

Stock code: 1108

Website of Market Observation Post System, <http://mops.twse.com.tw>
Lucky Cement's website, <http://www.luckygrp.com.tw>

2024 Annual General Shareholders' Meeting of Lucky Cement Co.

Meeting Handbook

Time: June 18, **2024**, 9:00 a.m.

Venue: No. 56, Section 1, Huanshan Road, Neihu District,
Taipei City

The Second Room - Takming University of Science
and Technology

Meeting Method: Physical meeting

Table of Contents

One	Meeting Agenda.....	01
	Letter to Shareholders	02
Two	Report Items	
	I. Report of 2023 business and final accounts report.....	03
	II. Review report of the Auditing Committee of 2023	25
	III. Report of 2023 distribution of remuneration to employees and directors	26
	IV. Other reports.....	26
Three	Ratifications.....	
	I. Recognition of the motion of 2023 business report and financial statements.....	27
	II. Ratification of the motion of 2023 earnings distribution	28
Four	Extraordinary Motions.....	29
Five	Attachments.....	
	I. Table of remuneration to general directors and independent directors....	30
Six	Appendix.....	
	I. The Company's Rules of Procedures for Shareholders' Meetings	31
	II. The Company's Articles of Incorporation.....	38
	III. Status of acceptance of shareholder proposals at the shareholder's general meeting	44
	IV. Shareholdings of the Company's directors.....	44

2024 Annual General Shareholders' Meeting of Lucky Cement Co.

One. Meeting Agenda

- I. Call the meeting to order
- II. Chairperson takes a seat
- III. Chairperson's opening remarks
- IV. Report Items
- V. Ratifications
- VI. Extraordinary Motions
- VII. Meeting adjourned

Letter to Shareholders

Greetings to all of our valued shareholders,

In 2023, the Company's consolidated operating revenue was NTD 5.09 billion, the consolidated operating profit was NTD 612 million, and the consolidated net profit was NTD 527 million. In 2023, the Company's operation saw a growth of over 20% in consolidated revenue compared to the previous year, surpassing the threshold of NTD 5 billion. Although the earnings per share declined slightly from NTD 1.43 in 2022 to NTD 1.30, we faced various challenges aimed to unfavorable global economic conditions and domestic downturn. Nevertheless, with the concerted efforts of all employees, we delivered a performance that is deemed acceptable.

Looking back on 2023, the world was affected by high inflation, high interest rates, and China's post-pandemic economic performance was not as good as expected, resulting in weak global demand for end products and slowdown of manufacturing activities in various countries. Naturally, Taiwan's economy was also affected, with a growth rate of only 1.4% last year. In addition, due to successive government measures to cool down the real estate market, such as the Equalization of Land Rights Act 2.0, the integration of land and housing taxes, selective credit controls, and property hoarding taxes, demand for housing has been suppressed. Additionally, factors such as labor shortages and inflation have contributed to a decline in private cement demand. However, thanks to continued high levels of public infrastructure spending in recent years, demand for Lucky Cement has remained relatively stable. In 2023, domestic cement demand saw a slight decrease of approximately 3% to 4% compared to 2022, with the demand estimated to be around 13 million metric tons.

Facing 2024, the International Monetary Fund (IMF) predicts a global economic growth rate of 3.1% for this year in its World Economic Outlook Report, citing unexpectedly strong economic performance in America and fiscal support in China as reasons. According to the forecast of the Director-General of Budget, Accounting and Statistics of the Executive Yuan, Taiwan's economic growth rate in 2024 is expected to be 3.43%, better than last year (2023). However, in an effort to curd inflation expectations, the government has raised interest rates and continues relevant measures to cool down the real estate market, which may still suppress private housing demand. Nevertheless, with high public construction expenditure expected this year, the market should be supported from experiencing a significant decline. Therefore, it is anticipated that the domestic cement and ready-mixed concrete market will continue to maintain stable momentum. The Company will continually review and implement various operational strategies, hoping that through the execution of such strategies and the collective efforts of all employees, we can continue to deliver good results in 2024.

Finally, we wish all shareholders good health and all the best! Thank you!

Chairman: Liang-Chuan Chen



Two. Report Items

I. Report of 2023 business and final accounts report

(I) Business performance:

1. Main production:

Item	2023	2022	Increase (Decrease)	Growth %
Cement and blast furnace slag (Unit: Thousand tonnes)	772	692	80	11.56%
Stone Materials (Unit: Thousand tonnes)	2,488	2,109	379	17.97%

Implementation status of the plan: The total production volume of cement and furnace slag was 772 thousand tonnes, the planned total production volume was 708 thousand tonnes and the achievement rate was 109%.

The total production volume of stones was 2,488 thousand tonnes, the planned total production volume was 2,457 thousand tonnes and the achievement rate was 101%.

2. Main sales:

Item	2023	2022	Increase (Decrease)	Growth %
Cement and blast furnace slag (Unit: Thousand tonnes)	742	685	57	8.32%
Stone Materials (Unit: Thousand tonnes)	1,250	1,063	187	17.59%
Cement and blast furnace slag (Unit: NT\$1,000)	2,168,769	1,844,769	324,000	17.56%
Stone Materials (Unit: NT\$1,000)	604,250	498,717	105,533	21.16%

Implementation status of the plan: The total sales volume of cement and furnace slag was 742 thousand tonnes, the planned total production volume was 665 thousand tonnes and the achievement rate was 86.2%.

The total sales volume of stone materials was 1,250 thousand tonnes, the planned total production volume is 1,303 thousand tonnes and the achievement rate was 95.9%.

(II) Financial income and expense and profitability analysis:

Unit: NT\$ million

Item	2023	2022	Increase (Decrease)	Increase (Decrease)%
Operating revenue	5,095	4,149	946	22.80%
Operating profit (loss)	612	711	(99)	(13.92%)
Pre-tax net profit (loss)	660	688	(28)	(4.07%)
Annual net profit (loss)	527	581	(54)	(9.29%)

Item			2023	2022
Standalone profit	Operating profit (loss) (%)	Proportion of Paid-in capital	12.01	8.93
	Pre-tax net profit (loss) (%)		15.20	16.31
	Net profit (loss) in %		14.06	18.67
	Earnings per share (NT\$)		1.30	1.44

(III) Research and development

The Company is developing Portland limestone cement to achieve the national long-term GHG reduction goal. This gradual replacement of Portland Type I cement with limestone cement will reduce the carbon emissions generated during cement production.

Chairman:



Manager:



Head of Accounting:



幸福水泥股份有限公司個體財務報表會計師查核報告



勤業眾信

勤業眾信聯合會計師事務所
11073 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 11073, Taiwan

Tel : +886 (2) 2725-9988
Fax : +886 (2) 4051-6888
www.deloitte.com.tw

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Lucky Cement Co.

Opinion

We have audited the accompanying parent company only financial statements of Lucky Cement Co. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only 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 Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The descriptions of the key audit matters of the parent company only financial statements for the year ended December 31, 2023 are as follows:

Occurrence of Sales Revenue from Key Customers

The Company's sales revenue mainly comes from sales of cement, stone materials and other cement products. The sales revenue from key customers, new major customers or major customers with higher sales revenue increased in 2023, which amounted to NT\$810,397 thousand, or 22% of the total sales revenue in 2023. The amount of sales revenue from key customers has a significant impact on the parent company only financial statements. Therefore, we deemed the occurrence of sales a significant risk and a key audit matter.

Refer to Note 4 (j) to the parent company only financial statements for accounting policies on revenue recognition and Note 22 (a) for the disclosures related to operating revenue.

Our key audit procedures performed in respect of the above area included the following:

1. We obtained an understanding of the internal control procedures over the sales revenue and assessed the design and effectiveness of the implementation of internal controls.
2. We obtained the summary of sales to the key customers for the year, tested the completeness of the summary, selected samples from the summary, examined supporting documents, and verified the occurrence of sales.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

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

In preparing the parent company only 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 Parent Company Only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only 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 parent company only 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 parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Chao-Mei Chen and Chiang-Hsun Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 26, 2024

Notice to Readers

The accompanying parent company only 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 parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only 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 parent company only financial statements shall prevail.

LUCKY CEMENT CO.

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

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash (Notes 4 and 6)	\$ 190,583	2	\$ 136,596	2
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 28)	10,922	-	53,622	1
Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 28)	83,279	1	123,952	2
Financial assets at amortized cost - current (Notes 4, 9 and 30)	7,507	-	37,534	-
Notes receivable (Notes 4, 10 and 22)	424,618	6	382,069	5
Notes receivable from related parties (Notes 4, 22 and 29)	56,194	1	35,384	-
Accounts receivable (Notes 4, 10 and 22)	90,795	1	117,835	1
Accounts receivable from related parties (Notes 4, 22 and 29)	46,561	1	55,020	1
Other receivables (Notes 4 and 10)	276	-	1,073	-
Other receivables from related parties (Notes 4 and 29)	120,389	2	334,775	4
Current tax assets (Note 24)	-	-	185	-
Inventories (Notes 4 and 11)	706,077	9	622,345	8
Prepayments (Note 12)	<u>85,990</u>	<u>1</u>	<u>125,071</u>	<u>2</u>
Total current assets	<u>1,823,191</u>	<u>24</u>	<u>2,025,461</u>	<u>26</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 28)	10,254	-	9,097	-
Financial assets at amortized cost - non-current (Notes 4, 9 and 30)	179,196	2	179,145	2
Investments accounted for using the equity method (Notes 4 and 13)	3,503,137	45	3,459,876	45
Property, plant and equipment (Notes 4, 14 and 30)	1,927,229	25	1,734,176	22
Right-of-use assets (Notes 4, 15 and 29)	128,002	2	93,241	1
Deferred tax assets (Notes 4 and 24)	52,063	1	42,949	1
Refundable deposits	12,768	-	13,838	-
Other non-current assets (Note 16)	<u>73,788</u>	<u>1</u>	<u>229,724</u>	<u>3</u>
Total non-current assets	<u>5,886,437</u>	<u>76</u>	<u>5,762,046</u>	<u>74</u>
TOTAL	<u>\$ 7,709,628</u>	<u>100</u>	<u>\$ 7,787,507</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 17 and 30)	\$ 500,000	6	\$ 903,200	12
Short-term bills payable (Notes 17 and 30)	159,780	2	259,593	3
Contract liabilities (Notes 22 and 29)	271,408	4	302,195	4
Notes payable (Note 18)	169,426	2	131,055	2
Notes payable to related parties (Notes 18 and 29)	65,236	1	25,764	-
Accounts payable (Note 18)	103,853	1	151,202	2
Accounts payable to related parties (Notes 18 and 29)	40,636	1	22,389	-
Other payables (Note 19)	164,747	2	145,789	2
Other payables to related parties (Note 29)	2,154	-	2,934	-
Current tax liabilities (Note 24)	94,433	1	67,223	1
Lease liabilities - current (Notes 4, 15 and 29)	34,864	-	36,105	1
Current portion of long-term borrowings (Notes 17 and 30)	212,500	3	100,000	1
Other current liabilities	<u>594</u>	<u>-</u>	<u>651</u>	<u>-</u>
Total current liabilities	<u>1,819,631</u>	<u>23</u>	<u>2,148,100</u>	<u>28</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 17 and 30)	637,500	8	600,000	8
Deferred tax liabilities (Notes 4 and 24)	24,193	1	21,943	-
Lease liabilities - non-current (Notes 4, 15 and 29)	93,919	1	58,021	1
Net defined benefit liabilities (Notes 4 and 20)	15,147	-	14,884	-
Guarantee deposits received	<u>48,480</u>	<u>1</u>	<u>38,840</u>	<u>-</u>
Total non-current liabilities	<u>819,239</u>	<u>11</u>	<u>733,688</u>	<u>9</u>
Total liabilities	<u>2,638,870</u>	<u>34</u>	<u>2,881,788</u>	<u>37</u>
EQUITY (Note 21)				
Share capital				
Ordinary shares	<u>4,047,380</u>	<u>52</u>	<u>4,047,380</u>	<u>52</u>
Capital surplus	<u>18</u>	<u>-</u>	<u>18</u>	<u>-</u>
Retained earnings				
Legal reserve	297,577	4	238,244	3
Special reserve	91,055	1	14,908	-
Unappropriated earnings	<u>671,401</u>	<u>9</u>	<u>696,224</u>	<u>9</u>
Total retained earnings	<u>1,060,033</u>	<u>14</u>	<u>949,376</u>	<u>12</u>
Other equity	<u>(36,673)</u>	<u>-</u>	<u>(91,055)</u>	<u>(1)</u>
Total equity	<u>5,070,758</u>	<u>66</u>	<u>4,905,719</u>	<u>63</u>
TOTAL	<u>\$ 7,709,628</u>	<u>100</u>	<u>\$ 7,787,507</u>	<u>100</u>

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

LUCKY CEMENT CO.

PARENT COMPANY ONLY 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, 22 and 29)				
Sales	\$ 3,750,832	100	\$ 3,115,503	100
Less: Discounts and allowances	<u>(907)</u>	<u>-</u>	<u>(1,766)</u>	<u>-</u>
Total operating revenue	3,749,925	100	3,113,737	100
OPERATING COSTS (Notes 11, 20, 23 and 29)	<u>3,030,182</u>	<u>81</u>	<u>2,515,804</u>	<u>81</u>
GROSS PROFIT	<u>719,743</u>	<u>19</u>	<u>597,933</u>	<u>19</u>
OPERATING EXPENSES (Notes 10, 20, 23 and 29)				
Selling and marketing expenses	98,827	3	96,231	3
General and administrative expenses	<u>135,081</u>	<u>3</u>	<u>140,211</u>	<u>4</u>
Total operating expenses	<u>233,908</u>	<u>6</u>	<u>236,442</u>	<u>7</u>
OTHER OPERATING INCOME AND EXPENSES (Note 23)	<u>430</u>	<u>-</u>	<u>(147)</u>	<u>-</u>
PROFIT FROM OPERATIONS	<u>486,265</u>	<u>13</u>	<u>361,344</u>	<u>12</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 23 and 29)				
Interest income	6,284	-	4,417	-
Other income	97,409	3	60,592	2
Other gains and losses	16,095	-	(33,506)	(1)
Finance costs	(35,129)	(1)	(28,682)	(1)
Share of profit of subsidiaries accounted for using the equity method	<u>44,239</u>	<u>1</u>	<u>295,916</u>	<u>9</u>
Total non-operating income and expenses	<u>128,898</u>	<u>3</u>	<u>298,737</u>	<u>9</u>
PROFIT BEFORE INCOME TAX	615,163	16	660,081	21
INCOME TAX EXPENSE (Notes 4 and 24)	<u>(88,024)</u>	<u>(2)</u>	<u>(78,865)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>527,139</u>	<u>14</u>	<u>581,216</u>	<u>19</u>
OTHER COMPREHENSIVE INCOME (LOSS)				

(Continued)

LUCKY CEMENT CO.

PARENT COMPANY ONLY 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 will not be reclassified subsequently to profit or loss:				
Remeasurement of a defined benefit plan (Note 20)	(709)	-	8,035	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(36,623)	(1)	(87,000)	(3)
Share of the other comprehensive income of subsidiaries accounted for using the equity method	(31)	-	1,502	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation to the financial statements of foreign operations	(947)	-	(700)	-
Other comprehensive loss, net of income tax	(38,310)	(1)	(78,163)	(3)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 488,829</u>	<u>13</u>	<u>\$ 503,053</u>	<u>16</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 1.30</u>		<u>\$ 1.44</u>	
Diluted	<u>\$ 1.30</u>		<u>\$ 1.43</u>	

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

(Concluded)

LUCKY CEMENT CO.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity		Total Equity
						Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Loss on Financial Assets at Fair Value Through Other Comprehensive Income	
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings			
BALANCE AT JANUARY 1, 2022	\$ 4,047,380	\$ 18	\$ 210,524	\$ 14,135	\$ 374,225	\$ 4,368	\$ (5,141)	\$ 4,645,509
Appropriation of 2021 earnings								
Legal reserve	-	-	27,720	-	(27,720)	-	-	-
Special reserve	-	-	-	773	(773)	-	-	-
Cash dividends to shareholders	-	-	-	-	(242,843)	-	-	(242,843)
Net profit for the year ended December 31, 2022	-	-	-	-	581,216	-	-	581,216
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	9,589	(700)	(87,052)	(78,163)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	590,805	(700)	(87,052)	503,053
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 21)	-	-	-	-	2,530	-	(2,530)	-
BALANCE AT DECEMBER 31, 2022	4,047,380	18	238,244	14,908	696,224	3,668	(94,723)	4,905,719
Appropriation of 2022 earnings								
Legal reserve	-	-	59,333	-	(59,333)	-	-	-
Special reserve	-	-	-	76,147	(76,147)	-	-	-
Cash dividends to shareholders	-	-	-	-	(323,790)	-	-	(323,790)
Net profit for the year ended December 31, 2023	-	-	-	-	527,139	-	-	527,139
Other comprehensive loss for the year ended December 31, 2023	-	-	-	-	(709)	(947)	(36,654)	(38,310)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	526,430	(947)	(36,654)	488,829
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 21)	-	-	-	-	(91,983)	-	91,983	-
BALANCE AT DECEMBER 31, 2023	\$ 4,047,380	\$ 18	\$ 297,577	\$ 91,055	\$ 671,401	\$ 2,721	\$ (39,394)	\$ 5,070,758

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

LUCKY CEMENT CO.

PARENT COMPANY ONLY 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		
Profit before income tax	\$ 615,163	\$ 660,081
Adjustments for:		
Depreciation expense	138,064	132,304
Amortization and depletion expense	16,535	17,175
Net (gain) loss on fair value changes of financial assets at fair value through profit or loss	(24,825)	24,909
Finance costs	35,129	28,682
Interest income	(6,284)	(4,417)
Dividend income	(62,698)	(26,911)
Share of profit of subsidiaries accounted for using the equity method	(44,239)	(295,916)
(Gain) loss on disposal of property, plant and equipment	(430)	147
Loss on impairment of financial assets	-	2,264
Inventories write-down loss	-	18,843
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	67,525	(38,305)
Notes receivable	(42,549)	(128,921)
Notes receivable from related parties	(20,810)	13,455
Accounts receivable	27,040	(7,143)
Accounts receivable from related parties	8,459	(21,936)
Other receivables	837	25
Other receivables from related parties	149	(185)
Inventories	(83,732)	(161,706)
Prepayments	39,081	32,878
Contract liabilities	(30,787)	103,856
Notes payable	5,136	23,011
Notes payable to related parties	39,472	(15,637)
Accounts payable	(47,349)	62,966
Accounts payable to related parties	18,247	20,925
Other payables	30,305	23,105
Other payables to related parties	(780)	(1,324)
Other current liabilities	(57)	201
Net defined benefit liabilities	(446)	(646)
Cash generated from operations	676,156	461,780
Interest received	6,481	3,947
Interest paid	(35,105)	(28,100)
Income tax paid	(67,493)	(347)
Net cash generated from operating activities	<u>580,039</u>	<u>437,280</u>

CASH FLOWS FROM INVESTING ACTIVITIES

(Continued)

LUCKY CEMENT CO.

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

	2023	2022
Acquisition of financial assets at fair value through other comprehensive income	(85,280)	(165,636)
Proceeds from sale of financial assets at fair value through other comprehensive income	88,173	24,518
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	5,700
Decrease in financial assets at amortized cost	29,976	68,920
Acquisition of property, plant and equipment	(129,071)	(263,702)
Proceeds from disposal of property, plant and equipment	430	2,500
Decrease in refundable deposits	1,070	157,317
Increase in other receivables from related parties	-	(324,700)
Decrease in other receivables from related parties	214,000	-
Increase in other non-current assets	-	(14,912)
Other dividends received	62,698	26,911
Dividends from subsidiaries	-	94,000
Net cash generated from (used in) investing activities	<u>181,996</u>	<u>(389,084)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	-	120,841
Decrease in short-term borrowings	(403,200)	-
Decrease in short-term bills payable	(100,000)	(40,000)
Proceeds from long-term borrowings	250,000	700,000
Repayments of long-term borrowings	(100,000)	(534,000)
Increase in guarantee deposits received	9,640	5,030
Repayment of the principal portion of lease liabilities	(40,698)	(40,027)
Cash dividends paid	<u>(323,790)</u>	<u>(242,843)</u>
Net cash used in financing activities	<u>(708,048)</u>	<u>(30,999)</u>
NET INCREASE IN CASH	53,987	17,197
CASH AT THE BEGINNING OF YEAR	<u>136,596</u>	<u>119,399</u>
CASH AT THE END OF YEAR	<u>\$ 190,583</u>	<u>\$ 136,596</u>

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

(Concluded)

幸福水泥股份有限公司合併財務報表會計師查核報告



勤業眾信

勤業眾信聯合會計師事務所
11073 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 11073, Taiwan

Tel :+886 (2) 2725-9988
Fax: +886 (2) 4051-6888
www.deloitte.com.tw

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Lucky Cement Co.

Opinion

We have audited the accompanying consolidated financial statements of Lucky Cement Co. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”)

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 of the Republic of China.

Basis for Opinion

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

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 descriptions of the key audit matters of the consolidated financial statements for the year ended December 31, 2023 are as follows:

Occurrence of Sales Revenue from Key Customers

The Group's sales revenue mainly comes from sales of cement, stone materials and other cement products. The sales revenue from key customers, new major customers or major customers with higher sales revenue increased in 2023, which amounted to NT\$760,937 thousand, or 15% of the total sales revenue in 2023. The amount of sales revenue from key customers has a significant impact on the consolidated financial statements. Therefore, we deemed the occurrence of sales a significant risk and a key audit matter.

Refer to Note 4(j) to the consolidated financial statements for accounting policies on revenue recognition and Note 24(a) for the disclosures related to operating revenue.

Our key audit procedures performed in respect of the above area included the following:

1. We obtained an understanding of the internal control procedures over the sales revenue and assessed the design and effectiveness of the implementation of internal controls.
2. We obtained the summary of sales to the key customers for the year, tested the completeness of the summary, selected samples from the summary, examined supporting documents, and verified the occurrence of sales.

Other Matter

We have also audited the parent company only financial statements of Lucky Cement Co. 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 Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise

from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Chao-Mei Chen and Chiang-Hsun Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 26, 2024

Notice to Readers

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

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

LUCKY CEMENT CO. AND SUBSIDIARIES

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

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash (Notes 4 and 6)	\$ 283,737	3	\$ 269,974	3
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	10,922	-	53,622	1
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	83,279	1	123,952	1
Financial assets at amortized cost - current (Notes 4, 9 and 32)	64,727	1	119,254	1
Notes receivable (Notes 4, 10, 24 and 32)	493,136	5	432,925	4
Accounts receivable (Notes 4, 10 and 24)	686,567	7	561,838	6
Accounts receivable from related parties (Notes 4, 24 and 31)	12,234	-	11,724	-
Other receivables (Notes 4 and 10)	354	-	1,454	-
Other receivables from related parties (Notes 4 and 31)	311	-	251	-
Current tax assets (Note 26)	-	-	185	-
Inventories (Notes 4, 5, 11 and 32)	4,195,260	42	4,065,041	42
Prepayments (Note 13)	94,961	1	253,376	3
Other current assets (Note 14)	<u>30,342</u>	-	<u>26,214</u>	-
Total current assets	<u>5,955,830</u>	<u>60</u>	<u>5,919,810</u>	<u>61</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	10,590	-	9,395	-
Financial assets at amortized cost - non-current (Notes 4, 9 and 32)	179,196	2	179,145	2
Property, plant and equipment (Notes 4, 15 and 32)	3,415,001	34	3,023,515	31
Right-of-use assets (Notes 4, 16 and 31)	154,227	1	131,029	2
Deferred tax assets (Notes 4 and 26)	68,160	1	60,643	1
Refundable deposits	24,046	-	17,821	-
Other non-current assets (Notes 4, 17 and 21)	<u>162,823</u>	<u>2</u>	<u>320,513</u>	<u>3</u>
Total non-current assets	<u>4,014,043</u>	<u>40</u>	<u>3,742,061</u>	<u>39</u>
TOTAL	<u>\$ 9,969,873</u>	<u>100</u>	<u>\$ 9,661,871</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 18 and 32)	\$ 979,500	10	\$ 1,478,200	15
Short-term bills payable (Notes 18 and 32)	359,277	4	409,296	4
Contract liabilities (Note 24)	520,859	5	549,189	6
Notes payable (Note 19)	390,153	4	239,715	3
Notes payable to related parties (Notes 19 and 31)	66,780	1	26,828	-
Accounts payable (Note 19)	189,227	2	221,143	2
Accounts payable to related parties (Notes 19 and 31)	42,300	-	25,017	-
Other payables (Note 20)	215,106	2	190,841	2
Other payables to related parties (Note 31)	132,920	1	99,444	1
Current tax liabilities (Note 26)	137,356	1	95,718	1
Lease liabilities - current (Notes 4, 16 and 31)	49,722	1	50,788	1
Current portion of long-term borrowings (Notes 18 and 32)	212,500	2	100,000	1
Other current liabilities	<u>2,028</u>	-	<u>2,352</u>	-
Total current liabilities	<u>3,297,728</u>	<u>33</u>	<u>3,488,531</u>	<u>36</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 18 and 32)	1,357,500	14	1,060,000	11
Deferred tax liabilities (Notes 4 and 26)	24,672	-	22,422	-
Lease liabilities - non-current (Notes 4, 16 and 31)	105,834	1	81,668	1
Other payables to related parties (Note 31)	40,000	-	40,000	1
Net defined benefit liabilities (Notes 4 and 21)	24,634	-	24,421	-
Guarantee deposits received	<u>48,680</u>	<u>1</u>	<u>39,040</u>	-
Total non-current liabilities	<u>1,601,320</u>	<u>16</u>	<u>1,267,551</u>	<u>13</u>
Total liabilities	<u>4,899,048</u>	<u>49</u>	<u>4,756,082</u>	<u>49</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)				
Share capital				
Ordinary shares	<u>4,047,380</u>	<u>40</u>	<u>4,047,380</u>	<u>42</u>
Capital surplus	<u>18</u>	-	<u>18</u>	-
Retained earnings				
Legal reserve	297,577	3	238,244	3
Special reserve	91,055	1	14,908	-
Unappropriated earnings	<u>671,401</u>	<u>7</u>	<u>696,224</u>	<u>7</u>
Total retained earnings	<u>1,060,033</u>	<u>11</u>	<u>949,376</u>	<u>10</u>
Other equity	<u>(36,673)</u>	-	<u>(91,055)</u>	<u>(1)</u>
Total equity attributable to owners of the Company	5,070,758	51	4,905,719	51
NON-CONTROLLING INTERESTS (Note 23)	<u>67</u>	-	<u>70</u>	-
Total equity	<u>5,070,825</u>	<u>51</u>	<u>4,905,789</u>	<u>51</u>
TOTAL	<u>\$ 9,969,873</u>	<u>100</u>	<u>\$ 9,661,871</u>	<u>100</u>

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

LUCKY CEMENT CO. 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 31)				
Sales	\$ 5,100,194	100	\$ 4,152,720	100
Less: Discounts and allowances	<u>(5,451)</u>	<u>-</u>	<u>(3,467)</u>	<u>-</u>
Total operating revenue	5,094,743	100	4,149,253	100
OPERATING COSTS (Notes 11, 25 and 31)	<u>4,211,831</u>	<u>83</u>	<u>3,158,473</u>	<u>76</u>
GROSS PROFIT	<u>882,912</u>	<u>17</u>	<u>990,780</u>	<u>24</u>
OPERATING EXPENSES (Notes 10, 25 and 31)				
Selling and marketing expenses	114,730	2	109,743	3
General and administrative expenses	160,844	3	166,109	4
Expected credit (gain) loss	<u>(2,695)</u>	<u>-</u>	<u>3,952</u>	<u>-</u>
Total operating expenses	<u>272,879</u>	<u>5</u>	<u>279,804</u>	<u>7</u>
OTHER OPERATING INCOME AND EXPENSES (Note 25)	<u>2,328</u>	<u>-</u>	<u>453</u>	<u>-</u>
PROFIT FROM OPERATIONS	<u>612,361</u>	<u>12</u>	<u>711,429</u>	<u>17</u>
NON-OPERATING INCOME AND EXPENSES (Notes 15, 25 and 31)				
Interest income	3,800	-	2,268	-
Other income	85,315	2	53,827	2
Other gains and losses	15,313	-	(35,444)	(1)
Finance costs	<u>(57,039)</u>	<u>(1)</u>	<u>(44,058)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>47,389</u>	<u>1</u>	<u>(23,407)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	659,750	13	688,022	17
INCOME TAX EXPENSE (Notes 4 and 26)	<u>(132,614)</u>	<u>(2)</u>	<u>(106,801)</u>	<u>(3)</u>
NET PROFIT FOR THE YEAR	<u>527,136</u>	<u>11</u>	<u>581,221</u>	<u>14</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				

(Continued)

LUCKY CEMENT CO. 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	%
Remeasurement of defined benefit plans (Note 21)	(709)	-	9,589	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(36,654)	(1)	(87,052)	(2)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(947)	-	(700)	-
Other comprehensive income, net of income tax	(38,310)	(1)	(78,163)	(2)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 488,826</u>	<u>10</u>	<u>\$ 503,058</u>	<u>12</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Shareholders of the Company	\$ 527,139	10	\$ 581,216	14
Non-controlling interests	<u>(3)</u>	<u>-</u>	<u>5</u>	<u>-</u>
	<u>\$ 527,136</u>	<u>10</u>	<u>\$ 581,221</u>	<u>14</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholders of the Company	\$ 488,829	10	\$ 503,053	12
Non-controlling interests	<u>(3)</u>	<u>-</u>	<u>5</u>	<u>-</u>
	<u>\$ 488,826</u>	<u>10</u>	<u>\$ 503,058</u>	<u>12</u>
EARNINGS PER SHARE (Note 27)				
Basic	<u>\$ 1.30</u>		<u>\$ 1.44</u>	
Diluted	<u>\$ 1.30</u>		<u>\$ 1.43</u>	

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

(Concluded)

LUCKY CEMENT CO. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company						Other Equity		Non-controlling Interests	Total Equity
	Share Capital	Capital Surplus	Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Total		
			Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE, JANUARY 1, 2022	\$ 4,047,380	\$ 18	\$ 210,524	\$ 14,135	\$ 374,225	\$ 4,368	\$ (5,141)	\$ 4,645,509	\$ 65	\$ 4,645,574
Appropriation of 2021 earnings										
Legal reserve	-	-	27,720	-	(27,720)	-	-	-	-	-
Special reserve	-	-	-	773	(773)	-	-	-	-	-
Cash dividend to shareholders	-	-	-	-	(242,843)	-	-	(242,843)	-	(242,843)
Net profit for the year ended December 31, 2022	-	-	-	-	581,216	-	-	581,216	5	581,221
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	9,589	(700)	(87,052)	(78,163)	-	(78,163)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	590,805	(700)	(87,052)	503,053	5	503,058
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 23)	-	-	-	-	2,530	-	(2,530)	-	-	-
BALANCE AT DECEMBER 31, 2022	4,047,380	18	238,244	14,908	696,224	3,668	(94,723)	4,905,719	70	4,905,789
Appropriation of 2022 earnings										
Legal reserve	-	-	59,333	-	(59,333)	-	-	-	-	-
Special reserve	-	-	-	76,147	(76,147)	-	-	-	-	-
Cash dividend to shareholders	-	-	-	-	(323,790)	-	-	(323,790)	-	(323,790)
Net profit (loss) for the year ended December 31, 2023	-	-	-	-	527,139	-	-	527,139	(3)	527,136
Other comprehensive loss for the year ended December 31, 2023	-	-	-	-	(709)	(947)	(36,654)	(38,310)	-	(38,310)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	526,430	(947)	(36,654)	488,829	(3)	488,826
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 23)	-	-	-	-	(91,983)	-	91,983	-	-	-
BALANCE AT DECEMBER 31, 2023	\$ 4,047,380	\$ 18	\$ 297,577	\$ 91,055	\$ 671,401	\$ 2,721	\$ (39,394)	\$ 5,070,758	\$ 67	\$ 5,070,825

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

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED 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		
Profit before income tax	\$ 659,750	\$ 688,022
Adjustments for:		
Depreciation expense	158,125	151,878
Amortization and depletion expense	16,535	17,175
Expected credit (gain) loss recognized on trade receivables	(2,695)	3,952
Net (gain) loss on fair value changes of financial assets at fair value through profit or loss	(24,825)	24,987
Finance costs	57,039	44,058
Interest income	(3,800)	(2,268)
Dividend income	(62,698)	(26,911)
Gain on disposal of property, plant and equipment	(2,328)	(453)
Loss on impairment of financial assets	527	2,264
Inventory (including real estate under development) write-downs loss (reversal gain)	103,572	(189,447)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	67,525	(33,677)
Notes receivable	(60,211)	(135,645)
Notes receivable from related parties	-	6,571
Accounts receivable	(122,034)	(147,395)
Accounts receivable from related parties	(510)	(8,474)
Other receivables	1,155	549
Other receivables from related parties	(60)	(4)
Inventories	(233,791)	(199,122)
Prepayments	158,415	(19,931)
Other current assets	(4,128)	3,078
Other non-current assets	446	-
Contract liabilities	(28,330)	358,400
Notes payable	76,413	24,972
Notes payable to related parties	39,952	(16,320)
Accounts payable	(31,916)	97,773
Accounts payable to related parties	17,283	22,971
Other payables	30,870	37,000
Other payables to related parties	(1,025)	(142)
Other current liabilities	(324)	815
Net defined benefit liabilities	(496)	(735)
Cash generated from operations	808,436	703,941
Interest received	3,745	2,254
Interest paid	(70,897)	(45,955)
Income tax paid	(96,058)	(15,567)
Net cash generated from operating activities	645,226	644,673

(Continued)

LUCKY CEMENT CO. AND SUBSIDIARIES

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

	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(85,349)	(165,636)
Proceeds from sale of financial assets at fair value through other comprehensive income	88,173	24,518
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	5,700
Decrease in financial assets at amortized cost	54,476	15,880
Payments for property, plant and equipment	(275,100)	(963,710)
Proceeds from disposal of property, plant and equipment	2,328	3,100
Increase in refundable deposits	(6,752)	(1,658)
Increase in other non-current assets	-	(14,912)
Other dividends received	<u>62,698</u>	<u>26,911</u>
Net cash used in investing activities	<u>(159,526)</u>	<u>(1,069,807)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	-	549,841
Repayments of short-term borrowings	(498,700)	-
Increase in short-term bills payable	-	5,000
Repayments of short-term bills payable	(50,000)	-
Proceeds from long-term borrowings	616,000	700,000
Repayments of long-term borrowings	(206,000)	(574,000)
Increase in guarantee deposits received	9,640	5,030
Increase in other payable to related parties	38,000	87,500
Repayment of the principal portion of lease liabilities	(56,410)	(55,123)
Cash dividends paid	<u>(323,790)</u>	<u>(242,843)</u>
Net cash (used in) generated from financing activities	<u>(471,260)</u>	<u>475,405</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(677)</u>	<u>(535)</u>
NET INCREASE IN CASH	13,763	49,736
CASH AT THE BEGINNING OF YEAR	<u>269,974</u>	<u>220,238</u>
CASH AT THE END OF YEAR	<u>\$ 283,737</u>	<u>\$ 269,974</u>

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

(Concluded)

II. Review report of the Auditing Committee of 2023

Review Report of the Audit Committee

The Board of Directors has prepared the Company's 2023 business report, consolidated financial statements (including the parent company only financial statements), and the proposal for earnings distribution. The financial statements have been audited by Deloitte Taiwan, and an audit report has been issued. The business report, financial statements, and profit distribution proposal have been reviewed and determined to be correct and accurate by the audit committee. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Sincerely,

2024 Annual General Shareholders' Meeting of Lucky Cement Co.

Lucky Cement Corporation

Convener of Audit Committee: Chih-Cheng Wang

王 志 誠

March 26, 2024

III. Report of 2023 distribution of remuneration to employees and directors:

- (I) The amount of the Company's 2023 employee remuneration: NTD 20,059,690.
- (II) For the directors remuneration of 2023 of the Company, recommended by the Remuneration Committee in accordance with Article 30 of the Company's Articles of Incorporation, is allocated at 5% of the final accounts for 2023. The total directors remuneration distributed: NTD 33,432,814.
- (III) The amounts shown above are distributed in cash.
- (IV) There is no difference between the above amount to be distributed and the amount of expenses recognized in 2023.

IV. Other reports

(I) Endorsement and guarantee:

As of the end of December 2023, the total amount of endorsement guarantees provided by the Company to external parties amounted to NTD 1,340,910 thousand, all of which were provided to subsidiaries of the Company's reinvestment.

Unit: in NT\$1,000

Party involved	Amount of endorsement and guarantee
Dai Shen Development Co., Ltd.	\$ 580,000
Luckicon Ready Mixed Concrete Factory Co., Ltd.	1,270,000
Lucky Cement Corp., Japan	6,516
Total	\$ 1,856,516

(II) Report on 2023 remuneration to directors for review.

Description: The policy of remuneration paid to directors is subject to the provisions of the Company's Articles of Incorporation. For the content and amount of individual remuneration, please refer to page 31 (Attachment 1) of the meeting book.

Three. Ratifications

Ratifications

Subject 1: Presenting the Company's 2023 business report and financial statements for ratification.

(Proposed by the board of directors)

Description: (I) The Company's 2023 financial statements (including statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows) have been audited by CPAs Chao-Mei Chen and Chiang-Hsun Chen of Deloitte Taiwan.

(II) For the Company's 2023 business report and financial statements, please refer to pages 3 to 25 of the meeting handbook.

Resolution:

Subject 2: Presenting the motion for 2023 earnings distribution for ratification.
(Proposed by the board of directors)

Description: (I) The financial statements of 2023 was completed, with a net profit after tax of NTD 527,139,537. Regarding the profit distribution plan for 2022 proposes to distribute NTD 1 per share, totaling NTD 404,738,049. Please refer to the “Earnings Distribution Table” for details.

(II) The date of record for the distribution of cash dividends is to be determined by the board after the shareholders’ meeting ratify the profit distribution proposal. Each shareholder, based on the records shown in the shareholder register by the date of record, is to receive cash dividends calculated to the nearest ones, and the fractional number is transferred to the Employee Welfare Committee.

Resolution:

Lucky Cement Corporation
Profit Distribution Table

2023

Unit: NT\$

Beginning undistributed earnings		\$ 236,952,521
Net income after taxes for the year	\$ 527,139,537	
Less : Disposal of equity instruments measured at fair value through other comprehensive income and the accumulated gains and losses are directly transferred to the retained earnings	(91,983,023)	
Less : Actuarial (loss) gains are included in retained earnings	(708,721)	
Amount of net income after taxes for the current year plus items other than net income after taxes included undistributed earnings of the year		434,447,793
Less : Appropriation of legal reserve		(43,444,779)
Add: Reversal of special reserve		54,381,348
Earnings available for distribution		682,336,883
Less : Cash dividend - NTD 1 per share		(404,738,049)
Undistributed earnings at the end of the period		\$ 277,598,834

Chairman:



Manager:



Head of Accounting:



Four. Extraordinary Motions

Five. Meeting Adjourned

[Attachment 1]: Table of remuneration to general directors and independent directors

Title	Name	Directors' remuneration								Total Remuneration (A+B+C+D) as % of the Net Income		Remuneration for concurrent position as an employee												Total Compensation (A+B+C+D+E+F+G) as a % of the Net Income		Compensation from invested businesses other than subsidiaries
		Base Compensation (A)		Severance Pay and Pensions (B)		Compensation to Directors (C) (Note 1)		Allowances for Operations (D)				Base Compensation, Bonuses, and Allowances (E)		Severance Pay and Pensions (F) (Note 2)		Employees' Profit Sharing Bonus (G) (Note 3)				Number of Shares Subscribed Through Employee Stock Options (H)		Number of Shares of Employee Restricted Stocks (I)				
		The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	Cash Dividends	Stock Dividends	Cash Dividends	Stock Dividends	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	
Director	Shi-Yi Cement Corporation	-	-	-	-	32,169	32,169	-	-	6.10%	6.10%	-	-	-	-	-	-	-	-	-	-	-	-	6.10%	6.10%	None
Director	Shi-Yi Cement Corporation Representative: Liang-Chuan Chen	-	-	-	-	-	-	1,200	1,200	0.23%	0.23%	2,470	5,592	129	279	346	-	346	-	-	-	-	-	0.79%	1.41%	
Director	Shi-Yi Cement Corporation Representative: Yun-Ju Chen	-	-	-	-	-	-	600	600	0.11%	0.11%	1,824	1,824	96	96	256	-	256	-	-	-	-	-	0.53%	0.53%	
Director	Hsiang-Lin Chang	4	4	-	-	407	407	600	600	0.19%	0.19%	-	-	-	-	-	-	-	-	-	-	-	-	0.19%	0.19%	
Director	Shang-Kai Cheng	4	4	-	-	407	407	600	600	0.19%	0.19%	-	-	-	-	-	-	-	-	-	-	-	-	0.19%	0.19%	
Independent Director	Yan Chen	-	-	-	-	150	150	840	840	0.19%	0.19%	-	-	-	-	-	-	-	-	-	-	-	-	0.19%	0.19%	
Independent Director	Chih-Cheng Wang	-	-	-	-	150	150	960	960	0.21%	0.21%	-	-	-	-	-	-	-	-	-	-	-	-	0.21%	0.21%	
Independent Director	Yang-Wei Shao	-	-	-	-	150	150	960	960	0.21%	0.21%	-	-	-	-	-	-	-	-	-	-	-	-	0.21%	0.21%	

Note 1: The actual amount of director remuneration distributed for 2023 is recommended by the Remuneration Committee in accordance with Article 30 of the Company's Article of Incorporation. Note 2: The figures disclosed for the retirement pension are the allocated amounts. Note 3: The distribution of employee remuneration for 2023 is based on the actual amount in accordance with the Company's Articles of Incorporation.

Note 4: According to the Company's regulations on payment of remuneration and compensation, independent directors should receive no more than NTD 100 thousand per month as a fixed remuneration, subject to the authorization of the Board of Directors.

Appendix 1: Rules of Procedures for Shareholders' Meetings of Lucky Cement Corporation

Approved by the shareholders' meeting on June 30, 2022

- Article 1 In order to establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to the Securities and Exchange Act, the Company Act and the regulations of the competent authority.
- Article 2 Unless otherwise specified by law or the Articles of Incorporation, shareholders' meetings of the Company shall proceed according to the terms of this policy.
- Article 3 Unless otherwise specified by law, shareholders' meetings are to be convened by the board of directors.
- Any changes to the convening of a shareholders' meeting shall be resolved in a board meeting, which should be completed at the latest before the notice of the shareholders' meeting is sent out. Shareholders who continuously hold 50% or more of the total number of shares outstanding of the Company for a period of 3 months or longer may convene an extraordinary general meeting. The calculation of the holding period and holding number of shares described in the preceding paragraph shall be based on the holdings at the time of share transfer suspension date in accordance with Paragraph 2 or 3 of Article 165.
- The board or the person with the convening authority convening the shareholder meeting may request the Company or the shareholders' services agency to provide the shareholder register.
- Article 3-1 The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms and the origins of and explanatory materials related 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) at least 30 days before the date of an annual general meeting or 15 days before the date of an extraordinary shareholders' meeting. At least 21 days before an annual general meeting or 15 days before an extraordinary shareholders' meeting, an electronic copy of the shareholders' meeting handbook and supplementary information shall be prepared and posted onto the MOPS. Physical copies of the shareholder meeting handbook and supplementary information shall be prepared at least 15 days before the meeting and made accessible to shareholders upon request. These documents must also be placed within the Company's premises and at the stock transfer agent.
- The abovementioned meeting procedure handbook and supplementary information shall be made available by the Company to shareholders in the following ways on the day of the shareholders' meeting:
- I. Distributed on-site at the venue of the shareholders' meeting where the physical meeting is held.
 - II. If the shareholder meeting is also available through teleconferencing, distribute the materials at the physical venue, and upload the electronic files to the teleconferencing platform.
 - III. If the shareholder meeting is held by teleconferencing, the electronic files shall be uploaded to the teleconferencing platform.
- The meeting advice and announcement shall state clearly the agenda to be discussed during the meeting, and can be issued in electronic form if consented to by the recipient.
- Article 3-2 Discussions concerning election or dismissal of directors, amendment of Articles of Incorporation, capital reduction, delisting, directors' competing business involvement, capitalization of earnings, capitalization of reserves, dismissal of the Company, merger, divestment, and any issues listed in Paragraph 1, Article 185 of The Company Act; Articles 26-1 and 43-6 of the Securities and Exchange Act; and Articles 56-1 and 60-2 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers must be notified in advance with a summary explained as part of the meeting agenda and cannot be raised in the form of extraordinary motion. The content may be posted on websites designated by the securities authority or the Company and the address should be clearly stated in the notification.
- Article 3-3 Shareholders who hold over 1% of the total issued shares may propose issues in the Company's shareholders' general meeting. Each shareholder is limited to one issue and additional issues will not be included in the proposal discussion. Furthermore, if the issue raised by shareholders involves items in Paragraph 4, Article 172-1 of the Company Act, the board of directors can omit the proposal. Shareholders may submit proposals which aim to urge the Company to promote the public interest or fulfill social responsibilities. The proposals should cover one discussion item at a time in accordance with Article 172-1 of the Company Act and those with more than one item in the proposal will not be included in the motion.
- The Company shall announce the acceptance of shareholders' proposals, methods of acceptance, either in writing or electronic format, venue of acceptance and period. The acceptance period shall not be less than 10 days.
- Shareholder proposals shall be limited to 300 words. Proposals that exceed 300 words shall not be

listed in the proposals. The proposing shareholders shall personally or entrust another to attend the regular shareholders meeting and participate in the proposal discussion.

Prior to the date for issuance of notice of a shareholders meeting, this 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. During the shareholders' meeting, the board of directors shall explain the reasons why certain proposed motions are excluded from the discussion.

Article 4 Shareholders attending the meeting should show the power of attorney issued by the company that specifies the scope of authorization and the commissioned representative.

Each shareholder may issue one proxy form and delegate one proxy only. All proxy forms must be received by the Company at least 5 days before the shareholder meeting. In cases where multiple proxy forms are issued, the one that arrives first shall prevail. However, this excludes situations where the shareholder has issued a proper declaration to withdraw from the previous proxy arrangement. Should the shareholder decide to attend a shareholders' meeting personally or exercise voting rights in writing or using electronic means or by teleconferencing after a proxy form has been received by the Company, a written notice must be sent to the Company by no later than 2 days before the meeting commences to withdraw the proxy arrangement. If the shareholder fails to withdraw proxy arrangement before the due date, the vote of the proxy attendant shall prevail.

Article 5 Shareholders' meetings should be held at the location of the Company or the place convenient for the shareholders and suitable for the meeting occasion. The meeting should not be earlier than 9am or later than 3pm. Independent directors' opinions on the meeting place and time shall also be fully considered.

If the shareholders' meeting is held by teleconferencing, it is not subject to the restriction on the venue as specified in the preceding paragraph.

Article 6 The meeting notice shall specify details such as the check-in time, venue and other important notes for shareholders, proxy solicitors and proxies (referred to as shareholders) where relevant.

Admission of meeting participants shall begin at least 30 minutes before the meeting commences. The reception area must be clearly marked and stationed with competent personnel. Check in to the teleconferencing platform of the shareholders' meeting should be completed at least 30 minutes before the meeting starts, those who complete the check-in are considered to have attended the meeting in person.

Shareholders shall attend shareholders' meetings by presenting valid conference pass, attendance card or other document of a similar nature. The Company may not request shareholders to present additional documentary proof unless specified in advance. Proxy form acquirers are required to bring identity proof for verification.

The Company shall provide an attendance ledger for attending shareholders or their entrusted proxies (hereinafter referred to as shareholders) to sign in, or shareholders attending the meeting may submit a sign-in card on behalf of their attendance.

Shareholders who attend the meeting shall be given a copy of the meeting manual, annual report, attendance pass, opinion slip, motion ballots and any information relevant to the meeting. Prepare additional ballots if the director elections are also being held during the meeting.

Where the shareholder is a government agency or corporate entity, more than one proxy may attend the shareholders' meeting. When a corporate person is entrusted to attend as proxy, it may designate only one person to represent it in the meeting.

Shareholders who would like to attend the teleconferencing of a shareholders' meeting should register with the Company at least 2 days before the shareholder meeting.

For shareholders' meetings that are held by teleconferencing, the Company shall upload the meeting handbook, annual report and other relevant information to the teleconferencing platform of the shareholders' meeting and keep them disclosed until the end of the meeting.

Article 6-1 The shareholders' meeting notice should specify the following matters if the meeting is also made available through teleconferencing:

- I. Methods of participation in the meeting through teleconferencing and for exercising their rights.
- II. The handling of issues with the video conference platform or participation in the teleconference due to natural disasters, incidents or other force majeure events, including at least the following:

The time or date when the abovementioned issues cannot be resolved and the meeting needs to be postponed or resumed. Shareholders who have not registered to participate in the shareholders' meeting by teleconferencing shall not participate in the postponed or resumption of the meeting.

If the shareholders' teleconference meeting cannot resume and the total number of shares represented in attendance still meet the statutory quorum for the resolutions conducted after subtracting the number of shares that attended the meeting by teleconferencing, the meeting may still continue without needing a postponement or resumption. For shareholders who originally

choose to attend the shareholders' meeting by teleconferencing, the number of share is counted in the total of shares of shareholders attending the meeting, but is considered as an abstention in all the motions presented in the meeting. The handling methods for when the results for all the motions have been announced, and there are no extraordinary motions.

III. Alternative measures taken for shareholders who may have difficulties joining the meeting by teleconferencing.

Article 7

When the chairman of the board is on leave or for any reasons unable to exercise the powers of chairman, the vice- chairman shall act in place of the chairman; if there is no vice- chairman or the vice-chairman is also on leave or for any reasons unable to exercise the powers of vice-chairman, the chairman shall appoint one of the managing directors to act; however, if there are no managing directors, one of the directors shall be appointed to act as chair. If no appointment is made by the chairman, the managing directors or directors shall select one person from among themselves to serve as chair.

The chairperson position mentioned above shall be assumed by a managing director or director, who has been on the board for more than 6 months and possesses adequate understanding of the Company's financial and business performance. The same shall apply to a representative of a juristic person director that serves as chair.

The shareholders' meeting convened by the board of directors shall be personally hosted by the chairman of the board. More than half of the directors (including at least one independent director), the convener of the audit committee and at least one representing member of various functional committees shall attend the meeting, and the attendance shall be recorded in the meeting minutes.

If a meeting of shareholders 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 Company may summon its lawyers, certified public accountants and any relevant personnel to be present at the shareholders' meetings.

Article 8

The Company, beginning from the time it accepts shareholders' 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.

These recordings must be retained for at least one year. However, if a shareholder files a lawsuit according to Article 189 of the Company Act, the recording materials shall be retained until the conclusion of the litigation.

For the shareholders' meetings held by teleconferencing, the Company shall retain records of the shareholders' registration, login, check-in, questioning, voting and vote counting results, etc., and make continuous and uninterrupted audio and video recording of the entire meeting.

The Company shall properly retain the above-mentioned materials and audio and video recordings during the period of existence, and they shall be provided to those who are entrusted with handling teleconferencing tasks.

If the shareholder meeting is to be held by teleconferencing, the Company should audio- and video-record the backend operations interface of the teleconferencing platform.

Article 9

Attendance at shareholders' meeting shall be calculated based on shares. The number of shares in attendance is counted based on the meeting sign-in log or submitted attendance cards and the shareholding reported on the teleconferencing platform, together with the shares with the written or electronic voting rights.

The chair is to call the meeting to order at the designated meeting time, but is to announce a postponement if the attending shareholders represent less than half of the total issued shares. The number of postponement is limited to two times, totaling no more than 1 hour. The chair is to announce the meeting adjourned if still less than one third of the total issued shares are present at the meeting after the postponement twice. For the shareholders' meeting held by teleconferencing, the Company shall announce the adjournment of the meeting on the teleconferencing platform.

If the quorum is not met after two postponements but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act. The tentative resolution may be sent to all shareholders to notify them of another shareholders' meeting to be held within 1 month.

Shareholders who wish to attend the shareholders' meeting which is to be held by teleconferencing shall register with the Company in accordance with Article 6.

If the attending shareholders representing more than half of the total issued shares before the end of the meeting, the chair is to make a tentative resolution and re-submit it for a shareholders vote in accordance with Article 174 of the Company Act.

Article 10

The board should set the agenda for the meetings that it convenes. Relevant motions (including extraordinary motions and amendments to the original motions) shall be decided on a case-by-case basis. The meeting should be carried out based on the agenda and should be not changed without the

resolution of the shareholders.

The regulations of the preceding paragraph may be applied to a meeting of shareholders convened by a party that is not the board of directors.

In either of the two situations described above, the chairperson cannot dismiss the meeting while a motion (including a special motion) is still in progress. If the chairperson violates conference rules by dismissing the meeting when not allowed to do so, other members of the board shall immediately assist the attending shareholders in electing another chairperson that has the support of more than half of voting rights represented on-site to continue the meeting.

The chairperson must allow for sufficient time to explain and discuss the various motions, amendments or special motions proposed during the meeting. The chairperson may announce discontinuance of further discussions if the issue in question is considered to have been sufficiently discussed to proceed with the voting and arrange sufficient voting time.

Article 11 Before shareholders speak, they must fill out a speech slip stating the purpose of their speech, shareholder account number (or attendance certificate number), and account name. The Chairman will determine the order of speeches.

The attending shareholders are considered to offer no statement if they only provide speech notes without giving statements. In the event where the content of the statement is inconsistent with the speech note, the content of the statement should prevail.

Each shareholder shall not make more than two statements for the same proposals without the chairman's agreement and each statement shall not exceed five minutes. If a shareholder's statement violates the rules or exceeds the scope of the issue, the chairman shall halt the statement.

When an attending shareholder is making a statement, other shareholders shall not speak unless given permission by the chairperson and the speaking shareholder. Violators shall be halted by the chairman.

If a corporate person shareholder appoints two or more representatives to attend the meeting of shareholders, only one of the representatives may speak on the same proposal. After a shareholder has finished speaking, the chairperson may answer the shareholder's queries personally or appoint any relevant personnel to do so.

For the shareholders' meetings held by teleconferencing, the shareholders who attend the meeting by teleconferencing may raise their questions in text form on the teleconferencing platform after the chair announces the start of the meeting and before the chair announces the ending of the meeting. A shareholder may not raise their questions more than twice for a single motion and each question is limited to 200 words. These do not apply to the requirements of Paragraph 1 to 5.

The abovementioned questions which do not violate the rules or do not exceed the scope of the motion should be disclosed on the teleconferencing platform as public knowledge.

Article 12 Voting at a shareholders' meeting shall be calculated based the number of shares.

The shares of the shareholders without voting rights are not counted in the total issued shares for the resolution of the meeting.

Shareholders cannot vote or appoint proxies to vote, on any motions that present a conflict between their own interests and interests of the Company.

The number of shares held by shareholders who are not permitted to vote shall be excluded from the total voting rights represented in the meeting.

With the exception of trust enterprises and certain stock transfer agents approved by the competent authority, a proxy may not represent more than 3% of total voting rights in aggregate when representing two or more shareholders during the meeting. Voting rights that exceed this threshold shall be excluded from calculation.

Article 13 Unless otherwise provided by laws and regulations, the standard of one share, one vote shall apply to every shareholder.

Shareholders may exercise their voting power by correspondence or by electronic transmission in shareholders meetings, and the exercise method shall be specified in the notice of shareholders' meetings. Shareholders who have voted in writing or using the electronic method are considered to have attended the shareholders' meeting in person. However, they are considered to have waived their rights to participate in any special motions or amendments to the original discussions that may arise during the shareholders' meeting. For this reason, the Company should avoid proposing special motions and amendments to the original agendas where possible.

Instructions to exercise written and electronic votes must be delivered to the Company at least 2 days before the shareholders' meeting. In the event of duplicate submissions, the earliest submission shall be put into record. However, an exception is granted if the shareholder issues a proper declaration to withdraw the previous instructions.

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 by teleconferencing, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were

exercised 2 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. If the shareholder has exercised written or electronic votes and at the same time delegated a proxy to attend the shareholders' meeting, the voting decision exercised by the proxy shall prevail. Unless otherwise regulated by The Company Act or the Articles of Incorporation, a motion is passed when supported by shareholders representing more than half of total voting rights in the meeting. When voting, the chairperson or his/her delegate thereof shall announce the total number of voting rights represented by attending shareholders for every motion discussed and have the shareholders vote on a case-by-case basis. Details including the number of votes in favor, against and abstaining for each discussion shall be uploaded onto MOPS on the same day the shareholders' meeting ended.

In cases where several amendments or alternative solutions have been proposed at the same time, the chairperson shall determine the order in which the proposals are voted. If one of the proposals has been passed, the other proposals are denied and no more voting will be conducted.

Vote monitoring and counting personnel on a proposal shall be appointed by the chairman, providing that all monitoring personnel shall be shareholders of the Company. Motion and election votes are to be counted openly at the shareholder meeting. Results of the vote, including the final tally, shall be announced on-site and recorded in minutes.

After the chairperson announces the start of the meeting, the shareholders who participate in the meeting through teleconferencing shall conduct voting on various motions and election through the teleconferencing platform and must complete the voting before the chairperson announces the close of voting. Those who do not complete the voting before the announced ending time are considered to have abstained.

For the shareholders' meetings held by teleconferencing, the votes shall be counted once after the chair announces the close of voting, and the results of the voting and election will be announced.

For the shareholders' meetings also held by teleconferencing, shareholders who have already registered to attend the meetings by teleconferencing in accordance with the provisions of Article 6 but wish to attend the physical meetings shall take the same procedures as the registration to cancel their registration at least 2 days before the meeting. Those who fail to cancel the registration on time can only attend the meetings by teleconferencing.

Those who exercise their voting rights by correspondence or by electronic means without retracting their voting rights already exercised and participate in shareholders meetings by teleconferencing shall not exercise their voting rights on the original motion, propose an amendment to the original motion or exercise their voting rights on the revision of the original motion, except for extraordinary motions.

Article 14 Shareholders' meetings that involve election of directors shall proceed according to the Company's election policy. Results of the elections, including the list of elected directors and the final tally, must be announced on-site.

All ballots used in the above election shall be sealed and signed by the ballot examiner and held in proper custody for at least 1 year. However, if a shareholder files a lawsuit according to Article 189 of the Company Act, the recording materials shall be retained until the conclusion of the litigation.

Article 15 Shareholders' meeting resolutions shall be compiled into detailed minutes, and signed or sealed by the chairperson, and disseminated to each shareholder by no later than 20 days after the meeting.

The production and the distribution of the resolution record can be made electronically.

The Company may disseminate meeting minutes by posting details onto MOPS.

The resolution proceedings should correctly record the year, month, day, venue, name of the chair, voting method, the essentials of the proceedings and the voting results (including the statistical weights). If there is an election of directors and supervisors, the votes received by each nominee shall also be disclosed. These records are to be kept permanently during the Company's existence. The resolution in the preceding paragraph refers to that when the chairperson has consulted shareholders for their opinions and the shareholders have no objection to the motions, which is then recorded as "Unanimous approval by all shareholders in attendance upon being consulted by the chairperson." However, if shareholders have any objection to the motions, the voting method and number and proportion of voting rights for the motions should be clearly stated.

The minutes of the shareholders' meeting held by teleconferencing should record the items mentioned in the preceding paragraph, the starting and ending time of the meeting, the convening method of the meeting, the name of the chairperson and the meeting minute taker, the measures taken when the teleconferencing platform or the teleconference experiences natural disasters, incidents or force majeure.

The meeting minutes should also specify the alternative measures taken for shareholders who may have difficulties joining the meeting by teleconferencing.

Article 16 The number of shares owned by the solicitors, the entrusted proxies and shareholders attending the shareholders' meeting in writing or electronically is compiled into a chart with a prescribed format

on the meeting day and is disclosed clearly at the meeting venue. For shareholder's meetings that are held by teleconferencing, the Company shall upload the above information to the teleconferencing platform at least 30 minutes before the start of the meeting, and keep them disclosed until the end of the meeting.

When the shareholders' meeting by teleconferencing is announced to start, the number of voting rights of the attending shareholders is disclosed on the teleconferencing platform. The same applies to when the total number of shares of the shareholders in attendance and the number of voting rights in attendance are compiled again during the meeting.

For any resolution issues that are related to the law and are considered important by the Taiwan Stock Exchange Corporation, the Company is to deliver the content to the Market Observation Post System within a specified time.

Article 17 Staff handling administrative affairs of a shareholders meeting shall wear identification cards or armbands.

The chairperson may instruct proctors or security staff to help maintain order in the meeting. While maintaining order in the meeting, proctors or security staff shall wear armbands that identify their role as "Proctor."

The chairperson may stop anyone who attempts to speak using instruments that are not provided by the Company.

The chairperson may instruct proctors or security staff to remove shareholders who continue to violate the conference policy despite being warned by the chairperson.

Article 18 The chairperson may put the meeting in recess at appropriate times. In the occurrence of a *force majeure* event, the chairperson may suspend the meeting temporarily and resume at another time. If the shareholder meeting is unable to conclude all scheduled motions (including special motions) before the venue is due for return, participants may resolve to continue the meeting at an alternative location.

Shareholders may also resolve to postpone or resume the meeting within the next 5 days, according to Article 182 of The Company Act.

Article 19 For shareholders' meetings that are held by teleconferencing, the Company immediately discloses the voting results of motions and election results to the teleconferencing platform of the shareholder meeting in accordance with the regulations and keeps them disclosed for at least another 15 minutes after the chair announces the ending of the meeting.

Article 20 Both the chairperson and the meeting minutes keeper shall be at the same domestic location when holding teleconferencing shareholders' meetings and the chair should announce the address of the place at the beginning of the meeting.

Article 21 For shareholders meetings that are held by teleconferencing, the Company shall provide shareholders with a simple connection test before the meeting and provide relevant services before and during the meeting to resolve technical communication problems.

For shareholders' meetings that are held by teleconferencing, the chairperson should announce at the start of the meeting that except when there is no need to postpone or continue the meeting in accordance with Paragraph 4, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the provisions of Article 182 of the Company Act is not applicable to the date of meeting postponement or resumption within 5 days for the interruption to the teleconferencing platform or the meeting lasting more than 30 minutes due to natural disasters, incidents or force majeure, before the chair announces the end of the meeting.

In the event of a meeting postponement or resumption in the preceding paragraph, shareholders who have not registered to participate in the shareholders' meeting by teleconferencing shall not participate in the postponed or resumption of the meeting.

In accordance with the provisions of Paragraph 2 for meeting postponement and resumption, shareholders who have registered and completed the check-in to the original meeting by teleconferencing, but do not participate in the postponed or resumed meeting, the shares shown presented at the original shareholder meeting and the voting rights and election rights already exercised shall be included in the total number of shares and number of voting rights and election rights of the postponed or resumed meeting.

For the shareholders' meeting that is postponed or resumed in accordance with the provisions of Paragraph 2, it is not necessary to re-discuss or resolve the motions for which voting and counting of votes have been completed and the voting results and the election of directors and supervisors have been announced.

If the teleconference shareholders' meeting cannot resume as described in Paragraph 2 and the total number of shares represented in attendance still meet the statutory quorum for the convening of the meeting after subtracting the number of shares that attended the meeting by teleconferencing, the meeting should still continue without needing a postponement or resumption in accordance with Paragraph 2.

In the event of a meeting to be resumed as described in the preceding paragraph, for shareholders

who originally choose to attend the shareholders' meeting by teleconferencing, the number of share is counted in the total of shares of shareholders attending the meeting, but is considered abstention in all the motions presented in the meeting.

If the Company postpones or resumes the meeting according to the provisions of Paragraph 2, the relevant preparation should be conducted based on the date of the original shareholders' meeting in accordance with Paragraph 7 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

In accordance with period specified by the 2nd half of Article 12 and Paragraph 3, Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies and Paragraph 2, Article 44-5, Article 44-15 and Paragraph 1, Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall postpone or resume the date of shareholders' meeting in accordance with the provisions of Paragraph 2.

Article 22 Alternative measures should be taken for shareholders who may have difficulties joining the meeting by teleconferencing.

Article 23 These Rules are to be announced and implemented after being approved by the shareholders' meeting and likewise for the revision.

Appendix 2: Articles of Incorporation of Lucky Cement Corporation

Chapter 1 General Provisions

- Article 1 The Company is incorporated in accordance with the Company Act, and is named Lucky Cement Corporation.
- Article 2 The Company is engaged in the following business activities:
1. C901050 Cement and Concrete Products Manufacturing.
 2. C901990 Other Non-Metallic Mineral Products Manufacturing.
 3. B202010 Mining of Non-metallic.
 4. J101030 Waste Disposing.
 5. J101040 Waste Collecting.
 6. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1 The total amount of the Company's external investment in affiliates may not be bound by the restriction of the paid-in capital, but it is subject to the board's approval.
- Article 3 The head office of the Company is located in Yilan County, Taiwan. If necessary, branch offices in suitable locations may be established by the resolution of the board of directors.
- Article 4 Public announcements of the Company shall be made in accordance with the Company Act.

Chapter 2 Shares

- Article 5 The total capital of the Company is NT\$4,986,460,460, divided into 498,646,046 common stock shares, with the face value of each share at NT\$10. The board of directors is authorized to determine the issuance of unissued stocks in multiple issues.
- Article 6 The share certificates of the Company are all name-bearing, numbered and signed or stamp-sealed by directors representing the Company, and are issued upon the authentication by the bank permitted by law to serve as the registrar for issuance of stocks.
- Shares of the Company is exempted from actual printing but shall be registered with the Taiwan Depository and Clearing Corporation and subject to its regulations.
- The transfer and pledge of the shares registered by centralized securities depository enterprises shall be conducted by the Company or book-entry transfer, and the provisions of Article 164 of the Company Act and Article 908 of the Civil Code shall not apply.
- The circumstance in the preceding paragraph does not apply for the Company's printed stock certificates that have not been returned.
- Article 7 Shareholders shall report their names, addresses or locations of residence to the Company's shareholder services agency to be added to the shareholder register and the personal seal stamp ID cards shall also be sent to the shareholder services agency for safekeeping and the same applies to making changes. Shareholders are to provide the same forms of identification shown on the seal stamp ID card when collecting dividends and bonuses or contacting the Company by correspondence.
- Article 8 Share certificate transfer, exchange, loss or damage are handled in accordance with the Company and the Regulations Governing the Administration of Shareholder Services of Public Companies issued by the competent authority.
- Article 9 Shareholders whose seal stamp is lost or damaged shall fill out a Seal Stamp Loss Form, and send the form, together with an identity proof document, new seal stamp ID card and share certificate, to the Company's shareholder services agency for registration. The seal stamp becomes effective the next day after being verified and approved, unless there is a declaration making the seal stamp effective on the same day.
- Article 10 Transfer of share ownership shall be suspended during the 60 days prior to an annual general meeting and during the 30 days prior to an extraordinary shareholder meeting and during the 5 days prior to the baseline date of any dividends, bonus or rights distribution.

Chapter 3 Shareholders' meeting

- Article 11 There are two types of shareholders' meetings in the Company:
- I. Annual general meetings are held once a year and shall be convened by the board within 6 months after the end of each fiscal year.
 - II. Extraordinary general meetings: Unless otherwise specified by the Company Act, the meetings are to be convened by the board of directors. According to Article 173-1 of the Company Act, shareholders who continuously hold 50% or more of the total number of shares outstanding of the Company for a period of 3 months or longer may convene an extraordinary general meeting. The calculation of the holding period and holding number of shares shall be based on

the holding at the time of share transfer suspension date in accordance with Paragraph 2 or 3 of Article 165 of the Company Act.

III. The shareholders' meetings may be held by teleconferencing or other means announced by the Ministry of Economic Affairs.

Article 12 Each shareholder shall be notified of the date, location and reasons for convening shareholders meetings at least 30 days before the general meetings or 15 days before the extraordinary meetings. For shareholders with less than 1,000 registered shares, the abovementioned notification is posted in the Market Observation Post System.

The production and the distribution of the meeting notice can be made electronically if agreed upon by the counterparty.

When the Company is to hold a shareholders' meeting, it shall prepare a meeting handbook, which will be announced together with other information related to the meeting before the shareholders' meeting starts.

Article 13 Unless otherwise specified by the Company Act, shareholders' meetings shall have the attendance of shareholders with more than half majority of the issued shares and the resolutions shall be represented by more than half majority of the attending shareholders.

Shareholders may exercise their voting power by electronic transmission or in correspondence in shareholders' meetings, and the exercise method shall be specified in the notice of shareholders' meetings.

Shareholders who have voted in writing or using the electronic method as described in the preceding paragraph are considered to have attended the shareholders' meeting in person. However, this is also considered to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

Article 14 Unless otherwise provided by laws and regulations, the standard of one share, one vote shall apply to every shareholder.

Article 15 Shareholders may appoint proxies to attend shareholders' meetings on their behalf by completing the Company's proxy form and specifying the scope of delegated authority. With the exception of trust enterprises and certain stock transfer agents approved by the competent authority, a proxy may not represent more than 3% of total voting rights in aggregate when representing two or more shareholders during the meeting. Voting rights that exceed this threshold shall be excluded from calculation.

Each shareholder may issue one proxy form and delegate one proxy only. All proxy forms must be received by the Company at least 5 days before the shareholders' meeting. In cases where multiple proxy forms are issued, the one that arrives first shall prevail. However, this excludes situations where the shareholder has issued a proper declaration to withdraw from the previous proxy arrangement. Should the shareholder decide to attend shareholders' meeting in person after a proxy form has been received by the Company, a written notice must be sent to the Company by no later than 2 days before the meeting commences to withdraw the proxy arrangement. If the shareholder fails to withdraw proxy arrangement before the due date, the vote of the proxy attendant shall prevail.

Article 15-1 Instructions to exercise written and electronic votes must be delivered to the Company at least 2 days before the shareholder meeting. In the event of duplicate submissions, the earliest submission shall be put into record. However, an exception is granted if the shareholder issues a proper declaration to withdraw the previous instructions.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised 2 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.

If the shareholder has exercised written or electronic votes and at the same time delegated a proxy to attend the shareholders' meeting, the voting decision exercised by the proxy shall prevail.

Article 16 The chairman is to chair the meetings convened by him/her. The chairman is to appoint a director on behalf of himself/herself if he/she cannot attend the meetings. In the event where the chairman does not appoint anyone, the directors are to recommend one person from the board.

For the meeting that is convened by the ones with the convening authority outside of the board, the meeting should be chaired by convening authority. One person should be selected to chair the meeting if there are more than two present.

Article 17 The voted issues should be made into a resolution record to be distributed to each shareholder within 20 days after the meeting. The shareholders' meeting minutes should be signed or stamped and sealed by the chair and then retained together with the sign-in log of the attending shareholders and proxy forms presented by the proxies by the Company.

The production and the distribution of the resolution record can be made electronically.

The Company may disseminate meeting minutes by posting details onto MOPS.

Chapter 4 Directors and Audit Committee

- Article 18 The Company shall have 7 to 9 directors, with the term of office of 3 years. Among the directors, 3 to 5 of them are independent directors. The directors are elected using the candidate nomination approach during shareholder meetings in accordance with the Company Act from the candidate list and the term of service may be renewed if they are re-elected in the next elections. The professional qualifications, shareholding, part-time restrictions, independence, nominations, election and other rules to be followed regarding the election of independent directors shall be handled in accordance with the laws and regulations.
- The election of directors shall be conducted in accordance with the provisions of the Company Act. The election of independent and non-independent directors should be held together and the number of people elected are counted separately.
- Article 18-1 The Company has established an audit committee composed of all independent directors in accordance with Article 14-4 of the Securities and Exchange Act to be responsible for performing the functions of supervisors specified in the Company Act, the Securities and Exchange Act and other regulations.
- Members of the audit committee and their responsibilities and the related matters shall be handled in accordance with the relevant laws and regulations, and the organizational rules shall be separately determined by the board of directors.
- Article 19 A chairman representing the Company is elected in the board meeting where more than two-thirds of directors are present and more than half of the directors present agree to the vote.
- Article 20 The chairman should represent the Company in public. The chairman is to appoint a director on behalf of himself/herself if he/she cannot exercise the power. In the event where the chairman does not appoint anyone, the directors are to recommend one person from the board.
- Article 21 The board meetings are convened by the chairman.
- The majority or more of the directors may, by filing a written proposal setting forth therein the subjects for discussions and the reasons, request the chairman of the board to convene a board meeting.
- If the chairman of the board fails to convene a meeting of the board within 15 days after the filing of the request under the preceding paragraph, the proposing directors may convene a meeting of the board on their own.
- Unless otherwise specified by the Company Act, board meetings shall have the attendance of more than half of directors and the resolutions shall be represented by more than half of the directors present.
- Article 21-1 Board meetings are held once per quarter. Every director shall be notified at least 7 days before the convening of board meetings. Meetings can be convened at any time in case of emergency. The notice of the convening of board meeting can be made in writing, fax or email.
- Article 22 Directors who are unable to attend the meetings may issue a proxy form to appoint another director to attend the meeting. One director may accept only one proxy form.
- Article 23 The functions and powers of the board of directors are as follows:
- I. Review of the Company's internal control system and various important rules and regulations.
 - II. The decision on the Company's business plan and business policy.
 - III. The preparation of the Company's budget and final accounts.
 - IV. Formulating profit distribution.
 - V. The plan for the increase or decrease of the Company's capital.
 - VI. Preparation of the annual business report.
 - VII. Review of the acquisition and disposal of the Company's key assets.
 - VIII. The establishment and abolition of branches.
 - IX. Appointment and resignation of presidents and managers.
 - X. The appointment or discharge of a financial, accounting, or internal auditing officer.
 - XI. Establish or amend procedures major financial or operational actions, such as acquisition or disposal of assets, engaging in derivatives trading, lending funds to others, endorsements or guarantees to others.
 - XII. Other functions and powers conferred by the Securities and Exchange Act, the Company Act and the shareholders' meetings.
- Article 24 Records of board resolutions are kept in the Company after being signed or seal-stamped by the chairperson.
- Article 25 Duties of the audit committee are as follows:
- I. Establish or amend the internal control protocols in accordance with Article 14-1 of the Securities and Exchange Act.
 - II. Evaluation of the effectiveness of the internal control protocols.

- III. Establish or amend procedures major financial or operational actions, such as acquisition or disposal of assets, engaging in derivatives trading, lending funds to others, endorsements or guarantees to others, in accordance with Article 36-1 of the Securities and Exchange Act.
- IV. Review matters bearing on the personal interest of a director.
- V. Review material asset or derivatives transaction.
- VI. Review material monetary loans, endorsement, or provision of guarantee.
- VII. Review the offering issuance or private placement of any equity-type securities.
- VIII. Review the hiring or dismissal of an attesting CPA or the compensation given thereto.
- IX. Review the appointment or discharge of principal financial, accounting, or internal auditing officers.
- X. Review annual financial reports and semi-annual financial reports. Exception can be made for semi-annual financial reports that, in accordance with the laws, are not required to be audited and certified by CPAs.
- XI. Review any other material matter so required by the company or the Competent Authority.

Article 26 The Company may purchase liability insurance for its directors during the term of their services in accordance with the law.

The Company shall report the insured amount, coverage, premium rate, and other important contents of the directors liability insurance it has obtained or renewed for directors, at the most recent board meeting.

Chapter 5 Managers

Article 27 The Company has one president who shall handle all affairs of the Company based on the resolutions made by the chairman and the board of directors. The Company also has several managers to assist the general manager.

Article 28 The appointment of the president is determined by the resolutions of board meetings attended by more than half of directors and agreed upon by more than half of the directors present. The appointment of managers is first proposed by the president and then determined by the resolutions of board meetings attended by more than half of directors and agreed upon by more than half of the directors present. However, a person who is under any of the circumstances listed in Article 30 of the Company Act shall not serve as a manager. If the person has been appointed as such, he/she shall be dismissed.

Chapter 6 Accounting

Article 29 The Company stipulates that the fiscal year starts from January 1 and ends on December 31 every year. The Company's board of directors is responsible for conducting the final account at the end of each financial year, and then preparing various statements in accordance with the Company Act after the annual final account. The statements and must be submitted to the audit committee for review at least 30 days before the annual general meeting and the audit committee shall produce reports to be presented during the annual general meeting for ratification.

The Company's profit distribution or make-up for losses are conducted after the end of each half of the fiscal year.

The motions of profit distribution or make-up for losses shall be submitted to the board for resolution after being reviewed together with the business report and financial statements.

When distributing profit according to the preceding paragraph, the Company should first estimate and retain the amount for tax payments, make up for losses and allocate legal reserve. If the legal reserve has reached the paid-in capital, no further allocations will be conducted.

If the distribution of profit is conducted by issuing new shares in accordance with Paragraph 3, it shall comply with the provisions of Article 240 of the Company Act. If the profit is distributed in cash, the resolution shall be made in the board meeting attended by more than two-thirds of all directors and approved by more than half of the attending directors, and then reported to the shareholder meeting.

The distribution of profit or making up for losses in accordance with the provisions of the preceding four paragraphs is based on the financial statements audited or reviewed by the CPAs.

Article 30 If the Company is profitable in the fiscal year, it shall allocate 3% of the profit as the remuneration of employees in the form of stocks or cash as resolved by the board meeting, which requires the attendance of more than two-thirds of directors in the meeting and the approval of more than half of the directors present, before being reported at the shareholder meeting. Employees of subsidiaries are also entitled to receive remuneration. Less than 5% of the aforementioned profit may be distributed as director remuneration, and the proposal for the director remuneration shall be reported at the shareholders' meeting. If the Company is not profitable for the year or there is no surplus to distribute the remuneration of employees and directors after deducting the accumulated losses, it is not necessary to report the results to the board and shareholder meetings.

If the Company has passed the board resolution in the preceding paragraph to distribute remuneration to employees in the form of shares, it may decide in the same meeting whether to issue new shares or conduct share repurchase.

If any, profits must first be taken to offset cumulative losses before the remainder can be distributed as employee/director remuneration in the above percentages.

Employee remuneration to managers and director remuneration are distributed after being evaluated by the remuneration committee.

Article 30-1

Considering the Company's future capital needs and long-term financial planning, and to meet shareholders' expectation for cash flows, The Company's current net income after the annual final accounts, besides being used to making up for losses, has 10% set aside as the legal reserve, and also has special reserve allocated after the net deduction of other shareholders' equity incurred in the current year. The balance, together with the accumulated undistributed earnings of the previous year and the adjustment of the undistributed earnings of the current year, has 40% to 80% set aside as profit to be distribution. If it is set at 80%, and the dividends per share is still less than NT\$0.1, the profit is retained and will not be distributed. The board is to determine the profit distribution proposal to be submitted to the shareholders' meetings for ratification.

The percentage of profit allocation and the proportion of share and cash dividends are determined by the board based on the actual profitability and status of working capital of the year. The needs for investment capital and the extent of dilution by the earnings per share are also considered to determine whether or not the dividends are issued in cash or stocks. Stock dividends shall not exceed 20% of the issued share capital.

if the retained earnings transferred in the current year or the after-tax profit of the current year is insufficient to allocate the deduction of other shareholders' equity, it shall still be subject to the provisions of the law in which the profit is distributed only after allocating the transferred retained earnings or the accumulated undistributed profit from the previous year is recognized as special reserve, besides adopting the rule in the second paragraph for calculation.

Article 31

The dividends to shareholders are only distributed to the shareholders who are recorded in the shareholder register as of the date of record of the dividends.

Article 32

The Company may receive remuneration on a monthly basis in accordance with the payment standard of industry peers, regardless of profit or loss. Besides, the shareholders or directors of the Company who work as managers or employees receive salaries as regular employees.

Chapter 7 Supplementary Provisions

Article 33

The Company may provide external endorsement.

Article 34

The Company's organizational policies and procedures are separately determined by the board.

Article 35

Any outstanding issues not specified in the Articles of Incorporation are to be handled in accordance with the Company Act and other relevant regulations.

Article 36

These Articles were adopted on March 25, 1974.

The 1st amendment was made on July 5, 1975.

The 2nd amendment was made on April 10, 1975.

The 3rd amendment was made on September 10, 1976.

The 4th amendment was made on July 6, 1977.

The 5th amendment was made on September 20, 1977.

The 6th amendment was made on November 18, 1977.

The 7th amendment was made on June 26, 1978.

The 8th amendment was made on September 5, 1979.

The 9th amendment was made on November 20, 1979.

The 10th amendment was made on October 10, 1980.

The 11th amendment was made on December 5, 1980.

The 12th amendment was made on August 11, 1982.

The 13th amendment was made on June 25, 1984.

The 14th amendment was made on September 20, 1984.

The 15th amendment was made on June 20, 1986.

The 16th amendment was made on August 5, 1986.

The 17th amendment was made on December 30, 1986.

The 18th amendment was made on June 17, 1988.

The 19th amendment was made on July 15, 1988.

The 20th amendment was made on July 1, 1989.

The 21st amendment was made on December 25, 1989.

The 22nd amendment was made on April 7, 1990.

The 23rd amendment was made on May 27, 1991.

The 24th amendment was made on May 18, 1992.

The 25th amendment was made on May 12, 1993.

The 26th amendment was made on May 31, 1994.
The 27th amendment was made on May 30, 1995.
The 28th amendment was made on June 5, 1996.
The 29th amendment was made on April 28, 1997.
The 30th amendment was made on April 16, 1998.
The 31st amendment was made on June 24, 1999.
The 32nd amendment was made on June 21, 2000.
The 33rd amendment was made on June 19, 2001.
The 34th amendment was made on June 18, 2002.
The 35th amendment was made on June 15, 2004.
The 36th amendment was made on June 14, 2006.
The 37th amendment was made on June 17, 2010.
The 38th amendment was made on June 19, 2012.
The 39th amendment was made on June 12, 2015.
The 40th amendment was made on June 15, 2016.
The 41st amendment was made on June 15, 2018.
The 42nd amendment was made on June 12, 2019.
The 43rd amendment was made on June 30, 2022.
These Articles are to be implemented after being approved for registration by the competent authority, and likewise for the revision.

Appendix 3: Status of Shareholder Proposals at the Shareholders' General Meeting for the Year:

As of April 22, 2024 (deadline for shareholders to propose motions), there were no shareholder motions.

Appendix 4: Directors' Shareholding Position at Lucky Cement Corporation

Job title	Name	No. of Shares Held	Ownership %
Chairman	Shi-Yi Cement Representative: Liang-Chuan Chen	6,632,588	1.64%
Director	Shi-Yi Cement Representative: Yun-Ju Chen	6,632,588	1.64%
Director	Hsiang-Lin Chang	7,539,587	1.86%
Director	Shang-Kai Cheng	1,832,666	0.45%
Independent Director	Yan Chen	0	0
Independent Director	Chih-Cheng Wang	0	0
Independent Director	Yang-Wei Shao	0	0
Overall Directors' Shareholding Position		16,004,841	3.95%

- Remarks:
- I. The above shareholdings are as of the record date for the 2024 Annual General Shareholders' Meeting (April 20) listed on the shareholder register.
 - II. Pursuant to Article 26 of the Securities and Exchange Act, the total number of registered shares held by all directors shall not be less than 4% of the Company's total issued shares.
 - III. Pursuant to Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, minimum shareholdings of non-independent directors may be reduced to 80% of the required percentage if the Company has elected at least 2 independent directors.
 - IV. The number of shares held by all directors of the Company has reached the percentage requirements specified by law.