

Stock Code: 1104

**Universal Cement Corporation
2024 Annual Meeting of
Shareholders**

Handbook

Meeting Time: 10:00 A.M. June 21, 2024

Place: The Howard Plaza Hotel Taipei

**No. 160, Sec. 3, Ren Ai Rd., Da-an Dist.,
Taipei City**

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 2024 Annual Meeting of Shareholders

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

Matters to Report

1. 2023 Business Report

(Please refer to appendix 1 and 2 of this meeting handbook)

2. Audit Committee's Review Report on the 2023 Financial Statements
(Please refer to appendix 3 and 4 of this meeting handbook)

The Company's 2023 Financial Statements, 2023 Business Report and Proposal for Distribution of 2023 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.

3. Report on Employees and Directors' compensation for the year of 2023

In accordance with 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\$ 42,971,328 as well as employees' compensation of NT\$42,971,328 to be distributed in cash for the year of 2023. There is no discrepancy between the distributed amount and the annual estimated amount of adopted expense.

4. Report on Endorsement and Guarantee made in 2023.

In compliance with Procedure for Making of Endorsements/Guarantees when making financing endorsements/guarantee for companies and companies of joint venture with business relations. As of the end of

December, 2023, the total amount of endorsement/ guarantee is NTD 520 million (drawn amount: NTD 130 million), complied with the procedure and listed as below:

Unit: NTD

Entities for which the endorsement/ guarantee are made	Amount
Universal Ready-mixed Concrete Industry	120,000
UCC Investment	350,000
Uneo Inc.	50,000
In total	520,000

5. Report on Loaning of Funds in 2023

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, 2023, the total approved credit for loaning of funds by the Company is NTD 150 million (drawn amount: NTD 0) and in compliance with the procedure and listed as below:

Unit: NTD

Entities to which the loans are made	Amount
Universal Ready-mixed Concrete Industry	300,000
UCC Investment	800,000
Uneo Inc.	100,000
Tainan Ready-mixed Concrete Industry	300,000
In total	1,500,000

Ratification

Proposal No. 1

Adoption of the 2023 Business Report, Financial Statements and Consolidated Financial Statement (Proposed by the Board)

Explanation:

The documents mentioned above have been approved by the 5th Meeting of the 3rd Audit Committee and the Board on the 7th Meeting of the 24rd Board of Directors. 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 of this meeting handbook)

Resolution:

Proposal No. 2

Adoption of the Proposal for Distribution of 2023 Profits (Proposed by the Board)

Explanation:

1. The Board has adopted the Proposal for Distribution of 2023 Profits prepared, in accordance with the Company's Article of Association, has been approved by the 5th Meeting of the 3rd Audit Committee and the 7th Meeting of the 24rd Board of Directors and submitted to this Annual Meeting of Shareholders as attached.
2. It is proposed to distribute a cash dividend of 1.8 dollars per share to shareholders (amount to be rounded up to dollar), dividend distributable at less than 1 dollar shall be recognized by the Company as other income. Upon the approval of this Annual Meeting of Shareholders, it is proposed

that the Board of Directors be authorized to decide on dividend date and ex-rights date and distribute accordingly.

3. It is further proposed to distribute a stock dividend of 0.2 dollars per share , 20 shares for holders of every thousand shares. Upon the approval of this Annual Meeting of Shareholders, it is proposed that the Board of Directors be authorized to decide on ex-dividend date subject to the approval by competent authorities.
4. If any change in the Company's share affects the number of the shares outstanding and causes any change in the rights issue ratio of the shareholders, the Board of Directors to be authorized to make necessary change at its full discretion.
5. In case where any amendment to this capital increase is deemed necessary as a result of either practical necessity or demand by competent authority, the Board of Directors to be authorized to make necessary decisions.

Resolution:


 Universal Cement Corporation
 Profit Distribution Table
 Year 2023

Unit: NT Dollars

Item	Amount
Unappropriated Retained Earnings of Previous Years	5,991,299,393
Minus: Adjustment incurred by Affiliates under equity method	(859,253)
Plus: Disposal of equity instrument at FVOCI	1,619,682
Plus: Net Profit of 2023 after tax	2,107,757,622
Minus: Legal reserve	(210,851,805)
Earnings available for distribution	7,888,965,639
Distribution of:	
Dividend in Cash (NTD 1.8 per share)	1,211,791,441
Dividend in Stock (NTD 0.2 per share)	134,643,490
Unappropriated Retained Earnings for year ended in 2023	6,542,530,708

Chairman:



President:



Accounting manager:



Matters for Discussion

Proposal No. 1

Issuance of new stock by appropriation of earnings from 2023
(Proposed by the Board)

Explanation:

1. For the improvement of the investment portfolio and capital expenditure of the Company and hence strengthening the competitiveness of the Company, it is proposed to issue 13,464,349 shares of common stock, face value at NTD 10 per share, with distributable earnings from 2023 of NTD 134,643,490. By reference to the list of the shareholders at the record date, the holders of every 1,000 shares will be distributed with 20 shares. It is proposed that the shareholders be demanded to accumulate fractional share distributed to full share at its discretion within 5 days from date for suspension of share transfer. It is further proposed that fractional share not successfully accumulated to be converted into cash at its face value and that the Chairman of the Board to assign the subscription thereof to specific person at its face value.
2. The rights and obligations of the new shares shall be the same as those of the issued shares. Upon the adoption of this Annual Meeting of Shareholders, the Board of Directors shall be authorized to handle the subsequent related matters as its full direction.
3. If any change in the Company's share affects the number of the shares outstanding and causes any change in the rights issue ratio of the shareholders, the Board of Directors to be authorized to make necessary change at its full discretion.
4. In case where any amendment to this capital increase is deemed

necessary as a result of either practical necessity or demand by competent authority, the Board of Directors to be authorized to make necessary decisions.

Resolution:

Questions and Motions

Adjournment

Appendices

1. Letter to Shareholders
2. 2023 Business Report
3. 2023 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. Universal Cement Corporation Rules of Procedure for Shareholder Meeting.

Appendix 1

Letter to Shareholders

Dear valued shareholders,

In 2023, the global economy faced numerous challenges such as high interest rates and inflation. The construction industry suffered from labor and material shortages, leading to increased operating costs. However, the government's passing of the Infrastructure Development Program and contribute steady growth of sales of building material business of the company. The following is business performance of the company in 2023:

1. In 2023, the sales of cement were 550 thousand tons, representing a YOY growth of 10%, the sales of ready-mixed concrete (RMC) were 1.89 million cubic meters, representing a YOY decline of 3% and the sales of gypsum boards were 15.96 million square meters, representing a YOY growth of 1%. Total consolidated revenue for 2023 was NT\$ 7.8 billion, showing a growth of 11% compared with last year; Net profit after tax of the year was NT\$ 2.35 billion, showing a growth of 7% compared with last year; Earnings per share had reached NT\$ 3.13.
2. Building Material business group continues to enhance the functional performance of gypsum board such as moisture resistance, fire resistance, sound insulation, convenience in construction and recycling. We also strive to provide users with more drywall systems including rooftop and cladding system. We have synergized our products with the exterior wall panel system of Japan's market leader "NICHIIHA" to extend our solution systems from the interior wall and ceiling panels to exterior of buildings.
3. RMC 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. We will also return to Chiayi county and renovate a previously rented out concrete plant in order to supply new TSMC plant construction projects.
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. seeks to enhance synergy with world-renowned corporation 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 2024, we will continue to solidify our footprint in public construction, factories, commercial buildings, and housing projects. Xiaogang RMC Plant and Madou RMC Plant renewals are estimated to complete in the fourth quarter of 2024. With ten Ready-mixed concrete plants and two gypsum board plants, we expect to achieve the cement sales volume target of 560 thousand tons, RMC sales volume target of 1.79 million cubic meters, and gypsum board sales volume target of 20.25 million square meters. Beyond our current business, we also continue to seek growth opportunities horizontally and vertically. With the rising awareness of ESG, we will also proactively seek for new production methods and materials to ameliorate the impact the company levy on the environment.

As a leader 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 become a clear direction. Moreover, our module for smart health and smart inventory control are also two foci and UNEO seeks to promote these solutions to industry leaders in North America and Europe. With the steadily-growing market demand for consumer electronics, we are anticipating a significant growth in sales performance of the sensor component business for 2024.

We are sincerely grateful for the support from all of our shareholders. We 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

Bo-Chih Investment

Appendix 2

Business Report



I. Manufacture

(1) Cement

The Company manufactured 393,104 tons of cement (Alian Plant) in 2023, the production for the whole year decreased by 50,825 tons YoY, representing a decrease of 11.45%.

(2) Concrete

The company manufactured 1,554,731 m³ of concrete in 2023, the production volume for the whole year decreased by 121,989 m³ YoY, representing a decrease of 7.28%.

(3) Gypsum board

The company manufactured 16,146,837 m² (Haifu Plant) of gypsum board in 2023, the production for the whole year increased by 775,869 m² YoY, representing an increase of 5.05%.

II. Sale

(1) Cement

The company sold 383,303 tons of cement (Including 116,131 tons for self-use) in 2023; the total sales decreased by 54,664 tons YoY, representing a decrease of 12.48%.

(2) Concrete

The company sold 1,554,731 m³ of concrete in 2023; the total sales decreased by 121,989 m³ YoY, representing a decrease of 7.28%.

(3) Gypsum board

The company sold 13,112,617 m² in 2023; the total sales volume decreased by 2,663,078 m² YoY, representing a decrease of 16.88%.

III. Revenue

The company's net operating income for year 2023 was NT\$ 6,007,860 thousand dollars, an increase of NT\$ 297,664 thousand dollars YoY, representing an increase of 5.21%.

IV. Earning

The earnings after tax of year 2023 is NTD 2,107,758 thousand dollars, increased 66,363 thousand dollars. The increase rate was 3.25%. Earnings per share was NT\$3.13, which increased NTD 0.1 YoY, representing an increase of 3.3%.

Chairman:



President:



Accounting manager:



Appendix 3

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 Company), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, 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 Company 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, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Company's financial statements for the year ended December 31, 2023 is stated as follows:

Occurrence of sales of concrete products

Refer to Note 4 (n) and Note 23, the Company mainly manufactures and sells cement, ready mixed concrete and gypsum board panels. The sales amount of some concrete products changed greatly in 2023 and the change can be due to changes in volume or price or both. Sales is the main source of the Company's revenue and has a material impact on the Company'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 Company'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 and confirmed that the payee matched the transaction counterparty.

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 Company'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 Company 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 Company'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 Company'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 Company'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 Company 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 Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan

Republic of China

March 15, 2024

Notice to Readers

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

Universal Cement Corporation

BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash (Notes 4 and 6)	\$ 187,223	1	\$ 306,017	1
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	4,661	-	7,535	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	2,262,037	9	1,858,020	7
Financial assets at amortized cost - current (Notes 4, 9, 10 and 33)	30,060	-	67	-
Contract assets - current (Notes 4 and 23)	1,480	-	1,759	-
Contract assets from related parties - current (Notes 4, 23 and 32)	-	-	4,437	-
Notes receivable (Notes 4, 11 and 23)	387,881	1	399,898	2
Net Accounts receivable (Notes 4, 11 and 23)	1,209,571	5	1,216,542	5
Net Accounts receivable from related parties (Notes 4, 11, 23 and 32)	60,568	-	44,977	-
Other receivables (Notes 4 and 32)	482	-	221,862	1
Inventories (Notes 4 and 12)	335,749	1	304,870	1
Prepayments	10,919	-	19,562	-
Other current assets	2,307	-	3,907	-
Total current assets	<u>4,492,938</u>	<u>17</u>	<u>4,389,453</u>	<u>17</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	1,608,577	6	2,076,812	8
Financial assets at amortized cost - non-current (Notes 4, 9, 10 and 33)	7,027	-	4,657	-
Investments accounted for using the equity method (Notes 4 and 13)	13,398,561	51	12,640,982	48
Property, plant and equipment (Notes 4 and 14)	6,261,756	24	6,326,916	24
Right - of - use assets (Notes 4 and 15)	57,524	-	58,557	-
Investment properties (Notes 4 and 16)	634,139	2	634,706	3
Other intangible assets (Notes 4 and 17)	10,183	-	11,324	-
Deferred tax assets (Notes 4 and 25)	13,880	-	11,251	-
Prepayments for equipment	45,458	-	30,031	-
Net defined benefit assets(Notes 4 and 21)	6,697	-	6,697	-
Total non-current assets	<u>22,043,802</u>	<u>83</u>	<u>21,801,933</u>	<u>83</u>
TOTAL	<u>\$ 26,536,740</u>	<u>100</u>	<u>\$ 26,191,386</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 18)	\$ 1,610,000	6	\$ 2,210,000	9
Short-term bills payable (Notes 4 and 18)	234,887	1	799,261	3
Contract liabilities - current (Notes 4 and 23)	530	-	240	-
Notes payable (Note 19)	-	-	30	-
Accounts Payable (Note 19)	637,988	2	609,753	2
Accounts Payable to related parties (Notes 19 and 32)	41,543	-	47,288	-
Other payables (Notes 20 and 32)	343,853	1	316,494	1
Current tax liabilities (Note 25)	121,251	1	112,632	1
Lease liabilities - current (Notes 4, 15 and 32)	11,760	-	10,587	-
Long-term borrowings due within one year (Note 18)	500,000	2	-	-
Other current liabilities (Note 20)	20,949	-	21,674	-
Total current liabilities	<u>3,522,761</u>	<u>13</u>	<u>4,127,959</u>	<u>16</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 25)	1,088,374	4	1,088,991	4
Lease liabilities - non-current (Notes 4, 15 and 32)	46,306	1	48,170	-
Guarantee deposits received	10,117	-	8,362	-
Total non-current liabilities	<u>1,144,797</u>	<u>5</u>	<u>1,145,523</u>	<u>4</u>
Total liabilities	<u>4,667,558</u>	<u>18</u>	<u>5,273,482</u>	<u>20</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)				
Capital stock - common stock	6,732,175	25	6,536,092	25
Capital surplus	123,719	-	123,499	-
Retained earnings				
Legal reserve	2,920,126	11	2,715,883	11
Special reserve	3,185,793	12	3,185,793	12
Unappropriated earnings	8,099,817	31	7,372,038	28
Total retained earnings	<u>14,205,736</u>	<u>54</u>	<u>13,273,714</u>	<u>51</u>
Other equity	807,552	3	984,599	4
Total equity	<u>21,869,182</u>	<u>82</u>	<u>20,917,904</u>	<u>80</u>
TOTAL	<u>\$ 26,536,740</u>	<u>100</u>	<u>\$ 26,191,386</u>	<u>100</u>

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

(Concluded)

Universal Cement Corporation
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23 and 32)	\$ 6,007,860	100	\$ 5,710,196	100
OPERATING COSTS (Notes 12, 21, 24 and 32)	<u>4,721,870</u>	<u>79</u>	<u>4,533,229</u>	<u>79</u>
GROSS PROFIT	<u>1,285,990</u>	<u>21</u>	<u>1,176,967</u>	<u>21</u>
OPERATING EXPENSES (Notes 21, 24 and 32)				
Selling and marketing expenses	145,489	2	120,348	2
General and administrative expenses	240,303	4	188,617	3
Research and development expenses	63,498	1	81,526	2
Expected credit loss (gain)	(<u>6,377</u>)	<u>-</u>	<u>8,487</u>	<u>-</u>
Total operating expenses	<u>442,913</u>	<u>7</u>	<u>398,978</u>	<u>7</u>
PROFIT FROM OPERATIONS	<u>843,077</u>	<u>14</u>	<u>777,989</u>	<u>14</u>
NON-OPERATING INCOME AND EXPENSES (Notes 13, 24 and 32)				
Interest income	5,033	-	1,775	-
Other income	218,605	4	224,216	4
Other gains and losses	(117,059)	(2)	203,980	4
Interest expenses	(48,582)	(1)	(35,034)	(1)
Share of profit or loss of associates accounted for using the equity method	<u>1,394,594</u>	<u>23</u>	<u>1,042,108</u>	<u>18</u>
Total non-operating income and expenses	<u>1,452,591</u>	<u>24</u>	<u>1,437,045</u>	<u>25</u>
PROFIT BEFORE INCOME TAX	2,295,668	38	2,215,034	39
INCOME TAX EXPENSE (Notes 4 and 25)	<u>187,910</u>	<u>3</u>	<u>173,639</u>	<u>3</u>
NET PROFIT FOR THE YEAR	<u>2,107,758</u>	<u>35</u>	<u>2,041,395</u>	<u>36</u>
OTHER COMPREHENSIVE INCOME (Note 22)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	(62,751)	(1)	143,686	3
Share of the other comprehensive income or loss of associates accounted for using the equity method	<u>96,481</u>	<u>2</u>	(<u>49,909</u>)	(<u>1</u>)
	<u>33,730</u>	<u>1</u>	<u>93,777</u>	<u>2</u>

(Continued)

Universal Cement Corporation

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Share of the other comprehensive income of associates accounted for using the equity method	(\$ 210,016)	(4)	\$ 146,367	2
	(\$ 210,016)	(4)	146,367	2
Other comprehensive income (loss) for the year, net of income tax	(176,286)	(3)	240,144	4
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 1,931,472	32	\$ 2,281,539	40
EARNINGS PER SHARE (Note 26)				
Basic	\$ 3.13		\$ 3.03	
Diluted	3.12		3.02	

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, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	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, 2022	\$ 6,536,092	\$ 66,95	\$ 2,607,075	\$ 3,185,793	\$ 6,092,023	(\$ 945,843)	\$ 1,638,872	\$ 69,720	(\$ 17,217)	\$ 745,532	\$ 19,233,465
Appropriation of 2021 earnings (Note 22)											
Legal reserve		-	108		(108,808)				-	-	-
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 28)		56,211									56,211
Disposals of investments in equity instruments at fair value through other comprehensive income		-					(1,077)		-	(1,077)	-
Changes in recognition of associates accounted for using the equity method		340			(-	-	300
Overdue dividends not collected by shareholders		(2)							-	-	(2)
Net profit for the year ended December 31, 2022		-			2,041,3				-	-	2,041,395
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax		-				146,36	74,10	19,674	-	240,144	240,144
Total comprehensive income (loss) for the year ended December 31, 2022		-			2,041,395	146,36	74,10	19,674	-	240,144	2,281,539
BALANCE AT DECEMBER 31, 2022	6,536,1	123,499	2,715,1	3,185,793	7,372,1	(799,476)	1,711,1		(17,217)	984,599	20,917,904
Appropriation of 2022 earnings (Note 22)											
Legal reserve		-	20		(204,1				-	-	-
Cash dividends distributed by the Company - NT\$ 1.5 per share		-			(980,1				-	-	(980,414)
Stock dividends distributed by the Company - NT\$ 0.3 per share	19	-			(196,1				-	-	-
Differences between the actual equity value of subsidiaries acquired or disposed and its carrying amounts. (Note 28)		221							-	-	221
Disposals of investments in equity instruments at fair value through other comprehensive income		-					(1,62		-	(1,620)	-
Changes in recognition of associates accounted for using the equity method		-			(-	859	-
Overdue dividends not collected by shareholders		(1)							-	-	(1)
Net profit for the year ended December 31, 2023		-			2,107,1				-	-	2,107,758
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax		-				(210,0	31,87	1,8	-	(176,286)	(176,286)
Total comprehensive income (loss) for the year ended December 31, 2023		-			2,107,758	(210,016)	31,87	1,8	-	(176,286)	1,931,472
BALANCE AT DECEMBER 31, 2023	\$ 6,732,175	\$ 123,719	\$ 2,920,126	\$ 3,185,793	\$ 8,099,817	(\$ 1,009,492)	\$ 1,743,007	\$ 91,254	(\$ 17,217)	\$ 807,552	\$ 21,869,11

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, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,295,668	\$ 2,215,034
Adjustments for:		
Depreciation expenses	126,467	123,591
Amortization expenses	3,626	2,415
Expected credit loss (gain) recognized	(6,377)	8,487
Interest expenses	48,582	35,034
Interest income	(5,033)	(1,775)
Dividend income	(178,687)	(193,444)
Share of profit or loss of associates accounted for using the equity method	(1,394,594)	(1,042,108)
Net gain on disposal of property, plant and equipment	(525)	(3,950)
Net gain on fair value changes of financial assets designated as at fair value through profit or loss	(721)	(669)
Gain on disposal of investment properties	-	(107,131)
Regarded as gain on disposal of associates accounted for using the equity method	-	(373,540)
Impairment loss on assets	116,111	274,161
Gain on lease modification	-	(93)
Liquidation Benefit	-	(44,029)
Changes in operating assets and liabilities		
Contract assets (Including related parties)	5,894	983
Notes receivable	12,017	(4,622)
Accounts receivable (Including related parties)	(3,421)	(232,620)
Other receivables	880	4
Inventories	(30,879)	(38,419)
Prepayments	8,643	(3,252)
Other current assets	1,600	(221)
Contract liabilities	290	(984)
Notes payable	(30)	30
Accounts payable (Including related parties)	22,490	35,177
Other payables	26,036	60,983
Other current liabilities	(725)	3,084
Net defined benefit liability	-	(2)
Cash generated from operations	1,047,312	712,124
Interest received	5,033	1,775
Dividends received	690,755	402,700
Income tax paid	(182,537)	(162,614)
Net cash generated from operating activities	<u>1,560,563</u>	<u>953,985</u>

(Continued)

Universal Cement Corporation
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the capital reduction of financial assets at fair value through other comprehensive income	\$ 13,213	\$ -
Increase in financial assets at amortized cost	(32,543)	(1,160)
Decrease in financial assets at amortized cost	180	1,210
Acquisitions of investments accounted for using the equity method	(113)	(169,690)
Proceeds from sale of financial assets at fair value through profit or loss	3,595	-
Payments for property, plant and equipment	(180,337)	(93,608)
Proceeds from disposal of property, plant and equipment	686	6,443
Payments for intangible assets	(2,485)	(5,688)
Payments for investment properties	-	(3,956)
Proceeds from disposal of investment properties	-	161,430
Increase in other receivables	-	(220,500)
Decrease in other receivables	220,500	105,000
Net cash generated from (used in) investing activities	<u>22,696</u>	<u>(220,519)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (Repayments) in short-term borrowings	(600,000)	430,000
Repayments from short-term bills payable	(565,000)	(260,000)
Increase in long-term borrowings	500,000	-
Proceeds from guarantee deposits received	2,160	665
Refund of guarantee deposits received	(405)	(1,130)
Repayment of the principal portion of lease liabilities	(10,902)	(13,437)
Cash dividends paid	(980,414)	(653,609)
Interest Paid	(47,492)	(34,807)
Net cash used in financing activities	<u>(1,702,053)</u>	<u>(532,318)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(118,794)	201,148
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>306,017</u>	<u>104,869</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 187,223</u>	<u>\$ 306,017</u>

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

(Concluded)

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, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including 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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (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, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2023 is stated as follows:

Occurrence of sales of concrete products

Refer to Note 4 (n) 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 2023 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, 2023 and 2022 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and 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, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan

Republic of China

March 15, 2024

Notice to Readers

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

Universal Cement Corporation and Subsidiaries

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,418,310	5	\$ 784,464	3
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	13,972	-	81,411	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	2,691,567	10	2,261,853	8
Financial assets at amortized cost - current (Notes 4, 9, 10 and 34)	127,350	-	107,357	-
Contract assets - current (Notes 4 and 24)	1,480	-	1,758	-
Contract assets from related parties - current (Notes 4, 24 and 33)	-	-	4,437	-
Notes receivable (Notes 4,11 and 24)	567,255	2	537,064	2
Net Accounts receivable (Notes 4,11 and 24)	1,546,340	6	1,404,534	5
Net Accounts receivable from related parties (Notes 4,11,24 and 33)	58,750	-	41,684	-
Other receivables (Note 4)	589	-	660	-
Inventories (Notes 4 and 12)	388,373	1	393,983	2
Prepayments	18,065	-	23,958	-
Other current assets	4,383	-	5,423	-
Total current assets	6,836,434	24	5,648,586	20
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss – non-current (Notes 4 and 7)	47,558	-	43,733	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	1,991,004	7	2,401,004	9
Financial assets at amortized cost - non-current (Notes 4, 9, 10 and 34)	16,995	-	11,294	-
Investments accounted for using the equity method (Notes 4 and 14)	10,804,634	39	10,618,566	38
Property, plant and equipment (Notes 4 and 15)	7,342,196	26	7,911,538	29
Right - of - use assets (Notes 4 and 16)	222,428	1	263,949	1
Investment properties (Notes 4 and 17)	840,717	3	841,880	3
Other intangible assets (Notes 4 and 18)	10,648	-	11,992	-
Deferred tax assets (Notes 4 and 26)	16,511	-	13,898	-
Prepayments for equipment	45,458	-	30,031	-
Net defined benefit assets (Notes 4 and 22)	14,977	-	15,424	-
Total non-current assets	21,353,126	76	22,163,309	80
TOTAL	\$ 28,189,560	100	\$ 27,811,895	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 19)	\$ 1,700,000	6	\$ 2,290,000	8
Short-term bills payable (Note 19)	274,785	1	999,088	4
Contract liabilities - current (Notes 4 and 24)	2,359	-	2,084	-
Notes payable (Note 20)	218,691	1	188,745	1
Accounts Payable (Note 20)	709,034	3	666,974	2
Accounts Payable to related parties (Notes 20 and 33)	34,059	-	37,276	-
Other payables (Note 21)	406,020	1	370,160	1
Current tax liabilities (Note 26)	157,831	1	121,860	1
Lease liabilities - current (Notes 4 and 16)	53,990	-	52,153	-
Long-term borrowings due within one year (Note 19)	500,000	2	-	-
Other current liabilities (Note 21)	22,080	-	22,970	-
Total current liabilities	4,078,849	15	4,751,310	17
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 26)	1,245,107	4	1,305,718	5
Lease liabilities - non-current (Notes 4 and 16)	175,887	1	218,710	1
Guarantee deposits received	11,583	-	9,679	-
Total non-current liabilities	1,432,577	5	1,534,107	6
Total liabilities	5,511,426	20	6,285,417	23
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)				
Capital stock - common stock	6,732,175	24	6,536,092	23
Capital surplus	123,719	-	123,499	-
Retained earnings				
Legal reserve	2,920,126	10	2,715,883	10
Special reserve	3,185,793	11	3,185,793	11
Unappropriated earnings	8,099,817	29	7,372,038	27
Total retained earnings	14,205,736	50	13,273,714	48
Other equity	807,552	3	984,599	4
Total equity attributable to owners of the Company	21,869,182	77	20,917,904	75
NON - CONTROLLING INTERESTS	808,952	3	608,574	2
Total equity	22,678,134	80	21,526,478	77
TOTAL	\$ 28,189,560	100	\$ 27,811,895	100

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

(Concluded)

Universal Cement Corporation and Subsidiaries

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 24 and 33)	\$ 7,802,362	100	\$ 7,055,789	100
OPERATING COSTS (Notes 12, 22, 25 and 33)	<u>6,260,222</u>	<u>80</u>	<u>5,689,489</u>	<u>81</u>
GROSS PROFIT	<u>1,542,140</u>	<u>20</u>	<u>1,366,300</u>	<u>19</u>
OPERATING EXPENSES (Notes 22, 25 and 33)				
Selling and marketing expenses	148,387	2	119,394	2
General and administrative expenses	354,761	5	299,545	4
Research and development expenses	72,623	1	92,355	1
Expected credit loss (gain)	(8,042)	-	<u>13,916</u>	-
Total operating expenses	<u>567,729</u>	<u>8</u>	<u>525,210</u>	<u>7</u>
PROFIT FROM OPERATIONS	<u>974,411</u>	<u>12</u>	<u>841,090</u>	<u>12</u>
NON-OPERATING INCOME AND EXPENSES(Notes 14, 25 and 33)				
Interest income	9,977	-	1,982	-
Other income	276,655	4	269,741	4
Other gains and losses	536,377	7	488,752	7
Interest expenses	(55,671)	(1)	(41,671)	(1)
Share of profit or loss of associates accounted for using the equity method	<u>840,843</u>	<u>11</u>	<u>823,435</u>	<u>12</u>
Total non-operating income and expenses	<u>1,608,181</u>	<u>21</u>	<u>1,542,239</u>	<u>22</u>
PROFIT BEFORE INCOME TAX	2,582,592	33	2,383,329	34
INCOME TAX EXPENSE (Notes 4 and 26)	<u>235,340</u>	<u>3</u>	<u>199,837</u>	<u>3</u>
NET PROFIT FOR THE YEAR	<u>2,347,252</u>	<u>30</u>	<u>2,183,492</u>	<u>31</u>
OTHER COMPREHENSIVE INCOME (Notes 22, 23 and 26)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(752)	-	4,106	-
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	31,144	1	73,867	1
Share of the other comprehensive income or loss of associates accounted for using the equity method	3,148	-	17,190	-

(Continued)

Universal Cement Corporation and Subsidiaries

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2023		2022	
	Amount	%	Amount	%
Income tax relating to items that will not be reclassified subsequently to profit or loss	\$ <u>150</u>	<u>-</u>	(\$ <u>821</u>)	<u>-</u>
	<u>33,690</u>	<u>1</u>	<u>94,342</u>	<u>1</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>210,016</u>)	(<u>3</u>)	<u>146,367</u>	<u>2</u>
	(<u>210,016</u>)	(<u>3</u>)	<u>146,367</u>	<u>2</u>
Other comprehensive income for the year, net of income tax	(<u>176,326</u>)	(<u>2</u>)	<u>240,709</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ <u>2,170,926</u>	<u>28</u>	\$ <u>2,424,201</u>	<u>34</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ <u>2,107,758</u>	<u>27</u>	\$ <u>2,041,395</u>	<u>29</u>
Non-controlling interests	<u>239,494</u>	<u>3</u>	<u>142,097</u>	<u>2</u>
	<u>\$ <u>2,347,252</u></u>	<u>30</u>	<u>\$ <u>2,183,492</u></u>	<u>31</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ <u>1,931,472</u>	<u>25</u>	\$ <u>2,281,539</u>	<u>32</u>
Non-controlling interests	<u>239,454</u>	<u>3</u>	<u>142,662</u>	<u>2</u>
	<u>\$ <u>2,170,926</u></u>	<u>28</u>	<u>\$ <u>2,424,201</u></u>	<u>34</u>
EARNINGS PER SHARE (Note 27)				
Basic	\$ <u>3.13</u>		\$ <u>3.03</u>	
Diluted	<u>3.12</u>		<u>3.02</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, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Equity Attributable to Owners of the Company												Non-controlling Interests (Note 23)	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, 2022	\$ 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	
Appropriation of 2021 earnings (Note 23)														
Legal reserve	-	-	108,808	-	(108,808)	-	-	-	-	-	-	-	-	
Cash dividends distributed by the Company - NT\$ 1 per share	-	-	-	-	(653,609)	-	-	-	-	-	(653,609)	-	(653,609)	
Differences between the actual equity value of subsidiaries acquired or disposed and its carrying amounts. (Note 29)	-	56,211	-	-	-	-	-	-	-	-	56,211	(155,893)	(99,682)	
Acquired non-controlling interests of subsidiaries (Note 28)	-	-	-	-	-	-	-	-	-	-	-	479,869	479,869	
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	1,077	-	(1,077)	-	(1,077)	-	-	-	-	
Changes in recognition of associates accounted for using the equity method	-	340	-	-	(40)	-	-	-	-	-	300	-	300	
Overdue dividends not collected by shareholders	-	(2)	-	-	-	-	-	-	-	-	(2)	-	(2)	
Net profit for the year ended December 31, 2022	-	-	-	-	2,041,395	-	-	-	-	-	2,041,395	142,097	2,183,492	
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	146,367	74,103	19,674	-	240,144	240,144	565	240,709	
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	2,041,395	146,367	74,103	19,674	-	240,144	2,281,539	142,662	2,424,201	
Change in non-controlling interests (Note 23)	-	-	-	-	-	-	-	-	-	-	-	(9,075)	(9,075)	
BALANCE AT DECEMBER 31, 2022	6,536,092	123,499	2,715,883	3,185,793	7,372,038	(799,476)	1,711,898	89,394	(17,217)	984,599	20,917,904	608,574	21,526,478	
Appropriation of 2022 earnings (Note 23)														
Legal reserve	-	-	204,243	-	(204,243)	-	-	-	-	-	-	-	-	
Cash dividends distributed by the Company - NT\$ 1.5 per share	-	-	-	-	(980,414)	-	-	-	-	-	(980,414)	-	(980,414)	
Stock dividends distributed by the Company - NT\$ 0.3 per share	196,083	-	-	-	(196,083)	-	-	-	-	-	-	-	-	
Differences between the actual equity value of subsidiaries acquired or disposed and its carrying amounts. (Note 29)	-	221	-	-	-	-	-	-	-	-	221	(334)	(113)	
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	1,620	-	(1,620)	-	(1,620)	-	-	-	-	
Changes in recognition of associates accounted for using the equity method	-	-	-	-	(859)	-	859	-	-	859	-	-	-	
Overdue dividends not collected by shareholders	-	(1)	-	-	-	-	-	-	-	-	(1)	-	(1)	
Net profit for the year ended December 31, 2023	-	-	-	-	2,107,758	-	-	-	-	-	2,107,758	239,494	2,347,252	
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	(210,016)	31,870	1,860	-	(176,286)	(176,286)	(40)	(176,326)	

(Continued)

Universal Cement Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	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, 2023	-	-	-	-	\$ 2,107,758	(\$ 210,016)	\$ 31,870	\$ 1,860	-	(\$ 176,286)	\$ 1,931,472	\$ 239,454	\$ 2,170,926
Change in non-controlling interests (Note 23)	-	-	-	-	-	-	-	-	-	-	-	(38,742)	(38,742)
BALANCE AT DECEMBER 31, 2023	\$ 6,732,175	\$ 123,719	\$ 2,920,126	\$ 3,185,793	\$ 8,099,817	(\$ 1,009,492)	\$ 1,743,007	\$ 91,254	(\$ 17,217)	\$ 807,552	\$ 21,869,182	\$ 808,952	\$ 22,678,134

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, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,582,592	\$ 2,383,329
Adjustments for:		
Depreciation expenses	181,754	175,370
Amortization expenses	4,145	2,657
Expected credit loss (gain) recognized	(8,042)	13,916
Net gain (loss) on fair value changes of financial assets designated as at fair value through profit or loss	(42,755)	12,244
Interest expenses	55,671	41,671
Interest income	(9,977)	(1,982)
Dividend income	(231,873)	(227,609)
Share of profit of associates accounted for using the equity method	(840,843)	(823,435)
Net gain on disposal of property, plant and equipment	(612,623)	(3,968)
Gain on disposal of investment properties	-	(403,203)
Gain on disposal of associates accounted for using the equity method	-	(373,540)
Inventory write-downs	-	461
Impairment losses on assets	116,111	274,161
Liquidation Benefit	(465)	(44,029)
Changes in operating assets and liabilities		
Contract assets (Including related parties)	5,894	1,064
Notes receivable	(30,191)	(86,975)
Accounts receivable (Including related parties)	(152,009)	(248,955)
Other receivables	(11,672)	1,888
Inventories	5,610	(96,602)
Prepayments	5,893	(5,048)
Other current assets	1,040	(642)
Contract liabilities	275	(8,191)
Notes payable	29,946	119,468
Accounts payable (Including related parties)	38,843	33,539
Other payables	34,996	73,788
Other current liabilities	(890)	2,503
Net defined benefit plan	160	(2,330)
Cash generated from operations	1,121,590	809,550
Interest received	9,974	1,974
Dividends received	679,780	406,771
Income tax paid	(262,443)	(205,228)
Net cash generated from operating activities	<u>1,548,901</u>	<u>1,013,067</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of financial assets at fair value through other comprehensive income	(\$ 2,260)	(\$ 38,916)
Proceeds from the liquidation of financial assets at fair value through other comprehensive income	2,125	-
Proceeds from the capital reduction of financial assets at fair value through other comprehensive income	23,311	-

(Continued)

Universal Cement Corporation and Subsidiaries

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	<u>2023</u>	<u>2022</u>
Increase in financial assets at amortized cost	(\$ 37,129)	(\$ 22,060)
Decrease in financial assets at amortized cost	11,435	16,094
Acquisitions of financial assets at fair value through profit or loss	-	(25,000)
Proceeds from sale of financial assets at fair value through profit or loss	106,369	-
Acquisitions of investments accounted for using the equity method	-	(47,928)
Net cash outflow of acquired subsidiary (Note 28)	-	(9,300)
Payments for property, plant and equipment	(195,570)	(320,210)
Proceeds from disposal of property, plant and equipment	1,117,389	6,462
Payments for intangible assets	(2,801)	(6,245)
Payments for investment properties	-	(3,956)
Proceeds from disposal of investment properties	-	499,950
Net cash generated from investing activities	<u>1,022,869</u>	<u>48,891</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (Repayments) from short-term borrowings	(590,000)	510,000
Repayments from short-term bills payable	(725,000)	(225,000)
Increase in long-term borrowings	500,000	-
Proceeds from guarantee deposits received	2,699	665
Refund of guarantee deposits received	(795)	(2,270)
Repayment of the principal portion of lease liabilities	(51,612)	(50,970)
Cash dividends paid	(980,414)	(653,609)
Acquisitions of non-controlling interests	(113)	(99,682)
Interest Paid	(53,947)	(39,585)
Dividends paid to non-controlling interests	(38,742)	(9,075)
Net cash used in financing activities	<u>(1,937,924)</u>	<u>(569,526)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	633,846	492,432
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>784,464</u>	<u>292,032</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,418,310</u>	<u>\$ 784,464</u>

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

(Concluded)

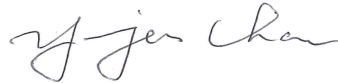
Appendix 4

Review Report by Audit Committee

Review Report by Audit Committee,
Universal Cement Corporation

Mar. 15, 2024

The Board of Directors of Universal Cement Corporation has submitted financial statements and consolidated financial statements for the fiscal year of 2023, 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. Yi Jen Chan,
Chairperson, Audit Committee,
Universal Cement Corporation

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 23, 2024 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 21,542,959 shares.
2. Number of shares held by individual directors and total:

Position	Name	Shareholdings
Chairman	Bo-Chih Investment Co., Ltd. Representative: HOU, BO-YI	28,730,080
Director	Sheng Yuan Investment Co., Ltd. Representative: HOU, ZHI-SHENG	69,505,485
Director	Yu Sheng Investment Co., Ltd. Representative: HOU, ZHI-YUAN	69,267,998
Independent Director	ZHAN, YI-REN	0
Independent Director	HO-YI-DA	0
Independent Director	SU, YEN-HSUEH	0
Independent Director	YEN, HORNG-CHIEH	82,231
Total		167,585,794
Shareholdings of All Directors is 24.89% of issued shares.		

Appendix 6

Information of Employees' and Directors' Compensation

1. Approved at the 7th meeting of the 24rd Board of Directors of the company on March 15, 2024. It is proposed to allocate NT\$42,971,328 for employees' remuneration and NT\$42,971,328 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

Item	Year	2023 (Estimation)	
Initial paid-up capital		6,536,091,920	
Stock and cash dividends this year (Note 1)	Cash dividends per share (dollars)	1.8	
	Stock dividends per share form capital increase from retained earnings (stocks)	0.2	
	Stock dividends per share form capital increase from capital surplus (stocks)	-	
The change situation of business result	Operating income	Not applicable (Note 2)	
	Year on year increase(decrease)ratio of operating income (percent)		
	Profits after tax		
	Year on year increase(decrease)ratio of profits after tax (percent)		
	Earnings per share (dollars)		
	Year on year increase(decrease)ratio of earnings per share (percent)		
	Average annual ratio of return on investment (percent)		
Pro forma earnings per share and P/E ratio	If the Company changed the capital increase form retained earnings to cash dividends distribution	Pro forma earnings per share (dollars)	Not applicable (Note 2)
		Pro forma average annual ratio of return on investment (percent)	
	If there is no capital increase from capital surplus	Pro forma earnings per share (dollars)	
		Pro forma average annual ratio of return on investment (percent)	
	If there is no capital increase from capital surplus and retained earnings, the Company distributes cash dividends	Pro forma earnings per share (dollars)	
		Pro forma average annual ratio of return on investment (percent)	

Note.1: The Company decided to distribute cash dividends of 1.8 per share (dollars), and Stock dividends of 0.2 per share (dollars)(0.02 shares per share) by the Board on the 7th Meeting of the 24rd Board of Directors, but the final distribution will decide by 2024 shareholder meeting.

Note.2: The Company doesn't disclose complete financial forecast and therefore doesn't need to disclose the 2023 forecast information.

Appendix 8

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

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

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.

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.

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.

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 .

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 meeting:

1. For physical shareholders meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

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.

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.

Article 5

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.

The restrictions on the venue of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

Article 6

The Corporation shall specify the time during which shareholder solicitors and proxies (collectively "shareholders") 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. 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.

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, preprinted 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.

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.

In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other 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.

Article 6-1

To convene the shareholders' video meeting, the Company shall include the follow precautions in the shareholders meeting notice:

1. How shareholders attend the video meeting and exercise their rights.

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:
 - 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.

 - B. Shareholders not having registered to attend the affected shareholders' video meeting shall not attend the postponed or resumed session.

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.

D. Actions to be taken if the outcome of all proposals has been announced and extraordinary motion has not been carried out.

3. To convene a videoonly shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending the shareholders' video meeting shall be specified.

Article 7

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

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.

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.

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.

In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

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 and the shares checked in on the virtual meeting platform, 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. In the event of the shareholders' video meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

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. In the event of the shareholders' video meeting, shareholders intending to attend the meeting online shall reregister to the Company in accordance with Article 6.

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

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

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.

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

The preceding questions without violating the rules or exceeding the proposal's range, shall be disclosed in the virtual meeting platform of shareholders' meeting to public.

Article 12

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, or via video conferencing, 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.

When the Company convenes the shareholders' video meeting, after the Chairman declares the 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 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.

Article 14

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.

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.

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.

Article 16

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, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. 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.

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.

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

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

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

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.

Article 20

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.

Article 21

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.

In the event of a virtual shareholders 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 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.

Article 22

The Rule is implemented after approved by the shareholders' meeting. The amendment is taken in same method.