

Stock Code: 1104

# **Universal Cement Corporation 2022 Annual Meeting of Shareholders**

# **Handbook**

**Meeting Time: 9:00 A.M. June 14, 2022**

**Place: Hai-fu Gypsum Board Plant, No. 18 Hai-  
Shan-Zhong St., Hai-fu Borough, Lu-Zhu  
Dist., Taoyuan City**

Form of the meeting: This meeting is convened  
physically.

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**Notice to readers**

*This English-version handbook is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. Shall there be any discrepancy between the English and Chinese versions, the Chinese version shall prevail.*

# Universal Cement Corporation

## Procedure for the 2022 Annual Meeting of Shareholders

1. Call the Meeting to Order
2. Chairperson's Remarks
3. Matters to Report
4. Ratification
5. Proposals and Discussion
6. Questions and Motions
7. Adjournment

# Matters to Report

## 1. 2021 Business Report

(Please refer to appendix 1 and 2 starting from page 13 of this meeting handbook)

## 2. Audit Committee's Review Report on the 2021 Financial Statements (Please refer to appendix 3 starting from page 17 of this meeting handbook)

The Company's 2021 Financial Statements, 2021 Business Report and Proposal for Distribution of 2021 Profits have been audited and reported by Audit Committee. The financial statements were audited by independent auditors, LEE, Ji-Chen and YANG, CHAO-CHIN of Deloitte Touche Tohmatsu Limited. Please refer to appendix 4 starting from page 33 of this meeting handbook.

## 3. Report on Employees and Directors' compensation for the year of 2021

In accordance of Article 33 of the Company's Article of Incorporation, if there is profit at the end of each fiscal year, the percentage of profit of the current year distributable as employees' compensation shall be no lower than 1%, and employee remuneration allocated by stock or cash shall be determined by the Board, including employees of affiliated companies who meet certain conditions. With the profits mentioned above, the Board shall decide to allocate no more than 3% as directors' remuneration.

The Directors' remuneration of NT\$ 20,859,864 as well as employees' compensation of NT\$ 20,859,864 were issued by cash for the year of 2021. There is no difference between the distributed amount and the annual estimated amount of adopted expense.

## 4. Report on Endorsement and Guarantee made in 2021

In compliance with Procedure for Making of Endorsements/Guarantees when making endorsements/guarantee for companies and companies of joint venture with business relations. As of the end of December, 2021, the total amount of endorsement/ guarantee is 570 million dollars, complied with the procedure and listed as below:

Unit: thousand dollars

Endorsement/ Guarantee Object	Amount
Universal Concrete Industry	120,000
Universal Concrete Investment	400,000
Uneo Inc.	50,000
In total	570,000

5. Report on Loaning of Company Funds in 2021

In compliance with Procedure for Loaning Funds to Other Parties when lending funds to companies and companies of joint venture with business relations. As of the end of December, 2021, the total approved credit for loaning of funds by th Company is 120 million dollars and in compliance with the procedure and listed as below:

Unit: thousand dollars

Loaning Object	Amount
Universal Concrete Industry	300,000
Universal Concrete Investment	800,000
Uneo Inc.	100,000
In Total	1,200,000

# Ratification

## **Proposal No. 1**

Adoption of the 2021 Business Report, Financial Statements and Consolidated Financial Statement (Proposed by the Board)

### **Explanation:**

The documents mentioned above have been approved by the Board on the 14th Meeting of the 23rd Board of Directors and audited by the Audit Committee. The financial statements were audited by independent auditors, LEE, Ji-Chen and YANG, CHAO-CHIN of Deloitte Touche Tohmatsu Limited. (Please refer to appendix 2 and 3 starting from page 15 of this meeting handbook)

### **Resolution:**

## **Proposal No. 2**

Adoption of the Proposal for Distribution of 2021 Profits (Proposed by the Board)

### **Explanation:**

1. The Board has adopted the Proposal for Distribution of 2021 Profits in accordance with the Company's Article of Association, approved by the Board on the 14th Meeting of the 23rd Board of Directors and audited by the Audit Committee.
2. It is proposed to distribute a cash dividend of 1 dollars per share to shareholders (distributed to the end of the dollar), allocate an abnormal amount of less than 1 dollar, and transfer to other income of the company. Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Directors be authorized to distribute on the dividend date

and ex-rights date.

3. If the proposed profit distribution is affected by an amendment to relevant laws or regulations, a request by the competent authorities, handling capital increase in cash, execution conversion of employee stock options, transfer or cancellation of treasury stocks, conversion of corporate bonds, repurchase of company shares, or other reasons that affect share changes, it is proposed that the Board of Directors be authorized to adjust the cash and stock to be distributed to each share based on the number of actual shares outstanding on the record date for distribution.


**Resolution:**




  
 Universal Cement Corporation  
**PROFIT DISTRIBUTION TABLE**  
 Year 2021

Unit: NT Dollars

Item	Amount
Unappropriated Retained Earnings of Previous Years	5,003,945,573
Plus: Net Profit of 2021 after tax	1,088,078,375
Minus: Setting aside of legal reserve	(108,807,838)
Earnings available for distribution	5,983,216,110
Distribution of:	
Dividend (NTD 1 in cash per share)	653,609,192
Unappropriated Retained Earnings for year ended in 2021	5,329,606,918

Chairman: 

President: 

Accounting manager: 

## Proposals and Discussion

Proposal No.1: To Amend “the Rules for the Company Article of Incorporation”. Please proceed to discuss.

**(Proposed by the Board)**

### **Explanation :**

1. Propose the amendment of the Company Article of Incorporation according to the revised Article 172-2 of the Company Act, the Jin Guan Cheng Fa No. 10901500221 and No. 1090150022 issued on March 31, 2021 by Financial Supervisory Commission (FSC), and the actual requirements of the Company.
2. The main amendment of the Proposal is to add the relevant provisions of the shareholders’ video meeting, to add and amend the provisions of operating the capital reserve in line with the announcement of FSC. In addition, the Proposal is to amend the provisions of registered capital based on the actual demand for the Company.
3. The Proposal is approved in the 14th meeting of the 23rd Board of Directors, and is reported to this Shareholders’ meeting pursuant to relevant provisions.
4. Please refer to the Appendix 8 of this Handbook from Page 47 for the comparison table and the whole content of the articles before amendment.

### **Resolution:**

Proposal No. 2: To Amend “Procedure for Loan Funds to Other Person”.

Please proceed to discuss.

**(Proposed by the Board)**

**Explanation:**

1. To amend the procedure for loan funds to other person according to the actual demand of the Company.
2. The main amendment of the Proposal is to amend the provision of the limit on loan funds based on the actual demand of the Company.
3. The Proposal is approved in the 10th meeting of the 23rd session of Board of Directors, and is reported to this Shareholders’ meeting pursuant to applicable provisions.
4. Please refer to the Appendix 9 of this Handbook from Page 57 for the comparison table and the whole content of the articles before amendment.

**Resolution:**

Proposal No. 3: To Amend “Procedure for Acquisition and Disposal of the Assets”. Please proceed to discuss.

**(Proposed by the Board)**

**Explanation:**

1. Conduct according to the Jin Guan Cheng Fa No. 1100364734 issued on November 8, 2021 by Financial Supervisory Commission (FSC), and the actual requirements of the Company.
2. The main amendment of the Proposal is to amend the relevant evaluation procedure for the related party transaction in line with the announcement of FSC. In addition, the Proposal is to amend the provisions of authorized transaction between the Company and the 100%-held subsidiaries based on the actual demand of the Company.
3. The Proposal is approved in the 13th meeting of the 23th session of Board of Directors regarding the actual demand that the Company needs to amend as well as approved in the 14<sup>th</sup> meeting of the 23rd session of Board of Directors regarding the revision announced by the FSC. The Proposal is reported to the Shareholders’ meeting this time in line with the provision.
4. Please refer to the Appendix 10 of this Handbook from Page 58 for the comparison table and the whole content of the articles before amendment.

**Resolution:**

Proposal No. 4: To Amend “the Convention Rules for Shareholder Meetings”. Please proceed to discuss.

**(Proposed by the Board)**

**Explanation:**

1. Handle the matters according to the Tai Zheng Zi Li No. 11100042501 issued on March 10, 2022 by Taiwan Stock Exchange Corporation (TWSE).
2. The main amendment of the Proposal is to add the relevant provisions of the shareholders’ video meeting in line with the announcement of FSC.
3. The Proposal is approved in the 14th meeting of the 23rd session of Board of Directors, and is reported to the Shareholders’ meeting this time in line with the provision.
4. Please refer to the Appendix 11 of this Handbook from Page 68 for the comparison table and the whole content of the articles before amendment.

**Resolution:**

# Questions and Motions

## Adjournment

# Appendices

1. Letter to Shareholders
2. 2021 Business Report
3. 2021 Financial Statements and Consolidated Financial Statement
4. Audit Committee's Review Report
5. Current Shareholding of Directors
6. Information of Employees' and Directors' Compensation
7. Influence on issuance of bonus shares toward the company's operating performance, earnings per share, and shareholders return on investment
8. The Amendment Information of the Company Article of Incorporation
9. The Amendment Information of "Procedure for Loan Funds to Other Person"
10. The Amendment Information of "Procedure for Acquisition and Disposal of the Assets"
11. The Amendment Information of "Convention Rules for Shareholder Meetings"

## Appendix 1

### Letter to Shareholders

Greetings to all of our valued shareholders,

In 2021, we can see the global economy recovery had been growing slowly in spite of COVID-19, whereas Taiwan was much less affected as a result of the success of pandemic-prevention policies. Meanwhile, the government kept promoting Forward-looking Infrastructure Development Program and the varying international situation brought corporates to invest in Taiwan, increasing the demand for new factory facilities and office building and contribute steady growth of sales of building material business of the company. The following is the company's business performance in 2021.

1. In 2021, the sales of cement were 530 thousand tons, representing a YOY decline of 3%, the sales of ready-mix concrete (RMC) were 1.82 million cubic meters, representing a YOY growth of 5% and the sales of gypsum boards were 14.83 million square meters, representing a YOY growth of 7%. Total consolidated revenue for 2021 was NT\$ 6.08 billion, showing a growth of 12% compared with last year; Net profit after tax of the year was NT\$ 1.11 billion representing a YOY decline of 12% due to the decline in investment earnings; Earnings per share had reached NT\$ 1.66.

2. The company not only endeavored to enhance the functional performance of gypsum board such as moisture resistance, fire resistance, sound insulation, convenience in construction and recycling, but also developed gypsum board system for rooftop and cladding system. Furthermore, the company combined our diverse gypsum board products with the exterior wall panel system of the brand "NICHIIHA" from Japan to extend the application from the interior to the outside of buildings, offering a new option for customers.

3. Ready-mixed concrete business group continued to supply for the demand for factories, offices, public construction and the residences on the periphery of Hsinchu, Taichung, Tainan, Kaohsiung and Pingtung.

4. Micro-Deformable Piezoresistive Sensor, the technology by our subsidiary company, Uneo Inc. was making a great progress in consumer electronics, stylus, industrial and semiconductor equipment, smart health, and smart warehouses. Uneo Inc. also collaborated with world-renowned corporates in standardizing, systemizing and modularizing the product development based on the advanced technology and the past experiences of customization to shorten the product development cycle and raise the profit.

Looking into 2022, the company will continue to aim for the participation in public construction, factories, commercial buildings, and housing projects. To expand



production capacity, our Kaohsiung Luzhu gypsum board plant and Ta-Fu premixed concrete mill's second concrete mixer are estimated to be put into operation in the third quarter of 2022. With nine premixed concrete mills and two gypsum board plants, the company expects to achieve the cement sales volume target of 520 thousand tons, RMC sales volume target of 1.8 million cubic meters, and gypsum board sales volume target of 16.3 million square meters.

As a pioneer in film type pressure sensor industry, Uneo Inc. has been the designated smart manufacturing sensor system supplier for various world-renowned companies since Industry 4.0 has been a clear trend. Moreover, our module products for smart health and smart inventory control are also highly regarded that the company have won contracts with key customers for new product development targeting the North American market. With the steadily-growing market demand for consumer electronics, we are anticipating a significant growth in sales performance of the sensor component business for 2022.

In conclusion, we are sincerely grateful for the support from all of our shareholders. The company will continue to strive for the corporate's innovation and steady growth, keeping to corporate governance, ethical corporate management, sustainable development, fulfillment of social responsibility to make UCCTW thriving in the future.

Chairman

HOU, Bo-Yi

## Appendix 2

## Business Report



## I. Manufacture

### (1) Cement

The Company manufactured 369,100 tons of cement (Alian Plant) in 2021, the production volume for the whole year decreased by 42,600 tons compared with that of 2020 compared with that in 2021, with an decrease rate of 10.35%.

### (2) Concrete

The company manufactured 1,546,268 m<sup>3</sup> of concrete in 2021, the production volume for the whole year decreased by 30,998 m<sup>3</sup> compared with that in 2020, with an decrease rate of 1.97%.

### (3) Gypsum board

The company manufactured 15,004,180 m<sup>2</sup> (Haifu Plant) of gypsum board in 2021, the production volume for the whole year increased by 1,046,359 m<sup>2</sup> compared with that in 2020, with an increase rate of 7.50%.

## II. Sale

### (1) Cement

The company sold 373,954 tons of cement (Including 100,928 tons for self-use) in 2021; the total sales volume decreased by 36,525 tons compared with that in 2020, with an decrease rate of 8.90%.

### (2) Concrete

The company sold 1,546,268 m<sup>3</sup> of concrete in 2021; the total sales volume decreased by 30,998 m<sup>3</sup> compared with that in 2020, with an decrease rate 1.97%.

### (3) Gypsum board

The company sold 14,831,623 m<sup>2</sup> in 2021; the total sales volume increased by 982,578 m<sup>2</sup> compared with that in, with an increase rate of 7.09%.

## III. Revenue

The company's net operating income for year 2021 was NT\$ 4,826,439 thousand dollars, an increase of NT\$ 330,923 thousand dollars compared with that of the year 2020, with an increase rate 7.36%.

## IV. Earning

The earnings after tax of year 2021 is NTD 1,088,078 thousand dollars, decreased 159,174 thousand dollars compared to 2020. The decrease rate was 12.76%, and the after-tax earnings per share was NT\$1.66, which was an decrease of NTD 0.25 compared with the 2020 fiscal year, and the decrease rate was 13.09%

Chairman:



President:



Accounting manager:



## Appendix 3

### Universal Cement Corporation

#### BALANCE SHEETS

DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2021		December 31, 2020	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash (Notes 4 and 6)	\$ 104,869	-	\$ 125,182	1
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	6,866	-	-	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	2,081,210	9	1,851,633	8
Financial assets at amortized cost - current (Notes 4, 9, 10 and 32)	67	-	67	-
Contract assets - current (Notes 4 and 23)	2,545	-	5,578	-
Contract assets from related parties - current (Notes 4, 23 and 31)	4,437	-	4,228	-
Notes receivable (Notes 4, 11 and 23)	395,276	2	362,052	2
Net Accounts receivable (Notes 4, 11 and 23)	1,000,841	4	796,302	3
Accounts receivable from related parties (Notes 4, 11, 23 and 31)	36,742	-	52,308	-
Other receivables (Notes 4 and 31)	106,365	1	592	-
Inventories (Notes 4 and 12)	266,451	1	247,290	1
Prepayments	16,310	-	45,918	-
Other current assets	3,686	-	5,159	-
Total current assets	<u>4,025,665</u>	<u>17</u>	<u>3,496,309</u>	<u>15</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	1,709,936	7	1,419,292	6
Financial assets at amortized cost - non-current (Notes 4, 9, 10 and 32)	4,707	-	15,195	-
Investments accounted for using equity method (Notes 4 and 13)	11,111,932	46	10,808,078	47
Property, plant and equipment (Notes 4 and 14)	6,629,770	27	6,414,931	28
Right - of - use assets (Notes 4 and 15)	39,323	-	27,007	-
Investment properties (Notes 4 and 16)	685,616	3	194,028	1
Other intangible assets (Notes 4 and 17)	8,051	-	7,611	-
Deferred tax assets (Notes 4 and 25)	16,702	-	5,344	-
Prepayments for equipment	23,287	-	640,952	3
Other non-current assets	-	-	380	-
Total non-current assets	<u>20,229,324</u>	<u>83</u>	<u>19,532,818</u>	<u>85</u>
<b>TOTAL</b>	<u>\$ 24,254,989</u>	<u>100</u>	<u>\$ 23,029,127</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 4 and 18)	\$ 1,780,000	7	\$ 1,285,000	6
Short-term bills payable (Note 4 and 18)	1,059,292	4	1,039,284	5
Contract liabilities - current (Notes 4 and 23)	1,224	-	565	-
Notes payable (Note 19)	-	-	209	-
Accounts Payable (Note 19)	581,335	3	471,001	2
Accounts Payable to related parties (Notes 19 and 31)	40,529	-	52,662	-
Other payables (Note 20 and 31)	258,827	3	268,209	1
Current tax liabilities (Notes 25)	107,052	1	46,077	-
Lease liabilities - current (Notes 4, 15 and 31)	13,445	-	16,897	-
Other current liabilities (Note 20)	18,590	-	18,682	-
Total current liabilities	<u>3,860,294</u>	<u>16</u>	<u>3,198,586</u>	<u>14</u>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities (Notes 4 and 25)	1,088,997	5	1,089,408	5
Lease liabilities - non-current (Notes 4, 15 and 31)	26,072	-	10,315	-
Guarantee deposits	8,827	-	8,432	-
Net defined benefit liabilities - non-current (Notes 4 and 21)	37,334	-	66,159	-
Total non-current liabilities	<u>1,161,230</u>	<u>5</u>	<u>1,174,314</u>	<u>5</u>
Total liabilities	<u>5,021,524</u>	<u>21</u>	<u>4,372,900</u>	<u>19</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)</b>				
Capital stock - common stock	6,536,092	27	6,536,092	29
Capital surplus	66,950	-	65,822	-
Retained earnings				
Legal reserve	2,607,075	11	2,491,500	11
Special reserve	3,185,793	13	3,185,793	14
Unappropriated earnings	6,092,023	25	5,838,490	25
Total retained earnings	<u>11,884,891</u>	<u>49</u>	<u>11,515,783</u>	<u>50</u>
Other equity	745,532	3	538,530	2
Total equity	<u>19,233,465</u>	<u>79</u>	<u>18,656,227</u>	<u>81</u>
<b>TOTAL</b>	<u>\$ 24,254,989</u>	<u>100</u>	<u>\$ 23,029,127</u>	<u>100</u>

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

## Universal Cement Corporation

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

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23 and 31)	\$ 4,826,439	100	\$ 4,495,516	100
OPERATING COSTS (Notes 12, 21, 24 and 31)	<u>3,863,835</u>	<u>80</u>	<u>3,693,613</u>	<u>82</u>
GROSS PROFIT	<u>962,604</u>	<u>20</u>	<u>801,903</u>	<u>18</u>
OPERATING EXPENSES (Notes 21, 24 and 31)				
Selling and marketing expenses	90,348	2	105,770	2
General and administrative expenses	167,842	3	157,467	3
Research and development expenses	76,718	2	68,246	2
Expected credit loss (gain)	<u>(1,954)</u>	<u>-</u>	<u>536</u>	<u>-</u>
Total operating expenses	<u>332,954</u>	<u>7</u>	<u>332,019</u>	<u>7</u>
PROFIT FROM OPERATIONS	<u>629,650</u>	<u>13</u>	<u>469,884</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES (Notes 13, 24 and 31)				
Interest income	141	-	273	-
Other income	177,733	4	178,891	4
Other gains and losses	(9,544)	-	(98,927)	(2)
Interest expenses	(20,939)	(1)	(23,044)	(1)
Share of profit or loss of associates	<u>424,060</u>	<u>9</u>	<u>754,312</u>	<u>17</u>
Total non-operating income and expenses	<u>571,451</u>	<u>12</u>	<u>811,505</u>	<u>18</u>
PROFIT BEFORE INCOME TAX	1,201,101	25	1,281,389	29
INCOME TAX EXPENSE (Notes 4 and 25)	<u>113,023</u>	<u>2</u>	<u>34,137</u>	<u>1</u>
NET PROFIT FOR THE YEAR	<u>1,088,078</u>	<u>23</u>	<u>1,247,252</u>	<u>28</u>
OTHER COMPREHENSIVE INCOME (Notes 21, 22 and 25)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	10,048	-	(7,712)	-
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	199,183	4	(28,404)	(1)

Share of the other comprehensive income or loss of associates accounted for using the equity method	50,981	1	(346)	-
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(Continued)

## Universal Cement Corporation

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

	2021		2020	
	Amount	%	Amount	%
Income tax relating to items that will not be reclassified subsequently to profit or loss	\$ 335	-	\$ 1,542	-
	260,547	5	(34,920)	(1)
Items that may be reclassified subsequently to profit or loss:				
Share of the other comprehensive income of associates accounted for using the equity method	(53,545)	(1)	114,138	3
	(53,545)	(1)	114,138	3
Other comprehensive income (loss) for the year, net of income tax	207,002	4	79,218	2
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>\$ 1,295,080</b>	<b>27</b>	<b>\$ 1,326,470</b>	<b>30</b>
<b>EARNINGS PER SHARE (Note 26)</b>				
Basic	\$ 1.66		\$ 1.91	
Diluted	\$ 1.66		\$ 1.90	

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

(Concluded)

# Universal Cement Corporation

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

	Retained Earnings					Other Equity					Total Equity
	Capital Stock - Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	other	Total	
BALANCE AT JANUARY 1, 2020	\$ 6,536,092	\$ 41,430	\$ 2,377,952	\$ 3,185,793	\$ 5,449,899	( \$ 1,006,436 )	\$ 1,342,691	\$ 56,036	\$ -	\$ 392,291	\$ 17,983,457
Appropriation of 2019 earnings (Note 22)											
Legal reserve	-	-	113,548	-	( 113,548 )	-	-	-	-	-	-
Cash dividends distributed by the Company - NT\$ 1 per share	-	-	-	-	( 653,609 )	-	-	-	-	-	( 653,609 )
Differences between the actual equity value of subsidiaries acquired or disposed and its carrying amounts. ( Note 27)	-	488	-	-	-	-	-	-	-	-	418
Changes in recognition of associates accounted for using equity method	-	1,491	-	-	( 7,266 )	-	-	-	( 17,217 )	( 17,217 )	( 22,992 )
Overdue dividends not collected by shareholders		22,483			-						22,483
Net profit for the year ended December 31, 2020	-	-	-	-	1,247,252	-	-	-	-	-	1,247,252
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	114,138	( 29,936 )	( 4,984 )	-	79,218	79,218
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	1,247,252	114,138	( 29,936 )	( 4,984 )	-	79,218	1,326,470
Disposal of investments in equity instruments at fair value through other comprehensive income (Note 8 and 22)	-	-	-	-	( 84,237 )	-	84,238	-	-	84,238	-
BALANCE AT DECEMBER 31, 2020	6,536,092	65,822	2,491,500	3,185,793	5,838,490	( 892,298 )	1,396,993	51,052	( 17,217 )	538,530	18,656,227
Appropriation of 2020 earnings (Note 22)											
Legal reserve	-	-	115,575	-	( 115,575 )	-	-	-	-	-	-
Cash dividends distributed by the Company - NT\$ 1.1 per share	-	-	-	-	( 718,970 )	-	-	-	-	-	( 718,970 )
Differences between the actual equity value of subsidiaries acquired or disposed and its carrying amounts. (Note 27)	-	527	-	-	-	-	-	-	-	-	527
Changes in recognition of associates accounted for using equity method	-	605	-	-	-	-	-	-	-	-	605
Overdue dividends not collected by shareholders	-	( 4 )	-	-	-	-	-	-	-	-	( 4 )
Net profit for the year ended December 31, 2021	-	-	-	-	1,088,078	-	-	-	-	-	1,088,078
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	( 53,545 )	241,879	18,668	-	207,002	207,002

(Continued)

**Universal Cement Corporation**
**STATEMENTS OF CHANGES IN EQUITY  
 FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
 (In Thousands of New Taiwan Dollars)**

	Retained Earnings					Other Equity					Total Equity
	Capital Stock - Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	other	Total	
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	1,088,078	( 53,545 )	241,879	18,668	-	207,002	1,295,080
BALANCE AT DECEMBER 31, 2021	\$ 6,536,092	\$ 66,950	\$ 2,607,075	\$ 3,185,793	\$ 6,092,023	( \$ 945,843 )	\$ 1,638,872	\$ 69,720	( \$ 17,217 )	\$ 745,532	\$ 19,233,465

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

(Concluded)



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

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax		
Income before income tax	\$ 1,201,101	\$ 1,281,389
Adjustments for:		
Depreciation expenses	114,763	93,211
Amortization expenses	2,992	1,511
Expected credit loss (gain) recognized	(1,954)	536
Interest expenses	20,939	23,044
Interest income	(141)	(273)
Dividend income	(142,112)	(137,256)
Share of profit of associates	(424,060)	(754,312)
Loss (Gain) on disposal of property, plant and equipment net	17	(328)
Net gain on fair value changes of financial assets designated as at fair value through profit or loss	(491)	-
Gain on disposal of investment properties	-	(8,579)
Gain on disposal of other intangible assets	(2,989)	-
Inventory write-downs	752	-
Impairment loss on assets	-	103,012
Gain on lease modification	-	(3)
Changes in operating assets and liabilities		
Contract assets (Including related parties)	3,531	3,056
Notes receivable	(33,224)	(44,157)
Accounts receivable (Including related parties)	(187,726)	(66,336)
Other receivables	(772)	10,149
Inventories	(19,913)	(28,323)
Prepayments	29,608	(26,160)
Other current assets	1,473	2,184
Contract liabilities	659	(4,411)
Notes payable (Including related parties)	(209)	(361)
Accounts payable (Including related parties)	98,201	22,118
Other payables	(2,555)	27,951
Other current liabilities	(92)	(9,030)
Net defined benefit liability	(18,777)	(25,276)
Cash generated from operations	639,021	463,356
Interest received	141	273
Dividends received	689,375	504,481
Income tax paid	(63,482)	(39,777)
Net cash generated from operating activities	<u>1,265,055</u>	<u>928,333</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Financial assets at fair value through other comprehensive income	(321,038)	(9,468)
Proceeds from the liquidation of financial assets at fair value through other comprehensive income	-	21,039
Increase in financial assets at amortized cost	(541)	(9,683)
Decrease in financial assets at amortized cost	11,029	26,447
Acquisitions of financial assets at fair value through profit or loss	(59,033)	-

(Continued)

# Universal Cement Corporation

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

	<b>2021</b>	<b>2020</b>
Acquisitions of investments accounted for using equity method	(\$ 428,490)	(\$ 71,820)
Refunds from financial assets at fair value through profit or loss	52,658	-
Payments for property, plant and equipment	(191,534)	(152,316)
Refunds from disposal of property, plant and equipment	214	330
Payments for intangible assets	(3,443)	(1,670)
Refunds from disposal of intangible assets	3,000	-
Payments for investment properties	(210)	-
Refunds from disposal of investment properties	-	28,364
Increase in other receivables	(147,000)	-
Decrease in other receivables	42,000	-
Decrease in other non-current assets	380	-
Net cash used in investing activities	<u>(1,042,008)</u>	<u>(168,777)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	495,000	185,000
Increase (decrease) in short-term bills payable	20,000	(260,000)
Proceeds from guarantee deposits received	655	200
Refund of guarantee deposits received	(260)	(130)
Repayment of the principal portion of lease liabilities	(19,132)	(20,141)
Dividends paid to owners of the Company	(718,970)	(653,613)
Interest Paid	<u>(20,653)</u>	<u>(22,756)</u>
Net cash used in financing activities	<u>(243,360)</u>	<u>(771,440)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(20,313)</b>	<b>(11,884)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b><u>125,182</u></b>	<b><u>137,066</u></b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b><u>\$ 104,869</u></b>	<b><u>\$ 125,182</u></b>

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

(Concluded)

## Universal Cement Corporation and Subsidiaries

### CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2021		December 31, 2020	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 292,032	1	\$ 294,665	1
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	90,366	1	478	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	2,549,259	10	2,253,316	10
Financial assets at amortized cost - current (Notes 4, 9, 10 and 33)	80,537	-	75,457	-
Contract assets - current (Notes 4 and 24)	2,625	-	5,718	-
Contract assets from related parties - current (Notes 4, 24 and 32)	4,437	-	7,955	-
Notes receivable (Notes 4,11 and 24)	450,089	2	464,831	2
Net Accounts receivable (Notes 4,11 and 24)	1,177,212	5	895,947	4
Accounts receivable from related parties (Notes 4,11,24 and 32)	34,164	-	52,251	-
Other receivables (Notes 4)	2,473	-	1,309	-
Current tax assets (Notes 4 and 26)	-	-	31	-
Inventories (Notes 4 and 12)	297,842	1	283,445	1
Prepayments	18,910	-	48,563	-
Other current assets	4,715	-	7,674	-
Total current assets	<u>5,004,661</u>	<u>20</u>	<u>4,391,640</u>	<u>18</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss – non-current (Notes 4 and 7)	22,022	-	-	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	1,999,074	8	1,499,279	6
Financial assets at amortized cost - non-current (Notes 4, 9, 10 and 33)	17,148	-	41,797	-
Investments accounted for using equity method (Notes 4 and 14)	9,892,845	39	10,077,521	42
Property, plant and equipment (Notes 4 and 15)	6,890,696	28	6,680,071	28
Right - of - use assets (Notes 4 and 16)	281,342	1	308,924	1
Investment properties (Notes 4 and 17)	935,834	4	444,858	2
Other intangible assets (Notes 4 and 18)	8,404	-	8,075	-
Deferred tax assets (Notes 4 and 26)	20,690	-	8,245	-
Prepayments for equipment	24,106	-	642,147	3
Other non-current assets	-	-	379	-
Total non-current assets	<u>20,092,161</u>	<u>80</u>	<u>19,711,296</u>	<u>82</u>
<b>TOTAL</b>	<u>\$ 25,096,822</u>	<u>100</u>	<u>\$ 24,102,936</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 4 and 19)	\$ 1,780,000	7	\$ 1,467,000	6
Short-term bills payable (Note 19)	1,224,036	5	1,231,875	5
Contract liabilities - current (Notes 4 and 24)	10,275	-	4,457	-
Notes payable (Note 20)	69,270	-	132,997	1
Accounts Payable (Note 20)	638,543	3	494,546	2
Accounts Payable to related parties (Notes 20 and 32)	32,168	-	45,801	-
Other payables (Note 21)	296,404	1	294,528	1
Current tax liabilities (Notes 26)	119,517	1	48,156	-
Lease liabilities - current (Notes 4, 16 and 32)	54,192	-	56,039	1
Other current liabilities (Note 21)	20,638	-	20,025	-
Total current liabilities	<u>4,245,043</u>	<u>17</u>	<u>3,795,424</u>	<u>16</u>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities (Notes 4 and 26)	1,187,811	5	1,188,219	5
Lease liabilities - non-current (Notes 4, 16 and 32)	233,167	1	259,001	1
Net defined benefit liabilities - non-current (Notes 4 and 22)	35,041	-	64,050	-
Guarantee deposits	11,284	-	10,889	-
Total non-current liabilities	<u>1,467,303</u>	<u>6</u>	<u>1,522,159</u>	<u>6</u>
Total liabilities	<u>5,712,346</u>	<u>23</u>	<u>5,317,583</u>	<u>22</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)</b>				
Capital stock - common stock	6,536,092	26	6,536,092	27
Capital surplus	66,950	-	65,822	-
Retained earnings				
Legal reserve	2,607,075	11	2,491,500	11
Special reserve	3,185,793	13	3,185,793	13
Unappropriated earnings	6,092,023	24	5,838,490	24
Total retained earnings	<u>11,884,891</u>	<u>48</u>	<u>11,515,783</u>	<u>48</u>
Other equity	745,532	3	538,530	2
Total equity attributable to owners of the Company	19,233,465	77	18,656,227	77
<b>NON - CONTROLLING INTERESTS</b>	151,011	-	129,126	1
Total equity	<u>19,384,476</u>	<u>77</u>	<u>18,785,353</u>	<u>78</u>
<b>TOTAL</b>	<u>\$ 25,096,822</u>	<u>100</u>	<u>\$ 24,102,936</u>	<u>100</u>

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

## Universal Cement Corporation and Subsidiaries

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

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 24 and 32)	\$ 6,079,107	100	\$ 5,426,217	100
OPERATING COSTS (Notes 12, 22 and 32)	<u>4,947,290</u>	<u>82</u>	<u>4,519,186</u>	<u>83</u>
GROSS PROFIT	<u>1,131,817</u>	<u>18</u>	<u>907,031</u>	<u>17</u>
OPERATING EXPENSES (Notes 22, 25 and 32)				
Selling and marketing expenses	84,347	2	101,731	2
General and administrative expenses	261,793	4	241,974	5
Research and development expenses	78,683	1	69,195	1
Expected credit loss (gain)	<u>(3,208)</u>	<u>-</u>	<u>989</u>	<u>-</u>
Total operating expenses	<u>421,615</u>	<u>7</u>	<u>413,889</u>	<u>8</u>
PROFIT FROM OPERATIONS	<u>710,202</u>	<u>11</u>	<u>493,142</u>	<u>9</u>
NON-OPERATING INCOME AND EXPENSES(Notes 14, 25 and 32)				
Interest income	1,109	-	1,361	-
Other income	207,695	3	226,721	4
Other gains and losses	(22,352)	-	(100,096)	(2)
Interest expenses	(29,292)	-	(31,401)	-
Share of profit or loss of associates	<u>372,900</u>	<u>6</u>	<u>707,787</u>	<u>13</u>
Total non-operating income and expenses	<u>530,060</u>	<u>9</u>	<u>804,372</u>	<u>15</u>
PROFIT BEFORE INCOME TAX	1,240,262	20	1,297,514	24
INCOME TAX EXPENSE (Notes 4 and 26)	<u>126,036</u>	<u>2</u>	<u>37,719</u>	<u>1</u>
NET PROFIT FOR THE YEAR	<u>1,114,226</u>	<u>18</u>	<u>1,259,795</u>	<u>23</u>
OTHER COMPREHENSIVE INCOME (Notes 23 and 26)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	9,967	1	(7,666)	-
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	243,289	4	(27,180)	-
Share of the other comprehensive income or loss of associates accounted for using the equity method	6,884	-	(1,595)	-

(Continued)

## Universal Cement Corporation and Subsidiaries

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

	2021		2020	
	Amount	%	Amount	%
Income tax relating to items that will not be reclassified subsequently to profit or loss	\$ <u>351</u>	<u>-</u>	\$ <u>1,533</u>	<u>-</u>
	<u>260,491</u>	<u>5</u>	<u>(34,908)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Share of the other comprehensive income or loss of associates accounted for using the equity method	<u>(53,545)</u>	<u>(1)</u>	<u>114,138</u>	<u>2</u>
	<u>(53,545)</u>	<u>(1)</u>	<u>114,138</u>	<u>2</u>
Other comprehensive income for the year, net of income tax	<u>206,946</u>	<u>4</u>	<u>79,230</u>	<u>2</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>\$ 1,321,172</u>	<u>22</u>	<u>\$ 1,339,025</u>	<u>25</u>
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ 1,088,078	18	\$ 1,247,252	23
Non-controlling interests	<u>26,148</u>	<u>-</u>	<u>12,543</u>	<u>-</u>
	<u>\$ 1,114,226</u>	<u>18</u>	<u>\$ 1,259,795</u>	<u>23</u>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ 1,295,080	21	\$ 1,326,470	25
Non-controlling interests	<u>26,092</u>	<u>1</u>	<u>12,555</u>	<u>-</u>
	<u>\$ 1,321,172</u>	<u>22</u>	<u>\$ 1,339,025</u>	<u>25</u>
<b>EARNINGS PER SHARE (Note 27)</b>				
Basic	\$ <u>1.66</u>		\$ <u>1.91</u>	
Diluted	\$ <u>1.66</u>		\$ <u>1.90</u>	

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

(Concluded)

# Universal Cement Corporation and Subsidiaries

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

	Equity Attributable to Owners of the Company												Non-controlling Interests	Total Equity
	Retained Earnings					Other Equity								
	Capital Stock - Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	other	Total	Total			
BALANCE AT JANUARY 1, 2020	\$ 6,536,092	\$ 41,430	\$ 2,377,952	\$ 3,185,793	\$ 5,449,899	( \$ 1,006,436 )	\$ 1,342,691	\$ 56,036	\$ -	\$ 392,291	\$ 17,983,457	\$ 119,589	\$ 18,103,046	
Appropriation of 2019 earnings (Note 23)														
Legal reserve	-	-	113,548	-	( 113,548 )	-	-	-	-	-	-	-	-	
Cash dividends distributed by the Company - NT\$ 1 per share	-	-	-	-	( 653,609 )	-	-	-	-	-	( 653,609 )	-	( 653,609 )	
From differences between equity purchase price and carrying amount arising from actual acquisition or disposal of subsidiaries ( Note 28)	-	418	-	-	-	-	-	-	-	-	418	( 2,238 )	( 1,820 )	
Changes in recognition of associates accounted for using equity method	-	1,491	-	-	( 7,266 )	-	-	-	( 17,217 )	( 17,217 )	( 22,992 )	-	( 22,992 )	
Overdue dividends not collected by shareholders	-	22,483	-	-	-	-	-	-	-	-	22,483	-	22,483	
Net profit for the year ended December 31, 2020	-	-	-	-	1,247,252	-	-	-	-	-	1,247,252	12,543	1,259,795	
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	114,138	( 29,936 )	( 4,984 )	-	79,218	79,218	12	79,230	
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	1,247,252	114,138	( 29,936 )	( 4,984 )	-	79,218	1,326,470	12,555	1,339,025	
Change in non-controlling interests (Note 23)	-	-	-	-	-	-	-	-	-	-	-	( 780 )	( 780 )	
Disposal of investments in equity instruments at fair value through other comprehensive income (Note 8 and 23)	-	-	-	-	( 84,238 )	-	84,238	-	-	84,238	-	-	-	
BALANCE AT DECEMBER 31, 2020	6,536,092	65,822	2,491,500	3,185,793	5,838,490	( 892,298 )	1,396,993	51,052	( 17,217 )	538,530	18,656,227	129,126	18,785,353	
Appropriation of 2020 earnings (Note 23)														
Legal reserve	-	-	115,575	-	( 115,575 )	-	-	-	-	-	-	-	-	
Cash dividends distributed by the Company - NT\$ 1.1 per share	-	-	-	-	( 718,970 )	-	-	-	-	-	( 718,970 )	-	( 718,970 )	
From differences between equity purchase price and carrying amount arising from actual acquisition or disposal of subsidiaries (Note 28)	-	527	-	-	-	-	-	-	-	-	527	( 2,017 )	( 1,490 )	
Changes in recognition of associates accounted for using equity method	-	605	-	-	-	-	-	-	-	-	605	-	605	
Overdue dividends not collected by shareholders	-	( 4 )	-	-	-	-	-	-	-	-	( 4 )	-	( 4 )	
Net profit for the year ended December 31, 2021	-	-	-	-	1,088,078	-	-	-	-	-	1,088,078	26,148	1,114,226	
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	( 53,545 )	241,879	18,668	-	207,002	207,002	( 56 )	206,946	

## Universal Cement Corporation and Subsidiaries

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

	Equity Attributable to Owners of the Company											Non-controlling Interests	Total Equity
	Retained Earnings					Other Equity							
	Capital Stock - Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	other	Total	Total		
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	1,088,078	( 53,545 )	241,879	18,668	-	207,002	1,295,080	26,092	1,321,172
Change in non-controlling interests (Note 23)	-	-	-	-	-	-	-	-	-	-	-	( 2,190 )	( 2,190 )
BALANCE AT DECEMBER 31, 2021	\$ 6,536,092	\$ 66,950	\$ 2,607,075	\$ 3,185,793	\$ 6,092,023	( \$ 945,843 )	\$ 1,638,872	\$ 69,720	( \$ 17,217 )	\$ 745,532	\$ 19,233,465	\$ 151,011	\$ 19,384,476

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

(Concluded)

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

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 1,240,262	\$ 1,297,514
Adjustments for:		
Depreciation expenses	173,235	135,260
Amortization expenses	3,183	1,800
Expected credit loss (gain) recognized	(3,208)	989
Net gain on fair value changes of financial assets designated as at fair value through profit or loss	4,201	23
Interest expenses	29,292	31,401
Interest income	(1,109)	(1,361)
Dividend income	(160,502)	(172,561)
Share of profit of associates	(372,900)	(707,787)
Loss (Gain) on disposal of property, plant and equipment net	17	(760)
Gain on disposal of investment properties	-	(8,579)
Gain on disposal of other intangible assets	(2,989)	-
Inventory write-downs	272	443
Impairment losses on assets	-	103,012
Gain on lease modification	-	(3)
Changes in operating assets and liabilities		
Contract assets (Including related parties)	8,234	3,101
Notes receivable	14,742	(46,691)
Accounts receivable (Including related parties)	(261,593)	(89,219)
Other receivables	(1,164)	471
Inventories	(14,669)	(19,718)
Prepayments	29,653	(26,630)
Other current assets	2,959	4,246
Contract liabilities	5,818	(2,911)
Notes payable (Including related parties)	(63,727)	7,714
Accounts payable (Including related parties)	130,364	11,287
Other payables	7,284	37,114
Other current liabilities	613	(9,015)
Net defined benefit liability	(19,042)	(26,544)
Cash generated from operations	749,226	522,596
Interest received	1,109	1,385
Dividends received	699,022	532,834
Income tax paid	(67,146)	(42,636)
Net cash generated from operating activities	<u>1,382,211</u>	<u>1,014,179</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of financial assets at fair value through other comprehensive income	(552,449)	(50,446)
Proceeds from the liquidation of financial assets at fair value through other comprehensive income	-	21,039
Increase in financial assets at amortized cost	(5,726)	(14,866)



(Continued)

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

	<b>2021</b>	<b>2020</b>
Decrease in financial assets at amortized cost	\$ 25,295	\$ 39,512
Acquisitions of financial assets at fair value through profit or loss	(176,719)	-
Refunds from financial assets at fair value through profit or loss	60,608	877
Acquisitions of investments accounted for using equity method	(27,000)	-
Payments for property, plant and equipment	(203,984)	(168,830)
Refunds from disposal of property, plant and equipment	10	786
Payments for intangible assets	(3,523)	(2,021)
Refunds from disposal of intangible assets	3,000	-
Payments for investment properties	(210)	-
Refunds from disposal of investment properties	-	28,364
Decrease in other non-current assets	<u>379</u>	<u>-</u>
Net cash used in investing activities	<u>(880,319)</u>	<u>(145,585)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	313,000	185,000
Repayments from short-term bills payable	(8,000)	(272,000)
Proceeds from guarantee deposits received	655	200
Refund of guarantee deposits received	(260)	(680)
Repayment of the principal portion of lease liabilities	(59,836)	(49,533)
Dividends paid to owners of the Company	(718,970)	(653,613)
Acquisitions of non-controlling interests	(1,490)	(1,820)
Interest Paid	(27,434)	(31,345)
Dividends paid to non-controlling interests	<u>(2,190)</u>	<u>(780)</u>
Net cash used in financing activities	<u>(504,525)</u>	<u>(824,571)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(2,633)</b>	<b>44,023</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b><u>294,665</u></b>	<b><u>250,642</u></b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b><u>\$ 292,032</u></b>	<b><u>\$ 294,665</u></b>

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

(Concluded)

## Appendix 4

### Review Report by Audit Committee

Review Report by Audit Committee,  
Universal Cement Corporation

Mar. 28, 2022

The Board of Directors of Universal Cement Corporation has submitted financial statements and consolidated financial statements, duly audited by Ms. Sophie Lee, CPA and Mr. Yang, Chao-Chin, CPA of Deloitte & Touche, along with Business report, Proposal for Distribution of Profits for review by this committee. This committee has diligently completed review of such submissions and it is the unanimous opinion of the committee that no discrepancy was identified. This committee therefore respectfully submit to the Annual General Meeting of Shareholders this report pursuant to Article 14-4 of Securities and Exchange Act and Article 219 of Company Act.



Dr. Ian Chan,  
Chairperson, Audit Committee,  
Universal Cement Corporation

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Universal Cement Corporation

### **Opinion**

We have audited the accompanying financial statements of Universal Cement Corporation (the Corporation), which comprise the balance sheets as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

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

### **Basis for Opinion**

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

### **Key Audit Matters**

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

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

Occurrence of sales of concrete products

Refer to Note 4(13) and Note 22, the Corporation mainly manufactures and sells cement, ready mixed concrete and gypsum board panels. The sales amount of some concrete products changed greatly in 2021 and the change can be due to changes in volume or price or both. Sales is the main source of the Corporation's revenue and has a material impact on the Corporation's financial statements. Consequently, occurrence of sales of concrete products is considered as a key audit matter.

Our audit procedures in respect of the above key audit matter are described as follows:

1. We understood the design of the Corporation's internal controls on accounting for sales. We tested the implementation and operating effectiveness of the internal controls.
2. We selected samples from the sales records, and verified that the products and quantities listed on the delivery orders and the invoices are the same and for the same customers. We noted that the delivery orders are signed by the customers.

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

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

In preparing the financial statements, management is responsible for assessing the

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the Corporation audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chi Chen Lee and Chao Chin Yang.

Deloitte & Touche  
Taipei, Taiwan

Republic of China

March 28, 2022

Notice to Readers

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

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

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Universal Cement Corporation

### **Opinion**

We have audited the accompanying consolidated financial statements of Universal Cement Corporation and its subsidiaries (the Group), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

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

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the ROC. 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 ROC, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and



we do not provide a separate opinion on these matters.

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

Refer to Note 4(13) and Note 24. The Group mainly manufactures and sells cement, ready mixed concrete and gypsum board panels. The sales amount of some concrete products changed greatly in 2021 and the change can be due to changes in volume or price or both. Sales is the main source of the Group's revenue and has a material impact on the Group's consolidated financial statements. Consequently, occurrence of sales of concrete products is considered as a key audit matter.

Our audit procedures in respect of the above key audit matter are described as follows:

1. We understood the design of the Group's internal controls on accounting for sales. We tested the implementation and operating effectiveness of the internal controls.
2. We selected samples from the sales records, and verified that the products and quantities listed on the delivery orders and the invoices are the same and for the same customers. We noted that the delivery orders are signed by the customers.

### **Other Matter**

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

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

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

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

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

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

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

As part of an audit in accordance with the auditing standards generally accepted in the ROC, 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 entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chi Chen Lee and Chao Chin Yang.

Deloitte & Touche  
Taipei, Taiwan

Republic of China

March 28, 2022

*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 accepted and applied in the Republic of China.*

*For the convenience of readers, the 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.*

## Appendix 5

### Current Shareholding of Directors

The minimum number of shares that all directors of the company should hold, and the number of shares held by individual and all directors as recorded in the shareholders register as of the closing date April 16, 2022 for current shareholders meeting:

1. According to Article 26 of Securities and Exchange Act, the total shares held by all directors in summation shall not less than 4% (26,144,368 shares) of the issued share.
2. Number of shares held by individual directors and total:

Position	Name	Shareholdings
Chairman	ALLIEDCIRCUITCO.,LTD Representative: HOU, BO-YI	27,893,282
Director	Sheng Yuan Investment Co., Ltd. Representative: HOU, ZHI-SHENG	65,255,811
Director	Yu Sheng Investment Co., Ltd. Representative: HOU, ZHI-YUAN	64,532,037
Director	Hsin Han Investment Co., Ltd. Representative: CHEN, JING-XING	220,450
Independent Director	ZHAN, YI-REN	0
Independent Director	HE, YI-DA	0
Independent Director	WANG, YONG-CHUN	0
Total		157,901,580

Shareholdings of All Directors is 24.16% of issued shares.

## **Appendix 6**

### **Information of Employees' and Directors' Compensation**

1. Approved at the 14th meeting of the 23rd Board of Directors of the company on March 28, 2022. It is proposed to allocate NT\$20,859,864 for employees' remuneration and NT\$20,859,864 for directors' remuneration.
2. The Board proposed to allocate employees' and directors' compensation and the difference between the amount and the annual estimated amount of recognized expenses as well as the reason and the handling condition:  

There is no difference between them.
3. Information disclosed in this Appendix matches the content in Item 3 of Matters to Report.

## **Appendix 7**

### **The Impact of Stock Dividend Issuance on Business Performance, EPS, and Shareholder Return Rate**

The Company proposed to adopt cash distribution to distribute shareholder dividends for the current year (2021), and there is no issuance of bonus shares. Therefore, the Company does not apply this information disclosure.

## Appendix 8

### Universal Cement Corporation Articles of Incorporation Articles Comparison List

Article	After revision	Before revision	Remark
Article 5	The Corporation has the authorized share capital of <b>Ten billion dollars New Taiwan Dollars (NT\$10,000,000,000) with One billion shares. Each share is NTD 10 at Par Value. The shares may be issued in installments.</b>	The Corporation has the authorized share capital of six billion, five hundred and thirty-six million, ninety-one thousand, nine hundred and twenty dollars New Taiwan Dollars (NT\$6,536,091,920), which is divided into 6,536,091,920 units to issue in full with NT\$10 per share	In line with the actual demand of the Company
Article 19-1	<b>The shareholders' meeting of the Company can be convened by the video conference or other method announced by the authorities.</b>	NA	1. Added article 2. The Article 172-2 of the Company Act, which was issued in December 29, 2021, announced and amended that the public listed company may apply to the provisions of the shareholders' video meeting, so the Company added this Article.
Article 33-1	After the final settlement at the end of each year, annual surpluses concluded by the Corporation are first subject to taxation and reimbursement of previous losses by law, followed by a 10% provision or reversal of special reserve as required by law. However, when the legal earned surplus reserve has reached the paid-in capital, it may no longer be listed, and the rest shall be listed or converted to the special surplus reserve according to laws and regulations. Subsequently, if	After the final settlement at the end of each year, annual surpluses concluded by the Corporation are first subject to taxation and reimbursement of previous losses by law, followed by a 10% provision or reversal of special reserve as required by law. However, when the legal earned surplus reserve has reached the paid-in capital, it may no longer be listed, and the rest shall be listed or converted to the special surplus reserve according to laws and regulations. Subsequently, if	1.To amend the provision of allocation of special reserve in line with Order of the Financial Supervisory Commission



<p>there are some surpluses, they shall be combined with cumulative undistributed earnings and subject to the proposal for the distribution of earnings issued by the board of directors; a request for distribution shall be put forward at the shareholder meeting for distribution.</p> <p><b>The Company allocates special reserve in line with the regulation. For the insufficient amount of allocation from “the cumulative amount of net increase in fair value of investment property” and “the cumulative amount of net decrease in other equities”, the Company shall, before distributing the earning, the allocate an amount of special reserve equal to the amount allocated to undistributed earnings for the preceding period. If there remains any insufficiency, allocate it from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period, that are included in the undistributed earnings of the period.</b></p> <p>The traditional industrial environment where the Corporation belongs to stays in a stable period, and the high-tech industrial environment is in its infancy. In consideration of the future capital requirement and long-term financial planning of the Corporation, the principle of distribution of shareholder dividends shall be all issued with cash dividends.</p>	<p>there are some surpluses, they shall be combined with cumulative undistributed earnings and subject to the proposal for the distribution of earnings issued by the board of directors; a request for distribution shall be put forward at the shareholder meeting for distribution.</p> <p>The traditional industrial environment where the Corporation belongs to stays in a stable period, and the high-tech industrial environment is in its infancy. In consideration of the future capital requirement and long-term financial planning of the Corporation, the principle of distribution of shareholder dividends shall be all issued with cash dividends. However, in the year when there is a large demand for funds, the shareholder dividends shall be paid with stock dividends and cash dividends, in which the proportion of stock dividends shall not exceed 50% of the total shareholder dividends. The dividend distribution ratio under the preceding paragraph shall be subject to the annual profitability and capital requirements, which may be adjusted by the resolution of the shareholders' meeting.</p>	
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	<p>However, in the year when there is a large demand for funds, the shareholder dividends shall be paid with stock dividends and cash dividends, in which the proportion of stock dividends shall not exceed 50% of the total shareholder dividends. The dividend distribution ratio under the preceding paragraph shall be subject to the annual profitability and capital requirements, which may be adjusted by the resolution of the shareholders' meeting.</p>		
Article 37	<p>(Omitted)</p> <p>The 52<sup>nd</sup> amendment was made on June 22, 2016.</p> <p>The 53<sup>rd</sup> amendment was made on June 14, 2017.</p> <p>The 54<sup>th</sup> amendment was made on June 14, 2018.</p> <p>The 55<sup>th</sup> amendment was made on June 14, 2022.</p>	<p>(Omitted)</p> <p>The 52<sup>nd</sup> amendment was made on June 22, 2016.</p> <p>The 53<sup>rd</sup> amendment was made on June 14, 2017.</p> <p>The 54<sup>th</sup> amendment was made on June 14, 2018.</p>	<p>To record the latest amendment date.</p>

**Universal Cement Corporation**  
**Articles of Incorporation**  
**(Before Revision)**

Chapter I    General

- Article 1     The Company was organized in accordance with the provisions of Company Limited by Shares specified in the Company Act, and was named "Universal Cement Corporation", referred to as "UCC".
- Article        The business scope of the Company is as follows:
- (1) C901030 Cement Manufacturing
  - (2) C901040 Manufacture of Ready-mix Concrete
  - (3) C901990 Other Non-Metallic Mineral Products Manufacturing
  - (4) CC01080 Electronics Components Manufacturing
  - (5) CC01110 Computer and Peripheral Equipment Manufacturing
  - (6) E801030 Indoor Light-gauge Steel Frame Engineering
  - (7) F111090 Wholesale of Building Materials
  - (8) F119010 Wholesale of Electronic Materials
  - (9) F219010 Retail Sale of Electronic Materials
  - (10) F120010 Wholesale of Refractory Materials
  - (11) F211010 Retail Sale of Building Materials
  - (12) F220010 Retail Sale of Refractory Materials
  - (13) F401010 International Trade
  - (14) IZ09010 Management System Certification
  - (15) J101090 Waste Disposal
  - (16) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1    The Corporation may provide external endorsement guarantees due to its business needs.
- When handling external endorsement guarantees, the Company shall comply with the relevant regulations of the securities authority.
- Article 2-2    The external reinvestment of the Corporation shall be approved by the board of directors, with unlimited amount of total investment.
- Article 3        Headquartered in Taipei City, Taiwan (ROC), the Corporation can set up branches, factories and business offices at home and abroad if necessary.

Chapter II    Shares

- Article 4        The announcement of the Corporation shall be conducted in accordance with Article 28 of the Company Act
- Article 5        The Corporation has the authorized share capital of six billion, five hundred and thirty-six million, ninety-one thousand, nine hundred and twenty dollars New Taiwan Dollars (NT\$6,536,091,920), which is divided into 6,536,091,920 units to issue in full with NT\$10 per share

- Article 6 The Corporation issues its shares to registered owners only. Share certificates are issued with the signatures or authorized seals of the chairman and at least three directors, subject to certification by the operation of the laws. The Corporation is not required to print non-physical stock certificates for its shares. The Corporation shall communicate with a centralized securities depository enterprise for registration. The same applies for other securities.
- Article 7 The Corporation issues its shares to registered owners only, so the Corporation 's shareholders shall provide their real names and residence addresses for recording in the register of shareholders.
- Article8 The transfer, donation, loss and damage, and dissolution of pledge rights, etc. of the Corporation's stock shall be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" and relevant laws and regulations
- Article 9 (Deleted)
- Article 10 (Deleted)
- Article 11 (Deleted)
- Article 12 Sixty days before the meeting of each Annual general meeting, or 30 days before the meeting of the extraordinary general meeting, or five days before the base date when the Corporation decides the distribution of dividends or other benefits, the share transfers shall be suspended.

### Chapter III Shareholders' Meeting

- Article 13 The board of directors shall convene an annual general meeting within six months after the end of each fiscal year. An extraordinary shareholder meeting may be held by the resolution of the board of directors whenever deemed necessary.
- Article 14 The convening of the annual general meeting shall be notified to all shareholders 30 days before the meeting, and the convening of the extraordinary shareholder meeting shall be notified to all shareholders 15 days before the meeting. The notice shall specify the reason for the convening.
- Article 15 Shareholders who hold more than 3% of the total number of issued shares for more than one year may write down the proposed matters and their reasons, and request the board of directors to convene extraordinary shareholder meetings. The board of directors shall issue the convening notice within 15 days after the request is made.
- Article 16 The meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on a leave, the vice chairperson shall act in place of the chairperson; if both the chairperson and the vice chairperson are on leave, the chairperson shall appoint one of the managing directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.
- Article 17 The Corporation 's shareholders are entitled to one vote per share, but the restrictions on the voting rights of shares shall comply with the provisions of the Company Act.

Article 18 If a shareholder is unable to attend the shareholder meeting in person, a proxy can be appointed to attend on behalf of such shareholder by completing the Corporation's proxy form and by specifying the scope of delegated authority. Unless otherwise regulated in Article 177 of the Company Act, shareholders shall delegate their proxy attendants in compliance with Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

Article 19 Except otherwise regulated by the Company Act, a shareholder meeting resolution is passed when more than 50% of all outstanding shares are represented in the meeting, and voted in favor by more than 50% of all voting rights represented at the meeting.

#### Chapter IV Directors and Audit Commission

Article 20 The board shall consist of 5 to 7 directors elected from persons of adequate capacity during the shareholder meeting, including at least three independent directors, who shall not be less than one-fifth of total director seats. Directors are elected to serve a term of 3 years, which can be renewed if re-elected. The candidate nomination system shall be adopted during election of directors. Shareholders shall elect directors and independent directors from the list of candidates thereof in accordance with the "Company Act", the "Securities and Exchange Act", and other related laws and regulations. The independent directors' professional qualifications, shareholding, restrictions on part-time jobs, determination of independence, methods of nomination and election, and other compliance matters shall be handled in accordance with the relevant regulations of the securities authority. The total shareholding ratio of all directors under the preceding paragraph shall comply with the provisions of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" promulgated by the securities authority.

Article 21 The directors shall organize the board of directors to elect a chairman and a deputy chairman among directors during a board meeting with more than two-thirds of directors present, and with the support of more than half of attending directors. The Chairman serves as the Corporation's representative to the outside world and shall take centralized control over all its businesses with the assistance of the vice chairman.

Article 22 The board of directors shall convene a general meeting every three months. The chairman of the board may convene an extraordinary meeting if necessary, and the chairperson shall serve as the chairman. When the chairperson of the board is on leave, the vice chairperson shall act in place of the chairperson; if both the chairperson and the vice chairperson are on leave, the chairperson shall appoint one of the managing directors to act as chair. Where the chairperson does not make such a designation, the

directors shall select from among themselves one person to serve as chair.

- Article 22-1 The Corporation's board meetings shall be convened and communicated to directors seven (7) days in advance with detailed agenda; however, board meetings may be convened in case of emergency. A notice of such board meeting may be communicated to the Company's directors in writing or via facsimile or email.
- Article 23 The authorities of the board of directors are as follows:
- Drafting of various regulations.
  - Deciding business policy.
  - Reviewing budget and final accounts.
  - Appointing and removing important staff.
  - Drafting surplus distribution or loss allowance.
  - Drafting and approving the purchase and disposal of important property and real estate.
  - Other resolutions in accordance with laws and regulations and the shareholders meeting.
- Article 24 Unless otherwise provided by the Company Act, the resolutions of the board of directors shall be made by more than half of the directors present and the approval of more than half of the directors present.
- Article 25 The directors may authorize in writing other directors of the Corporation to attend the board of directors as the proxy and exercise voting rights on all matters proposed at the meeting, but each director shall only be the proxy of one other director. When the board of directors convenes a video conference, the directors who participate in the video conference shall be deemed to have attended the meeting in person.
- Article 26 The Corporation established an audit committee according to the provisions of the Securities and Exchange Act, which is in charge of the implementation of the authorities of the supervisors provided by the Company Act, the Securities Exchange Act and other regulations. The audit committee is composed of all independent directors, with no less than three directors. One of them shall be the convener, and at least one shall contain accounting and financial expertise. The Audit Committee, the exercise of authorities of of its members and related matters shall be processed in accordance with the Securities Exchange Act and related laws and regulations.
- Article 27 (Deleted)
- Article 28 The board of directors of the Corporation may set up other functional committees, and the the board of directors shall establish the organizational rules.
- Article 29 The remuneration of the chairman, vice chairmen and directors for performing their duties shall be determined by the board of directors based on the standards of the other companies in the same industry.

## Chapter V Managers and Staff

Article 30 The Company has set up a general manager to be in charge of the comprehensive business of the resolution made by the board of directors; a number of deputy general managers, associate managers and managers to assist the general manager in handling business and the business of various departments. The appointment and removal of the general manager shall be proposed by the chairman of the board of directors with the presence of more than half of the directors and a resolution approved by more than half of the directors present. The appointment and removal of deputy general managers, associates and managers shall be conducted based on the provisions of the Company Act.

Article 31 The remuneration of the Corporation's managers shall be conducted based on the provisions of Article 29 of the Company Act.

#### Chapter VI Final Accounts and Surplus Distribution

Article 32 The board of directors is responsible for preparing and submitting the following statements and reports according to the legal procedures at the annual meeting of shareholders for ratification at the end of each fiscal year.

Business report

Financial statements; and

Earnings appropriation or loss reimbursement proposals

Article 33 The Corporation is required to allocate at least 1% of its annual profit as the compensation for employees. The board of directors shall decide to distribute and distribute in stocks or cash, and the distribution objects may include employees of affiliated companies who comply with certain conditions. The board of directors may decided to allocate no more than 3% as directors' remuneration based on the above profit, which shall only be paid in cash. Both employee compensation and director compensation shall be reported to the shareholders meeting. However, when the Company still has accumulated losses, the amount of compensation shall be reserved in advance, and then allocate employee remuneration and directors' remuneration according to the proportion provided in the preceding paragraph.

Article 33-1 After the final settlement at the end of each year, annual surpluses concluded by the Corporation are first subject to taxation and reimbursement of previous losses by law, followed by a 10% provision or reversal of special reserve as required by law. However, when the legal earned surplus reserve has reached the paid-in capital, it may no longer be listed, and the rest shall be listed or converted to the special surplus reserve according to laws and regulations. Subsequently, if there are some surpluses, they shall be combined with cumulative undistributed earnings and subject to the proposal for the distribution of earnings issued by the board of directors; a request for distribution shall be put forward at the shareholder meeting for distribution.

The traditional industrial environment where the Corporation belongs to stays in a stable period, and the high-tech industrial environment is in its infancy. In consideration of the future capital requirement and long-term financial planning of the Corporation, the principle of distribution of shareholder dividends shall be all issued with cash dividends. However, in the year when there is a large demand for funds, the shareholder dividends

shall be paid with stock dividends and cash dividends, in which the proportion of stock dividends shall not exceed 50% of the total shareholder dividends. The dividend distribution ratio under the preceding paragraph shall be subject to the annual profitability and capital requirements, which may be adjusted by the resolution of the shareholders' meeting.

Article 34 When the accumulation of the provident fund has reached the total capital, the shareholders' meeting may decide to stop the accumulation.

## Chapter VII Supplementary Provisions

Article 35

The Rules Governing the Corporation's Organization are determined separately.

Article 36

Any matters not addressed herein shall be governed by the "Company Act" and other related laws and regulations.

Article 37

The Articles of Incorporation was established on March 1, 1960.

The 1<sup>st</sup> amendment was made on May 15, 1962.

The 2<sup>nd</sup> amendment was made on Mar. 29, 1963.

The 3<sup>rd</sup> amendment was made on Feb. 25, 1964.

The 4<sup>th</sup> amendment was made on Apr. 15, 1965.

The 5<sup>th</sup> amendment was made on Mar. 15, 1966.

The 6<sup>th</sup> amendment was made on Apr. 26, 1966.

The 7<sup>th</sup> amendment was made on Apr. 15, 1966.

The 8<sup>th</sup> amendment was made on Apr. 28, 1968.

The 9<sup>th</sup> amendment was made on May 12, 1970.

The 10<sup>th</sup> amendment was made on Mar. 23, 1973.

The 11<sup>th</sup> amendment was made on Apr. 02, 1974.

The 12<sup>th</sup> amendment was made on Oct. 02, 1974.

The 13<sup>th</sup> amendment was made on Mar. 30, 1976.

The 14<sup>th</sup> amendment was made on Mar. 04, 1977.

The 15<sup>th</sup> amendment was made on Apr. 04, 1978.

The 16<sup>th</sup> amendment was made on Mar. 20, 1979.

The 17<sup>th</sup> amendment was made on Mar. 27, 1980.

The 18<sup>th</sup> amendment was made on Apr. 03, 1981.

The 19<sup>th</sup> amendment was made on Apr. 02, 1982.

The 20<sup>th</sup> amendment was made on Apr. 07, 1983.

The 21<sup>st</sup> amendment was made on Apr. 06, 1984.

The 22<sup>nd</sup> amendment was made on Apr. 03, 1985.

The 23<sup>rd</sup> amendment was made on Apr. 07, 1986.

The 24<sup>th</sup> amendment was made on Apr. 15, 1987.

The 25<sup>th</sup> amendment was made on Apr. 20, 1988.

The 26<sup>th</sup> amendment was made on Apr. 14, 1989.

The 27<sup>th</sup> amendment was made on Apr. 12, 1990.

The 28<sup>th</sup> amendment was made on Apr. 12, 1991.

The 29<sup>th</sup> amendment was made on Apr. 21, 1992.

The 30<sup>th</sup> amendment was made on Apr. 01, 1993.

The 31<sup>st</sup> amendment was made on Apr. 08, 1994.

The 32<sup>nd</sup> amendment was made on Apr. 20, 1995.

The 33<sup>rd</sup> amendment was made on Apr. 18, 1996.

The 34<sup>th</sup> amendment was made on May 08, 1997.

The 35<sup>th</sup> amendment was made on May 14, 1999.

The 36<sup>th</sup> amendment was made on May 30, 2000.

The 37<sup>th</sup> amendment was made on May 31, 2001.

The 38<sup>th</sup> amendment was made on Jun. 18, 2002.

The 39<sup>th</sup> amendment was made on Jun. 26, 2003.

The 40<sup>th</sup> amendment was made on Jun. 11, 2004.

The 41<sup>st</sup> amendment was made on Jun. 14, 2005.

The 42<sup>nd</sup> amendment was made on Jun. 09, 2006.

The 43<sup>rd</sup> amendment was made on Jun. 22, 2007.

The 44<sup>th</sup> amendment was made on Jun. 13, 2008.

The 45<sup>th</sup> amendment was made on Dec. 02, 2008.

The 46<sup>th</sup> amendment was made on Jun. 14, 2010.



The 47<sup>th</sup> amendment was made on Jun. 22, 2011.  
The 48<sup>th</sup> amendment was made on Jun. 28, 2012.  
The 49<sup>th</sup> amendment was made on Jun. 17, 2013.  
The 50<sup>th</sup> amendment was made on Jun. 11, 2014.  
The 51<sup>st</sup> amendment was made on Jun. 18, 2015.  
The 52<sup>nd</sup> amendment was made on Jun. 22, 2016.  
The 53<sup>rd</sup> amendment was made on Jun. 14, 2017.  
The 54<sup>th</sup> amendment was made on Jun. 14, 2018.

## Appendix 9

### The Amendment Information of “Procedure for Loan Funds to Other Person”

#### Articles Comparison List

Article	After revision	Before revision	Remark
Article 3	<p>The aggregate amount of the Company’s loans shall not exceed <b>40%</b> of the Company’s net worth.</p> <p>The amount of loan permitted to a single borrower as follow:</p> <p>(1) Those who have business relations is allowed for the amount less than NTD 100 million but the amount of loan shall not exceed the amount of relevant business.</p> <p>(2) Where an inter-company or inter-firm short-term financing facility is necessary, <b>provided that such financing amount shall not exceed 40% of the lender’s net worth. The aggregate amount of the single subsidiary’s loans shall not exceed 40% of the Company’s net worth. The aggregate amount of the other company’s loans shall not exceed NTD 100 million.</b></p>	<p>The aggregate amount of the Company’s loans shall not exceed 25% of the Company’s net worth.</p> <p>The amount of loan permitted to a single borrower as follow:</p> <p>(1) Those who have business relations is allowed for the amount less than NTD 100 million but the amount of loan shall not exceed the amount of relevant business.</p> <p>(2) Where an inter-company or inter-firm short-term financing facility is necessary, the aggregate amount of the single company’s loans shall not exceed NTD 100 million.</p>	

## Appendix 10

### Appendix 10

#### The Amendment Information of “Procedure for Acquisition and Disposal of the Assets”

##### Articles Comparison List

Article	After revision	Before revision	Remark
Paragraph 2 of Article 4	2.The Company acquiring or disposing of securities shall, prior to Date of the Event, obtain the financial statements of the issuing company for the most recent period, which are certified or reviewed by CPA, as the reference of the transaction amount. In addition, if the transaction amount of the company’s acquisition or disposition of marketable securities reaches 20% of the company’s paid-in capital or more than NTD 300 million, the Company shall request CPA to express the opinion on the rationality of the transaction price prior to Date of the Event. However, the securities complying with the public quotation in the active market or other provisions of the Financial Supervisory Committee are excluded.	2.The Company acquiring or disposing of securities shall, prior to Date of the Event, obtain the financial statements of the issuing company for the most recent period, which are certified or reviewed by CPA, as the reference of the transaction amount. In addition, if the transaction amount of the company’s acquisition or disposition of marketable securities reaches 20% of the company’s paid-in capital or more than NTD 300 million, the Company shall request CPA to express the opinion on the rationality of the transaction price prior to Date of the Event. If the CPA needs to adopt the report from experts, it shall be handled in line with the provisions of the Audit Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation, R.O.C. (hereinafter referred to as the Accounting Research and Development Foundation). However, the securities complying with the public quotation in the active market or other provisions of the Financial Supervisory Committee are excluded.	To amend in line with the regulation of the FCS
Paragraph 3	3.Except transactions with the	3.Except transactions with the	To amend in line

<p>of Article 4</p>	<p>domestic government agency, contracting third parties to construct on land owned or rented by the Company, or acquisition of equipment or right-of-use assets thereof for operation purpose, for acquisition or disposal of real estate, equipment or right-of-use assets thereof by the Company whose amount reaches 20% of the Company's paid-in capital or NT\$300 million, an appraisal report issued by a Professional Appraiser shall be obtained prior to the Date of the Event and the following provisions should be complied with:</p> <p>(Omitted)</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, the CPA shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(i) The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.</p> <p>(ii) The discrepancy between the appraisal results of two or</p>	<p>domestic government agency, contracting third parties to construct on land owned or rented by the Company, or acquisition of equipment or right-of-use assets thereof for operation purpose, for acquisition or disposal of real estate, equipment or right-of-use assets thereof by the Company whose amount reaches 20% of the Company's paid-in capital or NT\$300 million, an appraisal report issued by a Professional Appraiser shall be obtained prior to the Date of the Event and the following provisions should be complied with:</p> <p>(Omitted)</p> <p>(3)Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, the CPA shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation ("ARDF") and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(i) The discrepancy between</p>	<p>with the regulation of the FCS</p>
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	more professional appraisers is 10% or more of the transaction amount.	the appraisal result and the transaction amount is 20% or more of the transaction amount. (ii) The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.	
Paragraph 4 of Article 4	4. Except for transactions with domestic government agencies, if the transaction amount of the Company's acquisition or disposal of membership cards or intangible assets reaches 20% of the company's paid-in capital or more than NTD 300 million, the Company shall request the CPA's comment on the rationality of the transaction price before the fact.	4. Except for transactions with domestic government agencies, if the transaction amount of the Company's acquisition or disposal of membership cards or intangible assets reaches 20% of the company's paid-in capital or more than NTD 300 million, the Company shall request the CPA's comment on the rationality of the transaction price before the fact. The CPA shall process in accordance with the Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation.	To amend in line with the regulation of the FCS
Subparagraph 7, Paragraph 1 of Article 6	7. Where there is an asset transaction (other than any such transactions referred to in the preceding six subparagraphs), a disposal of receivables to a financial institution, or an investment in mainland China area that reaches 20% or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances: (1) Trading of Taiwan government bonds. (2) Where done by professional investors — securities trading on	7. Where there is an asset transaction (other than any such transactions referred to in the preceding six subparagraphs), a disposal of receivables to a financial institution, or an investment in mainland China area that reaches 20% or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances: (1) Trading of Taiwan government bonds. Where done by professional investors — securities trading on securities exchanges or OTC	To amend in line with the regulation of the FCS

	<p>securities exchanges or OTC markets, or subscription of foreign government bonds, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or <b>subscription or redemption of exchange traded notes</b>, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p>	<p>markets, or subscription of foreign government bonds, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p>	
Article 7	<p>The investment limitation of each asset for the Company and its subsidiaries as follow:</p> <p>(1)The aggregate amount of purchasing the real estate and its use-of-right for non-business shall not exceed one% of the Company's shareholder equity.</p> <p>(2)The investment amount in China shall not exceed the upper limit of investment amount or ratio set by the</p>	<p>1.The acquisition amount of real estate and right-of-use assets for non-operating purpose shall not exceed 100% of the shareholders' equity; the acquisition amount of securities shall not exceed 100% of the shareholders' equity; the acquisition amount of single security shall not exceed 30% of the shareholders' equity. The acquisition that approved by the shareholders' meeting is excluded.</p> <p>2.The investment limitation of each subsidiary shall be</p>	

	<p>authorities.  (3) Regarding the provision of the Article of Incorporation of the Company, the investment of securities is not restricted by the 40% of paid-in capital, but shall not exceed 100% of the Company's total assets. Unless the shareholders' meeting has other resolution, the investment of single securities shall not exceed 75% of the Company's total assets.</p> <p>The Company's subsidiaries apply for the same limitation on investment amount.</p>	<p>conducted in line with following provisions:  The aggregate amount of the real estate or securities that are for non-operating purpose, and the limitation amount of individual investment securities by the subsidiary.</p> <p>(1) The acquisition amount of real estate and right-of-use assets for non-operating purpose shall not exceed 100% of the shareholders' equity;</p> <p>(2) The acquisition amount of securities shall not exceed 100% of the shareholders' equity.</p> <p>(3) The acquisition amount of single security shall not exceed 30% of the shareholders' equity.</p> <p>(4) The acquisition amount of securities by the professionals of investment shall not exceed 300% of the shareholders' equity.</p>	
Article 11	<p>When the Company acquires or disposes of real estate or right-of-use assets thereof from a Related Party or when it intends to acquire or dispose of assets other than real estate or right-of-use assets thereof from or to a Related Party and the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except for trading domestic</p>	<p>When the Company acquires or disposes of real estate or right-of-use assets thereof from a Related Party or when it intends to acquire or dispose of assets other than real estate or right-of-use assets thereof from or to a Related Party and the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except for trading domestic</p>	<p>Move the Paragraph 2 of original article to Paragraph 6 of same article.  Move the Paragraph 3 to 5 of original article to Paragraph 2 to 4 of same article.  Add Paragraph 5.</p>

	<p>government bonds or bonds under repurchase/resale agreements and purchasing or repurchasing domestic money market funds issued by securities investment trust enterprise in domestic, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</p> <p>(1) The purpose, necessity and anticipated benefit of the property acquisition or disposal.</p> <p>(2) The reason for choosing the Related Party as a trading counterparty.</p> <p>(3) With respect to the acquisition of real estate or right-of-use assets thereof from a Related Party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Articles 12 and 13.</p> <p>(4) The date and price at which the Related Party originally acquired the real estate, the original trading counterparty, and that trading counterparty's relationship to the Company and the Related Party.</p> <p>(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds</p>	<p>government bonds or bonds under repurchase/resale agreements and purchasing or repurchasing domestic money market funds issued by securities investment trust enterprise in domestic, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</p> <p>(1) The purpose, necessity and anticipated benefit of the property acquisition or disposal.</p> <p>(2) The reason for choosing the Related Party as a trading counterparty.</p> <p>(3) With respect to the acquisition of real estate or right-of-use assets thereof from a Related Party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Articles 12 and 13.</p> <p>(4) The date and price at which the Related Party originally acquired the real estate, the original trading counterparty, and that trading counterparty's relationship to the Company and the Related Party.</p> <p>(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(6) An appraisal report</p>	
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	<p>utilization.</p> <p>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the Article 10.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</p> <p>With respect to the types of transactions listed below, when to be conducted between <b>the Company</b> and <b>its</b> subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the Company's Board of Directors <b>may authorize, in line with Article 5, the Chairman to decide such matters when the transaction is equal to or less than NTD 300 million</b>, and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:</p> <p>(i) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(ii) Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>Where the position of independent director has been created in accordance with the provisions of the Securities and Exchange Act, when a matter is submitted for discussion by the Board of Directors pursuant to Paragraph 1, the Board of Directors shall take into full consideration each</p>	<p>from a professional appraiser or a CPA's opinion obtained in compliance with the Article 10.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</p> <p><del>The amount of transactions above shall be calculated in accordance with Article 6. In addition, "Within the preceding year" refers to the year preceding the date of occurrence of the current transaction. Items duly announced shall be approved by the Board of Directors and recognized by the auditing committee in accordance with the Procedure need not be counted toward the transaction amount.</del></p> <p>With respect to the types of transactions listed below, when to be conducted between <del>the public-listed company and its parent or subsidiaries</del>, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the Company's Board of Directors may authorize, in line with subparagraph 3, Paragraph 1 of Article 3-1, the Chairman to decide such matters when the transaction is equal to or less than NTD 300 million, and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:</p> <p>(i) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(ii) Acquisition or</p>	
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	<p>independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.</p> <p>Regarding the provision of Paragraph 1, the matters shall first be approved by at least half of all audit committee members and then submitted to the Board of Directors for a resolution. It's allowed to adopt the Paragraph 3 and 4 of Article 27.</p> <p><b>If the Company or a subsidiary thereof that is not a domestic company will have a transaction set out in Item 1 and the transaction amount will reach 10 %or more of the Company's total assets, the Company shall submit the materials in all the subparagraphs of item 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its parent company or subsidiaries or between its subsidiaries.</b></p> <p><b>The amount of transactions for Article 1 and preceding transaction shall be calculated in accordance with Article 6. In addition, "Within the preceding year" refers to the year preceding the date of occurrence of the current</b></p>	<p>disposal of real property right-of-use assets held for business use.</p> <p>Where the position of independent director has been created in accordance with the provisions of the Securities and Exchange Act, when a matter is submitted for discussion by the Board of Directors pursuant to Paragraph 1, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.</p> <p>Regarding the provision of Paragraph 1, the matters shall first be approved by at least half of all audit committee members and then submitted to the Board of Directors for a resolution. It's allowed to adopt the Paragraphs 3 and 4 of Article 27.</p>	
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	<p><b>transaction. Items duly announced shall be approved by the Board of Directors and recognized by the auditing committee in accordance with the Procedure need not be counted toward the transaction amount.</b></p>		
<p>Paragraph 2 of Article 25</p>	<p>When issuing an appraisal report or opinion, the personnel shall handle in accordance with the <b>self-discipline regulation of the industrial association they belonged to</b> and the following items:</p> <ol style="list-style-type: none"> <li>(1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</li> <li>(2) When <b>executing</b> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</li> <li>(3) They shall undertake an item-by-item evaluation of the <b>appropriateness</b> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</li> </ol>	<p>When issuing an appraisal report or opinion, the personnel shall handle in accordance with the following items:</p> <ol style="list-style-type: none"> <li>(1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</li> <li>(2) When auditing a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</li> <li>(3) They shall undertake an item-by-item evaluation of the comprehensive, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</li> <li>(4) A statement shall be issued to include the professional competence and independence of the</li> </ol>	<p>To amend in line with the regulation of the FCS</p>

	<p>(4) A statement shall be issued to include the professional competence and independence of the personnel who prepared the report or opinion, proof of that they have evaluated and found that the information used is <b>appropriate</b> and reasonable, and regulations of complying with applicable laws and regulations.</p>	<p>personnel who prepared the report or opinion, proof of that they have evaluated and found that the information used is accuracy and reasonable, and regulations of complying with applicable laws and regulations.</p>	
<p>Article 27</p>	<p>The amendment of the Procedure shall first be approved by at least half of all audit committee members and then submitted to the Board of Directors for a resolution. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.</p> <p>When the Board of Directors discuss regarding the preceding matters, the Company shall fully consider the independent directors' opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.</p> <p>(Omitted)</p>	<p>The Procedure shall first be approved by the audit committee and then submitted to the Board of Directors for a resolution. The amendment adopts the same method. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.</p> <p>Where the position of independent director has been created, the Company shall fully consider the independent directors' opinions on above matters. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.</p> <p>(Omitted)</p>	

## Appendix 11

# Universal Cement Corporation Rules of Procedure for Shareholder Meeting

## Articles Comparison List

Article	After revision	Before revision	Remark
Article 3	<p>Unless otherwise provided by law or regulation, the Corporation's shareholder meetings shall be convened by the board of directors.</p> <p><b>Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</b></p> <p>The Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS</p>	<p>Unless otherwise provided by law or regulation, the Corporation's shareholder meetings shall be convened by the board of directors.</p> <p>The Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the</p>	<ol style="list-style-type: none"> <li>1. To amend the relevant rules for introducing the shareholders' video meeting</li> <li>2. Add Paragraph 2 and move the original content backward.</li> <li>3. The original Paragraph 2 is moved to Paragraph 3, and the deadline of uploading the information of shareholders' meeting is added.</li> <li>4. Add the Paragraph 4 regarding the rules of the on-site release the information of shareholders' meeting</li> </ol>

	<p>before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. <b>If, however, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting.</b> In addition, before 15 days before the date of the shareholders meeting, the Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Corporation and the professional shareholder services agent designated.</p> <p><b>This Corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders</b></p>	<p>Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Corporation and the professional shareholder services agent designated <del>thereby as well as being distributed on-site at the meeting place.</del></p> <p>The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.</p> <p>Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or under Article 185, paragraph 1 of Company Act, Article 26-1 and Article 43-6 of Securities and Exchange Act, and Article 56-1 and Article 60 of Regulations Governing the Offering</p>	
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	<p><b>meeting:</b></p> <p><b>1. For physical shareholders meetings, to be distributed on-site at the meeting.</b></p> <p><b>2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</b></p> <p><b>3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.</b></p> <p>The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.</p> <p>Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or under Article 185, paragraph 1 of Company Act, Article 26-1 and Article 43-6 of Securities and Exchange Act, and Article 56-1 and Article 60 of Regulations</p>	<p>and Issuance of Securities by Securities Issuers, shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the corporation, and such website shall be indicated in the above notice.</p> <p>Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.</p> <p>A shareholder holding one percent or more of the total number of issued shares may submit to the Corporation a written proposal for discussion at a regular shareholders meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda, provided a shareholder proposal for urging the corporation to promote public interests or fulfill its social</p>	
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	<p>Governing the Offering and Issuance of Securities by Securities Issuers, shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the corporation, and such website shall be indicated in the above notice.</p> <p>Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.</p> <p>A shareholder holding one percent or more of the total number of issued shares may submit to the Corporation a written proposal for discussion at a regular shareholders meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda, provided a shareholder proposal for urging the</p>	<p>responsibilities may still be included in the agenda by the board of directors. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. The shareholder shall propose the suggested proposal that encourages the company to enhance the public interests or conduct the society responsibility. The procedure is only conducted for one item according to the relevant provision of Article 172-1 of the Company Act. If the proposal includes more than one item, then it shall be excluded.</p> <p>Prior to the book closure date before a regular shareholders meeting is held, the Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</p> <p>Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by</p>	
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	<p>corporation to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. The shareholder shall propose the suggested proposal that encourages the company to enhance the public interests or conduct the society responsibility. The procedure is only conducted for one item according to the relevant provision of Article 172-1 of the Company Act. If the proposal includes more than one item, then it shall be excluded.</p> <p>Prior to the book closure date before a regular shareholders meeting is held, the Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</p> <p>Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder</p>	<p>proxy at the regular shareholders meeting and take part in discussion of the proposal.</p> <p>Prior to the date for issuance of notice of a shareholders meeting, the Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.</p>	
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	<p>making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.</p> <p>Prior to the date for issuance of notice of a shareholders meeting, the Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.</p>		
Article 4 paragraph 3	<p><b>If, after a proxy form is delivered to the Company, the shareholder wants to attend the shareholders' video meeting, a written notice of proxy cancellation shall be submitted to the Company two days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</b></p>	NA	1. Add the relevant rule of shareholders' video meeting
Paragraph 2 of Article 5	<p><b>The restrictions on the venue of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.</b></p>	NA	1. Add the relevant rule of shareholders' video meeting
Article 6	<p>The Corporation shall specify the time during which shareholders, <b>solicitors and proxies</b></p>	<p>The Corporation shall specify the time during which shareholder attendance registrations</p>	1. To amend for introducing the relevant rules of the

	<p>(collectively “shareholders”) attendance registrations will be accepted, the place to register for attendance, and other matters to be noted in its shareholders meeting notices.</p> <p>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <b>For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.</b></p> <p>Shareholders shall attend shareholder meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms</p>	<p>will be accepted, the place to register for attendance, and other matters to be noted in its shareholders meeting notices.</p> <p>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.</p> <p>Shareholders <del>and their proxies (collectively, “shareholders”)</del> shall attend shareholder meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>The Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>The Corporation shall</p>	<p>shareholders’ video meeting</p> <ol style="list-style-type: none"> <li>2. Add the definition of “shareholders”</li> <li>1. Add the procedure for application, registration and document upload of the shareholders’ video meeting</li> </ol>
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	<p>shall also bring identification documents for verification.</p> <p>The Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>The Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p> <p><b>In the event of a virtual shareholders meeting, shareholders who want to attend the meeting online shall register with the Company two days before the meeting date.</b></p> <p><b>In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting</b></p>	<p>furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p>	
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	<p>materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</p>		
<p><b>Article 6-1</b> (Convene the shareholders' video meeting, the precautions in the shareholders meeting notice)</p>	<p>To convene the shareholders' video meeting, the Company shall include the following precautions in the shareholders meeting notice:</p> <ol style="list-style-type: none"> <li>1. How shareholders attend the video meeting and exercise their rights.</li> <li>2. Actions to be taken if the video meeting platform or participation in the video meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars: <ol style="list-style-type: none"> <li>A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</li> <li>B. Shareholders not having registered to attend the</li> </ol> </li> </ol>	<p>NA</p>	<ol style="list-style-type: none"> <li>1. Newly added article.</li> <li>2. Add the relevant rule of shareholders' video meeting</li> </ol>

	<p>affected shareholders' video meeting shall not attend the postponed or resumed session.</p> <p><b>C. In case of a hybrid shareholders meeting, when the video meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the shareholders' video meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the video meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</b></p>		
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	<p><b>D. Actions to be taken if the outcome of all proposals has been announced and extraordinary motion has not been carried out.</b></p> <p><b>3. To convene a video-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending the shareholders' video meeting shall be specified.</b></p>		
<p>Paragraph 3 to 5 of Article 8</p>	<p><b>Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes, and continuously audio and video record, without interruption, the proceedings of the video meeting from beginning to end.</b></p> <p><b>The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</b></p> <p><b>In case of a virtual shareholders meeting, the Company is advised to</b></p>	<p>NA</p>	<p>1 . Add the article 2. The reservation method of the information related to shareholders' video meeting</p>

	<p><b>audio and video record the back-end operation interface of the virtual meeting platform.</b></p>		
<p>Paragraph 1 to 3 of Article 9</p>	<p>Attendance at shareholder meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, <b>and the shares checked in on the virtual meeting platform</b>, plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. <b>In the event of the shareholders' video meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.</b></p> <p>If the quorum is not</p>	<p>Attendance at shareholder meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a</p>	<p>1. In line with the introduction of the shareholders' video meeting, the procedures for report, announcement and attendance registration of the shareholders</p>



	<p>met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. <b>In the event of the shareholders' video meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.</b></p>	<p>tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.</p>	
<p>Paragraph 7 to 8 of Article 11</p>	<p><b>In the event of the shareholders' video meeting, shareholders attending the video meeting online may raise questions in writing at the virtual meeting platform from the Chair declaring the meeting open until the Chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in Paragraphs 1 to 5 do not apply.</b></p> <p>The preceding questions without violating the rules or</p>	<p>NA</p>	<p>1. Newly added article. 2. Add the procedure for shareholder asking question in shareholders' video meeting</p>

	<b>exceeding the proposal's range, shall be disclosed in the virtual meeting platform of shareholders' meeting to public.</b>		
Paragraph 4, 9 to 12 of Article 13	<p>(Omitted)</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, <b>or via video conferencing</b>, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>(Omitted)</p> <p><b>When the Company convenes the shareholders' video meeting, after the Chairman declares the</b></p>	<p>(Omitted)</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>(Omitted)</p>	<p>1. Newly added article</p> <p>2. Add the rules of voting, voting result announcement, and the voting right of the shareholders who vote via electronic vote in the shareholders' video meeting.</p>

meeting open, the shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the Chairman announces the voting session ends or will be deemed abstained from voting.

In the event of the shareholders' video meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' video meeting.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting

	<p>online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</p>		
<p>Paragraph 4 and 5 of Article 15</p>	<p><b>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the Chair’s full name, the procedures by which resolutions were adopted, and a summary of the deliberations and their results (including the number of voting rights) for director and supervisor elections, the number of votes for each candidate should be disclosed, and shall be retained for the duration of the existence of the Company.</b></p> <p><b>When convening a video-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending the shareholders’ video meeting.</b></p>	<p>NA</p>	<ol style="list-style-type: none"> <li>1. Newly added article</li> <li>2. Add the items to be listed in the minutes of the shareholders’ video meeting.</li> </ol>
<p>Article 16</p>	<p>On the day of a shareholders meeting, the Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained</p>		<ol style="list-style-type: none"> <li>1. Add the requirement that the content shall be disclosed on the meeting platform of the</li> </ol>

	<p>by solicitors through solicitation, <b>the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means</b>, and shall make an express disclosure of the same at the place of the shareholders meeting. <b>In the event the shareholders' video meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</b></p> <p><b>During the shareholders' video meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</b></p> <p>If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai</p>		shareholders' video meeting.
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	Securities Market) regulations, the Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.		
Article 19 (The information disclosure of video meeting)	<b>In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the Chair has announced the meeting adjourned.</b>	NA	1. Add the disclosure method of voting result in the shareholders' video meeting
Article 20 (The place of Chairman and recorder of the shareholders' video meeting)	<b>When the Company convenes the shareholders' video meeting, both the Chairman and recorder shall be in the same location, and the Chairman shall declare the address of their location when the meeting is called to order.</b>	NA	1. Add the rules of Chairman and recorder of shareholders' video meeting
Article 21 (Procedure for disconnection)	<b>In the event of the shareholders' video meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</b>  <b>In the event of a virtual shareholders</b>	NA	1. Add the procedure for response on the disconnection of the shareholders' video meeting.

meeting, when declaring the meeting open, the Chairman shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, Paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the video meeting is obstructed due to natural disasters, accidents or other force majeure events before the Chairman has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by,

**and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.**

**During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.**

**When the Company convenes a hybrid shareholders meeting, and the video meeting cannot continue as described in Paragraph 2, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the shareholders' video meeting online, still meets the minimum legal requirement for a shareholder meeting,**



then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the video meeting shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Paragraph 7 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under second half of Article 12 and Paragraph 3 of Article 13 in the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of

	<p><b>Public Companies, and Paragraph 2 of Article 44-5, Article 44-15, and Paragraph 1 of Article 44-17 in the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under Paragraph 2.</b></p>		
Article 22	<p><b>The Rule is implemented after approved by the shareholders' meeting. The amendment is taken in same method</b></p>	NA	<p>1. Add Article 19 to 21. The number of the original Article 19 is revised.</p>

# **Universal Cement Corporation**

## **Rules of Procedure for Shareholder Meeting**

### **(Before Revision)**

#### Article 1

To establish a strong governance system and sound supervisory capabilities for the Corporation's shareholder meetings as well as to strengthen the management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.

#### Article 2

Except as otherwise provided by law, regulation, or the articles of incorporation, the rules of procedures for the Corporation's shareholder meetings shall be subject to these Rules.

#### Article 3 (Convening shareholder meetings and shareholders meeting notices)

Unless otherwise provided by law or regulation, the Corporation's shareholder meetings shall be convened by the board of directors.

The Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article

185, paragraph 1 of Company Act, Article 26-1 and Article 43-6 of Securities and Exchange Act, and Article 56-1 and Article 60 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the corporation, and such website shall be indicated in the above notice.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Corporation a written proposal for discussion at a regular shareholders meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda, provided a shareholder proposal for urging the corporation to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. The shareholder shall propose the suggested proposal that encourages the company to enhance the public interests or conduct the society responsibility. The procedure is only conducted for one item according to the relevant provision of Article 172-1 of the Company Act. If the proposal includes more than one item, then it shall be excluded.

Prior to the book closure date before a regular shareholders meeting is held, the Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

#### Article 4

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Corporation and stating the

scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Corporation before five days before the date of the shareholders meeting. Upon the delivery of duplicate proxy forms, the one that receives earlier shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

#### Article 5 (Principles determining the time and place of a shareholders meeting)

The venue for a shareholders meeting shall be the premises of the Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

#### **Article 6 (Preparation of documents such as the attendance book)**

The Corporation shall specify the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters to be noted in its shareholders meeting notices.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholder meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented

by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

#### **Article 7 (The chair and non-voting participants of a shareholders meeting)**

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholder meetings convened by the board of directors can be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

#### **Article 8 (Documentation of a shareholders meeting by audio or video)**

The Corporation, at the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

#### **Article 9**

Attendance at shareholder meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

#### **Article 10 (Discussion of proposals)**

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast by shareholders (including extraordinary motions and amendments to the original proposals set out in the agenda).

The chair may decide to vote on a case-by-case basis, or to vote on various proposals (including election proposals) in a divided or one-time manner and count the votes separately. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

#### **Article 11 (Shareholder speech)**

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be decided by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

#### **Article 12 (Calculation of voting shares and recusal system)**

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholder meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed



as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

### **Article 13**

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Corporation avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a declaration of intent to the Corporation two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected and no further voting shall be required.

Monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Corporation.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

#### **Article 14 (Election of directors)**

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected as well as the number of votes casted for candidates not elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

#### **Article 15**

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Corporation.

#### **Article 16 (Public disclosure)**

On the day of a shareholders meeting, the Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by

solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, the Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

#### **Article 17 (Maintaining order at the meeting place)**

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

#### **Article 18 (Recess and resumption of a shareholders meeting)**

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

#### **Article 19**

These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.