the validity of revenue recognition of cement sales is considered a key audit matter for the year ended December 31, 2023. Our main audit procedures performed in respect of the aforesaid key audit matter include understanding and testing the design and operating effectiveness of the internal controls related to the revenue from cement sales, and random inspection of the contracts, factory orders and delivery documents from the sales details and testing the collection information of the samples before the end of the reporting period in order to verify the validity of revenue recognition of cement sales.

Other Matter

The financial statements of Cimpor Global Holdings B.V., an investee company held through Taiwan Cement (Dutch) Holdings B.V. accounted for using the equity method, for the year ended December 31, 2023, were audited by other auditors. Our opinion, insofar as it relates to the amounts included for the investee in the Groups' consolidated financial statements, is based solely on the reports of the other auditors. The aforementioned investment accounted for using the equity method constituted NT\$35,716,009 thousand, representing 7.6% of the Group's total assets as of December 31, 2023. The Group's share of comprehensive income from the aforementioned investments accounted for using the equity method amounted to NT\$3,560,296 thousand for the years ended December 31, 2023, which accounted for 24.8% of the Group's consolidated income before income tax.

We have also audited the parent company only financial statements of Taiwan Cement Corporation as of and for the years ended December 31, 2022 and 2023, on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ya-Ling Wong and Hui-Min Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 27, 2024

Notice to Readers

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

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

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2023 (In Thousands)

	2022	2023	
	NT\$	NT\$	US\$ (Note 4) (Unaudited)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents (Notes 4 and 6)	\$ 88,842,494	\$ 66,366,622	\$ 2,023,990
Financial assets at fair value through profit or loss (Notes 4, 7, 33 and 35)	611,802	727,762	22,194
Financial assets at fair value through other comprehensive income (Notes 4, 8, 33 and 35)	5,934,753	6,972,790	212,650
Financial assets at amortized cost (Notes 4, 6 and 35)	20,954,299	34,236,957	1,044,128
Notes receivable (Notes 4, 9 and 24)	19,450,723	11,043,595	336,798
Accounts receivable (Notes 4, 9, 10 and 24)	15,148,760	12,362,489	377,020
Notes and accounts receivable from related parties (Notes 4 and 34)	513,975	563,421	17,183
Other receivables (Notes 4 and 26)	2,309,268	3,558,791	108,533
Other receivables from related parties (Notes 4, 13 and 34)	415,606	25,823	787
Inventories (Notes 4 and 12)	16,089,980	11,494,015	350,534
Prepayments (Note 34)	4,268,024	4,884,225	148,955
Disposal groups held for sale (Notes 4 and 11)	-	196,403	5,990
Other current assets (Notes 4 and 24)	1,084,374	680,407	20,750
Total current assets	175,624,058	153,113,300	4,669,512
NON-CURRENT ASSETS			
Financial assets at fair value through profit or loss (Notes 4, 7, 33 and 35)	284,876	278,424	8,491
Financial assets at fair value through other comprehensive income (Notes 4, 8, 34 and 35)	22,751,646	19,847,669	605,296
Financial assets at amortized cost (Notes 4, 6 and 35)	9,577,103	22,599,386	689,216
Investments accounted for using the equity method (Notes 4, 14 and 35)	53,586,673	58,053,608	1,770,467
Property, plant and equipment (Notes 4, 15, 25, 34 and 35)	114,739,983	124,115,635	3,785,167
Right-of-use assets (Notes 4, 16, 25 and 34)	15,503,775	15,397,170	469,569
Investment properties (Notes 4, 17, 25 and 35)	5,323,016	15,493,520	472,508
Intangible assets (Notes 4, 18 and 25)	27,934,663	29,757,225	907,509
Prepayments for property, plant and equipment (Notes 15 and 34)	9,658,047	8,734,339	266,372
Long-term finance lease receivables (Notes 4 and 10)	21,372,402	18,204,271	555,178
Net defined benefit assets (Notes 4 and 22)	1,567,531	1,558,089	47,517
Other non-current assets (Notes 4, 26 and 35)	2,885,188	2,285,886	69,713
Total non-current assets	285,184,903	316,325,222	9,647,003
TOTAL	\$ 460,808,961	\$ 469,438,522	\$ 14,316,515
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Short-term loans (Notes 19, 31, 33 and 35)	\$ 22,416,812	\$ 20,251,073	\$ 617,599
Short-term bills payable (Note 19)	3,065,961	2,784,443	84,917
Financial liabilities at fair value through profit or loss (Notes 4, 7 and 34)	641,522	-	-
Contract liabilities (Note 24)	1,774,714	2,001,946	61,054
Notes and accounts payable (Note 35)	13,691,411	12,815,863	390,847
Other payables (Notes 15 and 21)	9,771,591	15,337,889	467,761
Other payables to related parties (Note 34)	750,236	1,375,133	41,938
Current income tax liabilities (Notes 4 and 26)	1,063,356	3,057,589	93,248
Lease liabilities (Notes 4, 16 and 35)	400,136	515,108	15,709
Long-term loans and bonds payable - current portion (Notes 19, 20, 31, 33 and 35)	21,511,839	13,859,614	422,678
Other current liabilities	121,833	582,578	17,766
Total current liabilities	75,209,411	72,581,236	2,213,517
NON-CURRENT LIABILITIES			
Bonds payable (Notes 4 and 20)	72,136,574	82,390,353	2,512,667
Long-term loans (Notes 19, 31, 32 and 35)	42,864,736	36,791,733	1,122,041
Lease liabilities (Notes 4, 16 and 34)	3,550,048	3,719,264	113,427
Deferred income tax liabilities (Notes 4 and 26)	12,359,419	12,942,041	394,695
Long-term bills payable (Note 19)	14,990,589	5,086,333	155,118
Net defined benefit liabilities (Notes 4 and 22)	119,623	133,115	4,060
Other non-current liabilities (Notes 14 and 15)	1,302,781	1,893,406	57,743
Total non-current liabilities	147,323,770	142,956,245	4,359,751
Total liabilities	222,533,181	215,537,481	6,573,268
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE CORPORATION (Notes 4, 23 and 30)			
Ordinary shares	71,561,817	75,511,817	2,302,892
Preference shares	2,000,000	2,000,000	60,994
Capital surplus	65,985,865	74,119,162	2,260,420
Retained earnings	66,527,594	70,576,781	2,152,387
Other equity	11,991,090	9,457,953	288,440
Treasury shares	(171,600)	(732,459)	(22,338)
Equity attributable to shareholders of the Corporation	217,894,766	230,933,254	7,042,795
NON-CONTROLLING INTERESTS (Notes 23 and 30)	20,381,014	22,967,787	700,452
Total equity	238,275,780	253,901,041	7,743,247
TOTAL	\$ 460,808,961	\$ 469,438,522	\$ 14,316,515

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

(With Deloitte & Touche auditors' report dated February 27, 2024)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2023 (In Thousands, Except Earnings Per Share)

	2022	2023	
	NT\$	NT\$	US\$ (Note 4) (Unaudited)
OPERATING REVENUE (Notes 4, 24 and 34)	\$ 113,929,706	\$ 109,314,335	\$ 3,333,771
OPERATING COSTS (Notes 4, 12, 22, 25 and 34)	<u>103,794,557</u>	<u>88,780,566</u>	<u>2,707,550</u>
GROSS PROFIT	<u>10,135,149</u>	<u>20,533,769</u>	<u>626,221</u>
OPERATING EXPENSES (Notes 22, 25 and 34)			
Marketing	820,576	967,612	29,510
General and administrative	6,850,260	8,095,687	246,895
Research and development	<u>1,302,175</u>	<u>1,440,310</u>	<u>43,925</u>
Total operating expenses	<u>8,973,011</u>	<u>10,503,609</u>	<u>320,330</u>
INCOME FROM OPERATIONS	<u>1,162,138</u>	<u>10,030,160</u>	<u>305,891</u>
NON-OPERATING INCOME AND EXPENSES			
Share of profit of associates and joint ventures (Notes 4 and 14)	3,919,856	4,568,339	139,321
Interest income (Note 25)	2,102,495	3,402,888	103,778
Dividend income (Note 4)	2,498,353	1,433,442	43,716
Other income (Note 25)	583,112	670,792	20,457
Net gain on disposal of investment properties (Note 17)	502,346	332,065	10,127
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(514,394)	57,357	1,749
Finance costs (Notes 4 and 25)	(2,869,888)	(3,542,684)	(108,042)
Other expenses (Notes 20 and 25)	(829,313)	(763,103)	(23,272)
Net loss on disposal of property, plant and equipment (Note 15)	(20,296)	(111,686)	(3,406)
Foreign exchange gains (losses), net	201,611	(847,143)	(25,835)
Non-financial assets impairment loss (Notes 15 and 18)	<u>(89,923)</u>	<u>(873,596)</u>	<u>(26,642)</u>
Total non-operating income and expenses	<u>5,483,959</u>	<u>4,326,671</u>	<u>131,951</u>
INCOME BEFORE INCOME TAX	6,646,097	14,356,831	437,842
INCOME TAX EXPENSE (Notes 4 and 26)	<u>2,489,012</u>	<u>4,352,218</u>	<u>132,730</u>
NET INCOME	<u>4,157,085</u>	<u>10,004,613</u>	<u>305,112</u>
			(Continued)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2023 (In Thousands, Except Earnings Per Share)

	2022	2023	
	NT\$	NT\$	US\$ (Note 4) (Unaudited)
OTHER COMPREHENSIVE INCOME (LOSS)			
(Notes 4 and 23)			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plan (Note 22)	(282,252)	(28,691)	(875)
Unrealized loss on investments in equity instruments at fair value through other comprehensive income (Note 23)	(6,366,804)	(1,735,932)	(52,941)
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method (Note 23)	(352,936)	64,129	1,956
Income tax related to items that will not be reclassified subsequently to profit or loss (Note 26)	57,170	6,880	210
	<u>(6,944,822)</u>	<u>(1,693,614)</u>	<u>(51,650)</u>
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations (Note 23)	4,288,246	(1,870,284)	(57,038)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method (Note 23)	3,801,499	1,029,458	31,395
	<u>8,089,745</u>	<u>(840,826)</u>	<u>(25,643)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>1,144,923</u>	<u>(2,534,440)</u>	<u>(77,293)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 5,302,008</u>	<u>\$ 7,470,173</u>	<u>\$ 227,819</u>
NET INCOME (LOSS) ATTRIBUTABLE TO:			
Shareholders of the Corporation	\$ 5,404,984	\$ 7,997,814	\$ 243,910
Non-controlling interests	<u>(1,247,899)</u>	<u>2,006,799</u>	<u>61,202</u>
	<u>\$ 4,157,085</u>	<u>\$ 10,004,613</u>	<u>\$ 305,112</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:			
Shareholders of the Corporation	\$ 6,253,579	\$ 5,438,043	\$ 165,845
Non-controlling interests	<u>(951,571)</u>	<u>2,032,130</u>	<u>61,974</u>

(Continued)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2023 (In Thousands, Except Earnings Per Share)

	2022	2023	
	NT\$	NT\$	US\$ (Note 4) (Unaudited)
	<u>\$ 5,302,008</u>	<u>\$ 7,470,173</u>	<u>\$ 227,819</u>
EARNINGS PER SHARE (Note 27)			
Basic earnings per share	<u>\$ 0.74</u>	<u>\$ 1.06</u>	<u>\$ 0.03</u>
Diluted earnings per share	<u>\$ 0.73</u>	<u>\$ 1.04</u>	<u>\$ 0.03</u>

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

(With Deloitte & Touche auditors' report dated February 27, 2024)

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2023
(In Thousands)

Equity Attributable to Shareholders of the Corporation													
	Share Capital			Retained Earnings			Other Equity						
	Ordinary Shares	Preferences Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating Foreign Operations	Unrealized Gain/Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Treasury Shares	Total	Non-controlling Interests
BALANCE AT JANUARY 1, 2022	\$ 61,252,340	\$ 2,000,000	\$ 56,757,470	\$ 21,881,915	\$ 13,039,860	\$ 39,018,077	\$ 73,939,852	\$ (16,068,895)	\$ 26,988,909	\$ -	\$ (392,343)	\$ 204,477,333	\$ 21,177,340
Appropriation of 2021 earnings	-	-	-	2,068,477	-	(2,068,477)	(6,116,173)	-	-	-	-	-	-
Lead reserve	-	-	-	-	-	(6,116,173)	(6,116,173)	-	-	-	-	(6,116,173)	-
Cash dividends distributed by the Corporation	-	-	-	-	-	(350,000)	(350,000)	-	-	-	-	(350,000)	-
Preferred share dividends distributed by the Corporation	61,16,173	-	-	-	-	(6,116,173)	(6,116,173)	-	-	-	-	-	-
Share dividends distributed by the Corporation	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(1,161,092)
Net income (loss) for the year ended December 31, 2022	-	-	-	-	-	5,404,984	5,404,984	-	-	-	-	5,404,984	(1,247,899)
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	(222,481)	(222,481)	7,774,720	(6,701,993)	(1,651)	-	848,595	296,328
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	-	7,774,720	(6,701,993)	(1,651)	-	6,553,579	(951,571)
Issuance of global depositary receipts	4,200,000	-	9,193,957	-	-	-	5,185,503	-	-	-	-	13,393,957	-
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	(42,912)	-	-	-	-	-	-	-	-	(42,912)	-
Difference between consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	-	-	-	-	(12,415)	(12,415)	-	-	-	-	(12,415)	1,529,061
Changes in ownership interests of subsidiaries	-	-	64,744	-	-	-	-	-	-	-	-	64,744	(212,724)
Compensation costs of treasury shares transferred to employees	-	-	66,820	-	-	-	-	-	-	-	-	66,820	-
Treasury shares transferred to employees	-	-	(31,702)	-	-	-	-	-	-	-	191,535	159,833	-
Cancellation of treasury shares	(6,696)	-	(22,512)	-	-	-	-	-	-	-	29,208	-	-
Reversal of special reserve recognized from asset disposals	-	-	-	-	(35,429)	35,429	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2022	71,561,817	2,000,000	65,985,865	23,950,392	13,004,401	29,572,801	66,527,594	(8,294,175)	20,286,916	(1,651)	(171,600)	217,894,766	20,381,014
Appropriation of 2022 earnings	-	-	-	520,555	-	(520,555)	(3,566,091)	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	(3,566,091)	(3,566,091)	-	-	-	-	(3,566,091)	-
Cash dividends distributed by the Corporation	-	-	-	-	-	(350,000)	(350,000)	-	-	-	-	(350,000)	-
Preferred share dividends distributed by the Corporation	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(145,345)
Proceeds from capital reduction of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(100,200)
Net income for the year ended December 31, 2023	-	-	-	-	-	7,997,814	7,997,814	-	-	-	-	7,997,814	2,006,799
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	(36,634)	(36,634)	(854,729)	(1,679,110)	702	-	(2,559,771)	25,331
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	-	(854,729)	(1,679,110)	702	-	5,438,043	2,032,130
Issuance of global depositary receipts	3,950,000	-	8,390,525	-	-	-	-	-	-	-	-	12,340,525	-
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	54,540	-	-	-	-	-	-	-	-	54,540	-
Buy-back of treasury shares	-	-	-	-	-	-	-	-	-	-	(732,459)	(732,459)	-
Difference between consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	-	-	-	-	(1,754)	(1,754)	-	-	-	-	(1,754)	862,044
Changes in ownership interests of subsidiaries	-	-	(309,134)	-	-	(4,148)	(4,148)	-	-	-	-	(313,282)	(61,856)
Compensation costs of treasury shares transferred to employees	-	-	37,766	-	-	-	-	-	-	-	-	37,766	-
Treasury shares transferred to employees	-	-	(40,400)	-	-	-	-	-	-	-	171,600	131,200	-
Reversal of special reserve recognized from asset disposals	-	-	-	-	(5,369)	5,369	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2023	75,511,817	2,000,000	74,119,162	24,470,947	12,999,032	33,106,802	70,576,281	(9,148,904)	18,607,806	(949)	(732,459)	230,933,254	27,967,282
BALANCE AT DECEMBER 31, 2023 (IN US\$ - Note 4)	2,302,892	60,994	2,260,420	746,293	396,433	1,009,661	2,152,387	(275,015)	567,484	(92)	(22,138)	7,042,795	770,452

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated February 27, 2024)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2023 (In Thousands)

	2022	2023	
	NT\$	NT\$	US\$ (Note 4) (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	\$ 6,646,097	\$ 14,356,831	\$ 437,842
Adjustments for:			
Depreciation expense	7,473,531	8,266,622	252,108
Amortization expense	1,054,300	1,018,100	31,049
Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss	514,394	(57,357)	(1,749)
Finance costs	2,869,888	3,542,684	108,042
Interest income	(2,102,495)	(3,402,888)	(103,778)
Dividend income	(2,498,353)	(1,433,442)	(43,716)
Share-based compensation	103,396	126,950	3,871
Share of profit of associates and joint ventures	(3,919,856)	(4,568,339)	(139,321)
Loss on disposal of property, plant and equipment, net	20,296	111,686	3,406
Gain on disposal of investment properties, net	(502,346)	(332,065)	(10,127)
Loss on disposal of intangible assets	-	2,607	79
Loss on disposal of investments, net	16	-	-
Non-financial asset impairment loss	89,923	873,596	26,642
Write-down of inventories	259,108	65,867	2,009
Unrealized loss (gain) on foreign exchange, net	(18,198)	1,215	37
Loss on redemption of bonds payable	-	393,503	12,001
Changes in operating assets and liabilities:			
Financial assets mandatorily classified as at fair value through profit or loss	(618,799)	4,522	138
Notes receivable	6,742,899	8,195,756	249,947
Accounts receivable	(5,325,704)	2,666,730	81,327
Notes and accounts receivable from related parties	(44,065)	(51,129)	(1,559)
Other receivables	(138,781)	(966,069)	(29,462)
Other receivables from related parties	(52,768)	389,559	11,880
Inventories	(2,774,387)	4,409,178	134,467
Prepayments	(19,124)	(628,132)	(19,156)
Other current assets	(286,894)	333,890	10,183
Contract liabilities	352,425	318,744	9,721
Notes and accounts payable	3,565,856	(831,942)	(25,372)
Other payables	(293,088)	1,738,234	53,011
Other payables to related parties	(640,789)	625,222	19,067
Other current liabilities	(62,315)	404,103	12,324
Net defined benefit liabilities	(45,669)	(112,071)	(3,418)
Cash generated from operations	10,348,498	35,462,165	1,081,493
Income tax paid	(4,156,197)	(1,711,015)	(52,181)

(Continued)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2023 (In Thousands)

	2022	2023	
	NT\$	NT\$	US\$ (Note 4) (Unaudited)
Net cash generated from operating activities	<u>6,192,301</u>	<u>33,751,150</u>	<u>1,029,312</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income	(286,227)	(209,156)	(6,379)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	229,968	7,013
Acquisition of financial assets at amortized cost	-	(26,528,183)	(809,032)
Disposal of financial assets at amortized cost	390,801	-	-
Acquisition of long-term equity investments accounted for using the equity method	(65,443)	(99,198)	(3,025)
Acquisition of subsidiaries	-	(329,336)	(10,044)
Payments for property, plant and equipment	(23,458,453)	(24,726,266)	(754,079)
Proceeds from disposal of property, plant and equipment	98,435	212,985	6,496
Payments for intangible assets	(901,526)	(1,913,693)	(58,362)
Payments for investment properties	(1,255)	-	-
Proceeds from disposal of investment properties	560,763	559,212	17,053
Decrease in finance lease receivables	2,962,021	3,168,131	96,619
Decrease (increase) in other non-current assets	(707,292)	882,916	26,927
Interest received	1,732,229	3,089,449	94,219
Dividends received	<u>3,074,114</u>	<u>2,785,290</u>	<u>84,943</u>
Net cash used in investing activities	<u>(16,601,833)</u>	<u>(42,877,881)</u>	<u>(1,307,651)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in short-term loans	(27,377,773)	(2,185,384)	(66,648)
Decrease in short-term bills payable	(3,703,085)	(281,518)	(8,585)
Issuance of bonds	11,050,000	22,773,544	694,527
Redemption of bonds payable	-	(22,194,450)	(676,866)
Increase in long-term loans	48,396,400	57,040,690	1,739,576
Repayment of long-term loans	(28,834,975)	(62,342,123)	(1,901,254)
Increase in long-term bills payable	39,900,000	30,500,000	930,162
Decrease in long-term bills payable	(37,500,000)	(40,500,000)	(1,235,133)
Repayment of the principal portion of lease liabilities	(442,617)	(525,451)	(16,025)
Increase in other non-current liabilities	155,205	643,345	19,620
Cash dividends paid	(7,627,265)	(4,061,436)	(123,862)
Proceeds from issuance of ordinary shares	13,393,957	12,340,525	376,350
Treasury shares transferred to employees	159,833	131,200	4,001
Payment for buy-back of treasury shares	-	(732,459)	(22,338)
Acquisition of subsidiaries	(18,966)	(37,980)	(1,158)
Interest paid	<u>(3,044,895)</u>	<u>(3,867,477)</u>	<u>(117,947)</u>

(Continued)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2023 (In Thousands)

	2022	2023	
	NT\$	NT\$	US\$ (Note 4) (Unaudited)
Changes in non-controlling interests	<u>1,535,612</u>	<u>788,265</u>	<u>24,040</u>
Net cash generated from (used in) financing activities	<u>6,041,431</u>	<u>(12,510,709)</u>	<u>(381,540)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>2,088,653</u>	<u>(838,432)</u>	<u>(25,570)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,279,448)	(22,475,872)	(685,449)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>91,121,942</u>	<u>88,842,494</u>	<u>2,709,439</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 88,842,494</u>	<u>\$ 66,366,622</u>	<u>\$ 2,023,990</u>

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

(With Deloitte & Touche auditors' report dated February 27, 2024)

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

The consolidated financial statements of the Corporation and its subsidiaries, collectively referred to as the “Group”, are presented in New Taiwan dollars, the functional currency of the Corporation.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s board of directors on , 2024.

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

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

Except for the following, the initial application of the amendments to the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies.

Amendments to IAS 12 “International Tax Reform - Pillar Two Model Rules”

The amendments introduce a temporary exception to the requirements in IAS 12 by stipulating that the Group should neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendments also require the Group to disclose that it has applied the exception and separately disclose its current tax expense (income) related to Pillar Two income taxes. In addition, for periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, the Group should disclose qualitative and quantitative information that helps users of financial statements understand the Group’s exposure to Pillar Two income taxes. The requirement that the Group apply the exception and the requirement to disclose that fact are applied immediately and retrospectively upon issuance of the amendments. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

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

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

Note 3: The amendments provide some transition relief regarding disclosure requirements.

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

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the above standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

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

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

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

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

Current assets include:

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

Current liabilities include:

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

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

The Group engages in the construction business, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the Group's construction-related assets and liabilities.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation.

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions or up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in its relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of an investment in an associate or a joint venture.

Refer to Note 13 for the detailed information on subsidiaries (including the percentages of ownership and main businesses).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

For each business combination, the Group measures the non-controlling interests at either fair value or the share in the recognized amounts of the acquiree's identifiable net assets. Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets, in the event of liquidation, may be initially measured at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of the measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value.

When a business combination is achieved in stages, the Group's previously held equity interest in an acquiree is remeasured to fair value at the acquisition date, and the resulting gain or loss is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are recognized on the same basis as would be required if those interests were directly disposed of by the Group.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

f. Foreign currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, and in which case, the exchange differences are also recognized directly in other comprehensive income.

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

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

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

g. Inventories

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

h. Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group uses the equity method to account for its investments in associates and joint ventures.

Under the equity method, investments in an associate and joint venture are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group's share of the equity of associates and joint ventures.

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

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

When the Group's share of losses of an associate and a joint venture equals or exceeds its interest in that associate and joint venture (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate and joint venture), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate and joint venture.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

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

When a group entity transacts with its associate and joint venture, profit and loss resulting from the transactions with the associate and joint venture are recognized in the Group's consolidated financial statements only to the extent that interests in the associate and the joint venture are not related to the Group.

i. Property, plant and equipment

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

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

Freehold land is not depreciated.

Depreciation of property, plant and equipment (including assets held under finance leases) is recognized using the straight-line method. Each significant part is depreciated separately. If a lease term is shorter than the assets' useful lives, such assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

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

j. Investment properties

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

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

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

k. Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of the acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit or groups of cash-generating units was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit or groups of cash-generating units is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation that is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

l. Intangible assets

1) Intangible assets acquired separately

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

When the Group has a right to charge for usage of concession infrastructure (as a consideration for providing construction services in a service concession arrangement), it is initially recognized as an intangible asset at its fair value. The intangible asset is subsequently measured at cost less accumulated amortization and any accumulated impairment loss.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date. Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

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

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

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

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

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

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

n. Non-current assets held for sale

Disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the disposal group is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

o. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on their remeasurement recognized in profit or loss. Fair value is determined in the manner described in Note 33.

ii. Financial assets at amortized cost

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

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

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

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

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

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

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

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets and contract assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable), lease receivables, as well as contract assets.

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

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

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

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

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

The repurchase of the Corporation's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Corporation's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

Financial liabilities are classified as at FVTPL when any such financial liability is either held for trading or is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in other gains or losses. Fair value is determined in the manner described in Note 33.

b) Derecognition of financial liabilities

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

4) Convertible bonds

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

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

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

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

5) Derivative financial instruments

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

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

p. Hedge accounting

The effects of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the line item relating to the hedged item in the same period as when the hedged item affects profit or loss. If the hedge of forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and included in the initial cost of the non-financial asset or non-financial liability.

q. Revenue recognition

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

- 1) Revenue from the sale of goods is recognized when the goods are delivered to customer' specific location and the ownership of the goods is transferred to customer.
- 2) Service income is recognized by reference to the stage of completion of the contract or when services are provided. Freight revenue is recognized by reference to the proportion of the voyage period.
- 3) Revenue from electric power is calculated according to the volume of electric power sold and the energy rate.

- 4) Revenue from construction contract is recognized over time. The Group measures the progress on the basis of costs incurred relative to the total expected costs as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligations. When the outcome of a performance obligation cannot be reasonably measured, contract revenue is recognized only to the extent of contract costs incurred in satisfying the performance obligation for which recovery is expected.

r. Leases

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

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

1) The Group as lessor

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

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

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

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

2) The Group as lessee

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

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

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

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

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

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

s. Borrowing costs

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

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

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

t. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable. Relevant grants of an asset are recognized as deferred revenue or a reduction of the asset's cost on a straight-line basis.

u. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

3) Other long-term employee benefits

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

v. Share-based payment arrangements

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

w. Taxation

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

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

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

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

2) Deferred tax

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

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

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

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

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

The Group has applied the exception from the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two income taxes. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

3) Current and deferred taxes for the year

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

x. U.S. dollar amounts (unaudited)

The translation of New Taiwan dollar (NT\$) amounts into U.S. dollar (US\$) amounts in the consolidated financial statements as of and for the year ended December 31, 2023 is included solely for the convenience of the readers. The translation was performed at an exchange rate of NT\$32.79:US\$1.00, which is the December 31, 2024 exchange rate set forth in the statistical release of the U.S. Federal Reserve Board of the United States. The translation should not be seen to represent the past, present or future possible exchange rates for the conversion of NT\$ amount to US\$ amounts.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Group considers the possible impact of climate change and related government policies and regulations, and volatility in energy market on the cash flow projection, growth rate, discount rate, profitability, and other relevant material estimates. The estimations and the underlying assumptions are reviewed on an ongoing basis by the management. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a. Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The calculation of the value in use requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

b. Impairment of property, plant and equipment

The impairment loss of property, plant and equipment in relation to production was based on the recoverable amounts of those assets, which are the higher of their fair value less costs of disposal and their value in use. Any changes in the market prices or future cash flows will affect the recoverable amounts of those assets and may lead to the recognition of additional impairment losses or the reversal of impairment losses.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	2023
Cash on hand	\$ 29,162	\$ 9,772
Checking accounts and demand deposits	27,747,698	37,737,275
Cash equivalents		
Time deposits with original maturities of 3 months or less	57,861,359	25,433,147
Bonds with repurchase agreements	<u>3,204,275</u>	<u>3,186,428</u>
	<u>\$ 88,842,494</u>	<u>\$ 66,366,622</u>

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

	December 31	
	2022	2023
Cash in banks	0.01%-6.05%	0.01%-5.84%
Bonds with repurchase agreements	0.84%-4.30%	1.16%-5.50%

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

	December 31	
	2022	2023
Current	\$ 20,954,299	\$ 34,236,957
Non-current	<u>9,577,103</u>	<u>22,599,386</u>
	<u>\$ 30,531,402</u>	<u>\$ 56,836,343</u>

The market rate intervals of financial assets at amortized cost at the end of the reporting period were as follows:

	December 31	
	2022	2023
	0.01%-6.24%	0.01%-5.80%

Refer to Note 35 for information relating to pledged financial assets at amortized cost.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2022	2023
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative instruments (not under hedge accounting)		
Redemption options and put options of convertible bonds	\$ -	\$ 1,347
Non-derivative financial assets		
Domestic listed shares	197,210	277,498
Domestic emerging market shares	95,145	108,582
Foreign government bonds	277,772	313,505
Foreign corporate bonds	41,675	21,727
Foreign beneficiary certificates	<u>-</u>	<u>5,103</u>
	<u>\$ 611,802</u>	<u>\$ 727,762</u>

Financial assets at FVTPL - non-current

Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Foreign government bonds	<u>\$ 284,876</u>	<u>\$ 278,424</u>

Financial liabilities at FVTPL - current

Held for trading		
Derivative instruments (not under hedge accounting)		
Redemption options and put options of convertible bonds	<u>\$ 641,522</u>	<u>\$ -</u>

Refer to Note 35 for information relating to financial instruments at fair value through profit or loss.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2022	2023
<u>Current</u>		
Domestic investments		
Listed shares	\$ 5,883,584	\$ 6,919,103
Convertible preference shares	<u>51,169</u>	<u>53,687</u>
	<u>\$ 5,934,753</u>	<u>\$ 6,972,790</u>
<u>Non-current</u>		
Domestic investments		
Listed shares	\$ -	\$ 247,374
Unlisted shares	8,032,322	8,826,122
Privately placed listed shares	1,030,300	1,884,630
Foreign investments		
Listed shares	13,412,634	8,613,198
Unlisted preference shares	<u>276,390</u>	<u>276,345</u>
	<u>\$ 22,751,646</u>	<u>\$ 19,847,669</u>

The Corporation subscribed privately placed ordinary shares of Phihong Technology Co., Ltd. via private placement in December 2021. The privately placed ordinary shares may not be transferred to others within 3 years under the relevant laws and regulations. In October 2023, the Corporation also participated in the capital increase of ordinary shares by cash in the amount of NT\$209,156 thousand.

Refer to Note 35 for information relating to investments in equity instruments at FVTOCI pledged as collateral for credit accommodations.

9. NOTES AND ACCOUNTS RECEIVABLE

	December 31	
	2022	2023
Notes receivable	\$ 19,460,178	\$ 11,052,888
Less: Allowance for impairment loss	<u>(9,455)</u>	<u>(9,293)</u>
	<u>19,450,723</u>	<u>11,043,595</u>
Accounts receivable	15,351,598	12,614,063
Less: Allowance for impairment loss	<u>(202,838)</u>	<u>(251,574)</u>
	<u>15,148,760</u>	<u>12,362,489</u>
	<u>\$ 34,599,483</u>	<u>\$ 23,406,084</u>

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

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

The aging analysis of receivables was as follows:

	December 31	
	2022	2023
Up to 90 days	\$ 23,611,140	\$ 15,403,105
91-180 days	10,595,776	7,584,648
181-365 days	376,993	275,980
Over 365 days	<u>15,574</u>	<u>142,351</u>
	<u>\$ 34,599,483</u>	<u>\$ 23,406,084</u>

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

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

	For the Year Ended December 31	
	2022	2023
Balance at January 1	\$ 176,959	\$ 212,293
Add: Net remeasurement of loss allowance	33,790	56,497
Less: Amounts written off	(601)	(5,253)
Foreign exchange translation gains and losses	<u>2,145</u>	<u>(2,670)</u>
Balance at December 31	<u>\$ 212,293</u>	<u>\$ 260,867</u>

10. FINANCE LEASE RECEIVABLES

	December 31	
	2022	2023
<u>Undiscounted lease payments</u>		
Year 1	\$ 5,578,575	\$ 5,883,831
Year 2	6,127,364	6,586,142
Year 3	6,285,029	6,863,309
Year 4	6,294,158	8,656,958
Year 5	<u>8,716,844</u>	<u>-</u>
	33,001,970	27,990,240
Less: Unearned finance income	8,619,669	6,155,155
Less: Accumulated impairment	<u>47,878</u>	<u>47,878</u>
Net investment in leases presented as finance lease receivables	<u>\$ 24,334,423</u>	<u>\$ 21,787,207</u>
Current (included in accounts receivable)	\$ 2,962,021	\$ 3,582,936
Non-current	<u>21,372,402</u>	<u>18,204,271</u>
	<u>\$ 24,334,423</u>	<u>\$ 21,787,207</u>

The Group's electric power selling contracts signed with Taiwan Power Company with guaranteed power generation periods are classified as finance lease arrangements and the term entered into was 25 years. The interest rate inherent in the lease was fixed at the contract date for the entire lease term. The interest rate inherent in the finance lease was approximately 11.18%.

11. DISPOSAL GROUPS HELD FOR SALE

	December 31	
	2022	2023
Buildings and land held for sale	\$ <u>-</u>	\$ <u>196,403</u>

On December 21, 2023, the Board of Directors of TCC Chemical Corporation, the Group's subsidiary, resolved to sell land and buildings in Lanya Section, Shilin District, Taipei City in order to strengthen its financial structure, which were originally classified as investment properties for rent purposes. The selling price is expected to exceed the carry amount of relevant net assets; therefore, there is no impairment loss that should be recognized when it is classified as disposal groups held for sale.

12. INVENTORIES

	December 31	
	2022	2023
Finished goods	\$ 3,817,136	\$ 2,980,091
Work in process	3,274,639	2,434,648
Raw materials	<u>8,998,205</u>	<u>6,079,276</u>
	<u>\$ 16,089,980</u>	<u>\$ 11,494,015</u>

The costs of inventories recognized as cost of goods sold for the years ended December 31, 2022 and 2023 were \$97,241,445 thousand and \$82,321,521 thousand, respectively.

The cost of goods sold included write-downs of inventory as follows:

	For the Year Ended December 31	
	2022	2023
Write-downs of inventory	<u>\$ 259,108</u>	<u>\$ 65,867</u>

13. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

The consolidated financial statements include subsidiaries which are as follows:

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark
			2022	2023	
Taiwan Cement Corporation	Taiwan Transport & Storage Corporation	Warehousing, transportation and sale of sand and gravel	83.9	83.9	
	TCC Investment Corporation	Investment	100.0	100.0	
	Kuan-Ho Refractories Industry Corporation	Production and sale of refractory materials	95.3	95.3	
	Hong Kong Cement Manufacturing Co., Ltd. ("HKCMCL")	Investment holding	84.7	84.7	
	Ta-Ho Maritime Corporation	Marine transportation	64.8	64.8	
	Taiwan Cement Engineering Corporation	Engineering services	99.2	99.3	1)
	TCC Green Energy Corporation	Renewable energy generation	100.0	100.0	
	TCC Chemical Corporation	Leasing property and energy technology services	100.0	100.0	
	TCC Information Systems Corporation	Information software design	99.4	99.4	
	Tung Chen Mineral Corporation	Afforestation and sale of limestone	99.5	-	4)
	Jin Chang Minerals Corporation	Afforestation and sale of limestone	100.0	100.0	
	Hoping Industrial Port Corporation	Hoping Industrial Port management	100.0	100.0	
	TCC International Ltd. ("TCCI")	Investment holding	100.0	100.0	
	Ho-Ping Power Company	Thermal power generation	59.5	59.5	
	HPC Power Service Corporation	Business consulting	60.0	60.0	
	E.G.C. Cement Corporation	Sale of cement	50.6	50.6	
	Feng Sheng Enterprise Company Limited	Sale of ready-mixed concrete	45.4	45.4	3)
	Trans Philippines Mineral Corporation ("TPMC")	Mining excavation	40.0	40.0	3)
	Taicorn Minerals Corporation ("TMC")	Mining excavation	72.7	72.7	
	Ta-Ho RSEA Environment Co., Ltd.	Waste collection and treatment	66.6	66.6	
	Ho Sheng Mining Co., Ltd.	Mining excavation and sale of limestone	100.0	100.0	
	TCC International Holdings Ltd. ("TCCIH")	Investment holding	45.5	47.3	1)
	Taiwan Cement (Dutch) Holdings B.V. ("TCC Dutch")	Investment holding	100.0	82.5	9)
	TCC Sustainable Energy Investment Corporation	Investment holding	100.0	100.0	
	TCC Energy Storage Technology Corporation	Energy storage equipment manufacturing, production and sales	100.0	100.0	
	Tuo Shan Recycle Technology Company	Waste collection and treatment	100.0	100.0	
	TCC Recycle Energy Technology Company	Investment holding	36.6	36.7	1), 2)
Taiwan Transport & Storage Corporation	E.G.C. Cement Corporation	Sale of cement	49.4	49.4	
	Ta-Ho Maritime Corporation	Marine transportation	29.2	29.4	1)
	Tai-Jie Transport & Storage Corporation	Transportation	100.0	100.0	
TCC Investment Corporation	Union Cement Traders Inc.	Import and export trading	100.0	100.0	
	Ho-Ping Power Company	Thermal power generation	0.5	0.5	
	Ta-Ho Maritime Corporation	Marine transportation	-	-	
	TCC Recycle Energy Technology Company	Investment holding	1.1	1.1	2)
HKCMCL	TCC Development Ltd.	Property leasing	100.0	100.0	
Ta-Ho Maritime Corporation	Ta-Ho Maritime Holdings Ltd.	Investment	100.0	100.0	
TCC Information Systems Corporation	Taicem Information (Samoa) Pte., Ltd.	Investment	100.0	100.0	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark
			December 31		
			2022	2023	
Hoping Industrial Port Corporation	TCC Recycle Energy Technology Company	Investment holding	0.4	0.4	2)
TCCI	TCCIH	Investment holding	54.5	52.7	1)
TPMC	TMC	Mining excavation	18.2	18.2	
Union Cement Traders Inc.	Taiwan Transport & Storage Corporation	Warehousing, transportation and sale of sand and gravel	0.7	0.7	
	TCC Recycle Energy Technology Company	Investment holding	1.1	1.1	2)
Ho-Ping Power Company	Ho-Ping Renewable Energy Company	Renewable energy generation	100.0	100.0	
TCC Green Energy Corporation	Chang-Wang Wind Power Co., Ltd.	Renewable energy generation	100.0	100.0	
	TCC Nan-Chung Green Energy Corporation	Renewable energy generation	100.0	100.0	
	TCC Kao-Cheng Green Energy Corporation	Renewable energy generation	100.0	100.0	
	TCC Chang-Ho Green Energy Corporation	Renewable energy generation	100.0	100.0	
	TCC Chia-Chien Green Energy Corporation	Renewable energy generation	100.0	100.0	
	TCC Yun-Kai Green Energy Corporation	Renewable energy generation	100.0	100.0	
	TCC Lien-Hsin Green Energy Corporation	Renewable energy generation	100.0	100.0	
	TCC Ping-Chih Green Energy Corporation	Renewable energy generation	100.0	100.0	
	Chia-Ho Green Energy Corporation	Renewable energy generation	85.0	85.0	6)
	TCC Tung-Li Green Energy Corporation	Renewable energy generation	100.0	100.0	
	SHI-MEN Green Energy Corporation	Renewable energy generation	-	51.0	10)
	HO-PING Ocean Renewable Resource Corporation	Renewable energy generation	-	100.0	4)
TCC Energy Storage Technology Corporation	Energy Helper TCC Corporation	Renewable energy retail and energy technology services	100.0	100.0	4)
Ta-Ho Maritime Holdings Ltd.	Ta-Ho Maritime (Hong Kong) Limited	Marine transportation	100.0	100.0	
	THC International S.A.	Marine transportation	100.0	100.0	
	Ta-Ho Maritime (Singapore) Pte. Ltd.	Marine transportation	100.0	100.0	
Taicem Information (Samoa) Pte., Ltd.	Fuzhou TCC Information Technology Co., Ltd.	Software product and equipment maintenance	100.0	100.0	
Ta-Ho Maritime (Hong Kong) Limited	Da Tong (Guigang) International Logistics Co., Ltd.	Logistics and transportation	100.0	100.0	
Da Tong (Guigang) International Logistics Co., Ltd.	Da Tong (Ying De) Logistics Co., Ltd.	Logistics and transportation	100.0	-	4)
TCC Dutch	Guigang Da-Ho Shipping Co., Ltd.	Marine transportation	100.0	100.0	
	Taiwan Cement Europe Holdings B.V. (“TCEH”)	Investment holding	100.0	100.0	
TCEH	NHOA S.A.	Investment holding	65.2	87.8	12)
NHOA S.A.	NHOA ENERGY S.R.L.	Renewable energy and energy storage system construction	100.0	-	8)
	ELECTRO POWER SYSTEM MANUFACTURING	Renewable energy and energy storage system construction	100.0	100.0	
	Comores Énergie Nouvelles S.A.R.L.	Renewable energy and energy storage system construction	100.0	-	8), 10)
	NHOA CALLIOPE S.R.L.	Investment holding	100.0	-	4), 8)
	NHOA CORPORATE S.R.L.	Investment holding	100.0	100.0	4), 8)
NHOA CORPORATE S.R.L.	ATLANTE S.R.L.	Renewable energy and charging equipment	-	100.0	8)
	FREE2MOVE ESOLUTIONS S.P.A.	Electric vehicle charging equipment	49.9	49.9	3)
	NHOA ENERGY S.R.L.	Renewable energy and energy storage system construction	-	100.0	8)
NHOA ENERGY S.R.L.	NHOA AMERICAS LLC	Renewable energy and energy storage system construction	100.0	100.0	
	NHOA AUSTRALIA PTY LTD	Renewable energy and energy storage system construction	100.0	100.0	
	NHOA LATAM S.A.C.	Renewable energy and energy storage system construction	90.0	90.0	4)

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark
			December 31		
			2022	2023	
NHOA CALLIOPE S.R.L.	NHOA Taiwan Ltd.	Renewable energy and energy storage system construction	-	100.0	4)
	NHOA UK LTD	Renewable energy and energy storage system construction	-	100.0	4)
	Comores Énergie Nouvelles S.A.R.L.	Renewable energy and energy storage system construction	-	100.0	8)
	ATLANTE S.R.L.	Renewable energy and charging equipment	100.0	-	4), 8)
NHOA AMERICAS LLC	NHOA LATAM S.A.C.	Renewable energy and energy storage system construction	10.0	10.0	4)
ATLANTE S.R.L.	ATLANTE IBERIA S.L.	Renewable energy and charging equipment	100.0	100.0	4)
	ATLANTE FRANCE S.A.S.	Renewable energy and charging equipment	100.0	100.0	4)
	ATLANTE INFRA PORTUGAL S.A.	Renewable energy and charging equipment	-	100.0	10)
	ATLANTE ITALIA S.R.L.	Renewable energy and charging equipment	-	100.0	10)
	ATLANTE IBERIA S.L.	ATLANTE Fast Charging Portugal LDA	Renewable energy and charging equipment	100.0	100.0
ATLANTE FRANCE S.A.S.	ALPIS S.A.S.	Renewable energy and charging equipment	-	51.0	4)
FREE2MOVE ESOLUTIONS S.P.A.	FREE2MOVE ESOLUTIONS FRANCE S.A.S.	Electric vehicle charging equipment	100.0	100.0	4)
	FREE2MOVE ESOLUTIONS SPAIN S.L.U.	Electric vehicle charging equipment	100.0	100.0	4)
	FREE2MOVE ESOLUTIONS NORTH AMERICA LLC	Electric vehicle charging equipment	100.0	100.0	4)
	FREE2MOVE ESOLUTIONS UK LTD	Electric vehicle charging equipment	100.0	100.0	4)
TCC Recycle Energy Technology Company	E-One Moli Energy Corp.	Manufacturing and sales of Lithium battery	100.0	100.0	
E-One Moli Energy Corp.	E-One Holdings Ltd.	Investment holding	100.0	100.0	
	Molie Quantum Energy Corporation	Manufacturing and sales of batteries, power generation machinery and electronic components	100.0	100.0	
E-One Holdings Ltd.	E-One Moli Holdings (Canada) Ltd.	Investment holding	100.0	100.0	
E-One Moli Holdings (Canada) Ltd.	E-One Moli Energy (Canada) Ltd.(“EMC”)	Battery research and development and sales	100.0	100.0	
EMC	E-One Moli Quantum Energy (Canada) Ltd. (“EMQE”)	Manufacturing and sales of batteries, power generation machinery and electronic components	-	100.0	4)
TCCIH	Upper Value Investment Limited	Investment holding	100.0	100.0	
	Upper Value Investments Ltd. (“UPPV”)	Investment holding	100.0	100.0	
	TCC Hong Kong Cement (BVI) Holdings Ltd.	Investment holding	100.0	100.0	
	Ulexite Investments Ltd.	Investment holding	100.0	100.0	
Upper Value Investment Limited	TCC Recycle Energy Technology Company	Investment holding	38.7	38.7	2)
	TCC Dutch	Investment holding	-	17.5	9)
	Prime York Ltd.	Investment holding	100.0	100.0	
	Prosperity Minerals (International) Ltd.	Investment holding	100.0	100.0	
TCC Hong Kong Cement (BVI) Holdings Ltd.	TCC Hong Kong Cement Development Ltd.	Investment holding	100.0	100.0	
	TCC Hong Kong Cement (QHC) Ltd.	Investment holding	100.0	100.0	
	TCC Hong Kong Cement (Yargoan) Ltd.	Investment holding	100.0	100.0	
	TCC Hong Kong Cement (Philippines) Ltd.	Investment holding	100.0	100.0	
	TCC Hong Kong Cement (International) Ltd.	Investment holding	100.0	100.0	
	Hong Kong Cement Company Limited (“HKCCL”)	Sale of cement	100.0	100.0	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark
			December 31		
			2022	2023	
TCC Hong Kong Cement (QHC) Ltd.	Chiefolk Company Ltd.	Investment holding	70.0	70.0	
Chiefolk Company Ltd.	TCC International (Liuzhou) Ltd.	Investment holding	100.0	100.0	
TCC International (Liuzhou) Ltd.	TCC Liuzhou Company Ltd.	Investment holding	100.0	100.0	
TCC Liuzhou Company Ltd.	TCC Liuzhou Construction Materials Co., Ltd.	Manufacturing and sale of slag powder	60.0	60.0	
TCC Hong Kong Cement (Philippines) Ltd.	TCC Cement Corp.	Cement processing services	100.0	100.0	
TCC Hong Kong Cement (International) Ltd.	TCC International (Hong Kong) Co., Ltd. (“TCCI (HK)”)	Investment holding	100.0	100.0	
TCCI (HK)	TCC Guigang Mining Industrial Company Limited	Mining excavation	52.5	52.5	
	Jiangsu TCC Investment Co., Ltd.	Investment holding	100.0	100.0	
	Jingyang Industrial Limited	Investment holding	100.0	100.0	
	TCC International (Guangxi) Ltd.	Investment holding	100.0	100.0	
	TCC Shaoguan Cement Co., Ltd.	Manufacturing and sale of cement	100.0	100.0	
	TCC Yingde Mining Industrial Company Limited	Mining excavation	48.9	48.9	
	TCC Yingde Cement Co., Ltd.	Manufacturing and sale of cement	100.0	100.0	
	TCC Jiangsu Mining Industrial Company Limited	Mining excavation	100.0	100.0	
	TCC Fuzhou Yangyu Port Co., Ltd.	Service of port facility	100.0	100.0	
	TCC (Dong Guan) Cement Company Ltd.	Manufacturing and sale of cement	100.0	-	4)
	TCC Fuzhou Cement Co., Ltd.	Manufacturing and sale of cement	100.0	100.0	
	TCC Huaihua Cement Company Limited	Manufacturing and sale of cement	31.0	31.0	
	TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	Environmental protection, cement and enterprise management consulting	58.6	74.9	5)
Jiangsu TCC Investment Co., Ltd.	Jurong TCC Cement Co., Ltd.	Manufacturing and sale of cement	21.5	21.5	
	Jurong TCC Environmental Co., Ltd.	Dangerous waste treatment	21.5	12.5	14)
Jingyang Industrial Limited	Jurong TCC Cement Co., Ltd.	Manufacturing and sale of cement	78.5	78.5	
	Jurong TCC Environmental Co., Ltd.	Dangerous waste treatment	78.5	87.5	14)
TCC International (Guangxi) Ltd.	TCC (Gui Gang) Cement Ltd.	Manufacturing and sale of cement	100.0	100.0	
	TCC (Hangzhou) Recycle Resource Technology Limited	Recycle Resource technology development, business management and sales	26.3	26.3	
TCC (Gui Gang) Cement Ltd.	TCC Huaying Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	
	TCC Guigang Mining Industrial Company Limited	Mining excavation	47.5	47.5	
	Guigang TCC Dong Yuan Environmental Technology Company Limited	Dangerous waste treatment	100.0	100.0	
	TCC (Hangzhou) Recycle Resource Technology Limited	Recycle Resource technology development, business management and sales	73.7	73.7	
TCC Yingde Cement Co., Ltd.	TCC Yingde Mining Industrial Company Limited	Mining excavation	34.8	34.8	
	Scitus Luzhou Concrete Co., Ltd.	Sale of ready-mixed concrete	25.0	25.0	
	Scitus Luzhou Cement Co., Ltd.	Manufacturing and sale of cement	10.0	10.0	
	Scitus Naxi Cement Co., Ltd.	Manufacturing and sale of cement	10.0	10.0	
	Scitus Hejiang Cement Co., Ltd.	Manufacturing and sale of cement	10.0	10.0	
	Beijing TCC Environmental Technology Co., Ltd.	Technology development, enterprise management and sales	100.0	100.0	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark
			2022	2023	
	TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	Environmental protection, cement and enterprise management consulting	41.4	25.1	5)
TCC Jiangsu Mining Industrial Company Limited	TCC Yingde Mining Industrial Company Limited	Mining excavation	16.3	16.3	
TCC Huaihua Cement Company Limited	TCC Jingzhou Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	
	TCC Huaihua Concrete Company Limited	Sale of ready-mixed concrete	100.0	100.0	
UPPV	Wayly Holdings Ltd.	Investment holding	100.0	100.0	
	TCC International (China) Co., Ltd.	Investment holding	100.0	100.0	
	Kong On Cement Holdings Ltd.	Investment holding	65.0	65.0	
	Mega East Ltd.	Investment holding	100.0	100.0	
	Prosperity Minerals (China) Ltd.	Investment holding	100.0	100.0	
	Sure Kit Ltd.	Investment holding	100.0	100.0	
	Hensford Ltd.	Investment holding	100.0	100.0	
	Kiton Ltd.	Investment holding	100.0	100.0	
	Prosperity Cement Investment Ltd.	Investment holding	100.0	100.0	
	Scitus Cement (China) Holdings Ltd. ("Scitus Holdings")	Investment holding	100.0	100.0	
Wayly Holdings Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Manufacturing and sale of cement	100.0	100.0	
TCC International (China) Co., Ltd.	TCC New (Hangzhou) Management Company Limited	Operation management	100.0	100.0	
Kong On Cement Holdings Ltd.	Guizhou Kong On Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	
Mega East Ltd.	Guangan Changxing Cement Company Ltd.	Manufacturing and sale of cement	100.0	100.0	
Sure Kit Ltd.	TCC Chongqing Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	
Hensford Ltd.	TCC Anshun Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	
Kiton Ltd.	TCC Liaoning Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	
Prosperity Cement Investment Ltd.	Yingde Dragon Mountain Cement Co., Ltd.	Manufacturing and sale of cement	100.0	100.0	
TCC Anshun Cement Company Limited	Anshun Xin Tai Construction Materials Company Limited	Filtering of sand and gravel and sale of ready-mixed concrete	100.0	100.0	
	TCC Zhongxin (Anshun) Renewable Resources Technology Company Limited	Crop straw treatment and processing and utilization services	-	51.0	4)
TCC New (Hangzhou) Management Company Limited	Kaili TCC Environment Technology Co., Ltd.	Waste collection and treatment	100.0	16.7	7)
Scitus Holdings	Scitus Cement (China) Operating Co., Ltd.	Investment holding	100.0	100.0	
	Hexagon XIV Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon XIII Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon IX Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon VIII Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon V Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon IV Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon III Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon II Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon Holdings Ltd.	Investment holding	100.0	100.0	
Hexagon IX Holdings Ltd.	Scitus Hejiang Cement Co., Ltd.	Manufacturing and sale of cement	90.0	90.0	
Hexagon IV Holdings Ltd.	Scitus Luzhou Cement Co., Ltd.	Manufacturing and sale of cement	90.0	90.0	13)
Hexagon III Holdings Ltd.	Scitus Naxi Cement Co., Ltd.	Manufacturing and sale of cement	90.0	90.0	13)
Hexagon XIV Holdings Ltd.	Scitus Luzhou Concrete Co., Ltd.	Sale of ready-mixed concrete	75.0	75.0	13)
Scitus Luzhou Cement Co., Ltd.	TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd.	Technology development, enterprise management and sales	55.0	-	11)
Jurong TCC Cement Co., Ltd.	TCC Huaihua Cement Company Limited	Manufacturing and sale of cement	69.0	69.0	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark
			December 31		
			2022	2023	
TCC (Hangzhou) Environmental Protection Co., Ltd.	TCC Yongren (Hangzhou) Environmental Protection Technology Co., Ltd.	Resource recycling technology consultation, biomass energy technology and fuel sales, solid waste treatment	100.0	100.0	
	TCC Yongren (Hangzhou) Environmental Technology Co., Ltd.	Resource recycling technology consultation, solid waste treatment, biomass fuel sales	100.0	100.0	
	TCC Yongren (Hangzhou) Renewable Resources Technology Co., Ltd.	Resource reusing technology and development, solid waste treatment, biomass fuel processing and sales	100.0	100.0	
	TCC Yongren (Hangzhou) Renewable Resources Development Co., Ltd.	Resource regeneration technology research and development, solid waste treatment, biomass fuel processing and sales	100.0	100.0	
	TCC Zhihe (Hangzhou) Environmental Protection Co., Ltd.	Resource recycling, environmental protection, solid waste treatment, business management and sales-related businesses	-	100.0	4)
TCC Yongren (Hangzhou) Environmental Protection Technology Co., Ltd.	TCC (Shaoguan) Environment Technology Co., Ltd.	Biomass fuel processing and sales, solid waste treatment, urban and kitchen waste treatment	100.0	100.0	
TCC Zhihe (Hangzhou) Environmental Protection Technology Co., Ltd.	Kaili TCC Environment Technology Co., Ltd.	Waste collection and treatment	-	83.3	7)
TCC Yongren (Hangzhou) Renewable Resources Development Co., Ltd.	TCC (Guangdong) Renewable Resources Technology Company Limited	Resource recycling research and experimental development, sales of renewable resources, technical services and business management	-	100.0	4)
TCC (Guangdong) Renewable Resources Technology Company Limited	123 (Guangdong) Environmental Protection Technology Co., Ltd	Environmental protection material processing, manufacturing, and operation and related services	-	100.0	10)

(Concluded)

Remarks:

- 1) The Corporation purchased a portion of ordinary shares of TCC Recycle Energy Technology Company and Taiwan Cement Engineering Corporation in 2023. Taiwan Transport & Storage Corporation purchased a portion of ordinary shares of Ta-Ho Maritime Corporation in 2023. Refer to Note 30 for information relating to the aforementioned equity acquisition transaction. The Corporation invested in TCCIH in 2022, and its percentage of ownership was increased to 45.5%. The original shareholder, TCCI, did not simultaneously invest which resulted in decrease of the percentage of ownership to 54.5%. The Corporation invested in TCCIH in 2023, and its percentage of ownership was increased to 47.3%. The original shareholder, TCCI, did not simultaneously invest which resulted in decrease of the percentage of ownership to 52.7%.
- 2) TCC Recycle Energy Technology Company increased its capital by cash in September 2022, and the Group participated in the subscription of shares via TCCIH. Due to the non-subscription by other shareholders, the Group's percentage of ownership was increased from 67.8% to 78.0%.
- 3) Although the Group's percentages of ownership in Feng Sheng Enterprise Company Limited, TPMC and FREE2MOVE ESOLUTION S.P.A. were less than 50%, the Group still has control over those entities. Thus, Feng Sheng Enterprise Company Limited, TPMC and FREE2MOVE ESOLUTION S.P.A. are considered as subsidiaries of the Group.

- 4) ATLANTE TOPCO S.R.L., ATLANTE IBERIA S.L., ATLANTE FRANCE S.A.S., FREE2MOVE ESOLUTIONS FRANCE S.A.S., Energy Helper TCC Corporation, FREE2MOVE ESOLUTIONS SPAIN S.L.U., NHOA CORPORATE S.R.L., NHOA LATAM S.A.C., ATLANTE Fast Charging Portugal LDA, FREE2MOVE ESOLUTIONS NORTH AMERICA LLC and FREE2MOVE ESOLUTIONS UK LTD were established in 2022. NHOA Taiwan Ltd., NHOA UK LTD, TCC Zhihe (Hangzhou) Environmental Protection Co., Ltd., TCC (Guangdong) Renewable Resources Technology Company Limited、HO-PING Ocean Renewable Resource Corporation, ALPIS S.A.S, E-One Moli Quantum Energy (Canada) Ltd. and TCC Zhongxin (Anshun) Renewable Resources Technology Company Limited were established in 2023. ATLANTE TOPCO S.R.L. changed its name to NHOA CALLIOPE S.R.L. in the first quarter of 2023. TCC (Dong Guan) Cement Company Ltd. and Da Tong (Ying De) Logistics Co., Ltd. completed the cancellation of its registration in 2023. Tung Chen Mineral Corporation was in liquidation at the end of December 2023.
- 5) TCCI (HK) invested in TCC (Hangzhou) Environmental Protection Technology Co., Ltd. in 2022, and its percentage of ownership was increased to 58.6%. The original shareholder, TCC Yingde Cement Co., Ltd., did not simultaneously invest which resulted in decrease of the percentage of ownership to 41.4%. TCCI (HK) invested in TCC (Hangzhou) Environmental Protection Technology Co., Ltd. in 2023, and its percentage of ownership was increased to 74.9%. The original shareholder, TCC Yingde Cement Co., Ltd., did not simultaneously invest which resulted in decrease of the percentage of ownership to 25.1%.
- 6) The beneficial related party of the Group, Winbond Electronics Corporation, participated in the capital increase of Chia-Ho Green Energy Corporation in the amount of \$555,000 thousand in August 2022, which resulted in the shareholding of Winbond Electronics Corporation increased to 15.0%. Due to the non-subscription by the Group, the shareholding of the Group decreased to 85.0%.
- 7) TCC Zhihe (Hangzhou) Environmental Protection Co., Ltd. invested in Kaili TCC Environment Technology Co., Ltd. in 2023, and its percentage of ownership was increased to 83.3%. The original shareholder, TCC New (Hangzhou) Management Company Limited, did not simultaneously invest which resulted in decrease of the percentage of ownership to 16.7%.
- 8) Due to the change for the Group's strategic development and operating arrangement, the Group proceeded an organizational restructuring by transferring the equity interest of ATLANTE S.R.L. held by NHOA ENERGY S.R.L. to ATLANTE TOPCO S.R.L. and FREE2MOVE ESOLUTIONS S.P.A. held by NHOA ENERGY S.R.L. to NHOA CORPORATE S.R.L. in 2022. In addition, NHOA CALLIOPE S.R.L. is merged into NHOA CORPORATE S.R.L., resulting in NHOA CORPORATE S.R.L. as the surviving company in 2023. The record date of the merger was May 29, 2023. The Group transferred the shares of NHOA ENERGY S.R.L. and Comores Énergie Nouvelles S.A.R.L. held by NHOA S.A. to NHOA CORPORATE S.R.L. and NHOA ENERGY S.R.L., respectively, in 2023.
- 9) TCC Dutch increased its capital by cash in 2023, and the Group participated in the subscription of shares via TCCIH, and its percentage of ownership was increased to 17.5%. The original shareholder, the Corporation, did not simultaneously invest which resulted in decrease of the percentage of ownership to 82.5%.

- 10) NHOA S.A. purchased 40% shares of Comores Énergie Nouvelles S.A.R.L. in 2022, which resulted the shareholding increased to 100%. ATLANTE S.R.L. purchased shares of ATLANTE INFRA PORTUGAL S.A. and ATLANTE ITALIA S.R.L. in 2023. TCC (Guangdong) Renewable Resources Technology Company Limited purchased shares of 123 (Guangdong) Environmental Protection Technology Co., Ltd. in 2023. SHI-MEN Green Energy Corporation increased its capital by cash in 2023, and TCC Green Energy Corporation participated in the subscription of shares. Due to the non-subscription by other shareholders, the shareholdings of the Group increased to 51% and gained control over SHI-MEN Green Energy Corporation. Refer to Note 29 for detailed information relating to the aforementioned acquisition transaction.
- 11) Due to the transfer of shares in TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd., the shareholdings of the Group was decreased from 55% to 30%, and turned to be qualified as an investment accounted for using the equity method from the first quarter of 2023. According to the share transfer agreement, the Group may repurchase 15% of the shares within 3 years.
- 12) NHOA S.A. increased its capital by cash in 2023. Due to the non-subscription by other shareholders, the shareholdings of the Group increased from 65.2% to 87.8%.
- 13) In order to consolidate the operating resources and improve the management efficiency of the Group, the Group intends to merge Scitus Luzhou Cement Co., Ltd. with Scitus Naxi Cement Co., Ltd., resulting in Scitus Luzhou Cement Co., Ltd. as the surviving company. In consideration of the local market and the future outlook, the Group planned to proceed the cancellation of Sade Concrete Company Limited's registration. As of December 31, 2023, the aforementioned procedures were in progress.
- 14) Jingyang Industrial Limited invested in Jurong TCC Environmental Protection Co., Ltd. in 2023, and its percentage of ownership was increased to 87.5%. The original shareholder, Jiangsu TCC Investment Co., Ltd., did not simultaneously invest which resulted in decrease of the percentage of ownership to 12.5%.

b. Details of subsidiaries that have material non-controlling interests

	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
	December 31	
	2022	2023
Ho-Ping Power Company	40.0%	40.0%

Refer to Table for the information on the places of incorporation and principal places of business.

The summarized financial information below represents amounts before intragroup eliminations.

Ho-Ping Power Company

	December 31	
	2022	2023
Current assets	\$ 14,494,105	\$ 18,023,065
Non-current assets	23,740,225	20,690,014
Current liabilities	(6,655,281)	(5,521,759)
Non-current liabilities	<u>(7,497,223)</u>	<u>(2,337,908)</u>
Equity	<u>\$ 24,081,826</u>	<u>\$ 30,853,412</u>

(Continued)

	December 31	
	2022	2023
Equity attributable to:		
Owners of Ho-Ping Power Company	\$ 14,445,628	\$ 18,508,599
Non-controlling interests of Ho-Ping Power Company	<u>9,636,198</u>	<u>12,344,813</u>
	<u>\$ 24,081,826</u>	<u>\$ 30,853,412</u>
		(Concluded)
	For the Year Ended December 31	
	2022	2023
Operating revenue	<u>\$ 22,985,566</u>	<u>\$ 26,931,765</u>
Net profit (loss) for the year	\$ (1,488,561)	\$ 6,772,093
Other comprehensive income (loss) for the year	<u>1,192</u>	<u>(508)</u>
Total comprehensive income (loss) for the year	<u>\$ (1,487,369)</u>	<u>\$ 6,771,585</u>
Net profit (loss) attributable to:		
Owners of Ho-Ping Power Company	\$ (893,137)	\$ 4,063,276
Non-controlling interests of Ho-Ping Power Company	<u>(595,424)</u>	<u>2,708,817</u>
	<u>\$ (1,488,561)</u>	<u>\$ 6,772,093</u>
Total comprehensive income (loss) attributable to:		
Owners of Ho-Ping Power Company	\$ (892,422)	\$ 4,062,970
Non-controlling interests of Ho-Ping Power Company	<u>(594,947)</u>	<u>2,708,615</u>
	<u>\$ (1,487,369)</u>	<u>\$ 6,771,585</u>
Net cash inflow (outflow) from:		
Operating activities	\$ (3,486,510)	\$ 17,570,393
Investing activities	(1,449,849)	(3,253,429)
Financing activities	<u>6,585,300</u>	<u>(8,225,597)</u>
Net cash inflow	<u>\$ 1,648,941</u>	<u>\$ 6,091,367</u>
Dividends paid to non-controlling interests of Ho-Ping Power Company	<u>\$ 800,000</u>	<u>\$ -</u>

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2022	2023
Investments in associates	\$ 53,485,857	\$ 57,872,421
Investments in joint ventures	<u>100,816</u>	<u>181,187</u>
	<u>\$ 53,586,673</u>	<u>\$ 58,053,608</u>
		(Continued)

	December 31	
	2022	2023
Material associates		
Cimpor Global Holdings B.V.	\$ 30,866,698	\$ 35,716,009
Associates that are not individually material		
Prosperity Conch Cement Company Limited	8,198,939	7,503,277
International CSRC Investment Holdings Co., Ltd.	6,971,331	6,960,847
CCC USA Corp.	1,899,822	1,850,128
ONYX Ta-Ho Environmental Services Co., Ltd	1,391,240	1,678,864
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	1,536,535	1,449,160
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	929,214	805,971
Sichuan Taichang Building Material Group Company Limited	565,573	582,526
Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.	604,483	543,551
Quon Hing Concrete Co., Ltd.	233,343	337,886
Hong Kong Concrete Co., Ltd.	190,844	235,740
Guigang Conch-TCC New Material Technology Co., Ltd.	90,781	175,975
Chongqing Xuanjie Taini Environmental Protection Technology Co., Ltd.	-	25,267
Synpac Ltd.	7,054	7,220
Joint ventures that are not individually material		
Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd.	88,687	93,738
TCC Zhongrun (Anshun) Environmental Technology Co., Ltd.	12,129	65,221
Jiangsu Environmental Resources TCC Solid Waste Disposal Co., Ltd.	-	14,577
TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd.	-	5,225
D-concrete INC.,	-	2,426
	<u>\$ 53,586,673</u>	<u>\$ 58,053,608</u>
		(Concluded)

For the amounts of the Group's investments accounted for using the equity method provided as loan guarantees, refer to Note 35.

a. Material associates

	Proportion of Ownership	
	December 31	
	2022	2023
Cimpor Global Holdings B.V.	40.0%	40.0%

Refer to Table for information on the nature of activities, principal place of business and country of incorporation of Cimpor Global Holdings B.V. and other investees.

The financial information of material associates, which reflected the adjustments made when adopting the equity method of accounting, was summarized as follows:

Cimpor Global Holdings B.V.

	December 31	
	2022	2023
Current assets	\$ 22,714,456	\$ 28,648,609
Non-current assets	68,009,154	75,147,030
Current liabilities	(15,231,225)	(13,690,984)
Non-current liabilities	(12,938,960)	(15,017,801)
Non-controlling interests	<u>(9,147,080)</u>	<u>(10,472,213)</u>
Equity attributable to the Group	<u>\$ 53,406,345</u>	<u>\$ 64,614,641</u>
Proportion of the Group's ownership	40%	40%
Equity attributable to the Group	\$ 21,362,538	\$ 25,845,857
Goodwill	<u>9,504,160</u>	<u>9,870,152</u>
Carrying amount	<u>\$ 30,866,698</u>	<u>\$ 35,716,009</u>
	For the Year Ended December 31	
	2022	2023
Operating revenue	<u>\$ 42,893,926</u>	<u>\$ 49,949,028</u>
Net profit for the year	\$ 7,066,885	\$ 9,170,680
Other comprehensive income	<u>4,323,558</u>	<u>937,534</u>
Total comprehensive income for the year	<u>\$ 11,390,443</u>	<u>\$ 10,108,214</u>

Oyak Cimento A.S., a subsidiary of Cimpor Global Holdings B.V. located in Turkey, has been deemed an economic entity under high inflation since December 31, 2022. On December 31, 2023, according to the CPI announced by the Turkish Statistical Institute, the cumulative inflation rate in the past three years exceeded 100%. According to IAS 29 Financial Reporting in Hyperinflationary Economies, the financial statements should be stated in terms of the measuring unit on the current balance sheet, the profit or loss of the net currency position should be included in the current income statement. When Cimpor Global Holdings B.V. prepares the consolidated financial statements, it shall convert the individual financial statements of the Turkish region based on the closing exchange rate at the reporting period and adjust the translation effects of high inflation under other comprehensive profit and loss items, and the Group accounted for its shares by using the equity method.

b. Aggregate information of associates that are not individually material

	Proportion of Ownership	
	December 31	
	2022	2023
Prosperity Conch Cement Company Limited	25.0%	25.0%
International CSRC Investment Holdings Co., Ltd. (Note 1)	19.2%	19.2%
CCC USA Corp.	33.3%	33.3%
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	30.0%	30.0%
ONYX Ta-Ho Environmental Services Co., Ltd.	50.0%	50.0%
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	30.0%	30.0%
Sichuan Taichang Building Material Group Company Limited	30.0%	30.0%
Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.	40.0%	40.0%
Quon Hing Concrete Co., Ltd.	50.0%	50.0%
Hong Kong Concrete Co., Ltd.	31.5%	31.5%
Guigang Conch-TCC New Material Technology Co., Ltd.	40.0%	40.0%
Chongqing Xuanjie Taini Environmental Protection Technology Co., Ltd. (Note 3)	-	49.0%
Synpac Ltd.	25.0%	25.0%
Yingjing Xinan New Material Co., Ltd. (Note 2)	30.0%	30.0%
	For the Year Ended December 31	
	2022	2023
The Group's share of:		
Net income for the year	\$ 1,162,071	\$ 1,003,600
Other comprehensive income (loss)	<u>410,234</u>	<u>(140,349)</u>
Total comprehensive income for the year	<u>\$ 1,572,305</u>	<u>\$ 863,251</u>

Note 1: The Group's ownership percentage in International CSRC Investment Holdings Co., Ltd. is less than 20%; however, the Group has significant influence and therefore accounts for the investment by using the equity method.

Note 2: The Group generated a credit balance for the equity method of investment due to the recognition of the investment loss of Yingjing Company. As of December 31, 2022 and 2023, the credit balance recognized in other non-current liabilities by the Group was \$168,966 thousand and \$165,570 thousand, respectively.

Note 3: The Group invested in Chongqing Xuanjie Taini Environmental Protection Technology Co., Ltd. in 2023. The Group invested \$25,576 thousand, and owned 49% of Chongqing Xuanjie Taini Environmental Protection Technology Co., Ltd.

The Group holds less than 50% of the issued share capital of some associates, but it is the single largest shareholder. Considering the voting rights of the other shareholders, the shareholding proportion is not significant. Therefore, the Group is not in a position to dominate certain company-related activities and therefore has no control over them. The Group's management considers that it does exercise significant influence over those companies; thus, the Group accounts for them as associates and adopts equity method of accounting.

c. Aggregate information of joint ventures that are not individually material

	Proportion of Ownership	
	December 31	
	2022	2023
Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd. (Note 4)	45.0%	70.0%
TCC Zhongrun (Anshun) Environmental Technology Co., Ltd. (Note 5)	65.0%	65.0%
TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd. (Note 6)	-	30.0%
Jiangsu Environmental Resources TCC Solid Waste Disposal Co., Ltd. (Note 7)	-	49.0%
D-concrete INC., (Note 8)	-	49.0%
For the Year Ended December 31		
	2022	2023
The Group's share of:		
Net income (loss) for the year	\$ (1,740)	\$ 4,443
Other comprehensive income (loss)	<u>3,999</u>	<u>(3,935)</u>
Total comprehensive income for the year	<u>\$ 2,259</u>	<u>\$ 508</u>

Note 4: The Group increased its investment in Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd. in 2023, and the investment amount was \$4,382 thousand. The proportion of the Group's ownership was 70%. The original transferor may repurchase 15% of the shares within 3 years. The Group increased its investment in Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd. in 2022, and the investment amount was \$53,721 thousand. The proportion of the Group's ownership was 45%.

Note 5: The Group increased its investment in TCC Zhongrun (Anshun) Environmental Technology Co., Ltd. for the years ended December 31, 2022 and 2023, and the investment amounts were \$11,722 and \$54,021 thousand, respectively. The proportion of the Group's ownership was 65%.

Note 6: Due to the transfer of the shares in TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd., the shareholdings of the Group were decreased from 55% to 30% and turned to be qualified as an investment accounted for using the equity method. According to the share transfer agreement, the Group may repurchase of 15% of the shares within 3 years.

Note 7: The Group increased its investment in \$12,769 thousand in Jiangsu Environmental Resources TCC Solid Waste Disposal Co., Ltd. in 2023. The proportion of the Group's ownership was 49%.

Note 8: The Group increased its investment of \$2,450 thousand in D-concrete INC., in 2023, and the proportion of the Group's ownership was 49%.

According to contents of joint venture agreement, the Corporation's actual operation management authority specification, check events of material and decision-making of material are jointly led by two capital contributors, and the Group has no control over them.

All associates and joint ventures are accounted for using the equity method by the Group.

The investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2022 and 2023 were based on the associates' audited financial statements for the same years then ended except Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd., Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd., D-concrete INC. and TCC Zhongrun (Anshun) Environmental Technology Co., Ltd. for the year ended December 31, 2022. The Group considered that there would be no significant adjustments if such financial statements were to be audited.

15. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Property in Construction	Total
<u>Cost</u>						
Balance at January 1, 2022	\$ 25,912,225	\$ 51,746,756	\$ 80,969,973	\$ 15,474,043	\$ 11,884,990	\$ 185,987,987
Additions	1,856	420,271	1,061,501	370,877	17,171,965	19,026,470
Disposals	-	(81,582)	(469,656)	(1,023,993)	-	(1,575,231)
Reclassification	45,783	2,451,340	7,773,232	4,591,488	(12,014,050)	2,847,793
Effects of foreign currency exchange differences	2,195	606,394	880,785	457,679	66,989	2,014,042
Balance at December 31, 2022	<u>\$ 25,962,059</u>	<u>\$ 55,143,179</u>	<u>\$ 90,215,835</u>	<u>\$ 19,870,094</u>	<u>\$ 17,109,894</u>	<u>\$ 208,301,061</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2022	\$ 808,904	\$ 21,210,406	\$ 57,214,150	\$ 8,479,352	\$ 79,143	\$ 87,791,955
Disposals	-	(54,221)	(403,655)	(998,624)	-	(1,456,500)
Depreciation expenses	-	1,490,880	4,018,850	988,560	-	6,498,290
Reclassification	-	29,822	(20,321)	9	-	9,510
Effects of foreign currency exchange differences	-	142,949	488,657	84,741	1,476	717,823
Balance at December 31, 2022	<u>\$ 808,904</u>	<u>\$ 22,819,836</u>	<u>\$ 61,297,681</u>	<u>\$ 8,554,038</u>	<u>\$ 80,619</u>	<u>\$ 93,561,078</u>
Carrying amount at December 31, 2022	<u>\$ 25,153,155</u>	<u>\$ 32,323,343</u>	<u>\$ 28,918,154</u>	<u>\$ 11,316,056</u>	<u>\$ 17,029,275</u>	<u>\$ 114,739,983</u>
<u>Cost</u>						
Balance at January 1, 2023	\$ 25,962,059	\$ 55,143,179	\$ 90,215,835	\$ 19,870,094	\$ 17,109,894	\$ 208,301,061
Additions	34,999	918,720	1,767,302	367,891	25,941,923	29,030,835
Disposals	-	(266,038)	(391,595)	(488,540)	-	(1,146,173)
Acquisitions through business combinations (Note 29)	-	-	142,461	-	32,200	174,661
Reclassification	(10,610,111)	5,816,172	10,243,426	1,336,543	(17,271,728)	(10,485,698)
Effects of foreign currency exchange differences	1,127	(762,744)	(1,231,061)	(76,678)	(101,257)	(2,170,613)
Balance at December 31, 2023	<u>\$ 15,388,074</u>	<u>\$ 60,849,289</u>	<u>\$ 100,746,368</u>	<u>\$ 21,009,310</u>	<u>\$ 25,711,032</u>	<u>\$ 223,704,073</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2023	\$ 808,904	\$ 22,819,836	\$ 61,297,681	\$ 8,554,038	\$ 80,619	\$ 93,561,078
Disposals	-	(169,153)	(231,926)	(420,423)	-	(821,502)
Depreciation expenses	-	1,536,188	4,437,970	1,308,865	-	7,283,023
Acquisitions through business combinations (Note 29)	-	-	15,134	-	-	15,134
Impairment losses	-	524,572	209,734	4,814	-	739,120
Reclassification	-	(17,004)	17,334	105	-	435
Effects of foreign currency exchange differences	-	(296,815)	(850,736)	(39,679)	(1,620)	(1,188,850)
Balance at December 31, 2023	<u>\$ 808,904</u>	<u>\$ 24,397,624</u>	<u>\$ 64,895,191</u>	<u>\$ 9,407,720</u>	<u>\$ 78,999</u>	<u>\$ 99,588,438</u>
Carrying amount at December 31, 2023	<u>\$ 14,579,170</u>	<u>\$ 36,451,665</u>	<u>\$ 35,851,177</u>	<u>\$ 11,601,590</u>	<u>\$ 25,632,033</u>	<u>\$ 124,115,635</u>

In order to accelerate the operation transformation and intelligent production, the subsidiary of the Group, E-One Moli Energy Corp., planned to dismantle part of the existing plant and equipment. Accordingly, E-One Moli Energy Corp recognized the impairment losses of \$26,036 thousand after assessing the recoverable amount was zero in 2023.

In order to consolidate the operating resources and improve the management efficiency of the Group, the Group intended to merge Scitus Luzhou Cement Co., Ltd. with Scitus Naxi Cement Co., Ltd. in China, resulting in Scitus Luzhou Cement Co., Ltd. as the surviving company. In consideration of the local market and the future prospect, the Group planned to proceed the cancellation of Scitus Luzhou Concrete Company Limited's registration. The Group recognized the impairment losses of amounting to \$713,084 thousand in 2023 after assessing that the recoverable amounts of the aforementioned plan and part of its property, plant and equipment of cement segment were zero due to factors such as idling as a result of decrease in market demand or natural disasters.

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

Buildings	
Main buildings	30-60 years
Main plants	15-50 years
Storage units	10-50 years
Others	20-50 years
Machinery and equipment	2-28 years
Miscellaneous equipment	2-20 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 35.

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

	For the Year Ended December 31	
	2022	2023
Acquisitions of property, plant and equipment	\$ 19,026,470	\$ 29,030,835
Increase (decrease) in prepayments for equipment	4,244,054	(4,793)
Decrease (increase) in payables for equipment (included in other payables)	242,687	(4,299,776)
Increase in other non-current liabilities	<u>(54,758)</u>	<u>-</u>
	<u>\$ 23,458,453</u>	<u>\$ 24,726,266</u>

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2022	2023
<u>Carrying amount</u>		
Land	\$ 13,525,477	\$ 13,312,942
Buildings	1,531,828	1,556,617
Machinery	354,777	407,519
Others	<u>91,693</u>	<u>120,092</u>
	<u>\$ 15,503,775</u>	<u>\$ 15,397,170</u>

	For the Year Ended December 31	
	2022	2023
Additions to right-of-use assets	<u>\$ 1,268,727</u>	<u>\$ 1,075,662</u>
Depreciation charge for right-of-use assets		
Land	\$ 645,079	\$ 613,584
Buildings	182,940	225,519
Machinery	84,383	81,393
Others	<u>41,649</u>	<u>42,391</u>
	<u>\$ 954,051</u>	<u>\$ 962,887</u>

Except for the aforementioned additions and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the years ended December 31, 2022 and 2023.

b. Lease liabilities

	December 31	
	2022	2023
<u>Carrying amount</u>		
Current	<u>\$ 400,136</u>	<u>\$ 515,108</u>
Non-current	<u>\$ 3,550,048</u>	<u>\$ 3,719,264</u>

Range of discount rates for lease liabilities was as follows:

	December 31	
	2022	2023
Land	1.79%-4.90%	1.63%-5.40%
Buildings	0.71%-4.75%	0.71%-5.50%
Machinery	1.85%-2.20%	1.85%-2.70%
Others	0.85%-4.75%	0.85%-4.75%

c. Material lease-in activities and terms

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

d. Other lease information

	For the Year Ended December 31	
	2022	2023
Expenses relating to short-term leases	<u>\$ 808,485</u>	<u>\$ 705,743</u>
Expenses relating to low-value asset leases	<u>\$ 2,897</u>	<u>\$ 2,115</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 329,326</u>	<u>\$ 349,635</u>
Total cash outflow for leases	<u>\$ (1,624,278)</u>	<u>\$ (1,704,530)</u>

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

17. INVESTMENT PROPERTIES

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2022	\$ 5,422,848	\$ 1,269,795	\$ 6,692,643
Additions	-	1,255	1,255
Disposals	(58,417)	-	(58,417)
Reclassification	(20,860)	(14,485)	(35,345)
Effects of foreign currency exchange differences	-	2,654	2,654
Balance at December 31, 2022	<u>\$ 5,343,571</u>	<u>\$ 1,259,219</u>	<u>\$ 6,602,790</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2022	\$ 546,871	\$ 720,092	\$ 1,266,963
Depreciation expenses	-	21,190	21,190
Reclassification	-	(9,510)	(9,510)
Effects of foreign currency exchange differences	-	1,131	1,131
Balance at December 31, 2022	<u>\$ 546,871</u>	<u>\$ 732,903</u>	<u>\$ 1,279,774</u>
Carrying amount at December 31, 2022	<u>\$ 4,796,700</u>	<u>\$ 526,316</u>	<u>\$ 5,323,016</u>
<u>Cost</u>			
Balance at January 1, 2023	\$ 5,343,571	\$ 1,259,219	\$ 6,602,790
Disposals	(227,147)	-	(227,147)
Reclassification	10,481,131	(167,714)	10,313,417
Effects of foreign currency exchange differences	-	(61)	(61)
Balance at December 31, 2023	<u>\$ 15,597,555</u>	<u>\$ 1,091,444</u>	<u>\$ 16,688,999</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2023	\$ 546,871	\$ 732,903	\$ 1,279,774
Depreciation expenses	-	20,712	20,712
Reclassification	-	(104,971)	(104,971)
Effects of foreign currency exchange differences	-	(36)	(36)
Balance at December 31, 2023	<u>\$ 546,871</u>	<u>\$ 648,608</u>	<u>\$ 1,195,479</u>
Carrying amount at December 31, 2023	<u>\$ 15,050,684</u>	<u>\$ 442,836</u>	<u>\$ 15,493,520</u>

The Corporation disposed of investment properties in the years ended December 31, 2022 and 2023, and the Corporation recognized gain on disposal of investment properties in the amount of \$502,346 thousand and \$332,065 thousand, respectively.

The Corporation intention was to plan other development uses for its originally self-used land in 2023 and reclassify its property, plant and equipment to investment properties in the amount of \$10,614,790 thousand.

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

The fair values of the investment properties were determined by independent qualified professional valuers or the Group's management using market prices of similar properties. As of December 31, 2022 and 2023, the fair values of investment properties were \$13,242,491 thousand and \$30,191,726 thousand, respectively.

The investment properties pledged as collateral for bank borrowings are set out in Note 35.

18. INTANGIBLE ASSETS

	Goodwill	Operational Concession	Mining Rights	Technical Expertise	Others	Total
<u>Cost</u>						
Balance at January 1, 2022	\$ 16,138,810	\$ 7,681,476	\$ 5,772,594	\$ 1,220,651	\$ 2,148,967	\$ 32,962,498
Additions	-	-	579,758	-	321,768	901,526
Reclassification	-	-	-	(63,094)	90,150	27,056
Effects of foreign currency exchange differences	350,161	-	107,978	51,742	45,900	555,781
Balance at December 31, 2022	<u>\$ 16,488,971</u>	<u>\$ 7,681,476</u>	<u>\$ 6,460,330</u>	<u>\$ 1,209,299</u>	<u>\$ 2,606,785</u>	<u>\$ 34,446,861</u>
<u>Accumulated amortization and impairment</u>						
Balance at January 1, 2022	\$ 156,000	\$ 1,511,110	\$ 1,904,654	\$ -	\$ 1,674,357	\$ 5,246,121
Amortization expenses	-	151,111	343,595	328,393	231,201	1,054,300
Impairment losses	-	-	-	-	89,923	89,923
Reclassification	-	-	-	-	44,971	44,971
Effects of foreign currency exchange differences	-	-	32,192	14,243	30,448	76,883
Balance at December 31, 2022	<u>\$ 156,000</u>	<u>\$ 1,662,221</u>	<u>\$ 2,280,441</u>	<u>\$ 342,636</u>	<u>\$ 2,070,900</u>	<u>\$ 6,512,198</u>
Carrying amount at December 31, 2022	<u>\$ 16,332,971</u>	<u>\$ 6,019,255</u>	<u>\$ 4,179,889</u>	<u>\$ 866,663</u>	<u>\$ 535,885</u>	<u>\$ 27,934,663</u>
<u>Cost</u>						
Balance at January 1, 2023	\$ 16,488,971	\$ 7,681,476	\$ 6,460,330	\$ 1,209,299	\$ 2,606,785	\$ 34,446,861
Additions	-	-	1,396,034	-	517,659	1,913,693
Acquisitions through business combinations (Note 29)	318,812	-	-	-	81,426	400,238
Disposals	-	-	-	-	(6,954)	(6,954)
Reclassification	-	-	724,856	-	91,986	816,842
Effects of foreign currency exchange differences	(74,047)	-	(164,536)	46,569	24,764	(167,250)
Balance at December 31, 2023	<u>\$ 16,733,736</u>	<u>\$ 7,681,476</u>	<u>\$ 8,416,684</u>	<u>\$ 1,255,868</u>	<u>\$ 3,315,666</u>	<u>\$ 37,403,430</u>
<u>Accumulated amortization and impairment</u>						
Balance at January 1, 2023	\$ 156,000	\$ 1,662,221	\$ 2,280,441	\$ 342,636	\$ 2,070,900	\$ 6,512,198
Amortization expenses	-	151,111	324,633	249,104	293,252	1,018,100
Impairment losses	133,609	-	-	-	867	134,476
Acquisitions through business combinations (Note 29)	-	-	-	-	7,597	7,597
Disposals	-	-	-	-	(4,347)	(4,347)
Effects of foreign currency exchange differences	(643)	-	(46,947)	15,263	10,508	(21,819)
Balance at December 31, 2023	<u>\$ 288,966</u>	<u>\$ 1,813,332</u>	<u>\$ 2,558,127</u>	<u>\$ 607,003</u>	<u>\$ 2,378,777</u>	<u>\$ 7,646,205</u>
Carrying amount at December 31, 2023	<u>\$ 16,444,770</u>	<u>\$ 5,868,144</u>	<u>\$ 5,858,557</u>	<u>\$ 648,865</u>	<u>\$ 936,889</u>	<u>\$ 29,757,225</u>

In order to consolidate the operating resources and improve the management efficiency of the Group, the Group intended to merge Scitus Luzhou Cement Co., Ltd. merged with Scitus Naxi Cement Co., Ltd. in China, resulting in Scitus Luzhou Cement Co., Ltd. as the surviving company. In consideration of the local market and the future prospect, the Group planned to proceed the cancellation of Scitus Luzhou Concrete Company Limited's registration. The Group recognized the impairment losses amounting to \$134,476 thousand of goodwill and other intangible assets after evaluating the recoverable amount of the aforementioned plan.

The above items of intangible assets with finite useful lives are amortized on a straight-line basis, over their useful lives as follows:

Operational concession	50 years
Mining rights	30-50 years
Technical expertise	5 years
Others	3-17 years

19. BORROWINGS

a. Short-term loans

	December 31	
	2022	2023
Secured borrowings		
Bank loans	\$ 420,000	\$ 340,000
Unsecured borrowings		
Bank loans - unsecured	20,912,856	19,901,493
Bank loans - letters of credit	<u>1,083,956</u>	<u>9,580</u>
	<u>21,996,812</u>	<u>19,911,073</u>
	<u>\$ 22,416,812</u>	<u>\$ 20,251,073</u>
Interest rate	1.29%-5.60%	1.65%-6.71%

b. Short-term bills payable

	December 31	
	2022	2023
Commercial paper	\$ 3,078,000	\$ 2,790,000
Less: Unamortized discount on bills payable	<u>(12,039)</u>	<u>(5,557)</u>
	<u>\$ 3,065,961</u>	<u>\$ 2,784,443</u>
Interest rate	1.94%-2.79%	1.84%-1.97%

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

	December 31	
	2022	2023
Secured borrowings	\$ 2,202,828	\$ 4,221,192
Unsecured borrowings	<u>41,388,300</u>	<u>33,828,315</u>
	43,591,128	38,049,507
Less: Current portion	<u>(726,392)</u>	<u>(1,257,774)</u>
	<u>\$ 42,864,736</u>	<u>\$ 36,791,733</u>
Long-term bills payable	\$ 15,100,000	\$ 5,100,000
Less: Discount on bills payable	<u>(109,411)</u>	<u>(13,667)</u>
	<u>\$ 14,990,589</u>	<u>\$ 5,086,333</u>
Interest rate		
Long-term loans	1.58%-6.17%	1.35%-6.79%
Long-term bills payable	1.92%-2.09%	2.12%-2.27%

Long-term loans consist of unsecured borrowings, secured borrowings. The principals of long-term unsecured and secured borrowings are due in March 2043, and the interests are paid monthly.

The Group has entered into 5-year and 7-year syndicated loan agreements in 2018 with certain bank consortium, and a 5-year syndicated loan agreement with certain bank consortium in 2022, with an expiry date of May 2027. The credit line is divided into two tranches: A and B. The long-term credit line of Tranche A will be repaid in May 2027. The credit facility of Tranche B, which is a long-term revolving credit line, is divided into Tranche B-1 and Tranche B-2. The Group has the right to decide whether to utilize the long-term loans Tranche B-1 or the long-term notes payable Tranche B-2 at its sole discretion. When each utilized amount expires, it can be directly reimbursed by the newly allocated funds. For the same amount, the Group does not need to remit funds in and out.

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

20. BONDS PAYABLE

	December 31	
	2022	2023
Domestic unsecured bonds		
1 st issued in 2018	\$ 12,000,000	\$ 12,000,000
1 st issued in 2019	12,600,000	12,600,000
1 st issued in 2020	20,000,000	20,000,000
1 st issued in 2021	16,600,000	16,600,000
1 st issued in 2022	7,750,000	7,750,000
2 nd issued in 2022	3,300,000	3,300,000
3 rd issued in 2022	<u>-</u>	<u>9,300,000</u>
	72,250,000	81,550,000
Less: Discount on bonds payable	<u>(113,426)</u>	<u>(108,420)</u>
	<u>72,136,574</u>	<u>81,441,580</u>
Less: Current portion	<u>-</u>	<u>(12,596,556)</u>
	<u>72,136,574</u>	<u>68,845,024</u>

(Continued)

	December 31	
	2022	2023
Overseas unsecured convertible bonds		
1 st issued in 2021	\$ 22,200,000	\$ 5,550
1 st issued in 2023	-	15,471,193
Less: Discount on bonds payable	<u>(1,414,553)</u>	<u>(1,926,130)</u>
	<u>20,785,447</u>	<u>13,550,613</u>
Less: Current portion	<u>(20,785,447)</u>	<u>(5,284)</u>
	<u>\$ 72,136,574</u>	<u>\$ 82,390,353</u>
		(Concluded)

a. Domestic unsecured bonds

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

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

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

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

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

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

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$9,300,000 thousand on January 13, 2023. According to the issuance conditions, the unsecured bonds are classified into bonds A and bonds B with a fixed coupon rate of 2.40% and 2.65% per annum, and with the issuance amounts of NT\$6,100,000 thousand and NT\$3,200,000 thousand, respectively. The bonds will be repaid in a one-off payment on January 13, 2030 and January 13, 2033, respectively, while the interests will be paid annually.

b. Overseas unsecured convertible bonds

Overseas unsecured convertible bonds 1st issued in 2021

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

Bondholders may request the Corporation to convert the bonds into the Corporation's ordinary shares at the price of NT\$59.8 per share at any time within the period from the following day after three months from the issuance date to 10 days prior to maturity date. The conversion price after the issuance of convertible corporate bonds will be adjusted according to the anti-dilution clause of the 2021 First Overseas Unsecured Convertible Bonds Issuance and Conversion Rules of the Corporation. After several price adjustment, the conversion price has been adjusted to NT\$51.66 per share since October 20, 2023. Bondholders can request the Corporation to convert the bonds at the fixed exchange rate of US\$1=NT\$27.75, which is to be divided by the conversion price per share on the conversion date. As of December 31, 2023, no conversion had been requested except for the bondholders who exercised the put option.

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

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

The bondholders exercised the put option on December 7, 2023, and the Corporation recognized loss on redemption of bonds payable in the amount of \$393,503 thousand (included in other expenses). In addition, since over 90% of the convertible bonds have been redeemed, the Corporation early redeemed the rest of the outstanding convertible bonds on February 1, 2024.

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

	Convertible Bonds
Proceeds from issuance at December 2021 (less transaction costs of \$232,461 thousand)	\$ 21,967,539
Redemption of option derivatives (accounting for financial liabilities measured at FVTPL) and transaction costs	(215,282)
Equity component (less transaction costs allocated to the equity component of \$14,157 thousand)	<u>(1,337,823)</u>
Liability component at the date of issue (less transaction costs allocated to the liability component of \$216,026 thousand)	20,414,434
Interest charged at an effective interest rate	<u>371,013</u>
Liability component at December 31, 2022	20,785,447
Interest charged at an effective interest rate	323,935
Bondholders exercised the put option	<u>(21,104,098)</u>
Liability component at December 31, 2023	<u>\$ 5,284</u>

Overseas unsecured convertible bonds 1st issued in 2023

In August 2023, the Corporation's Board of Directors approved to issue overseas unsecured convertible bonds for the first time. This proposal was approved and became effective under the letter issued by the FSC dated October 2, 2023 (Ref. No. Jin-Guan-Zheng-Fa-Zi 11203562931). The bonds, which have a zero-coupon rate and a duration of 5 years, were listed on the Singapore Stock Exchange on October 24, 2023, and have a face value of US\$420,000 thousand. The Corporation should redeem the whole bonds in U.S. dollars on the maturity date based on the par value of the bonds plus a yield rate of 2.65% per annum (calculated semi-annually).

Bondholders may request the Corporation to convert the bonds into the Corporation's ordinary shares at the price of NT\$37.27 per share at any time within the period from the following day after three months from the issuance date to 10 days prior to maturity date. The conversion price after the issuance of convertible corporate bonds will be adjusted according to the anti-dilution clause of the 2023 First Overseas Unsecured Convertible Bonds Issuance and Conversion Rules of the Corporation. Bondholders can request the Corporation to convert the bonds at the fixed exchange rate of US\$1=NT\$32.293, which is to be divided by the conversion price per share on the conversion date. As of December 31, 2023, no conversion had been requested.

From the third anniversary of the issue date of the convertible bonds to the maturity date, the Corporation may redeem all the outstanding convertible bonds at the early redemption amount, provided that the closing price of issuer's ordinary shares on TWSE, for a total of 20 days out of 30 consecutive trading days, has reached at least 130% of the total amount of the early redemption amount that multiplied by the conversion price, and divided by the par value, or provided that at least 90% of the convertible bonds have been redeemed, converted, repurchased and cancelled. The early redemption amount is the amount calculated semi-annually based on the par value of the bonds plus interest compensation at 2.65% per annum.

Unless the convertible bonds have been early redeemed, repurchased and cancelled or converted, the bondholders shall have the right to request the Corporation to redeem the convertible bonds, in whole or in part, at the early redemption amount on the third anniversary of the issue date.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 2.80% per annum on initial recognition.

	Convertible Bonds
Proceeds from issuance at October 2023 (less transaction costs of \$89,516 thousand)	\$ 13,473,544
Redemption of option derivatives (accounting for financial assets measured at FVTPL) and transaction costs	<u>1,347</u>
Liability component at the date of issue (less transaction costs allocated to the liability component of \$93,947 thousand)	13,474,891
Interest charged at an effective interest rate	<u>70,438</u>
Liability component at December 31, 2023	<u>\$ 13,545,329</u>

21. OTHER PAYABLES

	December 31	
	2022	2023
Payables for equipment	\$ 866,737	\$ 5,165,890
Salaries and bonuses payable	2,077,884	2,134,856
Deposits and retention money	1,248,255	1,142,512
Interest payable	584,850	790,120
Taxes payable	528,094	612,893
Payables for electricity	252,828	396,611
Freight payable	173,982	341,650
Others	<u>4,038,961</u>	<u>4,753,357</u>
	<u>\$ 9,771,591</u>	<u>\$ 15,337,889</u>

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

The employees of the Group's subsidiaries in China are members of a state-managed retirement benefit plan operated by the government of China. These subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plan

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

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

	December 31	
	2022	2023
Present value of defined benefit obligation	\$ (933,990)	\$ (962,751)
Fair value of plan assets	<u>2,381,898</u>	<u>2,387,725</u>
	<u>\$ 1,447,908</u>	<u>\$ 1,424,974</u>
Net defined benefit assets	<u>\$ 1,567,531</u>	<u>\$ 1,558,089</u>
Net defined benefit liabilities	<u>\$ 119,623</u>	<u>\$ 133,115</u>

Movements in net defined benefit assets were as follows:

	Present Value of Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Assets
Balance at January 1, 2022	<u>\$ (1,008,358)</u>	<u>\$ 2,715,472</u>	<u>\$ 1,707,114</u>
Service costs			
Current service costs	(9,992)	-	(9,992)
Net interest income (expense)	<u>(5,148)</u>	<u>13,617</u>	<u>8,469</u>
Recognized in profit or loss	<u>(15,140)</u>	<u>13,617</u>	<u>(1,523)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(279,606)	(279,606)
Actuarial gain - changes in financial assumptions	40,802	-	40,802
Actuarial loss - experience adjustments	<u>(43,448)</u>	<u>-</u>	<u>(43,448)</u>
Recognized in other comprehensive loss	<u>(2,646)</u>	<u>(279,606)</u>	<u>(282,252)</u>
Contributions from the employer	-	12,321	12,321
Benefits paid	92,144	(79,906)	12,238
Others	<u>10</u>	<u>-</u>	<u>10</u>
Balance at December 31, 2022	<u>\$ (933,990)</u>	<u>\$ 2,381,898</u>	<u>\$ 1,447,908</u>

(Continued)

	Present Value of Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Assets
Balance at January 1, 2023	<u>\$ (933,990)</u>	<u>\$ 2,381,898</u>	<u>\$ 1,447,908</u>
Service costs			
Current service costs	(20,903)	-	(20,903)
Net interest income (expense)	<u>(13,136)</u>	<u>29,824</u>	<u>16,688</u>
Recognized in profit or loss	<u>(34,039)</u>	<u>29,824</u>	<u>(4,215)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	49,129	49,129
Actuarial loss - changes in financial assumptions	(2,376)	-	(2,376)
Actuarial loss - experience adjustments	<u>(75,444)</u>	<u>-</u>	<u>(75,444)</u>
Recognized in other comprehensive income (loss)	<u>(77,820)</u>	<u>49,129</u>	<u>(28,691)</u>
Contributions from the employer	-	13,592	13,592
Benefits paid	<u>83,098</u>	<u>(86,718)</u>	<u>(3,620)</u>
Balance at December 31, 2023	<u>\$ (962,751)</u>	<u>\$ 2,387,725</u>	<u>\$ 1,424,974</u>
			(Concluded)

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

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

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

	December 31	
	2022	2023
Discount rates	1.13%-1.50%	1.13%-1.25%
Long-term average rates of salary increase	1.50%-3.00%	1.50%-3.00%

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

	December 31	
	2022	2023
Discount rates		
0.25% increase	<u>\$ (15,253)</u>	<u>\$ (14,261)</u>
0.25% decrease	<u>\$ 15,690</u>	<u>\$ 14,647</u>
Expected rates of salary increase		
0.25% increase	<u>\$ 15,256</u>	<u>\$ 14,236</u>
0.25% decrease	<u>\$ (14,908)</u>	<u>\$ (13,933)</u>

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

	December 31	
	2022	2023
The expected contributions to the plan for the next year	<u>\$ 13,005</u>	<u>\$ 13,177</u>
The average duration of the defined benefit obligation	6-12 years	5-12 years

23. EQUITY

a. Share capital

1) Ordinary shares

	December 31	
	2022	2023
Number of shares authorized (in thousands)	<u>8,500,000</u>	<u>10,000,000</u>
Shares authorized	<u>\$ 85,000,000</u>	<u>\$ 100,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>7,156,182</u>	<u>7,551,182</u>
Shares issued	<u>\$ 71,561,817</u>	<u>\$ 75,551,817</u>

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

In May 2023, the Corporation's shareholders meeting resolved to amend the Articles of Incorporation to increase the authorized share capital and the number of shares to \$100,000,000 thousand and 10,000,000 thousand of shares, respectively.

The changes in the number of issued shares included the distribution of share dividends, the cancelation of treasury stocks and the issuance of global 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 the capital increase was December 13, 2018, and it was expected to issue 200,000 thousand shares with a face value of \$10 per share at the issue price of NT\$50 per share, with a 4.0525% coupon rate per annum (on December 14, 2023, the interest rate was reset to a five-year term 1.4900% IRS interest rate + 2.5625% fixed interest rate according to the issuance conditions). Five-year term IRS interest rate will be reset on the next business day of the expiry of the five-year period from the date of issue and every five years thereafter. The shareholders of the second preference shares do not have the right to vote and to elect in the shareholders meeting but can be elected as directors. The Corporation has full discretion on the dividend distribution of the second preference shares. If there is no surplus or insufficient surplus to pay the preference share dividends upon the close of current fiscal year, the Corporation's resolution to cancel the distribution of preference share dividends will not constitute an event of default or a termination event in a contract. Preference share dividends are non-accumulative, and dividends that are not distributed or distributed in excess are not accumulated in the future year with deferred annual repayment. There is no maturity of the Corporation's second preference shares, but the Corporation may recover whole or part of the second preference shares at the actual issue price from the day following the five-year period from the issue date. The preference shares may not be converted to ordinary shares, and the preference shareholders do not have the rights to require the Corporation to redeem the preference shares they hold.

3) Issuance of global depository receipt

In May 2022, the shareholders meeting of the Corporation resolved the issuance of new ordinary shares for sponsoring issuance of global depository receipts to increase working capital for future development, repaying bank loans, and purchasing materials overseas. This proposal was approved and took effect upon receipt of the letter issued by the FSC dated September 27, 2022 (Ref. No. Jin-Guan-Zheng-Fa-Zi 1110356873). The Corporation has issued 84,000 thousand of units at the offer price of US\$5.06 each on the Luxembourg Stock Exchange in October 2022. The total issue price is US\$425,040 thousand. Each unit of the global depository receipts represents five ordinary shares of the Corporation with the total number of 420,000 thousand of shares.

In May 2023, the shareholders meeting of the Corporation resolved the issuance of new ordinary shares by capital increase for participating the issuance of global depository receipts. This proposal was approved and took effect upon receipt of the letter issued by the FSC dated October 2, 2023 (Ref. No. Jin-Guan-Zheng-Fa-Zi 1120356293). The Corporation has issued 79,000 thousand of units at the offer price of US\$4.87 each on the Luxembourg Stock Exchange in October 2023. The total issue price is US\$384,730 thousand. Each unit of the global depository receipts represents five ordinary shares of the Corporation with the total number of 395,000 thousand of shares.

As of December 31, 2023, 100 units were outstanding.

b. Capital surplus

	December 31	
	2022	2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Issuance of ordinary shares	\$ 53,366,704	\$ 61,757,229
Conversion of bonds	10,539,771	10,539,771
Treasury share transactions	186,289	169,861
Donations	31,537	31,537
Forfeited share options	36,879	1,388,162
Exercised employee share options	22,347	22,347
May be used to offset a deficit only		
Dividends distributed by subsidiaries not yet received by shareholders	2,510	2,510
May not be used for any purpose		
Equity component of convertible bond	1,337,823	334
Changes in interests in associates accounted for using the equity method	462,005	207,411
	<u>\$ 65,985,865</u>	<u>\$ 74,119,162</u>

Note: Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus).

c. Retained earnings and dividend policy

Under the dividend policy as set in the amended Articles, where the Corporation made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's Board of Directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' general meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors, refer to Note 25(c): Net profit - compensation of employees and remuneration of directors.

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

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

The appropriations of earnings for 2021 and 2022, which were approved in the shareholders' general meetings in May 2022 and May 2023, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For the Year Ended December 31		For the Year Ended December 31	
	2021	2022	2021	2022
Legal reserve	\$ 2,068,477	\$ 520,555		
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	3,566,091	<u>\$ 1.00</u> (Note 1)	<u>\$ 0.50</u> (Note 2)
Share dividends on ordinary shares	6,116,173	-	<u>\$ 1.00</u> (Note 1)	<u>\$ -</u>

Note 1: The number of ordinary shares outstanding was affected by the Corporation's purchase of treasury shares which has not been transferred to employees. Therefore, the cash dividend was adjusted to \$0.99928258 per ordinary share and the share dividend was adjusted to \$0.99928258 per ordinary share.

Note 2: The number of ordinary shares outstanding was affected by the Corporation's purchase of treasury shares which has not been transferred to employees. Therefore, the cash dividend was adjusted to \$0.49971973 per ordinary share.

As of February 27, 2024, the appropriation of earnings for 2023 had not yet been proposed by the Corporation's board of directors. Information on the appropriation of the earnings proposed by the Corporation's board of directors and approved by shareholder's general meeting is available at the Market Observation Post System website of the Taiwan Stock Exchange.

d. Special reserve

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

The special reserve appropriated at the first-time adoption of IFRSs relating to investment in properties other than land may be reversed according to the period of use. The special reserve relating to land may be reversed upon disposal or reclassification, and such special reserve of \$35,459 thousand and \$5,369 thousand were reversed for the years ended December 31, 2022 and 2023, respectively. The special reserve appropriated, due to currency translation adjustments for financial statements of foreign operations (including subsidiaries), shall be reversed based on the Corporation's disposal percentage, and all of the special reserve shall be reversed when the Corporation loses significant influence.

e. Other equity items

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

	For the Year Ended December 31	
	2022	2023
Balance at January 1	\$ (16,068,895)	\$ (8,294,175)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	3,973,221	(1,884,187)
Share from associates and joint ventures accounted for using the equity method	<u>3,801,499</u>	<u>1,029,458</u>
Balance at December 31	<u>\$ (8,294,175)</u>	<u>\$ (9,148,904)</u>

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

	For the Year Ended December 31	
	2022	2023
Balance at January 1	\$ 26,988,909	\$ 20,286,916
Recognized for the year		
Unrealized loss - equity instruments	(6,343,964)	(1,742,261)
Share from associates and joint ventures accounted for using the equity method	<u>(358,029)</u>	<u>63,151</u>
Other comprehensive loss recognized for the year	<u>(6,701,993)</u>	<u>(1,679,110)</u>
Balance at December 31	<u>\$ 20,286,916</u>	<u>\$ 18,607,806</u>

3) Cash flow hedges

	For the Year Ended December 31	
	2022	2023
Balance at January 1	\$ -	\$ (1,651)
Recognized for the year		
Share from associates accounted for using the equity method	<u>(1,651)</u>	<u>702</u>
Balance at December 31	<u>\$ (1,651)</u>	<u>\$ (949)</u>

f. Non-controlling interests

	For the Year Ended December 31	
	2022	2023
Balance at January 1	\$ 21,177,340	\$ 20,381,014
Net income (loss)	(1,247,899)	2,006,799
Other comprehensive income (loss) during the year		
Exchange differences on translating of the financial statements of foreign operations	315,025	13,903
Unrealized gain (loss) on financial assets at FVTOCI	(22,840)	6,329
Remeasurement of defined benefit plans	4,143	5,099
Changes in ownership interests of subsidiaries	(212,724)	(61,856)
Dividends paid by subsidiaries	(1,161,092)	(145,345)
Capital reduction of subsidiaries	-	(100,200)
Non-controlling interests from acquisition of subsidiaries (Note 29)	-	9,805
Increase cash capital by subsidiaries	1,535,612	888,465
Acquisition of non-controlling interests in subsidiaries (Note 30)	<u>(6,551)</u>	<u>(36,226)</u>
Balance at December 31	<u>\$ 20,381,014</u>	<u>\$ 22,967,787</u>

g. Treasury shares

(In Thousands of Shares)

	For the Year Ended December 31	
	2022	2023
Number of shares at January 1	9,061	4,000
Increase during the year	-	20,000
Transferred to employees	(4,391)	(4,000)
Cancelled during the year	<u>(670)</u>	<u>-</u>
Number of shares at December 31	<u>4,000</u>	<u>20,000</u>

The Corporation's Board of Directors resolved in January 2023 to buy back 20,000 thousand shares mainly for transferring to employees, the total amount was \$732,459 thousand. The compensation costs recognized for transferring treasury shares to employees were \$66,820 thousand and \$37,766 thousand for the year ended December 31, 2022 and 2023, respectively.

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

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

24. REVENUE

a. Revenue from contracts with customers

	For the Year Ended December 31	
	2022	2023
Operating revenue	<u>\$ 113,929,706</u>	<u>\$ 109,314,335</u>

b. Contract balances

	January 1, 2022	December 31, 2022	December 31, 2023
Notes and accounts receivable (Note 9)	<u>\$ 35,483,726</u>	<u>\$ 34,599,483</u>	<u>\$ 23,406,084</u>
Contract assets (included in other current assets)	<u>\$ 179,035</u>	<u>\$ 548,725</u>	<u>\$ 103,566</u>
Contract liabilities	<u>\$ 1,439,222</u>	<u>\$ 1,774,714</u>	<u>\$ 2,001,946</u>

The changes in the balance of contract liabilities primarily resulted from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment.

25. NET PROFIT

Net profit includes the following items:

a. Depreciation and amortization

	For the Year Ended December 31	
	2022	2023
An analysis of depreciation by item		
Property, plant and equipment	\$ 6,498,290	\$ 7,283,023
Right-of-use assets	954,051	962,887
Investment properties	<u>21,190</u>	<u>20,712</u>
	<u>\$ 7,473,531</u>	<u>\$ 8,266,622</u>
An analysis of depreciation by function		
Operating costs	\$ 6,856,441	\$ 7,521,263
Operating expenses	<u>617,090</u>	<u>745,359</u>
	<u>\$ 7,473,531</u>	<u>\$ 8,266,622</u>
An analysis of amortization of intangible assets by function		
Operating costs	\$ 973,065	\$ 954,297
Marketing expenses	-	6
General and administrative expenses	78,991	59,690
Research and development expenses	<u>2,244</u>	<u>4,107</u>
	<u>\$ 1,054,300</u>	<u>\$ 1,018,100</u>

b. Employee benefits expense

	For the Year Ended December 31	
	2022	2023
Retirement benefit plans		
Defined contribution plans	\$ 679,120	\$ 661,480
Defined benefit plans	<u>1,523</u>	<u>4,215</u>
	<u>680,643</u>	<u>665,695</u>
Share-based payments		
Equity - settled	103,396	126,950
Remuneration of directors	91,990	118,800
Other employee benefits	<u>8,893,531</u>	<u>9,694,571</u>
Total employee benefits expense	<u>\$ 9,769,560</u>	<u>\$ 10,606,016</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 6,191,094	\$ 6,518,772
Operating expenses	<u>3,578,466</u>	<u>4,087,244</u>
	<u>\$ 9,769,560</u>	<u>\$ 10,606,016</u>

c. Compensation of employees and remuneration of directors

The Corporation accrued compensation of employees and remuneration of directors at the rates of 0.01%-3% and no higher than 1%, respectively, of net profit before income tax, compensation of employees and remuneration of directors. The total amount of compensation of employees and remuneration of directors were \$73,955 thousand and \$88,035 thousand for the year ended December 31, 2023. The compensation of employees and remuneration of directors paid in cash were \$79,123 thousand and \$61,622 thousand for the year ended December 31, 2022, which was approved by the Corporation's board of directors in March 2023.

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

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2022.

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

d. Finance costs

	For the Year Ended December 31	
	2022	2023
Interest on bank borrowings	\$ 1,532,208	\$ 1,764,108
Interest on corporate bonds	1,054,515	1,459,152
Interest on lease liabilities	97,542	125,315
Other finance costs	<u>185,623</u>	<u>194,109</u>
	<u>\$ 2,869,888</u>	<u>\$ 3,542,684</u>

		For the Year Ended December 31	
		2022	2023
	Capitalized interest amount	\$ <u>-</u>	\$ <u>32,190</u>
	Capitalization rate	-	3.7%
e.	Interest income		
		For the Year Ended December 31	
		2022	2023
	Interest on bank deposits	\$ 2,093,718	\$ 3,388,731
	Others	<u>8,777</u>	<u>14,157</u>
		<u>\$ 2,102,495</u>	<u>\$ 3,402,888</u>
f.	Other income		
		For the Year Ended December 31	
		2022	2023
	Government grants	\$ 96,751	\$ 52,571
	Rental income	21,007	9,366
	Others	<u>465,354</u>	<u>608,855</u>
		<u>\$ 583,112</u>	<u>\$ 670,792</u>
g.	Other expenses		
		For the Year Ended December 31	
		2022	2023
	Loss on redemption of corporate bonds payable	\$ -	\$ 393,503
	Loss on work stoppages	120,647	125,100
	Others	<u>708,666</u>	<u>244,500</u>
		<u>\$ 829,313</u>	<u>\$ 763,103</u>

26. INCOME TAX

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

	For the Year Ended December 31	
	2022	2023
Current tax		
In respect of the current year	\$ 2,110,889	\$ 3,555,995
Income tax on unappropriated earnings	303,239	49,251
Adjustments for prior years	<u>(232,472)</u>	<u>(56,302)</u>
	<u>2,181,656</u>	<u>3,548,944</u>
Deferred tax		
In respect of the current year	<u>307,356</u>	<u>803,274</u>
Income tax expense recognized in profit or loss	<u>\$ 2,489,012</u>	<u>\$ 4,352,218</u>

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

	For the Year Ended December 31	
	2022	2023
Income before income tax	<u>\$ 6,646,097</u>	<u>\$ 14,356,831</u>
Income tax expense at the statutory rate	\$ 1,329,219	\$ 2,871,366
Non-deductible expenses in determining taxable income	1,016,445	303,847
Tax-exempt income	(472,158)	(382,999)
Unrecognized loss carryforwards and deductible temporary differences	(301,193)	428,785
Loss carryforwards utilized in the current year	(6,074)	(9)
Effects of different tax rate of subsidiaries operating in other jurisdictions	228,374	225,998
Income tax on unappropriated earnings	303,239	49,251
Land value increment tax	-	14,709
Adjustments for prior years	(232,472)	(56,302)
Others	<u>623,632</u>	<u>897,572</u>
Income tax expense recognized in profit or loss	<u>\$ 2,489,012</u>	<u>\$ 4,352,218</u>

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2022	2023
<u>Deferred tax</u>		
Deferred tax in the current year		
Remeasurement on defined benefit plan	<u>\$ (57,170)</u>	<u>\$ (6,880)</u>

c. Current tax assets and liabilities

	December 31	
	2022	2023
Current tax assets		
Tax refund receivable (included in other receivables)	<u>\$ 277,067</u>	<u>\$ 261,532</u>
Current tax liabilities		
Current income tax liabilities	<u>\$ 1,063,356</u>	<u>\$ 3,057,589</u>

d. Deferred income tax assets and liabilities

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

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Others	Closing Balance
<u>Deferred income tax assets</u>					
Loss carryforwards	\$ 5,151	\$ 17,881	\$ -	\$ 39	\$ 23,071
Defined benefit plan	22,288	3,271	(3,589)	-	21,970
Inventories	116,746	7,211	-	1,149	125,106
Others	<u>228,982</u>	<u>170,472</u>	<u>-</u>	<u>17,325</u>	<u>416,779</u>
	<u>\$ 373,167</u>	<u>\$ 198,835</u>	<u>\$ (3,589)</u>	<u>\$ 18,513</u>	<u>\$ 586,926</u>
<u>Deferred income tax liabilities</u>					
Land value increment tax	\$ 5,083,375	\$ (6,411)	\$ -	\$ (18,594)	\$ 5,058,370
Finance leases	2,874,168	(354,944)	-	-	2,519,224
Property, plant and equipment	1,590,513	(304,072)	-	41,378	1,327,819
Retained earnings from foreign subsidiaries	1,823,529	236,722	-	(56,291)	2,003,960
Defined benefit plan	345,634	1,601	(60,759)	-	286,476
Others	<u>205,646</u>	<u>933,295</u>	<u>-</u>	<u>24,629</u>	<u>1,163,570</u>
	<u>\$ 11,922,865</u>	<u>\$ 506,191</u>	<u>\$ (60,759)</u>	<u>\$ (8,878)</u>	<u>\$ 12,359,419</u>

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Others	Closing Balance
<u>Deferred income tax assets</u>					
Loss carryforwards	\$ 23,071	\$ (20,000)	\$ -	\$ (9)	\$ 3,062
Defined benefit plan	21,970	2,135	(676)	-	23,429
Inventories	125,106	(27,715)	-	(905)	96,486
Others	<u>416,779</u>	<u>14,531</u>	<u>-</u>	<u>101,231</u>	<u>532,541</u>
	<u>\$ 586,926</u>	<u>\$ (31,049)</u>	<u>\$ (676)</u>	<u>\$ 100,317</u>	<u>\$ 655,518</u>

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Others	Closing Balance
<u>Deferred income tax liabilities</u>					
Land value increment tax	\$ 5,058,370	\$ (2,489)	\$ -	\$ -	\$ 5,055,881
Finance leases	2,519,224	(297,665)	-	-	2,221,559
Property, plant and equipment	1,327,819	266,340	-	(8,941)	1,585,218
Retained earnings from foreign subsidiaries	2,003,960	112,934	-	(179,686)	1,937,208
Defined benefit plan	286,476	5,483	(7,556)	-	284,403
Others	<u>1,163,570</u>	<u>687,622</u>	<u>-</u>	<u>6,580</u>	<u>1,857,772</u>
	<u>\$ 12,359,419</u>	<u>\$ 772,225</u>	<u>\$ (7,556)</u>	<u>\$ (182,047)</u>	<u>\$ 12,942,041</u>
					(Concluded)

e. Unrecognized deferred income tax assets in respect of loss carryforwards

	<u>December 31</u>	
	<u>2022</u>	<u>2023</u>
Loss carryforwards		
Expire in 2023	\$ 639,948	\$ -
Expire in 2024	631,499	629,479
Expire in 2025	679,251	679,291
Expire in 2026	787,448	855,831
Expire in 2027	3,428,552	3,488,790
Expire in 2028	830	4,149,726
Expire in 2029	144,802	144,802
Expire in 2030	374,735	349,714
Expire in 2031	1,279,008	1,197,041
Expire in 2032	108,182	127,306
Expire in 2033	<u>-</u>	<u>1,086,767</u>
	<u>\$ 8,074,255</u>	<u>\$ 12,708,747</u>

f. Unused loss carryforwards information

Loss carryforwards as of December 31, 2023 were comprised of:

Unused Amount	Expiry Year
\$ 629,479	2024
679,291	2025
855,831	2026
3,488,790	2027
4,149,726	2028
144,802	2029
349,714	2030
1,197,041	2031
127,306	2032
<u>1,102,077</u>	2033
<u>\$ 12,724,057</u>	

g. Unrecognized deferred income tax liabilities in respect of investments

As of December 31, 2022 and 2023, 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 \$95,592,657 thousand, respectively.

h. Income tax return assessments

The information of income tax assessments for the Group is as follows:

Year	Company
2021	Taiwan Cement Corporation, TCC Investment Corporation, Ho Sheng Mining Co., Ltd., Union Cement Traders Inc., TCC Information Systems Corporation, Taiwan Cement Engineering Corporation, Jin Chang Minerals Corporation, Hoping Industrial Port Corporation, HPC Power Service Corporation, Ho-Ping Power Company, E.G.C. Cement Corporation, Kuan-Ho Refractories Industry Corporation, TCC Chemical Corporation, Ta-Ho RSEA Environment Co., Ltd., Ta-Ho Maritime Corporation, TCC Sustainable Energy Investment Corporation, TCC Energy Storage Technology Corporation, TCC Green Energy Corporation, Chang-Wang Wind Power Co., Ltd., TCC Yun-Kai Green Energy Corporation, TCC Lien-Hsin Green Energy Corporation, TCC Chang-Ho Green Energy Corporation, TCC Kao-Cheng Green Energy Corporation, TCC Nan-Chung Green Energy Corporation, Chia-Ho Green Energy Corporation, TCC Ping-Chih Green Energy Corporation, TCC Tung-Li Green Energy Corporation, Feng Sheng Enterprise Company Limited, Tuo Shan Recycle Technology Company, Molie Quantum Energy Corporation, TCC Recycle Energy Technology Company, E-One Moli Energy Corp., Tai-Jie Transport & Storage Corporation, Taiwan Transport & Storage Corporation, TCC Chia-Chien Green Energy Corporation
2022	Tung Chen Mineral Corporation

27. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2022	2023
Basic earnings per share	\$ 0.74	\$ 1.06
Diluted earnings per share	\$ 0.73	\$ 1.04

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

	For the Year Ended December 31	
	2022	2023
Profit for the year attributable to owners of the Corporation (Note)	\$ 5,054,984	\$ 7,647,814
Effect of potentially dilutive ordinary shares:		
Interest on convertible bonds	230,158	303,514
Profit used in the computation of diluted earnings per share	\$ 5,285,142	\$ 7,951,328

(Continued)

	For the Year Ended December 31	
	2022	2023
<u>Number of shares (in thousands)</u>		
Weighted average number of ordinary shares in computation of basic earnings per share	6,835,603	7,202,161
Effect of potentially dilutive ordinary shares:		
Compensation of employees	2,948	2,604
Convertible bonds	<u>354,302</u>	<u>455,074</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>7,192,853</u>	<u>7,659,839</u>
		(Concluded)

Note: Preference share dividends of \$350,000 thousand were deducted in 2022 and 2023, respectively.

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

28. SHARE-BASED PAYMENT ARRANGEMENTS

NHOA S.A., the Corporation's subsidiary, granted 542 thousand employee stock options in July 2022. Each unit of the employee stock option entitles the holder with the right to subscribe for one ordinary share of the NHOA S.A. Those who are granted with employee stock options include employees who meet specific condition, i.e., the employee must serve for 2 years or more.

The Group did not issue employee share options for year ended December 31, 2023. Relevant information on employee share options was as follows:

	For the Year Ended December 31	
	2023	
	Number of Options (In Thousands of Units)	Weighted-average Exercise Price (\$)
Balance at January 1	542	\$ -
Options granted	-	-
Options forfeited	<u>(6)</u>	-
Balance at December 31	<u>536</u>	-
Options exercisable, end of the year	<u>-</u>	-
Weighted-average fair value of options granted (NTD)	<u>\$ 342.52</u>	

Relevant information on outstanding employee share options was as follows:

	December 31, 2023
Remaining contractual life (in years)	0.5 years

The employee stock options granted by NHOA S.A. in July 2022 are priced by using the dividend discount evaluation model, and the inputs to the model are as follows:

	Employee Stock Options Granted for the Year Ended December 31, 2022
Share price on grant date (NTD)	\$343.56
Discount rate of forfeiture risk	2%

The compensation cost was recognized in the amount of \$89,184 thousand for the year ended December 31, 2023.

29. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
ATLANTE INFRA PORTUGAL S.A.	Renewable energy and charging equipment	February 9, 2023	100	<u>\$ 323,633</u>
ATLANTE ITALIA S.R.L.	Renewable energy and charging equipment	May 29, 2023	100	<u>\$ 158,738</u>
123 (Guangdong) Environmental Protection Technology Co., Ltd.	Environmental protection material processing, manufacturing, and operation and related services	June 14, 2023	100	<u>\$ 27,897</u>
SHI-MEN Green Energy Corporation	Renewable energy generation	September 20, 2023	51	<u>\$ 10,200</u>

In order to enlarge the Group's electric vehicle infrastructure deployment in Portugal, ATLANTE S.R.L. announced on December 15, 2022 that it intends to acquire 100% equity of the charging station construction department spun-off from Kilometer Low Cost, S.A., divided into two phases: (i) 60% of the equity of Kilometer Low Cost, S.A. will be acquired first, and (ii) ATLANTE S.R.L. is planning to acquire the remaining 40% of the equity in 2024 according to the agreement, in the consideration between EUR1,700 thousand and EUR6,700 thousand, depending on the operation performance of Kilometer Low Cost, S.A. for 2023. The consideration estimated by the Group is \$149,307 thousand, and the company name of Kilometer Low Cost, S.A. has been changed to ATLANTE INFRA PORTUGAL S.A.

In order to enlarge the Group's electric vehicle infrastructure deployment in Italy, ATLANTE S.R.L. has completed the 100% equity acquisition of RESSOLAR CHARGING S.R.L. in May 2023, and the company name of RESSOLAR CHARGING S.R.L. has changed to ATLANTE ITALIA S.R.L.

In order to enlarge the Group's environmental protection business, TCC (Guangdon) Renewable Resources Technology Company Limited has completed the 100% equity acquisition of 123 (Guangdong) Environmental Protection Technology Co., Ltd in June 2023.

In order to develop various renewable energy resources, TCC Green Energy Corporation participated in capital increase by cash of SHI-MEN Green Energy Corporation in September 2023, leading to an increase of the percentage of ownership in SHI-MEN Green Energy Corporation to 51% and subsequently gaining control of it.

b. Consideration transferred

	ATLANTE INFRA PORTUGAL S.A.	ATLANTE ITALIA S.R.L.	123 (Guangdong) Environmental Protection Technology Co., Ltd.	SHI-MEN Green Energy Corporation
Cash	\$ 174,326	\$ 158,738	\$ 21,442	\$ 10,200
Contingent consideration agreement (included in other payables)	<u>149,307</u>	<u>-</u>	<u>6,455</u>	<u>-</u>
	<u>\$ 323,633</u>	<u>\$ 158,738</u>	<u>\$ 27,897</u>	<u>\$ 10,200</u>

c. Assets acquired and liabilities assumed at the date of acquisition

	ATLANTE INFRA PORTUGAL S.A.	ATLANTE ITALIA S.R.L.	123 (Guangdong) Environmental Protection Technology Co., Ltd.	SHI-MEN Green Energy Corporation
Current assets				
Cash and cash equivalents	\$ 15,381	\$ -	\$ -	\$ 19,989
Account receivables	3,812	1,884	-	-
Other current assets	38,138	379	10	10

(Continued)

	ATLANTE INFRA PORTUGAL S.A.	ATLANTE ITALIA S.R.L.	123 (Guangdong) Environmental Protection Technology Co., Ltd.	SHI-MEN Green Energy Corporation
Non-current assets				
Property, plant and equipment	\$ 88,469	\$ 71,058	\$ -	\$ -
Intangible assets	73,829	-	-	-
Other non-current assets	95,210	-	-	-
Current liabilities				
Accounts payables and other payables	(35,206)	(8,601)	(5,780)	-
Long-term borrowings - current portion	(20,652)	-	-	-
Other current liabilities	(31,360)	(26,820)	-	-
Non-current liabilities				
Long-term borrowings	<u>(68,289)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 159,332</u>	<u>\$ 37,900</u>	<u>\$ (5,770)</u>	<u>\$ 19,999</u>
				(Concluded)

A tentative set of accounting principle was applied in the acquisition of the aforementioned target companies.

d. Goodwill recognized on acquisitions

	ATLANTE INFRA PORTUGAL S.A.	ATLANTE ITALIA S.R.L.	123 (Guangdong) Environmental Protection Technology Co., Ltd.	SHI-MEN Green Energy Corporation
Consideration transferred	\$ 323,633	\$ 158,738	\$ 27,897	\$ 10,200
Non-controlling interests	-	-	-	9,805
Fair value of identifiable net assets acquired	<u>(159,332)</u>	<u>(37,900)</u>	<u>5,770</u>	<u>(19,999)</u>
Goodwill recognized on acquisitions	<u>\$ 164,301</u>	<u>\$ 120,838</u>	<u>\$ 33,667</u>	<u>\$ 6</u>

As of December 31, 2023, the Group had not finished identifying the difference between the investment cost and net fair value of identifiable assets acquired and liabilities assumed of the aforementioned target companies. Hence, the difference is tentatively recognized under the entry of intangible asset - goodwill.

- e. Net cash outflow (inflow) on the acquisition of subsidiaries

	ATLANTE INFRA PORTUGAL S.A.	ATLANTE ITALIA S.R.L.	123 (Guangdong) Environmental Protection Technology Co., Ltd.	SHI-MEN Green Energy Corporation
Consideration paid in cash	\$ 174,326	\$ 158,738	\$ 21,442	\$ 10,200
Less: Outstanding cash and cash equivalent balances acquired	<u>(15,381)</u>	<u>-</u>	<u>-</u>	<u>(19,989)</u>
	<u>\$ 158,945</u>	<u>\$ 158,738</u>	<u>\$ 21,442</u>	<u>\$ (9,789)</u>

- f. The financial results of the acquirees since the acquisition dates were as follows:

	ATLANTE INFRA PORTUGAL S.A.	ATLANTE ITALIA S.R.L.	123 (Guangdong) Environmental Protection Technology Co., Ltd.	SHI-MEN Green Energy Corporation
Operating revenue	<u>\$ 39,651</u>	<u>\$ 10,223</u>	<u>\$ 378</u>	<u>\$ -</u>
Net loss	<u>\$ (16,435)</u>	<u>\$ (57,550)</u>	<u>\$ (14,031)</u>	<u>\$ (74)</u>

Had the merger and acquisition of such corporations occurred on January 1, 2023, the Group's revenue would have been \$109,319,147 thousand, and the profit would have been \$9,993,304 thousand for the year ended December 31, 2023. This amount do not reflect the revenue and results of operations of the Group that actually would have been achieved if the merger and acquisition had been completed at the beginning of the year of merger and acquisition, nor shall it be used as a projection of future operating results.

30. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

For the year ended December 31, 2022

- a. During 2022, the Group acquired a portion of the shares of Taiwan Transport & Storage Corporation, and the proportion of ownership was 83.9%.

Acquirer	Taiwan Cement Corporation
Acquiree	Taiwan Transport & Storage Corporation
Cash consideration paid	\$ (840)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>916</u>
Differences from equity transactions	<u>\$ 76</u>

Acquirer	Taiwan Cement Corporation
	Taiwan Transport & Storage Corporation
Acquiree	

Line items adjusted for equity transactions

Capital surplus - difference between the consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	\$ <u>76</u>

- b. During 2022, the Group acquired a portion of the shares of TCC Recycle Energy Technology Company, and the proportion of ownership was 77.9%.

Acquirer	Taiwan Cement Corporation
	TCC Recycle Energy Technology Company
Acquiree	

Cash consideration paid	\$ (8,533)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>8,321</u>
Differences from equity transactions	\$ <u>(212)</u>

Acquirer	Taiwan Cement Corporation
	TCC Recycle Energy Technology Company
Acquiree	

Line items adjusted for equity transactions

Capital surplus - difference between the consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	\$ (76)
Unappropriated earnings	<u>(136)</u>
	\$ <u>(212)</u>

- c. During 2022, the Group acquired a portion of the shares of Comores Énergie Nouvelles S.A.R.L., and the proportion of ownership was increased from 60.0% to 100.0%.

Acquirer	NHOA S.A.
	Comores Énergie Nouvelles S.A.R.L.
Acquiree	
Cash consideration paid	\$ (9,593)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>(2,686)</u>
Differences from equity transactions	<u>\$ (12,279)</u>

Acquirer	NHOA S.A.
	Comores Énergie Nouvelles S.A.R.L.
Acquiree	
<u>Line items adjusted for equity transactions</u>	
Unappropriated earnings	<u>\$ (12,279)</u>

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

For the year ended December 31, 2023

- a. During 2023, the Group acquired a portion of the shares of Ta-Ho Maritime Corporation, and the proportion of ownership was 94.2%.

Acquirer	Transport & Storage Corporation
	Ta-Ho Maritime Corporation
Acquiree	
Cash consideration paid	\$ (7,197)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>7,570</u>
Differences from equity transactions	<u>\$ 373</u>

Acquirer	Taiwan Transport & Storage Corporation
Acquiree	Ta-Ho Maritime Corporation

Line items adjusted for equity transactions

Capital surplus - difference between the consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	\$ <u>373</u>

- b. During 2023, the Group acquired a portion of the shares of Taiwan Cement Engineering Corporation, and the proportion of ownership was 99.3%.

Acquirer	Taiwan Cement Corporation
Acquiree	Taiwan Cement Engineering Corporation

Cash consideration paid	\$ (823)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>824</u>
Differences from equity transactions	\$ <u>(1)</u>

Acquirer	Taiwan Cement Corporation
Acquiree	Taiwan Cement Engineering Corporation

Line items adjusted for equity transactions

Capital surplus - difference between the consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	\$ <u>1</u>

- c. During 2023, the Group acquired a portion of the shares of TCC Recycle Energy Technology Company, and the proportion of ownership was 78.0%.

Acquirer	Taiwan Cement Corporation
Acquiree	TCC Recycle Energy Technology Company

Cash consideration paid	\$ (29,960)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>27,832</u>
Differences from equity transactions	\$ <u>(2,128)</u>

Acquirer	Taiwan Cement Corporation TCC Recycle Energy Technology Company
Acquiree	
<u>Line items adjusted for equity transactions</u>	
Capital surplus - difference between the consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	\$ (374)
Unappropriated earnings	<u>(1,754)</u>
	<u>\$ (2,128)</u>

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

31. CASH FLOWS INFORMATION

Changes in liabilities arising from financing activities:

For the year ended December 31, 2022

	Opening Balance	Cash Flows	Effect of Exchange Rate	Closing Balance
Short-term borrowings	\$ 48,440,514	\$ (27,377,773)	\$ 1,354,071	\$ 22,416,812
Long-term borrowings (including expired within a year)	<u>23,787,253</u>	<u>19,561,425</u>	<u>242,450</u>	<u>43,591,128</u>
	<u>\$ 72,227,767</u>	<u>\$ (7,816,348)</u>	<u>\$ 1,596,521</u>	<u>\$ 66,007,940</u>

For the year ended December 31, 2023

	Opening Balance	Cash Flows	Acquisition of Subsidiaries	Effect of Exchange Rate	Closing Balance
Short-term borrowings	\$ 22,416,812	\$ (2,185,384)	\$ -	\$ 19,645	\$ 20,251,073
Long-term borrowings (including expired within a year)	<u>43,591,128</u>	<u>(5,301,433)</u>	<u>88,941</u>	<u>(329,129)</u>	<u>38,049,507</u>
	<u>\$ 66,007,940</u>	<u>\$ (7,486,817)</u>	<u>\$ 88,941</u>	<u>\$ (309,484)</u>	<u>\$ 58,300,580</u>

32. CAPITAL MANAGEMENT

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

33. FINANCIAL INSTRUMENTS

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

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

December 31, 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, 2023

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds payable	\$ 13,550,613	\$ -	\$ -	\$ 14,265,497	\$ 14,265,497

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

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets mandatorily classified as at FVTPL				
Domestic listed shares	\$ 197,210	\$ -	\$ -	\$ 197,210
Domestic emerging market shares	95,145	-	-	95,145
Foreign government bonds	562,648	-	-	562,648
Foreign corporate bonds	<u>41,675</u>	<u>-</u>	<u>-</u>	<u>41,675</u>
	<u>\$ 896,678</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 896,678</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Equity instrument investment				
Domestic listed shares	\$ 5,883,584	\$ -	\$ -	\$ 5,883,584
Foreign listed shares	13,412,634	-	-	13,412,634
Domestic privately placed listed shares	-	1,030,300	-	1,030,300
Domestic unlisted shares	-	-	8,032,322	8,032,322
Domestic unlisted preferred shares	-	-	276,390	276,390
Domestic convertible preference shares	<u>51,169</u>	<u>-</u>	<u>-</u>	<u>51,169</u>
	<u>\$ 19,347,387</u>	<u>\$ 1,030,300</u>	<u>\$ 8,308,712</u>	<u>\$ 28,686,399</u>
Financial liabilities at FVTPL				
Derivative instrument - redemption options and put options of convertible bond	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 641,522</u>	<u>\$ 641,522</u> (Concluded)

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets mandatorily classified as at FVTPL				
Domestic listed shares	\$ 277,498	\$ -	\$ -	\$ 277,498
Domestic emerging market shares	108,582	-	-	108,582
Foreign government bonds	591,929	-	-	591,929
Foreign corporate bonds	21,727	-	-	21,727
Foreign beneficiary certificates	5,103	-	-	5,103
Derivative instrument - redemption options and put options of convertible bond	<u>-</u>	<u>-</u>	<u>1,347</u>	<u>1,347</u>
	<u>\$ 1,004,839</u>	<u>\$ -</u>	<u>\$ 1,347</u>	<u>\$ 1,006,186</u>
Financial assets at FVTOCI				
Equity instrument investment				
Domestic listed shares	\$ 7,166,477	\$ -	\$ -	\$ 7,166,477
Foreign listed shares	8,613,198	-	-	8,613,198
Domestic privately placed listed shares	-	1,884,630	-	1,884,630
Domestic unlisted shares	-	-	8,826,122	8,826,122
Domestic unlisted preferred shares	-	-	276,345	276,345
Domestic convertible preference shares	<u>53,687</u>	<u>-</u>	<u>-</u>	<u>53,687</u>
	<u>\$ 15,833,362</u>	<u>\$ 1,884,630</u>	<u>\$ 9,102,467</u>	<u>\$ 26,820,459</u>

There were no transfers between Levels 1 and 2 for the years ended December 31, 2022 and 2023.

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

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

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

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

	For the Year Ended December 31, 2022
Financial assets at FVTOCI	
Equity instrument investment	
Balance at January 1, 2022	\$ 8,964,202
Recognized in other comprehensive loss	(941,717)
Additions	<u>286,227</u>
Balance at December 31, 2022	<u>\$ 8,308,712</u>
Financial liabilities at FVTPL	
Derivative instrument investment	
Balance at January 1, 2022	\$ 213,062
Recognized in loss	<u>428,460</u>
Balance at December 31, 2022	<u>\$ 641,522</u>
	For the Year Ended December 31, 2023
Financial assets at FVTOCI	
Equity instrument investment	
Balance at January 1, 2023	\$ 8,308,712
Recognized in other comprehensive income	1,023,723
Proceeds from capital reduction	<u>(229,968)</u>
Balance at December 31, 2023	<u>\$ 9,102,467</u>
Financial assets at FVTPL	
Derivative instrument investment	
Balance at January 1, 2023	\$ -
Additions	<u>1,347</u>
Balance at December 31, 2023	<u>\$ 1,347</u>

(Continued)

	For the Year Ended December 31, 2023
Financial liabilities at FVTPL	
Derivative instrument investment	
Balance at January 1, 2023	\$ 641,522
Recognized in loss	(55,326)
Disposals	<u>(586,196)</u>
Balance at December 31, 2023	<u>\$ -</u> (Concluded)

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

- a) There were no quoted prices in active markets for put options and redemption options of ECB issued by the Corporation. Hence, the fair values of options are determined using the binomial option pricing model where the unobservable input is historical volatility. An increase in historical volatility used in isolation would result in a change in the fair value. As of December 31, 2022 and 2023, the historical volatility used were 19.41% and 16.84%, respectively.
- b) The Group measures the fair value of its investments on domestic and foreign unlisted shares by using the asset-based approach, the market approach, and the dividend discount model.

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

	December 31	
	2022	2023
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:

	December 31	
	2022	2023
Comprehensive discount for lack of marketability and non-controlling interests		
1% increase	<u>\$ (18,973)</u>	<u>\$ (14,833)</u>
1% decrease	<u>\$ 18,973</u>	<u>\$ 14,833</u>

The market approach involves comparing a target company with companies that have similar business models in the open market, similar selling prices of similar items, or similar past share prices to that of the target company. The significant unobservable inputs used are listed in the table below.

	December 31	
	2022	2023
Discount for lack of marketability	20%	20%

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

	December 31	
	2022	2023
Discount for lack of marketability		
1% increase	<u>\$ (3,476)</u>	<u>\$ (3,541)</u>
1% decrease	<u>\$ 3,476</u>	<u>\$ 3,541</u>

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

	December 31	
	2022	2023
Discount rate	9.1%	8.2%
Dividend growth rate	1.6%	1.5%
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:

	December 31	
	2022	2023
Discount for lack of marketability		
1% increase	<u>\$ (67,522)</u>	<u>\$ (80,358)</u>
1% decrease	<u>\$ 67,522</u>	<u>\$ 80,358</u>

c. Categories of financial instruments

	December 31	
	2022	2023
<u>Financial assets</u>		
Financial assets at FVTPL		
Financial assets mandatorily classified as at FVTPL	\$ 896,678	\$ 1,006,186
Financial assets measured at amortized cost (1)	178,584,630	168,961,355
Financial assets at FVTOCI		
Equity instruments investment	28,686,399	26,820,459
<u>Financial liabilities</u>		
Financial liabilities at FVTPL		
Held for trading	641,522	-
Financial liabilities measured at amortized cost (2)	201,199,749	190,692,434

- 1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable (including related parties transactions), other receivables, other receivables from related parties, and finance lease receivables.
- 2) The balances include financial liabilities measured at amortized cost, which comprise short-term loans, short-term bills payable, notes and accounts payable, other payables (including related parties transactions), bonds payable (including current portion), long-term loans (including current portion), and long-term bills payable.

d. Financial risk management objectives and policies

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

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The Group did not enter into or trade financial instruments for speculation.

1) Market risk

The Group's financial instruments were mainly comprised of listed shares, foreign government bonds, and foreign corporate bonds. These investments were subject to fluctuations in market prices. The Group periodically evaluated the investment's performance, and no significant market risk was anticipated.

The Group signed coal purchasing contracts with the suppliers, and also purchased foreign currency bank deposit at the spot rate to avoid exchange rate exposure to its forecasted purchases. When the forecasted purchases take place, the amounts originally deferred and recognized in equity will be reclassified to the carrying amount of the materials purchased.

The Group entered into foreign exchange forward contracts to manage exposure to exchange rate fluctuations, including foreign currency risks of foreign-currency assets and liabilities and price fluctuation risks of forecasted transactions. Since the gain or loss generated from exchange rate fluctuations was mostly offset by the gains or losses of hedged items, the market price risk is expected to be insignificant.

a) Foreign currency risk

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

To maximize the hedging effectiveness, the Group matched up the conditions of derivative instruments with those in the contracts of hedged items.

The carrying amounts of the significant monetary assets and liabilities not denominated in the functional currency (including those eliminated on consolidation) at the end of reporting period are set out in Note 37.

The Group was mainly exposed to the USD.

The following table details the Group's sensitivity to a 1% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive/negative number below indicates an increase/decrease in after-tax profit or equity associated with the NTD/HKD/EUR strengthening 1% against the relevant currency.

	USD Impact	
	For the Year Ended December 31	
	2022	2023
NTD	\$ (11,359)	\$ (31,289)
HKD	\$ (130,475)	\$ (129,648)
EUR	\$ (12,020)	\$ (7,902)

b) Interest rate risk

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

	December 31	
	2022	2023
Cash flow interest rate risk		
Financial assets	\$ 27,747,698	\$ 37,737,275
Financial liabilities	66,007,940	58,300,580

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

For the Group's position of floating interest rate financial assets, if interest rates had been 50 basis points higher/lower, the cash inflows from floating interest rate financial assets for the years ended December 31, 2022 and 2023 would increased/decreased by \$110,991 thousand and \$150,949 thousand, respectively.

For the Group's position of floating interest rate financial liabilities, if interest rates had been 50 basis points higher/lower, the cash outflows from floating interest rate financial liabilities for the years ended December 31, 2022 and 2023 would increased/decreased by \$264,032 thousand and \$233,202 thousand, respectively.

c) Other price risk

The Group was exposed to equity instruments and commodities price risk through its investments in equity securities and bonds. The Group manages this exposure by maintaining a portfolio of investments with different risks.

The sensitivity analyses were based on the exposure of equity instruments/commodity prices at the end of reporting period. If equity instruments/commodity prices of financial assets at FVTPL had been 5% higher/lower, profit or loss for the years ended December 31, 2022 and 2023 would increased/decreased by \$44,834 thousand and \$50,242 thousand, respectively. If equity prices of financial assets at FVTOCI had been 5% higher/lower, other comprehensive income (loss) for the years ended December 31, 2022 and 2023 would increased/decreased by \$1,434,320 thousand and \$1,341,023 thousand, respectively.

2) Credit risk

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

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

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

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

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank facilities and ensures compliance with loan covenants. As of December 31, 2022 and 2023, the amount of unused financing facilities was \$136,077,349 thousand and \$185,440,051 thousand, respectively.

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

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 1,094,433	\$ 21,663,628	\$ 2,402,019	\$ 246,203	\$ 3,515
Lease liabilities	104,094	55,628	374,835	1,855,313	4,463,368
Variable interest rate liabilities	185,652	17,008,856	8,209,921	42,801,221	32,720
Fixed interest rate liabilities	<u>-</u>	<u>3,029,921</u>	<u>24,689,180</u>	<u>42,209,200</u>	<u>50,795,840</u>
	<u>\$ 1,384,179</u>	<u>\$ 41,758,033</u>	<u>\$ 35,675,955</u>	<u>\$ 87,111,937</u>	<u>\$ 55,295,443</u>

Additional information about the maturity analysis for financial liabilities after eliminating transactions in the Group:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Non-interest bearing	\$ 25,160,080	\$ 246,203	\$ 3,450	\$ 20	\$ 45	\$ -
Lease liabilities	534,557	1,855,313	1,315,258	896,959	493,050	1,758,101
Variable interest rate liabilities	25,404,429	42,801,221	32,720	-	-	-
Fixed interest rate liabilities	<u>27,719,101</u>	<u>42,209,200</u>	<u>11,305,720</u>	<u>39,490,120</u>	<u>-</u>	<u>-</u>
	<u>\$ 78,818,167</u>	<u>\$ 87,111,937</u>	<u>\$ 12,657,148</u>	<u>\$ 40,387,099</u>	<u>\$ 493,095</u>	<u>\$ 1,758,101</u>

December 31, 2023

	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	\$ 1,785,931	\$ 22,444,305	\$ 6,717,111	\$ 212,379	\$ 3,061
Lease liabilities	83,778	92,636	454,640	1,897,891	4,660,223
Variable interest rate liabilities	4,230,717	9,589,652	6,436,068	35,195,554	3,724,680
Fixed interest rate liabilities	<u>231,200</u>	<u>2,789,475</u>	<u>13,441,180</u>	<u>45,301,593</u>	<u>52,369,560</u>
	<u>\$ 6,331,626</u>	<u>\$ 34,916,068</u>	<u>\$ 27,048,999</u>	<u>\$ 82,607,417</u>	<u>\$ 60,757,524</u>

Additional information about the maturity analysis for financial liabilities after eliminating transactions in the Group:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Non-interest bearing	\$ 30,947,347	\$ 212,379	\$ 3,016	\$ -	\$ 45	\$ -
Lease liabilities	631,054	1,897,891	1,638,212	611,949	552,542	1,857,519
Variable interest rate liabilities	20,256,437	35,195,554	967,666	388,379	2,368,635	-
Fixed interest rate liabilities	<u>16,461,855</u>	<u>45,301,593</u>	<u>30,609,030</u>	<u>21,760,530</u>	<u>-</u>	<u>-</u>
	<u>\$ 68,296,693</u>	<u>\$ 82,607,417</u>	<u>\$ 33,217,924</u>	<u>\$ 22,760,858</u>	<u>\$ 2,921,222</u>	<u>\$ 1,857,519</u>

e. Transfers of financial assets

The Group transferred a portion of its banker's acceptance bills in mainland China to some of its suppliers in order to settle the trade payables to these suppliers. As the Group had transferred substantially all risks and rewards relating to these bills receivable, it derecognized the full carrying amount of the bills receivable and the associated trade payables. However, if the derecognized bills receivable are not paid at maturity, the suppliers have the right to request that the Group pays the unsettled balance; therefore, the Group still has continuing involvement in these bills receivable.

The maximum exposure to loss from the Group's continuing involvement in the derecognized bills receivable is equal to the face values of the transferred but unsettled bills receivable, and as of December 31, 2022 and 2023, the face amounts of these unsettled bills receivable were \$842,874 thousand and \$1,483,295 thousand, respectively. The unsettled bills receivable will be due in 12 months and 11 months, after December 31, 2022 and 2023, respectively. Taking into consideration the credit risk of these derecognized bills receivable, the Group estimates that the fair values of its continuing involvement are not significant.

During the year ended December 31, 2022 and 2023, the Group did not recognize gains or losses upon the transfer of the banker's acceptance bills. No gains or losses were recognized from the continuing involvement, both during the period or cumulatively.

34. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows:

a. Name of the related parties and relationships

Related Party	Relationship with the Group
Onyx Ta-Ho Waste Clearance Co., Ltd.	Subsidiary of associate
Onyx Ta-Ho Lu-Tsao Environment Co., Ltd.	Subsidiary of associate
Onyx Ta-Ho Environmental Services Co., Ltd.	Associate
Quon Hing Concrete Co., Ltd. (Quon Hing)	Associate
Prosperity Conch Cement Company Limited	Associate
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Associate
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd. (Baoshan Kungang)	Associate
Hong Kong Concrete Co., Ltd.	Associate
International CSRC Investment Holdings Co., Ltd.	Associate
Cimpor Global Holdings B.V.	Associate
Guigang Conch-TCC New Material Technology Co., Ltd.	Associate
Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd. (Guangan TCC Jiuyuan)	Joint venture
TCC Zhongrun (Anshun) Environmental Technology Co., Ltd.	Joint venture
Jiangsu Environmental Resources TCC Solid Waste Disposal Co., Ltd.	Joint venture

(Continued)

Related Party	Relationship with the Group
D-concrete INC.	Joint venture
Chongqing Xuanjie Taini Environmental Protection Technology Co., Ltd.	Joint venture
Chia Hsin R.M.C. Corp. (Chia Hsin R.M.C.)	Management personnel in substance
The Koo Foundation	Management personnel in substance
Chia Hsin Cement Corporation (Chia Hsin Cement)	Management personnel in substance
L'Hotel de Chine Corporation	Management personnel in substance
FDC International Hotels Corporation	Management personnel in substance
China Hi-Ment Corporation (China Hi-Ment)	The Group acts as key management personnel
O-Bank Co., Ltd.	The Group acts as key management personnel
Pan Asia Corporation	The Group acts as key management personnel
CTCI Corporation	The Group acts as key management personnel
Phihong Technology Co., Ltd. (became related parties since June 2022)	The Group acts as key management personnel
ZeroVA Technologies Taiwan Limited.	The Group acts as key management of its parent company
ZeroVA Technologies USA LLC	The Group acts as key management of its parent company
Union Steel Development Corporation	The Group acts as key management of its parent company
CTCI Resources Engineering Inc.	The Group acts as key management of its parent company
CTCI Smart Engineering Inc.	The Group acts as key management of its parent company
Chinatrust Investment Co., Ltd.	Same key management personnel
Consolidated Resource Company	Same key management personnel
CSRC China (Maanshan) Corporation	Same key management personnel
CSRC China (Anshan) Corporation	Same key management personnel
Chienten Temple	Same key management personnel
China (Chongqing) Synthetic Rubber Corporation	Same key management personnel
Dr. Cecilia Koo Botanic Conservation and Environmental Protection Foundation	Same key management personnel
Hualien County Private Hoping Sustainability Charity Foundation	Same key management personnel
Continental Carbon India Ltd.	Same key management personnel
Continental Carbon Eco Technology Private Limited	Same key management personnel
Linyuan Advanced Materials Technology Co., Ltd.	Same key management personnel
Fortune Quality investment Limited	Same key management personnel
Sing Cheng Investment Co., Ltd.	Same key management personnel
Circular Commitment Company	Same key management personnel
FCA AUSTRIA GMBH	Related party in substance
FCA BELGIUM S.A.	Related party in substance
FCA FRANCE	Related party in substance
GROUPE PSA ITALIA S.P.A.	Related party in substance
LEASYS RENT S.P.A.	Related party in substance
FIAT CHRYSLER AUTOMOBILES ITALY S.P.A.	Related party in substance
Fiat Chrysler Automobiles N.V.	Related party in substance
LEASYS S.P.A.	Related party in substance
PSA AUTOMOBILES S.A.	Related party in substance
MASERATI S.P.A.	Related party in substance

(Continued)

Related Party	Relationship with the Group
OPEL FRANCE	Related party in substance
ORIENTE S.P.A.	Related party in substance
LEASYS S.P.A. SUCURSAL EN ESPAÑA	Related party in substance
OPEL Automobile GmbH	Related party in substance
Stellantis & You Italia S.P.A.	Related party in substance
Stellantis & You, Sales And Services	Related party in substance
Alfa Romeo Dealers	Related party in substance
Winbond Electronics Corporation	Related party in substance
Hannstar Display Corporation.	Related party in substance
Walton Advanced Engineering, Inc.	Related party in substance
Walsin Lihwa Corporation	Related party in substance
Stellantis Europe S.P.A	Related party in substance
Stellantis Belux SA	Related party in substance
FCA US LLC	Related party in substance
AUTOMOBILES PEUGEOT	Related party in substance
AUTOMOBILES CITROEN	Related party in substance
Stellantis Auto SAS	Related party in substance
Stellantis España SL	Related party in substance

(Concluded)

b. Operating transactions

	For the Year Ended December 31	
	2022	2023
<u>Sales</u>		
Related party in substance	\$ 197,727	\$ 244,894
Management personnel in substance	581,509	561,918
Associate	522,791	511,015
The Group acts as key management personnel	464,785	416,498
Same key management personnel	239,641	153,818
The Group acts as key management of its parent company	21,261	78,243
Joint venture	-	589
	<u>\$ 2,027,714</u>	<u>\$ 1,966,975</u>
<u>Purchases of goods</u>		
The Group acts as key management of its parent company	\$ 75	\$ 1,073,294
The Group acts as key management personnel	819,698	961,041
Related party in substance	1,981	207,988
Associate	34,134	56,181
Management personnel in substance	38,122	43,428
Same key management personnel	467	447
	<u>\$ 894,477</u>	<u>\$ 2,342,379</u>

(Continued)

	For the Year Ended December 31	
	2022	2023
<u>Operating expenses</u>		
Management personnel in substance	\$ 29,150	\$ 30,323
The Group acts as key management personnel	62,837	26,178
Same key management personnel	14,311	14,019
Associate	<u>1,234</u>	<u>1,234</u>
	<u>\$ 107,532</u>	<u>\$ 71,754</u>
		(Concluded)

Notes receivable and accounts receivable from related parties were as follows:

	December 31	
	2022	2023
Related party in substance		
PSA AUTOMOBILES S.A.	\$ 47,698	\$ 57,414
MASERATI S.P.A.	341	30,641
Stellantis Europe S.P.A.	-	27,739
Others	<u>20,783</u>	<u>87,989</u>
	<u>68,822</u>	<u>203,783</u>
Management personnel in substance		
Chia Hsin Cement	110,880	110,880
Others	<u>3,136</u>	<u>3,250</u>
	<u>114,016</u>	<u>114,130</u>
Associate		
Quon Hing	137,255	87,462
Others	<u>24,044</u>	<u>24,578</u>
	<u>161,299</u>	<u>112,040</u>
The Group acts as key management personnel		
CTCI Corporation	88,653	21,393
China Hi-Ment	42,072	20,160
Pan Asia Corporation	<u>16,271</u>	<u>30,325</u>
	<u>146,996</u>	<u>71,878</u>
Same key management personnel	<u>12,838</u>	<u>11,284</u>
The Group acts as key management of its parent company	<u>10,004</u>	<u>50,306</u>
	<u>\$ 513,975</u>	<u>\$ 563,421</u>

Accounts payable to related parties (included in notes and accounts payable) were as follows:

	December 31	
	2022	2023
The Group acts as key management personnel	\$ 215,810	\$ 290,271
Management personnel in substance	3,730	7,486
Associate	49,131	59,625
Related party in substance	-	89,673
Others	<u>208</u>	<u>139</u>
	<u>\$ 268,879</u>	<u>\$ 447,194</u>

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

c. Other receivables

	December 31	
	2022	2023
<u>Included in other receivables from related parties</u>		
Joint venture		
Guangan TCC Jiuyuan	\$ 93,477	\$ 17,435
Related party in substance		
Fiat Chrysler Automobiles N.V.	153,784	-
Associate		
Quon Hing	7,284	6,907
Baoshan Kungang	155,007	-
Others	1,009	979
	<u>163,300</u>	<u>7,886</u>
Others	<u>5,045</u>	<u>502</u>
	<u>\$ 415,606</u>	<u>\$ 25,823</u>

Other receivables from related parties above included share subscriptions receivable, dividend receivables and interest receivables.

d. Other payables

	December 31	
	2022	2023
Related party in substance		
Fiat Chrysler Automobiles ITALY S.P.A.	\$ 249,375	\$ 863,874
Others	-	61,336
	<u>249,375</u>	<u>925,210</u>
The Group acts as key management of its parent company		
CTCI Resources Engineering Inc.	151,160	396,677
Others	-	913
	<u>151,160</u>	<u>397,590</u>
The Group acts as key management personnel		
CTCI Corporation	334,896	38,238
Management personnel in substance	10,720	9,359
Associate	4,018	4,729
Same key management personnel	67	7
	<u>\$ 750,236</u>	<u>\$ 1,375,133</u>

e. Prepayments

	December 31	
Related Party Category	2022	2023
The Group acts as key management of its parent company	\$ -	\$ 124,542

f. Acquisitions of property, plant and equipment

Related Party Category/Name	Purchase Price	
	For the Year Ended December 31	
	2022	2023
The Group acts as key management of its parent company		
CTCI Resources Engineering Inc.	\$ 666,260	\$ 1,345,357
CTCI Smart Engineering Inc.	1,598,993	1,013,742
Others	-	873
	<u>2,265,253</u>	<u>2,359,972</u>
The Group acts as key management personnel		
CTCI Corporation	968,603	85,410
Others	21,886	873
	<u>990,489</u>	<u>86,283</u>
Management personnel in substance	438	-
Related party in substance	-	87
	<u>\$ 3,256,180</u>	<u>\$ 2,446,342</u>

g. Lease arrangements

Related Party Category/Name	For the Year Ended December 31	
	2022	2023
<u>Acquisition of right-of-use assets</u>		
Management personnel in substance		
Chia Hsin R.M.C.	\$ 23,501	\$ -

Line Item	Related Party Category/Name	December 31	
		2022	2023
Lease liabilities	Management personnel in substance		
	Chia Hsin R.M.C.	\$ 16,317	\$ 11,908

Related Party Category	For the Year Ended December 31	
	2022	2023
<u>Interest expense</u>		
Management personnel in substance	\$ 328	\$ 250

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

h. Remuneration of key management personnel

	For the Year Ended December 31	
	2022	2023
Short-term employee benefits	\$ 467,309	\$ 501,452
Post-employment benefits	12,775	15,988
Share-based payment		
Equity-settled	41,970	103,581
Other long-term employee benefits	<u>16,985</u>	<u>21,498</u>
	<u>\$ 539,039</u>	<u>\$ 642,519</u>

35. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were pledged or mortgaged as collateral for certain short-term loans, long-term loans, performance bonds and other credit accommodations:

	December 31	
	2022	2023
Financial assets at FVTPL (including current and non-current portion)	\$ 284,876	\$ 278,424
Financial assets at FVTOCI (including current and non-current portion)	297,990	342,930
Property, plant and equipment	3,014,199	5,474,029
Investment accounted for using the equity method	37,618	37,715
Investment properties	815,814	800,005
Right-of-use asset	-	3,600,953
Guarantee deposits (included in other non-current assets)	1,081,564	1,129,956
Pledged bank deposits (included in financial assets measured at amortized cost)		
Current	1,453,836	1,193,447
Non-current	2,101,228	2,480,942

36. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. The balances of the unused letters of credit for purchase of raw material were as follows:

Name	December 31	
	2022	2023
The Corporation	\$ 71,368	\$ 94,844
Ho-Ping Power Company	2,832,947	1,325,464
TCC Recycle Energy Technology Company	1,517,946	437,840
TCC Dutch (Group)	-	343,200
TCC Energy Storage Technology Corporation	-	340
Kuan-Ho Refractories Industry Corporation	2,056	-

- b. The amounts of letters of guarantee granted and issued by the banks for the Group are as follows:

Name	December 31	
	2022	2023
The Corporation	\$ 22,120	\$ 41,859
Ho-Ping Power Company	1,148,000	1,148,000
TCCI (Group)	2,294,828	1,685,959
Taiwan Transport & Storage Corporation	28,502	28,562
TCC Recycle Energy Technology Company	94,857	-
TCC Dutch (Group)	1,262,893	4,845,924
TCC Energy Storage Technology Corporation	2,000	2,000

- c. Ho-Ping Power Company

Company Name	Ta-Ho RSEA Environment Co., Ltd.
Factual background	The Fair Trade Commission fined Ho-Ping Power Company for an alleged violation of Article 14 of the Fair Trade Act.
Amount in dispute (NT\$)	\$1,350,000 thousand
Commencement date of litigation	March 2013
Parties	Ho-Ping Power Company and the Fair Trade Commission
Status	1) The Fair Trade Commission made a second administrative disposition in November 2013, which reduced the amount of the fine imposed on Ho-Ping Power Company to \$1,320,000 thousand. 2) On June 30, 2015 and September 6, 2018, the Supreme Administrative Court overruled the original judgment in favor of Ho-Ping Power Company and remanded the case for retrial to the Taipei High Administrative Court. On May 13, 2020, the Taipei High Administrative Court in second instance also ruled that “the administrative disposition made by the Fair Trade Commission shall be dismissed” (Ref. No. 107 Nian-Du-Su-Geng-Er-Zi 116). However, the Fair Trade Commission still appealed and expressed dissatisfaction. The Supreme Administrative Court ruled on August 11, 2022 (Ref. No. 109 Nian-Du-Shang-Zi 864) that the Ho-Ping Power Company’s litigation was dismissed, to which Ho-Ping Power Company has filed to Supreme Administrative Court for retrial. 3) At the same time, Ho-Ping Power Company has also filed to Constitutional Court for constitutional complaint against the final court decisions and review of the constitutionality of statutes and regulations. However, on July 26, 2023, the Constitutional Court ruled the application inadmissible. 4) With regard to the violation of the Fair Trade Act matter in 2014, Ho-Ping Power Company filed an administrative appeal against the Fair Trade Commission’s disposition No. 103090 of July 10, 2014, and the administrative appeal process was temporarily suspended. Now since the aforementioned administrative litigation has been determined by the Supreme Administrative Court in its judgment No. 109 Nian-Du-Shang-Zi 864, the Executive Yuan has dismissed this administrative appeal, and Ho-Ping Power Company has also submitted a pleading to Taipei High Administrative Court.

(Continued)

Company Name	Ta-Ho RSEA Environment Co., Ltd.
	5) In accordance with the accounting conservatism principle, Ho-Ping Power Company recognized relevant losses in 2012 and paid the total fine as of June 30, 2019.

(Concluded)

Company Name	Ho-Ping Power Company
Factual background	Taiwan Power Company filed a civil litigation at the Taipei District Court.
Amount in dispute (NT\$)	About \$1,755,216 thousand in total.
Commencement date of litigation	November 2015
Parties	Ho-Ping Power Company and Taiwan Power Company
Status	In November 2015, Ho-Ping Power Company received a complaint of civil litigation brought by Taiwan Power Company at the Taiwan Taipei District Court based on the same ground of the aforementioned administrative litigation, and the claim amount of this case was reduced from \$5,268,000 thousand to \$1,755,216 thousand in May 2020. Taiwan Taipei District Court on May 12, 2021, and Taipei High Administrative Court on July 28, 2023, that the plaintiff's litigation was both dismissed, to which Taiwan Power Company has filed an appeal to Taiwan Supreme Court.

- d. The Board of Directors of Ta-Ho Maritime Corporation resolved to purchase one cement carrier from Marubeni Corporation on April 11, 2022. The aggregate purchase amount is not exceeding US\$50,000 thousand.
- e. On May 12, 2020, the Board of Directors of TCC (Hangzhou) Environment Protection Technology Co., Ltd., the Group's subsidiary, resolved to outsource construction project and invite tender. The contract has been signed on October 30, 2020 and the total amount is RMB566,888 thousand. On September 15, 2022, the Board of Directors of TCC (Hangzhou) Environmental Technology Co., Ltd. resolved on the headquarters curtain wall construction with the total amount of RMB256,000 thousand. On May 11, 2023, the Board of Directors of TCC (Hangzhou) Environmental Technology Co., Ltd. resolved to outsource the renovation construction project and invitation to tender with the total amount of RMB216,000 thousand, and the contract was updated with a total amount of RMB185,842 thousand on October 18, 2023.
- f. The Board of Directors of Chia-Chien Green Energy Corporation, the Group's subsidiary, resolved on November 6, 2020 to build a fish-electricity symbiosis solar photovoltaic power generation system in order to enhance power generation, and contracted the fishery-electricity symbiosis EPC turnkey project to Taiyen Green Energy Co., Ltd. in the total amount of \$1,398,000 thousand. The Board of Directors of Chia-Chien Green Energy Corporation resolved on April 11, 2022, to approve the Group's energy policy investment plan, planning to invest in the construction of energy storage systems in the central region of Taiwan, with the total amount of investment of \$1,450,000 thousand.
- g. On September 27, 2021, the Board of Directors of the Corporation resolved the expansion of the DAKA Regeneration Resource Utilization Center, the original factory of the Corporation's local Commission, and entered into a contract with CTCI Resources Engineering Inc. to use the cement kiln heat to jointly dispose of waste living in Hualien County, with a total amount not exceeding \$3,450,000 thousand.

- h. On November 14, 2023, the Board of Directors of the Corporation resolved the proposal to build the plant and purchase production line equipment for green cells in Canada. The total amount of investment is approximately \$25,500,000 thousand. In addition to bank loans or applying for government grants, the Corporation is contemplating directly or indirectly to increase the capital of EMC and/or increase the capital of EMC via investment from overseas or domestic subsidiaries and having EMC participate in the capital increase in cash of EMQE with EMC is intended. The amount of capital increase does not exceed US\$300,000 thousand.
- i. On November 27, 2023, the Board of Directors of the Corporation resolved to increase the indirect shareholdings of Oyak Denizli, a reinvestment company in Turkey, and Cimpor, a reinvestment company in Portugal, the subsidiaries of Cimpor Global Holdings B.V. invested by the Group via an investment accounted for using the equity method. The Corporation intended to directly increase the capital of TCC Dutch itself or indirectly increase the capital of TCC Dutch via overseas or domestic subsidiaries of the Corporation, and that the share issued in the capital increase acquired by TCC Dutch and/or its subsidiaries, which means: (a) increasing its shareholdings of Oyak Denizli to 60%, and (b) increasing its shareholdings of Cimpor to 100%. The total amount of investment is approximately EUR193,440 thousand and EUR480,000 thousand, respectively. In addition, according to the relevant laws and regulations of the Turkish authority, the Corporation should compulsorily acquire the outstanding shares of Oyak Cimento Fabrikalari Anonim Sirketi, the subsidiary of Oyak Denizli, on Turkish securities exchange market, and the actual transaction amount will be settled and adjusted at closing pursuant to the definitive agreement of the investment.
- j. The Board of Directors of TCC Energy Storage Technology Corporation, the Group's subsidiary, resolved on September 27, 2021, to actively participate in the power trading platform and complementary services market merchandise transactions. It intended to build the large-scale energy storage systems in the Corporation's Su'ao factory, the total amount of investment is approximately \$1,500,000 thousand. Technology Corporation plans to build large-scale energy storage systems in the Corporation's Su'ao factory. TCC Energy Storage Technology Corporation signed a procuring equipment contract, including energy storage systems and maintenance services afterward for a total amount of US\$29,415 thousand with NHOA ENERGY S.R.L. on October 26, 2021. On December 2, 2022, the total amount of the contract was raised to US\$43,832 thousand.
- k. The Board of Directors of TCC Green Energy Corporation, the Group's subsidiary, resolved on September 27, 2021, to invest via an investment plan of its subsidiary, TCC Lien-Hsin Green Energy Corporation, to actively participate in the power trading platform and complementary services market merchandise transactions. It intended to build the large-scale energy storage systems in the Corporation's Ho-Ping factory, the total amount of investment is approximately \$4,000,000 thousand.
- l. The Board of Directors of Molie Quantum Energy Corporation, the Group's subsidiary, resolved on September 27, 2021 to build the plant and purchase production line equipment on the leased land in Kaohsiung Linhai Industrial Park, the total amount of investment is approximately \$12,000,000 thousand. On February 25, 2022, the total amount of investment was raised to \$18,650,000 thousand. On June 21, 2022, the total amount of investment was raised to \$19,750,000 thousand. On December 21, 2023, the total amount of investment was raised to \$23,983,000 thousand. On October 20, 2021, Molie Quantum Energy Corporation signed contracts with Ruentex Engineering & Construction Co., Ltd. for the construction of land at the Lithium battery factory site for a total amount of \$4,800,000 thousand, and signed with CTCI Smart Engineering Corporation the electrical and mechanical works of the lithium battery factory with a total amount of \$3,900,000 thousand. On April 15, 2022 and December 1, 2022, Molie Quantum Energy Corporation signed contracts with KATAOKA CORPORATION for machinery and equipment with a total amount of JPY6,870,000 thousand and JPY5,900,000 thousand, respectively.

- m. TCC Lien-Hsin Green Energy Corporation plans to build a large-scale energy storage system in Hualien Hoping Industrial Park, the total amount of investment is approximately \$4,000,000 thousand. On December 26, 2023, the total amount of investment was raised to \$5,000,000 thousand. TCC Lien-Hsin Green Energy Corporation signed a procuring equipment contract, including energy storage systems and maintenance services afterward for a total amount of US\$93,205 thousand with NHOA ENERGY S.R.L. on October 26, 2021.

37. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the group entities and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 141,752	30.710 (USD:NTD)	\$ 4,353,204
USD	843,580	7.800 (USD:HKD)	25,911,726
USD	44,938	1.065 (USD:EUR)	1,566,609
Non-monetary items			
EUR	943,359	32.720 (EUR:NTD)	30,866,698
USD	62,093	30.710 (USD:NTD)	1,906,876
<u>Financial liabilities</u>			
Monetary items			
USD	312,614	7.800 (USD:HKD)	9,602,377
USD	95,516	30.710 (USD:NTD)	2,933,283

December 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 176,246	30.705 (USD:NTD)	\$ 5,411,633
USD	650,632	7.810 (USD:HKD)	19,964,962
USD	34,595	1.107 (USD:EUR)	1,300,921
Non-monetary items			
EUR	1,051,089	33.980 (EUR:NTD)	35,716,009
USD	60,490	30.705 (USD:NTD)	1,857,348
<u>Financial liabilities</u>			
Monetary items			
USD	122,500	7.810 (USD:HKD)	3,758,973
USD	48,870	30.705 (USD:NTD)	1,500,554

The realized and unrealized foreign exchange gains (losses) were \$201,611 thousand and \$(847,143) thousand for the years ended December 31, 2022 and 2023, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of foreign currency transactions and functional currencies of the group entities.

38. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures) (Table 3)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the share capital (Table 4)
- 5) Acquisitions of individual real estate at costs of at least NT\$300 million or 20% of the share capital (None)
- 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the share capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the share capital (Table 5)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the share capital (Table 6)
- 9) Trading in derivative instruments (Notes 7, 20 and 33)
- 10) Intercompany relationships and significant intercompany transactions (Table 9)
- 11) Information on investees (Table 7)

b. Information on investments in mainland China (Table 8)

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area.
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.

- c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.
 - e) The highest balance during the year, the end of year balance, the interest rate range, and total current year interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
- c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (None)

39. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of segment. Specifically, the Group's reportable segments under IFRS 8 "Operating Segments" were as follows:

- a. Cement segment - production, processing and sale of cement goods.
- b. Electricity and energy segment - power generation, energy storage and power business - related development, etc.
- c. Other segments - land and marine transportation.
 - production and sale of refractory materials.
 - others.

The Group uses the profit from operations as the measure for segment income and the basis of performance assessment. There was no material difference between the accounting policies of the operating segments and the accounting policies described in Note 4.

The following was an analysis of the Group's revenue and results by reportable segments:

- d. Segments revenue and results

	Segment Revenue		Segment Income	
	For the Year Ended December 31		For the Year Ended December 31	
	2022	2023	2022	2023
Cement segment	\$ 77,353,929	\$ 68,618,900	\$ 3,745,425	\$ 3,773,007
Electricity and energy segment	33,370,795	37,570,974	(3,102,137)	5,712,571
Other segments	<u>3,204,982</u>	<u>3,124,461</u>	<u>580,472</u>	<u>632,617</u>
	<u>\$ 113,929,706</u>	<u>\$ 109,314,335</u>	1,223,760	10,118,195
Administrative expenses and director's remuneration			(61,622)	(88,035)
Non-operating income and expenses			<u>5,483,959</u>	<u>4,326,671</u>
Income before income tax			<u>\$ 6,646,097</u>	<u>\$ 14,356,831</u>

Segment income represented profit before tax earned by each segment without an allocation of central administration expenses, director's remuneration and non-operating income and expenses.

e. Revenue from major products

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

	For the Year Ended December 31	
	2022	2023
Cement	\$ 58,298,922	\$ 48,544,706
Power generation	22,985,566	26,931,765
Concrete	17,861,293	18,700,925
Energy storage and charger	3,762,270	5,321,096
Battery	6,219,920	4,821,812
Waste treatment	729,172	748,807
Renewable energy	403,039	496,301
Others	<u>3,669,524</u>	<u>3,748,923</u>
	<u>\$ 113,929,706</u>	<u>\$ 109,314,335</u>

f. Geographical information

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2022	2023	2022	2023
Taiwan	\$ 60,022,631	\$ 63,957,117	\$ 84,155,132	\$ 101,786,588
Asia	50,147,738	40,295,784	82,416,588	81,277,738
Europe	<u>3,759,337</u>	<u>5,061,434</u>	<u>7,512,274</u>	<u>10,573,223</u>
	<u>\$ 113,929,706</u>	<u>\$ 109,314,335</u>	<u>\$ 174,083,994</u>	<u>\$ 193,637,549</u>

Non-current assets exclude financial instruments, deferred income tax assets, and net defined benefit asset.

g. Information about major customers

The only single customer who contributed 10% or more to the Group's revenue was as follows:

	For the Year Ended December 31	
	2022	2023
Taiwan Power Company	<u>\$ 23,605,027</u>	<u>\$ 27,901,872</u>

TABLE 1

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

FINANCINGS PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
1	Taiwan Transport & Storage Corporation	Tai-Jie Transport & Storage Corporation (Note 2)	Other receivables from related parties	Yes	\$ 100,000	\$ -	\$ -	-	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 1,157,330	\$ 1,157,330	
2	Hong Kong Cement Co., Ltd.	TCCIH (Note 2)	Other receivables from related parties	Yes	537,153	508,659	508,659	5.49	The need for short-term financing	-	Operating capital	-	-	-	1,488,240	2,976,480	
3	TCC Development Ltd.	TCCIH (Note 2)	Other receivables from related parties	Yes	302,512	286,817	286,817	4.83	The need for short-term financing	-	Operating capital	-	-	-	1,298,836	1,298,836	
4	TCCI	TCCIH (Note 2)	Other receivables from related parties	Yes	3,891,000	3,684,600	-	-	The need for short-term financing	-	Operating capital	-	-	-	107,653,934	215,307,868	
		TCC Dutch (Note 2)	Other receivables from related parties	Yes	1,735,500	1,699,000	-	-	The need for short-term financing	-	Operating capital	-	-	-	107,653,934	215,307,868	
		TCEH (Note 2)	Other receivables from related parties	Yes	694,200	679,600	-	-	The need for short-term financing	-	Operating capital	-	-	-	107,653,934	215,307,868	
5	TCEH	NHQA ENERGY S.R.L. (Note 2)	Other receivables from related parties	Yes	347,100	339,800	339,800	4.66	The need for short-term financing	-	Operating capital	-	-	-	16,794,139	33,588,278	
		ATLANTE S.R.L. (Note 2)	Other receivables from related parties	Yes	520,650	509,700	509,700	4.66	The need for short-term financing	-	Operating capital	-	-	-	16,794,139	33,588,278	
		NHQA S.A. (Note 2)	Other receivables from related parties	Yes	555,360	543,680	543,680	4.81	The need for short-term financing	-	Operating capital	-	-	-	6,717,656	6,717,656	
		TCC Dutch (Note 2)	Other receivables from related parties	Yes	1,388,400	1,359,200	1,189,300	4.78	The need for short-term financing	-	Operating capital	-	-	-	16,794,139	33,588,278	
6	Yingde Dragon Mountain Cement Co., Ltd.	TCC Yingde Cement Co., Ltd. (Note 2)	Other receivables from related parties	Yes	892,620	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	15,883,173	31,766,346	
		TCC Liaoning Cement Company Limited (Note 2)	Other receivables from related parties	Yes	1,017,587	985,393	648,285	2.84	The need for short-term financing	-	Operating capital	-	-	-	15,883,173	31,766,346	
		TCC (Gui Gang) Cement Ltd. (Note 2)	Other receivables from related parties	Yes	7,587,270	7,347,230	5,834,565	2.59-3.05	The need for short-term financing	-	Operating capital	-	-	-	15,883,173	31,766,346	
7	TCC (Gui Gang) Cement Ltd.	Guigang TCC DongYuan Environmental Technology Company Limited (Note 2)	Other receivables from related parties	Yes	133,893	129,657	-	-	The need for short-term financing	-	Operating capital	-	-	-	21,314,942	42,629,884	
		TCC Huaying Cement Company Limited (Note 2)	Other receivables from related parties	Yes	1,285,373	1,244,707	-	-	The need for short-term financing	-	Operating capital	-	-	-	21,314,942	42,629,884	
		TCC (Hangzhou) Recycle Resource Technology Limited (Note 2)	Other receivables from related parties	Yes	44,631	43,219	-	-	The need for short-term financing	-	Operating capital	-	-	-	21,314,942	42,629,884	
		TCC Anshun Cement Company Limited (Note 2)	Other receivables from related parties	Yes	446,310	432,190	-	-	The need for short-term financing	-	Operating capital	-	-	-	21,314,942	42,629,884	
		TCC Huahua Cement Company Limited (Note 2)	Other receivables from related parties	Yes	892,620	864,380	-	-	The need for short-term financing	-	Operating capital	-	-	-	21,314,942	42,629,884	
		TCC Jingzhou Cement Company Limited (Note 2)	Other receivables from related parties	Yes	669,465	648,285	432,190	2.93	The need for short-term financing	-	Operating capital	-	-	-	21,314,942	42,629,884	
		Guizhou Kong On Cement Company Limited (Note 2)	Other receivables from related parties	Yes	290,102	280,924	43,219	2.93	The need for short-term financing	-	Operating capital	-	-	-	21,314,942	42,629,884	
		Sciusu Naxi Cement Co., Ltd. (Note 2)	Other receivables from related parties	Yes	446,310	432,190	-	-	The need for short-term financing	-	Operating capital	-	-	-	21,314,942	42,629,884	
		TCC Yingde Cement Co., Ltd. (Note 2)	Other receivables from related parties	Yes	1,338,930	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	21,314,942	42,629,884	

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
8	TCC Yingde Cement Co., Ltd.	123 (Guangdong) Environmental Protection Technology Co., Ltd. (Note 2)	Other receivables from related parties	Yes	\$ 88,682	\$ 86,438	\$ 25,919	2.93-3.02	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 26,710,680	\$ 53,421,360	
		TCC Yongren (Hangzhou) Environmental Protection Technology Co., Ltd. (Note 2)	Other receivables from related parties	Yes	89,262	86,438	15,127	3.02	The need for short-term financing	-	Operating capital	-	-	-	26,710,680	53,421,360	
		TCC Yongren (Hangzhou) Renewable Resources Development Co., Ltd. (Note 2)	Other receivables from related parties	Yes	44,631	43,219	2,161	3.02	The need for short-term financing	-	Operating capital	-	-	-	26,710,680	53,421,360	
		Beijing TCC Environment Technology Co., Ltd. (Note 2)	Other receivables from related parties	Yes	178,524	172,876	140,462	2.93-3.02	The need for short-term financing	-	Operating capital	-	-	-	26,710,680	53,421,360	
		TCC (Hangzhou) Environmental Protection Technology Co., Ltd. (Note 2)	Other receivables from related parties	Yes	3,052,760	2,956,180	-	-	The need for short-term financing	-	Operating capital	-	-	-	26,710,680	53,421,360	
		Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd. (Note 2)	Other receivables from related parties	Yes	132,108	127,928	127,928	3.65	The need for short-term financing	-	Operating capital	-	-	-	10,684,272	10,684,272	
		Scius Luzhou Cement Co., Ltd. (Note 2)	Other receivables from related parties	Yes	803,358	777,942	-	-	The need for short-term financing	-	Operating capital	-	-	-	26,710,680	53,421,360	
		Scius Naxi Cement Co., Ltd. (Note 2)	Other receivables from related parties	Yes	223,155	216,095	12,966	2.93	The need for short-term financing	-	Operating capital	-	-	-	26,710,680	53,421,360	
		Guizhou Kong On Cement Company Limited (Note 2)	Other receivables from related parties	Yes	446,310	432,190	43,219	2.93	The need for short-term financing	-	Operating capital	-	-	-	26,710,680	53,421,360	
		TCC Liaoning Cement Company Limited (Note 2)	Other receivables from related parties	Yes	223,155	216,095	-	-	The need for short-term financing	-	Operating capital	-	-	-	26,710,680	53,421,360	
9	TCC Fuzhou Cement Co., Ltd.	TCC Shaoguan Cement Co., Limited (Note 2)	Other receivables from related parties	Yes	5,240,083	5,074,301	4,754,090	2.93-3.02	The need for short-term financing	-	Operating capital	-	-	-	26,710,680	53,421,360	
		TCC Anshun Cement Company Limited (Note 2)	Other receivables from related parties	Yes	888,792	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	26,710,680	53,421,360	
		Guangan Changxing Cement Company Ltd. (Note 2)	Other receivables from related parties	Yes	888,792	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	26,710,680	53,421,360	
		TCC Huahua Cement Company Limited (Note 2)	Other receivables from related parties	Yes	892,620	864,380	-	-	The need for short-term financing	-	Operating capital	-	-	-	26,710,680	53,421,360	
		TCC Jingzhou Cement Company Limited (Note 2)	Other receivables from related parties	Yes	223,155	216,095	-	-	The need for short-term financing	-	Operating capital	-	-	-	26,710,680	53,421,360	
10	TCCIH	TCC Chongqing Cement Company Limited (Note 2)	Other receivables from related parties	Yes	446,310	432,190	-	-	The need for short-term financing	-	Operating capital	-	-	-	26,710,680	53,421,360	
		Guizhou Kaili Rui An Jian Cai Co., Ltd. (Note 2)	Other receivables from related parties	Yes	669,465	648,285	-	-	The need for short-term financing	-	Operating capital	-	-	-	26,710,680	53,421,360	
11	Prime York Ltd.	TCC Liaoning Cement Company Limited (Note 2)	Other receivables from related parties	Yes	308,739	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	566,037	1,698,111	
		Guizhou Kaili Rui An Jian Cai Co., Ltd. (Note 2)	Other receivables from related parties	Yes	223,155	216,095	-	-	The need for short-term financing	-	Operating capital	-	-	-	566,037	1,698,111	
12	Jurong TCC Cement Co., Ltd.	TCC Yingde Cement Co., Ltd. (Note 2)	Other receivables from related parties	Yes	217,283	210,409	204,025	-	The need for short-term financing	-	Operating capital	-	-	-	182,757,078	365,514,156	
		Upper Value Investment Limited (Note 2)	Other receivables from related parties	Yes	211,344	200,379	200,379	-	The need for short-term financing	-	Operating capital	-	-	-	2,573,453	5,146,906	
		TCC Huahua Cement Company Limited (Note 2)	Other receivables from related parties	Yes	1,338,930	1,296,570	164,232	2.93	The need for short-term financing	-	Operating capital	-	-	-	18,501,960	37,003,920	
		TCC Huahua Concrete Company Limited (Note 2)	Other receivables from related parties	Yes	133,893	129,657	64,396	2.93-3.48	The need for short-term financing	-	Operating capital	-	-	-	18,501,960	37,003,920	
		TCC Jingzhou Cement Company Limited (Note 2)	Other receivables from related parties	Yes	177,363	172,876	172,876	3.02	The need for short-term financing	-	Operating capital	-	-	-	18,501,960	37,003,920	
		Guizhou Kong On Cement Company Limited (Note 2)	Other receivables from related parties	Yes	401,679	388,971	388,971	2.93-3.48	The need for short-term financing	-	Operating capital	-	-	-	18,501,960	37,003,920	
		Kaili TCC Environment Technology Co., Ltd. (Note 2)	Other receivables from related parties	Yes	401,679	388,971	207,451	2.93-3.10	The need for short-term financing	-	Operating capital	-	-	-	18,501,960	37,003,920	
		TCC Anshun Cement Company Limited (Note 2)	Other receivables from related parties	Yes	888,792	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	18,501,960	37,003,920	
		TCC Chongqing Cement Company Limited (Note 2)	Other receivables from related parties	Yes	882,112	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	18,501,960	37,003,920	
		Guangan Changxing Cement Company Ltd. (Note 2)	Other receivables from related parties	Yes	444,396	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	18,501,960	37,003,920	
11	Prime York Ltd.	TCC Liaoning Cement Company Limited (Note 2)	Other receivables from related parties	Yes	312,417	302,533	-	-	The need for short-term financing	-	Operating capital	-	-	-	18,501,960	37,003,920	

(Continued)

No.	Lender	Borrower (Note 2)	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
			Other receivables from related parties	Yes	\$ 446,310	\$ -	\$ -	-	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 18,501,960	\$ 37,003,920	
			Other receivables from related parties	Yes	669,465	648,285	-	-	The need for short-term financing	-	Operating capital	-	-	-	18,501,960	37,003,920	
			Other receivables from related parties	Yes	196,376	190,164	190,164	2.93	The need for short-term financing	-	Operating capital	-	-	-	18,501,960	37,003,920	
			Other receivables from related parties	Yes	310,386	302,533	172,876	3.45	The need for short-term financing	-	Operating capital	-	-	-	7,400,784	7,400,784	
13	TCC Anshun Cement Company Limited	Anshun Xin Tai Construction Materials Company Limited (Note 2)	Other receivables from related parties	Yes	89,262	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	7,188,050	14,376,100	
			Other receivables from related parties	Yes	89,262	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	2,875,220	2,875,220	
			Other receivables from related parties	Yes	264,634	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	7,188,050	14,376,100	
			Other receivables from related parties	Yes	133,893	129,657	-	-	The need for short-term financing	-	Operating capital	-	-	-	7,188,050	14,376,100	
			Other receivables from related parties	Yes	133,893	129,657	-	-	The need for short-term financing	-	Operating capital	-	-	-	7,188,050	14,376,100	
			Other receivables from related parties	Yes	133,893	129,657	-	-	The need for short-term financing	-	Operating capital	-	-	-	7,188,050	14,376,100	
			Other receivables from related parties	Yes	892,620	864,380	-	-	The need for short-term financing	-	Operating capital	-	-	-	7,188,050	14,376,100	
			Other receivables from related parties	Yes	669,465	648,285	259,314	2.93-3.02	The need for short-term financing	-	Operating capital	-	-	-	7,188,050	14,376,100	
14	Guangan Changxing Cement Company Ltd.	Guangan TCC Jiyuan Environmental Protection Technology Co., Ltd. (Note 2)	Other receivables from related parties	Yes	267,786	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	2,554,886	2,554,886	
			Other receivables from related parties	Yes	446,310	432,190	-	-	The need for short-term financing	-	Operating capital	-	-	-	6,387,214	12,774,428	
			Other receivables from related parties	Yes	133,893	129,657	-	-	The need for short-term financing	-	Operating capital	-	-	-	6,387,214	12,774,428	
			Other receivables from related parties	Yes	669,465	648,285	497,019	2.93	The need for short-term financing	-	Operating capital	-	-	-	6,387,214	12,774,428	
			Other receivables from related parties	Yes	133,893	129,657	-	-	The need for short-term financing	-	Operating capital	-	-	-	6,387,214	12,774,428	
			Other receivables from related parties	Yes	89,262	86,438	-	-	The need for short-term financing	-	Operating capital	-	-	-	6,387,214	12,774,428	
15	TCC Chongqing Cement Company Limited	Sciuss Naxi Cement Co., Ltd. (Note 2)	Other receivables from related parties	Yes	133,893	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	9,613,022	19,226,044	
			Other receivables from related parties	Yes	223,155	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	9,613,022	19,226,044	
			Other receivables from related parties	Yes	111,578	108,048	-	-	The need for short-term financing	-	Operating capital	-	-	-	9,613,022	19,226,044	
			Other receivables from related parties	Yes	892,620	864,380	855,304	2.93-3.02	The need for short-term financing	-	Operating capital	-	-	-	9,613,022	19,226,044	
			Other receivables from related parties	Yes	89,262	86,438	-	-	The need for short-term financing	-	Operating capital	-	-	-	9,613,022	19,226,044	
			Other receivables from related parties	Yes	133,893	129,657	129,657	2.93-3.02	The need for short-term financing	-	Operating capital	-	-	-	9,613,022	19,226,044	
16	TCC New (Hangzhou) Management Company Limited	Sciuss Luzhou Cement Co., Ltd. (Note 2)	Other receivables from related parties	Yes	89,262	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,338,696	2,677,392	
			Other receivables from related parties	Yes	195,534	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,338,696	2,677,392	
17	Prosperity Minerals (China) Ltd.	TCC New (Hangzhou) Management Company Limited (Note 2)	Other receivables from related parties	Yes	354,391	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	948,832	1,897,664	

(Continued)

No.	Lender	Borrower (Note 2)	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
18	TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	TCC Yongren (Hangzhou) Renewable Resources Technology Co., Ltd. (Note 2) TCC (Guangdong) Renewable Resources Technology Company Limited (Note 2)	Other receivables from related parties Other receivables from related parties	Yes Yes	\$ 49,094 89,262	\$ 47,541 86,438	\$ - -	- -	The need for short-term financing The need for short-term financing	\$ - -	Operating capital Operating capital	\$ - -	- -	\$ - -	\$ 11,334,054 11,334,054	\$ 22,668,108 22,668,108	
19	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Seius Naxi Cement Co., Ltd. (Note 2) Kaili TCC Environment Technology Co., Ltd. (Note 2)	Other receivables from related parties Other receivables from related parties	Yes Yes	133,893 178,524	- 172,876	99,404	- 2.93-3.02	The need for short-term financing The need for short-term financing	- -	Operating capital Operating capital	- -	- -	- -	3,396,193 3,396,193	6,792,386 6,792,386	
20	TCC Huaihua Cement Company Limited	TCC Jingzhou Cement Company Limited (Note 2)	Other receivables from related parties	Yes	89,262	86,438	-	-	The need for short-term financing	-	Operating capital	-	-	-	3,225,174	6,450,348	
21	Scius Luzhou Cement Co., Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd. (Note 2)	Other receivables from related parties	Yes	89,262	86,438	-	-	The need for short-term financing	-	Operating capital	-	-	-	3,537,847	7,075,694	
22	E-One Moli Energy Corp.	E-One Moli Energy (Canada) Ltd. (Note 2)	Other receivables from related parties	Yes	167,640	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	5,119,314	10,238,628	
23	TCC (Guangdong) Renewable Resources Technology Company Limited	123 (Guangdong) Environmental Protection Technology Co., Ltd (Note 2)	Other receivables from related parties	Yes	6,695	6,483	-	-	The need for short-term financing	-	Operating capital	-	-	-	-	-	
24	NHOA S.A.	NHOA CORPORATE S.R.L. (Note 2) NHOA CORPORATE S.R.L. (Note 2) NHOA CORPORATE S.R.L. (Note 2 and 3)	Other receivables from related parties Other receivables from related parties Other receivables from related parties	Yes Yes Yes	3,058,200 263,900 674,032	3,058,200 - -	1,984,398 - -	5.20 - -	The need for short-term financing The need for short-term financing The need for short-term financing	- - -	Operating capital Operating capital Operating capital	- - -	- - -	- - -	3,632,557 3,632,557 3,632,557	3,632,557 3,632,557 3,632,557	
25	NHOA ENERGY S.R.L.	NHOA AMERICAS LLC (Note 2) NHOA Taiwan Ltd. (Note 2) NHOA Taiwan Ltd. (Note 2)	Other receivables from related parties Other receivables from related parties Other receivables from related parties	Yes Yes Yes	162,125 64,850 17,220	153,525 61,410 16,990	84,220 11,599 3,518	5.46 5.46 4.20	The need for short-term financing The need for short-term financing The need for short-term financing	- - -	Operating capital Operating capital Operating capital	- - -	- - -	- - -	3,616,661 3,616,661 3,616,661	7,233,322 7,233,322 7,233,322	
26	NHOA AUSTRALIA PTY LTD	NHOA ENERGY S.R.L. (Note 2) NHOA ENERGY S.R.L. (Note 2)	Other receivables from related parties Other receivables from related parties	Yes Yes	173,550 324,250	- -	- -	- -	The need for short-term financing The need for short-term financing	- -	Operating capital Operating capital	- -	- -	- -	506,752 506,752	1,013,504 1,013,504	
27	NHOA CORPORATE S.R.L.	FREE2MOVE ESOLUTIONS S.P.A. (Note 2)	Other receivables from related parties	Yes	832,510	832,510	832,510	4.68-5.00	The need for short-term financing	-	Operating capital	-	-	-	5,232,567	5,232,567	
28	NHOA CORPORATE S.R.L. (Note 3)	ATLANTE S.R.L. (Note 2)	Other receivables from related parties	Yes	2,718,400	2,718,400	1,329,977	5.55	The need for short-term financing	-	Operating capital	-	-	-	13,081,417	26,162,834	
29	ATLANTE S.R.L.	ATLANTE FRANCE S.A.S. (Note 2) ATLANTE INFRA PORTUGAL S.A. (Note 2)	Other receivables from related parties Other receivables from related parties	Yes Yes	152,280 169,730	- 169,730	- 169,730	- 5.55	The need for short-term financing The need for short-term financing	- -	Operating capital Operating capital	- -	- -	- -	5,847,312 5,847,312	11,694,624 11,694,624	

Note 1: "Financing Limits for Each Borrower" and "Aggregate Financing Limits";

A. For Taiwan Cement Corporation, financing limits are as follows:

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

(Continued)

B. The restrictions above in paragraph A, subparagraphs b and c shall not apply to inter-company loans of funds between foreign companies of which Taiwan Cement Corporation holds, directly or indirectly, 100% of the voting shares. The aggregate and individual financing limits for the companies were 200% and 100%, respectively, of the net equity of each company as stated in their respective latest financial statements. In addition, the aggregate and individual financing limits for TCC International Ltd. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for TCC Fuzhou Cement Co., Ltd. were 300% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for Prosperity Minerals (China) Ltd. were 400% and 200%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for NHOA 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 AUSTRALIA PTY LTD. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for Taiwan Cement Europe Holdings B.V. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for NHOA FREEMOVEE SOLUTIONS S.P.A., the aggregate and individual financing limits shall not exceed 40% of its net equity as stated in its latest financial statements. When the fund loan object is ATLANTÉ S.R.L., the aggregate and individual financing limits for individual objects shall not exceed 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for TCC (Guangdong) Renewable Resources Technology Company Limited were 40% and 40%, respectively, of its net equity as stated in its latest financial statements.

Note 2: All intercompany transactions have been eliminated upon consolidation.

Note 3: NHOA CALLIOPE S.R.L. is merged with NHOA CORPORATE S.R.L. through consolidation, and NHOA CORPORATE S.R.L. would be the surviving company.

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guaranteee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated 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. TCC Investment Corporation TCC Chemical Corporation Jin Chang Minerals Corporation Ho Sheng Mining Co., Ltd. TCC Energy Storage Technology Corporation TCCI E-one Moli Energy (Canada) Ltd. E-One Moli Quantum Energy (Canada) Ltd.	b b b b b b b b b b b	\$ 115,466,627 115,466,627 115,466,627 115,466,627 115,466,627 115,466,627 115,466,627 115,466,627 115,466,627 115,466,627 115,466,627	\$ 1,420,000 2,370,000 1,299,117 31,257 99,884 1,297,000 6,841,675 4,744,006 4,744,006	\$ 1,420,000 2,370,000 1,299,117 31,257 99,884 1,228,200 6,478,755 4,744,006 4,744,006	\$ 780,000 1,590,000 106,117 31,257 99,884 1,228,200 1,658,070 - -	- - - 31,257 99,884 -	0.61 1.03 0.56 0.01 0.04 0.53 2.81 2.05 2.05	\$ 230,933,254 230,933,254 230,933,254 230,933,254 230,933,254 230,933,254 230,933,254 230,933,254 230,933,254 230,933,254 230,933,254	Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes	No No No No No No No No No No No	No No No No No No No No No No No	No No No No No No No No No No No
1	Ho Sheng Mining Co., Ltd.	Taiwan Cement Corporation	c	1,025,260	137,964	137,964	137,964	-	40.37	1,025,260	No	Yes	No	
2	TCC Green Energy Corporation	TCC Chemical Corporation	a	13,785,406	6,117	6,117	6,117	-	0.04	13,785,406	No	No	No	
3	TCCIH	TCC Yingde Cement Co., Ltd. Jurong TCC Cement Co., Ltd. TCC Fuzhou Cement Co., Ltd. TCC Liaoning Cement Company Limited TCC (Gui Gang) Cement Ltd. TCC Chongqing Cement Company Limited Guizhou Kong On Cement Company Limited Guizhou Kaili Rui An Jian Cai Co., Ltd. TCC Anshun Cement Company Limited	b b b b b b b b b b b	91,378,539 91,378,539 91,378,539 91,378,539 91,378,539 91,378,539 91,378,539 91,378,539 91,378,539 91,378,539 91,378,539	545,598 1,847,702 735,088 575,744 1,374,768 968,890 327,493 324,250 669,465	245,640 933,432 406,002 554,430 1,074,675 521,985 310,121 307,050 -	- - - - - - - - - - -	- - - - - - - - - - -	0.13 0.51 0.22 0.30 0.59 0.29 0.17 0.17 -	182,757,078 182,757,078 182,757,078 182,757,078 182,757,078 182,757,078 182,757,078 182,757,078 182,757,078 182,757,078 182,757,078	Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes	No No No No No No No No No No No	Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes	
4	TCC (Gui Gang) Cement Ltd.	Guigang Conch - TCC New Material Technology Co., Ltd.	f	10,657,471	133,893	-	-	-	-	21,314,942	No	No	Yes	
5	TCC Yingde Cement Co., Ltd.	TCC (Hangzhou) Environmental Protection Technology Co., Ltd. TCC Shaoguan Cement Co., Ltd.	d d	13,355,340 13,355,340	12,415,424 221,704	12,101,320 216,095	2,044,099 129,657	- -	45.31 0.81	26,710,680 26,710,680	No No	No No	Yes Yes	
6	Guangan Changxing Cement Company Ltd.	Guangan TCC Juyuan Environmental Protection Technology Co., Ltd.	b	3,193,607	288,798	281,492	166,247	-	4.41	6,387,214	No	No	Yes	
7	TCC Dutch	NHOAS.A.	b	25,938,273	1,154,231	1,130,705	1,129,956	1,129,956	2.18	51,876,546	Yes	No	No	

(Continued)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 3)											
8	NHOA S. A.	NHOA AUSTRALIA PTY LTD NHOA ENERGY S.R.L. ATLANTE S.R.L. ATLANTE IBERIA S.L. NHOA AMERICAS LLC NHOA UK LTD ATLANTE FRANCE S.A.S.	b b b b b b b	\$ 181,627,857 181,627,857 181,627,857 181,627,857 181,627,857 181,627,857 181,627,857	\$ 21,629,936 3,779,945 3,645,199 492,741 53,562 1,734,256 5,813	\$ 21,583,335 2,519,122 2,387,480 14,467 50,720 1,675,620 5,813	\$ 18,887,558 256,198 518,580 14,467 50,720 1,225,395 5,813	\$ - - - - - - -	237.67 27.74 26.29 0.16 0.56 18.45 0.06	\$ 227,034,822 227,034,822 227,034,822 227,034,822 227,034,822 227,034,822 227,034,822	Yes Yes Yes Yes Yes Yes Yes	No No No No No No No	No No No No No No No	
9	NHOA ENERGY S.R.L.	NHOA AMERICAS LLC NHOA LATAM S.A.C. NHOA UK LTD NHOA AUSTRALIA PTY LTD	b b b b	72,333,226 72,333,226 72,333,226 72,333,226	440,963 15,512 958,873 5,050,000	426,568 14,689 945,827 4,910,449	375,847 14,689 939,877 2,317,874	- - - -	11.79 0.41 26.15 135.77	90,416,533 90,416,533 90,416,533 90,416,533	Yes Yes Yes Yes	No No No No	No No No No	

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

- For endorsements/guarantees given by Taiwan Cement Corporation due to business transactions, 50% of the business transaction amounts in the previous year.
- Except for i, the aggregate and individual endorsements/guarantees given by Taiwan Cement Corporation were the net equity in its respective latest financial statements and 50% of the net equity in its respective latest financial statements.
- Ho Sheng Mining Co., Ltd. guaranteed by land lease agreement.
- Jin Chang Minerals Corporation guaranteed by deposit contract.
- NHOA S.A. guaranteed by deposit.

Note 2: Aggregate endorsement/guarantee limit was 300% of its net equity in its latest financial statements for Ho Sheng Mining Co., Ltd., and 2,500% of its net equity in its latest financial statements for NHOA S.A., and 2,500% of its net equity in its latest financial statements for NHOA ENERGY S.R.L., and the limit for other the endorsers/guarantors was the net equity in their respective latest financial statements.

Note 3: Relationship between the endorser/guarantor and the endorsee/guarantee is classified as follows:

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

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(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, 2023			Note	
				Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)		
Taiwan Cement Corporation	Ordinary shares Chien Kuo Construction Co., Ltd. Taiwan Television Enterprise, Ltd. Chinatrust Financial Holding Co., Ltd. China Hi-Ment Corporation Taishin Financial Holding Co., Ltd. CTCI Corporation Chia Hsin Cement Corporation O-Bank IBT II Venture Capital Corporation Chinatrust Investment Co., Ltd. Pan Asia Corporation Taiwan Stock Exchange Corporation Excel Corporation Phihong Technology Co., Ltd. Privately placed shares - Phihong Technology Co., Ltd. <u>Convertible preference shares</u> O-Bank	- The Corporation serves as supervisor - The Corporation serves as director - The Corporation serves as director Directors Related parties - The Corporation serves as director The Corporation serves as supervisor The Corporation serves as director - The Corporation serves as director The Corporation serves as director Related parties Director of parent company	FVTPL - current FVTPL - current FVTPL - current FVTOCI - current FVTOCI - current FVTOCI - current FVTOCI - current FVTOCI - current FVTOCI - non-current FVTOCI - non-current FVTOCI - non-current FVTOCI - non-current FVTOCI - non-current FVTOCI - non-current FVTOCI - non-current FVTOCI - non-current FVTOCI - current	7,522 13,573 3,576 30,196 73,014 9,054 27,968 32,809 2,626 17,732 6,204 76,785 600 4,200 37,520 2,956 8,804	\$ 129,759 108,582 101,368 1,739,299 1,321,547 381,641 532,787 327,431 - 684,083 8,996 6,813,172 - 247,374 1,884,630 30,889 167,720	- - - - - - - - 8.3 9.4 5.4 6.6 9.5 9.98 9.98 - -	\$ 129,759 108,582 101,368 1,739,299 1,321,547 381,641 532,787 327,431 - 684,083 8,996 6,813,172 - 247,374 1,884,630 30,889 167,720	21,000 thousand shares were pledged 7,000 thousand shares were pledged
	Ordinary shares Taishin Financial Holding Co., Ltd. Chia Hsin Cement Corporation China Conch Venture Holdings Limited China Conch Environment Protection Holdings Limited Chinatrust Investment Co., Ltd. Pan Asia Corporation <u>Convertible preference shares</u> O-Bank	Related parties Director of parent company - - The parent company serves as director The parent company serves as supervisor Related parties	FVTOCI - current FVTOCI - current FVTOCI - current FVTOCI - non-current FVTOCI - non-current FVTOCI - non-current FVTOCI - non-current FVTOCI - non-current	24,214 13,967 8,501 11,110 11,110 6,530 1 2,182	241,659 252,801 161,936 282,860 68,096 251,939 14 22,798	- - - - 3.5 - - -	241,659 252,801 161,936 282,860 68,096 251,939 14 22,798	
	Ordinary shares Prosperity Dielectrics Co., Ltd. Chia Hsin Cement Corporation Chinatrust Investment Co., Ltd.	- Director of parent company The parent company serves as director	FVTPL - current FVTOCI - current FVTOCI - non-current	951 26,277 3,967	46,371 500,567 153,047	- - 2.1	46,371 500,567 153,047	
	Ordinary shares Taiwan Stock Exchange Corporation	The parent company serves as director	FVTOCI - non-current	4,384	389,035	-	389,035	
	Ordinary shares Chinatrust Investment Co., Ltd.	The parent company serves as director	FVTOCI - non-current	6,266	241,751	3.3	241,751	
	Ordinary shares Feng Yu United Engineering Company	-	FVTPL - current	137	-	0.1	-	

(Continued)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE SHARE CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal		Other Adjustment (Notes 1 and 3)	Ending Balance (Note 2)	
					Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount		Shares/Units (In Thousands)	Amount
Taiwan Cement Corporation	Shares TCCI(HK)	Investments accounted for using the equity method	-	Subsidiary	3,471,218	\$ 81,991,082	263,709	\$ 6,299,370	-	\$ -	\$ (1,864,630)	3,734,927	\$ 86,425,822
TCCI (HK)	TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	Investments accounted for using the equity method	-	Subsidiary	-	3,981,157	-	4,753,700	-	-	(244,473)	-	8,490,384
TCC(HK)	TCC Dutch	Investments accounted for using the equity method	-	Subsidiary	-	-	250	8,477,500	-	-	592,976	250	9,070,476
TCC Dutch	TCEH	Investments accounted for using the equity method	-	Subsidiary	180,001	8,980,951	250,000	8,477,500	-	-	(664,302)	430,001	16,794,149
TCEH	NHOA S.A.	Investments accounted for using the equity method	-	Subsidiary	16,635	6,043,134	224,922	7,627,118	-	-	(880,559)	241,557	12,789,693
NHOA S.A.	NHOA ENERGY S.R.L.	Investments accounted for using the equity method	-	Subsidiary	2,000	1,634,271	13,000	1,868,900	-	-	(3,503,171)	-	-
	NHOA CORPORATE S.R.L.	Investments accounted for using the equity method	-	Subsidiary	1,000	177,716	11,000	6,490,180	-	-	1,979,443	12,000	8,647,339
NHOA CORPORATE S.R.L.	ATLANTE S.R.L.	Investments accounted for using the equity method	-	Subsidiary	5,000	489,148	7,000	5,776,600	-	-	(1,208,633)	12,000	5,057,115
	NHOA ENERGY S.R.L.	Investments accounted for using the equity method	-	Subsidiary	-	-	-	-	-	-	3,324,434	-	3,324,434
ATLANTE S.R.L.	ATLANTE FRANCE S.A.S.	Investments accounted for using the equity method	-	Subsidiary	100	23,982	29,400	998,494	-	-	(302,212)	29,500	720,264

Note 1: Including the share of profit and loss of subsidiaries, organizational restructuring and adjustments to shareholder's equity.

Note 2: All intercompany transactions have been eliminated upon consolidation.

Note 3: Due to the adjustment of its investment structure, NHOA S.A. invested in NHOA CORPORATE S.R.L. with the equity of NHOA ENERGY S.R.L.

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE SHARE CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note	
			Purchases/Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total (Note 1)		
Taiwan Cement Corporation	Feng Sheng Enterprise Company Limited	Subsidiary	Sales	\$ (702,130)	(3)	65 days	\$	-	-	\$ 172,148	30	Note 2
	TCCIH	Subsidiary	Purchases	181,194	1	30 days	-	-	-	(22,418)	(2)	Note 2
	HKCCL	Subsidiary	Service revenue	(447,099)	(2)	By contract	-	-	-	37,100	6	Note 2
			Sales	(114,792)	-	65 days counting from the completion of shipment	-	-	-	-	-	Note 2
	E.G.C. Cement Corporation	Subsidiary	Sales	(721,508)	(3)	50 days after the end of the day when delivery was made	-	-	-	89,586	16	Note 2
	Taiwan Transport & Storage Corporation	Subsidiary	Purchases	656,554	3	30 days	-	-	-	(124,739)	(12)	Note 2
	Hoping Industrial Port Corporation	Subsidiary	Purchases	351,169	2	20 days	-	-	-	(7,383)	(1)	Note 2
	Ta-Ho Maritime Corporation	Subsidiary	Purchases	1,690,625	9	30 days	-	-	-	(305,087)	(28)	Note 2
	Ho Sheng Mining Co., Ltd.	Subsidiary	Purchases	345,496	2	30 days	-	-	-	(98,543)	(9)	Note 2
	Jin Chang Minerals Corporation	Subsidiary	Purchases	349,040	2	30 days	-	-	-	(83,350)	(8)	Note 2
Ho-Ping Power Company	Kuan-Ho Refractories Industry Corporation	Subsidiary	Purchases	221,415	1	By contract	-	-	-	(122,016)	(11)	Note 2
	Chia Hsin Cement Corporation	Director	Sales	(556,268)	(2)	65 days after the end of the day when delivery was made	-	-	-	110,880	19	Note 2
	China Hi-Ment Corporation	The Corporation serves as director	Purchases	960,741	5	60 days	-	-	-	(290,271)	(27)	
			Sales	(108,997)	-	65 days after the end of the day when delivery was made	-	-	-	15,888	3	
	CTCI Corporation	The Corporation serves as director	Sales	(137,536)	(1)	By contract	-	-	-	21,394	4	
	Hoping Industrial Port Corporation	The same parent company	Purchases	1,109,176	6	20 days	-	-	-	(28,960)	(19)	Note 2
	HPC Power Service Corporation	The same parent company	Purchases	545,642	3	By contract	-	-	-	(113,029)	(74)	Note 2
	Taiwan Cement Corporation	Parent company	Sales	(351,169)	(23)	30 days	-	-	-	7,383	20	Note 2
	Ho-Ping Power Company	The same parent company	Sales	(1,109,176)	(73)	20 days	-	-	-	28,960	77	Note 2
	Taiwan Transport & Storage Corporation	The same parent company	Purchases	234,494	34	30 days	-	-	-	(19,216)	(87)	Note 2
Feng Sheng Enterprise Company Limited	Taiwan Cement Corporation	Parent company	Sales	(181,194)	(5)	30 days	-	-	-	22,418	100	Note 2
			Purchases	702,130	20	30 days	-	-	-	(172,148)	(100)	Note 2
	Taiwan Cement Corporation	Parent company	Sales	(656,554)	(47)	30 days	-	-	-	124,739	78	Note 2
	Hoping Industrial Port Corporation	The same parent company	Sales	(234,494)	(17)	30 days	-	-	-	19,216	12	Note 2
	Linyuan Advanced Materials Technology Co., Ltd.	Same key management personnel	Sales	(109,566)	(8)	30 days	-	-	-	11,182	7	
	Taiwan Cement Corporation	Parent company	Freight revenue	(1,690,625)	(74)	30 days	-	-	-	305,087	100	Note 2
	Taiwan Cement Corporation	Parent company	Service expense	447,099	82	By contract	-	-	-	(37,100)	(13)	Note 2
	Taiwan Cement Corporation	Parent company	Sales	(345,496)	(87)	30 days	-	-	-	98,543	94	Note 2
	Ho-Ping Power Company	The same parent company	Sales	(545,642)	(100)	By contract	-	-	-	113,029	100	Note 2
	TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	The same ultimate parent company	Purchases	1,674,366	38	By negotiation	-	-	-	-	-	Note 2
TCC Yingde Cement Co., Ltd.	TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	The same ultimate parent company	Purchases	3,613,351	37	By negotiation	-	-	-	(427,177)	(31)	Note 2

(Continued)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total (Note 1)	
TCC (Hangzhou) Environmental Protection Technology Co., Ltd	TCC Yingde Cement Co., Ltd.	The same ultimate parent company	Sales	\$ (3,613,351)	(60)	By negotiation	\$	-	\$ 427,177	54	Note 2
	TCC (Gui Gang) Cement Ltd.	The same ultimate parent company	Sales	(1,674,366)	(28)	By negotiation	-	-	-	-	Note 2
	TCC Shaoguan Cement Co., Ltd.	The same ultimate parent company	Sales	(739,153)	(12)	By negotiation	-	-	124,875	16	Note 2
TCC Shaoguan Cement Co., Ltd.	TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	The same ultimate parent company	Purchases	739,153	44	By negotiation	-	-	(124,875)	(2)	Note 2
HKCCL	Taiwan Cement Corporation	Parent company	Purchases	114,792	11	65 days counting from the completion of shipment	-	-	-	-	Note 2
	Quon Hing Concrete Co., Ltd.	Associate	Sales	(340,964)	(26)	By negotiation	-	-	87,461	29	
E.G.C. Cement Corporation	Taiwan Cement Corporation	Parent company	Purchases	721,508	100	50 days after the end of the day when delivery was made	-	-	(89,586)	(100)	Note 2
Jin Chang Minerals Corporation	Taiwan Cement Corporation	Parent company	Sales	(349,040)	(100)	30 days	-	-	83,350	100	Note 2
Kuan-Ho Refractories Industry Corporation	Taiwan Cement Corporation	Parent company	Sales	(221,415)	(22)	By contract	-	-	122,010	85	Note 2
E-One Moli Energy Corp.	E-One Moli Energy (Canada) Ltd.	The same ultimate parent company	Sales	(1,053,079)	(19)	90 days	-	-	158,639	14	Note 2
	Molie Quantum Energy Corporation	The same ultimate parent company	Sales	(647,239)	(12)	90 days	-	-	171,733	16	Note 2
E-One Moli Energy (Canada) Ltd	E-One Moli Energy Corp.	The same ultimate parent company	Purchases	1,053,079	100	90 days	-	-	(158,639)	(51)	Note 2
NHOA ENERGY S.R.L.	TCC Energy Storage Technology Corporation	The same ultimate parent company	Sales	(1,192,820)	(26)	By negotiation	-	-	180,060	18	Note 2
	TCC Lien-Hsin Green Energy Corporation	The same ultimate parent company	Sales	(2,925,921)	(65)	By negotiation	-	-	85,073	8	Note 2
FREE2MOVE ESOLUTIONS NORTH AMERICA LLC	Zerova Technologies USA LLC	The Group acts as key management of its parent company	Purchases	1,071,738	95	By negotiation	-	-	-	-	
Molie Quantum Energy Corporation	E-One Moli Energy Corp.	The same ultimate parent company	Sales	647,239	49	90 days	-	-	(171,733)	(40)	Note 2

Note 1: The percentage to total accounts receivable from (payable to) related parties.

Note 2: All intercompany transactions have been eliminated upon consolidation.

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE SHARE CAPITAL
DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

Related Party	Company Name	Relationship	Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Taiwan Cement Corporation	Feng Sheng Enterprise Company (Note) Chia Hsin Cement Corporation	Subsidiary Director	\$ 172,148 110,880	3.8 5.0	- -	- -	\$ 151,358 97,020	- -
E-One Moli Energy Corp.	E-One Moli Energy (Canada) Ltd. (Note) Molie Quantum Energy Corporation (Note)	The same ultimate parent company The same ultimate parent company	158,639 171,733	2.9 7.5	- -	- -	72,302 112,091	- -
HPC Power Service Corporation	Ho-Ping Power Company (Note)	The same parent company	113,029	6.8	69,526	Collection on 2024.2.29	43,503	-
Kuan-Ho Refractories Industry Corporation	Taiwan Cement Corporation (Note)	Parent company	122,010	2.5	-	-	71,099	-
Ta-Ho Maritime Corporation	Taiwan Cement Corporation (Note)	Parent company	305,087	3.9	-	-	186,726	-
Taiwan Transport & Storage Corporation	Taiwan Cement Corporation (Note)	Parent company	124,739	4.8	-	-	66,000	-
NHOA ENERGY S.R.L.	TCC Energy Storage Technology Corporation (Note)	The same ultimate parent company	180,060	13.2	-	-	180,060	-
TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	TCC Yingde Cement Co., Ltd. (Note) TCC Shaoguan Cement Co., Ltd. (Note)	The same ultimate parent company The same ultimate parent company	427,177 124,875	7.4 5.4	- 23,470	- -	240,291 -	- -

Note: All intercompany transactions have been eliminated upon consolidation.

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEE'S
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023		Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Shares/Units	%			
Taiwan Cement Corporation	TCCI	British Virgin Islands	Investment holding	\$ 33,774,761	\$ 33,774,761	1,100,875,900	100.00	\$ 107,653,934	\$ (22,548)	Note 1
	Ho-Ping Power Company	Taiwan	Thermal power generation	6,037,720	6,037,720	805,940,306	59.50	18,357,780	4,029,396	Note 1
	Hoping Industrial Port Corporation	Taiwan	Hoping Industrial Port management	3,198,500	3,198,500	319,990,000	100.00	5,671,039	613,154	Note 1
	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	528,506	528,506	204,491,711	64.79	3,927,045	412,831	Note 1
	Taiwan Transport & Storage Corporation	Taiwan	Warehousing, transportation and sale of sand and gravel	91,703	91,703	52,410,366	83.88	2,426,867	194,363	Note 1
	TCC Investment Corporation	Taiwan	Investment	190,000	190,000	239,800,000	100.00	3,716,324	128,836	Note 1
	Ho Sheng Mining Co., Ltd.	Taiwan	Mining excavation and sale of limestone	1,414,358	1,414,358	30,100,000	100.00	1,286,053	6,653	Note 1
	CCC USA Corp.	U.S.A.	Rubber raw materials	1,284,421	1,284,421	79,166	33.33	1,850,128	(51,183)	Note 1
	Taiwan Cement Engineering Corporation	Taiwan	Engineering services	321,337	320,514	59,748,593	99.31	730,073	6,801	Note 1
	ONYX Ta-Ho Environmental Services Co., Ltd.	Taiwan	Waste collection and treatment	72,000	72,000	84,212,462	50.00	1,678,864	542,080	
Taiwan Transport & Storage Corporation	Kuan-Ho Refractories Industry Corporation	Taiwan	Production and sale of refractory materials	181,050	181,050	52,316,208	95.29	745,722	85,836	Note 1
	Feng Sheng Enterprise Company Limited	Taiwan	Sale of ready-mixed concrete	250,000	250,000	27,260,611	45.43	525,819	293,827	Note 1
	TCC Chemical Corporation	Taiwan	Leasing property and energy technology services	1,510,842	1,510,842	140,000,000	100.00	1,566,965	179,747	Note 1
	TCC Information Systems Corporation	Taiwan	Information software design	71,000	71,000	14,904,000	99.36	320,910	2,750	Note 1
	Ta-Ho RSEA Environment Co., Ltd.	Taiwan	Waste collection and treatment	466,200	666,000	19,980,000	66.60	342,638	185,341	Note 1
	HKCMCL	Hong Kong	Investment holding	72,005	72,005	38,094	84.65	656,357	81,158	Note 1
	TCC Green Energy Corporation	Taiwan	Renewable energy generation	13,446,046	13,446,046	1,350,898,696	100.00	13,659,764	171,499	Note 1
	Jin Chang Minerals Corporation	Taiwan	Afforestation and sale of limestone	108,042	108,042	9,100,000	100.00	277,635	51,852	Note 1
	HPC Power Service Corporation	Taiwan	Business consulting	1,861	1,861	6,000	60.00	257,313	129,262	Note 1
	E.G.C. Cement Corporation	Taiwan	Sale of cement	184,359	184,359	8,062,600	50.64	119,165	12,591	Note 1
TCC Investment Corporation	Synpac Ltd.	British Virgin Islands	Investment	70,367	70,367	2,700,000	25.00	7,220	676	In liquidation
	Tung Chen Mineral Corporation	Taiwan	Afforestation and sale of limestone	-	-	1,989	-	-	(13)	Note 1
	TPMC	Philippines	Mining excavation	11,880	11,880	119,997	72.70	-	-	Note 1
	TCCIH	Philippines	Mining excavation	2,105	2,105	19,996	40.00	-	-	Note 1
	International CSRC Investment Holdings Co., Ltd.	Cayman Islands	Investment holding	68,467,141	62,167,771	3,734,927,496	47.29	86,425,822	(674,675)	Note 1
	TCC Dutch	Taiwan	Investment	3,563,397	3,563,397	153,476,855	15.59	5,660,538	(77,062)	Note 1
	TCC Recycle Energy Technology Corporation	Netherlands	Investment holding	40,565,030	40,565,030	1,179,219	82.51	42,363,100	1,165,320	Note 1
	TCC Sustainable Energy Investment Corporation	Taiwan	Investment holding	10,461,612	10,431,652	1,044,430,628	36.71	9,990,692	(571,808)	Note 1
	TCC Energy Storage Technology Corporation	Taiwan	Investment holding	1,000	1,000	100,000	100.00	889	(10)	Note 1
	Tuo Shan Recycle Technology Company	Taiwan	Energy storage equipment manufacturing production and sales	2,506,000	2,506,000	250,600,000	100.00	2,131,700	(198,346)	Note 1
TCC Investment Corporation	Union Cement Traders Inc.	Taiwan	Waste collection and treatment	1,000	1,000	100,000	100.00	935	(9)	Note 1
	Ho-Ping Power Company	Taiwan	Marine transportation	310,637	303,435	92,733,570	29.27	1,780,849	637,208	Note 1
	Ta-Ho Maritime Corporation	Taiwan	Sale of cement	136,476	136,476	7,857,400	49.36	145,513	24,796	Note 1
	Tai-Jie Transport & Storage Corporation	Taiwan	Transportation	25,000	25,000	2,500,000	100.00	32,704	3,509	Note 1
	Union Cement Traders Inc.	Taiwan	Import and export trading	219,450	219,450	40,200,000	100.00	1,262,048	2,009	Note 1
	Ho-Ping Power Company	Taiwan	Thermal power generation	68,911	68,911	6,772,608	0.50	150,820	6,772,093	Note 1
	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	343	343	59,140	0.02	637,208	33,881	Note 1
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	388,079	388,079	22,008,505	2.23	805,345	119	Note 1
	TCC Recycle Energy Technology Company	Taiwan	Investment holding	312,833	312,833	31,859,829	1.12	210,030	(17,790)	Note 1
	D-concrete INC.,	Taiwan	Design and sales of cement and concrete products	2,450	-	245,000	49.00	2,426	(24)	Note 1

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Shares/Units	%	Carrying Amount			
Ta-Ho Maritime Corporation	Ta-Ho Maritime Holdings Ltd.	Samoa	Investment	\$ 2,129,164	\$ 2,129,164	74,300,000	100.00	\$ 7,516,494	\$ 350,046	\$ 350,046	Note 1
	Taichem Information (Samoa) Pte. Ltd.	Samoa	Investment	3,042	3,042	100,000	100.00	67,777	3,174	3,174	Note 1
TCC Information Systems Corporation	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	49,882	49,882	2,055,473	0.21	75,256	(494,442)	(1,032)	
	TCC Recycle Energy Technology Company	Taiwan	Investment holding	112,898	112,898	11,695,699	0.41	77,085	(1,560,423)	(6,531)	Note 1
Hopong Industrial Port Corporation	Taiwan Transport & Storage Corporation	Taiwan	Warehousing, transportation and sale of sand and gravel	2,612	2,612	419,013	0.67	19,401	231,721	1,554	Note 1
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	281,806	281,806	11,463,551	1.16	419,709	(494,442)	(5,756)	
Union Cement Traders Inc.	TCC Recycle Energy Technology Company	Taiwan	Investment holding	298,046	298,046	30,702,994	1.08	202,403	(1,560,423)	(17,143)	Note 1
	Ho-Ping Renewable Energy Company	Taiwan	Renewable energy generation	1,000	1,000	100,000	100.00	992	-	-	Note 1
Ho-Ping Power Company	TCC Chia-Chien Green Energy Corporation	Taiwan	Renewable energy generation	3,202,000	3,202,000	320,200,000	100.00	3,227,048	102,216	102,216	Note 1
	TCC Yun-Kai Green Energy Corporation	Taiwan	Renewable energy generation	25,000	25,000	2,500,000	100.00	22,355	208	208	Note 1
TCC Green Energy Corporation	TCC Lien-Hsin Green Energy Corporation	Taiwan	Renewable energy generation	4,012,000	4,012,000	401,200,000	100.00	4,216,541	25,266	25,266	Note 1
	TCC Chang-Ho Green Energy Corporation	Taiwan	Renewable energy generation	2,456	2,456	245,635	100.00	2,323	(23)	(23)	Note 1
TCC Kao Cheng Green Energy Corporation	TCC Kao Cheng Green Energy Corporation	Taiwan	Renewable energy generation	142,000	82,000	14,200,000	100.00	144,522	2,144	2,144	Note 1
	TCC Nan Chung Green Energy Corporation	Taiwan	Renewable energy generation	170,000	170,000	17,000,000	100.00	171,558	1,550	1,550	Note 1
TCC Green Energy Corporation	Chang-Wang Wind Power Co. Ltd.	Taiwan	Renewable energy generation	720,000	720,000	72,000,000	100.00	753,436	31,402	31,402	Note 1
	TCC Ping-Chih Green Energy Corporation	Taiwan	Renewable energy generation	2,000	2,000	200,000	100.00	1,827	(25)	(25)	Note 1
Ta-Ho Maritime Holdings Ltd.	Chia-Ho Green Energy Corporation	Taiwan	Renewable energy generation	3,145,000	3,145,000	314,500,000	85.00	3,124,055	18,200	15,470	Note 1
	TCC Tung-Li Green Energy Corporation	Taiwan	Renewable energy generation	270,000	270,000	27,000,000	100.00	201,701	(41,251)	(41,251)	Note 1
TCC International Ltd. (Group)	SH-MEN Green Energy Corporation	Taiwan	Renewable energy generation	20,000	-	1,020,000	51.00	10,162	(73)	(37)	Note 1
	HO-PING Ocean Renewable Resource Corporation	Taiwan	Renewable energy generation	30,000	-	3,000,000	100.00	29,945	(55)	(55)	Note 1
Ta-Ho Maritime Holdings Ltd.	THC International S.A.	Panama	Marine transportation	2,695,049	2,695,049	94,310,000	100.00	6,408,502	333,577	333,577	Note 1
	Ta-Ho Maritime (Hong Kong) Limited	Hong Kong	Marine transportation	141,168	141,168	5,100,000	100.00	1,022,200	14,176	14,176	Note 1
TCC International Ltd. (Group)	Ta-Ho Maritime (Singapore) Pte. Ltd.	Singapore	Marine transportation	2,768	2,768	100,000	100.00	75,411	2,430	2,430	Note 1
	Quon Hing Concrete Co., Ltd.	Hong Kong	Investment holding	157,899	157,899	100,000	50.00	337,886	250,108	125,054	
TCC Recycle Energy Technology Company	Hong Kong Concrete Co., Ltd.	Hong Kong	Cement processing services	24,211	24,211	129,150	31.50	235,740	205,482	64,727	
	TCC Recycle Energy Technology Company	Taiwan	Investment holding	11,019,388	11,019,388	1,101,938,824	38.73	10,535,672	(1,560,423)	(604,370)	Note 1
TCC Dutch	TCC Dutch	Netherlands	Investment holding	8,477,500	-	250,000	17.00	9,070,476	1,909,575	205,273	Note 1
	E-One Moli Energy Corp.	Taiwan	Manufacturing and sales of lithium battery	27,683,427	27,683,427	2,766,310,703	100.00	25,596,569	(1,562,757)	(1,562,757)	Note 1
E-One Moli Energy Corp.	E-One Holdings Ltd.	British Virgin Islands	Investment holding	2,050,040	2,050,040	65,344,940	100.00	458,140	(90,488)	(90,488)	Note 1
	Molie Quantum Energy Corporation	Taiwan	Manufacturing and sales of batteries, power generation machinery, electronic components	22,001,000	22,001,000	2,200,100,000	100.00	21,346,353	(477,770)	(477,770)	Note 1
E-One Holdings Ltd.	E-One Moli Holdings (Canada) Ltd.	Canada	Investment holding	2,430,170	2,430,170	23,800	100.00	458,119	(90,474)	(90,474)	Note 1
	E-One Moli Holdings (Canada) Ltd.	Canada	Battery research and development and sales	1,917,161	1,917,161	6,649,200	100.00	557,241	(90,490)	(90,490)	Note 1
E-One Moli Energy (Canada) Ltd.	E-One Moli Quantum Energy (Canada) Ltd.	Canada	Manufacturing of lithium battery	2,321	-	100	100.00	2,320	-	-	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Shares/Units	%	Carrying Amount			
TCC Energy Storage Technology Corporation	Energy Helper TCC Corporation	Taiwan	Renewable energy retail and energy technology services	\$ 10,000	\$ 10,000	1,000,000	100.00	\$ 17,650	\$ 8,051	\$ 8,051	Note 1
TCC Dutch	Cimpor Global Holdings B.V. TCEH	Netherlands Netherlands	Investment holding Investment holding	26,255,753 19,105,383	26,255,753 10,627,883	100,000 430,001,000	40.00 100.00	35,716,009 16,794,149	8,900,743 (979,467)	3,560,296 (979,467)	Note 1 Note 1
TCEH	NHOA S.A.	France	Investment holding	15,222,396	7,595,278	241,557,486	87.78	12,789,693	(1,431,010)	(1,080,001)	Note 1
NHOA S.A.	NHOA ENERGY S.R.L.	Italy	Renewable energy and energy storage system construction	-	1,963,292	-	-	-	(151,296)	(151,296)	Notes 1 and 2
	ELECTRO POWER SYSTEM MANUFACTURING	Italy	Renewable energy and energy storage system construction	664,059	664,059	1,004,255	100.00	234,378	(1,729)	(1,729)	Note 1
	Comores Énergie Nouvelles S.A.R.L.	Union of the Comoros	Renewable energy and energy storage system construction	-	18,719	-	-	-	(18,442)	(18,442)	Notes 1 and 2
	NHOA CALLOPE S.R.L.	Italy	Investment holding	-	420,706	-	-	-	(298,546)	(298,546)	Note 1
	NHOA CORPORATE S.R.L.	Italy	Investment holding	9,125,148	671,676	12,000,000	100.00	8,647,339	(837,146)	(837,146)	Note 1
NHOA CORPORATE S.R.L.	FREE2MOVE ESOLUTIONS S.P.A. NHOA ENERGY S.R.L.	Italy Italy	Electric vehicle charging equipment Renewable energy and energy storage system construction	528,255 3,832,192	528,255 -	16,344,531 -	49.90 100.00	57,276 3,324,434	(220,785) (151,296)	(110,172) -	Note 1 Notes 1 and 2
NHOA ENERGY S.R.L.	NHOA AMERICAS LLC	U.S.A.	Renewable energy and energy storage system construction	274	274	10,000	100.00	(64,829)	(61,458)	(61,458)	Note 1
	NHOA AUSTRALIA PTY LTD	Australia	Renewable energy and energy storage system construction	505,225	505,225	25,210,000	100.00	519,076	23,355	23,355	Note 1
	NHOA LATAM S.A.C.	Peru	Renewable energy and energy storage system construction	23	23	2,700	90.00	(39,459)	(34,990)	(31,491)	Note 1
	NHOA Taiwan Ltd.	Taiwan	Renewable energy and energy storage system construction	8,288	-	250,000	100.00	(20,543)	(20,724)	(20,724)	Note 1
	NHOA UK LTD	UK	Renewable energy and energy storage system construction	3,315	-	100,000	100.00	(14,199)	(20,791)	(20,791)	Note 1
	Comores Énergie Nouvelles S.A.R.L.	Union of the Comoros	Independent power plants	18,719	-	100	100.00	(6,433)	-	-	Notes 1 and 2
NHOA AMERICAS LLC	NHOA LATAM S.A.C.	Peru	Renewable energy and energy storage system construction	3	3	300	10.00	(3,946)	(34,990)	(3,499)	Note 1
NHOA CORPORATE S.R.L.	ATLANTE S.R.L.	Italy	Renewable energy and charging equipment	6,672,736	896,136	12,000,000	100.00	5,057,115	(919,685)	(621,139)	Note 1
ATLANTE S.R.L.	ATLANTE IBERIA S.L.	Spain	Renewable energy and charging equipment	128	128	4,000	100.00	126,230	(113,807)	(113,807)	Note 1
	ATLANTE FRANCE S.A.S.	France	Renewable energy and charging equipment	1,001,686	3,192	29,500,000	100.00	720,264	(201,162)	(201,162)	Note 1
	ATLANTE INFRA PORTUGAL S.A.	Portugal	Renewable energy and charging equipment	174,326	-	84,000	60.00	11,611	(27,391)	(16,435)	Note 1
	ATLANTE ITALIA S.R.L.	Italy	Renewable energy and charging equipment	158,738	-	-	100.00	831,090	(57,550)	(57,550)	Note 1
	ALPIS S.A.S.	France	Renewable energy and charging equipment	3	-	-	100.00	3	-	-	Note 1
ATLANTE IBERIA S.L.	ATLANTE Fast Charging Portugal LDA	Portugal	Renewable energy and charging equipment	131	131	1,000	100.00	(1,545)	(6,639)	(6,639)	Note 1
FREE2MOVE ESOLUTIONS S.P.A.	FREE2MOVE ESOLUTIONS FRANCE S.A.S.	France	Electric vehicle charging equipment	1,553	1,553	100,000	100.00	(18,241)	(15,312)	(15,312)	Note 1
	FREE2MOVE ESOLUTIONS SPAIN S.L.U.	Spain	Electric vehicle charging equipment	3,126	3,126	100,000	100.00	(11,153)	(7,866)	(7,866)	Note 1
	FREE2MOVE ESOLUTIONS NORTH AMERICA LLC	U.S.A.	Electric vehicle charging equipment	3,071	3,071	100,000	100.00	353,564	409,802	409,802	Note 1
	FREE2MOVE ESOLUTIONS UK LTD	UK	Electric vehicle charging equipment	3,709	3,709	100,000	100.00	-	914	914	Note 1

Note 1: All intercompany transactions have been eliminated upon consolidation.

Note 2: Due to the change in the Group's strategic development and operating arrangements, the Consolidated Corporation proceeded with an organizational restructuring by transferring the equity interests of NHOA ENERGY S.R.L. and Comores Energie Nouvelles S.A.R.L. held by NHOA S.A. to NHOA CORPORATE S.R.L. and NHOA ENERGY S.R.L., respectively, in 2023.

(Concluded)

TABLE 8

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Investee Company	Main Businesses and Products	Share Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 (Note 2)	Investment Flow (Note 2)		Accumulated Outward Remittance from Taiwan as of December 31, 2023 (Note 2)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of December 31, 2023 (Note 3)	Accumulated Reparation of Investment Income as of December 31, 2023	Note
					Outflow	Inflow							
TCC Fuzhou Cement Co., Ltd.	Manufacturing and sale of cement	\$ 498,956	(b)	\$ 281,910	\$ -	\$ -	\$ 281,910	\$ (100,127)	100.00	\$ (100,127)	\$ 566,037	\$ -	Note 6
TCC Fuzhou Yangpu Port Co., Ltd.	Service of port facility	153,525	(b)	86,742	-	-	86,742	6,148	100.00	6,148	227,188	-	Note 6
TCC Luzhou Construction Materials Company Limited	Manufacturing and sale of slag powder	414,518	(b)	99,484	-	-	99,484	(13,646)	42.00	(5,731)	341,032	-	Note 6
TCC Yingde Cement Co., Ltd.	Manufacturing and sale of cement	7,811,352	(b)	4,880,898	-	-	4,880,898	511,570	100.00	511,570	25,895,354	-	Note 6
Jiulong TCC Cement Co., Ltd.	Manufacturing and sale of cement	7,154,265	(b)	4,175,726	-	-	4,175,726	(84,380)	100.00	(84,380)	17,721,737	-	Note 6
TCC (Gui Gang) Cement Ltd.	Manufacturing and sale of cement	10,220,955	(b)	7,310,857	-	-	7,310,857	(1,432,115)	100.00	(1,432,115)	21,314,942	-	Note 6
Jiangsu TCC Investment Co., Ltd.	Investment holding	1,535,250	(b)	867,416	-	-	867,416	(59,899)	100.00	(59,899)	3,945,839	-	Note 6
Yingde Dragon Mountain Cement Co., Ltd.	Manufacturing and sale of cement	1,852,432	(b)	3,335,580	-	-	3,335,580	406,875	100.00	406,875	15,883,173	-	Note 6
TCC Liaoning Cement Company Limited	Manufacturing and sale of cement	1,605,317	(b)	1,368,875	-	-	1,368,875	(44,728)	100.00	(44,728)	1,717,422	-	Note 6
TCC Anshun Cement Company Limited	Manufacturing and sale of cement	4,712,910	(b)	3,433,617	-	-	3,433,617	(1,923)	100.00	(1,923)	7,198,423	-	Note 6
TCC Chongqing Cement Company Limited	Manufacturing and sale of cement	3,623,190	(b)	2,619,792	-	-	2,619,792	106,003	100.00	106,003	9,613,022	-	Note 6
Guangan Changxing Cement Company Ltd.	Manufacturing and sale of cement	2,363,978	(b)	1,716,267	-	-	1,716,267	242,291	100.00	242,291	6,387,214	-	Note 6
TCC (Dong Guan) Cement Company Ltd.	Manufacturing and sale of cement	614,100	(b)	346,967	-	-	346,967	43	100.00	43	-	-	Note 6
Guizhou Kong On Cement Company Limited	Manufacturing and sale of cement	623,312	(b)	280,956	-	-	280,956	(187,272)	65.00	(121,727)	222,722	-	Note 6
TCC New (Hangzhou) Management Company Limited	Operation management	245,640	(b)	138,787	-	-	138,787	(17,959)	100.00	(17,959)	122,729	-	Note 6
Guizhou Kaihui Xin An Jian Cai Co., Ltd.	Manufacturing and sale of cement	1,686,061	(b)	1,098,453	-	-	1,098,453	(224,784)	100.00	(224,784)	3,396,193	-	Note 6
TCC Shaoguan Cement Co., Ltd.	Manufacturing and sale of cement	2,121,716	(b)	1,988,149	-	-	1,988,149	(168,828)	100.00	(168,828)	1,380,869	-	Note 6
TCC Huayin Cement Company Limited	Manufacturing and sale of cement	4,110,131	(b)	3,145,730	-	-	3,145,730	(457,171)	100.00	(457,171)	2,810,014	-	Note 6
TCC Jingzhou Cement Company Limited (Note 4)	Manufacturing and sale of cement	1,298,100	(b)	5,758,548	-	-	5,758,548	(696,105)	100.00	(696,105)	3,801,631	-	Note 6
TCC Huaihua Concrete Company Limited (Note 4)	Manufacturing and sale of cement	649,050	(b)	-	-	-	-	(192,431)	100.00	(192,431)	1,920,403	-	Note 6
TCC Jiangsu Mining Industrial Company Limited	Sale of ready-mixed concrete	43,270	(b)	-	-	-	-	(74,863)	100.00	(74,863)	(55,466)	-	Note 6
TCC Guigang Mining Industrial Company Limited	Mining excavation	122,820	(b)	384,024	-	-	384,024	44,025	100.00	44,025	436,468	-	Note 6
TCC Guigang Mining Industrial Company Limited	Mining excavation	353,108	(b)	277,809	-	-	277,809	3,082	100.00	3,082	356,560	-	Note 6
Sciusui Naxi Cement Co., Ltd.	Mining excavation	153,525	(b)	132,604	-	-	132,604	5,424	100.00	5,424	395,318	-	Note 6
Sciusui Luzhou Cement Co., Ltd.	Manufacturing and sale of cement	633,949	(b)	-	-	-	-	(713,910)	100.00	(713,910)	(227,189)	-	Note 6
Sciusui Hejiang Cement Co., Ltd.	Manufacturing and sale of cement	1,709,165	(b)	-	-	-	-	38,103	100.00	38,103	3,537,847	-	Note 6
Sciusui Luzhou Concrete Co., Ltd.	Manufacturing and sale of cement	100,603	(b)	-	-	-	-	(1,301)	100.00	(1,301)	7,396	-	Note 6
Anshun Xin Tai Construction Materials Company Limited	Sale of ready-mixed concrete	108,175	(b)	-	-	-	-	(56,118)	100.00	(56,118)	24,764	-	Note 6
Fuzhou TCC Information Technology Co., Ltd. (Note 5)	Filtering of sand and gravel and sale of ready-mixed concrete	64,905	(b)	93,628	-	-	93,628	(4,856)	100.00	(4,856)	50,394	-	Note 6
Da Tong (Guigang) International Logistics Co., Ltd. (Note 5)	Software product and equipment maintenance	3,071	(b)	3,071	-	-	3,071	3,173	100.00	3,173	29,675	39,372	Note 6
Da Tong (Ying De) Logistics Co., Ltd. (Note 5)	Logistics and transportation	153,525	(b)	-	-	-	-	14,456	100.00	14,456	1,006,510	-	Note 6
Guigang Du-Ho Shipping Co., Ltd. (Note 5)	Logistics and transportation	21,635	(b)	-	-	-	-	4,014	100.00	4,014	-	-	Note 6
Prosperity Conch Cement Company Limited	Marine transportation	17,308	(b)	-	-	-	-	11,276	100.00	11,276	575,378	-	Note 6
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Manufacturing and sale of cement	2,509,660	(b)	2,243,014	-	-	2,243,014	1,304,370	25.00	326,093	7,503,277	-	Note 3
Booshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Manufacturing and sale of cement	3,569,775	(b)	1,462,347	-	-	1,462,347	(111,069)	30.00	(33,321)	1,449,160	-	Note 3
Sichuan Taichang Building Material Group Company Limited	Manufacturing and sale of cement	1,785,234	(b)	708,135	-	-	708,135	180,672	30.00	54,201	805,971	-	Note 3
Yingling Xinan New material Co., Ltd.	Manufacturing and sale of cement	865,400	(b)	353,990	-	-	353,990	106,178	30.00	31,854	582,526	-	Note 6
Guangang Xin Tai Construction Materials Company Limited	Manufacturing and sale of cement	86,540	(b)	-	-	-	-	-	30.00	-	(165,570)	-	Note 6
Guigang TCC Dong Yuan Environmental Technology Company Limited	Manufacturing and sale of concrete aggregate	67,069	(b)	48,327	-	-	48,327	-	50.00	-	-	-	Note 6
Beijing TCC Environmental Technology Co., Ltd.	Dangerous waste treatment	865,400	(b)	506,259	-	-	506,259	(11,753)	100.00	(11,753)	983,748	-	Note 6
TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	Technology development, enterprise management and sales	25,962	(b)	25,962	-	-	25,962	(29,595)	100.00	(29,595)	(132,997)	-	Note 6
Kaili TCC Environment Technology Co., Ltd.	Recycle resource technology development, business management and sales	12,072,330	(b)	7,312,630	4,753,700	-	12,066,330	9,435	100.00	9,435	11,334,054	-	Note 6
TCC Juyuan (Xuyong) Environmental Technology Co., Ltd.	Waste collection and treatment	207,696	(b)	12,981	-	-	12,981	19,357	100.00	19,357	120,464	-	Note 6
	Technology development, enterprise management and sales	17,308	(b)	9,519	-	-	9,519	132	30.00	40	5,225	-	Note 6

(Continued)

Investee Company	Main Businesses and Products	Share Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 (Note 2)	Investment Flow (Note 2)		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023 (Note 2)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of December 31, 2023 (Note 3)	Accumulated Repatriation of Investment Income as of December 31, 2023	Note
					Outflow	Inflow							
Guangan TCC Jiyuan Environmental Protection Technology Co., Ltd.	Technology development, enterprise management and sales	\$ 129,810	(b)	\$ -	-	\$ -	\$ -	\$ 3,600	70.00	\$ 2,520	\$ 91,537	\$ -	
TCC (Hangzhou) Recycle Resource Technology Limited	Resource recycling technology development, business management and sales	2,423,120	(b)	-	-	-	-	39,258	100.00	39,258	2,519,636	-	Note 6
Guigang Conech-TCC New Material Technology Co., Ltd	Technology development and service, manufacturing and sale of dedicated chemical production	103,848	(b)	-	-	-	-	221,755	40.00	88,702	175,975	-	
Jurong TCC Environmental Co., Ltd.	Dangerous waste treatment	1,116,150	(b)	-	472,605	-	472,605	21,480	100.00	21,480	1,138,238	-	Note 6
Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.	Manufacturing and sale of cement, technology development, enterprise management and sales	1,730,800	(b)	-	-	-	-	(124,311)	40.00	(49,724)	543,551	-	
TCC Yongren (Hangzhou) Renewable Resources Technology Co., Ltd.	Resource reusing technology and development, solid waste treatment, biomass fuel processing and sales	51,924	(b)	-	-	-	-	(64)	100.00	(64)	61,186	-	Note 6
TCC Yongren (Hangzhou) Renewable Resources Development Co., Ltd.	Resource regeneration technology research and development, solid waste treatment, biomass fuel processing and sales	25,962	(b)	-	-	-	-	(15,578)	100.00	(15,578)	(23,265)	-	Note 6
TCC Yongren (Hangzhou) Environmental Protection Technology Co., Ltd.	Resource recycling technology consultation, biomass energy technology and fuel sales, solid waste treatment	4,327	(b)	-	-	-	-	(400)	100.00	(400)	3,865	-	Note 6
TCC Yongren (Hangzhou) Environmental Technology Co., Ltd.	Resource recycling technology consultation, solid waste treatment, biomass fuel sales	4,327	(b)	-	-	-	-	10	100.00	10	4,331	-	Note 6
TCC (Shaoguan) Environment Technology Co., Ltd.	Biomass fuel processing and sales, solid waste treatment, urban and kitchen waste treatment	4,327	(b)	-	-	-	-	-	100.00	-	4,334	-	Note 6
TCC Zhongrun (Anshun) Environmental Technology Co., Ltd.	Co-processing fly ash disposal and domestic waste fly ash in Cement Kiln	103,848	(b)	-	-	-	-	-	65.00	-	67,422	-	
TCC Zhihe (Hangzhou) Environmental Protection Co., Ltd.	Resource recycling, environmental protection, solid waste treatment, business management and sales related businesses	177,407	(b)	-	-	-	-	4,315	100.00	4,315	104,726	-	Note 6
TCC (Guangdong) Renewable Resources Technology Company Limited	Resource recycling research and experimental development, sales of renewable resources, technical services and business management	21,635	(b)	-	-	-	-	(15,897)	100.00	(15,897)	(27,983)	-	Note 6
Jiangsu Environmental Resources Tcc Solid Waste Disposal Co., Ltd.	Municipal solid waste operating services, various engineering construction activities and hazardous waste management	25,962	(b)	-	-	-	-	3,891	49.00	1,907	14,577	-	
123 (Guangdong) Environmental Protection Technology Co., Ltd.	Environmental protection material processing, manufacturing, production and operation and related services	25,962	(b)	-	-	-	-	(13,935)	100.00	(13,935)	(19,575)	-	Note 6
Chongqing Xuanjie Tami Environmental Protection Technology Co., Ltd.	Biomass fuel processing and sales, processing and sales of renewable resources, etc.	51,924	(b)	-	-	-	-	(304)	49.00	(149)	25,267	-	
TCC Zhongxin (Anshun) Renewable Resources Technology Company Limited	Crop straw treatment and processing and utilization services	25,962	(b)	-	-	-	-	-	51.00	-	13,225	-	Note 6

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$90,025,247	\$90,717,335	(Note 7)

Note 1: The method of investments were as follows:

- 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. The Group considers that there would be no significant adjustments if such financial statements were to be audited.

Note 4: As of December 31, 2023, the accumulated outward remittance for investments was a total of those from TCC Huaihua Cement Company Limited, TCC Jingzhou Cement Company Limited and TCC Huaihua Concrete Company Limited.

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

(Continued)

Note 6: All intercompany transactions have been eliminated upon consolidation.

Note 7: The Corporation received a confirmation letter of Operation Headquarter from the Industrial Development Bureau of the MOEA in 2023 stating that the Corporation is not limited by the restriction on the accumulated percentage or amount of investment in mainland China.

B. Refer to Tables 1, 2, 5, 6 and 9 for the information about significant transactions with investees in the mainland China either directly or indirectly through a third area.

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship (Note 1)	Transactions Details		
				Financial Statement Account	Amount	Payment Terms
0	Taiwan Cement Corporation	Feng Sheng Enterprise Company Limited	1	Operating revenue	\$ 702,130	65 days
				Operating costs and expenses	181,194	30 days
		Taiwan Transport & Storage Corporation	1	Accounts receivable from related parties	172,148	65 days
				Operating costs and expenses	656,554	30 days
		Hoping Industrial Port Corporation	1	Accounts payable to related parties	124,739	30 days
				Operating costs and expenses	351,169	20 days
		Ho Sheng Mining Co., Ltd.	1	Operating costs and expenses	345,496	30 days
				Operating costs and expenses	349,040	30 days
		Jin Chang Minerals Corporation	1	Operating costs and expenses	221,415	By contract
				Accounts payable to related parties	122,010	By contract
1	Ho-Ping Power Company	TCCIH	1	Operating revenue	447,099	By contract
				Operating revenue	114,792	65 days after the end of the day when shipment was made
		Ta-Ho Maritime Corporation	1	Operating costs and expenses	1,690,127	30 days
				Accounts payable to related parties	305,087	30 days
		E.G.C. Cement Corporation	1	Operating revenue	721,508	50 days after the end of the day when delivery was made
				Lease liabilities - non-current	204,256	By contract
		Hoping Industrial Port Corporation	3	Operating costs and expenses	1,109,176	20 days
				Operating costs and expenses	545,642	By contract
		HPC Power Service Corporation	3	Accounts payable to related parties	113,029	By contract
				Operating revenue	234,494	30 days
3	E-One Moli Energy Corp.	Hoping Industrial Port Corporation	3	Operating revenue	1,053,079	90 days
				Accounts receivable from related parties	158,639	90 days
				Operating revenue	647,239	90 days
4	Molie Quantum Energy Corporation	Molie Quantum Energy Corporation	3	Accounts receivable from related parties	171,733	90 days
				Lease liabilities - non-current	1,109,769	By negotiation
				Operating revenue	1,053,079	90 days

(Continued)

No.	Investee Company	Counterparty	Relationship (Note 1)	Transactions Details			% of Total Sales or Assets
				Financial Statement Account	Amount	Payment Terms	
5	NHOA ENERGY S.R.L.	TCC Lien-Hsin Green Energy Corporation TCC Energy Storage Technology Corporation	3 3	Operating revenue Operating revenue Accounts receivable from related parties	\$ 2,925,921 1,192,820 180,060	By negotiation By negotiation By negotiation	2.7 1.1 -
6	TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	TCC Yingde Cement Co., Ltd. TCC (Gui Gang) Cement Ltd. TCC Shaoguan Cement Co., Limited	3 3 3	Operating revenue Accounts receivable from related parties Operating revenue Operating revenue Accounts receivable from related parties	3,613,351 427,177 1,674,366 739,153 124,875	By negotiation By negotiation By negotiation By negotiation By negotiation	3.3 0.1 1.5 0.7 -
7	TCC Lien-Hsin Green Energy Corporation	NHOA ENERGY S.R.L.	3	Property, plant and equipment - property in construction	2,619,503	By contract	0.6
		TCC Energy Storage Technology Corporation	3	Property, plant and equipment - property in construction	265,000	By contract	0.1
8	TCC Energy Storage Technology Corporation	NHOA ENERGY S.R.L.	3	Property, plant and equipment - property in construction	1,037,542	By contract	0.2
9	TCC Green Energy Corporation	TCC Energy Storage Technology Corporation	3	Property, plant and equipment - property in construction	146,675	By contract	-

Note 1: All intercompany transactions have been eliminated upon consolidation. The directional flow of the investment relationship is represented by the following numerals:

- a. From parent to subsidiary: 1
- b. From subsidiary to parent: 2
- c. Between subsidiaries: 3

Note 2: This table includes transactions for amounts exceeding \$100 million.

(Concluded)

**TCC Group Holdings CO., LTD. and
Subsidiaries**
(Formerly Taiwan Cement Corporation)

**Consolidated Financial Statements for the
Years Ended December 31, 2023 and 2024 and
Independent Auditors' Report**

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the combined financial statements of affiliates as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are all the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10 “Consolidated Financial Statements”. In addition, relevant information required to be disclosed in the combined financial statements has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Consequently, TCC Group Holdings CO., LTD. (formerly Taiwan Cement Corporation) and its subsidiaries did not prepare a separate set of combined financial statements of affiliates.

Very truly yours,

TCC Group Holdings CO., LTD.
(Formerly Taiwan Cement Corporation)

AN-PING CHANG
Chairman

March 12, 2025

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
TCC Group Holdings CO., LTD.
(Formerly Taiwan Cement Corporation)

Opinion

We have audited the accompanying consolidated financial statements of TCC Group Holdings CO., LTD. (formerly Taiwan Cement Corporation) and its subsidiaries (collectively, the “Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The description of the key audit matter of the Group's consolidated financial statements for the year ended December 31, 2024 is as follows:

Revenue Recognition of Cement Sales

The Group is mainly engaged in the production and sale of various cement and cement products. Revenue from the sale of cement fluctuates frequently due to changes in raw material prices, market supply and demand and the economic environment; in addition, related revenue is recognized at the point in time when the customer collects the cement and the performance obligations are satisfied. Therefore, the validity of revenue recognition of cement sales is considered a key audit matter for the year ended December 31, 2024. 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.

Business Combination

In March 2024, the Group acquired shares of TCC Oyak Amsterdam Holdings B.V. and its subsidiaries and Cimpor Portugal Holdings, SGPS, S.A. and its subsidiaries in the amount of NT\$21,223,656 thousand and gained control. As the calculation of the fair value of the identifiable assets acquired and liabilities assumed at the day of acquisition, goodwill, and gain from bargain purchase are based on the purchase price allocation report with valuation methods and assumptions involving critical management judgments and accounting estimates, the acquisition transaction is considered as a key audit matter for the year ended December 31, 2024

Our main audit procedures performed in respect of the aforementioned key audit matter include understanding and testing the design and operating effectiveness of the internal controls related to procedures for acquiring or disposing of assets; obtaining the agreement and randomly inspecting the related transaction related documents to assess the accuracy of the transaction amount; obtaining purchase price allocation report to assess the independence, competence, and objectivity of the external experts appointed by the management; engaging the auditor's valuation experts to review the reasonableness of the evaluation methods and assumptions adopted in the purchase price allocation report; and assessing the appropriateness of the accounting treatment for the acquisition transaction.

Other Matter

In the consolidated financial statements of TCC Group Holdings Co., LTD. and its subsidiaries, the financial statements of OYAK Çimento Fabrikaları A.Ş. and its subsidiaries for the year ended December 31, 2024, were audited by other auditors. Our opinion, in so far as it relates to the amounts of the financial statements of the aforementioned subsidiaries included in our audit report issued for the above consolidated financial statements, is solely based on the reports of other auditors.

The total assets of the aforementioned subsidiaries were NT\$96,997,315 thousand, representing 16% of the Group's consolidated total assets as of December 31, 2024. The operating revenue of the aforementioned subsidiaries from March 6, 2024 (since the acquisition date) to December 31, 2024, were NT\$36,732,012 thousand, representing 24% of the Group's consolidated total operating revenue.

The financial statements of Cimpor Global Holdings B.V., an investee company held through Taiwan Cement (Dutch) Holdings B.V. accounted for using the equity method, for the year ended December 31, 2023, were audited by other auditors. Our opinion, insofar as it relates to the amounts included for the investee in the Group's consolidated financial statements, is based solely on the reports of the other auditors. The aforementioned investment accounted for using the equity method constituted NT\$35,716,009 thousand, representing 7.6% of the Group's total assets as of December 31, 2023. The Group's share of comprehensive income from the aforementioned investments accounted for using the equity method amounted to NT\$3,560,296 thousand for the years ended December 31, 2023, which accounted for 24.8% of the Group's consolidated income before income tax.

We have also audited the parent company only financial statements of TCC Group Holdings CO., LTD. (formerly Taiwan Cement Corporation) as of and for the years ended December 31, 2023 and 2024, on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ya-Ling Wong and Hui-Min Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 12, 2025

Notice to Readers

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

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

TCC GROUP HOLDINGS CO., LTD. AND SUBSIDIARIES
(Formerly Taiwan Cement Corporation)

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2024
(In Thousands)

	2023	2024	
	NT\$	NT\$	US\$ (Note 4) (Unaudited)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents (Notes 4 and 6)	\$ 66,366,622	\$ 77,764,504	\$ 2,371,592
Financial assets at fair value through profit or loss (Notes 4, 7, 34 and 36)	727,762	2,830,083	86,309
Financial assets at fair value through other comprehensive income (Notes 4, 8, 34 and 36)	6,972,790	7,007,438	213,707
Financial assets at amortized cost (Notes 4, 6, 34 and 36)	34,236,957	22,650,328	690,769
Notes receivable (Notes 4, 9 and 25)	11,043,595	5,430,058	165,601
Accounts receivable (Notes 4, 9, 10 and 25)	12,362,489	23,648,221	721,202
Notes and accounts receivable from related parties (Notes 4, 25 and 35)	563,421	1,014,276	30,932
Other receivables (Notes 4 and 27)	3,558,791	3,742,386	114,133
Other receivables from related parties (Notes 4 and 35)	25,823	344,835	10,516
Inventories (Notes 4 and 12)	11,494,015	21,985,905	670,506
Prepayments (Note 35)	4,884,225	4,670,483	142,436
Disposal groups held for sale (Notes 4 and 11)	196,403	228,674	6,974
Other current assets (Notes 4 and 25)	680,407	2,063,389	62,928
Total current assets	153,113,300	173,380,580	5,287,605
NON-CURRENT ASSETS			
Financial assets at fair value through profit or loss (Notes 4, 7, 34 and 36)	278,424	91,679	2,796
Financial assets at fair value through other comprehensive income (Notes 4, 8, 34 and 36)	19,847,669	22,091,154	673,716
Financial assets at amortized cost (Notes 4, 6, 34 and 36)	22,599,386	33,387,596	1,018,225
Investments accounted for using the equity method (Notes 4, 14 and 36)	58,053,608	25,207,679	768,761
Property, plant and equipment (Notes 4, 15, 26, 35 and 36)	124,115,635	214,711,092	6,548,066
Right-of-use assets (Notes 4, 16, 26, 35 and 36)	15,397,170	18,319,569	558,694
Investment properties (Notes 4, 17, 26 and 36)	15,493,520	16,804,881	512,500
Intangible assets (Notes 4, 18 and 26)	29,757,225	64,539,690	1,968,274
Deferred income tax assets (Notes 4 and 27)	655,518	2,149,355	65,549
Prepayments for property, plant and equipment (Note 15)	8,734,339	6,723,962	205,061
Long-term finance lease receivables (Notes 4 and 10)	18,204,271	13,459,804	410,485
Net defined benefit assets (Notes 4 and 22)	1,558,089	1,496,686	45,645
Other non-current assets (Notes 4 and 36)	1,630,368	1,049,920	32,020
Total non-current assets	316,325,222	420,033,067	12,809,792
TOTAL	<u>\$ 469,438,522</u>	<u>\$ 593,413,647</u>	<u>\$ 18,097,397</u>
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Short-term loans (Notes 19, 32, 34 and 36)	\$ 20,251,073	\$ 24,292,290	\$ 740,844
Short-term bills payable (Note 19)	2,784,443	3,172,478	96,751
Financial liabilities at fair value through profit or loss (Notes 4, 7 and 34)	-	368,712	11,245
Contract liabilities (Note 25)	2,001,946	1,841,088	56,148
Notes and accounts payable	12,368,669	18,834,108	574,386
Notes and accounts payable to related parties (Note 35)	447,194	965,486	29,445
Other payables (Notes 15, 21 and 30)	15,377,828	16,220,607	494,682
Other payables to related parties (Note 35)	1,375,133	5,032,574	153,479
Current income tax liabilities (Notes 4 and 27)	3,057,589	3,722,409	113,523
Lease liabilities (Notes 4, 16 and 35)	515,108	827,026	25,222
Long-term loans and bonds payable - current portion (Notes 19, 20, 32, 34 and 36)	13,859,614	9,307,637	283,856
Other current liabilities (Note 14)	542,639	1,788,967	54,557
Total current liabilities	72,581,236	86,373,382	2,634,138
NON-CURRENT LIABILITIES			
Bonds payable (Notes 4 and 20)	82,390,353	90,059,574	2,746,556
Long-term loans (Notes 19, 32, 34 and 36)	36,791,733	61,287,926	1,869,104
Provisions (Notes 4 and 23)	293,177	1,305,272	39,807
Lease liabilities (Notes 4, 16 and 35)	3,719,264	5,316,360	162,134
Deferred income tax liabilities (Notes 4 and 27)	12,942,041	28,567,579	871,228
Long-term bills payable (Note 19)	5,086,333	9,071,315	276,649
Net defined benefit liabilities (Notes 4 and 22)	133,115	1,621,094	49,439
Other non-current liabilities (Note 14)	1,600,229	1,902,881	58,032
Total non-current liabilities	142,956,245	199,132,001	6,072,949
Total liabilities	215,537,481	285,505,383	8,707,087
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE CORPORATION (Notes 4, 24 and 31)			
Ordinary shares	75,511,817	75,511,817	2,302,892
Preference shares	2,000,000	2,000,000	60,994
Capital surplus	74,119,162	74,790,459	2,280,892
Retained earnings	70,576,781	72,771,952	2,219,334
Other equity	9,457,953	23,755,725	724,481
Treasury shares	(732,459)	(732,459)	(22,338)
Equity attributable to shareholders of the Corporation	230,933,254	248,097,494	7,566,255
NON-CONTROLLING INTERESTS (Notes 24 and 31)	22,967,787	59,810,770	1,824,055
Total equity	253,901,041	307,908,264	9,390,310
TOTAL	<u>\$ 469,438,522</u>	<u>\$ 593,413,647</u>	<u>\$ 18,097,397</u>

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

(With Deloitte & Touche auditors' report dated March 12, 2025)

TCC GROUP HOLDINGS CO., LTD. AND SUBSIDIARIES
(Formerly Taiwan Cement Corporation)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2024
(In Thousands, Except Earnings Per Share)

	<u>2023</u>	<u>2024</u>	
	NT\$	NT\$	US\$ (Note 4) (Unaudited)
OPERATING REVENUE (Notes 4, 25 and 35)	\$ 109,314,335	\$ 154,606,511	\$ 4,715,051
OPERATING COSTS (Notes 4, 12, 22, 26 and 35)	<u>88,780,566</u>	<u>121,878,486</u>	<u>3,716,941</u>
GROSS PROFIT	<u>20,533,769</u>	<u>32,728,025</u>	<u>998,110</u>
OPERATING EXPENSES (Notes 22, 26 and 35)			
Marketing	967,612	1,405,451	42,862
General and administrative	8,095,687	12,742,894	388,622
Research and development	<u>1,440,310</u>	<u>1,453,063</u>	<u>44,314</u>
Total operating expenses	<u>10,503,609</u>	<u>15,601,408</u>	<u>475,798</u>
INCOME FROM OPERATIONS	<u>10,030,160</u>	<u>17,126,617</u>	<u>522,312</u>
NON-OPERATING INCOME AND EXPENSES			
Share of profit of associates and joint ventures (Notes 4 and 14)	4,568,339	620,788	18,932
Interest income (Note 26)	3,402,888	5,508,534	167,995
Dividend income (Note 4)	1,433,442	1,239,211	37,793
Gain from bargain purchase (Note 30)	-	1,440,571	43,933
Other income (Note 26)	670,792	1,391,593	42,440
Net gain on disposal of investment properties (Note 17)	332,065	3,257,173	99,334
Gain on disposal of investments, net	-	173,531	5,292
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	57,357	114,278	3,485
Finance costs (Notes 4, 26 and 35)	(3,542,684)	(5,253,572)	(160,219)
Other expenses (Notes 20 and 26)	(763,103)	(1,329,180)	(40,536)
Net loss on disposal of property, plant and equipment (Note 15)	(111,686)	(346,977)	(10,582)
Foreign exchange losses, net	(847,143)	(8,821)	(269)
Non-financial assets impairment loss (Notes 15 and 18)	<u>(873,596)</u>	<u>(1,100,987)</u>	<u>(33,577)</u>
Total non-operating income and expenses	<u>4,326,671</u>	<u>5,706,142</u>	<u>174,021</u>
INCOME BEFORE INCOME TAX	14,356,831	22,832,759	696,333
INCOME TAX EXPENSE (Notes 4 and 27)	<u>4,352,218</u>	<u>7,203,262</u>	<u>219,679</u>
NET INCOME	<u>10,004,613</u>	<u>15,629,497</u>	<u>476,654</u>

(Continued)

TCC GROUP HOLDINGS CO., LTD. AND SUBSIDIARIES
(Formerly Taiwan Cement Corporation)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2024
(In Thousands, Except Earnings Per Share)

	<u>2023</u>	<u>2024</u>	
	NT\$	NT\$	US\$ (Note 4) (Unaudited)
OTHER COMPREHENSIVE INCOME (LOSS)			
(Notes 4 and 24)			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plan (Note 22)	\$ (28,691)	\$ (489,115)	\$ (14,917)
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Note 24)	(1,735,932)	2,163,466	65,979
Loss on hedging instruments	-	(14,876)	(453)
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method (Note 24)	64,129	(122,254)	(3,728)
Income tax related to items that will not be reclassified subsequently to profit or loss (Note 27)	<u>6,880</u>	<u>132,178</u>	<u>4,031</u>
	<u>(1,693,614)</u>	<u>1,669,399</u>	<u>50,912</u>
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations (Note 24)	(1,870,284)	13,547,673	413,165
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (Note 24)	<u>1,029,458</u>	<u>1,353,166</u>	<u>41,267</u>
	<u>(840,826)</u>	<u>14,900,839</u>	<u>454,432</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(2,534,440)</u>	<u>16,570,238</u>	<u>505,344</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 7,470,173</u>	<u>\$ 32,199,735</u>	<u>\$ 981,998</u>
NET INCOME ATTRIBUTABLE TO:			
Shareholders of the Corporation	\$ 7,997,814	\$ 11,259,317	\$ 343,376
Non-controlling interests	<u>2,006,799</u>	<u>4,370,180</u>	<u>133,278</u>
	<u>\$ 10,004,613</u>	<u>\$ 15,629,497</u>	<u>\$ 476,654</u>

(Continued)

TCC GROUP HOLDINGS CO., LTD. AND SUBSIDIARIES
(Formerly Taiwan Cement Corporation)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2024
(In Thousands, Except Earnings Per Share)

	<u>2023</u>	<u>2024</u>	
	NT\$	NT\$	US\$ (Note 4) (Unaudited)
TOTAL COMPREHENSIVE INCOME			
ATTRIBUTABLE TO:			
Shareholders of the Corporation	\$ 5,438,043	\$ 25,287,948	\$ 771,209
Non-controlling interests	<u>2,032,130</u>	<u>6,911,787</u>	<u>210,789</u>
	<u>\$ 7,470,173</u>	<u>\$ 32,199,735</u>	<u>\$ 981,998</u>
EARNINGS PER SHARE (Note 27)			
Basic earnings per share	<u>\$ 1.06</u>	<u>\$ 1.45</u>	<u>\$ 0.04</u>
Diluted earnings per share	<u>\$ 1.04</u>	<u>\$ 1.42</u>	<u>\$ 0.04</u>

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

(With Deloitte & Touche auditors' report dated March 12, 2025)

(Concluded)

TCC GROUP HOLDINGS CO., LTD. AND SUBSIDIARIES

(Formerly Taiwan Cement Corporation)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2024

In Thousands

Equity Attributable to Shareholders of the Corporation

	Share Capital			Retained Earnings			Other Equity			Total			Non-controlling Interests	Total Equity
	Ordinary Shares	Preference Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Reserves, Differences on Translating Foreign Operations	Income from Financial Assets at Fair Value Through Other Comprehensive Income	Gain/Loss on Hedging Instruments	Treasury Shares			
BALANCE, JANUARY 1, 2023	\$ 71,561,817	\$ 2,000,000	\$ 6,598,865	\$ 235,031,392	\$ 13,094,401	\$ 29,772,801	\$ 66,527,894	\$ (8,394,175)	\$ 20,386,516	\$ (1,651)	\$ (171,600)	\$ 217,894,766	\$ 203,131,014	\$ 238,775,780
Appropriation of 2022 earnings	-	-	-	520,555	-	(520,555)	-	-	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	(3,566,091)	(3,566,091)	-	-	-	-	(3,566,091)	-	(3,566,091)
Preferred share dividends distributed by the Corporation	-	-	-	-	-	(350,000)	(350,000)	-	-	-	-	(350,000)	-	(350,000)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(145,345)	(145,345)
Proceeds from capital reduction of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(100,200)	(100,200)
Net income for the year ended December 31, 2023	-	-	-	-	-	7,997,814	7,997,814	-	-	-	-	7,997,814	2,006,799	10,004,613
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	(26,624)	(26,624)	(854,729)	(1,029,110)	702	-	(2,597,721)	25,331	(2,534,446)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	7,971,180	7,971,180	(854,729)	(1,029,110)	702	-	5,438,045	2,032,130	7,470,173
Issuance of global depositary receipts	3,550,000	-	8,390,525	-	-	-	-	-	-	-	-	12,940,525	-	12,940,525
Changes in capital surplus from investments in associates and joint venture to accounted for using the equity method	-	-	8,390,525	-	-	-	-	-	-	-	-	545,400	-	545,400
Buy-back of treasury shares	-	-	-	-	-	-	-	-	-	-	(732,659)	-	-	(732,659)
Difference between consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	-	-	-	-	(1,754)	(1,754)	-	-	-	-	(1,754)	862,044	860,290
Changes in ownership of subsidiaries	-	-	(309,134)	-	-	(4,148)	(4,148)	-	-	-	-	(313,282)	(61,856)	(375,138)
Compensation costs of treasury shares transferred to employees	-	-	37,766	-	-	-	-	-	-	-	-	37,766	-	37,766
Treasury shares transferred to employees	-	-	(40,400)	-	-	-	-	-	-	-	171,600	131,200	-	131,200
Reversal of special reserve recognized from asset disposals	-	-	(5,369)	-	(5,369)	-	-	-	-	-	-	-	-	-
BALANCE, DECEMBER 31, 2023	75,111,817	2,000,000	74,119,162	247,070,947	12,999,021	33,106,802	70,576,781	(91,485,904)	18,607,806	(949)	(732,659)	230,833,254	228,677,887	253,901,041
Appropriation of 2023 earnings	-	-	-	797,065	-	(797,065)	-	-	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	(352,725)	(352,725)	-	-	-	-	(352,725)	-	(352,725)
Preferred share dividends distributed by the Corporation	-	-	-	-	-	(352,725)	(352,725)	-	-	-	-	(352,725)	-	(352,725)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(1,535,551)	(1,535,551)
Proceeds from capital reduction of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(96,860)	(96,860)
Employee share options of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	333,155	333,155
Net income for the year ended December 31, 2024	-	-	-	-	-	11,259,317	11,259,317	-	-	-	-	11,259,317	4,370,180	15,629,497
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	(270,602)	(270,602)	12,269,657	2,026,021	2,865	-	14,028,651	2,511,607	16,540,258
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	10,988,655	10,988,655	12,269,657	2,026,021	2,865	-	25,287,968	6,881,787	32,169,755
Increase cash capital by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	17,626	17,626
Equity component of issuance of convertible bonds	-	-	734,658	-	-	-	-	-	-	-	-	734,658	-	734,658
Difference between consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	-	-	-	-	(684,464)	(684,464)	-	-	-	-	(684,464)	2,884,634	2,815,170
Changes in ownership interests of subsidiaries	-	-	(63,561)	-	-	(226,614)	(226,614)	-	-	-	-	(289,975)	2,371,792	2,081,817
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	887	887	-	(887)	-	-	-	-	-
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by subsidiaries	-	-	-	-	-	654	654	-	(654)	-	-	-	-	-
Reversal of special reserve recognized from asset disposals	-	-	(337,149)	-	(337,149)	-	-	-	-	-	-	-	-	-
BALANCE, DECEMBER 31, 2024	75,111,817	2,000,000	74,598,649	247,868,012	12,661,873	33,749,457	72,771,605	3,120,323	20,633,606	1,916	(732,659)	246,097,604	248,108,270	270,608,296
BALANCE AT DECEMBER 31, 2024 (IN US - New 4)	2,302,892	-	2,260,592	770,601	386,151	1,062,582	2,219,338	95,125	629,238	58	(22,338)	7,566,255	1,894,655	9,460,910

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 12, 2025)

TCC GROUP HOLDINGS CO., LTD. AND SUBSIDIARIES
(Formerly Taiwan Cement Corporation)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2024
(In Thousands)

	2023	2024	
	NT\$	NT\$	US\$ (Note 4) (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	\$ 14,356,831	\$ 22,832,759	\$ 696,333
Adjustments for:			
Depreciation expense	8,266,622	14,804,247	451,486
Amortization expense	1,018,100	1,665,685	50,799
Expected credit loss (reversed) on trade receivables	56,497	(140,178)	(4,275)
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(57,357)	(114,278)	(3,485)
Finance costs	3,542,684	5,253,572	160,219
Interest income	(3,402,888)	(5,508,534)	(167,994)
Dividend income	(1,433,442)	(1,239,211)	(37,792)
Share-based compensation	126,950	1,636,754	49,916
Share of profit of associates and joint ventures	(4,568,339)	(620,788)	(18,932)
Loss on disposal of property, plant and equipment, net	111,686	346,977	10,582
Gain on disposal of investment properties, net	(332,065)	(3,257,173)	(99,334)
Loss on disposal of intangible assets	2,607	6,058	185
Gain on disposal of investments, net	-	(173,531)	(5,292)
Impairment loss recognized on non-financial assets	873,596	1,100,987	33,577
Write-down of inventories	65,867	159,117	4,853
Unrealized loss (gain) on foreign exchange, net	1,215	(8,081)	(246)
Loss on redemption of bonds payable	393,503	266	8
Gain from bargain purchase	-	(1,440,571)	(43,933)
Monetary loss	-	820,265	25,015
Changes in operating assets and liabilities:			
Financial assets mandatorily classified as at fair value through profit or loss	4,522	(853,799)	(26,038)
Notes receivable	8,195,756	5,931,344	180,889
Accounts receivable	2,610,233	(4,120,160)	(125,653)
Notes and accounts receivable from related parties	(51,129)	(442,405)	(13,492)
Other receivables	(966,069)	1,728,667	52,719
Other receivables from related parties	389,559	(319,012)	(9,729)
Inventories	4,409,178	(2,818,972)	(85,971)
Prepayments	(628,132)	38,343	1,169
Other current assets	333,890	(474,999)	(14,486)
Finance lease receivables	3,168,131	4,744,467	144,692
Contract liabilities	318,744	(29,403)	(897)
Notes and accounts payable	(831,942)	521,566	15,906
Other payables	1,738,234	(426,318)	(13,002)

(Continued)

TCC GROUP HOLDINGS CO., LTD. AND SUBSIDIARIES
(Formerly Taiwan Cement Corporation)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2024
(In Thousands)

	2023	2024	
	NT\$	NT\$	US\$ (Note 4)
			(Unaudited)
Other payables to related parties	\$ 625,222	\$ (771,711)	\$ (23,535)
Provisions	-	(151,621)	(4,624)
Other current liabilities	404,103	256,062	7,809
Net defined benefit liabilities	(112,071)	452,710	13,806
Cash generated from operations	38,630,296	39,389,101	1,201,253
Income tax paid	(1,711,015)	(7,595,156)	(231,630)
Net cash generated from operating activities	<u>36,919,281</u>	<u>31,793,945</u>	<u>969,623</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income	(209,156)	(49,317)	(1,504)
Proceeds from disposal financial assets at fair value through other comprehensive income	-	50,487	1,540
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	229,968	-	-
Acquisition of financial assets at amortized cost	(26,528,183)	-	-
Proceeds from disposal of financial assets at amortized cost	-	491,600	14,992
Acquisition of long-term equity investments accounted for using the equity method	(99,198)	(224,036)	(6,832)
Acquisition of subsidiaries	(329,336)	(13,014,106)	(396,893)
Payments for property, plant and equipment	(24,726,266)	(33,603,520)	(1,024,810)
Proceeds from disposal of property, plant and equipment	212,985	110,752	3,378
Payments for intangible assets	(1,913,693)	(1,047,625)	(31,950)
Payments for investment properties	-	(161,545)	(4,927)
Proceeds from disposal of investment properties	559,212	3,840,452	117,123
Decrease in other non-current assets	882,916	1,676,319	51,123
Interest received	3,089,449	3,358,373	102,421
Dividends received	2,785,290	1,864,287	56,855
Net cash used in investing activities	<u>(46,046,012)</u>	<u>(36,707,879)</u>	<u>(1,119,484)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term loans	(2,185,384)	2,975,189	90,734
Increase (decrease) in short-term bills payable	(281,518)	388,035	11,834
Issuance of bonds	22,773,544	8,000,000	243,977
Redemption of bonds payable	(22,194,450)	(12,605,550)	(384,433)
Increase in long-term loans	57,040,690	38,165,256	1,163,930
Repayment of long-term loans	(62,342,123)	(12,352,343)	(376,712)

(Continued)

TCC GROUP HOLDINGS CO., LTD. AND SUBSIDIARIES
(Formerly Taiwan Cement Corporation)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2024
(In Thousands)

	<u>2023</u>	<u>2024</u>	
	NT\$	NT\$	US\$ (Note 4) (Unaudited)
Increase in long-term bills payable	\$ 30,500,000	\$ 30,800,000	\$ 939,311
Decrease in long-term bills payable	(40,500,000)	(25,200,000)	(768,527)
Other payables to related parties	-	3,279,220	100,007
Repayment of the principal portion of lease liabilities	(525,451)	(1,428,709)	(43,571)
(Decrease) increase in other non-current liabilities	643,345	(347,391)	(10,594)
Cash dividends paid	(4,061,436)	(9,419,858)	(287,278)
Proceeds from issuance of ordinary shares	12,340,525	-	-
Treasury shares transferred to employees	131,200	-	-
Payment for buy-back of treasury shares	(732,459)	-	-
Acquisition of subsidiaries	(37,980)	(5,220,805)	(159,219)
Interest paid	(3,867,477)	(3,130,569)	(95,473)
Changes in non-controlling interests	<u>788,265</u>	<u>(79,434)</u>	<u>(2,423)</u>
Net cash generated from (used in) financing activities	<u>(12,510,709)</u>	<u>13,823,041</u>	<u>421,563</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(838,432)</u>	<u>2,488,775</u>	<u>75,900</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(22,475,872)	11,397,882	347,602
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>88,842,494</u>	<u>66,366,622</u>	<u>2,023,990</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 66,366,622</u>	<u>\$ 77,764,504</u>	<u>\$ 2,371,592</u>

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

(With Deloitte & Touche auditors' report dated March 12, 2025)

(Concluded)

TCC GROUP HOLDINGS CO., LTD. AND SUBSIDIARIES

(Formerly Taiwan Cement Corporation)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

The consolidated financial statements of the Corporation and its subsidiaries, collectively referred to as the “Group”, are presented in New Taiwan dollars, the functional currency of the Corporation.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s Board of Directors on March 12, 2025.

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

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

The initial application of the amendments to the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

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

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impact of the above standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

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

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

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

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

Current assets include:

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

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and

- 3) Liabilities for which the Group does not have the substantial right at the end of the reporting period 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. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments do not affect its classification as current or non-current if the entity classifies the option as an equity instrument.

The Group engages in the construction business, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the Group's construction-related assets and liabilities.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation.

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions or up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in its relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of an investment in an associate or a joint venture.

Refer to Note 13 for the detailed information on subsidiaries (including the percentages of ownership and main businesses).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

For each business combination, the Group measures the non-controlling interests at either fair value or the share in the recognized amounts of the acquiree's identifiable net assets. Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets, in the event of liquidation, may be initially measured at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of the measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value.

When a business combination is achieved in stages, the Group's previously held equity interest in an acquiree is remeasured to fair value at the acquisition date, and the resulting gain or loss is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are recognized on the same basis as would be required if those interests were directly disposed of by the Group.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

f. Foreign currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, and in which case, the exchange differences are also recognized directly in other comprehensive income.

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

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

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

g. Hyperinflation

Beginning 2022, Turkey's economy qualifies as hyperinflationary. According to the criteria established in the IAS 29 "Financial information in hyperinflationary economies", the financial statements of Turkish subsidiaries have been measured in terms of the current unit of measurement at the balance sheet date. Gain or loss on net monetary position shall be included in the current profit or loss.

The Group has not applied hyperinflationary accounting to restate comparative financial information presented in NTD, which is the Group's functional currency unqualified as IAS 29. Moreover, the adoption of IAS 29 in Turkish subsidiaries requires assets, liabilities and equity as well as the items in the income statement to be restated using the closing exchange rate at period end, leading to the effect of hyperinflation adjustments included in other comprehensive income.

h. Inventories

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

i. Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group uses the equity method to account for its investments in associates and joint ventures.

Under the equity method, investments in an associate and joint venture are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group's share of the equity of associates and joint ventures.

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

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

When the Group's share of losses of an associate and a joint venture equals or exceeds its interest in that associate and joint venture (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate and joint venture), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate and joint venture.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

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

When a group entity transacts with its associate and joint venture, profit and loss resulting from the transactions with the associate and joint venture are recognized in the Group's consolidated financial statements only to the extent that interests in the associate and the joint venture are not related to the Group.

j. Property, plant and equipment

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

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

Freehold land is not depreciated.

Depreciation of property, plant and equipment (including assets held under finance leases) is recognized using the straight-line method. Each significant part is depreciated separately. If a lease term is shorter than the assets' useful lives, such assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

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

k. 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.

l. Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of the acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit or groups of cash-generating units was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit or groups of cash-generating units is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation that is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

m. Intangible assets

1) Intangible assets acquired separately

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

When the Group has a right to charge for usage of concession infrastructure (as a consideration for providing construction services in a service concession arrangement), it is initially recognized as an intangible asset at its fair value. The intangible asset is subsequently measured at cost less accumulated amortization and any accumulated impairment loss.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date. Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

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

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

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

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

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

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

o. Non-current assets held for sale

Disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the disposal group is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

p. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on their remeasurement recognized in profit or loss. Fair value is determined in the manner described in Note 34.

ii. Financial assets at amortized cost

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

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

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

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

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

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

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

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets and contract assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable), lease receivables, as well as contract assets.

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

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

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

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

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

The repurchase of the Corporation's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Corporation's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

Financial liabilities are classified as at FVTPL when any such financial liability is either held for trading or is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in other gains or losses. Fair value is determined in the manner described in Note 34.

b) Derecognition of financial liabilities

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

4) Convertible bonds

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

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

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

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

5) Derivative financial instruments

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

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

q. Hedge accounting

The effects of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the line item relating to the hedged item in the same period as when the hedged item affects profit or loss. If the hedge of forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and included in the initial cost of the non-financial asset or non-financial liability.

r. Provisions

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

s. Revenue recognition

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

- 1) Revenue from the sale of goods is recognized when the goods are delivered to customer' specific location and the ownership of the goods is transferred to customer.
- 2) Service income is recognized by reference to the stage of completion of the contract or when services are provided. Freight revenue is recognized by reference to the proportion of the voyage period.
- 3) Revenue from electric power is calculated according to the volume of electric power sold and the energy rate.
- 4) Revenue from construction contract is recognized over time. The Group measures the progress on the basis of costs incurred relative to the total expected costs as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligations. When the outcome of a performance obligation cannot be reasonably measured, contract revenue is recognized only to the extent of contract costs incurred in satisfying the performance obligation for which recovery is expected.

t. Leases

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

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

1) The Group as lessor

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

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

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

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

2) The Group as lessee

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

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

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

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

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

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

u. 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.

v. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable. Relevant grants of an asset are recognized as deferred revenue or a reduction of the asset's cost on a straight-line basis.

w. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

3) Other long-term employee benefits

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

x. Share-based payment arrangements

The fair value at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options or non-controlling interests. 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.

At the end of each reporting period, the Group revises its estimate of the number of equity instruments that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options or non-controlling interests.

For cash-settled share-based payments, a liability is recognized for the goods or services acquired, measured initially at the fair value of the liability incurred. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss.

y. Taxation

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

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

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

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

2) Deferred tax

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

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

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

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

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

The Group has applied the exception from the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two income taxes. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

3) Current and deferred taxes for the year

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

z. U.S. dollar amounts (unaudited)

The translation of New Taiwan dollar (NT\$) amounts into U.S. dollar (US\$) amounts in the consolidated financial statements as of and for the year ended December 31, 2024 is included solely for the convenience of the readers. The translation was performed at an exchange rate of NT\$32.79:US\$1.00, which is the December 31, 2024 exchange rate set forth in the statistical release of the U.S. Federal Reserve Board of the United States. The translation should not be seen to represent the past, present or future possible exchange rates for the conversion of NT\$ amount to US\$ amounts.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Group considers the possible impact of climate change and related government policies and regulations, and volatility in energy markets on the cash flow projection, growth rates, discount rates, profitability, and other relevant material estimates. The estimations and the underlying assumptions are reviewed on an ongoing basis by the management. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a. Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The calculation of the value in use requires

management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

b. Impairment of property, plant and equipment

The impairment loss of property, plant and equipment in relation to production was based on the recoverable amounts of those assets, which are the higher of their fair value less costs of disposal and their value in use. Any changes in the market prices or future cash flows will affect the recoverable amounts of those assets and may lead to the recognition of additional impairment losses or the reversal of impairment losses.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	2024
Cash on hand	\$ 9,772	\$ 23,117
Checking accounts and demand deposits	37,737,275	25,229,060
Cash equivalents		
Time deposits with original maturities of 3 months or less	25,433,147	49,726,922
Bonds with repurchase agreements	<u>3,186,428</u>	<u>2,785,405</u>
	<u>\$ 66,366,622</u>	<u>\$ 77,764,504</u>

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

	December 31	
	2023	2024
Cash in banks	0.01%-5.84%	0.01%-50.25%
Bonds with repurchase agreements	1.16%-5.50%	1.27%-4.80%

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

	December 31	
	2023	2024
Current	\$ 34,236,957	\$ 22,650,328
Non-current	<u>22,599,386</u>	<u>33,387,596</u>
	<u>\$ 56,836,343</u>	<u>\$ 56,037,924</u>

The market rate intervals of financial assets at amortized cost at the end of the reporting period were as follows:

	December 31	
	2023	2024
	0.01%-5.80%	0.01%-5.26%

Refer to Note 36 for information relating to pledged financial assets at amortized cost.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	2024
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative instruments (not under hedge accounting)		
Redemption options and put options of convertible bonds	\$ 1,347	\$ -
Foreign exchange forward contracts	-	31,191
Non-derivative financial assets		
Domestic listed shares	277,498	335,935
Domestic emerging market shares	108,582	177,124
Foreign listed shares	-	260,488
Foreign government bonds	313,505	356,553
Foreign corporate bonds	21,727	-
Foreign money market funds	-	929,329
Foreign beneficiary certificates	<u>5,103</u>	<u>739,463</u>
	<u>\$ 727,762</u>	<u>\$ 2,830,083</u>

Financial assets at FVTPL - non-current

Financial assets mandatorily classified as at FVTPL

Non-derivative financial assets		
Foreign government bonds	<u>\$ 278,424</u>	<u>\$ 91,679</u>

At the end of the year, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>December 31, 2024</u>			
Sell	GBP/USD	2025.02-2025.03	GBP4,786/USD6,115
Sell	EUR/USD	2025.01-2025.05	EUR15,198/USD16,675

The purpose of the Group engaging in foreign exchange forward contracts was mainly to avoid the risk of foreign currency assets and liabilities arising from exchange rate fluctuations.

	December 31	
	2023	2024
<u>Financial liabilities at FVTPL - current</u>		
Held for trading		
Derivative instruments (not under hedge accounting)		
Redemption options and put options	<u>\$ -</u>	<u>\$ 368,712</u>

The Group's subsidiary, NHOA CORPORATE S.R.L., upon its investment in FREE2MOVE ESOLUTIONS S.P.A., entered into a call option and put option agreement with FREE2MOVE ESOLUTIONS S.P.A.'s shareholder, Stellantis. These rights include Stellantis's call option to purchase FREE2MOVE ESOLUTIONS S.P.A. shares held by NHOA CORPORATE S.R.L., with an exercise period from January 1, 2025 to May 31, 2025, and NHOA CORPORATE S.R.L.'s put option to sell the same shares to Stellantis, with an exercise period from June 1, 2025 to June 30, 2025. As of December 31, 2024, the financial liabilities of the put option were \$368,712 thousand, which were recognized by the Group.

Refer to Note 36 for information relating to financial instruments at fair value through profit or loss.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2023	2024
<u>Current</u>		
Domestic investments		
Listed shares	\$ 6,919,103	\$ 6,958,533
Convertible preference shares	<u>53,687</u>	<u>48,905</u>
	<u>\$ 6,972,790</u>	<u>\$ 7,007,438</u>
<u>Non-current</u>		
Domestic investments		
Unlisted shares	\$ 8,826,122	\$ 10,203,555
Privately placed listed shares	1,884,630	1,304,195
Listed shares	247,374	157,287
Foreign investments		
Listed shares	8,613,198	10,131,052
Unlisted preference shares	<u>276,345</u>	<u>295,065</u>
	<u>\$ 19,847,669</u>	<u>\$ 22,091,154</u>

The Corporation subscribed privately placed ordinary shares of Phihong Technology Co., Ltd. via private placement in December 2021. The privately placed ordinary shares may not be transferred to others within 3 years under the relevant laws and regulations. In October 2023, the Corporation also participated in the capital increase of ordinary shares by cash in the amount of NT\$209,156 thousand.

Refer to Note 36 for information relating to investments in equity instruments at FVTOCI pledged as collateral for credit accommodations.

9. NOTES AND ACCOUNTS RECEIVABLE

	December 31	
	2023	2024
Notes receivable	\$ 11,052,888	\$ 5,439,145
Less: Allowance for impairment loss	<u>(9,293)</u>	<u>(9,087)</u>
	<u>11,043,595</u>	<u>5,430,058</u>
Accounts receivable	12,614,063	24,432,978
Less: Allowance for impairment loss	<u>(251,574)</u>	<u>(784,757)</u>
	<u>12,362,489</u>	<u>23,648,221</u>
	<u>\$ 23,406,084</u>	<u>\$ 29,078,279</u>

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

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

The aging analysis of receivables was as follows:

	December 31	
	2023	2024
Up to 90 days	\$ 15,403,105	\$ 23,492,296
91-180 days	7,584,648	4,905,336
181-365 days	275,980	163,389
Over 365 days	<u>142,351</u>	<u>517,258</u>
	<u>\$ 23,406,084</u>	<u>\$ 29,078,279</u>

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

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

	For the Year Ended December 31	
	2023	2024
Balance at January 1	\$ 212,293	\$ 260,867
Add: Net remeasurement of loss allowance	56,497	(140,178)
Less: Amounts written off	(5,253)	-
Acquisitions through business combinations	-	686,679
Foreign exchange translation gains and losses and inflation adjustments	<u>(2,670)</u>	<u>(13,524)</u>
Balance at December 31	<u>\$ 260,867</u>	<u>\$ 793,844</u>

10. FINANCE LEASE RECEIVABLES

	December 31	
	2023	2024
<u>Undiscounted lease payments</u>		
Year 1	\$ 5,883,831	\$ 6,586,142
Year 2	6,586,142	6,863,309
Year 3	6,863,309	8,656,958
Year 4	<u>8,656,958</u>	<u>-</u>
	27,990,240	22,106,409
Less: Unearned finance income	(6,155,155)	(3,854,260)
Less: Accumulated impairment	<u>(47,878)</u>	<u>(47,878)</u>
Net investment in leases presented as finance lease receivables	<u>\$ 21,787,207</u>	<u>\$ 18,204,271</u>
Current (included in accounts receivable)	\$ 3,582,936	\$ 4,744,467
Non-current	<u>18,204,271</u>	<u>13,459,804</u>
	<u>\$ 21,787,207</u>	<u>\$ 18,204,271</u>

The Group's electric power selling contracts signed with Taiwan Power Company with guaranteed power generation periods are classified as finance lease arrangements and the term entered into was 25 years. The interest rate inherent in the lease was fixed at the contract date for the entire lease term. The interest rate inherent in the finance lease was approximately 11.18%.

11. DISPOSAL GROUPS HELD FOR SALE

	December 31	
	2023	2024
Buildings and land held for sale	<u>\$ 196,403</u>	<u>\$ 228,674</u>

On December 21, 2023, the Board of Directors of TCC Chemical Corporation, the Group's subsidiary, resolved to sell its land and buildings in Lanya Section, Shilin District, Taipei City, which were originally classified as investment properties. Due to the changes in market conditions, these assets could not be sold according to the original schedule, and TCC Chemical Corporation is still actively seeking buyers. In 2024, TCC Chemical Corporation has already signed a contract for the planned sale of a portion of its investment properties.

The selling price is expected to exceed the carry amount of relevant net assets; therefore, there is no impairment loss that should be recognized when it is classified as disposal groups held for sale.

12. INVENTORIES

	December 31	
	2023	2024
Finished goods	\$ 2,980,091	\$ 4,288,668
Work in process	2,434,648	4,235,894
Raw materials	<u>6,079,276</u>	<u>13,461,343</u>
	<u>\$ 11,494,015</u>	<u>\$ 21,985,905</u>

The costs of inventories recognized as cost of goods sold for the years ended December 31, 2023 and 2024 were \$82,321,521 thousand and \$104,877,195 thousand, respectively.

The cost of goods sold included write-down of inventories as follows:

	For the Year Ended December 31	
	2023	2024
Write-down of inventories	<u>\$ 65,867</u>	<u>\$ 159,117</u>

13. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

The consolidated financial statements include subsidiaries which are as follows:

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark
			December 31	2023	2024
TCC Group Holdings CO., LTD.	Taiwan Transport & Storage Corporation	Warehousing, transportation and sale of sand and gravel	83.9	83.9	
	TCC Investment Corporation	Investment	100.0	100.0	
	Kuan-Ho Refractories Industry Corporation	Production and sale of refractory materials	95.3	95.3	
	Hong Kong Cement Manufacturing Co., Ltd. ("HKCMCL")	Investment holding	84.7	84.7	
	Ta-Ho Maritime Corporation	Marine transportation	64.8	64.8	
	Taiwan Cement Engineering Corporation	Engineering services	99.3	99.4	1)
	TCC Green Energy Corporation	Renewable energy generation	100.0	100.0	
	TCC Chemical Corporation	Leasing property and energy technology services	100.0	100.0	
	TCC Information Systems Corporation	Information software design	99.4	99.4	
	Tung Chen Mineral Corporation	Afforestation and sale of limestone	-	-	3)
	Jin Chang Minerals Corporation	Afforestation and sale of limestone	100.0	100.0	
	Hoping Industrial Port Corporation	Hoping industrial port management	100.0	100.0	
	TCC International Ltd. ("TCCI")	Investment holding	100.0	100.0	
	Ho-Ping Power Company	Thermal power generation	59.5	59.5	
	HPC Power Service Corporation	Business consulting	60.0	60.0	
	E.G.C. Cement Corporation	Sale of cement	50.6	50.6	
	Feng Sheng Enterprise Company Limited	Sale of ready-mixed concrete	45.4	45.4	2)
	Trans Philippines Mineral Corporation ("TPMC")	Mining excavation	40.0	40.0	2)

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark
			2023	2024	
Taiwan Transport & Storage Corporation	Taicorn Minerals Corporation (“TMC”)	Mining excavation	72.7	72.7	
	Ta-Ho RSEA Environment Co., Ltd.	Waste collection and treatment	66.6	66.6	
	Ho Sheng Mining Co., Ltd.	Mining excavation and sale of limestone	100.0	100.0	
	TCC International Holdings Ltd. (“TCCIH”)	Investment holding	47.3	47.3	1)
	TCC Dutch Holdings B.V. (“TCC Dutch”)	Investment holding	82.5	82.5	3), 7)
	TCC Sustainable Energy Investment Corporation	Investment holding	100.0	100.0	
	TCC Energy Storage Technology Corporation	Energy storage equipment manufacturing, production and sales	100.0	100.0	
	Tuo Shan Recycle Technology Company	Waste collection and treatment	100.0	100.0	
	TCC Recycle Energy Technology Company	Investment holding	36.7	36.8	1)
	TCC Asset Management & Development Corporation	Leasing property and development	-	100.0	3)
	E.G.C. Cement Corporation	Sale of cement	49.4	49.4	
	Ta-Ho Maritime Corporation	Marine transportation	29.4	29.5	1)
	Tai-Jie Transport & Storage Corporation	Transportation	100.0	100.0	
	Union Cement Traders Inc.	Import and export trading	100.0	100.0	
	Ho-Ping Power Company	Thermal power generation	0.5	0.5	
	Ta-Ho Maritime Corporation	Marine transportation	-	-	
	TCC Recycle Energy Technology Company	Investment holding	1.1	1.1	
	TCC Development Ltd.	Property leasing	100.0	100.0	
TCC Information Systems Corporation	Ta-Ho Maritime Holdings Ltd.	Investment	100.0	100.0	
	Taicem Information (Samoa) Pte., Ltd.	Investment	100.0	100.0	
	TCC Recycle Energy Technology Company	Investment holding	0.4	0.4	
TCCI	TCCIH	Investment holding	52.7	52.7	1)
TPMC	TMC	Mining excavation	18.2	18.2	
Union Cement Traders Inc.	Taiwan Transport & Storage Corporation	Warehousing, transportation and sale of sand and gravel	0.7	0.7	
	TCC Recycle Energy Technology Company	Investment holding	1.1	1.1	
	Ho-Ping Renewable Energy Company	Renewable energy generation	100.0	100.0	
TCC Green Energy Corporation	Chang-Wang Wind Power Co., Ltd.	Renewable energy generation	100.0	100.0	
	TCC Nan-Chung Green Energy Corporation	Renewable energy generation	100.0	100.0	
	TCC Kao-Cheng Green Energy Corporation	Renewable energy generation	100.0	100.0	
	TCC Chang-Ho Green Energy Corporation	Renewable energy generation	100.0	100.0	
	TCC Chia-Chien Green Energy Corporation	Renewable energy generation	100.0	100.0	
	TCC Yun-Kai Green Energy Corporation	Renewable energy generation	100.0	100.0	
	TCC Lien-Hsin Green Energy Corporation	Renewable energy generation	100.0	100.0	
	TCC Ping-Chih Green Energy Corporation	Renewable energy generation	100.0	100.0	
	Chia-Ho Green Energy Corporation	Renewable energy generation	85.0	85.0	
	TCC Tung-Li Green Energy Corporation	Tourism and recreation	100.0	100.0	
	SHI-MEN Green Energy Corporation	Renewable energy generation	51.0	51.0	8)
	HO-PING Ocean Renewable Resource Corporation	Renewable energy generation	100.0	100.0	3)
	TCC Gaohe Green Energy Corporation	Renewable energy generation	-	100.0	3)

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark
			2023	2024	
Feng Sheng Enterprise Company Limited	Lifuxin Co., Ltd.	Wholesale building materials	-	100.0	8)
TCC Energy Storage Technology Corporation	Energy Helper TCC Corporation	Renewable energy retail and energy technology services	100.0	100.0	
	TCC Energy Storage (DUTCH) HOLDINGS B.V.	Operation of energy storage and electric vehicle charging stations, sales and import and export of charging and storage equipment.	-	100.0	3)
TCC Energy Storage (DUTCH) HOLDINGS B.V.	TCC Energy Storage Technology (Hangzhou) Co., Ltd	Energy storage technology services, charging pile sales, intelligent power transmission, distribution and control equipment sales, electric vehicle charging station operations, centralized fast charging stations, software development, etc.	-	100.0	3)
	TCC Energy Storage Technology France SAS	Energy storage technology services, intelligent power transmission, distribution and control equipment sales and software development, etc.	-	100.0	3)
TCC Energy Storage Technology (Hangzhou) Co., Ltd	TCC Energy Storage Technology (Jurong) Co., Ltd.	Energy storage technology services, intelligent power transmission, distribution and control equipment sales and software development, etc.	-	100.0	3)
Ta-Ho Maritime Holdings Ltd.	Ta-Ho Maritime (Hong Kong) Limited	Marine transportation	100.0	100.0	
	THC International S.A.	Marine transportation	100.0	100.0	
	Ta-Ho Maritime (Singapore) Pte. Ltd.	Marine transportation	100.0	100.0	
Taicem Information (Samoa) Pte., Ltd.	Fuzhou TCC Information Technology Co., Ltd.	Software product and equipment maintenance	100.0	100.0	
Ta-Ho Maritime (Hong Kong) Limited	Da Tong (Guigang) International Logistics Co., Ltd.	Logistics and transportation	100.0	100.0	
Da Tong (Guigang) International Logistics Co., Ltd.	Da Tong (Ying De) Logistics Co., Ltd.	Logistics and transportation	-	-	3)
TCC Dutch	Guigang Da-Ho Shipping Co., Ltd.	Marine transportation	100.0	100.0	
	Taiwan Cement Europe Holdings B.V. ("TCEH")	Investment holding	100.0	100.0	
	TCC Oyak Amsterdam Holdings B.V. ("TCAH")	Investment holding	-	60.0	8)
TCEH	NHOA S.A.	Investment holding	87.8	99.9	1), 9)
	Cimpor Portugal Holdings, SGPS, S.A. ("CPH")	Investment holding	-	95.0	8)
TCAH	OYAK Çimento Fabrikaları A.Ş. ("OCF")	Cement, clinker and concrete fabrication	-	80.1	1), 8)
NHOA S.A.	NHOA ENERGY S.R.L.	Renewable energy and energy storage system construction	-	-	6)
	ELECTRO POWER SYSTEM MANUFACTURING	Renewable energy and energy storage system construction	100.0	100.0	
	Comores Énergie Nouvelles S.A.R.L.	Renewable energy and energy storage system construction	-	-	6)
	NHOA CORPORATE S.R.L.	Investment holding	100.0	100.0	6)
	ATLANTE S.R.L.	Renewable energy and charging equipment	100.0	100.0	6)
	FREE2MOVE ESOLUTIONS S.P.A.	Electric vehicle charging equipment	49.9	49.9	2)
	NHOA ENERGY S.R.L.	Renewable energy and energy storage system construction	100.0	100.0	6)

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark
			2023	2024	
NHOA ENERGY S.R.L.	NHOA AMERICAS LLC	Renewable energy and energy storage system construction	100.0	100.0	
	NHOA AUSTRALIA PTY LTD	Renewable energy and energy storage system construction	100.0	100.0	
	NHOA LATAM S.A.C.	Renewable energy and energy storage system construction	90.0	90.0	
	NHOA Taiwan Ltd.	Renewable energy and energy storage system construction	100.0	100.0	3)
	NHOA UK LTD	Renewable energy and energy storage system construction	100.0	100.0	3)
	Comores Énergie Nouvelles S.A.R.L.	Renewable energy and energy storage system construction	100.0	100.0	6)
	New Horizons Ahead Energy Spain SL	Renewable energy and energy storage system construction	-	100.0	3)
	NPD Italy 1 S.R.L.	Renewable energy and energy storage system construction	-	100.0	3)
NHOA AMERICAS LLC	NHOA LATAM S.A.C.	Renewable energy and energy storage system construction	10.0	10.0	
ATLANTE S.R.L.	ATLANTE IBERIA S.L.	Renewable energy and charging equipment	100.0	100.0	
	ATLANTE FRANCE S.A.S.	Renewable energy and charging equipment	100.0	100.0	
	ATLANTE INFRA PORTUGAL S.A.	Renewable energy and charging equipment	100.0	100.0	8)
	ATLANTE ITALIA S.R.L.	Renewable energy and charging equipment	100.0	100.0	8)
ATLANTE IBERIA S.L.	ATLANTE Fast Charging Portugal LDA	Renewable energy and charging equipment	100.0	-	6)
ATLANTE INFRA PORTUGAL S.A.	ATLANTE Fast Charging Portugal LDA	Renewable energy and charging equipment	-	-	6)
ATLANTE FRANCE S.A.S.	ALPIS S.A.S.	Renewable energy and charging equipment	51.0	51.0	3)
ALPIS S.A.S.	ALPIS Kilowatt S.A.S.	Renewable energy and charging equipment	-	100.0	3)
FREE2MOVE ESOLUTIONS S.P.A.	FREE2MOVE ESOLUTIONS FRANCE S.A.S.	Electric vehicle charging equipment	100.0	100.0	
	FREE2MOVE ESOLUTIONS SPAIN S.L.U.	Electric vehicle charging equipment	100.0	100.0	
	FREE2MOVE ESOLUTIONS NORTH AMERICA LLC	Electric vehicle charging equipment	100.0	100.0	
	FREE2MOVE ESOLUTIONS UK LTD	Electric vehicle charging equipment	100.0	-	3)
	FREE2MOVE ESOLUTIONS MAROCCO SARL	Electric vehicle charging equipment	-	100.0	3)
	Cimpor Portugal Cabo Verde Operations, SGPS, S.A.	Investment holding	-	100.0	8)
CPH	Cimpor Cameroun, S.A.	Wholesale building materials	-	100.0	8)
	Cimpor Cote D'Ivoire, SARL	Cement production	-	100.0	8)
	Cimpor Ghana, Ltd	Cement production	-	100.0	8)
	Cimpor France S.A.S.	Sales of cement	-	100.0	3)
	Cimpor UK Limited	Warehousing and logistics services	-	100.0	3)
	Cimpor Gypsum Cameroon, S.A.	Production, distribution and trading of gypsum plaster and board, its derivatives as well as related activities	-	100.0	3)
	Cimpor - Indústria de Cimentos, S.A.	Cement production	-	100.0	8)
	Betão Liz, S.A.	Concrete production	-	98.5	8)
Cimpor Portugal Cabo Verde Operations, SGPS, S.A.	Agrepor Agregados - Extração de Inertes, S.A.	Extraction and commercialization of gravel and sands	-	100.0	8)
	Ciarga - Argamassas Secas, S.A.	Mortars production	-	100.0	8)
	Sacopor - Sociedade de Embalagens e Sacos de Papel, S.A.	Paper bags production	-	100.0	8)
	Cimpor - Serviços, S.A.	Services	-	100.0	8)

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark
			December 31		
			2023	2024	
Cimpor - Indústria de Cimentos, S.A.	Ibera - Indústria de Betão, S.A.	Concrete production	-	50.0	8)
	Cimpor Energy, S.A.	Electrical and thermal energy	-	100.0	8)
	Cimpor Cabo Verde, S.A.	Grinding cement	-	98.8	8)
	Cimentação - Cimentos dos Açores, Lda.	Cement production	-	75.0	8)
	Cimpor - Imobiliária, S.A.	Real estate business	-	50.0	8)
	Elisarie, S.L.	Trading	-	100.0	8)
	Cimentação - Cimentos dos Açores, Lda.	Cement production	-	25.0	8)
Agrepor Agregados - Extração de Inertes, S.A.	Cimpor - Imobiliária, S.A.	Real estate business	-	50.0	8)
OCF	Adana Çimento San. ve Tic. Ltd.	Sales of cement, clinker and ready mixed concrete	-	100.0	8)
	Adana Çimento Free Port Ltd	Sales of cement, clinker and ready mixed concrete	-	100.0	8)
	Cimpor Romania Terminal SRL	Sales of cement	-	100.0	8)
	Marmara Madencilik San. Tic. Ltd. Şti.	Mining	-	98.9	8)
	T1C3 Teknoloji ve Yazilim Gelistirme	Energy	-	100.0	3), 8)
TCC Recycle Energy Technology Company	E-One Moli Energy Corp.	Manufacturing and sales of Lithium battery	100.0	100.0	
	E-One Holdings Ltd.	Investment holding	100.0	100.0	
	Molie Quantum Energy Corporation	Manufacturing and sales of batteries, power generation machinery and electronic components	100.0	100.0	
E-One Holdings Ltd.	E-One Moli Holdings (Canada) Ltd.	Investment holding	100.0	100.0	
E-One Moli Holdings (Canada) Ltd.	E-One Moli Energy (Canada) Ltd. (“EMC”)	Battery research and development and sales	100.0	100.0	
EMC	E-One Moli Quantum Energy (Canada) Ltd. (“EMQE”)	Manufacturing and sales of batteries, power generation machinery and electronic components	100.0	100.0	3)
TCCIH	Upper Value Investment Limited	Investment holding	100.0	100.0	
	Upper Value Investments Ltd. (“UPPV”)	Investment holding	100.0	100.0	
	TCC Hong Kong Cement (BVI) Holdings Ltd.	Investment holding	100.0	100.0	
	Ulexite Investments Ltd.	Investment holding	100.0	100.0	
	TCC Recycle Energy Technology Company	Investment holding	38.7	38.7	
	TCC Dutch	Investment holding	17.5	17.5	7)
Upper Value Investment Limited	Prime York Ltd.	Investment holding	100.0	100.0	
	Prosperity Minerals (International) Ltd.	Investment holding	100.0	100.0	
	TCC Hong Kong Cement (BVI) Holdings Ltd.	TCC Hong Kong Cement Development Ltd.	Investment holding	100.0	100.0
TCC Hong Kong Cement (BVI) Holdings Ltd.	TCC Hong Kong Cement (QHC) Ltd.	Investment holding	100.0	100.0	
	TCC Hong Kong Cement (Yargoan) Ltd.	Investment holding	100.0	100.0	
	TCC Hong Kong Cement (Philippines) Ltd.	Investment holding	100.0	100.0	
	TCC Hong Kong Cement (International) Ltd.	Investment holding	100.0	100.0	
	Hong Kong Cement Company Limited (“HKCCL”)	Sale of cement	100.0	100.0	
	Chiefolk Company Ltd.	Investment holding	70.0	70.0	
	TCC International (Liuzhou) Ltd.	Investment holding	100.0	100.0	
TCC International (Liuzhou) Ltd.	TCC Liuzhou Company Ltd.	Investment holding	100.0	100.0	
TCC Liuzhou Company Ltd.	TCC Liuzhou Construction Materials Co., Ltd.	Manufacturing and sale of slag powder	60.0	60.0	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark
			2023	2024	
TCC Hong Kong Cement (Philippines) Ltd.	TCC Cement Corp.	Cement processing services	100.0	100.0	
TCC Hong Kong Cement (International) Ltd.	TCC International (Hong Kong) Co., Ltd. ("TCCI (HK)")	Investment holding	100.0	100.0	
TCCI (HK)	TCC Guigang Mining Industrial Company Limited	Mining excavation	52.5	52.5	
	Jiangsu TCC Investment Co., Ltd.	Investment holding	100.0	100.0	
	Jingyang Industrial Limited	Investment holding	100.0	100.0	
	TCC International (Guangxi) Ltd.	Investment holding	100.0	100.0	
	TCC Shaoquan Cement Co., Ltd.	Manufacturing and sale of cement	100.0	100.0	
	TCC Yingde Mining Industrial Company Limited	Mining excavation	48.9	48.9	
	TCC Yingde Cement Co., Ltd.	Manufacturing and sale of cement	100.0	100.0	
	TCC Jiangsu Mining Industrial Company Limited	Mining excavation	100.0	100.0	
	TCC Fuzhou Yangyu Port Co., Ltd.	Service of port facility	100.0	100.0	
	TCC (Dong Guan) Cement Company Ltd.	Manufacturing and sale of cement	-	-	3)
	TCC Fuzhou Cement Co., Ltd.	Manufacturing and sale of cement	100.0	100.0	
	TCC Huaihua Cement Company Limited	Manufacturing and sale of cement	31.0	31.0	
	TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	Environmental protection, cement and enterprise management consulting	74.9	74.9	4)
Jiangsu TCC Investment Co., Ltd.	Jurong TCC Cement Co., Ltd.	Manufacturing and sale of cement	21.5	21.5	
	Jurong TCC Environmental Co., Ltd.	Dangerous waste treatment	12.5	12.5	11)
Jingyang Industrial Limited	Jurong TCC Cement Co., Ltd.	Manufacturing and sale of cement	78.5	78.5	
	Jurong TCC Environmental Co., Ltd.	Dangerous waste treatment	87.5	87.5	11)
TCC International (Guangxi) Ltd.	TCC (Gui Gang) Cement Co., Ltd.	Manufacturing and sale of cement	100.0	100.0	
	TCC (Hangzhou) Recycle Resource Technology Limited	Recycle resource technology development, business management and sales	26.3	26.3	
TCC (Gui Gang) Cement Co., Ltd.	TCC Huaying Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	
	TCC Guigang Mining Industrial Company Limited	Mining excavation	47.5	47.5	
	Guigang TCC Dong Yuan Environmental Technology Company Limited	Dangerous waste treatment	100.0	100.0	
	TCC (Hangzhou) Recycle Resource Technology Limited	Recycle resource technology development, business management and sales	73.7	73.7	
TCC Yingde Cement Co., Ltd.	TCC Yingde Mining Industrial Company Limited	Mining excavation	34.8	34.8	
	Scitus Luzhou Concrete Co., Ltd.	Sale of ready-mixed concrete	25.0	25.0	10)
	Scitus Luzhou Cement Co., Ltd.	Manufacturing and sale of cement	10.0	10.0	10)
	Scitus Naxi Cement Co., Ltd.	Manufacturing and sale of cement	10.0	10.0	10)
	Scitus Hejiang Cement Co., Ltd.	Manufacturing and sale of cement	10.0	10.0	
	Beijing TCC Environmental Technology Co., Ltd.	Technology development, enterprise management and sales	100.0	100.0	
	TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	Environmental protection, cement and enterprise management consulting	25.1	25.1	4)

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark
			2023	2024	
	TCC Yingde New Materials Co., Ltd	Biomass solid recovered fuel sales, biomass technical services, biomass fuel processing, solid waste treatment, resource recycling service technical consultation	-	100.0	3)
TCC Jiangsu Mining Industrial Company Limited	TCC Yingde Mining Industrial Company Limited	Mining excavation	16.3	16.3	
TCC Huaihua Cement Company Limited	TCC Jingzhou Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	
	TCC Huaihua Concrete Company Limited	Sale of ready-mixed concrete	100.0	100.0	
UPPV	Wayly Holdings Ltd.	Investment holding	100.0	100.0	
	TCC International (China) Co., Ltd.	Investment holding	100.0	100.0	
	Kong On Cement Holdings Ltd.	Investment holding	65.0	65.0	
	Mega East Ltd.	Investment holding	100.0	100.0	
	Prosperity Minerals (China) Ltd.	Investment holding	100.0	100.0	
	Sure Kit Ltd.	Investment holding	100.0	100.0	
	Hensford Ltd.	Investment holding	100.0	100.0	
	Kiton Ltd.	Investment holding	100.0	100.0	
	Prosperity Cement Investment Ltd.	Investment holding	100.0	100.0	
	Scitus Cement (China) Holdings Ltd. ("Scitus Holdings")	Investment holding	100.0	100.0	
Wayly Holdings Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Manufacturing and sale of cement	100.0	100.0	
TCC International (China) Co., Ltd.	TCC (Hangzhou) Management Company Limited	Operation management	100.0	100.0	3)
Kong On Cement Holdings Ltd.	Guizhou Kong On Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	
Mega East Ltd.	Guangan Changxing Cement Company Ltd.	Manufacturing and sale of cement	100.0	100.0	
Sure Kit Ltd.	TCC Chongqing Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	
Hensford Ltd.	TCC Anshun Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	
Kiton Ltd.	TCC Liaoning Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	
Prosperity Cement Investment Ltd.	Yingde Dragon Mountain Cement Co., Ltd.	Manufacturing and sale of cement	100.0	100.0	
TCC Anshun Cement Company Limited	Anshun Xin Tai Construction Materials Company Limited	Filtering of sand and gravel and sale of ready-mixed concrete	100.0	100.0	
	TCC Zhongxin (Anshun) Renewable Resources Technology Company Limited	Crop straw treatment and processing and utilization services	51.0	80.4	3), 12)
TCC (Hangzhou) Management Company Limited	Kaili TCC Environment Technology Co., Ltd.	Waste collection and treatment	16.7	16.7	5)
Scitus Holdings	Scitus Cement (China) Operating Co., Ltd.	Investment holding	100.0	100.0	
	Hexagon XIV Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon XIII Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon IX Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon VIII Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon V Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon IV Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon III Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon II Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon Holdings Ltd.	Investment holding	100.0	100.0	
Hexagon IX Holdings Ltd.	Scitus Hejiang Cement Co., Ltd.	Manufacturing and sale of cement	90.0	90.0	
Hexagon IV Holdings Ltd.	Scitus Luzhou Cement Co., Ltd.	Manufacturing and sale of cement	90.0	90.0	10)
Hexagon III Holdings Ltd.	Scitus Naxi Cement Co., Ltd.	Manufacturing and sale of cement	90.0	90.0	10)
Hexagon XIV Holdings Ltd.	Scitus Luzhou Concrete Co., Ltd.	Sales of ready-mixed concrete	75.0	75.0	10)

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark
			2023	2024	
Jurong TCC Cement Co., Ltd.	TCC Huaihua Cement Company Limited	Manufacturing and sale of cement	69.0	69.0	
TCC (Hangzhou) Environmental Protection Co., Ltd.	TCC Yongren (Hangzhou) Environmental Protection Technology Co., Ltd.	Resource recycling technology consultation, biomass energy technology and fuel sales, solid waste treatment	100.0	100.0	
	TCC Yongren (Hangzhou) Environmental Technology Co., Ltd.	Resource recycling technology consultation, solid waste treatment, biomass fuel sales	100.0	100.0	
	TCC Yongren (Hangzhou) Renewable Resources Technology Co., Ltd.	Resource reusing technology and development, solid waste treatment, biomass fuel processing and sales	100.0	100.0	
	TCC Yongren (Hangzhou) Renewable Resources Development Co., Ltd.	Resource regeneration technology research and development, solid waste treatment, biomass fuel processing and sales	100.0	100.0	
	TCC Zhihe (Hangzhou) Environmental Protection Co., Ltd.	Resource recycling, environmental protection, solid waste treatment, business management and sales-related businesses	100.0	100.0	3)
	TCC (Hangzhou) New Energy Company Limited	Emerging energy technology research, energy storage technology services, concrete structural components sales and sales of cement products	-	100.0	3)
TCC Yongren (Hangzhou) Environmental Protection Technology Co., Ltd.	TCC (Shaoguan) Environment Technology Co., Ltd.	Biomass fuel processing and sales, solid waste treatment, urban and kitchen waste treatment	100.0	100.0	
TCC Zhihe (Hangzhou) Environmental Protection Co., Ltd.	Kaili TCC Environment Technology Co., Ltd.	Waste collection and treatment	83.3	83.3	5)
TCC Yongren (Hangzhou) Renewable Resources Development Co., Ltd.	TCC (Guangdong) Renewable Resources Technology Company Limited	Resource recycling research and experimental development, sales of renewable resources, technical services and business management	100.0	100.0	3)
TCC (Guangdong) Renewable Resources Technology Company Limited	123 (Guangdong) Environmental Protection Technology Co., Ltd	Environmental protection material processing, manufacturing, and operation and related services	100.0	100.0	8)

(Concluded)

Remarks:

- 1) The Corporation purchased a portion of ordinary shares of TCC Recycle Energy Technology Company and Taiwan Cement Engineering Corporation in 2023 and 2024. Taiwan Transport & Storage Corporation purchased a portion of ordinary shares of Ta-Ho Maritime Corporation in 2023 and 2024. The Corporation invested in TCCIH in 2023, and its percentage of ownership was increased to 47.3%. The original shareholder, TCCI, did not simultaneously invest which resulted in decrease of the percentage of ownership to 52.7%. TCEH purchased a portion of ordinary shares of NHOA S.A. in 2024. TCAH purchased a portion of ordinary shares of OCF in 2024. Refer to Note 31 for information relating to the aforementioned equity acquisition transaction.
- 2) Although the Group's percentages of ownership in Feng Sheng Enterprise Company Limited, TPMC and FREE2MOVE ESOLUTION S.P.A. were less than 50%, the Group still has control over those entities. Thus, Feng Sheng Enterprise Company Limited, TPMC and FREE2MOVE ESOLUTION S.P.A. are considered as subsidiaries of the Group.

- 3) NHOA Taiwan Ltd., NHOA UK LTD, TCC Zhihe (Hangzhou) Environmental Protection Co., Ltd., TCC (Guangdong) Renewable Resources Technology Company Limited, HO-PING Ocean Renewable Resource Corporation, ALPIS S.A.S., EMQE and TCC Zhongxin (Anshun) Renewable Resources Technology Company Limited were established in 2023. TCC (Dong Guan) Cement Company Ltd. and Da Tong (Ying De) Logistics Co., Ltd. completed the cancellation of its registration in 2023. TCC Asset Management & Development Corporation, TCC (Hangzhou) New Energy Co., Ltd., New Horizons Ahead Energy Spain SL, NPD Italy 1 S.R.L., TCC Yingde New Materials Co., Ltd., TCC Gaohe Green Energy Corporation, Cimpor France S.A.S., Cimpor UK Limited, FREE2MOVE ESOLUTIONS MAROCCO SARL, Cimpor Gypsum Cameroon S.A., TCC Energy Storage (DUTCH) HOLDINGS B.V. and TCC Energy Storage Technology (Hangzhou) Co., Ltd, TCC Energy Storage Technology France SAS, TCC Energy Storage Technology (Jurong) Co., Ltd, and ALPIS Kilowatt S.A.S. were established in 2024. Tung Chen Mineral Corporation was in liquidation at the end of December 2024. FREE2MOVE ESOLUTIONS UK LTD completed the cancellation of its registration in 2024. In 2024, Taiwan Cement (Dutch) Holdings B.V. has changed its name to TCC Dutch Holdings B.V.; OYAK Çimento Enerji A.Ş. has changed its name to T1C3 Teknoloji ve Yazılım Gelistirme; TCC New (Hangzhou) Management Company Limited has changed its name to TCC (Hangzhou) Management Company Limited.
- 4) TCCI (HK) invested in TCC (Hangzhou) Environmental Protection Technology Co., Ltd. in 2023, and its percentage of ownership was increased to 74.9%. The original shareholder, TCC Yingde Cement Co., Ltd., did not simultaneously invest which resulted in decrease of the percentage of ownership to 25.1%.
- 5) TCC Zhihe (Hangzhou) Environmental Protection Co., Ltd. invested in Kaili TCC Environment Technology Co., Ltd. in 2023, and its percentage of ownership was increased to 83.3%. The original shareholder, TCC New (Hangzhou) Management Company Limited, did not simultaneously invest which resulted in decrease of the percentage of ownership to 16.7%.
- 6) Due to the change for the Group's strategic development and operating arrangement, NHOA CALLIOPE S.R.L. was merged into NHOA CORPORATE S.R.L., resulting in NHOA CORPORATE S.R.L. as the surviving company in 2023. The record date of the merger was May 29, 2023. The Group transferred the shares of NHOA ENERGY S.R.L. and Comores Énergie Nouvelles S.A.R.L. held by NHOA S.A. to NHOA CORPORATE S.R.L. and NHOA ENERGY S.R.L., respectively, in 2023. The Group transferred the shares of ATLANTE Fast Charging Portugal LDA held by ATLANTE IBERIA S.L. to ATLANTE INFRA PORTUGAL S.A. in 2024 and ATLANTE Fast Charging Portugal LDA was merged into ATLANTE INFRA PORTUGAL S.A., resulting in ATLANTE INFRA PORTUGAL S.A. as the surviving company.
- 7) TCC Dutch increased its capital by cash in 2023, and the Group participated in the subscription of shares via TCCIH, and its percentage of ownership was increased to 17.5%. The original shareholder, the Corporation, did not simultaneously invest which resulted in decrease of the percentage of ownership to 82.5%.
- 8) ATLANTE S.R.L. purchased shares of ATLANTE INFRA PORTUGAL S.A. and ATLANTE ITALIA S.R.L. in 2023. TCC (Guangdong) Renewable Resources Technology Company Limited purchased shares of 123 (Guangdong) Environmental Protection Technology Co., Ltd. in 2023. SHI-MEN Green Energy Corporation increased its capital by cash in 2023, and TCC Green Energy Corporation participated in the subscription of shares. Due to the non-subscription by other shareholders, the shareholdings of the Group increased to 51% and gained control over SHI-MEN Green Energy Corporation. In March 2024, the subsidiary of the Corporation, TCC Dutch established, TCAH with OYAK Capital Investment B.V. to increase its controlling equity in control in OCF and its subsidiaries in Turkey and CPH and its subsidiaries in Portugal under CGH. Through organizational restructuring, OCF and its subsidiaries, were transferred from CGH to TCAH. The Group indirectly held 45.5% shareholding of the equity of OCF and its subsidiaries (and was the single largest shareholder). In addition, TCC Dutch increased capital in TCEH and

obtained 100% shareholding equity of CPH from CGH. Since the Group originally indirectly held the equity of OCF and its subsidiaries and CPH and its subsidiaries via its 40% shareholding of CGH's equity, after the aforementioned acquisition transaction, the Group has control over both OCF and CPH. Feng Sheng Enterprise Corporation purchased shares of Lifuxin Co., Ltd. Refer to Note 30 for detailed information relating to the aforementioned acquisition transaction. In July 2024, TCAH acquired another 4.24% shareholding of the equity of OCF in accordance with the local mandatory tender offer regulations, and the investment amount was TRY \$3,864,882 thousand. The shareholding of TCAH in OCF increased from 75.8% to 80.1%. To incentivize and retain key management personnel, a share incentive plan was issued by CPH in December 2024. As the result, the shareholding of TCEH in CPH decreased to 95.0%.

- 9) On June 12, 2024, the Board of Directors of TCEH resolved to apply with the French competent authorities for the tender offer of NHOA S.A.'s remaining 30,846 thousand shares outstanding in order to delist NHOA S.A. from Euronext in response to the group's resource integration and strategic development. In July 2024, TCEH submitted the tender offer documents to French competent authorities, and acquired 9,191 thousand shares as 30% of the shares expected to be acquired in accordance with local laws and regulations. In October 2024, TCEH submitted a revised tender offer document by resolution of the Board of Directors, including the modification of the purchase price, consideration of the execution period and uncertainty of the execution of the call and put options on FREE2MOVE ESOLUTIONS S.P.A., and a retained amount of approximately EUR20,100 thousand has been deposited as possible payments to shareholders (included in financial assets at amortized cost). In November 2024, TCEH completed the public tender offer process, and the share squeeze-out process was lawfully completed in December 2024. NHOA S.A. was delisted from the Euronext. As of December 31, 2024, the percentage of ownership was 99.9%. In 2023, NHOA S.A. increased its capital by cash. Due to the non-subscription by other shareholders, the shareholdings of the Group increased from 65.2% to 87.8%.
- 10) In order to consolidate the operating resources and improve the management efficiency of the Group, the Group intends to merge Scitus Luzhou Cement Co., Ltd. with Scitus Naxi Cement Co., Ltd., resulting in Scitus Luzhou Cement Co., Ltd. as the surviving company. In consideration of the local market and the future outlook, the Group planned to proceed the cancellation of Sade Concrete Company Limited's registration. As of December 31, 2024, the aforementioned procedures were in progress.
- 11) Jingyang Industrial Limited invested in Jurong TCC Environmental Protection Co., Ltd. in 2023, and its percentage of ownership was increased to 87.5%. The original shareholder, Jiangsu TCC Investment Co., Ltd., did not simultaneously invest which resulted in decrease of the percentage of ownership to 12.5%.
- 12) TCC Anshun Cement Company Limited invested in TCC Zhongxin (Anshun) Renewable Resources Technology Company in 2024. The remaining shareholders did not simultaneously invest which resulted in increase of the percentage of ownership to 80.4%.

b. Details of subsidiaries that have material non-controlling interests

	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
	December 31	
	2023	2024
Ho-Ping Power Company	40.0%	40.0%
TCAH	-	40.0%

Refer to Table for the information on the places of incorporation and principal places of business.

The summarized financial information below represents amounts before intragroup eliminations.

Ho-Ping Power Company

	December 31	
	2023	2024
Current assets	\$ 18,023,065	\$ 23,481,288
Non-current assets	20,690,014	15,735,614
Current liabilities	(5,521,759)	(4,285,725)
Non-current liabilities	<u>(2,337,908)</u>	<u>(2,847,679)</u>
Equity	<u>\$ 30,853,412</u>	<u>\$ 32,083,498</u>
Equity attributable to:		
Owners of Ho-Ping Power Company	\$ 18,508,599	\$ 19,236,019
Non-controlling interests of Ho-Ping Power Company	<u>12,344,813</u>	<u>12,847,479</u>
	<u>\$ 30,853,412</u>	<u>\$ 32,083,498</u>
	For the Year Ended December 31	
	2023	2024
Operating revenue	<u>\$ 26,931,765</u>	<u>\$ 16,261,063</u>
Net profit for the period	\$ 6,772,093	\$ 4,557,899
Other comprehensive loss for the year	<u>(508)</u>	<u>(1,611)</u>
Total comprehensive income for the year	<u>\$ 6,771,585</u>	<u>\$ 4,556,288</u>
Net profit attributable to:		
Owners of Ho-Ping Power Company	\$ 4,063,276	\$ 2,734,588
Non-controlling interests of Ho-Ping Power Company	<u>2,708,817</u>	<u>1,823,311</u>
	<u>\$ 6,772,093</u>	<u>\$ 4,557,899</u>
Total comprehensive income attributable to:		
Owners of Ho-Ping Power Company	\$ 4,062,970	\$ 2,733,622
Non-controlling interests of Ho-Ping Power Company	<u>2,708,615</u>	<u>1,822,666</u>
	<u>\$ 6,771,585</u>	<u>\$ 4,556,288</u>
Net cash inflow (outflow) from:		
Operating activities	\$ 17,570,393	\$ 3,992,465
Investing activities	(3,253,429)	2,299,525
Financing activities	<u>(8,225,597)</u>	<u>(2,685,484)</u>
Net cash inflow	<u>\$ 6,091,367</u>	<u>\$ 3,606,506</u>
Dividends paid to non-controlling interests of Ho-Ping Power Company	<u>\$ -</u>	<u>\$ 1,320,000</u>

TCAH and its subsidiaries

	December 31, 2024
Current assets	\$ 21,102,049
Non-current assets	75,953,566
Current liabilities	(12,747,195)
Non-current liabilities	<u>(10,970,240)</u>
Equity	<u>\$ 73,338,180</u>
Equity attributable to:	
Owners of TCAH	\$ 37,266,753
Non-controlling interests of TCAH	21,342,219
Non-controlling interests of subsidiaries of TCAH	<u>14,729,208</u>
	<u>\$ 73,338,180</u>
	From March 6, 2024 (the Acquisition Date) to December 31, 2024
Operating revenue	<u>\$ 36,732,012</u>
Net profit for the period	\$ 6,158,929
Other comprehensive income for the year	<u>5,185,501</u>
Total comprehensive income for the year	<u>\$ 11,344,430</u>
Net profit attributable to:	
Owners of TCAH	\$ 2,954,570
Non-controlling interests of TCAH	1,969,714
Non-controlling interests of subsidiaries of TCAH	<u>1,234,645</u>
	<u>\$ 6,158,929</u>
Total comprehensive income attributable to:	
Owners of TCAH	\$ 6,073,664
Non-controlling interests of TCAH	4,049,109
Non-controlling interests of subsidiaries of TCAH	<u>1,221,657</u>
	<u>\$ 11,344,430</u>
Net cash inflow (outflow) from:	
Operating activities	\$ 11,423,013
Investing activities	(7,337,939)
Financing activities	<u>(513,424)</u>
Net cash inflow	<u>\$ 3,571,650</u>

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2023	2024
Investments in associates	\$ 57,872,421	\$ 25,020,582
Investments in joint ventures	<u>181,187</u>	<u>187,097</u>
	<u>\$ 58,053,608</u>	<u>\$ 25,207,679</u>
Investments in associates		
Cimpor Global Holdings B.V.	\$ 35,716,009	\$ 1,464,408
Prosperity Conch Cement Company Limited	7,503,277	7,987,995
International CSRC Investment Holdings Co., Ltd.	6,960,847	6,572,044
CCC USA Corp.	1,850,128	1,789,226
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	1,449,160	1,465,978
ONYX Ta-Ho Environmental Services Co., Ltd	1,678,864	1,782,840
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	805,971	859,150
Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.	543,551	541,420
Sichuan Taichang Building Material Group Company Limited	582,526	630,774
Quon Hing Concrete Co., Ltd.	337,886	445,724
Hong Kong Concrete Co., Ltd.	235,740	387,688
Guigang Conch-TCC New Material Technology Co., Ltd.	175,975	260,752
Chongqing Xuanjie Taini Environmental Protection Technology Co., Ltd.	25,267	19,742
Synpac Ltd.	7,220	7,899
AVE-Gestão Ambiental e Valorização Energética, S.A.	-	170,792
Setefrete, SGPS, S.A.	-	367,765
Top Form Construction Limited	-	266,385
Investments in joint ventures		
Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd.	93,738	89,158
TCC Zhongrun (Anshun) Environmental Technology Co., Ltd.	65,221	62,945
TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd.	5,225	5,449
Jiangsu Environmental Resources TCC Solid Waste Disposal Co., Ltd.	14,577	27,121
D-concrete INC.,	<u>2,426</u>	<u>2,424</u>
	<u>\$ 58,053,608</u>	<u>\$ 25,207,679</u>

For the amounts of the Group's investments accounted for using the equity method provided as loan guarantees, refer to Note 36.

a. Material associates

	Proportion of Ownership December 31, 2023
Cimpor Global Holdings B.V.	40.0%

Refer to Table for information on the nature of activities, principal place of business and country of incorporation of Cimpor Global Holdings B.V. (CGH) and other investees.

In March 2024, the subsidiary of the Corporation, TCC Dutch, established TCAH with OYAK Capital Investment B.V. to increase its shares equity in OCF and its subsidiaries in Turkey and CPH and its subsidiaries in Portugal under CGH. Through organizational restructuring, OCF and its subsidiaries were transferred from CGH to TCAH. The Group indirectly held 45.5% shares of the equity of OCF and its subsidiaries (and was the single largest shareholder). In addition, TCC Dutch increased capital in TCEH and obtained 100% shares equity of CPH from CGH. Since the Group originally indirectly held the equity of OCF and its subsidiaries and CPH and its subsidiaries via its 40% shares of CGH's equity, after the aforementioned acquisition transaction, the Group has control over both OCF and CPH. Therefore, after the remeasurement of the original holding equity at fair value on the acquisition date, the Group recognized gain on disposal of investments of \$173,531 thousand. As of March 31, 2024, CGH was no longer a material associate.

The financial information of material associates, which reflected the adjustments made when adopting the equity method of accounting, was summarized as follows:

Cimpor Global Holdings B.V.

	December 31, 2023
Current assets	\$ 28,648,609
Non-current assets	75,147,030
Current liabilities	(13,690,984)
Non-current liabilities	(15,017,801)
Non-controlling interests	<u>(10,472,213)</u>
Equity attributable to the Group	<u>\$ 64,614,641</u>
Proportion of the Group's ownership	40%
Equity attributable to the Group	\$ 25,845,857
Goodwill	<u>9,870,152</u>
Carrying amount	<u>\$ 35,716,009</u>
	For the Year Ended December 31, 2023
Operating revenue	<u>\$ 49,949,028</u>
Net profit for the year	\$ 9,170,680
Other comprehensive income	<u>937,534</u>
Total comprehensive income for the year	<u>\$ 10,108,214</u>

Oyak Cimento A.S., a subsidiary of Cimpor Global Holdings B.V. located in Turkey, has been deemed an economic entity under high inflation since December 31, 2022. On December 31, 2023, according to the CPI announced by the Turkish Statistical Institute, the cumulative inflation rate in the past three years exceeded 100%. According to IAS 29 Financial Reporting in Hyperinflationary Economies, the financial statements should be stated in terms of the measuring unit on the current balance sheet, the profit or loss of the net currency position shall be included in the current profit and loss. When Cimpor Global Holdings B.V. prepares the consolidated financial statements, it shall convert the individual financial statements of the Turkish region based on the closing exchange rate at the reporting period, and adjust the translation effects of high inflation under other comprehensive profit and loss items, and the Group accounted for its shares by using the equity method.

b. Aggregate information of associates that are not individually material

	Proportion of Ownership	
	December 31	
	2023	2024
Cimpor Global Holdings B.V. (Note 1)	40.0%	40.0%
Prosperity Conch Cement Company Limited	25.0%	25.0%
International CSRC Investment Holdings Co., Ltd. (Note 2)	19.2%	19.2%
CCC USA Corp.	33.3%	33.3%
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	30.0%	30.0%
ONYX Ta-Ho Environmental Services Co., Ltd.	50.0%	50.0%
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	30.0%	30.0%
Sichuan Taichang Building Material Group Company Limited	30.0%	30.0%
Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.	40.0%	40.0%
Quon Hing Concrete Co., Ltd.	50.0%	50.0%
Hong Kong Concrete Co., Ltd.	31.5%	31.5%
Guigang Conch-TCC New Material Technology Co., Ltd.	40.0%	40.0%
Chongqing Xuanjie Taini Environmental Protection Technology Co., Ltd. (Note 4)	49.0%	49.0%
Synpac Ltd.	25.0%	25.0%
AVE-Gestão Ambiental e Valorização Energética, S.A. (Note 5)	-	35.0%
Setefrete, SGPS, S.A. (Notes 5 and 6)	-	43.3%
Top Form Construction Limited (Note 7)	-	50.0%
Yingjing Xinan New Material Co., Ltd. (Note 3)	30.0%	30.0%
	For the Year Ended December 31	
	2023	2024
The Group's share of:		
Net income for the year	\$ 1,003,600	\$ 621,223
Other comprehensive income (loss)	(140,349)	1,031,385
Total comprehensive income for the year	<u>\$ 863,251</u>	<u>\$ 1,652,608</u>

Note 1: CGH underwent an organization restructuring in March 2024. Please refer to Note 30 for relevant information about the equity transaction.

Note 2: The Group's ownership percentage in International CSRC Investment Holdings Co., Ltd. is less than 20%; however, the Group has significant influence and therefore accounts for the investment by using the equity method.

- Note 3: The Group generated a credit balance for the equity method of investment due to the recognition of the investment loss of Yingjing Company. As of December 31, 2023 and 2024, the credit balance recognized in other non-current liabilities by the Group was \$165,570 thousand and \$171,447 thousand, respectively.
- Note 4: The Group invested in Chongqing Xuanjie Taini Environmental Protection Technology Co., Ltd. in 2023. The Group invested \$25,576 thousand, and owned 49% of Chongqing Xuanjie Taini Environmental Protection Technology Co., Ltd.
- Note 5: In March 2024, the Group acquired investments using the equity method from acquisitions through business combination of CPH.
- Note 6: The Group increased its investment of \$45,366 thousand in Setefrete, SGPS, S.A. in 2024, and the proportion of the Group's ownership was 43.3%.
- Note 7: In 2024, the Group signed an agreement with its related party in substance, Valiant Enterprise, S.A., to purchase the shares of Top Form Construction Limited. The Group invested in the amount of \$178,670 thousand with the proportion of the Group's ownership of 50% and recognized gain on bargain purchase \$83,053 thousand.

The Group holds less than 50% of the issued share capital of some associates, but it is the single largest shareholder. Considering the voting rights of the other shareholders, the shareholding proportion is not significant. Therefore, the Group is not in a position to dominate certain company-related activities and therefore has no control over them. The Group's management considers that it does exercise significant influence over those companies; thus, the Group accounts for them as associates and adopts equity method of accounting.

c. Aggregate information of joint ventures that are not individually material

	Proportion of Ownership	
	December 31	
	2023	2024
Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd. (Note 8)	70.0%	70.0%
TCC Zhongrun (Anshun) Environmental Technology Co., Ltd. (Note 9)	65.0%	65.0%
TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd. (Note 10)	30.0%	30.0%
Jiangsu Environmental Resources TCC Solid Waste Disposal Co., Ltd. (Note 11)	49.0%	49.0%
D-concrete INC., (Note 12)	49.0%	49.0%
	For the Year Ended December 31	
	2023	2024
The Group's share of:		
Net income (loss) for the year	\$ 4,443	\$ (435)
Other comprehensive income (loss)	<u>(3,935)</u>	<u>6,345</u>
Total comprehensive income for the year	<u>\$ 508</u>	<u>\$ 5,910</u>

Note 8: The Group signed an equity transfer agreement to increase its investment in Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd. in 2023, and the investment amount was \$4,382 thousand. The proportion of the Group's ownership was 70%. The original transferor may repurchase 15% of the shares within 3 years.

Note 9: The Group invested in \$54,021 thousand in TCC Zhongrun (Anshun) Environmental Technology Co., Ltd. in 2023. The proportion of the Group's ownership was 65%.

Note 10: Due to the transfer of the shares in TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd., the shareholdings of the Group were decreased from 55% to 30% and the investment has been accounted for using the equity method since 2023. According to the share transfer agreement, the Group may repurchase of 15% of the shares within 3 years.

Note 11: The Group increased its investment in \$12,769 thousand in Jiangsu Environmental Resources TCC Solid Waste Disposal Co., Ltd. in 2023. The proportion of the Group's ownership was 49%.

Note 12 The Group increased its investment of \$2,450 thousand in D-concrete INC., in 2023, and the proportion of the Group's ownership was 49%.

According to contents of joint venture agreement, the Corporation's actual operation management authority specification, check events of material and decision-making of material are jointly led by two capital contributors, and the Group has no control over them.

All associates and joint ventures are accounted for using the equity method by the Group.

15. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Property in Construction	Total
<u>Cost</u>						
Balance at January 1, 2023	\$ 25,962,059	\$ 55,143,179	\$ 90,215,835	\$ 19,870,094	\$ 17,109,894	\$ 208,301,061
Additions	34,999	918,720	1,767,302	367,891	25,941,923	29,030,835
Disposals	-	(266,038)	(391,595)	(488,540)	-	(1,146,173)
Acquisitions through business combinations (Note 30)	-	-	142,461	-	32,200	174,661
Reclassification	(10,610,111)	5,816,172	10,243,426	1,336,543	(17,271,728)	(10,485,698)
Effects of foreign currency exchange differences	1,127	(762,744)	(1,231,061)	(76,678)	(101,257)	(2,170,613)
Balance at December 31, 2023	<u>\$ 15,388,074</u>	<u>\$ 60,849,289</u>	<u>\$ 100,746,368</u>	<u>\$ 21,009,310</u>	<u>\$ 25,711,032</u>	<u>\$ 223,704,073</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2023	\$ 808,904	\$ 22,819,836	\$ 61,297,681	\$ 8,554,038	\$ 80,619	\$ 93,561,078
Disposals	-	(169,153)	(231,926)	(420,423)	-	(821,502)
Depreciation expenses	-	1,536,188	4,437,970	1,308,865	-	7,283,023
Acquisitions through business combinations (Note 30)	-	-	15,134	-	-	15,134
Impairment losses	-	524,572	209,734	4,814	-	739,120
Reclassification	-	(17,004)	17,334	105	-	435
Effects of foreign currency exchange differences	-	(296,815)	(850,736)	(39,679)	(1,620)	(1,188,850)
Balance at December 31, 2023	<u>\$ 808,904</u>	<u>\$ 24,397,624</u>	<u>\$ 64,895,191</u>	<u>\$ 9,407,720</u>	<u>\$ 78,999</u>	<u>\$ 99,588,438</u>
Carrying amount at December 31, 2023	<u>\$ 14,579,170</u>	<u>\$ 36,451,665</u>	<u>\$ 35,851,177</u>	<u>\$ 11,601,590</u>	<u>\$ 25,632,033</u>	<u>\$ 124,115,635</u>

(Continued)

	Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Property in Construction	Total
<u>Cost</u>						
Balance at January 1, 2024	\$ 15,388,074	\$ 60,849,289	\$ 100,746,368	\$ 21,009,310	\$ 25,711,032	\$ 223,704,073
Additions	63,989	1,204,572	3,772,341	1,679,405	24,101,022	30,821,329
Disposals	-	(58,818)	(1,632,862)	(354,513)	(249,904)	(2,296,097)
Acquisitions through business combinations (Note 30)	18,399,319	28,790,787	81,978,020	8,735,886	6,803,153	144,707,165
Reclassification	-	5,124,307	19,285,492	736,090	(22,502,689)	2,643,200
Effects of foreign currency exchange differences and inflation adjustments	<u>2,265,829</u>	<u>2,317,973</u>	<u>7,614,899</u>	<u>1,658,632</u>	<u>124,286</u>	<u>13,981,619</u>
Balance at December 31, 2024	<u>\$ 36,117,211</u>	<u>\$ 98,228,110</u>	<u>\$ 211,764,258</u>	<u>\$ 33,464,810</u>	<u>\$ 33,986,900</u>	<u>\$ 413,561,289</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2024	\$ 808,904	\$ 24,397,624	\$ 64,895,191	\$ 9,407,720	\$ 78,999	\$ 99,588,438
Disposals	-	(27,591)	(1,511,459)	(299,318)	-	(1,838,368)
Depreciation expenses	61,247	2,802,961	8,433,356	2,064,584	-	13,362,148
Acquisitions through business combinations (Note 30)	1,280,213	16,942,365	55,659,687	5,779,161	-	79,661,426
Impairment losses	-	-	-	-	1,032,575	1,032,575
Reclassification	-	(592)	272	95	-	(225)
Effects of foreign currency exchange differences and inflation adjustments	<u>(4,051)</u>	<u>1,204,514</u>	<u>4,750,190</u>	<u>1,103,709</u>	<u>(10,159)</u>	<u>7,044,203</u>
Balance at December 31, 2024	<u>\$ 2,146,313</u>	<u>\$ 45,319,281</u>	<u>\$ 132,227,237</u>	<u>\$ 18,055,951</u>	<u>\$ 1,101,415</u>	<u>\$ 198,850,197</u>
Carrying amount at December 31, 2024	<u>\$ 33,970,898</u>	<u>\$ 52,908,829</u>	<u>\$ 79,537,021</u>	<u>\$ 15,408,859</u>	<u>\$ 32,885,485</u>	<u>\$ 214,711,092</u>

(Concluded)

Considering the optimization of operation efficiency, the reconfiguration of property and equipment, and the cancellation of production plans of the Group, the Group assessed that the recoverable amounts of certain property, plant and equipment, as well as prepayments for equipment were less than their carry amounts, resulting in the recognition of impairment losses amounting to \$739,120 thousand and \$1,036,495 thousand in 2023 and 2024, respectively.

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

Land improvements	1-50 years
Buildings	
Main buildings	30-60 years
Main plants	15-50 years
Storage units	10-50 years
Others	20-50 years
Machinery and equipment	2-40 years
Miscellaneous equipment	2-50 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 36.

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

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2024</u>
Acquisitions of property, plant and equipment	\$ 29,030,835	\$ 30,821,329
Increase (decrease) in prepayments for equipment	(4,793)	2,020,948
Decrease (increase) in payables for equipment (included in other payables)	<u>(4,299,776)</u>	<u>761,243</u>
	<u>\$ 24,726,266</u>	<u>\$ 33,603,520</u>

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2024
<u>Carrying amount</u>		
Land	\$ 13,312,942	\$ 14,932,731
Buildings	1,556,617	2,471,671
Machinery	407,519	707,231
Others	<u>120,092</u>	<u>207,936</u>
	<u>\$ 15,397,170</u>	<u>\$ 18,319,569</u>
	For the Year Ended December 31	
	2023	2024
Additions to right-of-use assets	<u>\$ 1,075,662</u>	<u>\$ 2,503,256</u>
Depreciation charge for right-of-use assets		
Land	\$ 613,584	\$ 770,521
Buildings	225,519	380,476
Machinery	81,393	142,620
Others	<u>42,391</u>	<u>131,801</u>
	<u>\$ 962,887</u>	<u>\$ 1,425,418</u>

Except for the aforementioned additions and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the years ended December 31, 2023 and 2024.

The right-of-use assets pledged as collateral for bank borrowings are set out in Note 36.

b. Lease liabilities

	December 31	
	2023	2024
<u>Carrying amount</u>		
Current	<u>\$ 515,108</u>	<u>\$ 827,026</u>
Non-current	<u>\$ 3,719,264</u>	<u>\$ 5,316,360</u>

Range of discount rates for lease liabilities was as follows:

	December 31	
	2023	2024
Land	1.63%-5.40%	1.63%-53.52%
Buildings	0.71%-5.50%	0.71%-53.52%
Machinery	1.85%-2.70%	1.70%-53.52%
Others	0.85%-4.75%	1.63%-53.52%

c. Material lease-in activities and terms

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

d. Other lease information

	For the Year Ended December 31	
	2023	2024
Expenses relating to short-term leases	\$ 705,743	\$ 2,874,255
Expenses relating to low-value asset leases	\$ 2,115	\$ 2,344
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 349,635	\$ 365,615
Total cash outflow for leases	\$ (1,704,530)	\$ (4,814,351)

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

17. INVESTMENT PROPERTIES

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2023	\$ 5,343,571	\$ 1,259,219	\$ 6,602,790
Disposals	(227,147)	-	(227,147)
Reclassification	10,481,131	(167,714)	10,313,417
Effects of foreign currency exchange differences	-	(61)	(61)
Balance at December 31, 2023	\$ 15,597,555	\$ 1,091,444	\$ 16,688,999
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2023	\$ 546,871	\$ 732,903	\$ 1,279,774
Depreciation expenses	-	20,712	20,712
Reclassification	-	(104,971)	(104,971)
Effects of foreign currency exchange differences	-	(36)	(36)
Balance at December 31, 2023	\$ 546,871	\$ 648,608	\$ 1,195,479
Carrying amount at December 31, 2023	\$ 15,050,684	\$ 442,836	\$ 15,493,520

(Continued)

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2024	\$ 15,597,555	\$ 1,091,444	\$ 16,688,999
Additions	-	161,545	161,545
Acquisitions through business combinations	1,469,192	38,588	1,507,780
Disposals	(554,196)	(55,765)	(609,961)
Reclassification	(11,605)	(35,795)	(47,400)
Effects of foreign currency exchange differences and inflation adjustments	<u>275,069</u>	<u>4,918</u>	<u>279,987</u>
Balance at December 31, 2024	<u>\$ 16,776,015</u>	<u>\$ 1,204,935</u>	<u>\$ 17,980,950</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2024	\$ 546,871	\$ 648,608	\$ 1,195,479
Depreciation expenses	-	16,681	16,681
Acquisitions through business combinations	1,261	6,806	8,067
Disposals	-	(26,682)	(26,682)
Reclassification	-	(18,427)	(18,427)
Effects of foreign currency exchange differences and inflation adjustments	<u>-</u>	<u>951</u>	<u>951</u>
Balance at December 31, 2024	<u>\$ 548,132</u>	<u>\$ 627,937</u>	<u>\$ 1,176,069</u>
Carrying amount at December 31, 2024	<u>\$ 16,227,883</u>	<u>\$ 576,998</u>	<u>\$ 16,804,881</u>
			(Concluded)

The Corporation disposed of investment properties in 2023 and 2024, and the Corporation recognized gain on disposal of investment properties in the amount of \$332,065 thousand and \$3,257,173 thousand, respectively.

The Corporation planned other development uses for its self-used land in 2023 and 2024 and reclassified its property, plant and equipment to investment properties in the amount of \$10,614,790 thousand and \$123,691 thousand, respectively.

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

As of December 31, 2023 and 2024, the carrying amount of investment properties were \$15,493,520 thousand and \$16,804,881 thousand, respectively. The fair values of the investment properties were determined by independent qualified professional valuers or the Group's management using market prices of similar properties. As of December 31, 2023 and 2024, the fair values of investment properties were \$30,191,726 thousand and \$29,462,694 thousand, respectively.

The investment properties pledged as collateral for bank borrowings are set out in Note 36.

18. INTANGIBLE ASSETS

	Goodwill	Operational Concession	Mining Rights	Technical Expertise	Trademarks	Customer Relationships	Others	Total
Cost								
Balance at January 1, 2023	\$ 16,488,971	\$ 7,681,476	\$ 6,460,330	\$ 1,209,299	\$ 43,435	\$ -	\$ 2,563,350	\$ 34,446,861
Additions	-	-	1,396,034	-	9,953	-	507,706	1,913,693
Acquisitions through business combinations (Note 30)	318,812	-	-	-	-	-	81,426	400,238
Disposals	-	-	-	-	(640)	-	(6,314)	(6,954)
Reclassification	-	-	724,856	-	(213)	-	92,199	816,842
Effects of foreign currency exchange differences	(74,047)	-	(164,536)	46,569	1,747	-	23,017	(167,250)
Balance at December 31, 2023	<u>\$ 16,733,736</u>	<u>\$ 7,681,476</u>	<u>\$ 8,416,684</u>	<u>\$ 1,255,868</u>	<u>\$ 54,282</u>	<u>\$ -</u>	<u>\$ 3,261,384</u>	<u>\$ 37,403,430</u>
Accumulated amortization and impairment								
Balance at January 1, 2023	\$ 156,000	\$ 1,662,221	\$ 2,280,441	\$ 342,636	\$ 37,713	\$ -	\$ 2,033,187	\$ 6,512,198
Amortization expenses	-	151,111	324,633	249,104	11,804	-	281,448	1,018,100
Impairment losses	133,609	-	-	-	-	-	867	134,476
Acquisitions through business combinations (Note 30)	-	-	-	-	-	-	7,597	7,597
Disposals	-	-	-	-	-	-	(4,347)	(4,347)
Effects of foreign currency exchange differences	(643)	-	(46,947)	15,263	1,550	-	8,958	(21,819)
Balance at December 31, 2023	<u>\$ 288,966</u>	<u>\$ 1,813,332</u>	<u>\$ 2,558,127</u>	<u>\$ 607,003</u>	<u>\$ 51,067</u>	<u>\$ -</u>	<u>\$ 2,327,710</u>	<u>\$ 7,646,205</u>
Carrying amount at December 31, 2023	<u>\$ 16,444,770</u>	<u>\$ 5,868,144</u>	<u>\$ 5,858,557</u>	<u>\$ 648,865</u>	<u>\$ 3,215</u>	<u>\$ -</u>	<u>\$ 933,674</u>	<u>\$ 29,757,225</u>
Cost								
Balance at January 1, 2024	\$ 16,733,736	\$ 7,681,476	\$ 8,416,684	\$ 1,255,868	\$ 54,282	\$ -	\$ 3,261,384	\$ 37,403,430
Additions	-	-	241,610	-	15,714	-	790,301	1,047,625
Acquisitions through business combinations (Note 30)	3,939,224	-	-	-	21,327,209	7,049,320	1,333,804	33,649,557
Disposals	-	-	-	-	-	-	(7,878)	(7,878)
Reclassification	-	-	666,393	-	182,458	-	349,559	1,198,410
Effects of foreign currency exchange differences and inflation adjustments	373,191	-	291,730	5,914	13,684	(16,480)	58,890	726,929
Balance at December 31, 2024	<u>\$ 21,046,151</u>	<u>\$ 7,681,476</u>	<u>\$ 9,616,417</u>	<u>\$ 1,261,782</u>	<u>\$ 21,593,347</u>	<u>\$ 7,032,840</u>	<u>\$ 5,786,060</u>	<u>\$ 74,018,073</u>
Accumulated amortization and impairment								
Balance at January 1, 2024	\$ 288,966	\$ 1,813,332	\$ 2,558,127	\$ 607,003	\$ 51,067	\$ -	\$ 2,327,710	\$ 7,646,205
Amortization expenses	-	151,111	386,725	256,791	39,289	397,580	434,189	1,665,685
Impairment losses	64,492	-	-	-	-	-	-	64,492
Disposals	-	-	-	-	-	-	(1,820)	(1,820)
Reclassification	-	-	-	-	-	-	(903)	(903)
Effects of foreign currency exchange differences and inflation adjustments	11,592	-	84,738	(1,577)	(565)	(6,867)	17,403	104,724
Balance at December 31, 2024	<u>\$ 365,050</u>	<u>\$ 1,964,443</u>	<u>\$ 3,029,590</u>	<u>\$ 862,217</u>	<u>\$ 89,791</u>	<u>\$ 390,713</u>	<u>\$ 2,776,579</u>	<u>\$ 9,478,383</u>
Carrying amount at December 31, 2024	<u>\$ 20,681,101</u>	<u>\$ 5,717,033</u>	<u>\$ 6,586,827</u>	<u>\$ 399,565</u>	<u>\$ 21,503,556</u>	<u>\$ 6,642,127</u>	<u>\$ 3,009,481</u>	<u>\$ 64,539,690</u>

Considering the optimization of operation efficiency and declining market demands leading to future cash flows from the operation of some subsidiaries were expected to decrease, resulting in the recoverable amount being less than the carrying amount, the Group recognized the impairment losses of goodwill in 2023 and 2024 amounting to \$134,476 thousand and \$64,492 thousand, respectively.

Considering the industrial characteristics, product life cycle and corporate brand image, etc., the Group believes that the trademarks acquired through business combinations is expected to generate net cash inflows with an indefinite useful life, which will not be amortized and will be tested for impairment annually.

The above items of intangible assets with finite useful lives are amortized on a straight-line basis over their useful lives as follows:

Operational concession	50 years
Mining rights	30-50 years
Technical expertise	5 years
Trademarks	10 years
Customer relationships	15 years
Others	2-50 years

19. BORROWINGS

a. Short-term loans

	December 31	
	2023	2024
Secured borrowings		
Bank loans	\$ 340,000	\$ 250,000
Unsecured borrowings		
Bank loans - unsecured	19,901,493	24,042,290
Bank loans - letters of credit	9,580	-
	<u>19,911,073</u>	<u>24,042,290</u>
	<u>\$ 20,251,073</u>	<u>\$ 24,292,290</u>
Interest rate	1.65%-6.71%	1.52%-5.85%

b. Short-term bills payable

	December 31	
	2023	2024
Commercial paper	\$ 2,790,000	\$ 3,180,000
Less: Unamortized discount on bills payable	<u>(5,557)</u>	<u>(7,522)</u>
	<u>\$ 2,784,443</u>	<u>\$ 3,172,478</u>
Interest rate	1.84%-1.97%	1.99%-2.09%

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

	December 31	
	2023	2024
Secured borrowings	\$ 4,221,192	\$ 6,576,332
Unsecured borrowings	<u>33,828,315</u>	<u>62,425,863</u>
	38,049,507	69,002,195
Less: Current portion	<u>(1,257,774)</u>	<u>(7,714,269)</u>
	<u>\$ 36,791,733</u>	<u>\$ 61,287,926</u>

(Continued)

	December 31	
	2023	2024
Long-term bills payable	\$ 5,100,000	\$ 10,700,000
Less: Discount on bills payable	(13,667)	(35,317)
Less: Current portion	<u>-</u>	<u>(1,593,368)</u>
	<u>\$ 5,086,333</u>	<u>\$ 9,071,315</u>
Interest rate		
Long-term loans	1.35%-6.79%	1.35%-53.85%
Long-term bills payable	2.12%-2.27%	2.30%-2.44%
		(Concluded)

Long-term loans consist of unsecured borrowings and secured borrowings. The principals of long-term unsecured and secured borrowings are due in March 2043, and the interests are paid monthly.

The Group has entered into 7-year syndicated loan agreements with certain bank consortium in 2018, a 5-year syndicated loan agreement with certain bank consortium in 2022, and a 2-year sustainability-linked loan agreement with certain bank consortium in March 2024, respectively, with an expiry date of May 2027. The credit line is divided into two tranches: A and B. The long-term credit line of Tranche A will be repaid in May 2027. The credit facility of Tranche B, which is a long-term revolving credit line, is divided into Tranche B-1 and Tranche B-2. The Group has the right to decide whether to utilize the long-term loans Tranche B-1 or the long-term notes payable Tranche B-2 at its sole discretion. When each utilized amount expires, it can be directly reimbursed by the newly allocated funds. For the same amount, the Group does not need to remit funds in and out.

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

20. BONDS PAYABLE

	December 31	
	2023	2024
Domestic unsecured bonds		
1 st issued in 2018	\$ 12,000,000	\$ 12,000,000
1 st issued in 2019	12,600,000	-
1 st issued in 2020	20,000,000	20,000,000
1 st issued in 2021	16,600,000	16,600,000
1 st issued in 2022	7,750,000	7,750,000
2 nd issued in 2022	3,300,000	3,300,000
3 rd issued in 2022	<u>9,300,000</u>	<u>9,300,000</u>
	81,550,000	68,950,000
Less: Discount on bonds payable	<u>(108,420)</u>	<u>(88,853)</u>
	81,441,580	68,861,147
Less: Current portion	<u>(12,596,556)</u>	<u>-</u>
	<u>68,845,024</u>	<u>68,861,147</u>
Domestic unsecured convertible bonds		
1 st issued in 2024	-	8,000,000
Less: Discount on bonds payable	<u>-</u>	<u>(732,360)</u>
	<u>-</u>	<u>7,267,640</u>
		(Continued)

	December 31	
	2023	2024
Overseas unsecured convertible bonds		
1 st issued in 2021	\$ 5,550	\$ -
1 st issued in 2023	15,471,193	15,471,193
Less: Discount on bonds payable	<u>(1,926,130)</u>	<u>(1,540,406)</u>
	<u>13,550,613</u>	<u>13,930,787</u>
Less: Current portion	<u>(5,284)</u>	<u>-</u>
	<u>\$ 82,390,353</u>	<u>\$ 90,059,574</u>
		(Concluded)

In May 2024, the shareholders meeting resolved the issuance of new ordinary shares for sponsoring issuance of global depository receipts, domestic unsecured convertible bonds, and overseas unsecured convertible bonds to increase working capital, purchase materials overseas, repay bank loans or procure machinery and equipment, invest and support other needs for the Corporation's future development, with the total amount of issuance not exceeding NT\$30,000,000 thousand and the total issuance of shares not exceeding 1,000,000 thousand of shares. The above plans can be executed alternatively or all at the same time. On September 13, 2024, the Corporation's Board of Directors approved the proposed issuance of overseas unsecured convertible bonds, with a tentative term of five years. The maximum issuance amounts are set at and US\$350,000 thousand. On September 13, 2024, TCC Dutch's Board of Directors approved the proposed issuance of senior unsecured green bonds, with a tentative term of 10 years. The maximum issuance amounts are set at and EUR300,000 thousand. Subsequently, on March 12, 2025, the Board of Directors approved an increase of the maximum issuance amounts to EUR600,000 thousand, and chose to issue Euro green corporate bonds and/or to arrange for green syndicated loans.

a. Domestic unsecured bonds

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

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

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

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

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

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

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$9,300,000 thousand on January 13, 2023. According to the issuance conditions, the unsecured bonds are classified into bonds A and bonds B with a fixed coupon rate of 2.40% and 2.65% per annum, and with the issuance amounts of NT\$6,100,000 thousand and NT\$3,200,000 thousand, respectively. The bonds will be repaid in a one-off payment on January 13, 2030 and January 13, 2033, respectively, while the interests will be paid annually.

b. Domestic unsecured convertible bonds

In September 2024, The Corporation's Board of Directors resolved to issue unsecured convertible bonds for the first time. This proposal was approved and became effective under the letter issued by the Financial Supervisory Commission ("FSC") dated October 21, 2024 (Ref. No. Jin-Guan-Zheng-Fa-Zi 11303592041). The bonds, which have a zero-coupon rate, a duration of 5 years with a maturity date of December 10, 2029, were listed on December 10, 2024, and have a face value of \$8 billion. The yield to maturity of the bond is linked to the sustainability performance targets stipulated in the issuance plan. In the event of a triggering event, the yield to maturity will be adjusted accordingly.

Bondholders may request the Corporation to convert the bonds into the Corporation's ordinary shares at the price of NT\$36.5 per share at any time within the period from the following day after three months from the issuance date to maturity date. The conversion price after the issuance of convertible corporate bonds will be adjusted according to the anti-dilution clause of the Rules for Issuance and Conversion of the Company's 1st Domestic Unsecured Convertible Bonds.

From the third month 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 30 consecutive trading days, has reached at least 130% of the conversion price, 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 third anniversary of the issue date.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 1.96% per annum on initial recognition.

	Domestic Unsecured Convertible Bonds
Proceeds from issuance at December 2024 (less transaction costs of \$5,895 thousand)	\$ 7,994,105
Equity component	<u>(734,658)</u>
Liability component at the date of issue (less transaction costs allocated to the liability component of \$5,353 thousand)	7,259,447
Interest charged at an effective interest rate	<u>8,193</u>
Liability component at December 31, 2024	<u>\$ 7,267,640</u>

c. 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 with a maturity date of December 7, 2026, were listed on the Singapore Stock Exchange on December 7, 2021, and have a face value of US\$800,000 thousand.

Bondholders may request the Corporation to convert the bonds into the Corporation's ordinary shares at the price of NT\$59.8 per share at any time within the period from the following day after three months from the issuance date to 10 days prior to maturity date. The conversion price after the issuance of convertible corporate bonds will be adjusted according to the anti-dilution clause of the 2021 First Overseas Unsecured Convertible Bonds Issuance and Conversion Rules of the Corporation. After several price adjustment, the conversion price has been adjusted to NT\$51.66 per share since October 20, 2023. Bondholders can request the Corporation to convert the bonds at the fixed exchange rate of US\$1=NT\$27.75, which is to be divided by the conversion price per share on the conversion date.

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

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

The bondholders exercised the put option on December 7, 2023, and the Corporation recognized loss on redemption of bonds payable in the amount of \$393,503 thousand (included in other expenses). In addition, since over 90% of the convertible bonds have been redeemed, the Corporation early redeemed the rest of the outstanding convertible bonds on February 1, 2024, and the Corporation recognized loss on redemption of bonds payable in the amount of \$266 thousand (included in other expenses).

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.

	Overseas Unsecured Convertible Bonds 1st Issued in 2021
Proceeds from issuance at December 2021 (less transaction costs of \$232,461 thousand)	\$ 21,967,539
Redemption of option derivatives (accounting for financial liabilities measured at FVTPL) and transaction costs	(215,282)
Equity component (less transaction costs allocated to the equity component of \$14,157 thousand)	<u>(1,337,823)</u>
Liability component at the date of issue (less transaction costs allocated to the liability component of \$216,026 thousand)	20,414,434
Interest charged at an effective interest rate	<u>371,013</u>
Liability component at December 31, 2022	20,785,447
Interest charged at an effective interest rate	323,935
Bondholders exercised the put option	<u>(21,104,098)</u>
Liability component at December 31, 2023	5,284
The Corporation early redeemed	<u>(5,284)</u>
Liability component at December 31, 2024	<u>\$ -</u>

Overseas unsecured convertible bonds 1st issued in 2023

In August 2023, the Corporation's Board of Directors approved to issue overseas unsecured convertible bonds for the first time. This proposal was approved and became effective under the letter issued by the FSC dated October 2, 2023 (Ref. No. Jin-Guan-Zheng-Fa-Zi 11203562931). The bonds, which have a zero-coupon rate and a duration of 5 years with a maturity date of October 24, 2028, were listed on the Singapore Stock Exchange on October 24, 2023, and have a face value of US\$420,000 thousand. The Corporation should redeem the whole bonds in U.S. dollars on the maturity date based on the par value of the bonds plus a yield rate of 2.65% per annum (calculated semi-annually).

Bondholders may request the Corporation to convert the bonds into the Corporation's ordinary shares at the price of NT\$37.27 per share at any time within the period from the following day after three months from the issuance date to 10 days prior to maturity date. The conversion price after the issuance of convertible corporate bonds will be adjusted according to the anti-dilution clause of the 2023 First Overseas Unsecured Convertible Bonds Issuance and Conversion Rules of the Corporation. Since July 7, 2024, the conversion price has been adjusted to \$36.16 per share. Bondholders can request the Corporation to convert the bonds at the fixed exchange rate of US\$1=NT\$32.293, which is to be divided by the conversion price per share on the conversion date. As of December 31, 2024, no conversion had been requested.

From the third anniversary of the issue date of the convertible bonds to the maturity date, the Corporation may redeem all the outstanding convertible bonds at the early redemption amount, provided that the closing price of issuer's ordinary shares on TWSE, for a total of 20 days out of 30 consecutive trading days, has reached at least 130% of the total amount of the early redemption amount that multiplied by the conversion price, and divided by the par value, or provided that at least 90% of the convertible bonds have been redeemed, converted, repurchased and cancelled. The early redemption amount is the amount calculated semi-annually based on the par value of the bonds plus interest compensation at 2.65% per annum.

Unless the convertible bonds have been early redeemed, repurchased and cancelled or converted, the bondholders shall have the right to request the Corporation to redeem the convertible bonds, in whole or in part, at the early redemption amount on the third anniversary of the issue date.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 2.80% per annum on initial recognition.

	Overseas Unsecured Convertible Bonds 1st Issued in 2023
Proceeds from issuance at October 2023 (less transaction costs of \$89,516 thousand)	\$ 13,473,544
Redemption of option derivatives (accounting for financial assets measured at FVTPL) and transaction costs	<u>1,347</u>
Liability component at the date of issue (less transaction costs allocated to the liability component of \$93,947 thousand)	13,474,891
Interest charged at an effective interest rate	<u>70,438</u>
Liability component at December 31, 2023	13,545,329
Interest charged at an effective interest rate	<u>385,458</u>
Liability component at December 31, 2024	<u><u>\$ 13,930,787</u></u>

21. OTHER PAYABLES

	December 31	
	2023	2024
Payables for equipment	\$ 5,165,890	\$ 4,359,665
Salaries and bonuses payable	2,134,856	2,872,141
Deposits and retention money	1,142,512	999,733
Interest payable	790,120	874,130
Taxes payable	612,893	745,507
Payables for electricity and fuel	396,611	1,163,557
Freight payable	341,650	475,775
Others	<u>4,793,296</u>	<u>4,730,099</u>
	<u><u>\$ 15,377,828</u></u>	<u><u>\$ 16,220,607</u></u>

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

The employees of the Group's subsidiaries in China are members of a state-managed retirement benefit plan operated by the government of China. These subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The subsidiaries in the European region also contribute a specified percentage of the total monthly salary of local employees to pension management enterprises.

b. Defined benefit plan

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

The subsidiaries in the European region operate a defined benefit plan calculated in accordance with local regulations including pension plan, health care plan, severance pay, and seniority incentive premium.

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

	December 31	
	2023	2024
Present value of defined benefit obligation	\$ (962,751)	\$ (3,525,758)
Fair value of plan assets	<u>2,387,725</u>	<u>3,401,350</u>
	<u>\$ 1,424,974</u>	<u>\$ (124,408)</u>
Net defined benefit assets	<u>\$ 1,558,089</u>	<u>\$ 1,496,686</u>
Net defined benefit liabilities	<u>\$ 133,115</u>	<u>\$ 1,621,094</u>

Movements in net defined benefit assets were as follows:

	Present Value of Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Assets
Balance at January 1, 2023	\$ (933,990)	\$ 2,381,898	\$ 1,447,908
Service costs			
Current service costs	(20,903)	-	(20,903)
Net interest income (expense)	(13,136)	29,824	16,688
Recognized in profit or loss	(34,039)	29,824	(4,215)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	49,129	49,129
Actuarial loss - changes in financial assumptions	(2,376)	-	(2,376)
Actuarial loss - experience adjustments	(75,444)	-	(75,444)
Recognized in other comprehensive income (loss)	(77,820)	49,129	(28,691)
Contributions from the employer	-	13,592	13,592
Benefits paid	83,098	(86,718)	(3,620)
Balance at December 31, 2023	\$ (962,751)	\$ 2,387,725	\$ 1,424,974
Balance at January 1, 2024	\$ (962,751)	\$ 2,387,725	\$ 1,424,974
Service costs			
Current service costs	(193,158)	-	(193,158)
Net interest income (expense)	(82,213)	29,775	(52,438)
Recognized in profit or loss	(275,371)	29,775	(245,596)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	81,276	81,276
Actuarial loss - demographic assumptions	(4,038)	-	(4,038)
Actuarial loss - changes in financial assumptions	(94,860)	-	(94,860)
Actuarial loss - experience adjustments	(471,493)	-	(471,493)
Recognized in other comprehensive income (loss)	(570,391)	81,276	(489,115)
Contributions from the employer	-	15,664	15,664
Contributions from the participants	-	77,609	77,609
Benefits paid	722,711	(269,765)	452,946
Business combinations	(2,646,586)	1,098,105	(1,548,481)
Effects of foreign currency exchange differences	206,630	(19,039)	187,591
Balance at December 31, 2024	\$ (3,525,758)	\$ 3,401,350	\$ (124,408)

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

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

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

	December 31	
	2023	2024
Discount rates	1.13%-1.25%	1.38%-26.67%
Long-term average rates of salary increase	1.50%-3.00%	1.50%-24.99%

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

	December 31	
	2023	2024
Discount rates		
0.25% increase	\$ (14,261)	\$ (187,754)
0.25% decrease	\$ 14,647	\$ 184,362
Expected rates of salary increase		
0.25% increase	\$ 14,236	\$ 190,695
0.25% decrease	\$ (13,933)	\$ (181,462)

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

	December 31	
	2023	2024
The expected contributions to the plan for the next year	\$ 13,177	\$ 199,260
The average duration of the defined benefit obligation	5-12 years	5-21 years

23. PROVISIONS

	December 31	
	2023	2024
Restoration obligation	\$ 270,272	\$ 956,267
Others	22,905	349,005
	<u>\$ 293,177</u>	<u>\$ 1,305,272</u>

	Restoration Obligation	Others	Total
Balance at January 1, 2023	\$ 235,822	\$ 10,460	\$ 246,282
Additional provisions recognized	34,450	11,943	46,393
Effects of foreign currency exchange differences	<u>-</u>	<u>502</u>	<u>502</u>
Balance at December 31, 2023	<u>\$ 270,272</u>	<u>\$ 22,905</u>	<u>\$ 293,177</u>
Balance at January 1, 2024	\$ 270,272	\$ 22,905	\$ 293,177
Additional provisions recognized	130,319	212,188	342,507
Amount used	(2,123)	(15,843)	(17,966)
Effects of discount rate fluctuations	(15,467)	-	(15,467)
Acquisitions through business combinations	635,048	146,742	781,790
Effects of foreign currency exchange differences and inflation adjustments	<u>(61,782)</u>	<u>(16,987)</u>	<u>(78,769)</u>
Balance at December 31, 2024	<u>\$ 956,267</u>	<u>\$ 349,005</u>	<u>\$ 1,305,272</u>

The provisions for restoration obligations are the restoration costs of land or mines recognized in accordance with relevant laws and regulations.

24. EQUITY

a. Share capital

1) Ordinary shares

	December 31	
	2023	2024
Number of shares authorized (in thousands)	<u>10,000,000</u>	<u>10,000,000</u>
Shares authorized	<u>\$ 100,000,000</u>	<u>\$ 100,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>7,551,182</u>	<u>7,551,182</u>
Shares issued	<u>\$ 75,511,817</u>	<u>\$ 75,511,817</u>

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

In May 2023, the Corporation's shareholders meeting resolved to amend the Articles of Incorporation to increase the authorized share capital and the number of shares to \$100,000,000 thousand and 10,000,000 thousand of shares, respectively.

The changes in the number of issued shares included the 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 the capital increase was December 13, 2018, and it was expected to issue 200,000 thousand shares with a face value of \$10 per share at the issue price of NT\$50 per share, with a 4.0525% coupon rate per annum (on December 14, 2023, the interest rate was reset to a five-year term 1.4900% IRS interest rate + 2.5625% fixed interest rate according to the issuance conditions). Five-year term IRS interest rate will be reset on the next business day of the expiry of the five-year period from the date of issue and every five years thereafter. The shareholders of the second preference shares do not have the right to vote and to elect in the shareholders meeting but can be elected as directors. The Corporation has full discretion on the dividend distribution of the second preference shares. If there is no surplus or insufficient surplus to pay the preference share dividends upon the close of current fiscal year, the Corporation's resolution to cancel the distribution of preference share dividends will not constitute an event of default or a termination event in a contract. Preference share dividends are non-accumulative, and dividends that are not distributed or distributed in excess are not accumulated in the future year with deferred annual repayment. There is no maturity of the Corporation's second preference shares, but the Corporation may recover whole or part of the second preference shares at the actual issue price from the day following the five-year period from the issue date. The preference shares may not be converted to ordinary shares, and the preference shareholders do not have the rights to require the Corporation to redeem the preference shares they hold.

3) Issuance of global 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.

In May 2023, the shareholders meeting of the Corporation resolved the issuance of new ordinary shares by capital increase for participating the issuance of global depositary receipts. This proposal was approved and took effect upon receipt of the letter issued by the FSC dated October 2, 2023 (Ref. No. Jin-Guan-Zheng-Fa-Zi 1120356293). The Corporation has issued 79,000 thousand of units at the offer price of US\$4.87 each on the Luxembourg Stock Exchange in October 2023. The total issue price is US\$384,730 thousand. Each unit of the global depositary receipts represents five ordinary shares of the Corporation with the total number of 395,000 thousand of shares.

As of December 31, 2024, 100 units were outstanding.

b. Capital surplus

	December 31	
	2023	2024
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)</u>		
Issuance of ordinary shares	\$ 61,757,229	\$ 61,757,229
Conversion of bonds	10,539,771	10,539,771
Treasury share transactions	169,861	169,861
Donations	31,537	31,537
Forfeited share options	1,388,162	1,388,162
Exercised employee share options	22,347	22,347
<u>May be used to offset a deficit only</u>		
Dividends distributed by subsidiaries not yet received by shareholders	2,510	2,510
<u>May not be used for any purpose</u>		
Equity component of convertible bond	334	734,992
Changes in interests in associates accounted for using the equity method	<u>207,411</u>	<u>144,050</u>
	<u>\$ 74,119,162</u>	<u>\$ 74,790,459</u>

Note: Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus).

c. Retained earnings and dividend policy

Under the dividend policy as set in the amended Articles, where the Corporation made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's Board of Directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' general meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors, refer to Note 26: Net income - c. compensation of employees and remuneration of directors.

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

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

The appropriations of earnings for 2022 and 2023, which were approved by the shareholders' general meeting in May 2023 and May 2024, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For the Year Ended December 31		For the Year Ended December 31	
	2022	2023	2022	2023
Legal reserve	\$ 520,555	\$ 797,065		
Cash dividends on preference shares	350,000	352,725	<u>\$ 1.75</u>	<u>\$ 1.76</u>
Cash dividends on ordinary shares	3,566,091	7,531,182	<u>\$ 0.50</u> (Note)	<u>\$ 1.00</u>

Note: The number of ordinary shares outstanding was affected by the Corporation's purchase of treasury shares which has not been transferred to employees. Therefore, the cash dividend was adjusted to \$0.49971973 per ordinary share.

The appropriations of earnings for 2024, which were proposed by the Corporation's Board of Directors on March 12, 2025 as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 1,041,622	
Cash dividends on preference shares	405,250	<u>\$ 2.03</u>
Cash dividends on ordinary shares	7,531,182	<u>\$ 1.00</u>

The appropriations of earnings for 2024 will be resolved in the shareholder's meeting to be held in May 2025.

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 IFRS, which were \$10,454,422 thousand and \$2,709,369 thousand, respectively.

The special reserve appropriated at the first-time adoption of IFRS 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. The special reserves were reversed by \$5,369 thousand and \$337,149 thousand for the years ended December 31, 2023 and 2024, respectively. The special reserve appropriated, due to currency translation adjustments for financial statements of foreign operations (including subsidiaries), shall be reversed based on the Corporation's disposal percentage, and all of the special reserve shall be reversed when the Corporation loses significant influence.

e. Other equity items

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

	For the Year Ended December 31	
	2023	2024
Balance at January 1	\$ (8,294,175)	\$ (9,148,904)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	(1,884,187)	10,916,491
Share from associates and joint ventures accounted for using the equity method	<u>1,029,458</u>	<u>1,353,166</u>
Balance at December 31	<u>\$ (9,148,904)</u>	<u>\$ 3,120,753</u>

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

	For the Year Ended December 31	
	2023	2024
Balance at January 1	\$ 20,286,916	\$ 18,607,806
Recognized for the year		
Unrealized gain (loss) - equity instruments	(1,742,261)	2,172,429
Share from associates accounted for using the equity method	<u>63,151</u>	<u>(145,638)</u>
Other comprehensive income (loss) recognized for the year	<u>(1,679,110)</u>	<u>2,026,791</u>
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	-	(887)
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal by subsidiaries	<u>-</u>	<u>(654)</u>
Balance at December 31	<u>\$ 18,607,806</u>	<u>\$ 20,633,056</u>

3) Cash flow hedges

	For the Year Ended December 31	
	2023	2024
Balance at January 1	\$ (1,651)	\$ (949)
Recognized for the year		
Loss on changes in the fair value of hedging instruments		
Exchange rate risk - foreign exchange forward contracts	-	(14,876)
Share from associates accounted for using the equity method	<u>702</u>	<u>17,741</u>
Balance at December 31	<u>\$ (949)</u>	<u>\$ 1,916</u>

f. Non-controlling interests

	For the Year Ended December 31	
	2023	2024
Balance at January 1	\$ 20,381,014	\$ 22,967,787
Net income	2,006,799	4,370,180
Other comprehensive income (loss) during the year		
Exchange differences on translating of the financial statements of foreign operations	13,903	2,631,182
Unrealized gain (loss) on financial assets at FVTOCI	6,329	(8,963)
Remeasurement of defined benefit plans	5,099	(80,612)
Dividends paid by subsidiaries	(145,345)	(1,535,951)
Non-controlling interest from vested employee share options granted by subsidiaries	-	333,155
Changes in ownership interests of subsidiaries	(61,856)	2,371,792
Capital reduction of subsidiaries	(100,200)	(96,860)
Non-controlling interests arising from acquisition of subsidiaries (Note 30)	9,805	33,377,955
Acquisition of non-controlling interests in subsidiaries (Note 31)	(36,226)	(4,536,321)
Increase cash capital by subsidiaries	<u>888,465</u>	<u>17,426</u>
Balance at December 31	<u>\$ 22,967,787</u>	<u>\$ 59,810,770</u>

g. Treasury shares

	(In Thousands of Shares)	
	For the Year Ended December 31	
	2023	2024
Number of shares at January 1	4,000	20,000
Increase during the year	20,000	-
Transferred to employees	<u>(4,000)</u>	<u>-</u>
Number of shares at December 31	<u>20,000</u>	<u>20,000</u>

The Corporation's Board of Directors resolved in January 2023 to buy back 20,000 thousand shares mainly for transferring to employees, the total amount was \$732,459 thousand. The compensation costs recognized for transferring treasury shares to employees was \$37,766 thousand for the year ended December 31, 2023.

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.

25. REVENUE

a. Revenue from contracts with customers

	For the Year Ended December 31	
	2023	2024
Operating revenue	<u>\$ 109,314,335</u>	<u>\$ 154,606,511</u>

b. Contract balances

	January 1, 2023	December 31, 2023	December 31, 2024
Notes and accounts receivable (including related parties transactions)	<u>\$ 35,113,458</u>	<u>\$ 23,969,505</u>	<u>\$ 30,092,555</u>
Contract assets (included in other current assets)	<u>\$ 548,725</u>	<u>\$ 103,566</u>	<u>\$ 1,014,387</u>
Contract liabilities	<u>\$ 1,774,714</u>	<u>\$ 2,001,946</u>	<u>\$ 1,841,088</u>

The changes in the balance of contract liabilities primarily resulted from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment.

The Group gradually recognized contract assets during the construction of energy storage plant and subsequently reclassified them as accounts receivable upon the issuance of invoices.

26. NET PROFIT

Net profit includes the following items:

a. Depreciation and amortization

	For the Year Ended December 31	
	2023	2024
An analysis of depreciation by item		
Property, plant and equipment	\$ 7,283,023	\$ 13,362,148
Right-of-use assets	962,887	1,425,418
Investment properties	<u>20,712</u>	<u>16,681</u>
	<u>\$ 8,266,622</u>	<u>\$ 14,804,247</u>
An analysis of depreciation by function		
Operating costs	\$ 7,521,263	\$ 13,450,221
Operating expenses	<u>745,359</u>	<u>1,354,026</u>
	<u>\$ 8,266,622</u>	<u>\$ 14,804,247</u>
An analysis of amortization of intangible assets by function		
Operating costs	\$ 954,297	\$ 1,549,371
Marketing expenses	6	182
General and administrative expenses	59,690	111,642
Research and development expenses	<u>4,107</u>	<u>4,490</u>
	<u>\$ 1,018,100</u>	<u>\$ 1,665,685</u>

b. Employee benefits expense

	For the Year Ended December 31	
	2023	2024
Retirement benefit plans		
Defined contribution plans	\$ 661,480	\$ 610,681
Defined benefit plans	<u>4,215</u>	<u>245,596</u>
	665,695	856,277
Share-based payments	126,950	1,636,754
Remuneration of directors	118,800	153,606
Other employee benefits	<u>9,694,571</u>	<u>15,493,487</u>
Total employee benefits expense	<u>\$ 10,606,016</u>	<u>\$ 18,140,124</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 6,518,772	\$ 10,029,687
Operating expenses	<u>4,087,244</u>	<u>8,110,437</u>
	<u>\$ 10,606,016</u>	<u>\$ 18,140,124</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 compensation of employees and remuneration of directors for the years ended December 31, 2022 and 2023 which are to be paid in cash, had been resolved by the Board of Directors in March 2023 and March 2024, respectively, were as follows:

	For the Year Ended December 31	
	2023	2024
Compensation of employees	<u>\$ 73,955</u>	<u>\$ 66,616</u>
Remuneration of directors	<u>\$ 88,018</u>	<u>\$ 123,168</u>

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

There was no material difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2023. If there is an estimated change, the difference has been adjusted to the profit or loss of the following year.

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

d. Finance costs

	For the Year Ended December 31	
	2023	2024
Interest on bank borrowings	\$ 1,764,108	\$ 2,805,361
Interest on corporate bonds	1,459,152	1,466,032
Interest on lease liabilities	125,315	228,887
Other finance costs	<u>194,109</u>	<u>753,292</u>
	<u>\$ 3,542,684</u>	<u>\$ 5,253,572</u>
Capitalized interest amount	<u>\$ 32,190</u>	<u>\$ 203,769</u>
Capitalization rate	3.7%	1.79%-3.60%

e. Interest income

	For the Year Ended December 31	
	2023	2024
Interest on bank deposits	\$ 3,388,731	\$ 5,490,246
Others	<u>14,157</u>	<u>18,288</u>
	<u>\$ 3,402,888</u>	<u>\$ 5,508,534</u>

f. Other income

	For the Year Ended December 31	
	2023	2024
Indemnity income	\$ 9,595	\$ 439,112
Government grants	52,571	213,546
Rental income	9,366	20,111
Others	<u>599,260</u>	<u>718,824</u>
	<u>\$ 670,792</u>	<u>\$ 1,391,593</u>

g. Other expenses

	For the Year Ended December 31	
	2023	2024
Loss on redemption of corporate bonds payable	\$ 393,503	\$ 266
Loss on work stoppages	125,100	117,712
Monetary loss (Note)	-	820,265
Others	<u>244,500</u>	<u>390,937</u>
	<u>\$ 763,103</u>	<u>\$ 1,329,180</u>

Note: From the year of 2022, Turkey's economy qualifies as hyperinflation. According to the criteria established in the IAS 29 "Financial Reporting in Hyperinflationary Economies", the financial statements of Turkish subsidiaries have been measured in terms of the current unit of measurement at the balance sheet date. Gain or loss on net monetary position shall be included in the current profit or loss. The Group recognized monetary loss of \$820,265 thousand for the year ended December 31, 2024.

27. INCOME TAX EXPENSE

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

	For the Year Ended December 31	
	2023	2024
Current tax		
In respect of the current year	\$ 3,555,995	\$ 6,880,439
Income tax on unappropriated earnings	49,251	6,183
Adjustments for prior years	<u>(56,302)</u>	<u>262,895</u>
	<u>3,548,944</u>	<u>7,149,517</u>
Deferred tax		
In respect of the current year	<u>803,274</u>	<u>53,745</u>
Income tax expense recognized in profit or loss	<u>\$ 4,352,218</u>	<u>\$ 7,203,262</u>

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

	For the Year Ended December 31	
	2023	2024
Income before income tax	<u>\$ 14,356,831</u>	<u>\$ 22,832,759</u>
Income tax expense at the statutory rate	\$ 2,871,366	\$ 4,566,552
Non-deductible expenses in determining taxable income	303,847	401,426
Tax-exempt income	(382,999)	(1,514,715)
Unrecognized loss carryforwards and deductible temporary differences	428,785	1,754,846
Loss carryforwards utilized in the current year	(9)	(8,437)
Effects of different tax rate of subsidiaries operating in other jurisdictions	225,998	655,939
Income tax on unappropriated earnings	49,251	6,183
Land value increment tax	14,709	198,070
Adjustments for prior years	(56,302)	262,895
Others	<u>897,572</u>	<u>880,503</u>
Income tax expense recognized in profit or loss	<u>\$ 4,352,218</u>	<u>\$ 7,203,262</u>

The Group was incorporated in Canada, Australia, France, Italy, Netherlands, United Kingdom, Spain, Portugal, Turkey, Romania, where the qualified domestic minimum top-up tax and income inclusion rule under Global Anti-Base Erosion Model Rules (Pillar Two) had been in effect. The taxing rights of Pillar Two can also be applied to the Group's subsidiaries located in the United States, Taiwan, Peru, Comoros, Morocco, Cameroon, Ivory Coast, Ghana, and Cape Verde, etc. Under the legislation, the aforementioned companies will be required to pay a top-up tax on the profits in their country of registration that are taxed at an effective tax rate of less than 15 percent, or their parent company's country will have taxing rights. However, the countries where the Pillar Two legislation has been enacted have conformed to the transitional safe harbor rules for the year ended December 31, 2024, thereby resulting in no associated income tax impact. Subsidiaries of the group incorporated in Singapore, where the Pillar Two income tax legislation was enacted in December 2024 and will become effective from January 1, 2025 were assessed with no related current tax exposure. The Group continues in evaluating the legislative status of Pillar Two income tax legislation and the impact of Pillar Two income tax legislation on the its financial performance.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2023	2024
<u>Deferred tax</u>		
Deferred tax in the current year		
Remeasurement on defined benefit plan	\$ (6,880)	\$ (132,178)

c. Current tax assets and liabilities

	December 31	
	2023	2024
Current tax assets		
Tax refund receivable (included in other receivables)	\$ 261,532	\$ 383,517
Current tax liabilities		
Current income tax liabilities	\$ 3,057,589	\$ 3,722,409

d. Deferred income tax assets and liabilities

The movements of deferred income tax assets and deferred income tax liabilities were as follows:

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Others	Closing Balance
<u>Deferred income tax assets</u>					
Loss carryforwards	\$ 23,071	\$ (20,000)	\$ -	\$ (9)	\$ 3,062
Defined benefit plan	21,970	2,135	(676)	-	23,429
Inventories	125,106	(27,715)	-	(905)	96,486
Others	416,779	14,531	-	101,231	532,541
	<u>\$ 586,926</u>	<u>\$ (31,049)</u>	<u>\$ (676)</u>	<u>\$ 100,317</u>	<u>\$ 655,518</u>

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Others	Closing Balance
<u>Deferred income tax liabilities</u>					
Land value increment tax	\$ 5,058,370	\$ (2,489)	\$ -	\$ -	\$ 5,055,881
Finance leases	2,519,224	(297,665)	-	-	2,221,559
Property, plant and equipment	1,327,819	266,340	-	(8,941)	1,585,218
Retained earnings from foreign subsidiaries	2,003,960	112,934	-	(179,686)	1,937,208
Defined benefit plan	286,476	5,483	(7,556)	-	284,403
Others	<u>1,163,570</u>	<u>687,622</u>	<u>-</u>	<u>6,580</u>	<u>1,857,772</u>
	<u>\$ 12,359,419</u>	<u>\$ 772,225</u>	<u>\$ (7,556)</u>	<u>\$ (182,047)</u>	<u>\$ 12,942,041</u>
					(Concluded)

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Acquisitions through Business Combinations	Others	Closing Balance
<u>Deferred income tax assets</u>						
Loss carryforwards	\$ 3,062	\$ 191,786	\$ -	\$ -	\$ 7,784	\$ 202,632
Defined benefit plan	23,429	(133,232)	112,726	523,806	23,727	550,456
Inventories	96,486	27,897	-	9,034	1,721	135,138
Others	<u>532,541</u>	<u>(152,295)</u>	<u>-</u>	<u>741,116</u>	<u>139,767</u>	<u>1,261,129</u>
	<u>\$ 655,518</u>	<u>\$ (65,844)</u>	<u>\$ 112,726</u>	<u>\$ 1,273,956</u>	<u>\$ 172,999</u>	<u>\$ 2,149,355</u>
<u>Deferred income tax liabilities</u>						
Land value increment tax	\$ 5,055,881	\$ -	\$ -	\$ -	\$ (75,469)	\$ 4,980,412
Finance leases	2,221,559	(341,242)	-	30,490	5,770	1,916,577
Property, plant and equipment	1,585,218	(102,885)	-	8,168,348	230,744	9,881,425
Intangible assets	306	95,626	-	6,896,665	(16,122)	6,976,475
Retained earnings from foreign subsidiaries	1,937,208	77,060	-	-	606	2,014,874
Defined benefit plan	284,403	6,837	(19,452)	-	-	271,788
Others	<u>1,857,466</u>	<u>252,505</u>	<u>-</u>	<u>275,335</u>	<u>140,722</u>	<u>2,526,028</u>
	<u>\$ 12,942,041</u>	<u>\$ (12,099)</u>	<u>\$ (19,452)</u>	<u>\$ 15,370,838</u>	<u>\$ 286,251</u>	<u>\$ 28,567,579</u>

e. Unrecognized deferred income tax assets in respect of loss carryforwards

	<u>December 31</u>	
	<u>2023</u>	<u>2024</u>
Loss carryforwards		
Expire in 2024	\$ 629,479	\$ -
Expire in 2025	679,291	691,795
Expire in 2026	855,831	1,186,163
Expire in 2027	3,488,790	4,049,735
		(Continued)

	December 31	
	2023	2024
Expire in 2028	\$ 4,149,726	\$ 3,513,166
Expire in 2029	144,802	2,379,802
Expire in 2030	349,714	349,777
Expire in 2031	1,197,041	763,730
Expire in 2032	127,306	125,090
Expire in 2033	1,086,767	994,200
Expire in 2034	-	1,805,845
Expire in 2037	70,220	70,220
Expire in 2043	111,502	111,502
Expire in 2044	-	86,006
	<u>\$ 12,890,469</u>	<u>\$ 16,127,031</u>
		(Concluded)

f. Unused loss carryforwards information

Loss carryforwards as of December 31, 2024 were comprised of:

Unused Amount	Expiry Year
\$ 717,582	2025
1,242,176	2026
4,142,645	2027
3,661,986	2028
2,471,992	2029
349,777	2030
801,197	2031
125,090	2032
994,200	2033
1,816,060	2034
70,220	2037
111,502	2043
<u>86,006</u>	2044
<u>\$ 16,590,433</u>	

g. Unrecognized deferred income tax liabilities in respect of investments

As of December 31, 2023 and 2024, the taxable temporary differences in respect of investments in subsidiaries and associates for which no deferred income tax liabilities have been recognized were \$95,592,657 thousand and \$93,395,565 thousand, respectively.

h. Income tax return assessments

The information of income tax assessments for the Group is as follows:

Year	Company
2021	E-One Moli Energy Corp.
2022	TCC Group Holdings CO., LTD. (Formerly Taiwan Cement Corporation), TCC Investment Corporation, Ho Sheng Mining Co., Ltd., Union Cement Traders Inc., TCC Information Systems Corporation, Taiwan Cement Engineering Corporation, Jin Chang Minerals Corporation, Hoping Industrial Port Corporation, HPC Power Service Corporation, Ho-Ping Power Company, E.G.C. Cement Corporation, Kuan-Ho Refractories Industry Corporation, TCC Chemical Corporation, Ta-Ho RSEA Environment Co., Ltd., Ta-Ho Maritime Corporation, TCC Sustainable Energy Investment Corporation, TCC Energy Storage Technology Corporation, Energy Helper TCC Corporation, TCC Green Energy Corporation, Chang-Wang Wind Power Co., Ltd., TCC Yun-Kai Green Energy Corporation, TCC Lien-Hsin Green Energy Corporation, TCC Chang-Ho Green Energy Corporation, TCC Kao-Cheng Green Energy Corporation, TCC Nan-Chung Green Energy Corporation, Chia-Ho Green Energy Corporation, TCC Ping-Chih Green Energy Corporation, TCC Tung-Li Green Energy Corporation, SHI-MEN Green Energy Corporation, Feng Sheng Enterprise Company Limited, Tuo Shan Recycle Technology Company, Molie Quantum Energy Corporation, TCC Recycle Energy Technology Company, Tai-Jie Transport & Storage Corporation, Taiwan Transport & Storage Corporation, TCC Chia-Chien Green Energy Corporation, Tung Chen Mineral Corporation

28. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2023	2024
Basic earnings per share	\$ 1.06	\$ 1.45
Diluted earnings per share	\$ 1.04	\$ 1.42

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

	For the Year Ended December 31	
	2023	2024
Profit for the year attributable to owners of the Corporation (Note)	\$ 7,647,814	\$ 10,906,592
Effect of potentially dilutive ordinary shares:		
Interest on convertible bonds	303,514	302,012
Profit used in computation of diluted earnings per share	\$ 7,951,328	\$ 11,208,604

	For the Year Ended December 31	
	2023	2024
<u>Number of shares (in thousands)</u>		
Weighted average number of ordinary shares in the computation of basic earnings per share	7,202,161	7,531,182
Effects of potentially dilutive ordinary shares:		
Compensation of employees	2,604	2,616
Convertible bonds	<u>455,074</u>	<u>375,094</u>
Weighted average number of ordinary shares used in computation of diluted earnings per share	<u>7,659,839</u>	<u>7,908,892</u>

Note: Preference share dividends of \$350,000 thousand and \$352,725 thousand were deducted in 2023 and 2024, 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.

29. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee share options plan of NHOA S.A.

NHOA S.A., the Corporation's subsidiary, granted 542 thousand employee stock options in July 2022. Each unit of the employee stock option entitles the holder with the right to subscribe for one ordinary share of the NHOA S.A. Those who are granted with employee stock options include employees who meet specific condition, i.e., the employee must serve for 2 years or more and meet the agreed performance conditions.

The Group did not issue employee share options for year ended December 31, 2024. Relevant information on employee share options was as follows:

	For the Year Ended December 31			
	2023		2024	
	Number of Options (In Thousands of Units)	Weighted-average Exercise Price (\$)	Number of Options (In Thousands of Units)	Weighted-average Exercise Price (\$)
Balance at January 1	542	\$ -	536	\$ -
Options forfeited	(6)	-	(355)	-
Options exercised	<u>-</u>	-	<u>(181)</u>	-
Balance at December 31	<u>536</u>	-	<u>-</u>	-
Options exercisable, end of the year	<u>-</u>	-	<u>-</u>	-
Weighted-average fair value of options granted (NTD)	<u>\$ 341.81</u>		<u>\$ 350.99</u>	

Relevant information on outstanding employee share options was as follows:

	December 31	
	2023	2024
remaining contractual life (in years)	0.5	-

The employee stock options granted by NHOA S.A. in July 2022 are priced by using the dividend discount evaluation model, and the inputs to the model are as follows:

	Employee Stock Options Granted for the Year Ended December 31, 2022
Share price on grant date (NTD)	\$343.56
Discount rate of forfeiture risk	2%

The compensation cost was recognized in the amount of \$89,184 thousand and \$(57,863) thousand for the year ended December 31, 2023 and 2024, respectively.

b. Employee share incentive plan of CPH

In December 2024, CPH established three employee share incentive plans to incentivize and retain key management personnel:

- 1) Issuance of 2,631 shares of CPH common stock, representing 5% of CPH's shareholdings, which will be vested immediately.
- 2) From December 2024 to the end of December 2026, management can purchase 5,263 shares of CPH at EUR15,200 per share from TCEH.
- 3) Each year from 2024 to 2028, upon achieving specific non-market performance targets, not more than 2% of CPH shares will be awarded, with Earn-Out shares or cash rewards for exceeding performance.

The recipients of these three share incentive plans include employees of CPH and its subsidiaries who meet specific criteria, with the total shares granted, including free allocations and subscriptions, up to 25% of CPH's shares. CPH has also signed a management services agreement with key management personnel, under which such personnel shall provide services until December 31, 2029 at least, stipulating the method of granting shares, prohibition on share transfer, expiration upon termination of employment, preemptive rights and other relevant provisions.

The valuation method for the aforementioned employee share incentive plan is a weighted average of the market approach and the income approach. After considering 23% discount for lack of marketability, the estimated fair value of the share options for each share on the grant date is EUR10,987 thousand, with a discount rate of 9.5% applied under the income approach. The Group recognized compensation cost \$1,694,617 thousand for the year ended December 31, 2024.

30. BUSINESS COMBINATIONS

For the year ended December 31, 2023

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
ATLANTE INFRA PORTUGAL S.A.	Renewable energy and charging equipment	February 9, 2023	100	<u>\$ 323,633</u>
ATLANTE ITALIA S.R.L.	Renewable energy and charging equipment	May 29, 2023	100	<u>\$ 158,738</u>
123 (Guangdong) Environmental Protection Technology Co., Ltd.	Environmental protection material processing, manufacturing, and operation and related services	June 14, 2023	100	<u>\$ 27,897</u>
SHI-MEN Green Energy Corporation	Renewable energy generation	September 20, 2023	51	<u>\$ 10,200</u>

In order to enlarge the Group's electric vehicle infrastructure deployment in Portugal, ATLANTE S.R.L. announced on December 2022 that it intends to acquire 100% equity of the charging station construction department spun-off from Kilometer Low Cost, S.A., divided into two phases: (i) 60% of the equity of Kilometer Low Cost, S.A. will be acquired first, and (ii) ATLANTE S.R.L. is planning to acquire the remaining 40% of the equity in 2024 according to the agreement, in the consideration between EUR1,700 thousand and EUR6,700 thousand, depending on the operation performance of Kilometer Low Cost, S.A. for 2023. The consideration estimated by the Group is \$149,307 thousand, and the company name of Kilometer Low Cost, S.A. has been changed to ATLANTE INFRA PORTUGAL S.A.

In order to enlarge the Group's electric vehicle infrastructure deployment in Italy, ATLANTE S.R.L. has completed the 100% equity acquisition of RESSOLAR CHARGING S.R.L. in May 2023, and the company name of RESSOLAR CHARGING S.R.L. has changed to ATLANTE ITALIA S.R.L.

In order to enlarge the Group's environmental protection business, TCC (Guangdong) Renewable Resources Technology Company Limited has completed the 100% equity acquisition of 123 (Guangdong) Environmental Protection Technology Co., Ltd in June 2023.

In order to develop various renewable energy resources, TCC Green Energy Corporation participated in capital increase by cash of SHI-MEN Green Energy Corporation in September 2023, leading to an increase of the percentage of ownership in SHI-MEN Green Energy Corporation to 51% and subsequently gaining control of it.

b. Consideration transferred

	ATLANTE INFRA PORTUGAL S.A.	ATLANTE ITALIA S.R.L.	123 (Guangdong) Environmental Protection Technology Co., Ltd.	SHI-MEN Green Energy Corporation
Cash	\$ 174,326	\$ 158,738	\$ 21,442	\$ 10,200
Contingent consideration agreement (included in other payables)	<u>149,307</u>	<u>-</u>	<u>6,455</u>	<u>-</u>
	<u>\$ 323,633</u>	<u>\$ 158,738</u>	<u>\$ 27,897</u>	<u>\$ 10,200</u>

c. Assets acquired and liabilities assumed at the date of acquisition

	ATLANTE INFRA PORTUGAL S.A.	ATLANTE ITALIA S.R.L.	123 (Guangdong) Environmental Protection Technology Co., Ltd.	SHI-MEN Green Energy Corporation
Current assets				
Cash and cash equivalents	\$ 15,381	\$ -	\$ -	\$ 19,989
Account receivables	3,812	1,884	-	-
Other current assets	38,138	379	10	10
Non-current assets				
Property, plant and equipment	88,469	71,058	-	-
Intangible assets	73,829	-	-	-
Other non-current assets	95,210	-	-	-
Current liabilities				
Accounts payables and other payables	(35,206)	(8,601)	(5,780)	-
Long-term borrowings - current portion	(20,652)	-	-	-
Other current liabilities	(31,360)	(26,820)	-	-
Non-current liabilities				
Long-term borrowings	<u>(68,289)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 159,332</u>	<u>\$ 37,900</u>	<u>\$ (5,770)</u>	<u>\$ 19,999</u>

d. Goodwill recognized on acquisitions

	ATLANTE INFRA PORTUGAL S.A.	ATLANTE ITALIA S.R.L.	123 (Guangdong) Environmental Protection Technology Co., Ltd.	SHI-MEN Green Energy Corporation
Consideration transferred	\$ 323,633	\$ 158,738	\$ 27,897	\$ 10,200
Non-controlling interests	-	-	-	9,805
Fair value of identifiable net assets acquired	<u>(159,332)</u>	<u>(37,900)</u>	<u>5,770</u>	<u>(19,999)</u>
Goodwill recognized on acquisitions	<u>\$ 164,301</u>	<u>\$ 120,838</u>	<u>\$ 33,667</u>	<u>\$ 6</u>

e. Net cash outflow (inflow) on the acquisition of subsidiaries

	ATLANTE INFRA PORTUGAL S.A.	ATLANTE ITALIA S.R.L.	123 (Guangdong) Environmental Protection Technology Co., Ltd.	SHI-MEN Green Energy Corporation
Consideration paid in cash	\$ 174,326	\$ 158,738	\$ 21,442	\$ 10,200
Less: Outstanding cash and cash equivalent balances acquired	<u>(15,381)</u>	<u>-</u>	<u>-</u>	<u>(19,989)</u>
	<u>\$ 158,945</u>	<u>\$ 158,738</u>	<u>\$ 21,442</u>	<u>\$ (9,789)</u>

f. Refer to Note 29 of the consolidated financial statements for the year ended December 31, 2023 for the detailed information on the impact of acquisitions on the results of the Group.

For the year ended December 31, 2024

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
CPH	Manufacturing and sale of cement	March 6, 2024	60	<u>\$ 14,163,900</u>
TCAH	Manufacturing and sale of cement	March 6, 2024	20	<u>\$ 7,059,756</u>
Lifuxin Co., Ltd.	Wholesale building materials	December 31, 2024	100	<u>\$ 50,000</u>

In March 2024, the subsidiary of the Corporation, TCC Dutch, established TCAH with OYAK Capital Investment B.V. to increase its equity shares in OCF and its subsidiaries in Turkey and CPH and its subsidiaries in Portugal under CGH. Through organizational restructuring, OCF and its subsidiaries were transferred from CGH to TCAH. The Group indirectly held 45.5% of the equity shares of OCF and its subsidiaries (and was the single largest shareholder). In addition, TCC Dutch increased the capital of TCEH and obtained 100% of the equity shares of CPH from CGH. Since the Group originally indirectly held the equity of OCF and its subsidiaries and CPH and its subsidiaries via its 40% of the equity shares of CGH, the acquisition transaction is essentially the acquisition of 60% of the equity shares of CPH and 20% of the equity shares of TCAH.

In order to enlarge business, Feng Sheng Enterprise Company Limited has completed the 100% equity acquisition of Lifuxin Co., Ltd. in December 2024.

b. Consideration transferred

	CPH	TCAH	Lifuxin Co., Ltd.
Cash	\$ 14,163,900	\$ 7,059,756	\$ 50,000

c. Assets acquired and liabilities assumed at the date of acquisition

	CPH	TCAH	Lifuxin Co., Ltd.
Current assets			
Cash and cash equivalents	\$ 4,376,593	\$ 3,882,054	\$ 903
Financial assets at fair value through profit or loss	-	578,787	-
Account receivables and other receivables	2,280,542	4,680,235	4,200
Inventories	2,928,752	4,689,680	-
Other current assets	570,390	890,819	132
Non-current assets			
Investments accounted for using the equity method	458,451	-	-
Property, plant and equipment	26,539,528	38,461,589	44,622
Investment properties	20,279	1,479,434	-
Right-of-use assets	1,130,241	207,784	17,394
Intangible assets	8,569,426	21,140,907	-
Other non-current assets	333,098	1,125,146	260
Current liabilities			
Short-term loans (including long-term loans-current portion)	(2,548,332)	(69,467)	-
Accounts payables and other payables	(4,167,624)	(3,643,745)	(123)
Current income tax liabilities	(1,105,327)	(128,051)	-
Other current liabilities	(246,766)	(1,321,508)	(3,416)
Non-current liabilities			
Long-term loans	(3,676,233)	(52,630)	-
Lease liabilities	(650,279)	(62,383)	(13,979)
Deferred tax liabilities	(6,212,846)	(9,157,992)	-
Other non-current liabilities	(1,448,371)	(1,974,151)	-
Net assets acquired	\$ 27,151,522	\$ 60,726,508	\$ 49,993

d. Non-controlling interests

The non-controlling interests recognized at the acquisition date were measured by the proportion of identifiable net assets owned.

e. Goodwill recognized on acquisitions (gain from bargain purchase)

	CPH	TCAH	Lifuxin Co., Ltd.
Consideration transferred	\$ 14,163,900	\$ 7,059,756	\$ 50,000
Fair value of equity at acquisition date	11,376,918	24,501,520	-
Non-controlling interests	273,506	33,104,449	-
Fair value of identifiable net assets acquired	(27,151,522)	(60,726,508)	(49,993)
Effects of foreign currency exchange differences	<u>(20,320)</u>	<u>-</u>	<u>-</u>
Goodwill recognized on acquisitions (gain from bargain purchase)	<u>\$ (1,357,518)</u>	<u>\$ 3,939,217</u>	<u>\$ 7</u>

f. Net cash outflow on the acquisition of subsidiaries

	CPH	TCAH	Lifuxin Co., Ltd.
Consideration paid in cash	\$ 14,163,900	\$ 7,059,756	\$ 50,000
Less: Cash and cash equivalent balances acquired	<u>(4,376,593)</u>	<u>(3,882,054)</u>	<u>(903)</u>
	<u>\$ 9,787,307</u>	<u>\$ 3,177,702</u>	<u>\$ 49,097</u>

g. Impact of acquisitions on the results of the Group

	CPH	TCAH	Lifuxin Co., Ltd.
Operating revenue	<u>\$ 18,191,960</u>	<u>\$ 36,732,012</u>	<u>\$ -</u>
Net income	<u>\$ 942,785</u>	<u>\$ 6,158,929</u>	<u>\$ -</u>

Had the merger and acquisition of such corporations occurred on January 1, 2024, the Group's revenue and the profit would have been \$162,960,633 thousand and \$16,147,032 thousand for the period from January 1, 2024, to December 31, 2024, respectively. This amount do not reflect the revenue and results of operations of the Group that actually would have been achieved if the merger and acquisition had been completed at the beginning of the year of merger and acquisition, nor shall it be used as a projection of future operating results.

31. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

For the year ended December 31, 2023

- a. During 2023, the Group acquired a portion of the shares of Ta-Ho Maritime Corporation, and the proportion of ownership was 94.2%.

Acquirer	Taiwan Transport & Storage Corporation
Acquiree	Ta-Ho Maritime Corporation
Cash consideration paid	\$ (7,197)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>7,570</u>
Differences from equity transactions	<u>\$ 373</u>
<u>Line items adjusted for equity transactions</u>	
Capital surplus - difference between the consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	<u>\$ 373</u>

- b. During 2023, the Group acquired a portion of the shares of Taiwan Cement Engineering Corporation, and the proportion of ownership was 99.3%.

Acquirer	TCC Group Holdings CO., LTD.
Acquiree	Taiwan Cement Engineering Corporation
Cash consideration paid	\$ (823)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>824</u>
Differences from equity transactions	<u>\$ 1</u>
<u>Line items adjusted for equity transactions</u>	
Capital surplus - difference between the consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	<u>\$ 1</u>

- c. During 2023, the Group acquired a portion of the shares of TCC Recycle Energy Technology Company, and the proportion of ownership was 78.0%.

Acquirer	TCC Group Holdings CO., LTD.
Acquiree	TCC Recycle Energy Technology Company
Cash consideration paid	\$ (29,960)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>27,832</u>
Differences from equity transactions	<u>\$ (2,128)</u>
<u>Line items adjusted for equity transactions</u>	
Capital surplus - difference between the consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	\$ (374)
Unappropriated earnings	<u>(1,754)</u>
	<u>\$ (2,128)</u>

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

For the year ended December 31, 2024

- a. During 2024, the Group acquired a portion of the shares of Taiwan Cement Engineering Corporation, and the proportion of ownership was 99.4%.

Acquirer	TCC Group Holdings CO., LTD.
Acquiree	Taiwan Cement Engineering Corporation
Cash consideration paid	\$ (403)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>404</u>
Differences from equity transactions	<u>\$ 1</u>
<u>Line items adjusted for equity transactions</u>	
Capital surplus - difference between the consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	<u>\$ 1</u>

- b. During 2024, the Group acquired a portion of the shares of Ta-Ho Maritime Corporation, and the proportion of ownership was 94.3%.

Acquirer	Taiwan Transport & Storage Corporation
Acquiree	Ta-Ho Maritime Corporation
Cash consideration paid	\$ (5,383)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>5,455</u>
Differences from equity transactions	<u>\$ 72</u>
<u>Line items adjusted for equity transactions</u>	
Capital surplus - difference between the consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	<u>\$ 72</u>

- c. During 2024, the Group acquired a portion of the shares of TCC Recycle Energy Technology Company, and the proportion of ownership was 78.1%.

Acquirer	TCC Group Holdings CO., LTD.
Acquiree	TCC Recycle Energy Technology Company
Cash consideration paid	\$ (17,645)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>15,371</u>
Differences from equity transactions	<u>\$ (2,274)</u>
<u>Line items adjusted for equity transactions</u>	
Capital surplus - difference between the consideration and the carrying amount of subsidiaries net assets during actual acquisitions or disposals	\$ (73)
Unappropriated earnings	<u>(2,201)</u>
	<u>\$ (2,274)</u>

- d. During 2024, the Group acquired a portion of the shares of NHOA S.A., and the proportion of ownership was 99.9%.

Acquirer Acquiree	TCEH NHOA S.A.
Cash consideration paid	(1,372,492)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>949,331</u>
Differences from equity transactions	<u>\$ (423,161)</u>
<u>Line items adjusted for equity transactions</u>	
Unappropriated earnings	<u>\$ (423,161)</u>

- e. During 2024, the Group acquired a portion of the shares of OCF, and the proportion of ownership was 80.1%.

Acquirer Acquiree	TCAH OCF
Cash consideration paid	\$ (3,824,882)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>3,565,760</u>
Differences from equity transactions	<u>\$ (259,122)</u>
<u>Line items adjusted for equity transactions</u>	
Unappropriated earnings	<u>\$ (259,122)</u>

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

32. CASH FLOWS INFORMATION

Changes in liabilities arising from financing activities:

For the year ended December 31, 2023

	Opening Balance	Cash Flows	Acquisition of Subsidiaries	Effect of Exchange Rate	Closing Balance
Short-term borrowings	\$ 22,416,812	\$ (2,185,384)	\$ -	\$ 19,645	\$ 20,251,073
Long-term borrowings (including expired within a year)	<u>43,591,128</u>	<u>(5,301,433)</u>	<u>88,941</u>	<u>(329,129)</u>	<u>38,049,507</u>
	<u>\$ 66,007,940</u>	<u>\$ (7,486,817)</u>	<u>\$ 88,941</u>	<u>\$ (309,484)</u>	<u>\$ 58,300,580</u>

For the year ended December 31, 2024

	Opening Balance	Cash Flows	Acquisition of Subsidiaries	Effect of Exchange Rate	Closing Balance
Short-term borrowings	\$ 20,251,073	\$ 2,975,189	\$ 1,017,427	\$ 48,601	\$ 24,292,290
Long-term borrowings (including expired within a year)	<u>38,049,507</u>	<u>25,812,913</u>	<u>5,329,235</u>	<u>(189,460)</u>	<u>69,002,195</u>
	<u>\$ 58,300,580</u>	<u>\$ 28,788,102</u>	<u>\$ 6,346,662</u>	<u>\$ (140,859)</u>	<u>\$ 93,294,485</u>

33. CAPITAL MANAGEMENT

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

34. FINANCIAL INSTRUMENTS

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

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

December 31, 2023

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds payable	\$ 13,550,613	\$ -	\$ -	\$ 14,265,497	\$ 14,265,497

December 31, 2024

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds payable	\$ 21,198,427	\$ -	\$ -	\$ 21,668,144	\$ 21,668,144

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

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	\$ 277,498	\$ -	\$ -	\$ 277,498
Domestic emerging market shares	108,582	-	-	108,582
Foreign government bonds	591,929	-	-	591,929
Foreign corporate bonds	21,727	-	-	21,727
Foreign beneficiary certificates	5,103	-	-	5,103
Derivative instrument - redemption options and put options of convertible bond	-	-	1,347	1,347
	<u>\$ 1,004,839</u>	<u>\$ -</u>	<u>\$ 1,347</u>	<u>\$ 1,006,186</u>
Financial assets at FVTOCI				
Equity instrument investment				
Domestic listed shares	\$ 7,166,477	\$ -	\$ -	\$ 7,166,477
Foreign listed shares	8,613,198	-	-	8,613,198
Domestic privately placed listed shares	-	1,884,630	-	1,884,630
Domestic unlisted shares	-	-	8,826,122	8,826,122
Foreign unlisted preferred shares	-	-	276,345	276,345
Domestic convertible preference shares	53,687	-	-	53,687
	<u>\$ 15,833,362</u>	<u>\$ 1,884,630</u>	<u>\$ 9,102,467</u>	<u>\$ 26,820,459</u>

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets - foreign exchange forward contracts	\$ -	\$ 31,191	\$ -	\$ 31,191
Domestic listed shares	335,935	-	-	335,935
Domestic emerging market shares	177,124	-	-	177,124
Foreign listed shares	260,488	-	-	260,488
Foreign government bonds	448,232	-	-	448,232
Foreign money market funds	929,329	-	-	929,329
Foreign beneficiary certificates	739,463	-	-	739,463
	<u>\$ 2,890,571</u>	<u>\$ 31,191</u>	<u>\$ -</u>	<u>\$ 2,921,762</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Equity instrument investment				
Domestic listed shares	\$ 7,115,820	\$ -	\$ -	\$ 7,115,820
Foreign listed shares	10,131,052	-	-	10,131,052
Domestic privately placed listed shares	-	1,304,195	-	1,304,195
Domestic unlisted shares	-	-	10,203,555	10,203,555
Foreign unlisted preferred shares	-	-	295,065	295,065
Domestic convertible preference shares	<u>48,905</u>	<u>-</u>	<u>-</u>	<u>48,905</u>
	<u>\$ 17,295,777</u>	<u>\$ 1,304,195</u>	<u>\$ 10,498,620</u>	<u>\$ 29,098,592</u>
Financial liabilities at FVTPL				
Derivative financial liabilities - redemption options and put options	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 368,712</u>	<u>\$ 368,712</u> (Concluded)

There were no transfers between Levels 1 and 2 for the years ended December 31, 2023 and 2024.

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

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

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

The fair value of foreign exchange forward contracts is an estimate of future cash flows based on the observable forward exchange rate at the end of the period and the exchange rate set in the contract, and is discounted separately at a discount rate that reflects the credit risk of each counterparty.

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

	For the Year Ended December 31, 2023
Financial assets at FVTOCI	
Equity instrument investment	
Balance at January 1, 2023	\$ 8,308,712
Recognized in other comprehensive income	1,023,723
Proceeds from capital reduction	<u>(229,968)</u>
Balance at December 31, 2023	<u>\$ 9,102,467</u> (Continued)

	For the Year Ended December 31, 2023
Financial assets at FVTPL	
Derivative instrument investment	
Balance at January 1, 2023	\$ -
Additions	<u>1,347</u>
Balance at December 31, 2023	<u>\$ 1,347</u>
Financial liabilities at FVTPL	
Derivative instrument investment	
Balance at January 1, 2023	\$ 641,522
Recognized in loss	(55,326)
Disposals	<u>(586,196)</u>
Balance at December 31, 2023	<u>\$ -</u> (Concluded)
	For the Year Ended December 31, 2024
Financial assets at FVTOCI	
Equity instrument investment	
Balance at January 1, 2024	\$ 9,102,467
Recognized in other comprehensive income	<u>1,396,153</u>
Balance at December 31, 2024	<u>\$ 10,498,620</u>
Financial assets at FVTPL	
Derivative instrument investment	
Balance at January 1, 2024	\$ 1,347
Recognized in loss	<u>(1,347)</u>
Balance at December 31, 2024	<u>\$ -</u>
Financial liabilities at FVTPL	
Derivative instrument investment	
Balance at January 1, 2024	\$ -
Additions	<u>368,712</u>
Balance at December 31, 2024	<u>\$ 368,712</u>

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

- a) There were no quoted prices in active markets for put options and redemption options of ECB issued by the Corporation. Hence, the fair values of options are determined using the binomial option pricing model where the unobservable input is historical volatility. An increase in historical volatility used in isolation would result in a change in the fair value. As of December 31, 2023 and 2024, the historical volatility used were 16.84% and 14.93%, respectively.

- b) The Group measures the fair value of its investments on domestic and foreign unlisted shares by using the asset-based approach, the market approach, and the dividend discount model.

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

	December 31	
	2023	2024
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:

	December 31	
	2023	2024
Comprehensive discount for lack of marketability and non-controlling interests		
1% increase	<u>\$ (14,833)</u>	<u>\$ (12,764)</u>
1% decrease	<u>\$ 14,833</u>	<u>\$ 12,764</u>

The market approach involves comparing a target company with companies that have similar business models in the open market, similar selling prices of similar items, or similar past share prices to that of the target company. The significant unobservable inputs used are listed in the table below.

	December 31	
	2023	2024
Discount for lack of marketability	20%	20%

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

	December 31	
	2023	2024
Discount for lack of marketability		
1% increase	<u>\$ (3,541)</u>	<u>\$ (4,700)</u>
1% decrease	<u>\$ 3,541</u>	<u>\$ 4,700</u>

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

	December 31	
	2023	2024
Discount rate	8.2%	8.1%
Dividend growth rate	1.5%	1.6%
Discount for lack of marketability	10.0%	10.0%

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

	December 31	
	2023	2024
Discount for lack of marketability		
1% increase	<u>\$ (80,358)</u>	<u>\$ (97,079)</u>
1% decrease	<u>\$ 80,358</u>	<u>\$ 97,079</u>

- c) There were no reference prices in active markets for call options and put options in the original acquisition agreement. Hence, the Group measures the value of these rights based on the contractual terms and market value multiples.

c. Categories of financial instruments

	December 31	
	2023	2024
<u>Financial assets</u>		
Financial assets at FVTPL		
Financial assets mandatorily classified as at FVTPL	\$ 1,006,186	\$ 2,921,762
Financial assets measured at amortized cost (1)	168,961,355	181,442,008
Financial assets at FVTOCI		
Equity instruments investment	26,820,459	29,098,592
<u>Financial liabilities</u>		
Financial liabilities at FVTPL		
Held for trading	-	368,712
Financial liabilities measured at amortized cost (2)	190,732,373	238,243,995

- 1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable (including related parties transactions), other receivables, other receivables from related parties, and finance lease receivables.
- 2) The balances include financial liabilities measured at amortized cost, which comprise short-term loans, short-term bills payable, notes and accounts payable, other payables (including related parties transactions), bonds payable (including current portion), long-term loans (including current portion), and long-term bills payable.

d. Financial risk management objectives and policies

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

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The Group did not enter into or trade financial instruments for speculation.

1) Market risk

The Group's financial instruments were mainly comprised of listed shares, foreign government bonds, and foreign corporate bonds. These investments were subject to fluctuations in market prices. The Group periodically evaluated the investment's performance, and no significant market risk was anticipated.

The Group signed coal purchasing contracts with the suppliers, and also purchased foreign currency bank deposit at the spot rate to avoid exchange rate exposure to its forecasted purchases. When the forecasted purchases take place, the amounts originally deferred and recognized in equity will be reclassified to the carrying amount of the materials purchased.

The Group entered into foreign exchange forward contracts to manage exposure to exchange rate fluctuations, including foreign currency risks of foreign-currency assets and liabilities and price fluctuation risks of forecasted transactions. Since the gain or loss generated from exchange rate fluctuations was mostly offset by the gains or losses of hedged items, the market price risk is expected to be insignificant.

a) Foreign currency risk

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

To maximize the hedging effectiveness, the Group matched up the conditions of derivative instruments with those in the contracts of hedged items.

The carrying amounts of the significant monetary assets and liabilities not denominated in the functional currency (including those eliminated on consolidation) at the end of reporting period are set out in Note 39.

The Group was mainly exposed to the USD.

The following table details the Group's sensitivity to a 1% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive/negative number below indicates an increase/decrease in after-tax profit or equity associated with the NTD/HKD/EUR/TRY strengthening 1% against the relevant currency, USD and EUR.

	USD Impact	
	For the Year Ended December 31	
	2023	2024
NTD	\$ (31,289)	\$ (7,629)
HKD	\$ (129,648)	\$ (147,184)
EUR	\$ (7,902)	\$ (2,346)
TRY	\$ -	\$ 12,673
	EUR Impact	
	For the Year Ended December 31	
	2023	2024
TRY	\$ -	\$ 9,066

b) Interest rate risk

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

	December 31	
	2023	2024
Cash flow interest rate risk		
Financial assets	\$ 37,737,275	\$ 34,697,901
Financial liabilities	58,300,580	92,190,585

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

For the Group's position of floating interest rate financial assets, if interest rates had been 50 basis points higher/lower, the cash inflows from floating interest rate financial assets for the years ended December 31, 2023 and 2024 would increased/decreased by \$150,949 thousand and \$138,792 thousand, respectively.

For the Group's position of floating interest rate financial liabilities, if interest rates had been 50 basis points higher/lower, the cash outflows from floating interest rate financial liabilities for the years ended December 31, 2023 and 2024 would increased/decreased by \$233,202 thousand and \$368,762 thousand, respectively.

c) Other price risk

The Group was exposed to equity instruments and commodities price risk through its investments in equity securities and bonds. The Group manages this exposure by maintaining a portfolio of investments with different risks.

The sensitivity analyses were based on the exposure of equity instruments/commodities prices at the end of reporting period. If equity instruments/commodity prices of financial assets at FVTPL had been 5% higher/lower, profit or loss for the years ended December 31, 2023 and 2024 would increase/decrease by \$50,242 thousand and \$144,529 thousand, respectively. If equity prices of financial assets at FVTOCI had been 5% higher/lower, other comprehensive income (loss) for the years ended December 31, 2023 and 2024 would increased/decreased by \$1,341,023 thousand and \$1,454,930 thousand, respectively.

2) Credit risk

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

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

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

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

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank facilities and ensures compliance with loan covenants. As of December 31, 2023 and 2024, the amounts of unused financing facilities was \$185,440,051 thousand and \$194,123,446 thousand, respectively.

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

December 31, 2023

	On Demand or 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	\$ 1,785,931	\$ 22,444,305	\$ 6,717,111	\$ 212,379	\$ 3,061
Lease liabilities	83,778	92,636	454,640	1,897,891	4,660,223
Variable interest rate liabilities	4,230,717	9,589,652	6,436,068	35,195,554	3,724,680
Fixed interest rate liabilities	<u>231,200</u>	<u>2,789,475</u>	<u>13,441,180</u>	<u>45,301,593</u>	<u>52,369,560</u>
	<u>\$ 6,331,626</u>	<u>\$ 34,916,068</u>	<u>\$ 27,048,999</u>	<u>\$ 82,607,417</u>	<u>\$ 60,757,524</u>

Additional information about the maturity analysis for the aforementioned financial liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Non-interest bearing	\$ 30,947,347	\$ 212,379	\$ 3,016	\$ -	\$ 45	\$ -
Lease liabilities	631,054	1,897,891	1,638,212	611,949	552,542	1,857,520
Variable interest rate liabilities	20,256,437	35,195,554	967,666	388,379	2,368,635	-
Fixed interest rate liabilities	<u>16,461,855</u>	<u>45,301,593</u>	<u>30,609,030</u>	<u>21,760,530</u>	<u>-</u>	<u>-</u>
	<u>\$ 68,296,693</u>	<u>\$ 82,607,417</u>	<u>\$ 33,217,924</u>	<u>\$ 22,760,858</u>	<u>\$ 2,921,222</u>	<u>\$ 1,857,520</u>

December 31, 2024

	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	\$ 1,467,890	\$ 24,034,841	\$ 18,195,017	\$ 219,211	\$ 52,924
Lease liabilities	143,552	138,074	737,976	2,619,617	5,819,973
Variable interest rate liabilities	3,403,638	12,887,936	13,865,527	59,726,694	8,018,692
Fixed interest rate liabilities	<u>-</u>	<u>5,014,291</u>	<u>2,334,080</u>	<u>57,204,563</u>	<u>50,168,810</u>
	<u>\$ 5,015,080</u>	<u>\$ 42,075,142</u>	<u>\$ 35,132,600</u>	<u>\$ 119,770,085</u>	<u>\$ 64,060,399</u>

Additional information about the maturity analysis for the aforementioned financial liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Non-interest bearing	\$ 43,697,748	\$ 219,211	\$ 50,801	\$ -	\$ 2,123	\$ -
Lease liabilities	1,019,602	2,619,617	2,184,732	1,293,162	525,784	1,816,295
Variable interest rate liabilities	30,157,101	59,726,694	2,908,192	2,888,111	2,222,389	-
Fixed interest rate liabilities	<u>7,348,371</u>	<u>57,204,563</u>	<u>28,607,670</u>	<u>21,561,140</u>	<u>-</u>	<u>-</u>
	<u>\$ 82,222,822</u>	<u>\$ 119,770,085</u>	<u>\$ 33,751,395</u>	<u>\$ 25,742,413</u>	<u>\$ 2,750,296</u>	<u>\$ 1,816,295</u>

e. Transfers of financial assets

The Group transferred a portion of its banker's acceptance bills in mainland China to some of its suppliers in order to settle the trade payables to these suppliers. As the Group has transferred substantially all risks and rewards relating to these bills receivable, it derecognized the full carrying amount of the bills receivable and the associated trade payables. However, if the derecognized bills receivable are not paid at maturity, the suppliers have the right to request that the Group pays the unsettled balance; therefore, the Group still has continuing involvement in these bills receivable.

The maximum exposure to loss from the Group's continuing involvement in the derecognized bills receivable is equal to the face values of the transferred but unsettled bills receivable, and as of December 31, 2023 and 2024, the face amounts of these unsettled bills receivable were \$1,483,295 thousand and \$690,368 thousand, respectively. The unsettled bills receivable will be due in 1 month to 6 months and 1 month to 6 months, after December 31, 2023 and 2024, respectively. Taking into consideration the credit risk of these derecognized bills receivable, the Group estimates that the fair values of its continuing involvement are not significant.

During the year ended December 31, 2023 and 2024, the Group did not recognize gains or losses upon the transfer of the banker's acceptance bills. No gains or losses were recognized from the continuing involvement, both during the period or cumulatively.

35. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows:

a. Name of the related parties and relationships

Related Party	Relationship with the Group
Onyx Ta-Ho Waste Clearance Co., Ltd.	Subsidiary of associates
Onyx Ta-Ho Lu-Tsao Environment Co., Ltd.	Subsidiary of associates
Onyx Ta-Ho Environmental Services Co., Ltd.	Associate
Quon Hing Concrete Co., Ltd. (Quon Hing)	Associate
Prosperity Conch Cement Company Limited (Prosperity Conch)	Associate
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Associate
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Associate

(Continued)

Related Party	Relationship with the Group
Hong Kong Concrete Co., Ltd.	Associate
International CSRC Investment Holdings Co., Ltd.	Associate
Cimpor Global Holdings B.V. (CGH)	Associate
Guigang Conch-TCC New Material Technology Co., Ltd. (Guigang Conch-TCC New Material)	Associate
Setefrete, SGPS, S.A.	Associate
Ave - Gestão Ambiental e Gestão Energética, S.A. (AGAGE)	Associate
Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd. (Guangan TCC Jiuyuan)	Joint venture
TCC Zhongrun (Anshun) Environmental Technology Co., Ltd. (TCC Zhongrun Anshun)	Joint venture
Jiangsu Environmental Resources TCC Solid Waste Disposal Co., Ltd.	Joint venture
D-concrete INC.	Joint venture
Chongqing Xuanjie Taini Environmental Protection Technology Co., Ltd.	Joint venture
Chia Hsin R.M.C. Corp. (Chia Hsin R.M.C.)	Management personnel in substance
The Koo Foundation	Management personnel in substance
Chia Hsin Cement Corporation (Chia Hsin Cement)	Management personnel in substance
Chia Hsin Property Management & Development Corporation (Chia Hsin Property)	Management personnel in substance
L'Hotel de Chine Corporation	Management personnel in substance
FDC International Hotels Corporation	Management personnel in substance
China Hi-Ment Corporation (China Hi-Ment)	The Group acts as key management personnel
Pan Asia Corporation	The Group acts as key management personnel
CTCI Corporation	The Group acts as key management personnel
Phihong Technology Co., Ltd.	The Group acts as key management personnel
Zerova Technologies Taiwan Limited.	The Group acts as key management of its parent company
Union Steel Development Corporation	The Group acts as key management of its parent company
Zerova Technologies USA LLC	The Group acts as key management of its parent company
Zerova Technologies EUROPE B.V.	The Group acts as key management of its parent company
CTCI Resources Engineering Inc.	The Group acts as key management of its parent company
CTCI Smart Engineering Inc.	The Group acts as key management of its parent company
Chinatrust Investment Co., Ltd.	Same key management personnel
CSRC China (Maanshan) Corporation	Same key management personnel
CSRC China (Anshan) Corporation	Same key management personnel
Chienten Temple	Same key management personnel
China (Chongqing) Synthetic Rubber Corporation	Same key management personnel
Dr. Cecilia Koo Botanic Conservation and Environmental Protection Foundation	Same key management personnel
Hualien County Private Hoping Sustainability Charity Foundation	Same key management personnel

(Continued)

Related Party	Relationship with the Group
Continental Carbon India Ltd.	Same key management personnel
Continental Carbon Eco Technology Private Limited	Same key management personnel
Linyuan Advanced Materials Technology Co., Ltd.	Same key management personnel
Fortune Quality Investment Limited	Same key management personnel
Sing Cheng Investment Co., Ltd.	Same key management personnel
Circular Commitment Company	Same key management personnel
Consolidated Resource Company	Same key management personnel
O-Bank Co., Ltd.	Related party in substance
FCA BELGIUM S.A.	Related party in substance
FCA FRANCE	Related party in substance
GROUPE PSA ITALIA S.P.A.	Related party in substance
LEASYS RENT S.P.A.	Related party in substance
FIAT CHRYSLER AUTOMOBILES ITALY S.P.A. (FCAI)	Related party in substance
LEASYS S.P.A.	Related party in substance
PSA AUTOMOBILES S.A. (PSAA)	Related party in substance
MASERATI S.P.A.	Related party in substance
OPEL FRANCE	Related party in substance
ORIENTE S.P.A.	Related party in substance
LEASYS S.P.A. SUCURSAL EN ESPAÑA	Related party in substance
OPEL Automobile GmbH	Related party in substance
Stellantis & You Italia S.P.A.	Related party in substance
Stellantis & You, Sales And Services	Related party in substance
Alfa Romeo Dealers	Related party in substance
Winbond Electronics Corporation	Related party in substance
Hannstar Display Corporation.	Related party in substance
Walton Advanced Engineering, Inc.	Related party in substance
Walsin Lihwa Corporation	Related party in substance
Stellantis Europe S.P.A.	Related party in substance
Stellantis Belux SA	Related party in substance
FCA US LLC	Related party in substance
FCA BANK	Related party in substance
AUTOMOBILES PEUGEOT	Related party in substance
AUTOMOBILES CITROEN	Related party in substance
Stellantis Auto SAS	Related party in substance
Stellantis España SL	Related party in substance
Stellantis & You Torino	Related party in substance
CITROEN DEUTSCHLAND GmbH	Related party in substance
GÜZEL ENERJİ AKARYAKIT ANONİM ŞİRKETİ	Related party in substance
OYAK İNŞAAT A.Ş.	Related party in substance
OYKA KAĞIT AMB. SAN. VE TİC. A.Ş. (OYAK KAĞIT)	Related party in substance
OYAK SAVUNMA VE GÜVENLİK SİS. A.Ş.	Related party in substance
OYAK GRUP SİGORTA REAS. BROK.A.Ş.	Related party in substance
OYAK PAZARLAMA HİZMET VE TURİZM.A.Ş. (OYAK PAZARLAMA)	Related party in substance
İSKENDERUN ENERJİ ÜR. VE TİC.A.Ş.	Related party in substance
MAİS MOTORLU ARAÇ.İMAL VE SAT. A.Ş.	Related party in substance
EREĞLİ DEMİR VE ÇELİK FAB. TAŞ.	Related party in substance
OYPOWER ELEKTRİK TİCARETİ VE HİZM.A.Ş.	Related party in substance
OMSAN LOJİSTİK A.Ş.	Related party in substance

(Continued)

Related Party	Relationship with the Group
İSKENDERUN DEMİR ÇELİK A.Ş.	Related party in substance
ORDU YARDIMLAŞMA KURUMU	Related party in substance
DOCO PETROL VE DANIŞMANLIK A.Ş. (DOCO PETROL)	Related party in substance
AKDENİZ CHEMSON KİMYASAN.VE TİC.A.Ş.	Related party in substance
LİKİTGAZ DAĞITIM VE ENDÜSTRİ A.Ş.	Related party in substance
KÜMAŞ MANYEZİT A.Ş.	Related party in substance
OYAK SELÜLOZ VE KAĞIT FABR. AŞ	Related party in substance
İNDİSOL BİLİŞİM VE TEKNOLOJİ H	Related party in substance
SATEM GRUP GIDA DAĞITIM VE PAZARLAM	Related party in substance
OYAK Anker Bank GmbH	Related party in substance
OMSAN DENİZCİLİK A.Ş.	Related party in substance
OYAK Capital Investment B.V.	Related party in substance
MİILUX YÜKSEK MUKAVEMETLİ ÇELİKÜRETİM A.Ş.	Related party in substance
YENİLİKÇİ YAPI MALZ.YAT.ÜR.SAN.VE T	Related party in substance
Peugeot Deutschland GmbH	Related party in substance
LEASYS POLSKA SP. Z O.O.	Related party in substance
LUXEON LIMITED	Related party in substance
ERDEMİR ÇELİK SERVİS MERKEZ	Related party in substance
Ereğli Demir Çelik Fabrikaları A.Ş.	Related party in substance
OYAK OTOMOTİV ENERJİ VE LOJİSTİK HOLDİNG	Related party in substance
OYAK PORTFÖY Kar Payı Ödeyen Birinci Serbest (TL) Fon (OKF)	Related party in substance
OYAK PORTFÖY YÖNETİMİ A.Ş. SEKİZİNCİ GİRİŞİM SERMAYESİ YATIRIM FONU (OSZ)	Related party in substance
OYAK PORTFÖY ÜÇÜNCÜ SERBEST (TL) FON (OYS)	Related party in substance
OYAK PORTFÖY YÖNETİMİ A.Ş. İKİNCİ GİRİŞİM SERMAYESİ YATIRIM FONU (OGT)	Related party in substance
Oyak Yatırım Menkul Değerler A.Ş. (OYYAT)	Related party in substance
Stellantis N.V.	Related party in substance
ATAER HOLDİNG ANONİM ŞİRKETİ	Related party in substance
Valiant Enterprise, S.A.	Related party in substance

(Concluded)

b. Operating transactions

	For the Year Ended December 31	
	2023	2024
<u>Sales</u>		
Related party in substance	\$ 244,894	\$ 1,714,314
Management personnel in substance	561,918	577,973
Associate	511,015	454,974
The Group acts as key management personnel	416,498	300,238
Same key management personnel	153,818	148,160
The Group acts as key management of its parent company	78,243	109,670
Joint venture	589	95
	<u>\$ 1,966,975</u>	<u>\$ 3,305,424</u>

	For the Year Ended December 31	
	2023	2024
<u>Purchases of goods</u>		
Related party in substance	\$ 207,988	\$ 2,259,740
The Group acts as key management personnel	961,041	1,022,370
The Group acts as key management of its parent company	1,073,294	575,505
Associate	56,181	313,413
Management personnel in substance	43,428	41,596
Same key management personnel	<u>447</u>	<u>458</u>
	<u>\$ 2,342,379</u>	<u>\$ 4,213,082</u>
<u>Operating expenses</u>		
Related party in substance	\$ -	\$ 517,495
Associate	1,234	161,408
Management personnel in substance	30,323	27,626
Same key management personnel	14,019	14,000
The Group acts as key management personnel	<u>26,178</u>	<u>86</u>
	<u>\$ 71,754</u>	<u>\$ 720,615</u>

Notes receivable and accounts receivable from related parties were as follows:

	December 31	
	2023	2024
Related party in substance		
OYAK İNŞAAT A.Ş.	\$ -	\$ 238,540
FCA US LLC	7,390	114,565
Stellantis Auto SAS	16,066	109,290
PSAA	57,414	-
Others	<u>122,913</u>	<u>264,285</u>
	<u>203,783</u>	<u>726,680</u>
Management personnel in substance		
Chia Hsin Cement	110,880	110,880
Others	<u>3,250</u>	<u>834</u>
	<u>114,130</u>	<u>111,714</u>
Associate		
Quon Hing	87,462	85,225
Others	<u>24,578</u>	<u>23,133</u>
	<u>112,040</u>	<u>108,358</u>
The Group acts as key management personnel		
CTCI Corporation	21,393	11,872
China Hi-Ment	20,160	11,928
Pan Asia Corporation	<u>30,325</u>	<u>3,568</u>
	<u>71,878</u>	<u>27,368</u>
Same key management personnel	<u>11,284</u>	<u>21,973</u>
The Group acts as key management of its parent company	<u>50,306</u>	<u>18,166</u>
Joint venture	<u>-</u>	<u>17</u>
	<u>\$ 563,421</u>	<u>\$ 1,014,276</u>

Notes and accounts payable to related parties were as follows:

	December 31	
	2023	2024
The Group acts as key management personnel		
China Hi-Ment	\$ 290,271	\$ 197,300
Management personnel in substance	<u>7,486</u>	<u>4,121</u>
Associate		
AGAGE	-	42,712
Prosperity Conch	9,940	31,127
Guigang Conch-TCC New Material	49,685	20,932
Others	<u>-</u>	<u>26,164</u>
	<u>59,625</u>	<u>120,935</u>
Related party in substance		
DOCO PETROL	-	111,447
OYKA KAĞIT	-	101,456
OYAK PAZARLAMA	-	64,932
FCAI	82,982	60,902
KÜMAŞ MANYEZİT A.Ş.	-	59,699
Others	<u>6,691</u>	<u>241,658</u>
	<u>89,673</u>	<u>640,094</u>
Others	<u>139</u>	<u>3,036</u>
	<u>\$ 447,194</u>	<u>\$ 965,486</u>

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

c. Other receivables from related parties

	December 31	
	2023	2024
Joint venture		
TCC Zhongrun Anshun	\$ -	\$ 261,346
Guangan TCC Jiuyuan	<u>17,435</u>	<u>24,075</u>
	<u>17,435</u>	<u>285,421</u>
Related party in substance	<u>-</u>	<u>29,117</u>
Associate		
Hong Kong Concrete Co., Ltd	658	11,243
AGAGE	-	10,454
Quon Hing	6,907	7,590
Others	<u>321</u>	<u>376</u>
	<u>7,886</u>	<u>29,663</u>
Others	<u>502</u>	<u>634</u>
	<u>\$ 25,823</u>	<u>\$ 344,835</u>

Other receivables from related parties above included share subscriptions receivable, dividend receivables and interest receivables.

d. Other payables to related parties

	December 31	
	2023	2024
Related party in substance		
FCAI	\$ 863,874	\$ 937,333
Others	<u>61,336</u>	<u>686,304</u>
	<u>925,210</u>	<u>1,623,637</u>
The Group acts as key management of its parent company		
CTCI Resources Engineering Inc.	396,677	110,933
Others	<u>913</u>	<u>6,908</u>
	<u>397,590</u>	<u>117,841</u>
The Group acts as key management personnel	<u>38,238</u>	<u>42,831</u>
Management personnel in substance	<u>9,359</u>	<u>3,138</u>
Associate		
CGH	812	3,240,912
Others	<u>3,917</u>	<u>4,057</u>
	<u>4,729</u>	<u>3,244,969</u>
Same key management personnel	<u>7</u>	<u>158</u>
	<u>\$ 1,375,133</u>	<u>\$ 5,032,574</u>

Other payables to related parties above included financing and payables for equipment, etc. The interest expenses incurred from financing for the year ended December 31, 2023 and 2024, were recognized in the amounts of \$28,307 thousand and \$90,156 thousand, respectively.

e. Prepayments

Related Party Category	December 31	
	2023	2024
The Group acts as key management of its parent company	<u>\$ 124,542</u>	<u>\$ 2,118</u>

f. Acquisitions of property, plant and equipment

Related Party Category/Name	Purchase Price For the Year Ended December 31	
	2023	2024
The Group acts as key management of its parent company		
CTCI Resources Engineering Inc.	\$ 1,345,357	\$ 597,711
CTCI Smart Engineering Inc.	1,013,742	1,630,018
Others	<u>873</u>	<u>-</u>
	<u>2,359,972</u>	<u>2,227,729</u>
The Group acts as key management personnel		
CTCI Corporation	85,410	108,013
Others	<u>873</u>	<u>-</u>
	<u>86,283</u>	<u>108,013</u>
Management personnel in substance	<u>-</u>	<u>8,000</u>
Related party in substance	<u>87</u>	<u>-</u>
	<u>\$ 2,446,342</u>	<u>\$ 2,343,742</u>

g. Lease arrangements

		For the Year Ended December 31	
Related Party Category/Name		2023	2024
<u>Acquisition of right-of-use assets</u>			
Management personnel in substance			
Chia Hsin R.M.C.		\$ -	\$ 16,843
		December 31	
Line Item	Related Party Category/Name	2023	2024
Lease liabilities	Management personnel in substance		
	Chia Hsin R.M.C.	\$ 11,908	\$ 7,193
	Chia Hsin Property	-	15,600
		\$ 11,908	\$ 22,793

		For the Year Ended December 31	
Related Party Category		2023	2024
<u>Interest expense</u>			
Management personnel in substance		\$ 250	\$ 279

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

h. Remuneration of key management personnel

		For the Year Ended December 31	
		2023	2024
Short-term employee benefits		\$ 501,452	\$ 1,370,418
Post-employment benefits		15,988	13,308
Share-based payment		103,581	1,636,754
Other long-term employee benefits		21,498	39,599
		\$ 642,519	\$ 3,060,079

i. Acquisition of financial assets

For the year ended December 31, 2024

Related Party Category/Name	Line Item	Number of Shares/Units	Underlying Assets	Purchase Price
O-Bank Co., Ltd.	Equity instruments at FVTOCI	4,109,693	Preference shares	\$ 49,317
OYS	Financial assets at FVTPL	45,490,325	Beneficiary certificates	327,689
OGT	Financial assets at FVTPL	293,469	Beneficiary certificates	338
OYYAT-TRFOYMDK2416	Financial assets at FVTPL	177,650,000	Corporate bond	151,764

j. Disposal of financial assets

For the year ended December 31, 2024

Related Party Category/Name	Line Item	Number of Shares	Underlying Assets	Purchase Price
O-Bank Co., Ltd.	Equity instruments at FVTOCI	5,137,453	Preference shares	\$ 51,375
OYYAT-TRFOYMDK2416	Financial assets at FVTPL	177,650,000	Corporate bond	163,842

36. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were pledged or mortgaged as collateral for certain short-term loans, long-term loans, performance bonds and other credit accommodations:

	December 31	
	2023	2024
Financial assets at FVTPL (including current and non-current portion)	\$ 278,424	\$ 91,679
Financial assets at FVTOCI (including current and non-current portion)	342,930	326,690
Property, plant and equipment	5,474,029	5,432,385
Investments accounted for using the equity method	37,715	24,563
Investment properties	800,005	707,063
Right-of-use assets	3,600,953	3,728,780
Guarantee deposits (included in other non-current assets)	1,129,956	35,123
Pledged bank deposits (included in financial assets measured at amortized cost)		
Current	1,193,447	1,063,095
Non-current	2,480,942	2,285,831

37. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. The balances of the unused letters of credit for purchase of raw material were as follows:

	December 31	
Name	2023	2024
The Corporation	\$ 94,844	\$ 304,423
Ho-Ping Power Company	1,325,464	1,714,415
TCC Recycle Energy Technology Company	437,840	130,988
TCC Dutch (Group)	343,200	680,970
TCC Energy Storage Technology Corporation	340	-
TCC Green Energy Corporation	-	385,258

- b. The amounts of letters of guarantee granted and issued by the banks for the Group are as follows:

Name	December 31	
	2023	2024
The Corporation	\$ 41,859	\$ 42,381
Ho-Ping Power Company	1,148,000	1,148,000
TCCI (Group)	1,685,959	1,231,493
Taiwan Transport & Storage Corporation	28,562	28,562
TCC Recycle Energy Technology Company	-	39,938
TCC Dutch (Group)	4,845,924	5,625,679
TCC Energy Storage Technology Corporation	2,000	2,000

- c. Ho-Ping Power Company

Company Name	Ho-Ping Power Company
Factual Background	The Fair Trade Commission fined Ho-Ping Power Company for an alleged violation of Article 14 of the Fair Trade Act.
Amount in Dispute (NT\$)	\$1,350,000 thousand
Commencement Date of Litigation	March 2013
Parties	Ho-Ping Power Company and the Fair Trade Commission
Status	1) The Fair Trade Commission made a second administrative disposition in November 2013, which reduced the amount of the fine imposed on Ho-Ping Power Company to \$1,320,000 thousand. 2) On June 30, 2015 and September 6, 2018, the Supreme Administrative Court overruled the original judgment in favor of Ho-Ping Power Company and remanded the case for retrial to the Taipei High Administrative Court. On May 13, 2020, the Taipei High Administrative Court in second instance also ruled that “the administrative disposition made by the Fair Trade Commission shall be dismissed” (Ref. No. 107 Nian-Du-Su-Geng-Er-Zi 116). However, the Fair Trade Commission still appealed and expressed dissatisfaction. The Supreme Administrative Court ruled on August 11, 2022 (Ref. No. 109 Nian-Du-Shang-Zi 864) that the Ho-Ping Power Company’s litigation was dismissed, to which Ho-Ping Power Company has filed to Supreme Administrative Court for retrial, On January 31, 2024, the Supreme Administrative Court dismissed part of the retrial, and transfer part of the retrial to the Taipei High Administrative Court by ruling. 3) With regard to the violation of the Fair Trade Act matter in 2014, Ho-Ping Power Company filed an administrative appeal against the Fair Trade Commission’s disposition No. 103090 of July 10, 2014, and the administrative appeal process was temporarily suspended. Now since the aforementioned administrative litigation has been determined by the Supreme Administrative Court in its judgment No.109 Nian-Du-Shang-Zi 864, the Executive Yuan has dismissed this administrative appeal, and Ho-Ping Power Company has also submitted a pleading to Taipei High Administrative Court. 4) In accordance with the accounting conservatism principle, Ho-Ping Power Company recognized relevant losses in 2012 and paid the total fine as of June 30, 2019.

Company Name	Ho-Ping Power Company
Factual Background	Taiwan Power Company filed a civil litigation at the Taipei District Court.
Amount in Dispute (NT\$)	About \$1,755,216 thousand in total.
Commencement Date of Litigation	November 2015
Parties	Ho-Ping Power Company and Taiwan Power Company
Status	In November 2015, Ho-Ping Power Company received a complaint of civil litigation brought by Taiwan Power Company at the Taiwan Taipei District Court based on the same ground of the aforementioned administrative litigation, and the claim amount of this case was reduced from \$5,268,000 thousand to \$1,755,216 thousand in May 2020. Taiwan Taipei District Court, and Taiwan High Court ruled on May 12, 2021 and July 28, 2023, respectively, that the plaintiff's litigation was both dismissed, to which Taiwan Power Company has filed an appeal to Taiwan Supreme Court. On January 30, 2024, the Taiwan High Court overruled the original judgment and remanded the case for retrial.

- d. The Board of Directors of Ta-Ho Maritime Corporation resolved to purchase one cement carrier from Marubeni Corporation on April 11, 2022. The aggregate purchase amount does not exceed US\$50,000 thousand. The Board of Directors of Ta-Ho Maritime Corporation resolved to purchase two newly built bulk ships from JIANGSU HAITONG OFFSHORE ENGINEERING CO., LTD. on June 25, 2024. The aggregate purchase amount is not exceeding US\$67,000 thousand.
- e. On May 12, 2020, the Board of Directors of TCC (Hangzhou) Environment Protection Technology Co., Ltd., the Group's subsidiary, resolved to outsource the construction project and invite tender. The contract was signed on October 30, 2020 and the total amount was RMB566,888 thousand. On September 15, 2022, the Board of Directors of TCC (Hangzhou) Environmental Technology Co., Ltd. resolved on the headquarters curtain wall construction with the total amount of RMB256,000 thousand. On May 11, 2023, the Board of Directors of TCC (Hangzhou) Environmental Technology Co., Ltd. resolved to outsource the renovation construction project and invitation to tender with the total amount of RMB216,000 thousand, and the contract was updated with a total amount of RMB185,842 thousand on October 18, 2023.
- f. The Board of Directors of Chia-Chien Green Energy Corporation, the Group's subsidiary, resolved on November 6, 2020 to build a fish-electricity symbiosis solar photovoltaic power generation system in order to enhance power generation, and contracted the fishery-electricity symbiosis EPC turnkey project to Taiyen Green Energy Co., Ltd. in the total amount of \$1,398,000 thousand. The Board of Directors of Chia-Chien Green Energy Corporation resolved on April 11, 2022, to approve the Group's energy policy investment plan, planning to invest in the construction of energy storage systems in the central region of Taiwan, with the total amount of investment of \$1,450,000 thousand.
- g. On September 27, 2021, the Board of Directors of the Corporation resolved the expansion of the DAKA Regeneration Resource Utilization Center, the original factory of the Corporation's local Commission, and entered into a contract with CTCI Resources Engineering Inc. to use the cement kiln heat to jointly dispose of waste living in Hualien County, with a total amount not exceeding \$3,450,000 thousand. In August 2024, the Board of Directors of the Corporation resolved on the capital expenditure to TCC Ho-Ping Plant for the replacement of raw materials and fuel storage construction project in order to increase the storage capacity for alternative raw materials and meet the building coverage ratio requirement for industrial land. The total amount of investment is approximately \$1,636,000 thousand.

- h. The Board of Directors of Molie Quantum Energy Corporation, the Group's subsidiary, resolved on September 27, 2021 to build the plant and purchase production line equipment on the leased land in Kaohsiung Linhai Industrial Park. On December 21, 2023, the total amount of investment was raised to \$23,983,000 thousand.
- i. On February 27, 2024, the Board of Directors of TCC Dutch resolved to acquire 60% of the equity of Cimpor Global Holding B.V. with the total amount of investment of approximately EUR65,000 thousand.
- j. The Board of Directors of TCC Green Energy Corporation resolved on May 14, 2024, to approve the Group's energy policy investment plan, planning to invest in the construction of energy storage systems in the south region of Taiwan, with the total amount of investment of \$3,900,000 thousand.
- k. The Board of Directors of the Corporation resolved in August 2024, to increase the capital of NT\$3,500,000 thousand to TCC Energy Storage Technology Corporation and indirectly increase the capital of EUR100,000 thousand to TCC Energy Storage (DUTCH) HOLDINGS B.V. The Board of Directors of TCC Energy Storage (DUTCH) HOLDINGS B.V. resolved in August 2024, to increase the capital of RMB200,000 thousand to TCC Energy Storage Technology (Hangzhou) Co., Ltd.
- l. The Board of Directors of the Corporation resolved on September 13, 2024 to increase the capital of EUR370,000 thousand to TCC Dutch.
- m. The Board of Directors of NHOA CORPORATE S.R.L. resolved on December 17, 2024 to increase the capital of EUR21,640 thousand to ATLANTE S.R.L.
- n. The Board of Directors of ATLANTE S.R.L. resolved on February 24, 2025, to increase the capital of EUR9,100 thousand and EUR20,200 thousand to ATLANTE FRANCE S.A.S. and ATLANTE ITALIA S.R.L., respectively.

38. OTHER ITEMS

On February 15, 2023, the President announced an amendment to the "Climate Change Response Act", in which regulations for the collection of carbon fees would be imposed. On August 29, 2024, the Ministry of Environment subsequently announced the "Regulations Governing the Collection of Carbon Fees", the "Regulations for Administration of Voluntary Reduction Plans" and the "Designated Greenhouse Gas Reduction Goal for Entities Subject to Carbon Fees", and announced the "Fee-Charging Rates of Carbon Fees" on October 21, 2024, which will be effective from January 1, 2025. Based on the assessment of emissions of the Group in the past few years, the Group will be subject to a carbon fee. Therefore, it will recognize related liability provisions based on the actual emissions in 2025 and will pay the carbon fees in May 2026.

39. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the group entities and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 176,246	30.705 (USD:NTD)	\$ 5,411,633
USD	650,632	7.810 (USD:HKD)	19,964,962
USD	34,595	1.107 (USD:EUR)	1,300,921
Non-monetary items			
EUR	1,051,089	33.980 (EUR:NTD)	35,716,009
USD	60,490	30.705 (USD:NTD)	1,857,348
<u>Financial liabilities</u>			
Monetary items			
USD	122,500	7.810 (USD:HKD)	3,758,973
USD	48,870	30.705 (USD:NTD)	1,500,554

December 31, 2024

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 123,227	32.785 (USD:NTD)	\$ 4,039,997
USD	598,506	7.76 (USD:HKD)	19,608,696
USD	67,959	35.28 (USD:TRY)	2,589,183
EUR	32,817	36.736 (EUR:TRY)	1,301,897
Non-monetary items			
EUR	42,894	34.14 (EUR:NTD)	1,464,408
USD	54,816	32.785 (USD:NTD)	1,797,125
<u>Financial liabilities</u>			
Monetary items			
USD	36,952	7.76 (USD:HKD)	1,210,648
USD	94,139	32.785 (USD:NTD)	3,086,347
USD	26,381	35.28 (USD:TRY)	1,005,095
EUR	61,383	36.736 (EUR:TRY)	2,435,151

For the years ended December 31, 2023 and 2024, the realized and unrealized foreign exchange losses were \$847,143 thousand and \$8,821 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of foreign currency transactions and functional currencies of the group entities.

40. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. investees

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures) (Table 3)
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the share capital (Table 4)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the share capital (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the share capital (Table 5)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the share capital (Table 6)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the share capital (Table 7)
- 9) Trading in derivative instruments (Notes 7, 20 and 34)
- 10) Intercompany relationships and significant intercompany transactions (Table 10)
- 11) Information on investees (Table 8)

b. Information on investments in mainland China (Table 9)

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area.
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.

- c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.
 - e) The highest balance during the year, the end of year balance, the interest rate range, and total current year interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
- c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (None)

41. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of segment. Specifically, the Group's reportable segments under IFRS 8 "Operating Segments" were as follows:

- a. Cement segment - production, processing and sale of cement goods.
- b. Electricity and energy segment - power generation, energy storage and power business-related development, etc.
- c. Other segments - land and marine transportation, and production and sale of refractory materials, etc.

The Group uses the profit from operations as the measure for segment income and the basis of performance assessment. There was no material difference between the accounting policies of the operating segments and the accounting policies described in Note 4.

The following was an analysis of the Group's revenue and results by reportable segments:

- a. Segment revenue and results

	Segment Revenue		Segment Income	
	For the Year Ended December 31		For the Year Ended December 31	
	2023	2024	2023	2024
Cement segment	\$ 68,618,900	\$ 117,982,693	\$ 3,772,990	\$ 12,810,423
Electricity and energy segment	37,570,974	31,722,585	5,712,571	3,715,342
Other segments	<u>3,124,461</u>	<u>4,901,233</u>	<u>632,617</u>	<u>724,020</u>
	<u>\$ 109,314,335</u>	<u>\$ 154,606,511</u>	10,118,178	17,249,785
Administrative expenses and director's remuneration			(88,018)	(123,168)
Non-operating income and expenses			<u>4,326,671</u>	<u>5,706,142</u>
Income before income tax			<u>\$ 14,356,831</u>	<u>\$ 22,832,759</u>

Segment income represented profit before tax earned by each segment without an allocation of central administration expenses, director's remuneration and non-operating income and expenses.

b. Revenue from major products

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

	For the Year Ended December 31	
	2023	2024
Cement	\$ 48,544,706	\$ 80,583,941
Social transition energy	26,931,765	16,261,063
Concrete	18,700,925	35,112,113
Energy storage and charger	5,321,096	9,406,147
Battery	4,821,812	5,391,888
Waste treatment	748,807	466,509
Renewable energy	496,301	655,351
Others	<u>3,748,923</u>	<u>6,729,499</u>
	<u>\$ 109,314,335</u>	<u>\$ 154,606,511</u>

c. Geographical information

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2023	2024	2023	2024
Taiwan	\$ 63,957,117	\$ 57,836,406	\$ 101,786,588	\$ 108,543,839
Asia	40,295,784	33,966,660	81,277,738	84,862,856
Europe	<u>5,061,434</u>	<u>62,803,445</u>	<u>10,573,223</u>	<u>128,338,173</u>
	<u>\$ 109,314,335</u>	<u>\$ 154,606,511</u>	<u>\$ 193,637,549</u>	<u>\$ 321,744,868</u>

Non-current assets exclude financial instruments, deferred income tax assets, and net defined benefit asset.

d. Information about major customers

The only single customer who contributed 10% or more to the Group's revenue was as follows:

	For the Year Ended December 31	
	2023	2024
Company A	<u>\$ 27,901,872</u>	<u>\$ 20,352,547</u>

TABLE 1

TCC GROUP HOLDINGS CO., LTD. AND SUBSIDIARIES
(Formerly Taiwan Cement Corporation)

FINANCINGS PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2024
(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	Hong Kong Cement Co., Ltd.	TCCIH (Note 2) Upper Value Investment Limited (Note 2)	Other receivables from related parties Other receivables from related parties	Yes Yes	\$ 543,945 1,672,035	\$ 543,116 -	\$ 543,116 -	5.16 -	The need for short-term financing The need for short-term financing	\$ -	Operating capital Operating capital	\$ -	- -	\$ -	\$ 1,788,399 1,788,399	\$ 3,576,798 3,576,798	
2	TCC Development Ltd.	TCCIH (Note 2)	Other receivables from related parties	Yes	308,206	308,206	308,206	3.6	The need for short-term financing	-	Operating capital	-	-	-	1,395,694	1,395,694	
3	TCCI	TCCIH (Note 2) TCC Dutch (Note 2) TCEH (Note 2)	Other receivables from related parties Other receivables from related parties Other receivables from related parties	Yes Yes Yes	3,940,200 1,776,000 1,420,800	3,934,200 1,707,000 1,365,600	- - -	- - -	The need for short-term financing The need for short-term financing The need for short-term financing	- - -	Operating capital Operating capital Operating capital	- - -	- - -	- - -	113,755,716 113,755,716 113,755,716	227,511,432 227,511,432 227,511,432	
4	TCEH	NHCOENERGY S.R.L. (Note 2) ATLANTE S.R.L. (Note 2) NHCO S.A. (Note 2) TCC Dutch (Note 2)	Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties	Yes Yes Yes Yes	348,400 522,600 543,680 4,084,800	- - - 3,926,100	- - - 1,707,000	- - - 3.69-3.78	The need for short-term financing The need for short-term financing The need for short-term financing The need for short-term financing	- - - -	Operating capital Operating capital Operating capital Operating capital	- - - -	- - - -	- - - -	41,603,789 41,603,789 41,603,789 41,603,789	83,207,578 83,207,578 83,207,578 83,207,578	
5	Yingde Dragon Mountain Cement Co., Ltd.	TCC Liaoning Cement Company Limited (Note 2) TCC (Gui Gang) Cement Ltd. (Note 2)	Other receivables from related parties Other receivables from related parties	Yes Yes	1,034,700 7,714,872	1,020,373 7,608,044	223,766 6,041,682	2.68 1.68-1.86	The need for short-term financing The need for short-term financing	- -	Operating capital Operating capital	- -	- -	- -	16,672,313 16,672,313	33,344,626 33,344,626	
6	TCC (Gui Gang) Cement Ltd.	Guigang TCC DongYuan Environmental Technology Company Limited (Note 2) TCC Huaying Cement Company Limited (Note 2) TCC (Hangzhou) Recycle Resource Technology Limited (Note 2) TCC Anshun Cement Company Limited (Note 2) TCC Huahua Cement Company Limited (Note 2) TCC Jingzhou Cement Company Limited (Note 2) Guizhou Kong On Cement Company Limited (Note 2) Seitun Naxi Cement Co., Ltd. (Note 2)	Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties	Yes Yes Yes Yes Yes Yes Yes Yes	136,145 1,306,990 45,382 453,816 907,632 680,724 294,980 440,220	134,260 1,288,892 44,753 447,532 895,064 671,298 290,896 -	- - - - - 626,545 44,753 -	- - - - - 2.85 2.85 -	The need for short-term financing The need for short-term financing The need for short-term financing The need for short-term financing The need for short-term financing The need for short-term financing The need for short-term financing The need for short-term financing	- - - - - - - -	Operating capital Operating capital Operating capital Operating capital Operating capital Operating capital Operating capital Operating capital	- - - - - - - -	- - - - - - - -	- - - - - - - -	22,000,208 22,000,208 22,000,208 22,000,208 22,000,208 22,000,208 22,000,208 22,000,208	44,000,416 44,000,416 44,000,416 44,000,416 44,000,416 44,000,416 44,000,416 44,000,416	
7	TCC Yingde Cement Co., Ltd.	123 (Guangdong) Environmental Protection Technology Co., Ltd. (Note 2) TCC Yongren (Hangzhou) Environmental Protection Technology Co., Ltd. (Note 2) TCC Yongren (Hangzhou) Renewable Resources Development Co., Ltd. (Note 2) Beijing TCC Environment Technology Co., Ltd. (Note 2)	Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties	Yes Yes Yes Yes	90,763 90,763 45,382 181,526	89,506 89,506 44,753 179,013	74,353 2,238 - 161,112	2.85 2.93 - 2.64-2.93	The need for short-term financing The need for short-term financing The need for short-term financing The need for short-term financing	- - - -	Operating capital Operating capital Operating capital Operating capital	- - - -	- - - -	- - - -	28,177,116 28,177,116 28,177,116 28,177,116	56,354,232 56,354,232 56,354,232 56,354,232	

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note		
													Item	Value					
		TCC (Hangzhou) Environmental Protection Technology Co., Ltd. (Note 2)	Other receivables from related parties	Yes	\$ 3,104,101	\$ 3,061,119	\$ -	-	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 28,177,116	\$ 56,354,232			
		Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd. (Note 2)	Other receivables from related parties	Yes	130,305	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	-	11,270,846	11,270,846		
		Seitius Luzhou Cement Co., Ltd. (Note 2)	Other receivables from related parties	Yes	816,869	805,558	-	-	The need for short-term financing	-	Operating capital	-	-	-	-	28,177,116	56,354,232		
		Seitius Naxi Cement Co., Ltd. (Note 2)	Other receivables from related parties	Yes	226,908	223,766	13,426	2.64	The need for short-term financing	-	Operating capital	-	-	-	-	28,177,116	56,354,232		
		Guizhou Kong On Cement Company Limited (Note 2)	Other receivables from related parties	Yes	453,816	447,532	62,654	2.64-2.85	The need for short-term financing	-	Operating capital	-	-	-	-	28,177,116	56,354,232		
		TCC Liaoning Cement Company Limited (Note 2)	Other receivables from related parties	Yes	226,908	223,766	-	-	The need for short-term financing	-	Operating capital	-	-	-	-	28,177,116	56,354,232		
		TCC Energy Storage Technology (Hangzhou) Co., Ltd. (Note 2)	Other receivables from related parties	Yes	544,579	537,038	537,038	2.85-2.93	The need for short-term financing	-	Operating capital	-	-	-	-	28,177,116	56,354,232		
		TCC Shaoqun Cement Co., Ltd. (Note 2)	Other receivables from related parties	Yes	5,328,210	5,254,430	5,191,371	2.64-2.93	The need for short-term financing	-	Operating capital	-	-	-	-	28,177,116	56,354,232		
		TCC Huahua Cement Company Limited (Note 2)	Other receivables from related parties	Yes	907,632	895,064	-	-	The need for short-term financing	-	Operating capital	-	-	-	-	28,177,116	56,354,232		
		TCC Jingzhou Cement Company Limited (Note 2)	Other receivables from related parties	Yes	226,908	223,766	-	-	The need for short-term financing	-	Operating capital	-	-	-	-	28,177,116	56,354,232		
		TCC Chongqing Cement Company Limited (Note 2)	Other receivables from related parties	Yes	453,816	447,532	-	-	The need for short-term financing	-	Operating capital	-	-	-	-	28,177,116	56,354,232		
		Guizhou Kaili Rui An Jian Cai Co., Ltd. (Note 2)	Other receivables from related parties	Yes	680,724	671,298	-	-	The need for short-term financing	-	Operating capital	-	-	-	-	28,177,116	56,354,232		
	8	TCC Fuzhou Cement Co., Ltd.	Other receivables from related parties	Yes	224,640	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	-	595,256	1,785,768		
	9	TCCIH	Other receivables from related parties	Yes	220,938	217,878	210,991	-	The need for short-term financing	-	Operating capital	-	-	-	-	189,934,784	379,869,568		
		TCC Energy Storage (DUTCH) HOLDINGS B.V. (Note 2)	Other receivables from related parties	Yes	343,500	341,400	85,350	3.69-3.88	The need for short-term financing	-	Operating capital	-	-	-	-	189,934,784	379,869,568		
	10	Prime York Ltd.	Other receivables from related parties	Yes	227,988	227,988	227,988	3.6	The need for short-term financing	-	Operating capital	-	-	-	-	2,713,462	5,426,924		
	11	Jurong TCC Cement Co., Ltd.	TCC Huahua Concrete Company Limited (Note 2)	Other receivables from related parties	Yes	136,145	134,260	66,682	2.64-2.85	The need for short-term financing	-	Operating capital	-	-	-	-	17,990,425	35,980,850	
			TCC Jingzhou Cement Company Limited (Note 2)	Other receivables from related parties	Yes	181,526	179,013	179,013	2.93	The need for short-term financing	-	Operating capital	-	-	-	-	17,990,425	35,980,850	
			Guizhou Kong On Cement Company Limited (Note 2)	Other receivables from related parties	Yes	408,434	402,779	402,779	2.68-2.93	The need for short-term financing	-	Operating capital	-	-	-	-	17,990,425	35,980,850	
			Kaili TCC Environment Technology Co., Ltd. (Note 2)	Other receivables from related parties	Yes	408,434	402,779	214,815	2.64-2.93	The need for short-term financing	-	Operating capital	-	-	-	-	17,990,425	35,980,850	
			TCC Liaoning Cement Company Limited (Note 2)	Other receivables from related parties	Yes	317,671	313,272	-	-	The need for short-term financing	-	Operating capital	-	-	-	-	17,990,425	35,980,850	
			TCC Huahua Cement Company Limited (Note 2)	Other receivables from related parties	Yes	1,361,448	1,342,596	170,062	2.64	The need for short-term financing	-	Operating capital	-	-	-	-	17,990,425	35,980,850	
			Seitius Luzhou Cement Co., Ltd. (Note 2)	Other receivables from related parties	Yes	673,920	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	-	17,990,425	35,980,850	
			Seitius Naxi Cement Co., Ltd. (Note 2)	Other receivables from related parties	Yes	199,679	196,914	196,914	2.85	The need for short-term financing	-	Operating capital	-	-	-	-	17,990,425	35,980,850	
12	TCC Anshun Cement Company Limited	TCC Zhongrun (Anshun) Environmental Technology Co., Ltd.	Other receivables from related parties	Yes	317,671	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	-	7,196,170	7,196,170		
		TCC Zhongrun (Anshun) Environmental Technology Co., Ltd. (Note 2)	Other receivables from related parties	Yes	261,271	259,569	259,569	3.35	The need for short-term financing	-	Operating capital	-	-	-	-	3,083,046	3,083,046		
		Seitius Luzhou Concrete Co., Ltd. (Note 2)	Other receivables from related parties	Yes	134,784	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	-	7,707,614	15,415,228		
		Guizhou Kaili Rui An Jian Cai Co., Ltd. (Note 2)	Other receivables from related parties	Yes	136,145	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	-	7,707,614	15,415,228		
		Seitius Luzhou Cement Co., Ltd. (Note 2)	Other receivables from related parties	Yes	136,145	134,260	-	-	The need for short-term financing	-	Operating capital	-	-	-	-	7,707,614	15,415,228		
		TCC Chongqing Cement Company Limited (Note 2)	Other receivables from related parties	Yes	907,632	895,064	-	-	The need for short-term financing	-	Operating capital	-	-	-	-	7,707,614	15,415,228		
		TCC Huahua Cement Company Limited (Note 2)	Other receivables from related parties	Yes	680,724	671,298	268,519	2.85-2.93	The need for short-term financing	-	Operating capital	-	-	-	-	7,707,614	15,415,228		

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
13	Guangan Changxing Cement Company Ltd.	TCC Huaying Cement Company Limited (Note 2) Scitus Luzhou Cement Co., Ltd. (Note 2) TCC Huiahua Cement Company Limited (Note 2) Kaili TCC Environment Technology Co., Ltd. (Note 2) Guizhou Kaili Rui An Jian Cai Co., Ltd. (Note 2)	Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties	Yes Yes Yes Yes Yes	\$ 453,816 136,145 680,724 136,145 90,763	\$ 447,532 134,260 671,298 134,260 89,506	\$ - - 514,662 - -	- - 2.85 - -	The need for short-term financing The need for short-term financing The need for short-term financing The need for short-term financing The need for short-term financing	- - - - -	Operating capital Operating capital Operating capital Operating capital Operating capital	\$ - - - - -	- - - - -	\$ - - - - -	\$ 6,699,406 6,699,406 6,699,406 6,699,406 6,699,406	\$ 13,398,812 13,398,812 13,398,812 13,398,812 13,398,812	
14	TCC Chongqing Cement Company Limited	TCC Huaying Cement Company Limited (Note 2) TCC Huiahua Cement Company Limited (Note 2) TCC Jingzhou Cement Company Limited (Note 2) Guizhou Kong On Cement Company Limited (Note 2)	Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties	Yes Yes Yes Yes	113,454 907,632 90,763 136,145	111,883 895,064 89,506 134,260	- 885,666 - 134,260	- 2.64-2.85 - 2.64-2.93	The need for short-term financing The need for short-term financing The need for short-term financing The need for short-term financing	- - - -	Operating capital Operating capital Operating capital Operating capital	- - - -	- - - -	- - - -	9,994,375 9,994,375 9,994,375 9,994,375	19,988,750 19,988,750 19,988,750 19,988,750	
15	TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	TCC Yongren (Hangzhou) Renewable Resources Technology Co., Ltd. (Note 2) TCC (Hangzhou) New Energy Co., Ltd. (Note 2) TCC (Guangdong) Renewable Resources Technology Company Limited (Note 2)	Other receivables from related parties Other receivables from related parties Other receivables from related parties	Yes Yes Yes	49,920 97,570 90,763	49,229 96,219 89,506	- 8,951 986	- 2.85 2.64	The need for short-term financing The need for short-term financing The need for short-term financing	- - -	Operating capital Operating capital Operating capital	- - -	- - -	- - -	11,720,735 11,720,735 11,720,735	23,441,470 23,441,470 23,441,470	
16	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Kaili TCC Environment Technology Co., Ltd. (Note 2)	Other receivables from related parties	Yes	181,526	179,013	116,358	2.64-2.76	The need for short-term financing	-	Operating capital	-	-	-	3,286,565	6,573,130	
17	TCC Huiahua Cement Company Limited	TCC Jingzhou Cement Company Limited (Note 2)	Other receivables from related parties	Yes	90,763	89,506	-	-	The need for short-term financing	-	Operating capital	-	-	-	2,128,741	4,257,482	
18	Scitus Luzhou Cement Co., Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd. (Note 2)	Other receivables from related parties	Yes	90,763	89,506	-	-	The need for short-term financing	-	Operating capital	-	-	-	3,548,680	7,097,360	
19	TCC (Guangdong) Renewable Resources Technology Company Limited	123 (Guangdong) Environmental Protection Technology Co., Ltd. (Note 2)	Other receivables from related parties	Yes	6,603	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	-	-	
20	NHOA S.A.	NHOA CORPORATE S.R.L. (Note 2)	Other receivables from related parties	Yes	3,196,800	1,707,000	1,707,000	4.04	The need for short-term financing	-	Operating capital	-	-	-	2,672,370	2,672,370	
21	NHOA ENERGY S.R.L.	NHOA AMERICAS LLC (Note 2) NHOA AUSTRALIA PTY LTD (Note 2) NHOA LATAM S.A.C. (Note 2) New Horizons Ahead Energy Spain SL (Note 2) NHOA UK LTD (Note 2) NHOA UK LTD (Note 2) NPD Italy 1 SRL (Note 2) NHOA TAIWAN LTD (Note 2) NHOA TAIWAN LTD (Note 2)	Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties	Yes Yes Yes Yes Yes Yes Yes Yes Yes	164,175 710,400 177,600 106,560 164,175 177,600 17,760 65,670 17,760	163,925 682,800 170,700 102,420 163,925 170,700 17,070 65,570 17,070	- - 122,699 - - - 1,434 - -	- - 5.57-5.68 - - - 5.65 - -	The need for short-term financing The need for short-term financing The need for short-term financing The need for short-term financing The need for short-term financing The need for short-term financing The need for short-term financing The need for short-term financing The need for short-term financing	- - - - - - - - -	Operating capital Operating capital Operating capital Operating capital Operating capital Operating capital Operating capital Operating capital Operating capital	- - - - - - - - -	- - - - - - - - -	3,086,256 3,086,256 3,086,256 3,086,256 3,086,256 3,086,256 3,086,256 3,086,256 3,086,256	6,172,512 6,172,512 6,172,512 6,172,512 6,172,512 6,172,512 6,172,512 6,172,512 6,172,512		
22	FREEMOVE ESOLUTIONS NORTH AMERICA LLC	FREEMOVE ESOLUTIONS S.P.A. (Note 2)	Other receivables from related parties	Yes	82,088	81,963	81,963	4.92-4.96	The need for short-term financing	-	Operating capital	-	-	-	567,578	1,135,155	

(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			
23	NHOA CORPORATE S.R.L.	ATLANTE S.R.L. (Note 2) FREE2MOVE ESOLUTIONS S.P.A. (Note 2)	Other receivables from related parties Other receivables from related parties	Yes Yes	\$ 2,841,600 870,240	\$ 738,790 836,430	\$ 738,790 836,430	4.39 4.86	The need for short-term financing The need for short-term financing	- -	Operating capital Operating capital	\$ -	- -	\$ -	\$ 10,374,463 4,149,785	\$ 20,748,926 4,149,785	
24	ATLANTE S.R.L.	ATLANTE FRANCE S.A.S. (Note 2) ATLANTE IBERIA S.L. (Note 2) ATLANTE ITALIA S.R.L. (Note 2) ATLANTE Fast Changing Portugal LDA (Note 2) ATLANTE INFRA PORTUGAL S.A. (Note 2)	Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties	Yes Yes Yes Yes Yes	1,268,064 355,200 1,392,384 106,560 617,934	1,218,798 341,400 1,338,288 - 617,934	836,430 228,738 1,338,288 - 273,120	4.39 4.39 4.39 - 4.39	The need for short-term financing The need for short-term financing The need for short-term financing The need for short-term financing The need for short-term financing	- - - - -	Operating capital Operating capital Operating capital Operating capital Operating capital	- - - - -	- - - - -	- - - - -	5,785,565 5,785,565 5,785,565 5,785,565 5,785,565	11,517,129 11,517,129 11,517,129 11,517,129 11,517,129	
25	Cimpor Portugal Holdings, SGPS, S.A.	Cimpor Cote D'Ivoire, SARL (Note 2) Cimpor Ghana, Ltd (Note 2) Cimpor Cameroun, S.A. (Note 2) Cimpor Gypsum Cameroon, S.A. (Note 2)	Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties	Yes Yes Yes Yes	1,883,289 872,976 3,501,354 216,606	1,810,121 859,135 3,277,947 213,172	1,076,671 859,135 3,277,947 213,172	5.3 5.3 5.3 5.3	The need for short-term financing The need for short-term financing The need for short-term financing The need for short-term financing	- - - -	Operating capital Operating capital Operating capital Operating capital	- - - -	- - - -	- - - -	3,661,003 3,661,003 3,661,003 3,661,003	7,322,006 7,322,006 7,322,006 7,322,006	
26	TCC Dutch	ATLANTE S.R.L. (Note 2) NHOA S.A. (Note 2) TCAH (Note 2)	Other receivables from related parties Other receivables from related parties Other receivables from related parties	Yes Yes Yes	530,700 884,500 1,491,840	512,100 - 1,433,880	512,100 - 1,433,880	3.96 - 3.91-4.07	The need for short-term financing The need for short-term financing The need for short-term financing	- - -	Operating capital Operating capital Operating capital	- - -	- - -	- - -	57,462,560 57,462,560 22,985,024	114,925,120 114,925,120 22,985,024	

Note 1: "Financing Limits for Each Borrower" and "Aggregate Financing Limits":

A. For TCC Group Holdings CO., LTD. (Formerly Taiwan Cement Corporation), financing limits are as follows:

- 1) Where a business relationship exists, the individual financing limits were the total transaction amounts with the borrower and 20% of TCC Group Holdings CO., LTD.'s net equity in the recent year.
- 2) Where there is a need for a short-term financing facility, the individual financing limits were 20% of TCC Group Holdings CO., LTD.'s net equity as stated in its latest financial statements.
- 3) For the above items a and b, the aggregate financing limits were 40% of TCC Group Holdings CO., LTD.'s net equity as stated in its latest financial statements.

B. The restrictions above in paragraph A, subparagraphs b and c shall not apply to inter-company loans of funds between foreign companies of which TCC Group Holdings CO., LTD. (Formerly 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 Development Ltd. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for NHOA ENERGY S.R.L. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for NHOA AUSTRALIA PTY LTD. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for Taiwan Cement Europe Holdings B.V. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for FREE2MOVE ESOLUTIONS S.P.A., the aggregate and individual financing limits shall not exceed 40% of its net equity as stated in its latest financial statements. When the fund loan object is ATLANTÉ S.R.L., the aggregate and individual financing limits for individual objects shall not exceed 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for Cimpor Portugal Holdings, SGPS, S.A. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for Cimpor Portugal Holdings, SGPS, S.A. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. TCC DUTCH engages in fund lending; when the fund loan object is TCC Oyak Amsterdam Holdings B.V., the aggregate and individual financing limits shall not exceed 40% of its net equity as stated in its latest financial statements. When the fund loan object is ATLANTÉ S.R.L., the aggregate and individual financing limits for individual objects shall not exceed 200% and 100%, respectively, of its net equity as stated in its latest financial statements.

Note 2: All intercompany transactions have been eliminated upon consolidation.

(Concluded)

TABLE 2

TCC GROUP HOLDINGS CO., LTD. AND SUBSIDIARIES
(Formerly Taiwan Cement Corporation)

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2024
(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	TCC Group Holdings CO., LTD.	Union Cement Traders Inc. TCC Investment Corporation TCC Chemical Corporation TCCI Jin Chang Minerals Corporation Ho Sheng Mining Co., Ltd. TCC Energy Storage Technology Corporation TCC Asset Management & Development Corporation E-one Moli Energy (Canada) Ltd. E-One Moli Quantum Energy (Canada) Ltd. TCC Dutch	b b b b b b b b b b b	\$ 124,048,747 124,048,747 124,048,747 124,048,747 124,048,747 124,048,747 124,048,747 124,048,747 124,048,747 124,048,747 124,048,747	\$ 1,420,000 2,370,000 1,299,117 6,928,185 31,257 99,884 1,313,400 3,000,000 4,860,561 4,860,561 17,070,000	\$ 1,420,000 2,370,000 1,299,117 6,917,635 31,257 99,884 1,311,400 3,000,000 4,666,302 4,666,302 17,070,000	\$ 720,000 1,640,000 6,117 885,195 31,257 99,884 - - - - -	- - - - 31,257 99,884 - - - - -	0.57 0.96 0.52 2.79 0.01 0.04 0.53 1.21 1.88 1.88 6.88	\$ 248,097,494 248,097,494 248,097,494 248,097,494 248,097,494 248,097,494 248,097,494 248,097,494 248,097,494 248,097,494 248,097,494	Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes	No No No No No No No No No No No	No No No No No No No No No No No	
1	Ho Sheng Mining Co., Ltd.	TCC Group Holdings CO., LTD.	c	990,001	137,964	137,964	137,964	-	41.81	990,001	No	Yes	No	
2	TCC Green Energy Corporation	TCC Chemical Corporation	a	13,991,745	6,117	6,117	6,117	-	0.04	13,991,745	No	No	No	
3	TCCIH	TCC Yingde Cement Co., Ltd. Jurong TCC Cement Co., Ltd. TCC Fuzhou Cement Co., Ltd. TCC Liaoning Cement Company Limited TCC (Gui Gang) Cement Ltd. TCC Chongqing Cement Co., Ltd. Guizhou Kong On Cement Company Limited Guizhou Kali Rui An Jian Cai Co., Ltd.	b b b b b b b b	94,967,392 94,967,392 94,967,392 94,967,392 94,967,392 94,967,392 94,967,392 94,967,392	262,680 972,800 431,660 586,625 1,149,225 558,195 323,200 328,350	262,280 340,964 429,325 581,537 1,147,475 557,345 167,204 327,850	- - - - - - - -	- - - - - - - -	0.14 0.18 0.23 0.31 0.60 0.29 0.09 0.17	189,934,784 189,934,784 189,934,784 189,934,784 189,934,784 189,934,784 189,934,784 189,934,784	Yes Yes Yes Yes Yes Yes Yes Yes	No No No No No No No No	Yes Yes Yes Yes Yes Yes Yes Yes	
4	TCC Yingde Cement Co., Ltd.	TCC (Hangzhou) Environmental Protection Technology Co., Ltd. TCC Shaoquan Cement Co., Ltd.	d d	14,088,558 14,088,558	12,706,848 226,908	12,530,896 223,766	4,729,986 -	- -	44.47 0.79	28,177,116 28,177,116	No No	No No	Yes Yes	
5	Guangan Changxing Cement Company Ltd.	Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd.	b	3,349,703	295,577	291,484	211,720	-	4.35	6,699,406	No	No	Yes	
6	TCC Dutch	NHOA S. A.	b	28,731,280	1,166,976	-	-	-	-	57,462,560	Yes	No	No	
7	NHOA S. A.	NHOA AUSTRALIA PTY LTD NHOA ENERGY S.R.L. ATLANTE S.R.L. ATLANTE IBERIA S.L. NHOA AMERICAS LLC NHOA UK LTD ATLANTE FRANCE S.A.S. New Horizons Ahead Energy Spain SL ATLANTE ITALIA S.R.L.	b b b b b b b b	133,618,498 133,618,498 133,618,498 133,618,498 133,618,498 133,618,498 133,618,498 133,618,498	23,556,329 4,286,676 3,340,464 14,931 54,239 3,843,556 29,384 879,197 91,315	19,537,065 4,261,985 2,737,755 - 54,156 3,732,212 29,205 845,039 87,767	18,554,624 2,303,118 1,129,193 - 54,156 1,289,247 5,840 563,359 87,767	- - - - - - - -	289.74 63.79 40.98 - 0.81 55.86 0.44 12.65 1.31	167,023,122 167,023,122 167,023,122 167,023,122 167,023,122 167,023,122 167,023,122 167,023,122 167,023,122	Yes Yes Yes Yes Yes Yes Yes Yes Yes	No No No No No No No No No	No No No No No No No No No	
8	NHOA ENERGY S.R.L.	NHOA AMERICAS LLC NHOA LATAM S.A.C. NHOA UK LTD NHOA AUSTRALIA PTY LTD New Horizons Ahead Energy Spain SL	b b b b b	61,725,120 61,725,120 61,725,120 61,725,120 61,725,120	456,159 15,708 2,789,469 5,125,995 3,782,863	63,762 15,708 2,789,469 4,083,324 3,735,992	9,605 - 2,167,523 808,311 3,603,385	- - - - -	2.07 - 90.38 132.31 121.05	77,156,400 77,156,400 77,156,400 77,156,400 77,156,400	Yes Yes Yes Yes Yes	No No No No No	No No No No No	
9	ATLANTE S.R.L.	ATLANTE FRANCE S.A.S. ATLANTE ITALIA S.R.L.	b b	115,171,290 115,171,290	280,017 21,664	269,138 13,994	269,138 13,994	- -	4.67 0.24	143,964,113 143,964,113	Yes Yes	No No	No No	

(Continued)

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

- a. i. For endorsements/guarantees given by TCC Group Holdings CO., LTD. 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 TCC Group Holdings CO., LTD. were the net equity in its respective latest financial statements and 50% of the net equity in its respective latest financial statements.
- b. Ho Sheng Mining Co., Ltd. guaranteed by land lease agreement.
- c. Jin Chang Minerals Corporation guaranteed by deposit contract.
- d. The endorsement and guarantee limits to E-one Moli Energy (Canada) Ltd. and E-One Moli Quantum Energy (Canada) Ltd. are shared by the Corporation due to inability to split reasonably.

Note 2: Aggregate endorsement/guarantee limit was 300% of its net equity in its latest financial statements for Ho Sheng Mining Co., Ltd., and 2,500% of its net equity in its latest financial statements for NHOA S.A., and 2,500% of its net equity in its latest financial statements for NHOA ENERGY S.R.L., and the limit for other the endorsers/guarantors was the net equity in their respective latest financial statements.

Note 3: Relationship between the endorser/guarantor and the endorsee/guarantee is classified as follows:

- a. Having a business relationship.
- b. The endorser/guarantor directly or indirectly owns more than 50% of the ordinary shares of the endorsee/guarantee.
- c. The endorsee/guarantee directly or indirectly owns more than 50% of the ordinary shares of the endorser/guarantor.
- d. Company in which the public company directly or indirectly holds 90% or more of the voting shares may make endorsements/guarantees for each other.
- e. Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or joint builders for 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)

TCC GROUP HOLDINGS CO., LTD. AND SUBSIDIARIES
(Formerly Taiwan Cement Corporation)

MARKETABLE SECURITIES HELD
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	Shares/Units (In Thousands)	December 31, 2024		Note
					Carrying Amount	Percentage of Ownership (%)	
TCC Group Holdings CO., LTD.	Ordinary shares Chien Kuo Construction Co., Ltd.	-	FVTPL - current	6,018	\$ 155,560	-	\$ 155,560
	Taiwan Television Enterprise, Ltd.	The Corporation serves as supervisor	FVTPL - current	13,573	177,124	-	177,124
	China Hi-Ment Corporation	-	FVTPL - current	3,576	139,806	-	139,806
	Taishin Financial Holding Co., Ltd.	The Corporation serves as director	FVTOCI - current	30,196	2,026,163	-	2,026,163
	CTCI Corporation	-	FVTOCI - current	75,934	1,321,255	-	1,321,255
	Chia Hsin Cement Corporation	The Corporation serves as director	FVTOCI - current	9,054	349,498	-	349,498
	O-Bank	Director of the Corporation	FVTOCI - current	27,968	475,453	-	475,453
	IBT II Venture Capital Corporation	Related party in substance	FVTOCI - current	32,809	324,478	-	324,478
	China Hi-Ment Corporation	-	FVTOCI - non-current	2,626	-	8.3	-
	Pan Asia Corporation	The Corporation serves as director	FVTOCI - non-current	17,732	592,588	9.4	592,588
	Taiwan Stock Exchange Corporation	The Corporation serves as director	FVTOCI - non-current	6,204	8,996	5.4	8,996
	Excel Corporation	The Corporation serves as director	FVTOCI - non-current	88,303	8,197,194	6.6	8,197,194
	Phihong Technology Co., Ltd.	-	FVTOCI - non-current	600	-	9.5	-
	Privately placed shares - Phihong Technology Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	4,200	157,287	9.998	157,287
Taiwan Transport & Storage Corporation	Convertible preference shares O-Bank	The Corporation serves as director	FVTOCI - non-current	37,520	1,304,195	9.998	1,304,195
	Ordinary shares Chia Hsin Cement Corporation	Related party in substance	FVTOCI - current	2,365	28,138	-	28,138
	Ordinary shares O-Bank	Director of parent company	FVTOCI - current	8,804	149,671	-	149,671
	Taishin Financial Holding Co., Ltd.	Director of parent company	FVTOCI - current	24,214	239,479	-	239,479
TCC Investment Corporation	Ordinary shares O-Bank	Related party in substance	FVTOCI - current	14,526	252,745	-	252,745
	China Conch Venture Holdings Limited	Director of parent company	FVTOCI - current	8,501	144,510	-	144,510
	China Conch Environment Protection Holdings Limited	-	FVTOCI - non-current	11,110	313,335	-	313,335
	China Hi-Ment Corporation	The parent company serves as director	FVTOCI - non-current	11,110	33,773	-	33,773
Ta-Ho Maritime Corporation	Ordinary shares O-Bank	The parent company serves as director	FVTOCI - non-current	6,530	218,244	3.5	218,244
	Ordinary shares Prosperity Dielectrics Co., Ltd.	The parent company serves as director	FVTOCI - non-current	1	14	-	14
	China Hi-Ment Corporation	Related party in substance	FVTOCI - current	1,745	20,767	-	20,767
	China Hi-Ment Corporation	Director of parent company	FVTOCI - current	951	40,569	-	40,569
TCC Chemical Corporation	Ordinary shares Taichung Investment Co., Ltd.	The parent company serves as director	FVTOCI - non-current	26,277	446,701	-	446,701
	China Hi-Ment Corporation	The parent company serves as director	FVTOCI - non-current	3,967	132,577	2.09	132,577
	Ordinary shares Taichung Investment Co., Ltd.	The parent company serves as director	FVTOCI - non-current	5,042	468,063	-	468,063
	China Hi-Ment Corporation	The parent company serves as director	FVTOCI - non-current	6,266	209,417	3.30	209,417
Hoping Industrial Port Corporation	Ordinary shares Feng Yu United Engineering Company	-	FVTPL - current	137	-	0.12	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024			Note
				Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	
Union Cement Traders Inc.	Ordinary shares Taishin Financial Holding Co., Ltd. CTCI Corporation Chia Hsin Cement Corporation Videoland Inc.	-	The parent company serves as director Director of parent company	33,543	\$ 583,652	-	\$ 583,652 515,901 129,027 376,462
				13,365	515,901	-	
				7,590	129,027	-	
				6,437	376,462	5.60	
TCCI (Group)	Ordinary shares Anhui Conch Cement Co., Ltd. Yargoon Co., Ltd.	-	FVTOCI - non-current FVTOCI - non-current	116,568	9,783,944	-	9,783,944 -
				19	-	12.5	
NHOA ENERGY S.R.L.	Government bonds Deutsche Institutional Money plus Europäische Union Italien, Republik Spanien, Konigreich	-	FVTPL - current FVTPL - current FVTPL - current FVTPL - current	-	30,308	-	30,308 48,744 191,777 85,724
				-	48,744	-	
				-	191,777	-	
				-	85,724	-	
ATLANTE S.R.L.	Government bonds Buoni Poliennali Del Tes	-	FVTPL - non-current	-	91,679	-	\$91,679 thousand were pledged
Oyak Çimento Fabrikaları A.Ş.	Ordinary shares Ereğli Demir Çelik Fabrikaları A.Ş. Beneficiary certificates OKF OSZ OYS OGT	Related party in substance	FVTPL - current	11,488	260,488	-	260,488
				181,028	419,679	-	
				551	697	-	
				48,228	318,748	-	
TCC Recycle Energy Technology Company	Money market funds İş Asset Second Money Market (TL) Fund Preference shares GROUP 14 TECHNOLOGIES, INC.	-	FVTPL - current FVTPL - current FVTPL - current FVTPL - current	293	339	-	339
				422,426	929,329	-	
				-	-	-	
				353	295,065	0.3	295,065

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

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

(Concluded)

TABLE 4

TCC GROUP HOLDINGS CO., LTD. AND SUBSIDIARIES
(Formerly 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, 2024
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal		Other Adjustment (Note 1)	Ending Balance (Note 2)	
					Shares/(Units) (In Thousands)	Amount	Shares/(Units) (In Thousands)	Amount	Shares/(Units) (In Thousands)	Amount		Shares/(Units) (In Thousands)	Amount
TCC Dutch	Shares TCAH (Note 2)	Investments accounted for using the equity method	-	Subsidiary	-	\$ -	-	\$ 6,891,593	-	\$ -	\$ 30,375,160	-	\$ 37,266,753
	TCEH (Note 2)	Investments accounted for using the equity method	-	Subsidiary	430,001	16,794,149	-	14,361,225	-	-	10,448,430	430,001	41,603,804
	CGH	Investments accounted for using the equity method	-	Associate	100	35,716,009	-	-	-	-	(34,251,601)	100	1,464,408
TCEH	CPH (Note 2)	Investments accounted for using the equity method	-	Subsidiary	-	-	50	14,361,225	-	-	12,773,856	50	27,135,081
	NHOA S.A. (Note 2)	Investments accounted for using the equity method	-	Subsidiary	241,557	12,789,693	33,820	1,372,492	-	-	(2,640,199)	275,377	11,521,986
TCAH	OCF (Notes 2 and 3)	Investments accounted for using the equity method	-	Subsidiary	945,083	34,538,488	52,813	3,824,882	-	-	24,021,407	997,896	62,384,777
OCF	Beneficiary certificates OYS	Financial assets at fair value through profit or loss	-	Related party in substance	2,738	19,872	45,490	327,689	-	-	(28,813)	48,228	318,748
OCF	Money market funds TEH Portofy Para Piyasası (TL) Fonu İş Asset Second Money Market (TL) Fund	Financial assets at fair value through profit or loss	-	-	-	-	19,319,202	1,767,857	19,319,202	1,935,140	167,283	-	-
		Financial assets at fair value through profit or loss	-	-	-	-	422,426	929,329	-	-	-	422,426	929,329

Note 1: Including the profit and loss share of subsidiaries recognized using the equity method, organizational restructuring, gain (loss) on financial assets and liabilities at fair value through profit or loss and shareholder equity adjustments, etc. In March 2024, the subsidiary of the Corporation, TCC Dutch, established TCAH with OYAK Capital Investment B.V. to increase its shareholding equity in OCF and its subsidiaries in Turkey and CPH and its subsidiaries in Portugal under CGH. Through organizational restructuring, OCF and its subsidiaries were transferred from CGH to TCAH. The Group indirectly held 45.5% shareholding of the equity of OCF and its subsidiaries (and was the single largest shareholder). In addition, TCC Dutch increased capital in TCEH and obtained 100% shareholding equity of CPH from CGH. Since the Group originally indirectly held the equity of OCF and its subsidiaries and CPH and its subsidiaries via its 40% shareholding of CGH's equity, after the aforementioned acquisition transaction, the Group has control over both OCF and CPH. Therefore, after the remeasurement of the original holding equity at fair value on the acquisition date, the Group recognized gain on disposal of investments of \$173,531 thousand.

Note 2: All intercompany transactions have been eliminated upon consolidation.

Note 3: In July 2024, TCAH acquired an additional 4.24% shareholding of the equity of OCF in accordance with local mandatory tender offer regulations, with an investment amount of TRY3,864,882 thousand.

TCC GROUP HOLDINGS CO., LTD. AND SUBSIDIARIES
(Formerly 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, 2024**
(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
TCC Group Holdings CO., LTD.	Partial investment property/business of the Corporation	August 13, 2024	July 31, 1984	\$ 2,871,688	\$ -	-	\$ -	TCC Asset Management & Development Corporation	Subsidiary	Implement organizational restructuring and specialization	Reference to valuation report	Note
	Land located on Yixian Section, Xinyi District, Taipei City.											
	Partial investment property/land of the Corporation	November 11, 2024	April 10, 1956 and August 29, 1989	416,974	3,286,432	Collected	2,869,458	JUT Joint Development Co., Ltd.	-	Revitalize the Corporation's underused assets	Reference to valuation report	
	Land located on 3 pieces of land in Taiwan Cement Section, Zhudong Township, Hsinchu County.											

Note: In August 2024, the Board of Directors of the Corporation approved the spin-off and transfer of the business (including assets, liabilities and business) related to the investment real estate business located at Yixian Section, Xinyi District to its subsidiary, TCC Asset Management & Development Corporation, which issued new shares to the Corporation as consideration. The record date of the spin-off was October 1, 2024.

TCC GROUP HOLDINGS CO., LTD. AND SUBSIDIARIES
(Formerly 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, 2024
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total (Note 1)	
TCC Group Holdings CO., LTD.	Feng Sheng Enterprise Company Limited	Subsidiary	Sales	\$ (786,491)	(3)	65 days	\$	-	\$ 183,141	25	Note 2
	TCCIH	Subsidiary	Purchases	156,934	1	30 days	-	-	(15,399)	(2)	Note 2
	E.G.C. Cement Corporation	Subsidiary	Service revenue	(265,769)	(1)	By contract	-	-	22,750	3	Note 2
			Sales	(1,022,236)	(4)	50 days after the end of the day when delivery was made	-	-	175,761	24	Note 2
	Taiwan Transport & Storage Corporation	Subsidiary	Purchases	691,591	3	30 days	-	-	(76,471)	(8)	Note 2
	Hoping Industrial Port Corporation	Subsidiary	Purchases	424,034	2	20 days	-	-	(74,946)	(7)	Note 2
	Ta-Ho Maritime Corporation	Subsidiary	Purchases	1,913,588	10	30 days	-	-	(369,130)	(37)	Note 2
	Ho-Sheng Mining Co., Ltd.	Subsidiary	Purchases	274,431	1	30 days	-	-	(6,929)	(1)	Note 2
	Jin Chang Minerals Corporation	Subsidiary	Purchases	469,396	2	30 days	-	-	(70,074)	(7)	Note 2
	Kuan-Ho Refractories Industry Corporation	Subsidiary	Purchases	275,420	1	By contract	-	-	(130,862)	(13)	Note 2
Ho-Ping Power Company	Chia Hsin Cement Corporation	Director of the Corporation	Sales	(574,815)	(2)	65 days after the end of the day when delivery was made	-	-	110,880	15	
	China Hi-Ment Corporation	The Corporation serves as director	Purchases	1,022,370	5	60 days	-	-	(197,300)	(20)	
	CTCI Resources Engineering Inc.	The Group acts as key management of its parent company	Sales	(109,670)	-	By contract	-	-	18,129	2	
	Hoping Industrial Port Corporation	The same parent company	Purchases	1,081,356	10	20 days	-	-	(62,749)	(14)	Note 2
	HPC Power Service Corporation	The same parent company	Purchases	559,578	5	By contract	-	-	(155,106)	(34)	Note 2
	TCC Group Holdings CO., LTD.	Parent company	Sales	(424,034)	(27)	30 days	-	-	74,946	59	Note 2
	Ho-Ping Power Company	The same parent company	Sales	(1,081,356)	(69)	20 days	-	-	62,749	49	Note 2
	Taiwan Transport & Storage Corporation	The same parent company	Purchases	539,167	69	30 days	-	-	(26,236)	(68)	Note 2
	TCC Group Holdings CO., LTD.	Parent company	Sales	(156,934)	(3)	30 days	-	-	15,339	100	Note 2
			Purchases	786,491	19	30 days	-	-	(183,141)	(100)	Note 2
Taiwan Transport & Storage Corporation	TCC Group Holdings CO., LTD.	Parent company	Sales	(691,591)	(41)	30 days	-	-	76,741	62	Note 2
	Hoping Industrial Port Corporation	The same parent company	Sales	(539,167)	(32)	30 days	-	-	26,236	21	Note 2
	Linyuan Advanced Materials Technology Co., Ltd.	Same key management personnel	Sales	(114,834)	(7)	30 days	-	-	12,544	10	
	TCC Group Holdings CO., LTD.	Parent company	Freight revenue	(1,913,588)	(43)	30 days	-	-	369,130	89	Note 2
	TCC Group Holdings CO., LTD.	Parent company	Service expense	265,769	65	By contract	-	-	(22,750)	(7)	Note 2
	TCC Group Holdings CO., LTD.	Parent company	Sales	(274,431)	(74)	30 days	-	-	6,929	35	Note 2
	Ho-Ping Power Company	The same parent company	Sales	(559,578)	(100)	By contract	-	-	155,106	100	Note 2
	TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	The same ultimate parent company	Purchases	1,463,907	50	By negotiation	-	-	(131,405)	(2)	Note 2
	TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	The same ultimate parent company	Purchases	3,128,170	37	By negotiation	-	-	(149,583)	(15)	Note 2

(Continued)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total (Note 1)	
TCC (Hangzhou) Environmental Protection Technology Co., Ltd	TCC Yingde Cement Co., Ltd.	The same ultimate parent company	Sales	\$ (3,128,170)	(58)	By negotiation	\$	-	\$ 149,583	25	Note 2
	TCC (Gui Gang) Cement Ltd.	The same ultimate parent company	Sales	(1,463,907)	(27)	By negotiation	-	-	131,405	22	Note 2
	TCC Shaoguan Cement Co., Ltd.	The same ultimate parent company	Sales	(837,342)	(15)	By negotiation	-	-	99,561	17	Note 2
TCC Shaoguan Cement Co., Ltd.	TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	The same ultimate parent company	Purchases	837,342	51	By negotiation	-	-	(99,561)	(2)	Note 2
HKCCCL	Quon Hing Concrete Co., Ltd.	Associate	Sales	(296,772)	(20)	By negotiation	-	-	85,225	20	
E.G.C. Cement Corporation	TCC Group Holdings CO., LTD.	Parent company	Purchases	1,022,236	100	50 days after the end of the day when delivery was made	-	-	(175,761)	(100)	Note 2
Jin Chang Minerals Corporation	TCC Group Holdings CO., LTD.	Parent company	Sales	(469,396)	(100)	30 days	-	-	70,074	100	Note 2
Kuan-Ho Refractories Industry Corporation	TCC Group Holdings CO., LTD.	Parent company	Sales	(275,420)	(26)	By contract	-	-	130,862	93	Note 2
E-One Moli Energy Corp.	E-One Moli Energy (Canada) Ltd.	The same ultimate parent company	Sales	(697,087)	(16)	90 days	-	-	424,836	60	Note 2
	Molie Quantum Energy Corporation	The same ultimate parent company	Service expense	165,578	31	90 days	-	-	(41,322)	(64)	Note 2
			Sales	(136,098)	(3)	90 days	-	-	7,949	1	Note 2
E-One Moli Energy (Canada) Ltd	E-One Moli Energy Corp.	The same ultimate parent company	Purchases	697,087	100	90 days	-	-	(424,836)	(60)	Note 2
			Service revenue	(165,578)	(15)	90 days	-	-	41,322	15	Note 2
Molie Quantum Energy Corporation	E-One Moli Energy Corp.	The same ultimate parent company	Purchases	136,098	9	90 days	-	-	(7,949)	(7)	Note 2
TCC Energy Storage Technology Corporation	Molie Quantum Energy Corporation	The same ultimate parent company	Sales	(243,739)	(32)	By negotiation	-	-	74	-	Note 2
TCC Green Energy Corporation	Energy Helper TCC Corporation	The same ultimate parent company	Sales	(255,469)	(16)	60 days after the reference date	-	-	111,021	99	Note 2
FREE2MOVE ESOLUTIONS NORTH AMERICA LLC	Zerova Technologies USA LLC	The Group acts as key management of its parent company	Purchases	575,417	93	By negotiation	-	-	(3,015)	(3)	
	FCA US LLC	Related party in substance	Sales	(336,019)	(33)	By negotiation	-	-	114,565	63	
FREE2MOVE ESOLUTIONS S.P.A.	Stellantis Auto SAS	Related party in substance	Sales	(230,378)	(28)	By negotiation	-	-	109,290	41	
	Stellantis Europe S.P.A.	Related party in substance	Sales	(115,670)	(14)	By negotiation	-	-	25,973	10	
OCF	OYPOWER ELEKTRIK TICARETI VE HIZM.A.Ş.	Related party in substance	Purchases	815,608	3	By negotiation	-	-	(6,794)	-	
	DOCO PETROL VE DANIŞMANLIK A.Ş.	Related party in substance	Purchases	526,316	2	By negotiation	-	-	(111,447)	(2)	
	OMSAN DENİZCİLİK A.Ş.	Related party in substance	Purchases	159,031	1	By negotiation	-	-	(50,540)	(1)	
	OYAK İNŞAAT A.Ş.	Related party in substance	Sales	(414,913)	(1)	By negotiation	-	-	238,540	4	
	İSKENDERUN DEMİR ÇELİK A.Ş.	Related party in substance	Sales	(447,171)	(1)	By negotiation	-	-	72,371	1	
	OYKA KAĞIT AMB. SAN. VE TİC. A.Ş.	Related party in substance	Purchases	308,096	1	By negotiation	-	-	(63,745)	(1)	
	Cimpor Cote D'Ivoire, SARL	The same ultimate parent company	Sales	(130,164)	-	By negotiation	-	-	-	-	Note 2
CPH	OYKA KAĞIT AMB. SAN. VE TİC. A.Ş.	Related party in substance	Purchases	122,441	1	By negotiation	-	-	(37,981)	(1)	
	Ave - Gestão Ambiental e Gestão Energética, S.A.	Associate	Purchases	168,997	1	By negotiation	-	-	(42,712)	(1)	
Cimpor Cote D'Ivoire, SARL	OCF	The same ultimate parent company	Purchases	130,164	1	By negotiation	-	-	-	-	Note 2

Note 1: The percentage to total accounts receivable from (payable to) related parties.

Note 2: All intercompany transactions have been eliminated upon consolidation.

(Concluded)

TCC GROUP HOLDINGS CO., LTD. AND SUBSIDIARIES
(Formerly Taiwan Cement Corporation)

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE SHARE CAPITAL
DECEMBER 31, 2024
(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		
TCC Group Holdings CO., LTD.	Feng Sheng Enterprise Company (Note) Chia Hsin Cement Corporation E.G.C. Cement Corporation (Note)	Subsidiary Director of the Corporation Subsidiary	\$ 183,141 110,880 175,761	4.4 5.2 7.7	- - -	- - -	\$ 21,893 110,880 159,503	\$ - - -
E-One Moli Energy Corp.	E-One Moli Energy (Canada) Ltd. (Note)	The same ultimate parent company	424,836	2.4	262,036	In the process of collection	156,205	-
HPC Power Service Corporation	Ho-Ping Power Company (Note)	The same parent company	155,106	4.2	54,178	In the process of collection	100,928	-
Kuan-Ho Refractories Industry Corporation	TCC Group Holdings CO., LTD. (Note)	Parent company	130,862	2.2	-	-	86,202	-
Ta-Ho Maritime Corporation	TCC Group Holdings CO., LTD. (Note)	Parent company	369,130	5.7	-	-	368,999	-
TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	TCC Yingde Cement Co., Ltd. (Note) TCC (Gui Gang) Cement Ltd. (Note)	The same ultimate parent company The same ultimate parent company	149,583 131,405	10.8 22.3	- 19,927	- In the process of collection	149,583 111,478	- -
TCC Green Energy Corporation	Energy Helper TCC Corporation (Note)	The same ultimate parent company	111,021	1.9	-	-	111,021	-
FREE2MOVE ESOLUTIONS NORTH AMERICA LLC	FCA US LLC	Related party in substance	114,565	5.9	38,631	In the process of collection	30,801	-
FREE2MOVE ESOLUTIONS S.P.A.	Stellantis Auto SAS	Related party in substance	109,290	4.2	67,461	In the process of collection	12,389	-
OCF	OYAK İNŞAAT A.Ş.	Related party in substance	238,540	2.9	131,584	In the process of collection	49,527	-

Note: All intercompany transactions have been eliminated upon consolidation.

TCC GROUP HOLDINGS CO., LTD. AND SUBSIDIARIES
(Formerly Taiwan Cement Corporation)

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount December 31, 2024	December 31, 2023	As of December 31, 2024	Carrying Amount	Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
TCC Group Holdings CO., LTD.	TCCI	British Virgin Islands	Investment holding	\$ 33,774,761	\$ 33,774,761	1,100,875,900	\$ 113,755,716	\$ 525,400	\$ 525,400	Note
	Ho-Ping Power Company	Taiwan	Thermal power generation	6,037,720	6,037,720	805,940,306	19,079,069	4,531,697	2,685,748	Note
	Hoping Industrial Port Corporation	Taiwan	Hoping industrial port management	3,198,500	3,198,500	319,990,000	5,650,825	557,406	557,389	Note
	Tai-Ho Maritime Corporation	Taiwan	Marine transportation	528,506	528,506	227,803,766	4,571,320	653,012	423,069	Note
	Taiwan Transport & Storage Corporation	Taiwan	Warehousing, transportation and sale of sand and gravel	91,703	91,703	52,410,366	2,620,035	236,535	198,401	Note
	TCC Investment Corporation	Taiwan	Investment	190,000	190,000	239,800,000	3,727,804	131,320	131,320	Note
	Ho Sheng Mining Co., Ltd.	Taiwan	Mining excavation and sale of limestone	1,414,358	1,414,358	30,100,000	1,274,301	2,047	2,047	Note
	CCC USA Corp.	U.S.A.	Rubber raw materials	1,284,421	1,284,421	79,166	1,789,226	(548,737)	(182,913)	
	Taiwan Cement Engineering Corporation	Taiwan	Engineering services	321,741	321,337	59,781,378	737,926	6,987	7,450	Note
	ONYX Ta-Ho Environmental Services Co., Ltd.	Taiwan	Waste collection and treatment	72,000	72,000	84,212,462	1,782,840	1,176,985	588,492	
	Kuan-Ho Refractories Industry Corporation	Taiwan	Production and sale of refractory materials	181,050	181,050	60,163,639	814,429	71,126	67,776	Note
	Feng Sheng Enterprise Company Limited	Taiwan	Sale of ready-mixed concrete	250,000	250,000	27,260,611	545,167	293,129	133,181	Note
	TCC Chemical Corporation	Taiwan	Leasing property and energy technology services	1,510,842	1,510,842	140,000,000	1,795,034	149,041	149,041	Note
	TCC Information Systems Corporation	Taiwan	Information software design	71,000	71,000	14,904,000	334,313	9,937	9,874	Note
	Tai-Ho RSEA Environment Co., Ltd.	Taiwan	Waste collection and treatment	273,060	466,200	666,000	262,674	335,892	223,704	Note
	HKCMCL	Hong Kong	Investment holding	72,005	72,005	38,094	801,546	110,808	93,803	Note
	TCC Green Energy Corporation	Taiwan	Renewable energy generation	13,446,046	13,446,046	1,350,898,696	14,042,899	461,601	461,601	Note
	Jin Chang Minerals Corporation	Taiwan	Afforestation and sale of limestone	108,042	108,042	9,100,000	290,019	59,384	59,384	Note
	HPC Power Service Corporation	Taiwan	Business consulting	1,861	1,861	6,000	384,781	224,822	134,893	Note
	E.G.C. Cement Corporation	Taiwan	Sale of cement	184,359	184,359	8,062,600	122,131	28,143	14,252	Note
	Synpac Ltd.	British Virgin Islands	Investment	70,367	70,367	2,700,000	7,899	746	186	
Taiwan Transport & Storage Corporation	Tung Chen Mineral Corporation	Taiwan	Afforestation and sale of limestone	-	-	-	-	-	-	In liquidation
	TMC	Philippines	Mining excavation	11,880	11,880	119,997	-	-	-	Note
	TPMC	Philippines	Mining excavation	2,105	2,105	19,996	-	-	-	Note
	TCCIH	Cayman Islands	Investment holding	68,467,141	68,467,141	3,734,927,496	89,820,159	(74,054)	(35,020)	Note
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	3,563,397	3,563,397	153,476,855	5,344,818	(2,712,871)	(422,818)	
	TCC Dutch	Netherlands	Investment holding	40,565,030	40,565,030	1,179,219	47,007,495	2,342,210	1,971,806	Note
	TCC Recycle Energy Technology Company	Taiwan	Investment holding	10,479,257	10,461,612	1,046,153,632	9,165,447	(2,313,989)	(848,725)	Note
	TCC Sustainable Energy Investment Corporation	Taiwan	Investment holding	1,000	1,000	100,000	880	(9)	(9)	Note
	TCC Energy Storage Technology Corporation	Taiwan	Energy storage equipment manufacturing, production and sales	2,506,000	2,506,000	250,600,000	2,094,218	107,479	(37,163)	Note
	Tuo Shan Recycle Technology Company	Taiwan	Waste collection and treatment	1,000	1,000	100,000	926	(9)	(9)	Note
TCC Investment Corporation	TCC Asset Management & Development Corporation	Taiwan	Real estate development and leasing industry	1,972,836	-	197,283,624	1,967,722	(5,114)	(5,114)	Note
	Tai-Ho Maritime Corporation	Taiwan	Marine transportation	316,020	310,637	103,589,619	2,078,725	653,011	-	Note
	E.G.C. Cement Corporation	Taiwan	Sale of cement	136,476	136,476	7,857,400	148,404	28,173	-	Note
	Tai-Jie Transport & Storage Corporation	Taiwan	Transportation	25,000	25,000	2,500,000	31,181	1,634	-	Note
TCC Investment Corporation	Union Cement Traders Inc.	Taiwan	Import and export trading	219,450	219,450	40,200,000	1,273,392	(24,983)	-	Note
	Ho-Ping Power Company	Taiwan	Thermal power generation	68,911	68,911	6,772,608	156,950	4,531,697	-	Note
	Tai-Ho Maritime Corporation	Taiwan	Marine transportation	343	343	59,140	1,322	653,011	-	Note
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	388,079	388,079	22,008,505	760,070	(2,712,871)	-	Note

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2024	December 31, 2023	Shares/Units	%	Carrying Amount			
Ta-Ho Maritime Corporation TCC Information Systems Corporation	TCC Recycle Energy Technology Company D-concrete INC.,	Taiwan Taiwan	Investment holding Design and sales of cement and concrete products	\$ 312,833 2,450	\$ 312,833 2,450	31,859,829 245,000	1.12 49.00	\$ 184,409 2,424	\$ (2,313,989) (5)	\$ - -	Note
	Ta-Ho Maritime Holdings Ltd.	Samoa	Investment	2,129,164	2,129,164	74,300,000	100.00	8,336,612	316,575	-	Note
	Taieem Information (Samoa) Pte., Ltd. International CSRC Investment Holdings Co., Ltd.	Samoa Taiwan	Investment Investment	3,042 49,882	3,042 49,882	2,127,800 2,055,473	100.00 0.21	73,443 71,028	4,620 (2,712,871)	- -	Note
	TCC Recycle Energy Technology Company	Taiwan	Investment holding	112,898	112,898	11,695,699	0.41	67,696	(2,313,989)	-	Note
Hoping Industrial Port Corporation 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	20,947	236,535	-	Note
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	281,806	281,806	11,463,551	1.16	396,128	(2,712,871)	-	Note
Ho-Ping Power Company TCC Green Energy Corporation	TCC Recycle Energy Technology Company	Taiwan	Investment holding	298,046	298,046	30,702,994	1.08	177,713	(2,313,989)	-	Note
	Ho-Ping Renewable Energy Company	Taiwan	Renewable energy generation	1,000	1,000	100,000	100.00	997	-	-	Note
	TCC Chia-Chien Green Energy Corporation	Taiwan	Renewable energy generation	3,202,000	3,202,000	320,200,000	100.00	3,281,947	77,442	-	Note
TCC Green Energy Corporation	TCC Yun-Kai Green Energy Corporation	Taiwan	Renewable energy generation	25,000	25,000	2,500,000	100.00	22,610	255	-	Note
	TCC Lien-Hsin Green Energy Corporation	Taiwan	Renewable energy generation	4,012,000	4,012,000	401,200,000	100.00	4,300,231	344,428	-	Note
	TCC Chang-Ho Green Energy Corporation	Taiwan	Renewable energy generation	2,456	2,456	245,635	100.00	2,302	(21)	-	Note
	TCC Kao-Cheng Green Energy Corporation	Taiwan	Renewable energy generation	142,000	142,000	14,200,000	100.00	147,671	5,079	-	Note
	TCC Nan-Chung Green Energy Corporation	Taiwan	Renewable energy generation	170,000	170,000	17,000,000	100.00	171,300	1,138	-	Note
	Chang-Wang Wind Power Co., Ltd.	Taiwan	Renewable energy generation	720,000	720,000	72,000,000	100.00	791,321	66,146	-	Note
	TCC Ping-Zhi Green Energy Corporation	Taiwan	Renewable energy generation	2,000	2,000	200,000	100.00	1,804	(24)	-	Note
	Chia-Ho Green Energy Corporation	Taiwan	Renewable energy generation	3,145,000	3,145,000	314,500,000	85.00	3,136,588	14,745	-	Note
	TCC Tung-Li Green Energy Corporation	Taiwan	Tourism and recreation	287,000	270,000	28,700,000	100.00	181,323	(37,378)	-	Note
	SHI-MEN Green Energy Corporation	Taiwan	Renewable energy generation	20,000	20,000	1,020,000	51.00	7,682	(4,863)	-	Note
	HO-PING Ocean Renewable Resource Corporation	Taiwan	Renewable energy generation	30,000	30,000	3,000,000	100.00	29,931	(14)	-	Note
	TCC Gaohe Green Energy Corporation	Taiwan	Renewable energy generation	230,000	-	23,000,000	100.00	227,427	(2,573)	-	Note
Ta-Ho Maritime Holdings Ltd.	THC International S.A.	Panama	Marine transportation	2,699,049	2,699,049	94,310,000	100.00	7,172,309	322,918	-	Note
	Ta-Ho Maritime (Hong Kong) Limited Ta-Ho Maritime (Singapore) Pte. Ltd.	Hong Kong Singapore	Marine transportation Marine transportation	141,168 2,768	141,168 2,768	5,100,000 100,000	100.00 100.00	1,070,365 82,979	(8,606) 2,408	- -	Note
TCC International Ltd. (Group)	Quon Hing Concrete Co., Ltd. Hong Kong Concrete Co., Ltd.	Hong Kong Hong Kong	Investment holding Cement processing services	157,899 24,211	157,899 24,211	100,000 129,150	50.00 31.50	445,724 387,688	231,647 547,435	- -	Note
	TCC Recycle Energy Technology Company	Taiwan	Investment holding	11,019,388	11,019,388	1,101,938,824	38.73	9,649,532	(2,313,989)	-	Note
	TCC Dutch Top Form Construction Limited	Netherlands Hong Kong	Investment holding Sales of building materials	8,477,500 178,670	8,477,500 -	250,000 5,000	17.49 50.00	10,051,392 266,385	2,342,210 331	- -	Note
	E-One Moli Energy Corp.	Taiwan	Manufacturing and sales of lithium battery	27,683,427	27,683,427	2,766,310,703	100.00	23,286,786	(2,317,127)	-	Note
E-One Moli Energy Corp.	E-One Holdings Ltd. Molie Quantum Energy Corporation	British Virgin Islands Taiwan	Investment holding Manufacturing and sales of batteries, power generation machinery, electronic components	2,050,040 22,001,000	2,050,040 22,001,000	65,344,940 2,200,100,000	100.00 100.00	96,879 19,347,701	(367,581) (1,998,652)	- -	Note
	E-One Holdings Ltd.	Canada	Investment holding	2,430,170	2,430,170	23,800	100.00	96,847	(367,586)	-	Note

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2024	December 31, 2023	Shares/Units	%	Carrying Amount			
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	\$ 94,110	\$ (367,555)	\$	- Note
E-One Moli Energy (Canada) Ltd.	E-One Moli Quantum Energy (Canada) Ltd.	Canada	Manufacturing of lithium battery	2	2	100	100.00	2	-	-	- Note
TCC Energy Storage Technology Corporation	Energy Helper TCC Corporation	Taiwan	Renewable energy retail and energy technology services	10,000	10,000	1,000,000	100.00	49,213	38,448	-	- Note
	TCC Energy Storage Dutch	Netherlands	Energy storage equipment manufacturing, production and sales	10,614	-	300,000	100.00	354	(9,963)	-	- Note
	TCC Energy Storage France	France	Energy storage equipment manufacturing, production and sales	34,740	-	1,000,000	100.00	34,121	(19)	-	- Note
TCC Dutch	CGH	Netherlands	Investment holding	1,497,760	1,497,760	100,000	40.00	1,464,408	155,856	-	- Note
	TCEH	Netherlands	Investment holding	33,466,608	19,105,383	430,001,000	100.00	41,603,804	123,761	-	- Note
	TCAH	Netherlands	Investment holding	24,865,794	17,974,201	-	60.00	37,266,753	6,158,929	-	- Note
	OCF	Turkey	Cement, clinker and concrete fabrication	38,363,370	34,538,488	997,896	80.05	62,384,777	6,245,400	-	- Note
	NHOA S.A.	France	Investment holding	16,594,888	15,222,396	275,377,374	99.99	11,521,986	(2,371,508)	-	- Note
	CPH	Portugal	Investment holding	24,269,504	9,908,279	50,000	95.00	27,135,081	942,785	-	- Note
NHOA S.A.	ELECTRO POWER SYSTEM MANUFACTURING	Italy	Renewable energy and energy storage system construction	664,059	664,059	1,004,255	100.00	216,729	(19,082)	-	- Note
	NHOA CORPORATE S.R.L.	Italy	Investment holding	9,125,148	9,125,148	12,000,000	100.00	6777,473	(2,078,537)	-	- Note
NHOA CORPORATE S.R.L.	FREE2MOVE ESOLUTIONS S.P.A.	Italy	Electric vehicle charging equipment	528,255	528,255	16,344,531	49.90	(269,973)	(697,082)	-	- Note
	NHOA ENERGY S.R.L.	Italy	Renewable energy and energy storage system construction	3,832,192	3,832,192	-	100.00	3,090,662	(188,926)	-	- Note
NHOA ENERGY S.R.L.	NHOA AMERICAS LLC	U.S.A.	Renewable energy and energy storage system construction	274	274	10,000	100.00	(165,099)	(89,376)	-	- Note
	NHOA AUSTRALIA PTY LTD	Australia	Renewable energy and energy storage system construction	505,225	505,225	25,210,000	100.00	686,523	190,212	-	- Note
	NHOA LATAM S.A.C.	Peru	Renewable energy and energy storage system construction	23	23	2,700	90.00	(99,486)	(67,604)	-	- Note
	NHOA Taiwan Ltd.	Taiwan	Renewable energy and energy storage system construction	8,288	8,288	250,000	100.00	(57,528)	(36,905)	-	- Note
	NHOA UK LTD	UK	Renewable energy and energy storage system construction	3,315	3,315	100,000	100.00	202,936	219,058	-	- Note
	Comores Énergie Nouvelles S.A.R.L.	Conoro Islands	Independent Power Producer (IPP)	18,719	18,719	100	100.00	(20,594)	(14,379)	-	- Note
	New Horizons Ahead Energy Spain SL	Spain	Renewable energy and energy storage system construction	103	-	-	100.00	128,038	129,385	-	- Note
	NPD Italy 1 S.R.L.	Italy	Renewable energy and energy storage system construction	345	-	-	100.00	(973)	(1,338)	-	- Note
NHOA AMERICAS LLC	NHOA LATAM S.A.C.	Peru	Renewable energy and energy storage system construction	3	3	300	10.00	(11,054)	(67,604)	-	- Note
NHOA CORPORATE S.R.L.	ATLANTE S.R.L.	Italy	Renewable energy and charging equipment	6,672,736	6,672,736	12,000,000	100.00	3,837,109	(1,086,138)	-	- Note
ATLANTE S.R.L.	ATLANTE IBERIA S.L.	Spain	Renewable energy and charging equipment	128	128	4,000	100.00	4,382	(130,531)	-	- Note
	ATLANTE FRANCE S.A.S.	France	Renewable energy and charging equipment	1,001,686	1,001,686	29,500,000	100.00	365,842	(360,778)	-	- Note
	ATLANTE INFRA PORTUGAL S.A.	Portugal	Renewable energy and charging equipment	174,326	174,326	84,000	100.00	6,711	(78,726)	-	- Note
	ATLANTE ITALIA S.R.L.	Italy	Renewable energy and charging equipment	158,738	158,738	-	100.00	436,452	(404,353)	-	- Note
ATLANTE FRANCE S.A.S.	ALPIS S.A.S.	France	Renewable energy and charging equipment	3	3	-	51.00	17,404	(14)	-	- Note

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2024	December 31, 2023	Shares/Units	%	Carrying Amount			
ALPIS S.A.S.	ALPIS Kilowatt S.A.S.	France	Renewable energy and charging equipment	\$ -	\$ -	-	100.00	\$ -	\$ -	\$ -	Note
ATLANTE IBERIA S.L.	ATLANTE Fast Charging Portugal LDA	Portugal	Renewable energy and charging equipment	-	131	-	-	-	(2,054)	-	Note
ATLANTE INFRA PORTUGAL S.A.	ATLANTE Fast Charging Portugal LDA	Portugal	Renewable energy and charging equipment	-	-	-	-	-	(2,054)	-	Note
FREE2MOVE ESOLUTIONS S.P.A.	FREE2MOVE ESOLUTIONS FRANCE S.A.S.	France	Electric vehicle charging equipment	1,553	1,553	100,000	100.00	(11,340)	7,110	-	Note
	FREE2MOVE ESOLUTIONS SPAIN S.L.U.	Spain	Electric vehicle charging equipment	3,126	3,126	100,000	100.00	347	11,756	-	Note
	FREE2MOVE ESOLUTIONS NORTH AMERICA LLC	U.S.A.	Electric vehicle charging equipment	3,071	3,071	100,000	100.00	567,565	185,312	-	Note
	FREE2MOVE ESOLUTIONS UK LTD	UK	Electric vehicle charging equipment	-	3,709	-	-	-	-	-	Note
	FREE2MOVE ESOLUTIONS MAROCCO SARL	Morocco	Electric vehicle charging equipment	330	-	1,000	100.00	(1,399)	(1,401)	-	Note

Note: All intercompany transactions have been eliminated upon consolidation.

(Concluded)

TABLE 9

TCC GROUP HOLDINGS CO., LTD. AND SUBSIDIARIES
(Formerly Taiwan Cement Corporation)

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

A.

Investee Company	Main Businesses and Products	Share Capital	Method of Investment (Note 1)	Accumulated Outward Investment from January 1, 2024 (Note 2)	Investment Flow (Note 2)		Accumulated Outward Investment from Taiwan as of December 31, 2024 (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, 2024 (Note 3)	Accumulated Repatriation of Investment Income as of December 31, 2024	Note
					Outflow	Inflow							
TCC Fuzhou Cement Co., Ltd.	Manufacturing and sale of cement	\$ 532,756	(b)	\$ 301,007	\$ -	\$ -	\$ 301,007	\$ 9,138	100.00	\$ 9,138	\$ 595,256	\$ -	Note 6
TCC Fuzhou Yanggu Port Co., Ltd.	Service of port facility	163,925	(b)	92,618	-	-	92,618	(4,842)	100.00	(4,842)	230,418	-	Note 6
TCC Linzhou Construction Materials Company Limited	Manufacturing and sale of slag powder	442,598	(b)	106,223	-	-	106,223	(16,482)	42.00	(6,922)	346,226	-	Note 6
TCC Yingde Cement Co., Ltd.	Manufacturing and sale of cement	8,340,504	(b)	5,211,536	-	-	5,211,536	397,305	100.00	397,305	27,364,987	-	Note 6
Jurong TCC Cement Co., Ltd.	Manufacturing and sale of cement	7,638,905	(b)	4,438,596	-	-	4,438,596	(703,623)	100.00	(703,623)	17,657,416	-	Note 6
TCC (Gui Gang) Cement Ltd.	Manufacturing and sale of cement	10,913,336	(b)	7,806,105	-	-	7,806,105	(222,593)	100.00	(222,593)	22,000,208	-	Note 6
Jiangsu TCC Investment Co., Ltd.	Investment holding	1,639,250	(b)	926,176	-	-	926,176	(246,343)	100.00	(246,343)	3,941,357	-	Note 6
Yingde Dragon Mountain Cement Co., Ltd.	Manufacturing and sale of cement	1,917,077	(b)	3,561,537	-	-	3,561,537	231,223	100.00	231,223	16,672,313	-	Note 6
TCC Liaoning Cement Company Limited	Manufacturing and sale of cement	1,661,338	(b)	1,461,604	-	-	1,461,604	112,426	100.00	112,426	1,897,153	-	Note 6
TCC Anshun Cement Company Limited	Manufacturing and sale of cement	5,032,170	(b)	3,666,215	-	-	3,666,215	260,005	100.00	260,005	7,717,295	-	Note 6
TCC Chongqing Cement Company Limited	Manufacturing and sale of cement	3,868,630	(b)	2,797,261	-	-	2,797,261	32,300	100.00	32,300	9,994,375	-	Note 6
Guangan Changxing Cement Company Ltd.	Manufacturing and sale of cement	2,524,117	(b)	1,832,530	-	-	1,832,530	86,108	100.00	86,108	6,699,406	-	Note 6
TCC (Dong Guan) Cement Company Ltd.	Manufacturing and sale of cement	655,700	(b)	370,471	-	-	370,471	-	100.00	-	-	-	Note 6
Guizhou Kong On Cement Company Limited	Manufacturing and sale of cement	665,536	(b)	299,989	-	-	299,989	(108,855)	65.00	(70,756)	159,973	-	Note 6
TCC (Hangzhou) Management Company Limited	Operation management	262,280	(b)	148,188	-	-	148,188	(27,843)	100.00	(27,843)	99,282	-	Note 6
Guizhou Kaihui Rui An Jian Cai Co., Ltd.	Manufacturing and sale of cement	1,744,900	(b)	1,172,864	-	-	1,172,864	(230,512)	100.00	(230,512)	3,286,565	-	Note 6
TCC Shaoguan Cement Co., Ltd.	Manufacturing and sale of cement	2,265,444	(b)	2,122,829	-	-	2,122,829	(205,816)	100.00	(205,816)	1,224,362	-	Note 6
TCC Huaihua Cement Company Limited	Manufacturing and sale of cement	4,253,563	(b)	3,380,319	-	-	3,380,319	(190,108)	100.00	(190,108)	2,719,925	-	Note 6
TCC Jingzhou Cement Company Limited (Note 4)	Manufacturing and sale of cement	1,343,400	(b)	6,187,984	-	-	6,187,984	(1,497,237)	100.00	(1,497,237)	2,454,817	-	Note 6
TCC Huaihua Concrete Company Limited (Note 4)	Manufacturing and sale of cement	671,700	(b)	-	-	-	-	(210,664)	100.00	(210,664)	1,778,207	-	Note 6
TCC Jiangsu Mining Industrial Company Limited	Sale of ready-mixed concrete	44,780	(b)	-	-	-	-	(4,126)	100.00	(4,126)	(61,555)	-	Note 6
TCC Guangde Mining Industrial Company Limited	Mining excavation	377,028	(b)	410,039	-	-	410,039	22,035	100.00	22,035	473,986	-	Note 6
TCC Yingde Mining Industrial Company Limited	Mining excavation	131,140	(b)	296,628	-	-	296,628	6,136	100.00	6,136	375,344	-	Note 6
Scitus Naxi Cement Co., Ltd.	Mining excavation	163,925	(b)	141,587	-	-	141,587	7,622	100.00	7,622	416,962	-	Note 6
Scitus Luzhou Cement Co., Ltd.	Manufacturing and sale of cement	656,072	(b)	-	-	-	-	(13,218)	100.00	(13,218)	(248,453)	-	Note 6
Scitus Hejiang Cement Co., Ltd.	Manufacturing and sale of cement	1,768,810	(b)	-	-	-	-	(114,917)	100.00	(776)	3,548,680	-	Note 6
Scitus Luzhou Concrete Co., Ltd.	Manufacturing and sale of cement	104,114	(b)	-	-	-	-	159	100.00	159	25,802	-	Note 6
Anshun Xin Tai Construction Materials Company Limited	Sale of ready-mixed concrete	111,950	(b)	-	-	-	-	(1,130)	100.00	(1,130)	51,055	-	Note 6
Fuzhou TCC Information Technology Co., Ltd. (Note 5)	ready-mixed concrete	67,170	(b)	100,610	-	-	100,610	-	100.00	-	-	-	Note 6
Da Tong (Guigang) International Logistics Co., Ltd. (Note 5)	Software product and equipment maintenance	3,279	(b)	3,279	-	-	3,279	2,076	100.00	2,076	32,797	39,372	Note 6
Guigang Du-Ho Shipping Co., Ltd. (Note 5)	Logistics and transportation	163,925	(b)	-	-	-	-	13,134	100.00	13,134	791,823	-	Note 6
Prosperity Conch Cement Co., Ltd.	Marine transportation	17,912	(b)	-	-	-	-	8,944	100.00	8,944	604,449	-	Note 6
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Manufacturing and sale of cement	2,597,240	(b)	2,410,284	-	-	2,410,284	892,672	25.00	223,168	7,987,995	-	Note 3
Booshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Manufacturing and sale of cement	3,694,350	(b)	1,571,400	-	-	1,571,400	(109,638)	30.00	(34,929)	1,465,978	-	Note 3
Sichuan Taichang Building Material Group Company Limited	Manufacturing and sale of cement	1,847,533	(b)	760,943	-	-	760,943	216,349	30.00	73,277	859,150	-	Note 3
Yingling Xinnan New material Co., Ltd.	Manufacturing and sale of cement	895,600	(b)	380,389	-	-	380,389	115,389	30.00	34,617	630,774	-	Note 6
Guangan Xin Tai Construction Materials Company Limited	Manufacturing and sale of cement	89,560	(b)	-	-	-	-	-	30.00	-	(171,447)	-	Note 6
Guigang TCC Dong Yuan Environmental Technology Company Limited	Manufacturing and sale of concrete aggregate	69,409	(b)	51,931	-	-	51,931	51,931	50.00	-	50,000	-	Note 6
Beijing TCC Environmental Technology Co., Ltd.	Dangerous waste treatment	895,600	(b)	523,926	-	-	523,926	5,705	100.00	5,705	1,024,366	-	Note 6
TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	Technology development, enterprise management and sales	26,868	(b)	26,868	-	-	26,868	8,705	100.00	8,705	(129,025)	-	Note 6
Kaili TCC Environment Technology Co., Ltd.	Environmental protection, cement and enterprise management consulting	12,493,620	(b)	12,493,620	-	-	12,493,620	(13,571)	100.00	(13,571)	11,720,735	-	Note 6
TCC Juyuan (Xuyong) Environmental Technology Co., Ltd.	Waste collection and treatment	214,944	(b)	13,434	-	-	13,434	(41,230)	100.00	(41,230)	83,568	-	Note 6
	Technology development, enterprise management and sales	17,912	(b)	9,852	-	-	9,852	39	30.00	39	5,449	-	Note 6

(Continued)

Investee Company	Main Businesses and Products	Share Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024 (Note 2)	Investment Flow (Note 2)		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024 (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, 2024 (Note 3)	Accumulated Repariation of Investment Income as of December 31, 2024	Note
					Outflow	Inflow							
Guangan TCC Jiyuan Environmental Protection Technology Co., Ltd. TCC (Hangzhou) Recycle Resource Technology Environmental Limited Guigang Conch-TCC New Material Technology Co., Ltd.	Technology development, enterprise management and sales Recycle resource technology development, business management and sales Technology development and service, manufacturing and sale of dedicated chemical production.	\$ 134,340 2,507,680 107,472	(b) (b) (b)	\$ - - -	\$ - - -	- - -	\$ - - -	\$ (6,575) 30,725 196,602	70.00 100.00 40.00	\$ (5,637) 30,725 78,641	\$ 89,158 2,639,760 260,752	- - -	- Note 6 -
Jurong TCC Environmental Co., Ltd. Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.	Dangerous waste treatment Manufacturing and sale of cement, technology development, enterprise management and sales	1,155,100 1,791,200	(b) (b)	483,400 -	- -	- -	483,400 -	34,262 (53,641)	100.00 40.00	34,262 (21,456)	1,212,857 541,420	- -	Note 6 -
TCC Yongren (Hangzhou) Renewable Resources Technology Co., Ltd.	Resource reusing technology and development, solid waste treatment, biomass fuel processing and sales	53,736	(b)	-	-	-	-	(5,821)	100.00	(5,821)	57,544	-	Note 6
TCC Yongren (Hangzhou) Renewable Resources Development Co., Ltd.	Resource regeneration technology research and development, solid waste treatment, biomass fuel processing and sales	26,868	(b)	-	-	-	-	(14,430)	100.00	(14,430)	(38,501)	-	Note 6
TCC Yongren (Hangzhou) Environmental Protection Technology Co., Ltd.	Resource recycling technology consultation, biomass energy technology and fuel sales, solid waste treatment	4,478	(b)	-	-	-	-	(174)	100.00	(174)	3,829	-	Note 6
TCC Yongren (Hangzhou) Environmental Technology Co., Ltd.	Resource recycling technology consultation, solid waste treatment, biomass fuel sales	4,478	(b)	-	-	-	-	7	100.00	7	4,492	-	Note 6
TCC (Shaoguan) Environment Technology Co., Ltd.	Biomass fuel processing and sales, solid waste treatment, urban and kitchen waste treatment	4,478	(b)	-	-	-	-	-	100.00	-	4,488	-	Note 6
TCC Zhongrun (Anshun) Environmental Technology Co., Ltd.	Co-processing fly ash disposal and domestic waste fly ash in Cement Kiln	107,472	(b)	-	-	-	-	(10,584)	65.00	(6,879)	62,945	-	Note 6
TCC Zhihe (Hangzhou) Environmental Protection Co., Ltd.	Resource recycling, environmental protection, solid waste treatment, business management and sales related businesses	183,598	(b)	-	-	-	-	(34,374)	100.00	(34,374)	74,119	-	Note 6
TCC (Guangdong) Renewable Resources Technology Company Limited	Resource recycling research and experimental development, sales of renewable resources, technical services and business management	22,390	(b)	-	-	-	-	(14,611)	100.00	(14,611)	(43,567)	-	Note 6
Jiangsu Environmental Resources Tcc Solid Waste Disposal Co., Ltd.	Municipal solid waste operating services, various engineering construction activities and hazardous waste management	26,868	(b)	-	-	-	-	24,579	49.00	12,044	27,121	-	-
123 (Guangdong) Environmental Protection Technology Co., Ltd.	Environmental protection material processing, manufacturing, production and operation and related services	26,868	(b)	-	-	-	-	(13,746)	100.00	(13,746)	(33,997)	-	Note 6
Chongqing Xuanjie Taimi Environmental Protection Technology Co., Ltd.	Biomass fuel processing and sales, processing and sales of renewable resources, etc.	53,736	(b)	-	-	-	-	(12,058)	49.00	(5,908)	19,742	-	-
TCC Zhongxin (Anshun) Renewable Resources Technology Company Limited	Crop straw treatment and processing and utilization services	67,170	(b)	-	-	-	-	770	80.40	393	54,591	-	Note 6
TCC (Hangzhou) New Energy Co., Ltd.	Research and development of emerging energy technologies, energy storage technology services, sales of concrete structural components, and sales of cement products	4,478	(b)	-	-	-	-	(456)	100.00	(456)	4,020	-	Note 6
TCC Yingde New Material Co., Ltd.	Biomass molding fuel sales, biomass energy technical services, biomass fuel processing, solid waste treatment and resource recycling service technical consultation	44,780	(b)	-	-	-	-	-	100.00	-	44,753	-	Note 6
TCC Energy Storage Technology (Hangzhou) Co., Ltd.	Energy storage technology services, charging pile sales, intelligent power transmission, distribution and control equipment sales, electric vehicle charging station operations, centralized fast charging stations, software development, etc.	8,956	(b)	-	8,956	-	8,956	(7,760)	100.00	(7,760)	1,154	-	Note 6
TCC Energy Storage Technology (Jurong) Co., Ltd.	Energy storage technology services, intelligent power transmission, distribution and control equipment sales and software development, etc.	44,780	(b)	-	-	-	-	-	100.00	-	44,780	-	Note 6

(Continued)

Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$91,870,912	\$92,609,883	(Note 7)

Note 1: The method of investments were as follows:

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

Note 2: Including outward remittance from offshore subsidiaries.

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

Note 4: As of December 31, 2024, the accumulated outward remittance for investments was a total of those from TCC Huaihua Cement Company Limited, TCC Jingzhou Cement Company Limited and TCC Huaihua Concrete Company Limited.

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

Note 6: All intercompany transactions have been eliminated upon consolidation.

Note 7: The Corporation received a confirmation letter of Operation Headquarter from the Industrial Development Bureau of the MOEA in 2023 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, 6, 7 and 10 for the information about significant transactions with investees in the mainland China either directly or indirectly through a third area.

(Concluded)

TCC GROUP HOLDINGS CO., LTD. AND SUBSIDIARIES
(Formerly Taiwan Cement Corporation)

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship (Note 1)	Transactions Details		
				Financial Statement Account	Amount	Payment Terms
0	TCC Group Holdings CO., LTD.	Feng Sheng Enterprise Company Limited	1	Operating revenue Operating costs and expenses Accounts receivable from related parties Operating costs and expenses Operating costs and expenses Operating costs and expenses Operating costs and expenses Operating costs and expenses Accounts payable to related parties Operating revenue Operating costs and expenses Accounts payable to related parties Operating revenue Accounts receivable from related parties Lease liabilities - non-current	\$ 786,491 158,914 183,141 691,591 424,034 274,431 469,396 275,420 130,862 265,769 1,912,561 369,130 1,022,236 175,761 187,209	65 days 30 days 65 days 30 days 20 days 30 days 30 days By contract By contract By contract 30 days 30 days 50 days after the end of the day when delivery was made 50 days after the end of the day when delivery was made By contract
1	Ho-Ping Power Company	Hoping Industrial Port Corporation HPC Power Service Corporation	3 3	Operating costs and expenses Operating costs and expenses Accounts payable to related parties	1,081,356 559,578 155,106	20 days By contract By contract
2	Taiwan Transport & Storage Corporation	Hoping Industrial Port Corporation	3	Operating revenue	539,167	30 days
3	E-One Moli Energy Corp.	E-One Moli Energy (Canada) Ltd.	3	Operating revenue Accounts receivable from related parties Operating costs and expenses Operating revenue	697,087 424,836 165,578 136,098	90 days 90 days 90 days 90 days
4	Molie Quantum Energy Corporation	Molie Quantum Energy Corporation	3	Lease liabilities - non-current Fixed assets - property in construction	1,097,075 243,000	By negotiation By negotiation
5	TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	TCC Yingde Cement Co., Ltd. TCC (Gui Gang) Cement Ltd. TCC Shaoquan Cement Co., Limited	3 3 3	Operating revenue Accounts receivable from related parties Operating revenue Accounts receivable from related parties Operating revenue	3,128,170 149,583 1,463,907 131,405 837,342	By negotiation By negotiation By negotiation By negotiation By negotiation
6	TCC Energy Storage Technology Corporation	Molie Quantum Energy Corporation	3	Operating revenue	243,739	By contract
7	TCC Green Energy Corporation	Energy Helper TCC Corporation	3	Operating revenue Accounts receivable from related parties	255,469 111,021	60 days from the base date 60 days from the base date
8	OCF	Cimpor Cote D'Ivoire, SARL	3	Operating revenue	130,164	By negotiation

Note 1: All intercompany transactions have been eliminated upon consolidation. The directional flow of the investment relationship is represented by the following numerals:

- a. From parent to subsidiary: 1.
- b. From subsidiary to parent: 2.
- c. Between subsidiaries: 3.

Note 2: This table includes transactions for amounts exceeding \$100 million.

APPENDIX A — THE SECURITIES MARKET OF THE ROC

The information presented in this section has been extracted from publicly available documents which have not been prepared or independently verified by the Company, the Initial Purchasers, or any of the Company's or its affiliates or advisors in connection with the offering. References to the FSC in this section include both ROC Securities and Futures Commission and the ROC Securities and Exchange Commission, the predecessors of the Securities and Futures Bureau of the FSC.

In September 1960, the MOEA established the ROC Securities and Exchange Commission to supervise and control all aspects of the existing domestic securities market and the TWSE began to take shape soon thereafter. In the 1970s and the early 1980s, the ROC Government implemented a number of steps designed to upgrade the quality and importance of the ROC securities markets, such as encouraging listing on the TWSE and establishing an over-the-counter securities exchange. In the mid-1980s, the ROC Government began to revise its laws and regulations in a manner designed to facilitate the gradual internationalization of the ROC securities markets. In 1997, the ROC Securities and Exchange Commission was renamed the ROC Securities and Futures Commission. Effective July 1, 2004, the ROC Government established the FSC, the single financial regulator which supervises banking, securities and insurance affairs in the ROC. The ROC Securities and Futures Commission has been renamed the Securities and Futures Bureau, which is under the FSC.

The TWSE

In 1961, under the instruction of the ROC Government, the TWSE was established to provide a marketplace for securities trading. The TWSE is a corporation owned by government-controlled and private banks, securities companies and enterprises. The TWSE is independent of the entities transacting business through it, each of which pays to the TWSE a user's fee. Subject to limited exceptions, all transactions in listed securities by brokers, traders and integrated securities firms must be made through the TWSE.

The TWSE commenced operations in 1962. During the early 1980s, the FSC actively encouraged new listings on the TWSE and the number of listed companies has grown from 119 in 1983 to 1,031 as of December 31, 2024. As of December 31, 2024, the market capitalization of companies listed on the TWSE was approximately NT\$73.9 trillion.

Historically, ROC companies have listed only shares and bonds on the TWSE. However, the FSC has encouraged companies to list other types of securities. In 1988, the Ministry of Finance permitted the issuance of ROC's first exchangeable bonds. Since 1989, there have been offerings of domestic convertible bonds and convertible preferred shares. In addition, beneficiary units evidencing beneficiary interests in closed-end investment funds and bonds issued by supra-national financial institutions are also listed on the TWSE or traded on the TPEx (which is discussed below). The FSC also has promulgated regulations which permit foreign issuers to list certain securities on the TWSE.

The TWSE considers the following factors when evaluating a company for listing:

- the number of shareholders and the distribution of shareholdings among such shareholders;
- the length of time in business;
- the amount of paid-in capital; and
- profitability.

However, special listing criteria apply to certain industries, such as technology companies and key businesses engaging in national economic development.

The following table sets forth, for the periods indicated, information relating to the TWSE:

Period Ended December 31,	Number of Listed Companies at the Period End	Stock Trading Values (NT\$ in billions)	Index High	Index Low	Index at Period End
1997	404	37,241.15	10,116.84	6,820.35	8,187.27
1998	437	29,618.97	9,277.09	6,251.38	6,418.43
1999	462	29,291.53	8,608.91	5,474.79	8,448.84
2000	531	30,526.57	10,202.20	4,614.63	4,739.09
2001	584	18,354.94	6,104.24	3,446.26	5,551.24
2002	638	21,873.95	6,462.30	3,850.04	4,452.45
2003	669	20,333.24	6,142.32	4,139.50	5,890.69
2004	697	23,875.37	7,034.10	5,316.87	6,139.69
2005	691	18,818.90	6,575.53	5,632.97	6,548.34
2006	688	23,900.36	7,823.72	6,257.80	7,823.70
2007	698	33,043.85	9,809.88	7,344.56	8,506.28
2008	718	26,115.41	9,295.20	4,089.93	4,591.22
2009	741	29,680.47	8,188.11	4,242.61	8,188.11
2010	758	28,218.68	8,972.50	7,071.67	8,972.50
2011	790	26,197.41	9,145.35	6,633.33	7,072.08
2012	809	20,238.17	8,144.04	6,894.66	7,699.50
2013	838	18,940.93	8,623.43	7,616.64	8,611.51
2014	854	21,898.54	9,569.17	8,264.48	9,307.26
2015	874	20,191.49	9,973.12	7,410.34	8,338.06
2016	892	16,771.14	9,392.68	7,664.01	9,253.50
2017	907	23,972.24	10,854.57	9,272.88	10,642.86
2018	928	29,608.87	11,253.11	9,478.99	9,727.41
2019	942	26,464.63	12,122.45	9,382.51	11,997.14
2020	948	45,654.29	14,732.53	8,681.34	14,732.53
2021	959	92,289.97	18,248.28	14,902.03	18,218.84
2022	971	56,080.59	18,526.35	12,666.12	14,137.69
2023	997	63,170.25	17,930.81	14,199.13	17,930.81
2024	1031	92,288.98	24,390.03	17,161.79	23,035.10

Source: TWSE

The Taipei Exchange (TPEX)

To complement the TWSE, the Taipei Exchange (the “TPEX”, formerly known as GreTai Securities Market) was established in September 1982 on the initiative of the FSC to encourage the trading of securities of companies who do not qualify for listing on the TWSE. As of December 31, 2024, 838 companies had listed equity securities on the TPEX and the total market capitalization of those companies was approximately NT\$6.5 trillion.

The TPEX has established specific requirements for trading securities on the TPEX based on the history of a company, the number and distribution of a company’s shareholders, amount of capital, profitability and capital structure.

Price Limits, Commissions, Transaction Tax and Other Matters

The TWSE has placed limits on block trading and on the range of daily price movements. According to the TWSE’s block trading guidelines, an order for sale or purchase of 500 or more trading lots of one class of securities,

or securities of five or more different classes and trading amounts exceeding NT\$15 million, must be registered and executed in accordance with the guidelines. Fluctuations in the price of stock traded on the TWSE are currently subject to a restriction of 10% above and below the previous day closing price (or reference price set by the TWSE if the previous day closing price is not available because of lack of trading activity). However, these restrictions have been modified from time to time by the FSC based on market conditions. Brokerage commission can be set at any rate of the transaction price provided that any rate exceeding 0.1425% shall be reported to the TWSE and notify the client in advance. A securities transaction tax, currently levied at 0.3% of the transaction price, is payable by the seller of equity securities. Such securities transaction taxes are withheld at the time of the transaction giving rise to such tax. Sales of shares of companies listed on the TWSE are currently sold in round lots of 1,000 shares. Investors who desire to sell less than 1,000 shares of a listed company occasionally experience delays in effecting such sales.

Starting from January 15, 2016, upon the occurrence of any matter which may have a material impact on the shareholders' equity or the price of securities of a TWSE-listed company (e.g., merger), such company should apply to the TWSE, or the TWSE should request, for suspension of trading of its shares for one to three trading days (or a longer period if necessary).

Regulation and Supervision

The FSC has extensive regulatory authority over public companies. Public companies are generally required to obtain the deemed approval from the FSC for all securities offerings. The FSC has promulgated regulations requiring, unless otherwise exempted, periodic reporting of financial and operating information by all public companies. In addition, the FSC establishes standards for financial reporting and carries out licensing and supervision of participants in the ROC securities market.

The FSC has responsibility for implementing ROC Securities and Exchange Act and for overall administration of governmental policies in the ROC securities market. It has extensive regulatory authority over the offering, issuance and trading of securities. In addition, ROC Securities and Exchange Act specifically empowers the FSC to promulgate necessary rules. ROC Securities and Exchange Act prohibits market manipulation. For example, it permits an issuer to recover short-swing trading profits made through purchases and sales within six months by directors, managerial personnel, supervisors, as well as the spouses, minor children and nominees of these parties, and shareholders (together with their spouses, minor children and nominees) who hold more than 10% of the shares of the issuer. ROC Securities and Exchange Act prohibits trading by "insiders" based on nonpublic information that materially affects share price movement prior to publication of such information and within 18 hours after publication of such information. "Insiders" include:

- directors, supervisors, managers, as well as the spouses, minor children and nominees of these parties, and shareholders (together with their spouses, minor children and nominees) who hold more than 10% of the issuing company's shares and any individual designated by a governmental or corporate director or supervisor to act on its behalf;
- any person who has learned material nonpublic information due to an occupational or controlling relationship with the issuing company;
- any person who has discharged from the status or position in the first and second bullet points for not more than six months; and
- any person who has learned material non-public information from any of the above.

Sanctions include imprisonment. In addition, damages may be awarded to persons injured by the transaction. ROC Securities and Exchange Act also imposes criminal liability on certified public accountants and lawyers who make false certifications in their examination and audit of an issuer's contracts, reports and other documents related to securities transactions. The FSC regulations require that financial reports of listed companies be audited by accounting firms consisting of at least three certified public accountants and be signed by at least two certified public accountants.

In addition, ROC Securities and Exchange Act provides for civil liability for material misstatements or omissions made by issuers and regulation of tender offers. The FSC does not have criminal or civil enforcement powers under ROC Securities and Exchange Act. Criminal actions may be pursued only by government prosecutors. Civil actions may only be brought by plaintiffs who assert that they have suffered damages. The FSC is empowered to curb abuses and violations of laws and regulations only through administrative measures including:

- issuance of warnings;

- temporary suspension of operation;
- imposition of administrative fines; and
- revocation of licenses.

In addition to providing a market for securities trading, the TWSE reviews applications by ROC and foreign issuers to list securities on the TWSE. If issuers of listed securities violate laws and regulations or encounter significant difficulties, the TWSE may, with the approval of the FSC, delist the securities of these issuers.

APPENDIX B — FOREIGN INVESTMENT AND EXCHANGE CONTROLS IN THE ROC

The information presented in this section has been extracted from publicly available documents which have not been prepared or independently verified by the Company, the Initial Purchasers or any of the Company's or its affiliates or advisors in connection with this Offering.

Foreign Investment

Historically, foreign investment in the ROC securities markets has been restricted. Since 1983, the ROC Government has periodically enacted legislation and adopted regulations to permit foreign investment in the ROC securities market.

Regulations Governing Investment in Securities By Overseas Chinese and Foreign Nationals (the "Foreign Regulations"), which was approved by the ROC Executive Yuan on May 26, 1983 and has been amended from time to time, and the Regulations Governing Mainland Chinese Investors' Securities Investments and Futures Trading in Taiwan (the "PRC Regulations"), which was announced by the FSC on April 30, 2009, are two of the major regulations governing foreign investment in companies listed on TWSE or TPEx in the ROC.

Under the Foreign Regulations, foreign investors (other than PRC persons) are classified as either "onshore foreign investors" or "offshore foreign investors" according to their respective geographical location. Unless otherwise specified in the laws and regulations, both onshore and offshore foreign investors are allowed to trade securities after they register with the TWSE; provided, the TWSE may terminate the registration if the application documents submitted by foreign investors are untrue or incomplete or if any material violation of laws or relevant regulations exists. The Foreign Regulations further classify foreign investors into foreign institutional investors and foreign individual investors. "Foreign institutional investors" refer to those investors incorporated and registered in accordance with foreign laws outside of the ROC (i.e., offshore foreign institutional investors) or their branches set up and recognized within the ROC (i.e., onshore foreign institutional investors). Offshore overseas Chinese and foreign individual investors may be subject to a maximum investment ceiling that will be separately determined by the FSC after consultation with the CBC. Currently, there is no maximum investment ceiling for offshore overseas Chinese and foreign individual investors. On the other hand, foreign institutional investors are not subject to any ceiling for investment in the ROC securities market.

In the past, PRC persons were prohibited from investing, whether directly or indirectly, in the ROC. The PRC Regulations promulgated by the FSC on April 30, 2009 loosen these restrictions. Under the PRC Regulations, PRC qualified domestic institutional investors, or QDIIs, are allowed to invest in ROC securities (including less than 10% (or less in certain industries) shareholding of an ROC company listed on the TWSE or the TPEx). Nevertheless, the total investment amount of QDIIs cannot exceed US\$500 million. For each QDII, the custodians of such QDIIs must apply with the TWSE for the remittance amount for each QDII, which cannot exceed US\$100 million, and QDII can only invest in the ROC securities market with the amount approved by the TWSE. In addition, QDIIs are currently prohibited from investing in certain industries, and their investment of certain other industries in a given company is restricted to a certain percentage pursuant to a list promulgated by the FSC and amended from time to time. The Company currently does not engage in prohibited or restricted industries.

Depository Receipts

In April 1992, the FSC enacted regulations permitting ROC companies with securities listed on the TWSE, with the prior approval of the FSC, to sponsor the issue and sale to foreign investors of depository receipts. Depository receipts represent deposited shares of ROC companies. In December 1994, the Ministry of Finance further allowed companies whose shares are traded on the TPEx or listed on the TWSE, upon approval of the FSC, to sponsor the issue and sale of depository receipts.

A holder of depository receipts may, after the issuance of the depository receipts representing new shares and upon the listing of the underlying shares and (in practice, typically four to seven business days thereafter), request the depository to either cause the underlying shares to be sold in the ROC and to distribute the sale proceeds to the holder or to withdraw from the depository receipt facility the shares represented by the depository receipts and deliver the shares to the holder. For depository shares that represent previously issued and existing shares, a holder of the depository receipts could, immediately after the issuance of the depository receipts, request the depository to conduct the foregoing. Currently, a holder of depository shares who is a PRC person may not withdraw and hold shares unless (i) it is a QDII who will hold less than 10% (or less in certain industries) of the issuer's issued shares, or (ii) if all the businesses of the issuer are in the positive list promulgated by the ROC Executive Yuan, the holder withdraws shares which (together with its existing shareholding in the issuer) accounts for 10% or more (or other threshold required by the regulators) of the issuer's issued shares and it otherwise obtains the approval of the MOEA. However, QDIIs are

currently prohibited from investing in certain industries, and their investment of certain other industries in a given company is restricted to a certain percentage pursuant to a list promulgated by the FSC and amended from time to time. In addition, there are restrictions on the amount remitted to the ROC for investments by each individual QDII and for QDIIs in the aggregate in certain industries. Accordingly, the qualification criteria for a PRC person to make investment, the restrictions on investment in certain industries and the investment threshold imposed by the FSC might accordingly cause a holder of depositary shares who is a PRC person to be unable to withdraw and hold the underlying shares.

Under existing laws and regulations relating to foreign exchange control, a depositary or a holder of depositary receipts may, without obtaining further approvals from the CBC or any other governmental authority or agency of the ROC, convert NT dollars into other currencies, including U.S. dollars, in respect of the following: (1) proceeds of the sale of shares represented by depositary receipts, (2) proceeds of the sale of shares received as stock dividends and deposited into the depositary receipt facility and (3) any cash dividends or cash distributions received. In addition, a depositary, also without any of these approvals, may convert inward remittances of payments into NT dollars for purchases of shares for deposit into the depositary receipt facility against the creation of additional depositary receipts. A depositary may be required to obtain foreign exchange approval from the CBC on a payment-by-payment basis for conversion from NT dollars into foreign currencies relating to the sale of subscription rights for new shares if the proceeds are in excess of US\$100,000 per remittance. Proceeds from the sale of the underlying shares withdrawn from the depositary receipt facility may be used for reinvestment in the TWSE or the TPEx securities, subject to relevant regulations.

Under current ROC laws, a non-ROC holder of depositary receipts, when withdrawing the shares underlying the depositary receipts, will be required to register with the TWSE and appoint a local agent to open a securities trading account with a local brokerage firm and an NT dollar bank account, pay taxes, remit funds, exercise rights relating to the securities and perform such other matters as may be designated by such holder of depositary receipts on behalf of and as an agent for such holder of depositary receipts. Any such holder of depositary receipts is also required to appoint a local bank or securities firm to act as custodian to hold the securities and any cash proceeds in safekeeping, to make confirmations, to settle trades and to report all relevant information. In addition, such holder of depositary receipts is required to appoint a tax guarantor for filing tax returns and making tax payments. Without meeting the foregoing requirements, the withdrawing holder of depositary receipts would be unable to hold and subsequently sell or otherwise transfer the underlying shares withdrawn from the depositary receipt facility on the TWSE or otherwise.

Overseas Corporate Bonds

Since 1989, the FSC has approved a series of overseas bonds issued by ROC companies listed on the TWSE in offerings outside the ROC. Under current ROC law, such overseas corporate bonds (i) can be converted by bondholders into shares of ROC companies or (ii) subject to FSC approval, may be converted into depositary receipts issued by the same ROC company or by the issuing company of the exchange shares, in the case of exchangeable bonds. A PRC holder of convertible bonds may not convert bonds unless (i) it is a QDII who will hold less than 10% (or less in certain industries) of the issuer's issued shares or (ii) if all the businesses of the issuer are in the positive list promulgated by the ROC Executive Yuan, the shares converted from overseas convertible bonds which (together with its existing shareholding in the issuer) accounts for 10% or more (or other threshold required by the regulators) of the issuer's issued shares and it otherwise obtains the approval of the MOEA. However, QDIIs are currently prohibited from investing in certain industries, and their investment of certain other industries in a given company is restricted to a certain percentage pursuant to a list promulgated by the FSC and amended from time to time. In addition, there are restrictions on the amount remitted to the ROC for investments by QDIIs, separately and jointly. Accordingly, the qualification criteria for a PRC person to make investment, the restrictions on investment in certain industries and the investment threshold imposed by the FSC might accordingly cause a holder of the corporate bonds who is a PRC person to be unable to convert or exchange the bonds and hold the shares. The relevant regulations also permit public issuing companies to issue corporate debt in offerings outside the ROC. Proceeds from the sale of the shares converted from overseas convertible bonds may be used for reinvestment in securities listed on the TWSE or traded on the TPEx, subject to relevant regulations.

Under current ROC law, a non-ROC converting bondholder, when exercising his conversion right to convert bonds into common shares, is required to register with the TWSE and appoint a local agent to open a securities trading account with a local brokerage firm and an NT dollar bank account, pay taxes, remit funds, exercise rights relating to the securities and perform such other matters as may be designated by such converting bondholder on behalf of and as agent for such converting bondholder. Also, any such converting bondholder is also required to appoint a custodian bank to hold the securities and any cash proceeds in safekeeping, to make confirmations, to settle trades and to report all relevant information. In addition, such converting bondholder is required to appoint a tax guarantor for filing tax returns and making tax payments. Without meeting these requirements, the converting holder would not be able to

receive, hold, or subsequently sell or otherwise transfer the shares into which the overseas bonds may have been converted on the TWSE or otherwise.

Unless otherwise limited by the CBC, an ROC company may, without obtaining further approvals from the CBC or any other government authority of the ROC, convert NT dollars to other non-ROC currencies, including US dollars, for making payments in respect of redemption of the bonds or repayment of principal of and interest on the bonds. A non-ROC converting bondholder may, through its local agent and without obtaining prior approval from the CBC, convert into foreign currencies net proceeds realized from the sale of converted common shares or any stock dividends relating to such shares, or any cash dividend or other cash distribution in respect of such common shares and, after becoming a shareholder, inward remittances of subscription payments in connection with a rights offering. However, a converting bondholder must obtain prior approval from the CBC on a payment-by-payment basis for conversion from NT dollars into other currencies in respect of the proceeds from the sale of subscription rights for newly issued shares if the proceeds are in excess of US\$100,000 per remittance.

Other Foreign Investment

In addition to investments permitted under the Foreign Regulations and PRC Regulations, foreign investors (other than PRC persons) who wish to make (i) direct investments in the shares of ROC private companies or (ii) investment in 10% or more of the equity interest of an ROC company listed on the TWSE or the TPEx in any single transaction and PRC investors who wish to make (i) direct investment in the shares of ROC private companies or (ii) investments, individually or aggregately, in 10% or more (or other threshold required by the regulators) of the equity interest of an ROC company listed on the TWSE or the TPEx in certain industries on the positive list, as promulgated by the ROC Executive Yuan are required to submit an Investment Approval application to the Department of Investment Review of the ROC MOEA or other government authority. The Department of Investment Review of the ROC MOEA or such other government authority reviews Investment Approval application and approves or disapproves each application after consultation with other governmental agencies (such as the CBC and the FSC). PRC investors other than QDII are prohibited from making investments in an ROC company listed on the TWSE or the TPEx if the investment is less than 10% (or less in certain industries) of the equity interest of such ROC company.

Under current law, any non-ROC person possessing an Investment Approval may remit capital for the approved investment and is entitled to repatriate annual net profits, interest and cash dividends attributable to such investment. Dividends attributable to such investment may be repatriated upon submitting certain required documents to the remitting bank, and investment capital and capital gains attributable to such investment may be repatriated after approvals of the ROC MOEA or other authorities have been obtained.

In addition to the general restriction against direct investment by foreign investors in securities of ROC companies, foreign investors (other than PRC persons or except in certain limited cases) are currently prohibited from investing in certain industries in the ROC pursuant to a Negative List, as amended by the ROC Executive Yuan. The prohibition on foreign investment in the prohibited industries specified in the Negative List is absolute in the absence of specific exemption from the application of the Negative List. Pursuant to the Negative List, certain other industries are restricted so that foreign investors (except in certain limited cases) may invest in such industries only up to a specified level and with the specific approval of the relevant competent authority which is responsible for enforcing the relevant legislation which the Negative List is intended to implement.

On the other hand, in addition to the general restriction against direct investment by PRC investors in securities of ROC companies, PRC investors may only invest in certain industries in the Positive List, as promulgated by the ROC Executive Yuan. In addition, PRC investor who wishes to be elected as an ROC company's director or supervisor shall also submit an Investment Approval application to the Department of Investment Review of the ROC MOEA or other government authority for approval.

Exchange Controls

The ROC Foreign Exchange Control Statute and regulations provide that all foreign exchange transactions must be executed by banks designated by the FSC and the CBC to handle foreign exchange transactions. Current regulations favor trade-related foreign exchange transactions. Consequently, foreign currency earned from exports of merchandise and services may now be retained and used freely by exporters. All foreign currency needed for the importation of merchandise and services may be purchased freely from the designated foreign exchange banks.

Aside from trade-related foreign exchange transactions, ROC companies and individual residents of the ROC may, without foreign exchange approval, remit to and from the ROC in each calendar year foreign currencies of up to US\$100 million (or its equivalent) and US\$10 million (or its equivalent), respectively, or such other amount as determined by the CBC from time to time at its discretion in consideration of the ROC's economic and financial

conditions or the needs to maintain the order of foreign exchange market in the ROC. These limits apply to remittances involving a conversion between NT dollars and U.S. dollars or other foreign currencies. In addition, all private enterprises are required to register all medium- and long-term foreign debt with the CBC.

In addition, a foreign person may, subject to certain requirements but without foreign exchange approval, remit to and from the ROC foreign currencies of up to US\$100,000 (or its equivalent) per remittance if the required documentation is provided to the ROC authorities. This limit applies to remittances involving a conversion between NT dollars and U.S. dollars or other foreign currencies.

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