



# ASIA CEMENT CORPORATION

## 2014 Annual Report

**Notice to readers**

*This English version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.*

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# I Report to Shareholders

## 1.1 2014 Review

- A. In 2014, there are four factors affecting the world economy:
- i. The weak market demand worldwide triggered that all countries strived for export expansion, and then trade protectionism rose. While regional trade liberalization gradually replaced global trade liberalization, the use of competitive currency devaluation became more and more common.
  - ii. In response to the above situation, different countries took different monetary policies. For instance, the United States stopped quantitative easing in October 2014, meanwhile, the EU and Japan still pushed their monetary easing policies. Russia and Brazil raised interest rates six times and five times while Romania and South Korea lowered interest rates three times and two times.
  - iii. The price of commodity goods fell sharply, especially the oil price.
  - iv. The geopolitical and other non-economic factors, such as the conflict between Russia and Ukraine, the worsening situation in the Middle East caused regional instability. International investment and capital chose to avoid that region. Furthermore, the economic sanctions and anti-sanctions schemes hit investor confidence and trading activity which even worsen the economy of EU and Russia. In addition, transportation, tourism and other industries also suffered from the spread of Ebola virus.
- B. The global economic growth rate was 3.3% in 2014 which is better than in 2013, but still lower than expectation for the following reasons.
- i. Emerging markets was leading global economic growth. However, many countries faced the bottleneck for fast expansion.
  - ii. Countries with financial vulnerability faced the challenge of capital outflows.
  - iii. Russia experienced economic sanctions.
  - iv. Because of economic cooling in China and the lower price of raw materials, the economic growth in ASEAN countries went down.
  - v. China's economic growth slowed.
- C. The performance of the major economies
- i. The U.S. economy growth rate was 2.4% in 2014, better than in 2013.
  - ii. The economic growth in the EU ran from -0.5% in 2013 to 0.8% in 2014. There are four main reasons:
    1. The unemployment rate declined.
    2. Wage growth.
    3. Low inflation lifted disposable income.
    4. Neutral fiscal policy benefited the economy.
  - iii. Japanese annual economic growth rate in 2014 was 0.1% or 0%. There are five key reasons:

1. The impact of the consumption tax rate rising from 5% to 8%.
  2. Weak export resulting from weak demand in emerging Asia countries and EU.
  3. Real Income and private consumption remained weak.
  4. Affected by the depreciation of the Japanese yen, small and medium enterprises reduced equipment investment since the second quarter of 2014.
  5. Because of the high proportion of overseas production, the depreciation of the Japanese yen had limited help to manufacturers.
- iv. China's economic growth decelerated. Although the China government released series of loose monetary policy and increased investment on infrastructures intending to stabilize economic situation, its 2014 economic growth rate merely reached 7.4% which is in the lower level of its target and also the lowest in the past 24 years. There are two main reasons:
1. Chinese domestic consumption and investment growth constrained subject to the downturn of real estate market and overcapacity in industry,
  2. Due to weak global economic recovery and falling oil price, China's export performance was worse than expected.
- v. The emerging East Asian countries affected by structural bottlenecks, reducing subsidies, and political troubles, faced slowdown in domestic demand. Despite of the strong recovery of the US, Chinese economy slowdown and commodity price weakness suppressed export performance, especially the exports of Indonesia and Thailand declined for two consecutive years. According to the World Bank's estimation, annual economic growth rate in emerging East Asia countries dropped from 7.2% to 6.9% in 2014 for the three consecutive year of deceleration.

#### D. The economic performance of Taiwan

IMD recently released 2015 World Competitiveness Ranking. Taiwan's overall ranking is No. 11, compared to No. 13 in 2014. Taiwan ranked No. 3 in Asia, only inferior to Hong Kong and Singapore. In four competitiveness factors, Taiwan's infrastructure construction ranking slipped slightly, however, economic performance, government efficiency, and business efficiency have improved. Remarkably, Taiwan's government efficiency ranked No.9 in contrast to No. 23 of the United States which is ranked No. 1 of overall ranking.

In 2014, Taiwan experienced "Sunflowers Student Movement", controversial fourth nuclear power plant, Kaohsiung gas explosion, food safety issues and municipal elections; however, the economy gradually improved. Exports, investment, consumption, and wage glowed while commodity price and unemployment rate decreased. All main economic indicators have gradually improved. Although trade liberalization and major construction projects suffered serious setback, the annual economic growth rate reached 3.74%

## 1.2 Operating Performance of 2014

- A. Benefited from continued construction development, the overall cement consumption in 2014 amounted to 2.476 billion MT in China, compared to 2.414 billion MT in 2013 with 2.57% growth. In the same period, the Company's subsidiaries in China produced 23.46 million MT clinker, increased 28.20%. The total sales of cement, clinker and slag powder in 2014 were 29.98 million MT, representing an increase of 12.16% compared to 2013.

In 2014, the net income of the Company's subsidiaries in China is NT \$3,899,558 thousand. The Company and its subsidiaries recognized investment income NT \$2,822,013 thousand.





- B. For domestic cement industry, according to a statistics conducted by the Taiwan Cement Manufacturers' Association, the 2014 total cement production volume in Taiwan was 14,629,130 MT, decreased 11.74% compared to 2013. Among them, the domestic cement sales was 11,090,239 MT, and exported cement was 3,496,168 MT. Compared with those in 2013, domestic sales increased by 2.06%, exports decreased by 41.04%. In 2014, public works continued, while domestic real estate affected by the policy remained in upscale. The cement consumption increased slightly to 12,562,423 MT, increased 2.60%. The 2014 per capita average cement consumption is about 536 kg, increased 2.29% from 524 kg in 2013. As a result, the cement industry in Taiwan still faced over capacity.
- C. The 2014 consolidated operating revenue of the Company is NT \$77,683,281 thousand, increased 11% from 2013. The consolidated profit from operations is NT \$8,248,404 thousand, increased 24% from 2013. The Company enjoys an outstanding performance. Besides, for the Company's affiliates, Far Eastern New Century Corp., and U-Ming Marine Transport Corp., the Company recognizes NT \$4,350,273 thousand investment income from equity method. The consolidated net profit after tax reaches NT \$10,905,998 thousand. The net profit rate after tax is 14%. Consolidated net profit attributable to the Company is 9,361,635 thousand. The 4<sup>th</sup> meeting of the 25<sup>th</sup> Board of Directors proposed to distribute cash dividend NT \$2.2 per share.
- D. Production:

Unit: 1000 MT

Item Region	Cement	Difference Compared to 2013	Clinker	Difference Compared to 2013
ACC (Taiwan)	4,758	-186 (-3.76%)	4,580	-159 (-3.36%)

**\*key performance indicator:**

Actual aggregate cement output amounted to 4,758 thousand MT. Compared to estimated output 4,730 thousand MT, the achievement rate is 100.59%.

Actual aggregate clinker output amounted to 4,580 thousand MT. Compared to estimated output 4,750 thousand MT, the achievement rate is 96.42%.

Unit: 1000 MT

Item Region	Cement	Difference Compared to 2013	Clinker	Difference Compared to 2013
ACC (China)	28,981	+3,007 (+11.58%)	23,456	+5,156 (+28.17%)

**\*key performance indicator:**

Actual aggregate cement output amounted to 28,981 thousand MT. Compared to estimated output 31,055 thousand MT, the achievement rate is 93.32%.

Actual aggregate clinker output amounted to 23,456 thousand MT. Compared to estimated output 24,530 thousand MT, the achievement rate is 95.62%.

## E. Sales

### i. Taiwan area:

Unit: 1000 MT; NT\$1,000

Product	2014				Difference Compared to 2013	
	Domestic Sales		Export Sales		Volume	Value
	Volume	Value	Volume	Value		
Cement & Clinker	3,407	7,741,476	1,590	2,864,347	-137 (-2.67%)	-123,909 (-1.15%)

#### \* Key Performance Indicator:

Actual aggregate sales of cement and clinker produced by ACC amounted to 4,997 thousand MT. Compared to the estimated sales 5,030 thousand MT, achievement rate is 99.34%.

### ii. China area:

Unit: 1000 MT; NT\$1,000

Product	2014				Difference Compared to 2013	
	Domestic Sales		Export Sales		Volume	Value
	Volume	Value	Volume	Value		
Cement & Clinker	30,139	38,004,536	0	0	+3,559 (+13.39%)	+5,921,848 (+18.46%)

#### \* Key Performance Indicator:

Actual aggregate sales of cement and clinker produced by ACC (China) amounted to 30,139 thousand MT. Compared to the estimated sales 31,303 thousand MT, achievement rate is 96.28%.

## 1.3 The Company's Layout Strategy in China

Asia Cement Corporation pioneered all domestic rivals to invest in cement business in China with Taiwan government's permission since 1997.

On May 20, 2008, the subsidiary of the Company, Asia Cement (China) Holdings Corporation {ACC (China) thereafter} was listed on the main board of Hong Kong Exchanges and Clearing Limited. Total assets reach RMB 20 billion.

Currently, the investments of ACC (China) are mainly based along the Yangtze River in Jiangxi, Sichuan, Hubei, Yangzhou and Shanghai areas. The overall operating strategies are deployed through Jiangxi Yadong Cement (Southeast China), Sichuan Yadong Cement (Southwest China), Hubei Yadong Cement (Middle China), and Yangzhou Yadong Cement (East China) as core production bases. In addition to Sichuan Lanfeng Cement Corp., Huanggang Yadong Cement, and Wuhan Yaxin Cement, there are two grinding factories, six cement products companies, four transportation companies, newly established Tai Zhou Oriental Construction Co., Ltd., four terminals, and eight sale offices. These constitute an efficient and solid network for production, transportation and sales.



## 1.4 Overview of The Company's Investments in China

### A. Jiangxi Yadong Cement Co., Ltd

The company originally has four kilns, each with annual clinker capacity of 1.65 million MT. Currently, the annual output of clinker reaches 6.6 million MT which can produce 8 million MT cement.

The subsequent 5<sup>th</sup> and 6<sup>th</sup> production line for cement and clinker of the company have been completed in September 2013 and January 2014. With these two production lines, the total production capacity can reach 11 million MT of clinker annually, which can produce 14 million MT cement. Jiangxi Yadong has become one of the largest cement plants in China.

In addition, the waste heat recycling generators of the #1, #2, #3, and #4 kilns can produce 193 million kWh electricity annually. While, the waste heat recycling generators of the #5 and #6 kilns can produce 145 million kWh electricity annually. This substantially reduces electricity costs and minimizes the dependence on external power supply.

### B. Sichuan Yadong Cement Co., Ltd

The company has three kilns with annual clinker capacity of 1.65 million MT respectively. Currently, the annual output of clinker reaches 4.95 million MT which can produce 6 million MT cement. In addition, the waste heat recycling generators of the #1, #2, and #3 kilns can produce 145 million kWh electricity annually. This substantially reduces electricity costs and minimizes the dependence on external power supply.

The company is now planning to extend the long conveyor belt from the limestone mine directly to the plant. This will enhance the transportation efficiency and lower raw-material cost and also completely prevent interfering with surrounding environments, roads, and living of residents (such as noise, dust).

### C. Hubei Yadong Cement Co., Ltd

The company has two kilns with annual clinker capacity of 1.65 million MT respectively. The annual output of clinker is amounted to 3.3 million MT which can produce 4 million MT cement. In addition, the waste heat recycling generators of the #1 and #2 kilns can produce 105 million kWh electricity annually. This substantially reduces electricity costs and minimizes the dependence on external power supply.

### D. Huanggang Yadong Cement Co., Ltd

The company has one kiln. The annual output of clinker amounts to 1.65 million MT

which can produce 2 million MT cement.

E. Wuhan Yaxin Cement Co., Ltd

To enhance the market position and market share of the “Skyscraper” cement in Wuhan areas, Hubei Yadong Cement Co., Ltd acquired 70% share of Wuhan Xinlingyun Engineering Co., Ltd on July 2010 (90% by the end of 2013). The annual output of cement amounts to 1.2 million MT.

F. Sichuan Lanfeng Cement Corp.

To enhance the market position and market share in Chengdu area, Sichuan Yadong Cement Co., Ltd acquired 100% shares of Sichuan Lanfeng Cement Corp. Lanfeng located in Pengzhou City, Sichuan, China and owned two new dry process clinker production lines with total annual cement production capacity of 5 million MT. The waste heat recycling generators can produce 130 million kWh electricity annually. It also owned dry mix mortar plant with total annual production capacity of 1.5 million MT.

G. Yangzhou Yadong Cement Co., Ltd

The grinding factory can produce 2.7 million MT cement annually to supply the market in Yangzhou area. Besides, the mixer station can produce ready-mixed concrete for the market.

H. Wuhan Yadong Cement Co., Ltd

The company can produce 1.7 million MT cement and 0.6 million MT slag powder annually to supply the market in Wuhan area.

I. Nanchang Yadong Cement Co., Ltd

The company can produce 0.6 million MT slag powder and 1.2 million MT slag cement annually to supply the market in Nanchang area.

## **1.5 Outlook for 2015 international economic situation and economic situation in Taiwan**

A. Outlook for 2015 international economic situation:

According to the forecast published by IMF and Global Insight, global economic performance in 2015 will be slightly better than last year. However, different countries or regions have distinct differences:

- i. The US economic growth rate will reach more than 3%, showing steady growth.



- ii. The economic growth rate of the euro area will be around 1.1% to 1.5%, slightly better than last year. The economic recovery may not be as expected. With the concerns about deflation and economic risks, European Central Bank has announced quantitative easing measures from March 2015 to stimulate the economy.
- iii. The Japan government expects that consumption and equipment investment will start increase, while falling oil price helps improve corporate earnings. Japan's 2015 economic growth rate will be 0.6% to 1.2%.
- iv. The Chinese economy still faces debt bubble, overcapacity, unstable export demand and other risks. But the China government will continue to perform economic restructure, and apply more loose monetary policy to boost economic growth. Expected economic growth rate will be slightly lower than last year.
- v. Benefited from lower oil price, private consumption is expected to grow in ASEAN countries in 2015. However, lower oil price coupled with the lower raw materials prices, export value will be affected. Downward economic growth rate of the ASEAN countries in 2015 can be forecasted.

#### B. Outlook for 2015 economic situation in Taiwan:

In 2015, despite of the said international economic variables, Taiwan's economic performance should be slightly better than in 2014, mainly due to moderate growing of the global economy and higher demand for 3C products. Private investment also increased due to the development of new generation production process in the semiconductor industry. Furthermore, private consumption increased due to lower unemployment rate and lower oil price. The real purchasing power will increase. Taiwan's economic growth rate in 2015 is expected to be 3.2% to 3.8%, equivalent to last year.

## **1.6 Operating Prospects for cement industry across the Taiwan Strait**

#### A. Cement industry in China

Chinese economy turns into medium-speed growth under its government's policy. Meanwhile, its economic reform and restructuring will be ongoing. According to forecasts of major international institutions, the Chinese economic growth rate could maintain approximately at 7%, indicating its economy continues grow. In the cement industry, the demand in 2015 will grow about 1~2%. Hereby lists several important policies and outlook relevant to the cement industry:

- i. Increasingly stringent environmental standards:

China enforced new environmental law since January 1, 2015. It provides rules such as continuous daily penalties, sequestration, production limits, shutdown, information

disclosure, and other regulations. Meanwhile, with the maturity of carbon emissions transaction measures, all these will increase the cost of cement production. Small and medium enterprises might be forced out of the market and benefited large-scale cement enterprises.

ii. Over-supply condition in Chinese cement industry is controlled:

a. Approval for new cement production capacity is strictly control:

Under Chinese current policy for cement industry, the approval of new capacity is strictly controlled. With stringent environmental regulations and standards, the estimated new cement production capacity in 2015 will be less than 100 million MT.

b. Acceleration for the elimination of backward production capacity:

Ministry of Industry and Information Technology of China announced in early 2014 about the phase-out of backward and excess capacity. The target for cement industry (including clinker plant and grinding mills) was 50.5 million MT. The final result was 81 million MT. Besides, China will prohibit PC32.5 composite cement from December 2015. This measure will reduce the cement supply about 2~300 million MT.

c. Acceleration of overseas investment to ease the over-capacity in China:

Chinese government encourages its cement companies to move excess capacity overseas. Major Cement Groups will accelerate their expansion of overseas markets in order to effectively relieve the pressure of new cement capacity.

d. Investments boost cement demand:

- ◆ The National Development and Reform Commission of China intensively approved about 50 projects since October 2014 with total Investment of more than RMB 1.3 trillion. Most approved projects are mainly railways, highways and other transportation infrastructure located in the Midwest China.
- ◆ Starting from Q3 2014, the limitation for house purchasing has been relieved. The Ministry of Housing and Urban-Rural Development will also start the construction of 7 million units of affordable housing in 2015.
- ◆ With the "One Belt One Road", "Integration of Beijing-Tianjin-Hebei", "Yangtze River Economic Belt", and other new free trade area agreements, construction investments will increase significantly.

e. Mergers and Acquisitions enhance market concentration:



- ◆ China government clearly supports mergers and acquisitions between large corporations. Coupled with lower interest rates and good stock price, higher environmental regulations, and stricter government enforcement, these have made small and medium size cement enterprises find themselves struggle to live. Only large cement corporations are able to survive via Mergers & Acquisition. Thus, the cement industry concentration is expected to effectively improve;
- ◆ Cross shareholdings will become the prototype of Mergers & Acquisition in the future.

f. Low coal price helps improve cement profit margins:

While the China government intends to lower coal consumption, the demand for coal will continue to decrease. Furthermore, it is difficult to change oversupply in the short term. Thus, estimated coal price will remain low and will be profitable for the cement industry.

## B. Cement industry in Taiwan

Current government policy is to strengthen public construction and shorten the gap between urban and rural areas. The budget for 2015 Public Works Projects is NT\$ 190.7 billion, representing an increase of 7.2%, NT\$ 12.8 billion. Although the Taiwan Institute of Economic Research indicates 2015 housing market is facing the sharp rise in supply, increasing housing tax, raised “Current land value”, fewer applications for a construction license built, mortgage limitation, and presidential election, the forecast transaction volume will decline quarter by quarter. However, the trend in low oil price will help to increase consumer spending and benefit cement demand to grow slightly.

Overall, we will keep affirmative for the outlook of cement industry across the Taiwan Strait in 2015.

### **1.7 The 2015 outlook for the Company**

Asia Cement (China) Holdings Corp. current operates 15 clinker and cement production lines with total annual cement production capacity of 36 million MT. While the terminal in Taizhou City, Jiangsu Province completed, this allows Asia Cement (China) Holdings Corp. to step into overseas markets.

In addition to quick response to rapidly changing market, Asia Cement (China) Holdings Corp. will:

- A. Be prepared for building new production capacity (such as using cement kiln to process municipal waste),
- B. Strengthen the storage and transportation facilities and reduce costs,
- C. Merger or acquire shares of cement plants,
- D. Actively seek for strategic cooperation with state-owned construction company in mixing station.

## **1.8 Business Goals For 2015**

In highly competitive environment of both Taiwan and China, the Company will respond with its “three highs and one low” strategy which stands for “high quality, high efficiency, high environmental protection, and low cost” and exert the Company’s persistent principle, “fully sell out the estimated production volume”.

The Company has set the following goals for 2015. The estimated production volume in Taiwan is 4,550 thousand MT clinker and 4,715 thousand MT cement. The estimated sales volume in Taiwan is 4,930 thousand MT clinker and cement. The estimated production volume in China is 24,574 thousand MT clinker and 32,328 thousand MT cement. The estimated sales volume in China is 33,054 thousand MT clinker and cement.

## **1.9 The Operating Performance in the First Quarter of 2015**

Resulting from weak cement demand and low cement price in China in Q115, the profits in cement industry generally decline. In the first quarter of 2015, the consolidated operating income of the Company is NT \$ 15,362,530 thousand, decreasing 5% from NT \$ 16,256,080 thousand in the same period of 2014. The consolidated net profit is NT \$ 1,542,288 thousand, decreased 8% from NT \$1,683,231 thousand in the same period of 2014. This is best performance among all rivals in Taiwan. In the third quarter, trillion infrastructure investments in China will gradually start. Profit boom can be expected.

\* Sources: Academia Sinica Institute of Economic Research,  
Directorate-General of Budget, Accounting and Statistics,  
National Development Council,  
Mega International Commercial Bank,  
Taiwan Comprehensive Research Institute,  
Chinese Economic Research Institute,  
Taiwan Institute of Economic Research,  
www.cnYes.com,  
www.huaxia.com,  
China National Bureau of International Statistical Information Center,  
Taiwan Cement Manufacturers Association.





## II Company Profile

### 2.1 Date of Incorporation: March 21, 1957.

Paid-in Capital: NT\$ 33,614,471,980.

#### Scope of Business:

- |  |   |
|--|---|
| 01. C901030 Cement manufacturing                     | 11. H701010 Developing, leasing, and selling residential and business buildings |
| 02. C901040 Ready-mixed concrete manufacturing       | 12. H701020 Developing, leasing, and selling industrial factories               |
| 03. B601010 Quarrying                                | 13. H703100 Real estate rental & leasing  |
| 04. C901050 Cement and ready-mixed concrete products | 14. H703090 Real estate sale & purchase   |
| 05. C901990 Non-metallic mineral products            | 15. JE01010 Rental and leasing  |
| 06. F111090 Whole sale of building materials         | 16. G202010 Parking-lot business  |
| 07. F211010 Retail sale of building materials        | 17. G801010 Warehousing   |
| 08. F401010 International trade                      | 18. I103060 Business management consultation services                           |
| 09. IZ06010 Tally and packing                        | 19. J101040 Waste treatment   |
| 10. A201010 Afforestation business                   |   |

In addition to permitted scope of business, the Company can broaden its business not prohibited or restricted by laws.

### 2.2 Company History

Responding to the Taiwan government's second four-year economic development plan, Asia Cement Corporation (ACC) was founded on March 21, 1957 by Mr. Y.Z. Hsu and others. It built its first manufacturing plant in Hengshan Township, Hsinchu County. In 1973, in response to the government's call to develop eastern Taiwan, the Company established its second plant in Hsincheng Township, Hualien County. Asia Cement and its "Skyscraper" brand cement have always occupied the core position in Taiwan's cement business. For now, these two plants can produce 5 million MT of clinker annually.

The Company uses the most modern rotary kilns and introduces waste-heat recycling generators to transform waste heat and hot air into electricity. In addition, for lower cement transportation costs, Asia Cement established storage and transportation facilities in the Keelung, Taichung, Kaohsiung, and Hualien harbor. It also invested in the Group's U-Ming Marine Transport Co., Ltd., and began using U-Ming's bulk carriers to transport cement around Taiwan. The Company's "Three Highs and One Low" strategy, high quality, high efficiency, high environmental protection, and low cost, along with its management capability, have given the Company the competitive edge to efficiently face challenges in the market.

The Company believes that economic growth and environmental protection can be achieved in parallel. The Company not only deployed eco-friendly equipment, but also made it a priority to re-plant vegetation in the mining areas. Now, with abundant foliage, the plant has been transformed into a beautiful park. In addition to the first certification of ISO-14001 Environmental Management Systems in Taiwan, the Hualien plant received three "Environmental

Protection Award” for three consecutive years, and thus was awarded a special honor in 1998. This has set the benchmark in Taiwan’s cement industry, thus making Asia Cement a model business for both economic development and environmental protection.

Besides establishing its core business, it also diversified its investment by establishing Ya Tung Ready Mixed Concrete Co., Ltd. and Ya Li Precast & Prestressed Concrete Industries Ltd. Together with Far Eastern Construction Co., Ltd. and Far Eastern General Contractor Co., Inc., Asia Cement completed its vertical integration.

ACC’s diversification strategic layout for the world not only includes the complete production and sales channels in Taiwan, it also has representative offices in Hong Kong and Singapore. Furthermore, it is also expanding into the world market, exporting cement to Southeast Asia, North America, Africa, and the Middle East Asia. Meanwhile, Asia Cement began to invest in China from 1994. Currently, with the production and sale bases in Jiangxi, Sichuan, Hubei, Yangzhou, and Shanghai, the total cement production capacity in China reaches 36 million MT. Asia Cement (China) Holdings Corporation has listed on the Main Board of the Hong Kong Stock Exchange in 2008. Asia Cement (China) Holdings Corporation will continue expand capacity through self-built of new production line or merger & acquisition.

In the future, Asia Cement will keep maintaining its deep roots in Taiwan and continue moving forward by expanding in China and worldwide.

Major events in recent 6 years are shown as the following table:

<b>Year</b>	<b>Major Events</b>
Mar. 2010	The no.3 kiln of Sichuan Yadong Cement Co. began operation.
Apr. 2010	The waste heat recycling generators of no.3 kiln of Sichuan Yadong Cement Co. began operation.
May 2010	The no.1 kiln of Huanggang Yadong Cement Co. began operation.
May 2010	The no.4 kiln of Jiangxi Yadong Cement Co. began operation.
Oct. 2010	The no.2 kiln of Hubei Yadong Cement Co. began operation.
Feb. 2011	The Hualien Plant successfully developed "masonry cement", and was awarded the first CNS Mark for masonry cement in Taiwan.
Mar. 2011	The Hualien Plant was awarded “Excellent Company for Hiring Indigenous People” by Council of Indigenous People, Executive Yuan.
July, 2011	The Company received A+ ranking award in the 8 <sup>th</sup> “Information Transparency and Disclosure Ranking System”, Securities and Futures Institute.
Oct. 2011	Asia Cement received CNS Mark for Portland Cement (Type 1) since Sep. 22, 1961. Thus, the Company received "Special Honor for CNS Mark" for using CNS Mark more than 50 years.
Nov. 2011	The Hualien Plant was awarded “2011 Excellent Company for Voluntary Reduction of Greenhouse Gas Emissions” by the Industrial Development Bureau, MOEA.
May 2012	The Hsinchu Plant successfully produced "masonry cement", and was awarded the



	CNS Mark for masonry cement.
July, 2012	The Company received A+ ranking award in the 9 <sup>th</sup> “Information Transparency and Disclosure Ranking System”, Securities and Futures Institute.
July, 2013	The Company received A+ ranking award in the 10 <sup>th</sup> “Information Transparency and Disclosure Ranking System”, Securities and Futures Institute.
Sep. 2013	The no.5 kiln (production capacity: 6000 MT clinker per day) of Jiangxi Yadong Cement Co. began operation.
Nov. 2013	The Hualien Plant was awarded “2013 Excellent Company for Voluntary Reduction of Greenhouse Gas Emissions” by the Industrial Development Bureau, MOEA.
Jan. 2014	The no.6 kiln (production capacity: 6000 MT clinker per day) of Jiangxi Yadong Cement Co. began operation.
Jan. 2014	The Company and Asia Cement (China) Holdings Corp. signed Strategic Cooperation Agreements with Anhui Conch Group Company Ltd.
Apr. 2014	Sichuan Yadong Cement Co., Ltd acquired 100% shareholding of Sichuan Lanfeng Cement Corp. on April 16, 2014.
May 2014	The Company was awarded “Excellence Recognition for its collective agreement with employees” by the Ministry of Labor.
June 2014	The Company received A++ ranking award in the 11 <sup>th</sup> “Information Transparency and Disclosure Ranking System”, Securities and Futures Institute.
Feb. 2015	The Company received “Golden Vessel Awards” in honor of our contribution in environment protection, Taiwan International Ports Corporation.
Apr. 2015	The Company received A++ ranking award in the 12 <sup>th</sup> “Information Transparency and Disclosure Ranking System”, Securities and Futures Institute.
May 2015	The Company was ranked top 5% in “the 1 <sup>st</sup> Corporate Governance Evaluation” by the TWSE.

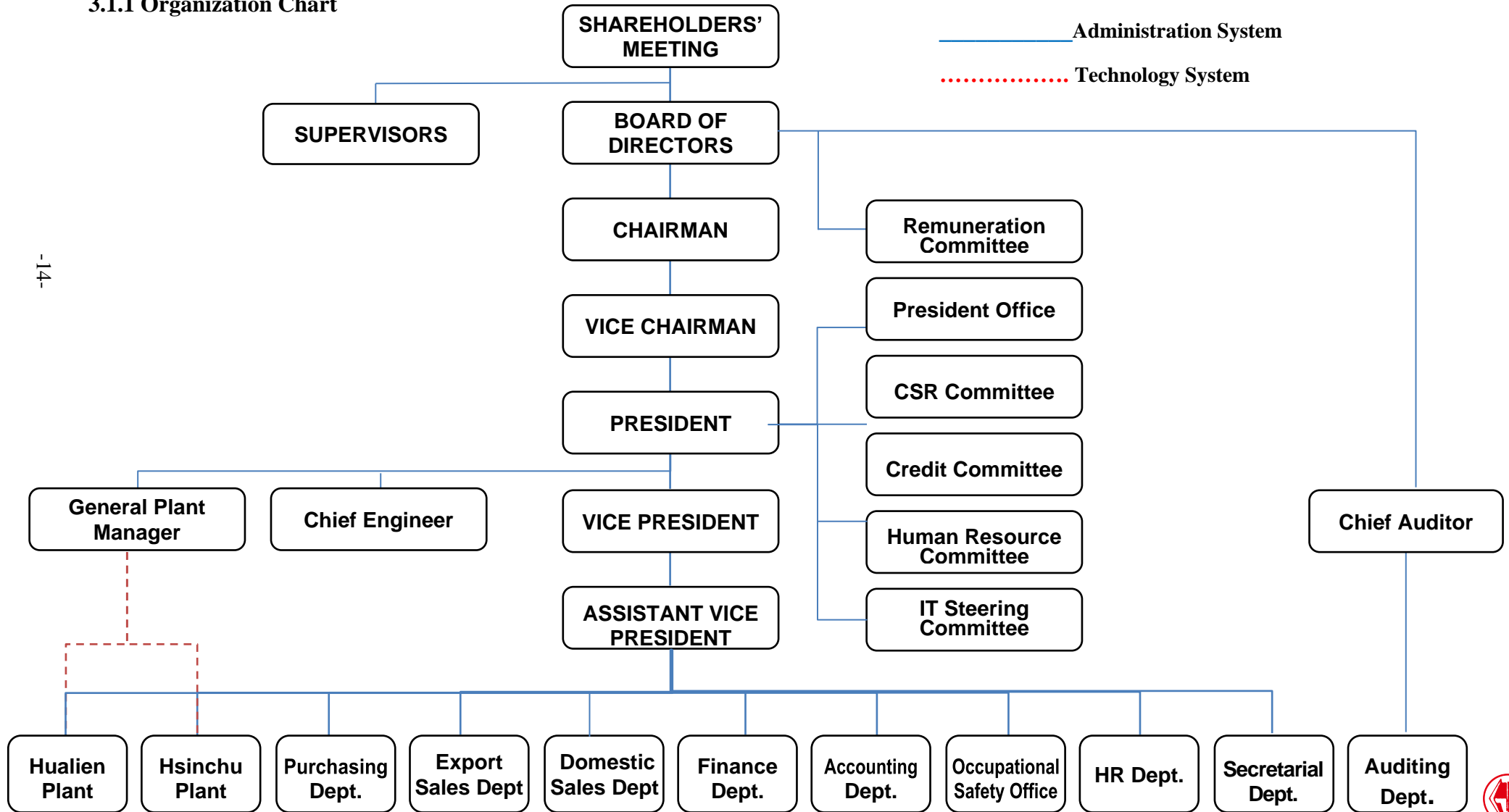
During the most recent fiscal year and the current fiscal year up to the date of printing of the annual report, there are no important events listed below impacting on the shareholders’ equity of the Company:

1. Mergers and acquisitions.
2. To restructure affiliate companies.
3. Large volume shares transferred or changed by directors, supervisors, or major shareholders who own more than 10% shareholding.
4. Changes in the Company’s management.
5. Significant changes in business modes or business scope.

# III Corporate Governance Report

## 3.1 Organization

### 3.1.1 Organization Chart





### 3.1.2 Major Corporate Functions

#### Company Organization with Functions of Risk Management

Department	Primary Functions
Auditing Dept.	Directly report to the Board of Directors. Plan and revise internal control system, evaluating each department's operation and procedures in order to work out risk-management orientated annual auditing plan.
Remuneration Committee	Directly report to the Board of Directors. Prescribe and periodically review the performance and remuneration policy for directors, supervisors and managerial officers.
President Office	Assist ACC President to deal with daily affairs, plan operation strategies, and review the middle-term and long-term investment to reduce the risks resulting from improper decisions.
CSR Committee	Responsible for investigating and identifying corporate sustainability issues and to respond major considerations of stakeholders in order to implement the goal of sustainable development.
Credit Committee	Execute "Regulations for Managing Client's Credit" enacted by the Company and take charge of risk control of account receivable.
Human Resource Committee	Review and advice to modify the Company's organization structure, rules of personnel management, and other important human resource matters.
IT Steering Committee	Review all affairs relating to information operation system, office automation, internal and external website applications and information security to the needs of operation, management and provide strategy to prevent the risk of information security and its efficiency.
Secretarial Dept.	Handle the affairs of general services, secretary, legal affairs, public relations, etc. Reinforce legal sense of employees to decrease the risks of violating law.
HR Dept.	Plan and implement human resource policies to reduce relevant risks.
Occupational Safety Office	Responsible for occupational safety and health management, formulating policies and supervising related affairs to ensure safety of workers and reduce the risk and loss of occupational hazards.
Accounting Dept.	Handle all accounting matters including the costs, accounts, taxation to ensure management efficiency of the Company's operation, the reliability of financial report, and the adherence of related accounting regulations to reduce company operation risks.
Finance Dept.	Responsible for financial operation strategy, investment strategy, financial management, and dividend strategy, as well as investor relationship in order to minimize financial exposure, uphold financial opportunity and maximize shareholders' best interest.
Domestic Sales Dept.	Plan and implement domestic marketing strategy, credit customers, and identify market trends to achieve business goals and reduce relevant risks.
Export Sales Dept.	Plan and implement oversea marketing strategy, credit customers, and identify market trends to achieve business goals and reduce relevant risks.
Purchasing Dept.	Handle all purchasing and contract issuing matters, setting up hedging mechanism to cope with changes in raw materials prices and shortage of raw materials supply.
Hsinchu Plant Hualien Plant	Take charge of R&D, production technology, quality control, planning production policies in collaboration with sales strategies to reduce production risks.

## 3.2 Directors, Supervisors and Management Team

### 3.2.1 Directors and Supervisors

Title	Name	Elected Date	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman	Douglas Tong Hsu	2014.06.16	3	1975.04.28	22,821,897	0.69	23,278,334	0.69	8,124,332	0.24	Master of Economics, Columbia University	Chairman, Far Eastern New Century Corp. Chairman, Far Eastone Telecommunications Co., Ltd Chairman, Far Eastern Department Stores Ltd.	Director Director	Connie Hsu Peter Hsu	Sibling Sibling
Director	Tsai Hsiung Chang	2014.06.16	3	1981.04.24	450,344 *735,795,416	0.01 *22.33	459,350 *750,511,324	0.01 *22.33	60,877	0.00	Mechanical Technology Section, National Central Industrial College (Chongqing)	Senior Advisor, Asia Cement (China) Holdings Corp. Director, U-Ming Marine Transport Corp. Supervisor, Far Eastern New Century Corp.	-	-	-
Director	Johnny Shih	2014.06.16	3	1984.04.25	787,986 *735,795,416	0.02 *22.33	803,745 *750,511,324	0.02 *22.33	8,206,993	0.24	Master of Computer, Columbia University	Vice Chairman, Far Eastern New Century Corp. Vice Chairman, Oriental Union Chemical Corp.	-	-	-
Director	C.V. Chen	2014.06.16	3	1987.04.16	331,794 *735,795,416	0.01 *22.33	338,429 *750,511,324	0.01 *22.33	0	0	S.J.D., Harvard University	Chairman and Managing Partner, Lee and Li Attorneys-At-Law Government Consultant, Executive Yuan Chairman, Taipei European School	-	-	-
Director	He Shan Ying	2014.06.16	3	1969.04.30	10,498,873 *12,965,043	0.32 *0.39	10,708,850 *13,224,343	0.32 *0.39	0	0	Pei Zhi High School (China)	Chairman, X.Z. Ying-Chai Memorial Foundation Chairman, Y.G. Ying Memorial Foundation	-	-	-
Director	Kun Yen Lee	2014.06.16	3	2005.06.09	2,315,252 *1,857,977	0.07 *0.06	2,361,557 *1,895,136	0.07 *0.06	0	0	Yi-Lan Elementary School	President, Asia Cement Corp. Director, U-Ming Marine Transport Corp.	-	-	-
Director	Peter Hsu	2014.06.16	3	2002.06.07	11,230,374 *4,180,197	0.34 *0.13	11,454,981 *4,263,800	0.40 *0.13	0	0	Master of Operations Research,	Vice Chairman, Far Eastern New Century Corp.	Chairman Director	Douglas Tong Hsu Connie Hsu	Sibling Sibling

											Stanford University Master of Information Science, UCLA	Director, Far Eastone Telecommunications Co., Ltd			
Director	Chen Kun Chang	2014.06.16	3	2011.06.22	11,645 *4,180,197	0.00 *0.13	29,745 *4,263,800	0.00 *0.13	5,358	0.00	Mechanical Section, National Taipei Institute of Technology	Vice CEO, Asia Cement (China) Holdings Corp. President, Jiangxi Yadong Cement Corp.	-	-	-
Director	Connie Hsu	2014.06.16	3	1990.04.12	13,985,034 *4,742,585	0.42 *0.14	14,264,734 *4,837,436	0.42 *0.14	0	0	Bachelor of Biology, California State University	Director, Oriental Institute of Technology Director, Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation	Chairman Director	Douglas Tong Hsu Peter Hsu	Sibling Sibling
Director	Ruey Long Chen	2014.06.16	3	2011.06.22	0 *1,529,479	0 *0.05	0 *1,560,068	0 0.05	0	0	Bachelor of Economics, National Chung Hsing University	Chairman, Sinocon Industrial Standards Foundation Chairman, Powerchip Technology Corp. Secretary General, Cross-Strait Entrepreneur Summit	-	-	-
Independent Director	Ta-Chou Huang	2014.06.16	3	2014.06.16	0	0	0	0	0	0	PhD. in Agriculture, Cornell University Former Taipei City Mayor	Honorary Professor, National Taiwan University Chairman, The Association of Parks And Open Space	-	-	-
Independent Director	Chi Schive	2014.06.16	3	2014.06.16	0	0	0	0	0	0	PhD. in Economics, Case Western Reserve University Former Chairman, Taiwan Stock Exchange	Chair Professor, Shih Hsin University	-	-	-
Independent Director	Gordon S. Chen	2014.06.16	3	2014.06.16	0	0	0	0	0	0	PhD. in Business Administration, National Taiwan University Former Chairman, Financial Supervisory Commission	Honorary Chair Professor, Chung Yuan Christian University	-	-	-
Supervisor	Shaw Yi Wang	2014.06.16	3	1993.05.07	151,803 *178,006,664	0.00 *5.40	154,839 *181,566,797	0.00 *5.40	0	0	Bachelor of Business Administration,	CEO of Public Welfare, Far Eastern Group Director, Far Eastern	-	-	-



											National Chung Hsing University	Y.Z. Hsu Science and Technology Memorial Foundation			
Supervisor	Champion Lee	2014.06.16	3	2002.06.07	0 *178,006,664	0 *5.40	0 *181,566,797	0 *5.40	0	0	Master of Business Administration, Texas A&I University	Supervisor, Far Eastern New Century Corp. Director, U-Ming Marine Transport Corp.	-	-	-
Director	Chin-Der Ou	2014.06.16	3	2014.06.16	0 *3,773,989	0 *0.11	0 *3,849,468	0 *0.11	0	0	Ph.D., Case Western Reserve University	Chairman, Nan Shan Life Charity Foundation Director, Taiwan Construction Research Institute	-	-	-
Supervisor	Ting Yu Tung	2014.06.16	3	2002.06.07	2,122,041 *3,773,989	0.06 *0.11	2,164,481 *3,849,468	0.06 *0.11	0	0	Ph.D., Stanford University	President, Elite Material Co., Ltd Supervisor, New Asia Construction Corp.	-	-	-
Supervisor	Kwan-Tao Li	2014.06.16	3	1978.04.21	630,330 *1,476,064	0.02 *0.04	642,936 *1,505,585	0.02 *0.04	0	0	Master, New York University	Chief Counselor, Lee and Li Attorneys-At-Law Director, Far Eastern New Century Corp. Director, Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation:	-	-	-

Note 1: Information on Directors and Supervisors that are Representatives of Institutional Investors:

Representatives of Far Eastern New Century Corp.:	Director Tsai Hsiung Chang, Johnny Shih, C.V. Chen
Representative of X.Z. Ying-Chai Memorial Foundation:	Director He Shan Ying
Representative of Yue Ding Industry Co., Ltd.:	Director Kun Yen Lee
Representatives of Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation:	Director Peter Hsu, Chen Kun Chang
Representative of Huey Kang Investment Corp.:	Director Connie Hsu
Representative of Ta Chu Chemical Fiber Co., Ltd:	Director Ruey Long Chen
Representatives of Far Eastern Medical Foundation:	Supervisor Shaw Yi Wang, Champion Lee
Representatives of Bai-Yang Investment Holdings Corp.:	Supervisor Chin-Der Ou, Ting Yu Tung
Representative of U-Ming Corp.:	Supervisor Kwan-Tao Li

Note 2: “\*” indicates the number of shares held by Institutional Investors respectively represented by directors and supervisors listed above.

Note 3: There is no director or supervisor holding shares in the name of other person.

Notes 4: All directors and supervisors have nationality of Taiwan (ROC).



**The First and Most Recent Date for Institutional Investors Elected as Directors and Supervisors**

Title	Name of the Institutional Investors	First Date Elected	Most Recent Date Elected
Directors	Far Eastern New Century Corp	1987.04.16	2014.06.16
	X.Z. Ying-Chai Memorial Foundation	1993.05.07	2014.06.16
	Yue Ding Industry Co., Ltd.	2005.06.09	2014.06.16
	Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation	2005.06.09	2014.06.16
	Ta Chu Chemical Fiber Co., Ltd.	2011.06.22	2014.06.16
	Huey Kang Investment Corp.	2008.06.17	2014.06.16
Supervisors	Far Eastern Medical Foundation	1987.04.16	2014.06.16
	Bai-Yang Investment Holdings Corp.	2001.05.16	2014.06.16
	U-Ming Corp.	1993.05.07	2014.06.16

Note: The first date elected as directors and supervisors are based on the annual reports of the Company.



### 3.2.2 Major Shareholders of the Institutional Shareholders

Name of Institutional Shareholder	Major Shareholder of the Institutional Shareholders	%
Far Eastern New Century Corporation	Asia Cement Corporation	23.77
	Oriental Institute of Technology	4.81
	Far Eastern Medical Foundation	3.60
	Far Eastern Memory Foundation	2.99
	Yuan-Ze University	2.74
	Shin Kong Life Insurance Co., Ltd.	2.33
	Nan Shan Life Insurance Co. , Ltd.	2.31
	Cathay Life Insurance Co., Ltd.	2.10
	China Life Insurance Co., Ltd.	1.65
	Der Ching Investment Corp.	1.55
Ta Chu Chemical Fiber Co.,Ltd.	Yuan Ding Investment Company	41.86
	Yue Ding Industry Co., Ltd.	38.76
	Yue-Lee Investment Company	19.38
Yue Ding Industry Co.,Ltd.	Fu Da Transportation Co., Ltd.	26.95
	Yue-Tung Investment Corp.	25.36
	An Ho Garment Co., Ltd.	15.66
	Ding Yuan International Investment Corp.	13.20
	Ton Fu Investment Corp.	4.61
	Ta Chu Chemical Fiber Co., Ltd.	3.89
	Ya Li Precast Prestressed Concrete Industries Corp.	3.89
	Yuan Ding Co., Ltd.	2.59
	Bai Ding Investment Co., Ltd.	2.31
	Yu Ming Trading Corp.	1.53
Huey Kang Investment Corp.	Connie Hsu	50.58
	H.G.Yang	24.71
	H.M.Yang	24.71
Bai Yang Investment Corp.	Far Eastern Department Stores Co., Ltd.	100.00
U-Ming Corp.	Far Eastern Department Stores Co., Ltd.	100.00



### 3.2.3 Major Shareholders of the Major Shareholders That Are Juridical Persons

Name of Juridical Persons	Major Shareholder of the Juridical Persons	%
Asia Cement Corporation.	Far Eastern New Century Corporation	22.33
	Far Eastern Medical Foundation	5.40
	Fubon Life Insurance Co., Ltd.	4.49
	Cathay Life Insurance Co., Ltd.	2.31
	Far Eastern Department Stores Co., Ltd.	1.81
	Labor Pension Fund Committee of Far Eastern New Century Corporation	1.49
	Yuan-Ze University	1.41
	Shin Kong Life Insurance Co., Ltd.	1.41
	Labor Insurance Fund	1.33
	Yu Yuan Investment Co., Ltd	1.29
Shin Kong Life Insurance Co. , Ltd.	Shin Kong Financial Holding Co; Ltd	100.00
Nan Shan Life Insurance Co. , Ltd.	First Commercial Bank Trustee Account For Representative of Ruen Chen Investment Holding Co., Ltd.	83.11
	Ruen Chen Investment Holding Co., Ltd.	7.52
	Y. T. Du	3.25
	Taishin International Bank Trustee Account For Nan Shan Life Insurance Co., Ltd.	0.88
	Ruen Hua Dyeing & Weaving Co.,Ltd.	0.28
	Ruentex Leasing Co., Ltd.	0.15
	Chi-Pin Investment Company	0.11
	Boon-Teik Koay	0.11
Cathay Life Insurance Co. , Ltd.	Cathay Financial Holding Co., Ltd.,	100.00
China Life Insurance Co., Ltd.	KGI Securities Co., Ltd	9.88
	Funds of Saudi Arabia Central Bank at the discretionary account of Morgan Stanley Asset Management, in custody of JP Morgan Chase Bank	5.04
	Citi as Trustee For The Government Of Singapore Investment Corp.	2.86
	Deutsche Bank Taipei Branch in custody for Trust and Investment Group in New York City account	2.51
	Videoland Television Network Co., Ltd	2.35
	Labor Pension Fund	2.34
	JPMorgan Chase Bank N.A. Taipei Branch in custody for ABU DHABI Investment Authority	1.65
	Yuanta Securities	1.40
	T Rowe Price Emerging Markets Stock Fund	1.39
	Haisheng Investment Corp.	1.18

<b>Name of Juridical Persons</b>	<b>Major Shareholder of the Juridical Persons</b>	<b>%</b>
Der Ching Investment Corp.	Asia Cement Corporation.	99.99
	Asia Investment Corp.	0.01
Yuan Ding Investment Company	Far Eastern New Century Corporation	99.40
	An Ho Garment Co.,Ltd.	0.30
	Ta Chu Chemical Fiber Co.,Ltd.	0.30
Yue Ding Industry Co.,Ltd.	Fu Da Transportation Co., Ltd.	26.95
	Yue-Tung Investment Corp.	25.36
	An Ho Garment Co., Ltd.	15.66
	Ding Yuan International Investment Corp.	13.20
	Ton Fu Investment Corp.	4.61
	Ta Chu Chemical Fiber Co., Ltd.	3.89
	Ya Li Precast Prestressed Concrete Industries Corp.	3.89
	Yuan Ding Co.,Ltd.	2.59
	Bai Ding Investment Corp.	2.31
	Yu Ming Trading Corp.	1.53
Yue-Lee Investment Company	U-Ming Marine Transport Corp.	68.18
	U-Ming Marine Transport (Singapore) Private Ltd.	31.82
Fu Da Transportation Co., Ltd.	Fu Ming Transportation Co., Ltd.	99.87
	Asia Investment Corp.	0.03
Yue-Tung Investment Corp.	U-Ming Marine Transport Corp.	73.54
	U-Ming Marine Transport (Singapore) Private Ltd.	26.46
An Ho Garment Co., Ltd.	Far Eastern New Century Corporation	100.00
Ding Yuan International Investment Corp.	Far Eastern New Century Corporation	100.00
Ton Fu Investment Corp.	Oriental Union Chemical Corp.	100.00
Ta Chu Chemical Fiber Co., Ltd.	Yuan Ding Investment Company	41.86
	Yue Ding Industry Co., Ltd.	38.76
	Yue-Lee Investment Company	19.38
Ya Li Precast Prestressed Concrete Industries Corp.	Asia Cement Corporation	83.81
	Far-Eastern Construction Engineering Co.,Ltd.	16.03
Yuan Ding Co.,Ltd.	Far Eastern New Century Corporation	37.13
	Asia Cement Corporation	35.50
	Der Ching Investment Corp.	14.50
	Yuan Ding Investment Company	12.86
	Yu Ming Trading Corp.	0.002
	Far Eastern Department Stores Co., Ltd.	0.001
Bai Ding Investment Corp.	Far Eastern Department Stores Co., Ltd.	66.66
	Bai Yang Investment Corp.	33.34



<b>Name of Juridical Persons</b>	<b>Major Shareholder of the Juridical Persons</b>	<b>%</b>
Yu Ming Trading Corp.	Bai Ding Investment Co., Ltd	47.00
	Yuan Ding Investment Company	45.50
	Yue Ding Industry Co., Ltd.	5.00
	Yuan Ding Co., Ltd.	1.00
	Ding & Ding Management Consultants Co., Ltd	1.00
	Yuan Ding Leasing Corp.	0.50
	Far Eastern Department Stores Co.,Ltd.	Far Eastern New Century Corporation
Asia Cement Corporation		5.56
Yuan-Ze University		4.68
Yuan Tong Investment Co., Ltd		2.75
The committee of Employee Pension Fund of Far Eastern Department Stores Co., Ltd.		2.19
Yu Yuan Investment Co., Ltd		2.02
Kai Yuan International Investment Co., Ltd.		1.44
Shin Kong Life Insurance Co., Ltd.		1.41
Labor Pension Fund Committee of Far Eastern New Century Corporation		1.38
Bank Of Taiwan (Department of Government Employees Insurance)		1.25

### 3.2.4 Professional Qualifications and Independence Analysis of Directors and Supervisors

Criteria  Name	Meet one of the following professional qualification requirements, together with at least five-years work experience			Independence Criteria(Note)										Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the company in a public or private junior college, college or university	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company	Have work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company	1	2	3	4	5	6	7	8	9	10	
Douglas Tong Hsu			✓			✓				✓		✓	✓	0
Tsai Hsiung Chang			✓			✓	✓			✓	✓	✓		0
Johnny Shih			✓			✓	✓			✓	✓	✓		0
C.V. Chen	✓	✓	✓	✓		✓	✓	✓	✓		✓	✓		0
He Shan Ying			✓	✓		✓	✓	✓	✓	✓	✓	✓		0
Kun Yen Lee			✓			✓	✓	✓		✓	✓	✓		0
Peter Hsu			✓			✓				✓		✓		0
Chen Kun Chang			✓			✓	✓	✓		✓	✓	✓		0
Connie Hsu			✓	✓		✓		✓	✓	✓		✓		0
Ruey Long Chen		✓	✓	✓		✓	✓	✓	✓	✓	✓	✓		3
Ta-Chou Huang	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Chi Schive	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3
Gordon S. Chen	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3
Shaw Yi Wang			✓			✓	✓			✓	✓	✓		0
Champion Lee			✓			✓	✓			✓	✓	✓		0
Chin-Der Ou	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		0
Ting Yu Tung			✓	✓		✓	✓	✓	✓	✓	✓	✓		0
Kwan-Tao Li	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓		0

Note:

1. Not an employee of the Company or any of its affiliates.
2. Not a director or supervisor of the Company or any of its affiliates. The same does not apply, however, in cases where the person is an independent director

- of the Company, its parent company, or any subsidiary in which the Company holds, directly or indirectly, more than 50% of the voting shares.
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
  4. Not a spouse, relative within the second degree of kinship, or lineal relative within the fifth degree of kinship, of any of the persons in the preceding three subparagraphs.
  5. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of outstanding shares of the Company or that holds shares ranking in the top five in holdings.
  6. Not a director, supervisor, officer, or shareholder holding 5% or more of the share, of a specified company or institution that has a financial or business relationship with the Company.
  7. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof.
  8. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
  9. Not been a person of any conditions defined in Article 30 of the Company Act.
  10. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.

**\* The Company elected 3 independent directors, Ta-Chou Huang, Chi Schive, and Gordon S. Chen on the Shareholders' Meeting on June 16, 2014.**

### 3.2.5 Management Team

As of Apr. 30, 2014

Title	Name	Effective Date	Shareholding		Spouse & Minor Shareholding		Experience(Education)	Other Title
			Shares	%	Shares	%		
President	Kun Yen Lee	2000.08.01	2,361,557	0.0703	0	0	Chairman of Ya Tung Ready-Mixed Concrete Co., LTD	Director, U-Ming Marine Transport Corp.
Chief Executive Vice President	Y.F. Chang	2000.08.01	811	0.0000	0	0	Bachelor degree in Chemical, Tunghai University	Director, China Hi-Ment Corporation
Executive Vice President	R.H. Shao	2000.08.01	67,431	0.0020	2,442	0.0001	Bachelor degree in Accounting, Soochow University	Supervisor, U-Ming Marine Transport Corp.
Vice President	Doris Wu	2007.07.25	0	0	0	0	Bachelor degree in Accounting, California State University	Director, Oriental Union Chemical Corp.
Vice President	C.M. Chen	2007.07.01	39,801	0.0012	68,596	0.0020	Bachelor degree in International Trade, Tamkang University	Director, Nan Hwa Cement Corp.



Title	Name	Effective Date	Shareholding		Spouse & Minor Shareholding		Experience(Education)	Other Title
			Shares	%	Shares	%		
Vice President	W.K. Chou	2007.07.01	4,962	0.0001	0	0	Bachelor degree in Law, Soochow University	Supervisor, Pan Asia Corporation
General Plant Manager	Z.P. Chang	2009.07.01	33,999	0.0010	53,588	0.0016	Bachelor degree in Electrical Engineering, National Taiwan University	Supervisor, U-Ming Marine Transport Corp
Manager of the Hsinchu Plant	Z.H. Qiu	2013.11.16	0	0	0	0	Bachelor degree in Chemical Engineering, Tamkang University	Director, Nan Hwa Cement Corp.
Assistant Vice President	C.P. Sue	2008.11.01	63	0.0000	0	0	Bachelor degree in Marine Engineering, National Taiwan Ocean University	Director, Asia Cement (Singapore) Pte. Ltd.
Assistant Vice President	T.L. Yu	2009.09.01	122,202	0.0036	98	0.0000	Bachelor degree in Business Administration, University of the Philippines	Director, Yu Yuan Investment Co., Ltd
Deputy Chief Auditor	W.H. Yeh	2013.10.16	0	0	0	0	Bachelor degree in Accounting, Soochow University	Supervisor, Nan Hwa Cement Corp.
Manager of Domestic Sales Dept.	M.C. Cheng	2008.11.01	0	0	0	0	Bachelor degree in Business Administration, Feng Chia University	Director, Ya Li Transport Corp.
Special Assistant of President Office	T.M. Chen	2011.01.01	147,268	0.0044	0	0	Bachelor degree in sociology, National Taiwan University	Director, Yu Yuan Investment Co., Ltd
Manager of Secretarial Dept.	Manfred Wang	2012.10.01	0	0	0	0	Bachelor degree in Law, Soochow University	Director, Fu Shan Mineral Stone Co., Ltd.
Manager of Accounting Dept	Nancy Kao	2013.10.16	832	0.0000	467	0	Bachelor degree in Accounting, Soochow University	Supervisor, Asia Investment Co., Ltd

\* There is no manager holding shares in the name of any other person.

\* Managers are spouse or within second- degree of consanguinity to each other: None.

\* All managers have nationality of Taiwan (ROC).



### 3.2.6 Remuneration of Directors, Supervisors, President, and Vice Presidents

#### 1. Remuneration of Directors

Unit: NT \$1,000

Title	Name	Remuneration of Directors								Total Amount (A+B+C+D)/Net Income	Remuneration paid as the status of employee								Total Amount (A+B+C+D+E +F+G)/Net Income	Compensation paid to directors from an invested company other than the Company's subsidiaries					
		Remuneration(A)		Pensions(B)		Directors Remuneration from Distributable Earnings(C)		Expense(D)			Salary, Reward, and Expense etc.(E)		Pensions(F)		Employees bonus from Distributable Earnings(G)		Exercisable Employee Stock Options (H)				New Restricted Employee Shares (I)				
		ACC	All companies*	ACC	All companies*	ACC	All companies*	ACC	All companies*		ACC	All companies*	ACC	All companies*	ACC	All companies*	ACC	All companies*			ACC	All companies*	ACC	All companies*	
Chairman	Douglas Tong Hsu																								
Director	Far Eastern New Century Corp. Representatives: Tsai Hsiung Chang																								
Director	Johnny Shih																								
Director	C.V. Chen																								
Director	Chin-Der Ou (relieved)																								
Director	XZ Ying-Chai Memorial Foundation Representative: He Shan Ying																								
Director	Yue Ding Industry Co., Ltd. Representative: Kun Yen Lee	11,505	15,659	0	0	188,076	193,688	1,200	5,465	2.145%	1.970%	9,825	16,282	216	216	6,041	6,041	0	0	0	0	2.317%	2.176%	272,407	
Director	Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation Representatives: Peter Hsu																								
Director	Chen Kun Chang																								
Director	Ta Chu Chemical Fiber Co.,Ltd Representative: Sheng-cheng Hu(relieved) Ruey Long Chen (Newly elected)																								
Director	Huey Kang Investment Corp. Representative: Connie Hsu																								
Director	Oriental Union Chemical Corp. Representatives: Kao Chao Lee (relieved)																								
Director	Ruey Long Chen (relieved)																								



Independent Director	Ta-Chou Huang (Newly elected)																			
Independent Director	Chi Schive (Newly elected)																			
Independent Director	Gordon S. Chen (Newly elected)																			

- \* Please refer to Consolidated Operational Report for the list of All Companies.
- \* Pensions funded according to applicable laws.
- \* No stock bonus, warrant, or restricted stock awards for employees have been distributed from ACC and all companies listed in consolidated operational report.
- \* Director Tsai Hsiung Chang is assigned one vehicle. The monthly rental is NT\$ 79,500, and the annual remuneration of the driver is about NT\$ 700,000.
- \* Director and President Kun Yen Lee is assigned one vehicle. The monthly rental is NT\$ 81,000, and the annual remuneration of driver is about NT\$ 700,000.
- \* Within recent two fiscal years, all ACC directors' remuneration accounted for 2.845% and 2.317 of ACC net income. Total directors' remuneration paid by all companies listed in consolidated operational report accounted for 2.507% and 2.176% of net income received from those companies.
- \* Mr. Chin-Der Ou has been relieved from Director and elected as new supervisor. His remuneration for directors and supervisors was 50% and 50% respectively.

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Classification of Remuneration Paid to ACC Directors	Name of Directors			
	A+B+C+D (Please refer to listed information above )		A+B+C+D+E+F+G (Please refer to listed information above )	
	ACC	All companies listed in Consolidated Operational Report	ACC	All companies listed in Consolidated Operational Report
Under NT\$2,000,000	C.V. Chen, He Shan Ying, Connie Hsu, Kao Chao Lee, Sheng-cheng Hu, Ruey Long Chen, Chen Kun Chang, Ta-Chou Huang, Chi Schive, Gordon S. Chen, Chin-Der Ou	C.V. Chen, He Shan Ying, Connie Hsu, Kao Chao Lee, Sheng-cheng Hu, Ruey Long Chen, Chen Kun Chang, Ta-Chou Huang, Chi Schive, Gordon S. Chen, Chin-Der Ou	C.V. Chen, He Shan Ying, Connie Hsu, Kao Chao Lee, Sheng-cheng Hu, Ruey Long Chen, Chen Kun Chang, Ta-Chou Huang, Chi Schive, Gordon S. Chen, Chin-Der Ou	C.V. Chen, He Shan Ying, Connie Hsu, Kao Chao Lee, Sheng-cheng Hu, Ruey Long Chen, Ta-Chou Huang, Chi Schive, Gordon S. Chen, Chin-Der Ou
NT\$2,000,000~NT\$5,000,000	-	-	-	-
NT\$5,000,000~NT\$10,000,000	-	-	-	Chen Kun Chang
NT\$10,000,000~NT\$15,000,000	Johnny Shih, Kun Yen Lee, Peter Hsu	Kun Yen Lee, Peter Hsu	Peter Hsu	-
NT\$15,000,000~NT\$30,000,000	Douglas Tong Hsu, Tsai Hsiung Chang	Douglas Tong Hsu, Tsai Hsiung Chang, Johnny Shih	Douglas Tong Hsu, Tsai Hsiung Chang, Kun Yen Lee, Johnny Shih	Kun Yen Lee
NT\$30,000,000~NT\$50,000,000	-	-	-	Tsai Hsiung Chang,
NT\$50,000,000~NT\$100,000,000	-	-	-	Johnny Shih, Peter Hsu

Over NT\$100,000,000	-	-	-	Douglas Tong Hsu
Total	16	16	16	16

- \* The remuneration of directors is paid in consideration of the Company's operating performance and individual contribution.
- \* The salaries of executive directors have reference to the payment of employees and industry standards.
- \* The remuneration for directors and supervisors is 3% of the proposed profit distribution.
- \* Each Director has agreed regarding to the principle of distribution of remuneration.
- \* The Remuneration Committee has approved current remuneration system for directors and Supervisors.
- \* The remuneration for directors is 1.970% of the net profit of all companies in consolidated operational report. Therefore, there is no need to disclose the remuneration for every single director according to relevant regulations.

## 2. Remuneration of Supervisors

Unit: NT \$ 1,000

Title	Name	Remuneration of Supervisors						Total Amount (A+B+C)/Net Income		Compensation paid to supervisors from invested companies other than the Company's subsidiaries
		Remuneration(A)		Supervisors Remuneration from Distributable Earnings(B)		Expense(C)		ACC	All companies*	
		ACC	All companies*	ACC	All companies*	ACC	All companies*			
Supervisor	Far Eastern Medical Foundation Representatives: Shaw Yi Wang and Champion Lee	0	0	50,478	50,478	408	408	0.544%	0.467%	75,029
Supervisor	Bai-Yang Investment Holdings Corp. Representative: Ting Yu Tung Representative: Li Te Chang (relieved) Representative: Chin-Der Ou (newly elected)									
Supervisor	U-Ming Corp. Representative: Kwan-Tao Li									

- \* Please refer to Consolidated Operational Report for the list of All Companies.
- \* Supervisor received no salary and other services paid by ACC and all companies listed in consolidated operational report.
- \* Within recent two fiscal years, all supervisors' remuneration, which are mainly transportation allowance and remuneration from distributable earnings, accounted for 0.685% and 0.544% of ACC net income; Total supervisors' remuneration paid by all companies listed in consolidated operational report accounted for 0.552% and 0.467% of net income received from those companies.
- \* Mr. Chin-Der Ou has been relieved from Director and elected as new supervisor. His remuneration for directors and supervisors was 50% and 50% respectively.



Classification of Remuneration Paid to ACC Supervisors	Name of Supervisors	
	A+B+C (Please refer to listed information above )	
	ACC	All companies listed in Consolidated Operational Report
Under NT\$2,000,000	Shaw Yi Wang, Champion Lee, Li Te Chang, Kwan-Tao Li, Chin-Der Ou	Li Te Chang, Chin-Der Ou
NT\$2,000,000~NT\$5,000,000	-	-
NT\$5,000,000~NT\$10,000,000	Ting Yu Tung	Ting Yu Tung
NT\$10,000,000~NT\$15,000,000	-	-
NT\$15,000,000~NT\$30,000,000	-	Champion Lee, Kwan-Tao Li
NT\$30,000,000~NT\$50,000,000	-	Shaw Yi Wang
Total	6	6

- \* The remuneration of supervisors is paid in consideration of the Company's operating performance and individual contribution.
- \* The remuneration for Directors and Supervisors is 3% of the proposed profit distribution.
- \* Each Supervisor has agreed regarding to the principle of distribution of remuneration.
- \* The Remuneration Committee has approved current remuneration system for Directors and Supervisors.

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### 3. Remuneration of President and Vice Presidents

Unit: NT \$ 1000

Title	Name	Salary(A)		Pensions(B)		Reward and Expense etc. (C)		Employees bonus from Distributable Earnings (D)		Total Amount (A+B+C+D)/Net Income		Compensation paid to the president and vice president from invested companies other than the Company's subsidiaries
		ACC	All companies*	ACC	All companies*	ACC	All companies*	ACC	All companies*	ACC	All companies*	
								Cash Bonus	Cash Bonus			
President	Kun Yen Lee	19,029	21,536	756	756	7,017	7,901	14,538	14,538	0.442%	0.410%	2,650
Chief Executive Vice President	Y.F. Chang											
Executive Vice President	R.H. Shao											
Vice President	Doris Wu											
Vice President	C.M. Chen											
Vice President	W.K. Chou											
General Plant Manager	Z.P. Chang											

- \* Please refer to Consolidated Operational Report for the list of All Companies.
- \* Pensions funded according to applicable law.
- \* No stock bonus, warrant, or restricted stock awards for employees have been distributed from ACC and all companies listed in consolidated operational report.
- \* The chief executive vice president of the Company, Y.F. Chang is assigned one vehicle. The monthly rental is NT \$ 44,400.
- \* Within recent two fiscal years, total remuneration of the President and Vice Presidents accounted for 0.653% and 0.442% of ACC net income. Total amount of

President and Vice Presidents' remuneration paid by all companies listed in consolidated operational report accounted for 0.553% and 0.410% of net income received from those companies.

Classification of Remuneration Paid to ACC President and Vice Presidents	Name of President and Vice Presidents	
	ACC	All companies listed in Consolidated Operational Report
NT\$2,000,000~NT\$5,000,000	-	-
NT\$5,000,000~NT\$10,000,000	Kun Yen Lee, Y.F. Chang, R.H. Shao, Doris Wu, C.M. Chen, W.K. Chou, Z.P. Chang	Kun Yen Lee, Y.F. Chang, R.H. Shao, Doris Wu, C.M. Chen, W.K. Chou, Z.P. Chang
Total	7	7

\* The remuneration of President and Vice Presidents is divided into two parts:

1. Monthly salary based on fixed salary rank.

2. Based on ACC's bonus system, bonus and compensation are distributed mainly in consideration of the Company's operating performance and individual annual performance.

\* The Remuneration Committee has approved current remuneration system for the President and Vice Presidents.



### 3.2.7 Employees Bonus of Management Team

Unit: NT \$ 1,000

	Title	Name	Stock Bonus	Cash Bonus	Total Amount	Total Amount/Net Income
Executive Officers	President	Kun Yen Lee	0	25,908	25,908	0.277%
	Chief Executive Vice President	Y.F. Chang				
	Executive Vice President	R.H. Shao				
	Vice President	Doris Wu				
	Vice President	C.M. Chen				
	Vice President	W.K. Chou				
	General Plant Manager	Z.P. Chang				
	Manager of the Hsinchu Plant	Z.H. Qiu				
	Assistant Vice President	C.P. Sue				
	Assistant Vice President	T.L. Yu				
	Deputy Chief Auditor	W.H. Yeh				
	Manager of Domestic Sales Dept.	M.C. Cheng				
	Special Assistant of President Office	T.M. Chen				
	Manager of Secretarial Dept.	Manfred Wang				
	Manager of Accounting Dept.	Nancy Kao				

\* The proposed amounts of 2014 managers' bonus needs to be approved by the 2015 regular shareholders' meeting.

### 3.2.8 Name and Title of the Top 10 Employees Who Were Distributed Employees Bonus

Unit: NT \$ 1000

Rank	Title	Name	Stock Bonus	Cash Bonus	Total Amount
1	President	Kun Yen Lee	0	19,484	19,484
2	Chief Executive Vice President	Y.F. Chang			
3	Vice President	Doris Wu			
4	Executive Vice President	R.H. Shao			
5	General Plant Manager	Z.P. Chang			
6	Vice President	C.M. Chen			
7	Vice President	W.K. Chou			
8	Manager of the Hsinchu Plant	Z.H. Qiu			
9	Assistant Vice President	C.P. Sue			
10	Assistant Vice President	T.L. Yu			

\* The employees bonus comes from the profits of 2013.



### 3.3 Implementation of Corporate Governance

#### 3.3.1 Board of Directors

There are 6 meetings of the 25<sup>th</sup> Board of Directors held in the period from January 1, 2014 to May 15, 2015. Directors' attendance condition was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate	Notes	
Chairman	Douglas Tong Hsu	6	0	100%	Reappointment Jun.16, 2014	
Director	Representatives of Far Eastern New Century Corp.	Tsai Hsiung Chang	6	0	100%	Reappointment Jun.16, 2014
		Johnny Shih	5	1	83%	Reappointment Jun.16, 2014
		C.V. Chen	6	0	100%	Reappointment Jun.16, 2014
Director	Representative of X.Z. Ying-Chai Memorial Foundation	He Shan Ying	2	4	33%	Reappointment Jun.16, 2014
Director	Representative of Yue Ding Industry Co., Ltd.	Kun Yen Lee	6	0	100%	Reappointment Jun.16, 2014
Director	Representatives of Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation	Peter Hsu	6	0	100%	Reappointment Jun.16, 2014
		Chen Kun Chang	6	0	100%	Reappointment Jun.16, 2014
Director	Representative of Ta Chu Chemical Fiber Co.,Ltd	Ruey Long Chen	4	2	67%	Reappointment Jun.16, 2014
Director	Representative of Huey Kang Investment Corp.	Connie Hsu	4	1	67%	Reappointment Jun.16, 2014
Independent Director	Ta-Chou Huang		5	1	83%	Newly-elected Jun.16, 2014
	Chi Schive		6	0	100%	Newly-elected Jun.16, 2014
	Gordon S. Chen		6	0	100%	Newly-elected Jun.16, 2014

Other mentionable items:

1. Our 3 independent directors gave us valuable opinions with no objection or expression of reservations in meeting minute or written statement.
2. If there is Directors' avoidance of motions in conflict of interest, the Directors' names, contents of motions, causes for avoidance and voting should be specified:

The 3<sup>rd</sup> meeting of the 25<sup>th</sup> Board of Directors resolved with no objection or reservation to donate NT \$6,000,000 to the Yuan Ze University which conducts education and social responsibility activities for the Far Eastern Group. Douglas Tong Hsu, Tsai Hsiung Chang, C.V. Chen, Connie Hsu, and Peter Hsu are the directors of the university. They did not participate in discussion and voting of the issue according to relevant regulations. Independent Director, Ta-Chou Huang served as chairperson on this donation which has been disclosed on MOPS.



3. Measures taken to strengthen the function of the Board:

**Goals:**

To deepen the understanding of the Board of Directors about local affairs and community near the Hualian Plant

**Implementation Status and Assessment::**

- A. The Secretarial Department reported three major issues faced by the Hualien plant on the 1<sup>st</sup> interim meeting of the 25<sup>th</sup> Board of Directors, so that all participants to have a better understanding.
- B. Independent directors Ta-Chou Huang, Gordon S. Chen and Supervisor Champion Lee visited the Hualian Plant in early March, 2015. They had deep discussions with General Plant Manager, Z.P. Chang, and Chief Deputy Plant Manager, H.C. Ho. Besides, they are impressed about efforts about the re-plant vegetation in the mining areas and provide valuable opinion about local affairs.
- C. This shows the Board's strong support to the Hualien plant. The Hualien plant also provided feedback to the Board. It would be helpful for our corporate governance.

**3.3.2 Audit Committee**

Article 14-4 of the Securities and Exchange Act provided that a listed company shall establish either an audit committee or supervisors, and the audit committee shall be composed of all independent directors. The Company elected three independent directors in 2014 shareholders' meeting. The Company will amend the Articles of Incorporation of Asia Cement Corporation in 2016 and establish Audit Committee in 2017 pursuant to government regulations.

### 3.3.3 Attendance of Supervisors for Board Meeting

There are 6 meetings of the 25<sup>th</sup> Board of Directors held in the period from January 1, 2014 to May 15, 2015. Supervisors' Attendance Condition was as follows:

Title	Name		Attendance in Person	Attendance rate	Notes
Supervisor	Representatives of Far Eastern Medical Foundation	Shaw Yi Wang	6	100%	Reappointment Jun.16, 2014
		Champion Lee	6	100%	Reappointment Jun.16, 2014
Supervisor	Representatives of Bai-Yang Investment Holdings Corp.	Chin-Der Ou	4	67%	Newly-elected Jun.16, 2014
		Ting Yu Tung	4	67%	Reappointment Jun.16, 2014
Supervisor	Representative of U-Ming Corp.	Kwan-Tao Li	5	83%	Reappointment Jun.16, 2014

Other mentionable items:

1. Organization and Responsibilities of Supervisors:

A. Communications with employees and shareholders:

In ACC, the labor relation is harmonious, information is open, and communication channels among different functions and levels are unblocked. Therefore, there is no affair with which employees and shareholders should communicate.

B. Communications with internal audit manager and CPA:

(1) Internal audit manager reports audit business and implementation status to Supervisors every half year.

(2) CPA and accounting manager report financial and operation business to Supervisors every year.

2. If supervisors make any statement in BOD meetings, the following information should be disclosed- the date of BOD, the term of BOD, the contents and resolutions of motions, and the follow-up of supervisors' statements:

In the recent fiscal year, Supervisors attended BOD meeting and participated in discussion. No opposition has been made by Supervisors to any motions and company policies.

### 3.3.4 Corporate Governance Execution Status and Deviations from “Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies”

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company has established the Corporate Governance Codes with reference to “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” on Nov. 11, 2014. The information has been disclosed on MOPS and the Company’s website.	None
2. Shareholding structure & shareholders’ rights (1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?  (2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V  V		 The Company has appointed spokesman or his deputy as well as stock agency, Oriental Security Corporation, to handle these issues. If involved in litigation matters, the spokesman will handle that with the Secretarial Department, and legal staff. If significant event happens, legal consultants, Lee and Li, and accounting consultants, Deloitte & Touche, will help deal with the matter. This comply with our internal operating procedures.  The Company keeps tracking the list of shareholders and follows the Article 3 of Market Information Post Regulation Reporting by Listed Companies to post related information within one month after the end of annual shareholders’ meetings.	None



Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		<p>In addition to enacting “Regulations for Monitoring Subsidiaries” as the risk management mechanism for its subsidiaries, the Company has also enacted “Regulations for Managing Client’s Credit” and assigned the Credit Committee to be responsible for risk control of accounts receivable. Meanwhile, to establish risk management and firewall, we have signed up with affiliates for “Procedures of Assets Acquisition and Disposal”, “Procedures for Loaning of funds to Others”, “Procedures for Endorsement and Guarantee,” and “Rules on the Management of Related Party Transaction.”</p> <p>The Auditing Department will report regularly to the Board of Directors and Supervisors about any abnormal conditions and their improvements. The Auditing Department will also report to the Financial Supervisory Commission and other government agencies in accordance with relevant regulations.</p>	<p>None</p> <p>None</p>
(4) Does the company establish internal rules against insiders trading with undisclosed information?	V		<p>The Board of Director approved “the Procedure Dealing with Internal Material Information of Asia Cement Corporation” on December 21, 2009. It states that “directors, supervisors, managers and other employees shall not disclose internal material information to others, nor involve in any transaction of the Company’s stock or any other forms of security.”</p>	<p>None</p>

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Does the Board develop and implement a diversified policy for the composition of its members?</p>	V		<p>The Board members considered its member diversification and approved “strengthening the function of the Board” Section of “the Corporate Governance Codes”. The Company adopts candidate nomination system for the election of directors/supervisors. In addition to the assessment of each candidate's education and experience, opinion of the stakeholder and full compliance with “the election rules for directors and supervisors” and “Corporate Governance Codes” are also considered.</p> <p>In the members of the 25<sup>th</sup> Board of Directors, except for one female member, there are members who have abilities of leadership, operation analysis, management, crisis management, industry knowledge and international view, such as Douglas Tong Hsu, Tsai Hsiung Chang, Johnny Shih, Peter Hsu, Kun Yen Lee, and Chen Kun Chang. Members who represent public welfare are He Shan Ying and Connie Hsu. C.V. Chen specializes in legal matters. As for independent directors, Ta-Chou Huang Chi Schive, and Gordon S. Chen, they are expert in administrative management and financial matters. It is also mentionable that Ta-Chou Huang had served in agriculture affair</p>	None



Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	V		<p>for the government. He gave us many advices in green vegetation and environmental protection of plants and mines. In summary, the present members of the Board do have diversity.</p> <p>The diversified policy for the composition of the Board of Directors has been disclosed on the Company’s website and MOPS.</p> <p>The Company has established Remuneration Committee. The Company will amend the Articles of Incorporation of Asia Cement Corporation in 2016 to establish Audit Committee in 2017 pursuant to government regulations. Other voluntarily established functional committees are: <u>CSR Committee:</u> Responsible for investigating and identifying corporate sustainability issues and to respond major considerations of stakeholders in order to implement the goal of sustainable development. <u>Credit Committee:</u> Execute “Regulations for Managing Client’s Credit” enacted by the Company and take charge of risk control of account receivable. <u>Human Resource Committee:</u> Review and advice to modify the Company’s</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company establish a standard to measure the performance of the Board, and implement it annually?	V		<p>organization structure, rules of personnel management, and other important human resource matters.</p> <p><u>IT Steering Committee:</u> Review all affairs relating to information operation system, office automation, internal and external website applications and information security to the needs of operation, management and provide strategy to prevent the risk of information security and its efficiency. The company enacted “Procedures for Evaluating the Board’s Performance” and conducts it annually.</p> <p><u>Evaluation methods:</u></p> <ol style="list-style-type: none"> <li>1. Self-assessment of Board members Board members fill in the” Self-Assessment Questionnaire for Board Members” at the end of each year.</li> <li>2. Assessment by Secretarial Department: Secretarial Department will evaluate evaluation indexes at the end of each year and modify evaluation indexed if needed.</li> <li>3. Procedures: <ol style="list-style-type: none"> <li>a. regularly review the effectiveness of the evaluation.</li> <li>b. at the end of each year, Secretarial Department will review the Self-Assessment Questionnaire and evaluation indexed, calculate a weighted</li> </ol> </li> </ol>	None



Evaluation Item	Implementation Status		Abstract Illustration	Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
(4) Does the company regularly evaluate the independence of CPAs?	V		<p>average score, and report to the Board of Directors.</p> <p>4. Implementation: At the beginning of each year, Secretarial Department will remind every Board’s member about items in the Self-Assessment Questionnaire and other issues, such as “recognition and discussion issues of the Board in accordance with law, "Quarterly meeting requirement of the Board", "rules regarding to conflicts of interests of Directors", "the minimum annual training hour of directors", and “to enhance attendance rate of board of directors and shareholders meeting”.</p> <p>The Procedures for Evaluating the Board of Directors’ Performance has been disclosed on the Company’s website.</p> <p>1. The Company has evaluated the independence of CPAs according to Certified Public Accountant Act and the Norms of Professional Ethics for Certified Public Accountant of the Republic of China, No.10, “Integrity, Objectivity, and Independence”.</p> <p>2. The 4<sup>th</sup> meeting of the 25<sup>th</sup> Board of Directors approved the following 15 independent CPAs assessment items on March 20, 2015: a. As of the most recent year, no CPA served</p>	None



Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>for the Company for seven consecutive years without replacement.</p> <p>b. No CPA has conflicts of interests with the Company.</p> <p>c. CPAs do avoid any improper relationship with the company.</p> <p>d. Assistants of CPAs do comply with honesty, objectivity, and independence.</p> <p>e. No CPA has worked for the Company. So there is no time limit for the auditing of annual financial statements.</p> <p>f. No qualification of CPAs has been used by others.</p> <p>g. CPAs have no shareholding of the Company and its affiliates.</p> <p>h. There is no lending of funds between CPAs and the Company and its affiliates.</p> <p>i. There is no joint venture or sharing of interests between CPAs and the Company and its affiliates.</p> <p>j. CPAs receive no regular payroll from the Company and its affiliates.</p> <p>k. CPAs do not involve in the management and decision-making of the Company and its affiliates.</p> <p>l. CPAs do not run any business that might hurt their independence.</p> <p>m. There is no CPA who is the spouse, lineal blood relatives, relatives by marriage, or</p>	



Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>collateral relatives by blood within two generations of any management team member.</p> <p>n. CPAs charge no commission in any business-related field.</p> <p>o. No CPA is fined nor has other issues that damage his independence.</p> <p>The Board of Directors received a declaration of independence issued by CPAs.</p> <p>The Company regularly checks its affiliates for items g-k for the independence of CPAs.</p> <p>The Board of Directors will periodically evaluate the independence of a CPA every year in March.</p>	
4. Does the company establish a communication channel and build a designated section on its website for stakeholders, as well as handle all the issues they care for in terms of corporate social responsibilities?	V		<p>The Company provides “Stakeholder Area” section of the Company’s website for the communication channel with shareholders and stakeholders with respect to any CSR issues.</p> <p><a href="http://www.acc.com.tw/tw/stakeholder/stakeholder_index.asp">http://www.acc.com.tw/tw/stakeholder/stakeholder_index.asp</a></p>	None
5. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company designates stock agency, Oriental Security Corporation, to deal with shareholder affairs.	None
6. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V		The Company has set up a Chinese/English website (www.acc.com.tw) to disclose information regarding the Company’s financials,	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	V		<p>business and corporate governance status.</p> <p>The Company has assigned a spokesman or his deputy to handle information collection and disclosure.</p> <p>The Company will also convene the institutional investors’ conference upon request and post relevant information on MOPS and ACC website. Please refer to Section 3.3.4 7(2) Investor Relations of this Annual Report.</p>	None
<p>7. Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?</p> <p>(1) Status of employee rights and employee wellness: Please refer to the “Section 5.5 Labor Relation” of this Annual Report.</p> <p>(2) Investor Relations: For the efficient communication between investors and the Company, in addition to the spokesman or his deputy, the Company specifies its Finance Department to serve as investor relation contact. Moreover, the Company will attend or hold investor conference if necessary. In order to ensure the information symmetry of disclosure, the Company will post relevant information and materials to MOPS and the Company's website.</p> <p>(3) Supplier relations: The Company regards our suppliers as partners. Except requiring good service, high quality, and reasonable prices to our suppliers, the Company also brings our construction contractors into its safety management system, and set up safety regulations for contractors, such as access control and issuing construction permission, and holds training courses to help contractors fulfill safety requirements.</p> <p>(4) Stakeholders’ Rights: For the transparency and timely disclosure of the Company, the information of finance, business, and corporate governance could be accessed on the Company’s website and MOPS in both Chinese and English.</p>				



Evaluation Item	Implementation Status		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
<p>(5) The training for directors and supervisors: Please refer to section 3.3.8 for detail.</p> <p>(6) Risk managements and assessments: Based on the principles of “protecting assets, promote interests, reducing damages and ensuring sustainable development” of the Company, the Company forms its company organization with functions of risk management. Please refer to section 3.1.2 for detail. Besides of routine business goals, each departments of the Company would timely adjust to rapidly-changing world for risk management.</p> <p>(7) Customer policy: The Company serves its customers with the principles of “good service, high quality, and reasonable prices, and customer-oriented”. The Company will also meet all customers’ need by stringent quality control.</p> <p>(8) Responsibility insurance purchase for directors and supervisors: None. However, since some listed companies of the Far Eastern Group have purchased responsibility insurance for directors and supervisors, the Company will report this matter to the Board for decision-making.</p>			
<p>8. Has the company implemented a self-evaluation report <sup>2</sup> on corporate governance or has it authorized any other professional organization to conduct such evaluation? If so, please describe the opinion from the Board, the result of self or authorized evaluation, the major deficiencies, suggestions, or improvements.</p> <p>(1) The Company was ranked top 5% in “the 1st Corporate Governance Evaluation” by the TWSE.</p> <p>(2) The Company received A++ ranking award in 2014 and 2015 “Information Transparency and Disclosure Ranking System”, Securities and Futures Institute.</p> <p>(3) The 2013 CSR report of the Company (published on 2014) completed external assurance by SGS Taiwan Limited.</p>			

### 3.3.5 The Composition, Duty, and Implementation Status of the Remuneration Committee

#### 1. Professional Qualifications and Independence Analysis of Members of the Remuneration Committee

Position <sup>1</sup>	Criteria  Name	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Criteria <sup>2</sup>										Number of Other Public Companies in Which the Individual is Concurrently Serving as an Members of the Remuneration Committee	Note <sup>3</sup>	
		An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10			
Independent Director	Chi Schive	V	V	V	V	V	V	V	V	V	V	V	V	V	V	0	Yes
Other	L.Z. Dong		V		V	V	V	V	V	V	V	V	V	V	V	2	-
Other	S.Y. Su		V		V	V	V	V	V	V	V	V	V	V	V	1	-
Other	M.X. Lin		V		V	V	V	V	V	V	V	V	V	V	V	1	-

\*The 2<sup>nd</sup> Remuneration Committee established on June 24, 2014.

Note1: Please specify the members' position: director, independence director or others.

Note2: Please tick the corresponding boxes if each member has been any of the following during the two years prior to being elected or during the term of office.

1. Not an employee of the Company or any of its affiliates.
2. Not a director or supervisor of the Company or any of its affiliates. The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, or any subsidiary in which the Company holds, directly or indirectly, more than 50% of the voting shares.
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
4. Not a spouse, relative within the second degree of kinship, or lineal relative within the fifth degree of kinship, of any of the persons in the preceding three subparagraphs.
5. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of outstanding shares of the Company or that holds shares ranking in the top five in holdings.
6. Not a director, supervisor, officer, or shareholder holding 5% or more of the share, of a specified company or institution that has a financial or business relationship with the Company.
7. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof.
8. Not been a person of any conditions defined in Article 30 of the Company Act.

Note3: If the member is a director, please specify whether he/she fulfills the qualification set in the paragraph 5, Article 6 of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded over the Counter."



2. Implementation Status of the Remuneration Committee

There are 4 members of the Remuneration Committee. Their terms of office start from June 24, 2014 to June 23, 2017. Totally, 2 meetings of the Remuneration Committee were held. Members' attendance condition was as follows:

<b>Position</b>	<b>Name</b>	<b>Attendance in Person</b>	<b>Attendance in Proxy</b>	<b>Attendance rate</b>	<b>Notes</b>
Convener	Chi Schive	2	0	100%	Incumbent
Member	L.Z. Dong	2	0	100%	Incumbent
Member	S.Y. Su	2	0	100%	Incumbent
Member	M.X. Lin	2	0	100%	Incumbent

Other mentionable items:

1. If the board of directors declined to adopt, or modified a recommendation of the Remuneration Committee, please specify the date, term, content, resolution, and the Company's processing situations for Remuneration Committee's resolution: None.
2. If any objections or reservations expressed by any committee member in record or in written to Remuneration Committee's resolution, please specify the date, term, content, and the committee's processing situations for objections or reservations: None.

### 3.3.6 Corporate Social Responsibility

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
1. Corporate Governance Implementation (1) Does the company declare its corporate social responsibility policy and examine the results of the implementation?	V		<p>The Company enacted “Corporate Social Responsibility Policy” on Nov. 11, 2014 and published first CSR report on Dec. 2014. These have been disclosed on the Company’s website.</p> <p>The CSR Committee (operated by the Secretarial Department) filed a report to the Board on May 13, 2015 about the implement status and review of the CSR policy. The Secretarial Department will report the effectiveness about CSR activity twice a year.</p> <p>The highlight for the CSR report lists as following:</p> <p>1. Economic performance:</p> <p>(1) The Company was ranked top 5% in “the 1<sup>st</sup> Corporate Governance Evaluation” by the TWSE.</p> <p>(2) The Company received A++ ranking award of the 2015 “Information Transparency and Disclosure Ranking System”, Securities and Futures Institute.</p> <p>(3) The Company is rated as " Taiwan Top Salary 100 Index", TWSE.</p> <p>2. Environment Performance:</p> <p>(1) Water recycling ratio: Hualien plant 86%, Hsinchu plant 83%.</p> <p>(2) GHG reduction performance: 278,414 metric tons of CO<sub>2</sub> (Checked by the Industrial Development Bureau)</p> <p>(3) Greenhouse Gas Early Action and Offset Program: 2.56 million metric tons of CO<sub>2</sub> reduction credits (Environmental Protection Agency)</p> <p>(4) Port Pollution Prevention Award (Taiwan International Ports Corporation)</p>	None



Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(2) Does the company provide educational training on corporate social responsibility on a regular basis?	V		<p>3. Social Performance:</p> <p>(1) In 2014, no occupational safety incidents occurred.</p> <p>(2) Environmental Education Award (Hualien County)</p> <p>(3) Visitors for our Butterfly Garden the Ecological Park reached 10,285 people.</p> <p>(4) The Company was awarded “Excellence Recognition for its collective agreement with employees” (Ministry of Labor).</p> <p>Human Development Center of the Far Eastern Group regularly provides training for directors, supervisors, managers and staff about corporate social responsibility and CSR topics</p> <p>HR Department of the Company also irregularly provides CSR-related seminars.</p>	None
(3) Does the company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?	V		<p>CSR Committee established on Nov. 11, 2014 and is responsible for investigating and identifying CSR issues (operated by the Secretarial Department).</p> <p>The CSR Committee (operated by the Secretarial Department) filed a report to the Board on May 13, 2015 about the implement status and review of the CSR policy. The Secretarial Department will report the effectiveness about CSR activity twice a year.</p> <p>The Company enacted “Corporate Social Responsibility Policy” on Nov. 11, 2014 and published first CSR report on Dec. 2014. These have been disclosed on the Company’s website.</p>	None



Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(4) Does the company declare a reasonable salary remuneration policy, and integrate the employee performance appraisal system with its corporate social responsibility policy, as well as establish an effective reward and disciplinary system?	V		<p>Except for consideration of education, work experience, license or permits, and professional technology, the Company’s salary remuneration policy will not discriminate any employee regardless of gender, age, race, religion, marital, and family status.</p> <p>The Company has a fair and reasonable salary payment system, and participates in market salary surveys annually to ensure that the Company lists among the highest salaries range within the cement industry.</p> <p>The Company is rated as "Taiwan Top Salary 100 Index", TWSE in 2015. Both our Hsinchu and Hualian Plant have signed collective agreement with employees. The Company and the Labor Union received “Excellence Recognition for its collective agreement with employees” (Ministry of Labor).</p> <p>Employees’ performances are reviewed based on their working performance, training achievements, and volunteer service according to the Company’s employees working rule. There is a clear reward and punishment system. Please refer to 5.1 "Human resources" and 5.2 "Employee welfare" in our CSR report.</p>	None
2. Sustainable Environment Development (1) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		<p>For many years, the Company is devoted to enhance its utilization efficiency of resources and to use renewable materials, such as slag and gypsum from steelworks and power plants. This can greatly reduce the need for natural resources.</p>	None



Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(2) Does the company establish proper environmental management systems based on the characteristics of their industries?	V		In November 1996, the Hualien plant of the Company became one of the first organizations in Taiwan to receive ISO-14001 certification. This management system was completed by the Hualien plant personnel itself based on the Plant’s good practice on environmental protection, and this has turned the Plant into a role model of Eco-friendly cement manufacturer.	
(3) Does the company monitor the impact of climate change on its operations and conduct greenhouse gas inspections, as well as establish company strategies for energy conservation and carbon reduction?	V		The Hualien plant was the pioneer for implement ISO 14064-1 greenhouse air emission inspection since 2003. The Plant was awarded “Excellent Company for Voluntary Reduction of Greenhouse Gas Emissions” in 2009, 2011, and 2013 by the Industrial Development Bureau, MOEA. Please refer to chapter 6 of our CSR report for more information.	
3. Preserving Public Welfare (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		The Company fully complies with Labor Standards Law and other regulations, emphasizes the balance between working, family and leisure life, and prohibits child labor and all other forms of forced labor and discrimination.  In order to establish gender equality in the workplace, the Company provides parental leave without pay system, while provides family care leave, physiological leave, maternity leave, paternity leave and lactation rooms.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>The Company provides health examination, health seminars, and Employee Assistance Program (EAP) service by Hsinchu Lifeline Association, EAP Center, which offers professional counsel to all issues that employees may meet, such as career development, family issues, and interpersonal relationship. Please refer to 5.5 “Labor Relations” and 5.1 "Human resources" and 5.2 "Employee welfare" in our CSR report.</p> <p>According to our CSR Policy, Human Resource Committee formulated corporate human rights policies, and regularly assesses the impact of company operations and internal management on human rights, and formulated a corresponding procedure.</p>	
(2) Has the company set up an employee hotline or grievance mechanism to handle complaints with appropriate solutions?	V		<p>In order to implement the Company's “Codes of Ethical Conduct” and “Principles for Ethical Management”, the Board enacted “Working Procedures for Reporting Illegal, Unethical, and Dishonest Issues”, and also enacted "Complainant rules for employees”.</p> <p>According to the above rules, the Company will treat all complaint confidentially and protect whistleblowers. The identification informants of whistleblowers will be kept confidential. The Company will also ensure that whistleblowers won't be revenged because of reporting improper issues. Alleged violator has the right to appeal to the investigation team while investigation will be made by the HR Committee if necessary.</p> <p>Employees could also file a complaint via the Labor Union.</p> <p>There is no complaint brought to us in 2014.</p> <p>Above mentioned rules are disclosed on the Company’s website.</p>	None
(3) Does the company provide a healthy and safe working	V		Please refer to Section 5.5 “Labor Relation” for detail.	None



Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
environment and organize training on health and safety for its employees on a regular basis?				
(4) Does the company setup a communication channel with employees on a regular basis, as well as reasonably inform employees of any significant changes in operations that may have an impact on them?	V		Managers of each department and plants of the Company attend managerial meeting weekly and monthly. Each department also hold regular meeting for employees to attain and participate in company’s operation and decision-making. The Company also regularly organized meeting with labor representatives. This will allow employees to understand any significant impact on the changes of operation. On May, 2014, the Company was awarded “Excellence Recognition for its collective agreement with employees” by the Ministry of Labor.	None
(5) Does the company provide its employees with career development and training sessions?	V		For employees’ career development and training sessions, in addition to relevant management skills, the Company provides systematic training courses to strengthen the employees’ abilities and enhance the competitiveness of both employees and corporation. Recently, the Company cooperates with Yuan Ze University to conducts employee career development training programs for a period of 2 years, Please refer to chapter 5.3 of our CSR report for more information.	None
(6) Does the company establish any consumer protection mechanisms and appealing procedures regarding research	V		The Company serves our customers with the principles of “customer-oriented good service, high quality, and reasonable prices”. To protect consumers’ rights, the Company sets up consumer services to manage consumers’ complaints from domestic and oversea clients. The Hsinchu and Hualien plants will manage our product quality to meet all customers’ need.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
development, purchasing, producing, operating and service?			<p>Domestic and Foreign Sale Departments have set up "management practices for customer satisfaction" which establishes an effective communication channel for our clients.</p> <p>The Company has set up a standard operation procedure dealing with customers' complaint and protects consumers' health and safety. Besides, the Company will keep the transparency of information to meet customers' need while consumers' personal information will be kept security according to Personal Information Protection Act.</p>	
(7) Does the company advertise and label its goods and services according to relevant regulations and international standards?	V		<p>All products and services of the Company are advertised and labeled according to relevant regulations and international standards.</p> <p>Asia Cement received CNS Mark for Portland Cement (Type 1) since Sep. 22, 1961. Thus, the Company received "Special Honor for CNS Mark" for using CNS Mark more than 50 years on Oct. 2011.</p> <p>The trademark of “Skyscraper Cement” of the Company is registered pursuant to the Trademark Law.</p> <p>All authorized uses of “Skyscraper Cement” to our subsidiaries in China are approved by China’s Trademark Office of the State Administration for Industry and Commerce.</p>	
(8) Does the company evaluate the records of suppliers’ impact on the environment and society before taking on business partnerships?	V		<p>Our Purchasing Department has "supplier evaluation procedures". Suppliers certified with ISO-9000, CNS marks, or other quality inspection mark will be rated as excellent suppliers.</p> <p>Furthermore, the Purchasing Department will assess the past impact of the supplier on CSR issues, such as ethics behaviors, legal compliance, matters relating to the health and security. This would be important basis for contractor selection.</p> <p>Please refer to Section 3.3.4 “Supplier relations” for detail.</p>	



Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(9) Do the contracts between the company and its major suppliers include termination clauses which come into force once the suppliers breach the corporate social responsibility policy and cause appreciable impact on the environment and society?	V		Upon the signing of any contract, the Company will require every supplier to follow labor laws, avoid environmental hazards, and commit to CSR policy. Whenever violation occurs, the Company has the right to terminate the contract. In 2014, the Company has 2,284 suppliers in construction field, in which 40.85% are rated as “excellent”, other 55.74% are rated as “good”, while the other 51 suppliers are eliminated.	
4. Enhancing Information Disclosure Does the company disclose relevant and reliable information regarding its corporate social responsibility on its website and the Market Observation Post System (MOPS)?	V		The Company will disclose CSR-relevant information on our web site and MOPS. We also utilize investor conference, shareholders meeting, investor relations, hearings, conferences with government representatives to achieve close engagement with all stakeholders.  Our CSR report has been published both on our website and MOPS. We wish this will be helpful for every stakeholder to understand our commitments to all sustainability issues.	None
5. If the Company has established the corporate social responsibility principles based on “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the Principles and their implementation: None.				

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
6. Other important information to facilitate better understanding of the company’s corporate social responsibility practices : Please refer to Section 5.4 “Expenditures on Environmental Protection” of this annual report and our CSR report for more information. Please refer to our CSR report for more information.				
7. A clear statement shall be made below if the corporate social responsibility reports were verified by external certification institutions: The Company’s CSR report was prepared in accordance with the GRI G4 guidelines and verified by SGS Taiwan Limited in according with AA 1000 Assurance Standard.				

### 3.3.7 Implementation Status of Ethical Management

Evaluation Item	Implementation Status <sup>1</sup>			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs (1) Does the company declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its board to implement the policies?	V		“Codes of Ethical Conduct” and “Principles for Ethical Management” of Asia Cement Corporation have been adopted by the 5 <sup>th</sup> meeting of 24 <sup>th</sup> Board of Directors on June 27, 2012 and reported to the 2013 shareholders’ meeting. The Company has post “Codes of Ethical Conduct” and “Principles for Ethical Management” on the Company’s intranet for compliance. The Company has also promoted “Codes of Ethical Conduct” and “Principles for Ethical	None



Evaluation Item	Implementation Status <sup>1</sup>			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies?	V		<p>Management” to its suppliers and contractors.</p> <p>For the purpose of developing a corporate culture of ethical management and preventing unethical conduct, HR Department enacted “Working procedures and Guidelines for Ethical Management”. It clearly expresses all kinds of bad faith conducts, preventions, and punishments for violators.</p> <p>In order to implement the Company's “Codes of Ethical Conduct” and “Principles for Ethical Management”, the Board enacted “Working Procedures for Reporting Illegal, Unethical, and Dishonest Issues”, and also enacted "Complainant rules for employees".</p> <p>Above mentioned rules are disclosed on the Company’s website (<a href="http://www.acc.com.tw/">http://www.acc.com.tw/</a>).</p>	
(3) Does the company establish appropriate precautions against high-potential unethical conducts or listed activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?	V		<p>The Company establish precautions for directors, supervisors, managers, employees for preventing high-potential unethical conducts:</p> <ol style="list-style-type: none"> <li>Set a standard distinguishing improper benefits,</li> <li>Set procedures for political donations,</li> <li>Set procedures for charity donations or sponsorship,</li> </ol>	



Evaluation Item	Implementation Status <sup>1</sup>			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			d. Set reporting and handling procedures to avoid job-related conflicts of interest, e. Set an information firewall to prevent sensitive information or undisclosed information and to prevent the use of the non-disclosed information in insider trading, f. Set working procedures dealing with dishonest actions involved by suppliers, customers, and trading partners and others, g. Set working procedures dealing with violators of Principles for Ethical Management, h. Set punishment for violators and reward for whistleblowers.	
2. Fulfill operations integrity policy (1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?	V		All suppliers of the Company signed "Codes of Conduct and Commitment Statement for Suppliers". We will review, rate, and eliminate our suppliers based on past evaluation records and their implementations of CSR affairs.  For fully implementation, the Purchasing Department has urged all suppliers to comply with our “Codes of Ethical Conduct” and “Principles for Ethical Management”. The Purchasing Department will include this item into commercial terms.	None



Evaluation Item	Implementation Status <sup>1</sup>			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company establish an exclusively (or concurrently) dedicated unit supervised by the Board to be in charge of corporate integrity?	V		<p>The Auditing Department is responsible for formulating policy and supervising ethical management for the Company. It will report the implementation status to the Board on a regular basis.</p> <p>In addition to report implementation status of ethical management to the Board, the Auditing Department will also report to supervisors and independent directors.</p>	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		<p>The Company provides that no manager shall engage in any affairs with conflicts of interest to the Company unless otherwise released restriction by the Board and the shareholders’ Meeting.</p> <p>All members of our Board of Directors are highly disciplined. Once there are conflicts of interests, such member will not participate in discussion and voting of the issue according to relevant regulation and keep it in the meeting minutes.</p> <p>The Company also has standard procedures for employees to report any potential conflicts of interests.</p>	

Evaluation Item	Implementation Status <sup>1</sup>			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management, and are they audited by either internal auditors or CPAs on a regular basis?	V		The Company has a strict accounting system and dedicated accounting department. For ensuring accuracy and transparency, all financial statements are audited or reviewed by Deloitte & Touche in accordance with relevant regulation. In order to implement “Regulations Governing Establishment of Internal Control Systems by Public Companies” and “Principles for Ethical Management”, the Company has set up the Auditing Department which established its internal control system. And the Audit Department will regularly review and revise the internal control system. In addition, the Audit Department will develop and implement its annual internal audit plan in accordance with risk assessment.	
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	V		To establish corporate culture of ethical management and prevent unethical behaviors, the Company holds internal training sections for employees understanding our commitment to ethical management and policies.  Our “Codes of Ethical Conduct”, “Principles for Ethical Management”, and relevant regulations have been posted on the Company's website and internal bulletin board.	



Evaluation Item	Implementation Status <sup>1</sup>			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>3. Operation of the integrity channel</p> <p>(1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?</p> <p>(2) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases?</p> <p>(3) Does the company provide proper whistleblower protection?</p>	V		<p>The Board of Directors enacted “Working Procedures for Reporting Illegal, Unethical, and Dishonest Issues”, and also enacted “Complainant rules for employees” on May 13, 2015. Alleged violator has the right to appeal to the investigation team while investigation hearing could be made if necessary.</p> <p>According to the above rules, the Company will treat all complaint confidentially and protect whistleblowers. The identification informants of whistleblowers will be kept confidential. The Company will also ensure that whistleblowers won’t be revenged because of reporting improper issues.</p> <p>Above mentioned rules are disclosed on the Company’s website.</p>	None
<p>4. Strengthening information disclosure</p> <p>(1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?</p>	V		<p>Our “Codes of Ethical Conduct”, “Principles for Ethical Management”, and relevant regulations have been posted on the Company's website and internal bulletin board.</p>	None

Evaluation Item	Implementation Status <sup>1</sup>			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>The Company has designated employees responsible for disclosing relevant information on MOPS and the Company's website (<a href="http://www.acc.com.tw">http://www.acc.com.tw</a>).</p> <p>Since the adoption of Principles for Ethical Management, there is no violation needed to be disclosed.</p>	
<p>5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation.</p> <p>No Discrepancies.</p>				
<p>6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g., review and amend its policies).</p> <p>The Company treats its employees and business partners with the highest standards of ethical conducts. Any bribery or unethical conducts made by its employees or suppliers will be punished, such as disposition, rejection of transaction, or legal prosecution.</p>				

- ◎ Access to Corporate Governance Best-Practice Principles and relevant regulations: Please visit the Company's website at <http://www.acc.com.tw>.
- ◎ Any other important information to facilitate better understanding of the Company’s corporate governance practices: None.
- ◎ During the most recent fiscal year and the current fiscal year up to the date of printing of this annual report, any punishment occurred for the Company and its employees violating laws, and any punishment, fault and improvement occurred for the Company’s employees against the regulations of Internal Audit System: None.
- ◎ To appoint certified accountants to audit internal audit system: None.



### 3.3.8 The Training for Directors and Supervisors

Name	Date	Organizer	Course Title and Lecturer	Hours
<b><u>Directors:</u></b> Douglas Tong Hsu Tsai Hsiung Chang Johnny Shih C.V. Chen He Shan Ying Kun Yen Lee Peter Hsu Chen Kun Chang Connie Hsu Ruey Long Chen <b><u>Independent</u></b> <b><u>Directors:</u></b> Ta-Chou Huang Chi Schive Gordon S. Chen <b><u>Supervisors:</u></b> Shaw Yi Wang Champion Lee Chin-Der Ou Ting Yu Tung Kwan-Tao Li	Dec.22, 2014	Taiwan Corporate Governance Association	The Trend of CSR and Sustainability Management  Lecturer: Zheng-zhong Huang, CEO of the KPMG Sustainability Consultants Corp.	3

### 3.3.9 The Training for Managers

Title	Name	Date	Organizer	Course Title and Lecturer	Hours
President Chief Executive Vice President Executive Vice President Vice President Vice President General Plant Manager Plant Manager Assistant Vice President Assistant Vice President Deputy Chief Auditor Manager Special Assistant Manager Manager	Kun Yen Lee Y.F. Chang  R.H. Shao  Doris Wu C.M. Chen W.K. Chou Z.P. Chang  Z.H. Qiu C.P. Sue  T.L. Yu  W.H. Yeh  M.C. Chen T.M. Chen Manfred Wang Nancy Kao	May 29, 2014 Jul.29, 2014 Sep. 2, 2014	Asia Cement	Goodwill Management <u>Lecturer:</u> Fu-bei Wang, CEO of the Ogilvy Public Relations Corp.  Global Resource Distribution <u>Lecturer:</u> Huizhu Liao, Professor of the Department of Economics, Tamkang University  M & A Strategies and Best Practices <u>Lecturer:</u> Minghui Chang President of PwC Taiwan	9
		Dec.22, 2014	Taiwan Corporate Governance Association	The trend of CSR and Sustainability Management <u>Lecturer:</u> Zheng-zhong Huang, CEO of the KPMG Sustainability Consultants Corp.	3
Vice President	W.K. Chou	Sep. 16, 2014	Securities & Futures Institute	Ethical Corporate Management and Social Responsibility forum	3
Deputy Chief Auditor	W.H. Yeh	Feb.24~26, 2014	Securities & Futures Institute	Pre-employment training for internal Audit	18
		Mar.25,2014	The Institute of Internal Auditors	Auditing as consultant	6
		May 2, 2014	The Institute of Internal Auditors	New Thinking for Internal Control	6
Manager	Nancy Kao	Jul.17-30, 2014	Accounting Research and Development Foundation	Training Courses for Newly appointed accounting managers	30

### **3.3.10 the Execution Status of Internal Control System**

#### ***Asia Cement Corporation Statement of Internal Control System***

Date: March 20, 2015

Asia Cement Corporation (ACC) has conducted a self-inspection of internal control system during 2014. The results are as follows:

ACC acknowledges that the implementation and maintenance of internal control system is the responsibility of Board of Directors and managerial level, and ACC has established such system. It is aimed to reasonably ensure that the goals such as effective and efficient operations (including profitability, performance, and safeguard of assets), the reliability of financial reports, and the compliance with applicable laws and regulations are achieved.

The internal control system has its inherent limitations; whatever a perfect design is, an internal control system can provide only reasonable assurance that the above-mentioned goals will be achieved; besides, owing to the change of environment and circumstances, the effectiveness of internal control system will be changed accordingly. However, the internal control system of ACC is equipped with self-monitoring mechanisms and ACC will take corrective action once defect is identified.

According to the criteria for the internal control system as specified in “Guidelines for Implementation of Establishing Internal Control System by Public Listed Companies”(hereinafter referred to as “Guidelines,”) ACC evaluates the effectiveness of its internal control system. The said Guidelines divide internal control system into five components: (1) Control Environment, (2) Risk Assessment, (3) Control Operations, (4) Information and Communication, and (5) Monitoring. Each component includes certain items. For the foregoing items, please refer to “Guidelines”.

ACC has adopted the aforesaid criteria for internal control system to evaluate the effectiveness of design and implementation of internal control system.

Based on the findings of the evaluation mentioned in the preceding paragraph, ACC believes that as at December 31, 2014 its internal control system (including its supervision of subsidiaries), encompassing internal controls for knowledge of the degree of achievement of operational effectiveness and efficiency objectives, reliability of financial reporting, and compliance with applicable laws and regulations, was effectively designed and operating, and reasonably assured the achievement of the above-stated objectives.

This statement comprises the entire annual report and public brochure, and will be publicly disclosed. If the aforesaid statement has any unlawful attempt such as pretence and concealment, ACC will assume the legal responsibilities according to Article 20, 32, 171 and 174 of Securities and Exchange Law.

This statement has been approved by ACC Board of Directors at the meeting of March 20, 2015 with 13 directors in presence and none disagreement with the content of this statement.

**Asia Cement Corporation**

Chairman: Douglas Tong Hsu

President: Kun Yen Lee



### 3.3.11 Major Resolutions of Shareholders' Meeting and Board Meetings

#### 1. Major resolution of 2014 Regular Shareholders' Meeting

Date	Major resolutions
2014/06/16	<ol style="list-style-type: none"> <li>1. Acceptance of 2013 financial statements.</li> <li>2. Acceptance of the proposal for distribution of 2013 profits.</li> <li>3. Acceptance for a new share issue through capitalization of earnings.</li> <li>4. Amendment to “the Working Procedures for the Acquisition and Disposal of Assets”.</li> <li>5. To Elect Directors, Independent Directors, and Supervisors.</li> <li>6. Proposal for Release the Prohibition on Directors From Participation in Competitive Business.</li> </ol>
Execution Status	<ol style="list-style-type: none"> <li>1. Major resolutions of the Shareholders' meeting have been fully implemented.</li> <li>2. The record date for distribution of 2013 profits was Sep. 3, 2014. Cash dividends have been distributed on September 25, 2014.</li> <li>3. The new share issue through capitalization of earnings has been approved by the Financial Supervisory Commission on July 21, 2014 and registered to MOEA on Sep. 17, 2014.</li> <li>4. The election for directors, independent directors, and supervisors has been approved by the MOEA on Sep. 17, 2014.</li> </ol>

#### 2. Major Resolutions of the Board of Directors

Totally 8 meetings of the Board of Directors were held in the period from Jan. 1, 2014 to May 15, 2015. Directors and Supervisors have no opposition to major resolutions in this period.

Item	Date	Major resolutions
12 <sup>th</sup> Meeting of 24 <sup>th</sup> Board of Director	2014/03/24	<ol style="list-style-type: none"> <li>1. Acceptance of 2013 financial statements and consolidated financial statements.</li> <li>2. Acceptance of the proposal for distribution of 2013 profits.</li> <li>3. Acceptance of the proposal for a new share issue through capitalization of earnings.</li> <li>4. Proposal to Elect Directors, Independent Directors, and Supervisors.</li> <li>5. Proposal for Release the Prohibition on Directors from Participation in Competitive Business.</li> <li>6. To set the nomination period for candidates of Directors, Independent Directors, and Supervisors.</li> <li>7. Amendment to “the Working Procedures for the Acquisition and Disposal of Assets”.</li> <li>8. Acceptance to issue 2013 Statement of Internal Control System.</li> <li>9. The measurements of investment properties of the Company and invested companies recognized under equity method altered to fair value model effective from January 1, 2014. Report on changes in accounting policy and their impact.</li> <li>10. To convene 2014 regular shareholders' meeting.</li> <li>11. Acceptance of 2014 business budget.</li> <li>12. Acceptance of 2014 CPA service fee of Deloitte &amp; Touche.</li> <li>13. To issue four-year non-guaranteed commercial paper for NT \$3 billion.</li> <li>14. To issue five-year non-guaranteed corporation bond for NT \$8 billion.</li> <li>15. To issue non-guaranteed exchange bond up to USD 300 million.</li> <li>16. To acquire 49% shareholding of Yuan Long Stainless Steel Corp. in</li> </ol>

		<p>NT \$723,240,000 with Far Eastern Asset Management Corporation.</p> <p>17. To reappoint one member of Remuneration Committee.</p> <p>18. Acceptance of reappointment of senior executives.</p> <p>19. To donate NT \$5 million to the Chiang Ching-kuo Foundation for International Scholarly Exchange.</p> <p>* Douglas Tong Hsu is the director of the foundation. He did not participate in discussion and voting of the issue according to relevant regulations.</p> <p>20. To donate the Yadong Stadium to the Oriental Institute of Technology.</p> <p>* Douglas Tong Hsu, Peter Hsu, and Connie Hsu are the directors of the university. They did not participate in discussion and voting of the issue according to relevant regulations.</p>
13 <sup>th</sup> Meeting of 24 <sup>th</sup> Board of Director	2014/05/05	<p>1. To donate the Yadong Stadium and its repairing fee, NT \$24.88 million to the Oriental Institute of Technology.</p> <p>2. Acceptance to change the CPA because of the internal job rotations of Deloitte &amp; Touche.</p> <p>3. To review the slate of candidates for directors, independent directors, and supervisors.</p>
1 <sup>st</sup> Meeting of 25 <sup>th</sup> Board of Director	2014/06/24	<p>1. To elect Douglas Tong Hsu as the Chairman of the Company.</p> <p>2. Acceptance of the Cross Currency Swap for USD 100 million.</p> <p>3. To appoint members of the Remuneration Committee.</p> <p>4. Amendment to the Deed of Non-Competition with Asia Cement (China) Holdings Corporation.</p>
2 <sup>nd</sup> Meeting of 25 <sup>th</sup> Board of Director	2014/08/08	<p>1. To decide the ex-dividend date for distribution of cash dividends, the ex-right date for capital increase, and the closing date for stock transference.</p>
3 <sup>rd</sup> Meeting of 25 <sup>th</sup> Board of Director	2014/11/10	<p>1. To issue non-guaranteed corporation bond up to \$6 billion.</p> <p>2. Acceptance of 2015 audit plan and to modify 2014 audit plan.</p> <p>3. Amendment to "Internal Control System and its bylaws".</p> <p>4. Enactment of "Corporate Governance Codes".</p> <p>5. Enactment of "Corporate Social Responsibility Policy".</p> <p>6. To donate NT \$10 million to 2014 Asia Cement/ Far Eastone Taroko Gorge Marathon Event.</p> <p>7. To donate NT \$6 million to the Yuan Ze University.</p> <p>* Douglas Tong Hsu, Tsai Hsiung Chang, C.V. Chen, Peter Hsu, and Connie Hsu are the directors of the university. They did not participate in discussion and voting of the issue according to relevant regulations.</p>
1 <sup>st</sup> Interim Meeting of 25 <sup>th</sup> Board of Director	2014/12/22	<p>1. The report about the history of the Quarry of the Company located in the Taroko National Park, Hualien.</p> <p>2. The report about the impact of aboriginal land dispute.</p> <p>3. The report about the environmental groups urging the Legislative Yuan to amend the Mining Act.</p>
4 <sup>th</sup> Meeting of 25 <sup>th</sup> Board of Director	2015/03/20	<p>1. Acceptance of 2014 consolidated financial statements and financial statements.</p> <p>2. Acceptance of the proposal for distribution of 2014 profits.</p> <p>3. Acceptance to issue 2014 Statement of Internal Control System.</p> <p>4. To convene 2015 regular shareholders' meeting.</p> <p>5. Acceptance of 2015 business budget.</p> <p>6. Acceptance of 2015 CPA service fee of Deloitte &amp; Touche and</p>

		<p>assessment for its independence.</p> <p>7. Amendment to the “Working Procedures for Acquisition and Disposal of Assets”.</p> <p>8. Amendment to “the Procedures for Making Endorsements and Guarantees”.</p> <p>9. Amendment to “the Procedures for Loans of Funds to Others”.</p>
5 <sup>th</sup> Meeting of 25 <sup>th</sup> Board of Director	2015/05/13	<p>1. Acceptance of 2014 Business Report.</p> <p>2. The enactment of “Working Procedures for Reporting Illegal, Unethical, and Dishonest Issues”.</p> <p>3. The enactment of “Procedures for Evaluating the Board’s Performance”.</p>

**3.3.12 Resignation or dismissal of the chairman, president, accounting manager, finance manager, auditing manager, and R&D manager of the Company**

None.

◎The Board of Director approved “the Procedure Dealing with Internal Material Information of Asia Cement Corporation” on December 21, 2009. This Procedure has been posted on the Company’s electronic bulletin board.

### 3.4 Information of CPA Service Fee

#### 1. Information of CPA service fee

Unit: NT\$ 1,000

Accounting Firm	Name of CPA	Audit Fee	Non-audit Fee				Sub total	Audit period	Note
			System design	Business Registration	Human Resource	Others (Note)			
Deloitte & Touche	H.W. Tai and L.W. Kuo	7,530	0	224	0	3,090	3,314	2014/1/1~2014/3/31	-
	L.W. Kuo and Y. W. Fan							2014/4/1~2014/12/31	

Note: (1) NT\$ 2,940,000 is for the project to optimize the SAP authorization.

(2) NT\$ 150,000 is for review ECB issuance.

- The Company commissioned Deloitte & Touche-Taiwan to audit the financial statements. Due to internal function adjustments in Deloitte & Touche-Taiwan, the audit has been commissioned from CPA Hsin Wei Tai and Li Wen Kuo to CPA Li Wen Kuo and You Wei Fan since 2014Q2.
- The ACC Chairman, President, and managers who are responsible for finance and accounting do not have any position at CPA Firm or its affiliated companies in the most recent fiscal year.

### 3.5 Relevant licenses and certificates obtained about transparent financial information

Department	Name	Title	Licenses and Certificates
Finance	Doris Wu	Vice President	CPA, Taiwan and United States
Finance	Yu Ling Yang	Manager	CPA, Taiwan and China
Finance	Yu De Liao	Specialist	Certified Internal Auditor Certified Information Systems Auditor
Auditing	Chi Wen Lu	Assistant Specialist	Certified Internal Auditor Certification in Risk Management Assurance
Auditing	Kun Da Hsu	Assistant Coordinator	Certified Internal Auditor



### 3.7 Information Disclosing the Relationship between any of the Company's Top 10 Shareholders

Name	Shares Held		Shares of Spouse & Minor		Total Shareholding Held In The Name of Others		The name and relation of top10 shareholders who mutually have relations that meet the definition of the "affiliate", or mutually are spouses or within two degrees of kinship	
	Shares	Ratio	Shares	Ratio	Shares	Ratio	Name	Relation
Far Eastern New Century Corp. Representative: Douglas Tong Hsu	750,511,324	22.33%	0	0%	0	0%	Far Eastern Medical Foundation	The Same Chairman
			0	0%	0	0%	Fubon Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Cathay Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	The Same Chairman
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan-Ze University	The Same Chairman
			0	0%	0	0%	Shin Kong Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Insurance Fund	Non-related party
			0	0%	0	0%	Yu Yuan Investment Co., Ltd	Non-related party
Far Eastern Medical Foundation Representative: Douglas Tong Hsu	181,566,797	5.40%	0	0%	0	0%	Far Eastern New Century Corporation	The Same Chairman
			0	0%	0	0%	Fubon Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Cathay Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	The Same Chairman
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan-Ze University	The Same Chairman
			0	0%	0	0%	Shin Kong Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Insurance Fund	Non-related party
			0	0%	0	0%	Yu Yuan Investment Co., Ltd	Non-related party

Name	Shares Held		Shares of Spouse & Minor		Total Shareholding Held In The Name of Others		The name and relation of top10 shareholders who mutually have relations that meet the definition of the “affiliate”, or mutually are spouses or within two degrees of kinship	
	Shares	Ratio	Shares	Ratio	Shares	Ratio	Name	Relation
Fubon Life Insurance Co., Ltd. Representative: Peng-Yuan Cheng	151,002,869	4.49%	0	0%	0	0%	Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Far Eastern Medical Foundation	Non-related party
			0	0%	0	0%	Cathay Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan-Ze University	Non-related party
			0	0%	0	0%	Shin Kong Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Insurance Fund	Non-related party
			0	0%	0	0%	Yu Yuan Investment Co., Ltd	Non-related party
Cathay Life Insurance Co., Ltd. Representative: Hong-Tu Tsai	77,750,936	2.31%	0	0%	0	0%	Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Far Eastern Medical Foundation	Non-related party
			0	0%	0	0%	Fubon Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan-Ze University	Non-related party
			0	0%	0	0%	Shin Kong Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Insurance Fund	Non-related party
			0	0%	0	0%	Yu Yuan Investment Co., Ltd	Non-related party



Name	Shares Held		Shares of Spouse & Minor		Total Shareholding Held In The Name of Others		The name and relation of top10 shareholders who mutually have relations that meet the definition of the “affiliate”, or mutually are spouses or within two degrees of kinship	
	Shares	Ratio	Shares	Ratio	Shares	Ratio	Name	Relation
Far Eastern Department Stores Co., Ltd. Representative: Douglas Tong Hsu	61,000,492	1.81%	0	0%	0	0%	Far Eastern New Century Corporation	The Same Chairman
			0	0%	0	0%	Far Eastern Medical Foundation	The Same Chairman
			0	0%	0	0%	Fubon Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Cathay Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan-Ze University	The Same Chairman
			0	0%	0	0%	Shin Kong Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Insurance Fund	Non-related party
			0	0%	0	0%	Yu Yuan Investment Co., Ltd	Non-related party
Labor Pension Fund Committee of Far Eastern New Century Corporation	49,991,049	1.49%	0	0%	0	0%	Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Far Eastern Medical Foundation	Non-related party
			0	0%	0	0%	Fubon Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Cathay Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	Non-related party
			0	0%	0	0%	Yuan-Ze University	Non-related party
			0	0%	0	0%	Shin Kong Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Insurance Fund	Non-related party
			0	0%	0	0%	Yu Yuan Investment Co., Ltd	Non-related party



Name	Shares Held		Shares of Spouse & Minor		Total Shareholding Held In The Name of Others		The name and relation of top10 shareholders who mutually have relations that meet the definition of the “affiliate”, or mutually are spouses or within two degrees of kinship	
	Shares	Ratio	Shares	Ratio	Shares	Ratio	Name	Relation
Yuan-Ze University Representative: Douglas Tong Hsu	47,499,567	1.41%	0	0%	0	0%	Far Eastern New Century Corporation	The Same Chairman
			0	0%	0	0%	Far Eastern Medical Foundation	The Same Chairman
			0	0%	0	0%	Fubon Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Cathay Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	The Same Chairman
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Shin Kong Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Insurance Fund	Non-related party
			0	0%	0	0%	Yu Yuan Investment Co., Ltd	Non-related party
Shin Kong Life Insurance Co., Ltd. Representative: Wu Tung Chin	47,386,846	1.41%	0	0%	0	0%	Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Far Eastern Medical Foundation	Non-related party
			0	0%	0	0%	Fubon Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Cathay Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan-Ze University	Non-related party
			0	0%	0	0%	Labor Insurance Fund	Non-related party
			0	0%	0	0%	Yu Yuan Investment Co., Ltd	Non-related party



Name	Shares Held		Shares of Spouse & Minor		Total Shareholding Held In The Name of Others		The name and relation of top10 shareholders who mutually have relations that meet the definition of the “affiliate”, or mutually are spouses or within two degrees of kinship	
	Shares	Ratio	Shares	Ratio	Shares	Ratio	Name	Relation
Labor Insurance Fund	44,674,039	1.33%	0	0%	0	0%	Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Far Eastern Medical Foundation	Non-related party
			0	0%	0	0%	Fubon Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Cathay Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan-Ze University	Non-related party
			0	0%	0	0%	Shin Kong Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Yu Yuan Investment Co., Ltd	Non-related party
Yu Yuan Investment Co., Ltd Representative: W.K. Chou	43,268,479	1.29%	0	0%	0	0%	Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Far Eastern Medical Foundation	Non-related party
			0	0%	0	0%	Fubon Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Cathay Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan-Ze University	Non-related party
			0	0%	0	0%	Shin Kong Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Insurance Fund	Non-related party



### 3.8 Shareholding Proportion of ACC to Investees

Dec. 31, 2014

Investees	Investments by ACC		Investments by Directors, Supervisors, Managers and Directly or Indirectly Controlled Businesses		Total Investments	
	Shares	Ratio	Shares	Ratio	Shares	Ratio
Asia Investment Corp.	154,634,483	100.00%	-	0.00%	154,634,483	100.00%
Sunrise Industrial Holdings Ltd.	90,000	100.00%	-	0.00%	90,000	100.00%
Yuan Long Stainless Steel Corp.	200,000,000	100.00%	-	0.00%	200,000,000	100.00%
Ya Tung Ready-Mixed Concrete Corp.	137,521,904	99.99%	6,104	0.00%	137,528,008	99.99%
Der Ching Investment Corp.	565,063,189	99.99%	24,030	0.00%	565,087,219	99.99%
Nan Hwa Cement Corp.	26,128,171	99.94%	12,396	0.05%	26,140,567	99.99%
Asia Cement (Singapore) Pte. Ltd.	10,495,495	99.96%	2	0.00%	10,495,497	99.96%
Fu Ming Transportation Co., Ltd.	29,517,188	99.82%	39,944	0.14%	29,557,132	99.96%
Asia Engineering Enterprise Corp.	7,970,703	98.23%	123,243	1.52%	8,093,946	99.75%
FEDS Development Ltd.	52,500,000	25.00%	147,000,000	70.00%	199,500,000	95.00%
Yuan Ding Co., Ltd.	178,707,648	35.50%	259,921,774	51.63%	438,629,422	87.13%
Ya Li Precast and Prestressed Concrete	16,241,083	83.81%	20,472	0.11%	16,261,555	83.92%
Asia Cement (China) Holdings Corp.	1,061,209,202	67.73%	72,492,298	4.63%	1,133,701,500	72.36%
Chiahui Power Corp.	280,093,521	59.59%	1,256,388	0.27%	281,349,909	59.86%
Ya Li Transportation Corp.	5,100,000	51.00%	60,817	0.61%	5,160,817	51.61%
Yuan Ding Leasing Corp.	34,640,189	43.60%	-	0.00%	34,640,189	43.60%
Everstrong Iron & Steel Foundry Ltd.	3,199,823	40.40%	5,000	0.06%	3,204,823	40.46%
U-Ming Marine Transport Corp.	331,701,152	38.66%	20,449,373	2.38%	352,150,525	41.04%
Oriental Securities Corp.	135,092,154	18.93%	145,153,334	20.34%	280,245,488	39.27%
Far Eastern New Century Corp.	1,247,330,476	23.77%	429,096,157	8.17%	1,676,426,633	31.94%
Yue Yuan Investment Corp.	155,000,803	29.92%	515,024	0.10%	155,515,827	30.02%

## IV Capital Formation

### 4.1 Capital and Shares

#### 4.1.1 Capital

Share Type	Authorized Capital			Reserve for Convertible Shares
	Issued Shares	Un-issued Shares	Total Shares	
Common Shares	3,361,447,198 Available for trading on the TWSE	238,552,802	3,600,000,000	-

#### 4.1.2 Capital Increase in the Past Five Years

As of April 27, 2015

Date	Par Value	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Sources of Capital	Capital Increased by Assets Other than Cash	Others
Dec.2010	NT\$10	3,300,000,000	33,000,000,000	3,075,307,547	30,753,075,470	Dividend	None	None
Dec.2011	NT\$10	3,600,000,000	36,000,000,000	3,136,813,697	31,368,136,970	Dividend	None	None
Dec.2012	NT\$10	3,600,000,000	36,000,000,000	3,230,918,107	32,309,181,070	Dividend	None	None
Dec.2013	NT\$10	3,600,000,000	36,000,000,000	3,295,536,469	32,955,364,690	Dividend	None	None
Dec.2014	NT\$10	3,600,000,000	36,000,000,000	3,361,447,198	33,614,471,980	Dividend	None	None

#### 4.1.3 Shareholder Structure

As of April 27, 2015

Structure Amount	Governments	Financial Institutions	Other Institutional Investors	Domestic Individual Investors	Foreign Institutions & Individuals	Total
Number of Shareholders	11	64	331	83,503	573	84,482
Number of shares	117,469,641	430,581,774	1,534,579,598	623,003,449	655,812,736	3,361,447,198
Shareholding Percentage	3.50%	12.81%	45.65%	18.53%	19.51%	100.00%

Note: No institution and individual shareholders directly from China.



#### 4.1.4 Shareholding Distribution Status

As of April 27, 2015

Class of Shareholding (Unit: Share)	Number of shareholders	Number of shares	Holding Percentage
1-999	37,575	9,150,800	0.27%
1,000-5,000	30,605	67,099,973	1.99%
5,001-10,000	6,955	49,391,787	1.47%
10,001-15,000	3,099	37,010,916	1.10%
15,001-20,000	1,301	22,858,533	0.68%
20,001-30,000	1,643	39,902,836	1.19%
30,001-40,000	756	26,040,449	0.77%
40,001-50,000	489	22,191,001	0.66%
50,001-100,000	946	65,193,731	1.94%
100,001-200,000	490	68,418,638	2.04%
200,001-400,000	258	71,550,607	2.13%
400,001-600,000	83	40,932,678	1.22%
600,001-800,000	42	29,041,665	0.86%
800,001-1,000,000	26	23,470,942	0.70%
Over 1,000,001	214	2,789,192,642	82.98%
Total	84,482	3,361,447,198	100%

#### 4.1.5 List of Major Shareholders

As of April 27, 2015

Major Shareholder	Shares	Number of Shares	Holding Percentage
Far Eastern New Century Corporation		750,511,324	22.33%
Far Eastern Medical Foundation		181,566,797	5.40%
Fubon Life Insurance Co., Ltd.		151,002,869	4.49%
Cathay Life Insurance Co., Ltd.		77,750,936	2.31%
Far Eastern Department Stores Co., Ltd.		61,000,492	1.81%
Labor Pension Fund Committee of Far Eastern New Century Corporation		49,991,049	1.49%
Yuan-Ze University		47,499,567	1.41%
Shin Kong Life Insurance Co., Ltd.		47,386,846	1.41%
Labor Insurance Fund		44,674,039	1.33%
Yu Yuan Investment Co., Ltd		43,268,479	1.29%
Total		1,454,652,398	43.27%

#### 4.1.6 Market Price, Net Value, Earnings and Dividends per Share

Unit: NT\$

Item		Year	2013	2014	As of May 15, 2015
Market Price Per Share	Highest		40.30	44.50	39.65
	Lowest		34.85	35.60	37.60
	Average		37.41	39.29	38.60
Net Value Per Share	Before Distribution		40.80	42.19	43.88 (Note1)
	After Distribution		39.00	(Note2)	(Note2)
Earnings Per Share	Weighted Average shares (in thousand)		3,141,291	3,142,158	3,141,942
	Earnings Per Share		3.35	2.98	0.47 (Note1)
Dividends Per Share	Cash Dividends		1.80	2.20(Note2)	not applicable
	Stock Dividend	Dividends from Retained Earnings	0.20	-	not applicable
		Dividends from Capital Surplus	-	-	-
	Accumulated Unpaid Dividends		-	-	-
Return on Investment	Price-Earnings Ratio		11.17	13.18	-
	Price-Dividend Ratio		20.78	17.86	-
	Cash Dividend Yield Rate		4.81%	5.60%	-

Note 1: The data is adopted from the consolidated financial report of the first quarter in 2015 which was reviewed by the CPA.

Note 2: Being resolved by the 2015 Shareholders' Meeting.

Note 3: After adjusting stock dividends, the highest, lowest and average market price of 2013 are 39.51, 34.17, and 36.68.

#### 4.1.7 Dividend Policy & Implementation Status

##### 1. Dividend Policy

According to the Article 26 of Incorporation of Asia Cement Corporation, apart from paying all its income taxes in the case where there are net income at the end of the year, the Company shall make up for accumulated losses in past years. Where there is still balance, 10% of which shall be set aside by the Company as legal reserve and a special reserve as required by law shall be set aside. Subject to certain business conditions under which the Company may retain a portion of the remaining balance, the Company may distribute to the shareholders the remainder together with undistributed profits from previous years in the following manner:

- a. 60% as share interest,
- b. 33% as shareholders' bonus,
- c. 3% as remuneration for directors and supervisors.
- d. 4% as employees bonus.

The Article 25 provides that "The distribution of dividends shall take into consideration the changes in the outlook for the Company's businesses, the lifespan of the various products or services that have an impact on future capital needs and taxation. Dividends shall be distributed at the ratio as set forth in these articles of incorporation aimed at maintaining the stability of dividend distributions. When distributing dividends, the cash dividends shall not be less than 10% of the aggregate sum of dividends and bonus distributed in the same year." The Company has mapped out its dividend policy which shall conclude the following considerations:

- a. Changes in the outlook for the Company's businesses;
- b. Maintaining a stable dividend policy; and



c. Cash-dividends oriented market trends.

Hereby lists the Company's dividend in recent three years as follows:

Year	Cash Dividend	Ratio of Total Dividend	Stock dividend	Ratio of Total Dividend	Total dividend
2012	NT \$1.7	89.5%	NT \$0.2	10.5%	NT \$1.9
2013	NT \$1.8	90%	NT \$0.2	10%	NT \$2.0
2014 (Proposed)	NT \$2.2	100%	NT \$0	0%	NT \$2.2

Unless with dramatic changes in the economy or massive money demand of the Company, in accordance with stable dividend policy of the Company, dividends are expected to be between NT \$1.8 to NT \$ 2.0 in which 80% are cash dividend in the next three years.

## 2. The Dividend Distribution Proposal

Cash dividend: NT\$ 2.2 per share (total amount will be NT \$7,395,183,836).

### 4.1.8 Effects on Business Performance and EPS Resulting From Stock Dividend Distribution

Item		Year	2015 (Estimated)
Paid-In Capital (Beginning of The Year)			NT \$33,614,471,980
Stock & Cash Dividend Distribution	Cash Dividend Per Share		NT\$2.20
	Stock Dividend From Retained Earnings Per Share		0.00 Share
	Stock Dividend From Capital Surplus Per Share		0.00 Share
Variance In Business Performance	Operating Income		Not Applicable*
	% Change In Operating Income		"
	Net Income		"
	% Change In Net Income		"
	Earnings Per Share		"
	% Change In EPS		"
Pro Forma EPS & P/E Ratio	If Retained Earnings Distributed In Cash Dividend	Pro Forma Earnings Per Share	"
		Pro Forma Average Yearly Return on Investment	"
	If Capital Surplus Not Distributed In Stock Dividend	Pro Forma Earnings Per Share	"
		Pro Forma Average Yearly Return on Investment	"
	If Retained Earnings & Capital Surplus Distributed In Cash Dividend Rather Than Stock Dividend	Pro Forma Earnings Per Share	"
		Pro Forma Average Yearly Return on Investment	"

\* As the Company does not disclose its financial forecast information, in compliance with relevant governmental regulations, there is no need to provide this information.

#### 4.1.9 Employees Bonus and Remuneration of Directors and Supervisors

1. Information relating to employees bonus and remuneration of directors and supervisors according to the Articles of Incorporation of Asia Cement Corporation:

Pursuant to the Articles of Incorporation, employees bonus is 4% of distributable earnings. Remuneration of directors and supervisors is 3% of distributable earnings.

2. The estimating basis of the said bonus and remuneration shall be referred to the profit or loss of the year calculated by the Company and profit distribution condition in the past years.

After the Shareholders' Meeting resolving the actual distribution amount, the difference would be regarded as accounting estimation adjustment and recognized to the profit and loss of 2015.

Note: The Company has no stock bonus and remuneration.

3. Information about profit distribution resolved by the Board of Directors on March 20, 2015:

A. Employees cash bonus, NT\$ 318,072,423 is more than the estimation of 2014 for NT \$28,915,675.

Remuneration of directors and supervisors, NT\$ 238,554,317 is more than the estimation of 2014 for NT\$ 21,686,756.

After Shareholders' meeting finalizes the actual distribution amount, the difference would be regarded as accounting estimation adjustment and recognized to the profit and loss of 2015.

B. Percentage of employees' stock bonus to capital increase: N/A.

C. Earnings per share after the distribution of employees bonus and remuneration of directors and supervisors: NT \$2.9633.

4. Actual distribution of employees bonus and remuneration of directors and supervisors in previous year, including number of share, amount, and stock price. The difference with recognized employees bonus and remuneration of directors and supervisors shall be stipulated, including the difference, reasons, and treatment:

The Board of Directors resolved on March 24, 2014 to distribute employees bonus, NT \$283,487,008 and remuneration of directors and supervisors, NT\$ 212,615,256 which were recognized by the Shareholders' Meeting. The employees bonus was fully distributed. The actual distributed amount of directors' and supervisors' remuneration was NT\$ 171,150,000 (in which NT\$ 28,050,000 (16.39%) distributed to individuals and representatives; NT\$ 143,100,000 (83.61%) distributed to juridical persons). Retained un-distributed amount was NT\$ 41,465,256.

The employees bonus is more than the estimation of 2013 for NT\$44,607,782. The remuneration of directors and supervisors is more than the estimation of 2013 for NT\$33,455,839. These differences have been regarded as accounting estimation adjustment and recognized to the profit and loss of 2014.

◎Buyback of Treasury Stock: None.

◎Preferred Stock: None.

◎Employee Stock Option: None.

◎Restricted Stock Awards for employees: None.

◎Merger or acquisition of other company' share to issue new share: None.





## 4.2 Summary of Corporate Bonds

### 4.2.1 Issued Corporate Bonds

Type of Bond Issued		1st Unsecured Corporate Bond Issued in 2010	1st Unsecured Corporate Bond Issued in 2014
Item			
Date Issued		Feb. 5, 2010	May. 23, 2014
Par Value		NT\$1,000,000	NT\$1,000,000
Issue and Trade Place		N/A	N/A
Issue Price		Par Value	Par Value
Nominal Amount		NT\$5,000,000,000	NT\$8,000,000,000
Interest Rate		1.90%	1.36%
Term		Five Years. Maturity: Feb. 5, 2015	Five Years. Maturity: May. 23, 2019
Guaranty/Guarantor		None	None
Trustee		Mega International Commercial Bank, Trust Department	China Trust Commercial Bank, Trust Department
Underwriter		None	None
Certified Lawyer		M.T.Huang	M.T.Huang
Certified Public Accountant		H.W. Tai, Y.W.Fan	H.W. Tai, L.W. Kuo
Repayment Method		Interest paid annually since issue, 50% principal installed separately after the 4 <sup>th</sup> and 5 <sup>th</sup> anniversary of the issue date	Interest paid annually since issue, 50% principal installed separately after the 4 <sup>th</sup> and 5 <sup>th</sup> anniversary of the issue date
Outstanding Balance		Dec. 31, 2014: NT\$2,500,000,000 Feb. 05, 2015: NT\$0	NT\$8,000,000,000
Redemption Clauses		None	None
Restrictive Covenants		None	None
Credit Rating Agency/Date/Rating		Taiwan Ratings Corporation Long term Credit Ratings: twA+ Short term Credit Ratings: twA-1 Outlook: Stable Bond Ratings: twA+ Credit rating date: Dec.22, 2009	Taiwan Ratings Corporation Long term Credit Ratings: twA+ Short term Credit Ratings: twA-1 Outlook: Stable Bond Ratings: - Credit rating date: Aug.22, 2013
Convertible	Amount Converted	None	None
	Issue/ Conversion Rules	None	None
Terms to issuance, conversion, exchange and subscription. The impacts to current shareholder equity and potential dilutions.		None	None
Custodian		None	None

Type Of Bond Issued		2nd Overseas Unsecured Exchangeable Bonds	1st Overseas Unsecured Convertible Bonds
Item			
Date Issued		Jan. 27, 2011	Jun. 7, 2011
Par Value		US\$200,000 and in increments of US\$1,000 thereafter	US\$200,000 and in increments of US\$1,000 thereafter
Issue And Trade Place		Singapore Exchange	Singapore Exchange
Issue Price		Par Value	Par Value
Nominal Amount		US\$375,000,000	US\$172,500,000
Interest Rate		0%	0%
Term		Five Years Maturity: Jan. 27, 2016	Five Years Maturity: Jun. 7, 2016
Guaranty/Guarantor		None	None
Trustee		BNY Mellon	BNY Mellon
Underwriter		Goldman Sachs International	Goldman Sachs International
Certified Lawyer		Y.H. Wang	Y.H. Wang
Certified Public Accountant		H.W. Tai, Y.W. Fan	H.W. Tai, Y.W. Fan
Repayment Method		Unless previously redeemed, repurchased and cancelled or exchanged, the bonds will be redeemed at their principal amount on the maturity date.	Unless previously redeemed, repurchased and cancelled or converted, the bonds will be redeemed at their principal amount with a yield calculated at the rate of 0.3% per annum on the maturity date.
Outstanding Balance		US\$42,300,000	US\$166,500,000
Redemption Clauses		<p>A. The Issuer may redeem the bonds at the option of the Issuer in whole or in part at any time after three years of the issue date at the early redemption price, if the closing price for 30 consecutive trading days (in the event of ex-rights or ex-dividends, the closing price on each applicable trading days during the period from the ex-rights or ex-dividends trading day to the ex-rights or ex-dividends record date, as the case may be, shall be adjusted to the price taking into account of impact of the ex-rights or ex-dividends) of the common shares of FENC on the TSE is at least 130% of the then exchange price.</p> <p>B. The Issuer may redeem all of the bonds at their principal amount in the event that more than 90% of the bonds have been previously redeemed, repurchased and cancelled or exchanged.</p> <p>C. The Issuer may redeem all of the bonds at their principal amount in the event of changes in ROC taxation resulting in increase of tax obligation or the necessity to pay additional interest expense or increase of additional costs to the Issuer.</p>	<p>A. The Issuer may redeem the bonds at the option of the Issuer in whole or in part at any time after three years of the issue date at the early redemption price, if the closing price for 30 consecutive trading days (in the event of ex-rights or ex-dividends, the closing price on each applicable trading days during the period from the ex-rights or ex-dividends trading day to the ex-rights or ex-dividends record date, as the case may be, shall be adjusted to the price taking into account of impact of the ex-rights or ex-dividends) of the Issuer's common shares on the TSE is at least 130% of the quotient of the early redemption price multiply by the then conversion price divided by the principal amount of the bonds.</p> <p>B. The Issuer may redeem all of the bonds at the early redemption price in the event that more than 90% of the bonds have been previously redeemed, repurchased and cancelled or converted.</p> <p>C. The Issuer may redeem all of the bonds at early redemption price in the event of changes in ROC taxation resulting in increase of tax obligation or the necessity to pay additional interest expense or increase of additional costs to the Issuer.</p>
Restrictive Covenants		None	None
Credit Rating Agency/Date/Rating		None	None
Convertible	Amount Converted	None	None
	Issue/ Conversion Rules	Except for closed periods as prescribed by ROC laws and regulations or otherwise described in the Indenture, the bondholders shall have the right to require the Issuer to exchange the bonds into the exchange securities at any time during the period from the 41th day after the issuance of the bonds to the date falling 30th day prior to the maturity date. The aforementioned closed periods shall	Except for closed periods as prescribed by ROC laws and regulations or otherwise described in the Indenture, the bondholders shall have the right to require the Issuer to convert the bonds into the converted securities at any time during the period from the 41th day after the issuance of the bonds to the date falling 30th day prior to the maturity date. The aforementioned closed periods shall



		<p>mean:</p> <p>A. The period of FENC has to close its shareholders' register, which period currently includes 60 days prior to the date of the annual general shareholders' meeting, 30 days prior to a special shareholders' meeting, or any other period prescribed by law.</p> <p>B. In the event of free distribution of shares, distribution of cash dividends or rights issues, by FENC, the period from at least fifteen trading days prior to the record date for determination of shareholders entitled to receive dividends, subscription of new shares or other benefits to the record date for the distribution or allocation of the relevant dividends, rights and benefits, and in the event of capital reduction, the period from the record date for determination of the shareholders participating in such capital reduction to the first trading day immediately prior to the date on which the common shares resume trading after such capital reduction and other closed period as required by ROC laws and regulations or by the TSE.</p> <p>C. Where any ROC laws and regulations governing closed period as above-mentioned has been changed or amended, the closed period shall be amended to comply with the prevailing laws and regulations.</p>	<p>mean:</p> <p>A. The Issuer has to close its shareholders' register, which period currently includes 60 days prior to the date of the annual general shareholders' meeting, 30 days prior to a special shareholders' meeting, or any other period prescribed by law.</p> <p>B. In the event of free distribution of shares, distribution of cash dividends or rights issues, by Issuer, the period from at least fifteen trading days prior to the record date for determination of shareholders entitled to receive dividends, subscription of new shares or other benefits to the record date for the distribution or allocation of the relevant dividends, rights and benefits, and in the event of capital reduction, the period from the record date for determination of the shareholders participating in such capital reduction to the first trading day immediately prior to the date on which the common shares resume trading after such capital reduction and other closed period as required by ROC laws and regulations or by the TSE.</p> <p>C. Where any ROC laws and regulations governing closed period as above-mentioned has been changed or amended, the closed period shall be amended to comply with the prevailing laws and regulations.</p>
Terms to issuance, conversion, exchange and subscription. The impacts to current shareholder equity and potential dilutions.	The 2 <sup>nd</sup> overseas unsecured exchangeable bonds with a zero coupon rate, the bonds provide a low-cost source of long-term funds and reduce the interest expenses, and therefore have a positive boost on the Issuer's profitability.	The 1 <sup>st</sup> overseas unsecured convertible bonds with a zero coupon rate, the bonds provide a low-cost source of long-term funds and reduce the interest expenses, and therefore have a positive boost on the Issuer's profitability.	
Custodian	None	None	

Type Of Bond Issued	2nd Overseas Unsecured Convertible Bonds	
Item		
Date Issued	May. 13, 2013	
Par Value	US\$200,000 and in increments of US\$1,000 thereafter	
Issue And Trade Place	Singapore Exchange	
Issue Price	Par Value	
Nominal Amount	US\$220,000,000	
Interest Rate	0%	
Term	Five Years Maturity: May. 13, 2018	
Guaranty/Guarantor	None	
Trustee	BNY Mellon	
Underwriter	Goldman Sachs International	
Certified Lawyer	Y.H. Wang	
Certified Public Accountant	H.W. Tai, L.W. Kuo	
Repayment Method	Unless previously redeemed, repurchased and cancelled or converted, the bonds will be redeemed at their principal amount on the maturity date.	
Outstanding Balance	US\$220,000,000	
Redemption Clauses	<p>A. The Issuer may redeem the bonds at the option of the Issuer in whole or in part at any time after three years of the issue date at the principal amount, if the closing price for 30 consecutive trading days (in the event of ex-rights or ex-dividends, the closing price on each applicable trading days during the period from the ex-rights or ex-dividends trading day to the ex-rights or ex-dividends record date, as the case may be, shall be adjusted to the price taking into account of impact of the ex-rights or ex-dividends) of the Issuer's common shares on the TSE is at least 130% of the quotient of the principal amount multiply by the then conversion price divided by the principal amount of the bonds.</p> <p>B. The Issuer may redeem all of the bonds at the principal amount in the event that at least 90% of the bonds have been previously redeemed, repurchased and cancelled or converted.</p> <p>C. The Issuer may redeem all of the bonds at principal amount in the event of changes in ROC taxation resulting in increase of tax obligation or the necessity to pay additional interest expense or increase of additional costs to the Issuer.</p>	
Restrictive Covenants	None	
Credit Rating Agency/Date/Rating	None	
Convertible	Amount Converted	None
	Issue/ Conversion Rules	<p>Except for closed periods as prescribed by ROC laws and regulations or otherwise described in the Indenture, the bondholders shall have the right to require the Issuer to convert the bonds into the converted securities at any time during the period from the 41th day after the issuance of the bonds to the date falling 30th day prior to the maturity date. The aforementioned closed periods shall mean:</p> <p>A. The Issuer has to close its shareholders' register, which period currently includes 60 days prior to the date of the annual general shareholders' meeting, 30 days prior to a special shareholders' meeting, or any other period prescribed by law.</p> <p>B. In the event of free distribution of shares, distribution of cash dividends or rights issues, by Issuer, the period from the fifteen trading days prior to the commencement day of the distribution or allocation of the relevant dividends, rights and benefits, and in the event of capital reduction, the period from the record date for determination of the shareholders participating in such capital reduction to the first trading day immediately prior to the date on which the common shares resume trading after such capital reduction and other closed period as required by ROC laws and regulations or by the TSE.</p> <p>C. Where any ROC laws and regulations governing closed period as above-mentioned has been changed or amended, the closed period shall be amended to comply with the prevailing laws and regulations.</p>
Terms to issuance, conversion, exchange and subscription. The impacts to current shareholder equity and potential dilutions.		
The 2 <sup>nd</sup> overseas unsecured convertible bonds with a zero coupon rate, the bonds provide a low-cost source of long-term funds and reduce the interest expenses, and therefore have a positive boost on the Issuer's profitability.		
Custodian	None	



#### 4.2.2 Issued Exchangeable and Convertible Bonds

Type of Bonds Issued		2nd Overseas Unsecured Exchangeable Bonds					
Item	Year	Launch Date	2011	2012	2013	2014	As of April. 30, 2015
	Number of Exchange Securities		171,421,824	185,436,894	200,867,159	213,261,509	25,525,954 <sup>Note1</sup>
Exchange Price/Share		63.51	58.71	54.20	51.05	48.11 <sup>Note2</sup>	48.11
Market Price of Exchangeable Bonds(US\$)	Highest	100	101.85	98.12	99.87	100.39	97.51
	Lowest	100	88.96	93.21	98.06	96.26	96.51
	Average	100	96.98	96.34	98.93	98.25	96.98
Issued Date		January 27, 2011					
Exchange Securities		The Common Shares of Far Eastern New Century Corporation.					

Note1: Pursuant to the Indenture, any holders of the bonds may exercise the holders' Put Right to require the Company to redeem the bonds held by the holders in whole or in part only on January 27, 2014. As of the date of redemption, the total redemption amount is US\$332,700,000, and the outstanding balance is US\$42,300,000.

Note2: Pursuant to the Indenture, the exchange price of the bonds had been adjusted to NT\$48.11/Share since September 5, 2014 as FENC distributed cash dividends and stock dividends.

Type of Bonds Issued		1st Overseas Unsecured Convertible Bonds					
Item	Year	Launch Date	2011	2012	2013	2014	As of April. 30, 2015
	Market Price of Convertible Bonds(US\$)	Highest	100	107.01	105.61	108.64	110.67
Lowest		100	95.14	96.63	101.91	102.29	101.85
Average		100	99.72	101.13	104.85	106.03	103.00
Conversion Price/Share		50.17	46.9	42.87	40.14	37.72 <sup>Note1</sup>	37.72
Issuing (handling) date and conversion price in issuing		Issued on June 7, 2011 NT\$50.17/share					
Method of performing conversion obligations		Issuance of new shares					

Note1: Pursuant to the Indenture, the conversion price of the bonds had been adjusted to NT\$37.72/Share since September 4, 2014 as ACC distributed cash dividends and stock dividends.

Note2: Pursuant to the Indenture, any holders of the bonds may exercise the holders' Put Right to require the Company to redeem the bonds held by the holders in whole or in part only on June 7, 2014. As of the date of redemption, the total redemption amount is US\$6,000,000, and the outstanding balance is US\$166,500,000.

Type of Bonds Issued		2nd Overseas Unsecured Convertible Bonds			
Year		Launch Date	2013	2014	As of April. 30, 2015
Market Price of Convertible Bonds(US\$)	Highest	100	105.71	108.12	104.68
	Lowest	100	98.10	101.27	100.72
	Average	100	101.52	103.83	101.68
Conversion Price/Share		48	44.7	42 <sup>Note1</sup>	42
Issuing (handling) date and conversion price in issuing		Issued on May. 13, 2013 NT\$48/share			
Method of performing conversion obligations		Issuance of new shares			

Note1: Pursuant to the Indenture, the conversion price of the bonds had been adjusted to NT\$42/Share since September 4, 2014 as ACC distributed cash dividends and stock dividends.

### 4.3 Summary of Issued GDR

Issue Date	Jun. 23, 1992	Sep. 13, 1996	Jan. 23, 2007	Mar. 25, 2008
Issuance & Listing	London Stock Exchange			
Total Amount (US\$)	66,002,750	60,000,010.77	83,209,951.46	61,355,000
Issuing Price per GDR (US\$)	27.50	19.67	9.905946602	17.53
Number of GDR Issued	2,400,100	3,050,331	8,400,000	3,500,000
Underlying Securities	ACC Common Shares held by Far Eastern New Century Corporation	ACC Common Shares held by Far Eastern New Century Corporation	ACC Common Shares held by Yuang Ding Investment Corporation	ACC Common Shares held by Far Eastern General Contractor Co., Ltd. and Far Eastern Construction Co., Ltd.
Common Shares Represented (shares)	24,001,000	30,503,310	84,000,000	35,000,000
Right & Obligation of GDR Holders	Same as Common Shareholders			
Trustee	Not Applicable			
Depository Bank	BNY Mellon			
Custodian	Far Eastern International Bank			
Outstanding	59,288 (As of April 30, 2015)			
Apportionment of Expenses for Issuance & Maintenance	All expenses related to issuance and maintenance is undertaken by FENC and ACC respectively.			



Major Commitment of Depositary Agreement & Custody Agreement		GDR holders are allowed to vote on a given agenda only when over 51% of them reach consensus.	
Closing Price Per GDR (US\$)	2014	Highest	11.86
		Lowest	11.627
		Average	11.71
	As of April 30, 2015	Highest	11.86
		Lowest	11.86
		Average	11.86

\* Each GDR represented 10 Common Shares.

#### **4.4 Status on Execution of Capital Utilization Plans**

Funds utilization plans have not been completed or have been completed in past 3 years but their benefits have not been appeared: none.

# V Overview of Business Operation

## 5.1 Business Introduction

### 5.1.1 Business Scope

1. Scope of Business: Please refer to Section 2.1: “Scope of Business.”
2. Main Business and Percentage:
  - A. Production and sales of Cement and clinker: 92%.
  - B. Granulated blast-furnace slag: 8%.
3. New Product Research & Development: None.

### 5.1.2 Industry Overview

#### 1. Market situation and future outlook

A. The cement market in Taiwan is mature and the demand remains stable. In 2014, Taiwan overall cement consumption amounted to 12.56 million metric tons (MT), which increased 0.32 million MT or 2.6% from 2013. The total domestic and exporting sales of cement and clinker by Taiwan local producers were 15.19 million MT, decreased 2 million MT (11.6%) from 2013.

B. For the year 2015:

#### (1) Outlook of the domestic market:

Current government policy is to strengthen public construction and shorten the gap between urban and rural areas. The budget for 2015 Public Works Projects is NT\$ 190.7 billion, representing an increase of 7.2%, NT\$ 12.8 billion. Although the Taiwan Institute of Economic Research indicates 2015 housing market is facing the sharp rise in supply, increasing housing tax, raised “Current land value”, fewer applications for a construction license built, mortgage limitation, and presidential election, the forecast transaction volume will decline quarter by quarter. However, the trend in low oil price will help to increase consumer spending and benefit cement demand to grow slightly.

#### (2) Outlook of the global markets:

For 2015, the cement industry in China will keep conducting mergers & acquisitions, eliminating backward production capacity, and raising cement price. The profits for its cement market are expected to exceed RMB 100 billion. For the cement markets in the rest areas, the cement markets in the emerging Asian countries have the strongest market demands while every country has new production plans. Among them, Indonesia, Vietnam, and Myanmar enjoy rapidly growing demand. Malaysia, Philippines, and Thailand will have steady growth. While, the export volume of Vietnam will increase. In Northeast Asia, the domestic sale and export volume in Japan and South Korea will be stable. The cement markets in Western European is still in a downturn. Their overcapacities have been exported to Africa and Latin America. The usage volume and price of cement in the U.S. will grow significantly in this year. The U.S starts to





import cement for its domestic need in 2015.

Overall, the domestic demand in Taiwan shall increase while the oversea cement markets continue to grow. The Company will continue to keep the balance between production and sale.

C. In addition to root in Taiwan for on-going cement business operation, the Company will keep enhancing its competitiveness by largely expansion in China both in production and sales.

## 2. The relationships among the value chain of cement industry

The upstream, midstream and downstream sectors of cement industry, namely ready-mixed concrete, precast, and construction industry, are co-existed and blooming together. Nowadays, vertical integration is the trend in cement industry. As a result, the Company's operation strategy is to establish the downstream subsidiaries – Ya Tung Ready-mixed Concrete Corp. and Yali Precast & Prestressed Concrete Industries Corp., and to invest Far Eastern Construction Company and Far Eastern General Contractor Company to grasp the business opportunities.

## 3. Product development and company competitiveness

Although the cement products include Portland Cement Type I, Type II, and Special Cement, the major market demand is Portland Cement Type I. However, the overseas market has stronger demand for Special Cement in recent years. The ability to produce quality products and the shipping & loading efficiency has become the key competitive factors.

### 5.1.3 Technology and Research Development

As of April 30, 2015  
Unit: NT\$1,000

Item	Amount
1 Enhancing the control techniques of limestone in quarry	16,500
2 Techniques for petrographic examination of hardened concrete	3,500
Total	20,000

### 5.1.4 Short-term Business Plan

- ◎ To strengthen the existing domestic and international channels of cement sales.
- ◎ To reduce costs and to maintain fully sell out the estimated production volume and sound profitability.
- ◎ To fulfill the vertical integration policy and to expand into downstream market channels.
- ◎ To keep good relationship with customers and foresee market trend.

### 5.1.5 Long-term Business Plan

- ◎ Maintain solid position in Taiwan - improve producing efficiency.
- ◎ Increase the investment in China (Please refer to the "I Report to Shareholders" at page 1 and the "8.2 Basic Information of Affiliates" at section 8.2 of this annual report.
- ◎ Extend the global market - Find new markets, new opportunities to expand overseas operations.

## 5.2 General Information of Market & Production

### 5.2.1. Markets Analysis

#### 1. Major Sale Markets

##### A. Cement and Clinker:

“Skyscraper” is the Company’s brand-name for marketing all kinds of our products. Our domestic market includes Taiwan, Penghu, Kinmen and Matsu, and our overseas market includes Singapore, Malaysia, Philippine, Hong Kong, Guam, Hawaii, etc.

##### B. Ready-Mixed Concrete:

To provide better customer service, our subsidiary, Ya Tung Ready-Mixed Concrete Corp., has set up many plants around Taiwan, and furthermore established strategic alliance with local firms.

#### 2. Market Share

In 2014, the Company domestic sales was 3,331,298 MT, i.e. 30.04% of the sales amount of all domestic cement producers, which was equal to 26.52% of total cement consumption in Taiwan.

#### 3. Market supply forecast, growth opportunity, and business competitiveness:

A. Since the local market is matured and very difficult to expand production capacity, the estimated demand for 2015 in Taiwan will be around 12 million MT. However, the cement price will be influenced by the cost of energy, labor, raw material, shipping and the quantities of imported cement.

B. For the export sales, the Company is expected to export 1.48 million MT of cement and clinker in 2015, decreased 0.11 million MT by last year. The Company has long term major customers in Singapore, Malaysia, etc. and shall continue to maintain an excellent business relationship with them in the years to come. The Company has also expanded its trading business for cement.

C. In the view of the vast and steady growth market in China, Asia Cement Corporation actively expands production base as well as storage and transportation facilities. In addition, with the markets both in Taiwan and China, it constitutes an effective competitive niche and profitability for the Company.

#### 4. Positive factors for the industry development

A. Benefited from economic recovery of the United States, the global economy is expected to be more optimistic. It is expected that the economic growth in Taiwan this year is 3.78%, slightly higher than 3.74% in 2014, forecasted by the DGBAS. It is mainly contributed from economic recovery of global economies, low oil price, and low unemployed rate.

B. The budget for 2015 Public Works Projects increase 7.2%. Taiwan’s cement industry believes that the implementations of several infrastructure projects such as Suhua Highway improvement projects, the improvement of the South-Link Highway in Taitung, Linkou power plants, Intercontinental Container Terminal of the Kaohsiung Port, Taichung Metro System, public Housing, the Circular Line of Taipei Metro system, the Gate of Taipei skyscraper development plan, Hushan reservoir, athletes' village for 2017 Taipei Summer Universiade, west coast expressway, and the expansion of public construction plans and domestic market demand, the cement consumption in Taiwan is expected to remain stable.



## 5. Negative factors and the solutions

- A. Industry relocation, environmental awareness, and emission limits of carbon dioxide will increase the difficulties in both public constructions and private housing sectors, and cause the construction industry more conservative. This will constrain the growth of cement demand.
- B. The Ministry of Economic Affairs has set limitations on trade volume of domestic cement industry according the Foreign Trade Law. The limitations will gradually lower the export-production ratio from 50% in 2011 to 30% in 2015. The total production capacity of kilns shall be reduced from 24 million MT to 19 million MT in the same period. Whether the over-supply condition will become worse or not, it still needs more time to know.
- C. One company started to import Vietnam produced cement from February 2015. This makes the already oversupply condition more serious.
- D. Solutions:
  - Improve the efficiency of current production, transportation and marketing activities and strengthen the downstream distribution channels in both domestic and overseas market.
  - Continue selecting good target markets, establish production and distribution channels, expand customers in emerging countries, and realize reasonable profitability.

### 5.2.2 Application of Major Cement Products

#### 1. Portland Cement Type I:

It is known as ordinary cement, used for all structural projects which are not particularly exposed to sulphuric acid or underground water. Most of the current market supply is in this category.

#### 2. Portland Cement Type II:

With lower hydration heat than Portland Cement Type I as well as low alkalis and moderate resistance to sulfate, Portland Cement Type II is for large-scale structures. It is resistant against cracking and erosion by sea water, salt, and alkali. The general purposes are as follows:

- A. Underground foundation engineering: Tower Building Basement, underpass, sewers, tunnels and massive underground rapid transit systems.
- B. Large-scale concrete works: Bridges, dams, water retention facilities, valve based structure.
- C. Construction subject to erosion by sea water and sea wind: dock, breakwaters, caisson, breeding plants, harbors, and others.
- D. Project that requires resistance to sulfate: Sewage treatment plants and chemical engineering.

#### 3. Special Purpose Cement: Produced to meet customers' special needs.

#### 4. Production process:

All types of cement are produced in accordance to a fixed proportion of mixtures, in the following steps:

- A. Limestone and clay are mixed and ground into raw meal.
- B. Raw meal is poured into the rotary kiln and burned in high temperature to produce clinker.
- C. Clinker is mixed with gypsum and ground into cement.
- D. Cement is sold in bulk or packages.

### **5.2.3 Supply Condition of Main Raw Materials**

The major raw materials used by the Company consist of limestone, clay, gypsum, pyrite, iron slag, and raw coal for fuel. Except a little limestone, most limestone is produced and used by the Company. Clay is purchased from domestic suppliers through long-term contracts. Gypsum and pyrite are supplied by qualified domestic and foreign firms. Fuel coal is supplied by Australian providers via long or short term contracts.

### 5.2.4 Major Suppliers Information for the Last Two Years

Unit: NT\$1,000

Item	2013				2014				As of March 31, 2015			
	Company Name	Amount	%	Relation with Issuer	Company Name	Amount	%	Relation with Issuer	Company Name	Amount	%	Relation with Issuer
1	CC Co., Australia	1,627,320	34.75	Raw material supplier	CC Co., Australia	1,484,156	37.84	Raw material supplier	Chung Ling Co.	246,151	26.73	Raw material supplier
2	Chung Ling Co.	791,198	16.90	Raw material supplier	Chung Ling Co.	699,467	17.84	Raw material supplier	BB Co., Australia	179,020	19.44	Raw material supplier
3	BB Co., Australia	354,410	7.57	Raw material supplier	Young Year	150,811	3.85	Raw material supplier	CC Co., Australia	116,494	12.65	Raw material supplier
4	Yuantai Corp.	85,905	4.64	Quarry Miner	KENWAY	91,034	2.32	Equipment supplier	Nanxin Corp.	47,601	5.17	Supplier for equipment production and Installation
	Others	1,824,106	36.14		Others	1,496,210	38.15		Others	331,609	36.01	
	Net Total Supplies	4,682,939	100.00		Net Total Supplies	3,921,678	100.00		Net Total Supplies	920,875	100.00	

Note: Variations are because of market mechanisms.

### 5.2.5 Major Clients Information for the Last Two Years

Unit: NT\$1,000

Item	2013				2014				As of March 31, 2015			
	Company Name	Amount	%	Relation with Issuer	Company Name	Amount	%	Relation with Issuer	Company Name	Amount	%	Relation with Issuer
1	Ya Tung Ready-Mixed Concrete Co.	1,693,799	14.19	Subsidiary	Ya Tung Ready-Mixed Concrete Co.	1,691,597	14.07	Subsidiary	Ya Tung Ready-Mixed Concrete Co.	438,648	14.02	Subsidiary
	Others	10,243,102	85.81		Others	10,328,543	85.93		Others	2,690,940	85.98	
	Net Sales	11,936,901	100.00		Net Sales	12,020,140	100.00		Net Sales	3,129,588	100.00	

Note: Variations are because of market mechanisms.



## 5.2.6 Output of Main Products 2013-2014

### 1. ACC (Taiwan)

Unit: NT \$1,000, Cement and Clinker 1,000 MT

Output Product	Year	2013			2014		
		Capacity	Production Volume	Production Value	Capacity	Production Volume	Production Value
Cement & Clinker		5,597	5,061	10,002,054	5,597	4,904	9,232,363

### 2. ACC (China)

Unit: NT \$1,000, Cement and Clinker 1,000 MT

Output Product	Year	2013			2014		
		Capacity	Production Volume	Production Value	Capacity	Production Volume	Production Value
Cement & Clinker		27,500	27,590	25,237,730	35,500	29,648	28,322,859

## 5.2.7 Sales of Main Products 2013-2014

### 1. ACC (Taiwan)

Unit: NT \$1,000, Cement and Clinker 1,000 MT

Sales Product	Year	2013				2014			
		Domestic Sales		Export Sales		Domestic Sales		Export Sales	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Cement & Clinker*		3,438	7,698,465	1,696	3,031,267	3,407	7,741,476	1,590	2,864,347

\* Cement & Clinker produced by the Company.

### 2. ACC (China)

Unit: NT \$1,000, Cement and Clinker 1,000 MT

Sales Product	Year	2013				2014			
		Domestic Sales		Export Sales		Domestic Sales		Export Sales	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Cement & Clinker*		26,580	32,082,688	0	0	30,139	38,004,536	0	0

\* Cement & Clinker produced by the Company.



## 5.3 Human Resources

Year		2013	2014	As of May 15, 2015
Number of Employees	Headquarter	150	151	151
	Hsinchu Plant	110	106	106
	Hualien Plant	332	322	323
	Total	592	579	580
Average Age		48.4	47.92	47.96
Average Years of Service		22.34	21.48	21.78
Education	Ph.D.	0	0	0
	Masters	9.32%	9.82%	9.75%
	Bachelor's Degree	39.15%	40.18%	40.60%
	Senior High School	43.05%	42.28%	42.20%
	Below Senior High School	8.48%	7.72%	7.45%

## 5.4 Expenditures on Environmental Protection

According to government regulations, the Company set up the continuous emission monitoring system to monitor pollutant opacity of nitrogen oxides, sulfur oxides, and other pollutants.

- ◎ During the most recent fiscal year and the current fiscal year up to the printing date of the annual report, the loss (including compensation) and penalty resulted from environmental pollution:
  - (1) Fine: none.
  - (2) Countermeasures: none.
- ◎ The restriction of RoHS (to restrict the use of hazardous chemicals) is not applicable to the Company.

### 5.4.1 ISO-14001 Environmental Management Systems (EMS)

1. ISO-14001 EMS has become the trend in many advanced countries.
2. In August 1996, the Hualien plant of the Company passed certification by the Bureau of Commodity Inspection and Quarantine of the Ministry of Economic Affairs (MOEA), and in November of the same year, Hualien plant became one of the first organizations in Taiwan to receive ISO-14001 certification. In July 2000, Taiwan's first Environmental Report was completed by Hualien plant according to Sustainability Reporting Guidelines of Global Reporting Initiative (GRI).
3. The affiliated Jiangxi Yadong Cement Co., Sichuan Yadong Cement Co., Hubei Yadong Cement Co., Huanggang Yadong Cement Co., and Wuhan Yaxin Cement Co., have awarded ISO-14001 certification.

### 5.4.2 Air Pollution Prevention

1. One of the main environmental concerns relating to cement production is air pollution caused by the dust generated from production processes. Therefore, the work of dust disposal is an important duty, not only to prevent air pollution, but also to reduce the loss of raw materials and finished products. Consequently, ACC has always emphasized on the efficiency of dust collection equipment.

2. At present, ACC's Hsinchu plant has 2 electrostatic precipitators and 35 bag filters, with a total investment cost of NT \$174 million. The Hsinchu plant also invest NT\$11.66 million in 2014 to improve its air pollution control facilities. The Hualien plant has 9 electrostatic precipitators and 75 bag filters, with a total investment cost more than NT \$950 million.
3. The good maintenance of above equipment ensures dust collection efficiency which is within the legal limit. Consequently, the quality of air around the plants is higher than national standard. As a result, the Environmental Protection Administration (EPA) especially recognized the two plants as environmental protection demonstration plants.
4. In particular, the amount of dust including chimney emissions measured by environmental protection agencies at the Hualien plant was less than 25 milligrams/m<sup>3</sup>, which was far better than national standard. The plant was awarded by the Chinese National Federation of Industries for its excellent performance of preventing industrial pollution. In addition, the Hualien plant was listed by the EPA as one of the top 10 factories in pollution prevention and has received the Enterprise Environmental Protection Award for three years in a row.
5. In 2014, the environment expenditure of the Hualien plant, such as purchasing and maintenance of precipitators, training courses, greening and beautification was NT\$ 29,347,155.

#### **5.4.3 Greening and Beautification for Quarry Restoration**

1. Both Hsinchu and Hualien plants have implemented measures for soil conservation and taken actions to green the environment by planting trees and other vegetation.
2. Recently, the quarry of the Hualien plant is visible from nearby high way and railroad. In order to integrate the quarry into the surrounding environment, the Hualien Plant introduced a new forestation method for quarry restoration. Within merely two year, trees could grow up to 4 meters high.
3. Besides, to accelerate the process of the forestation, the Hualien plant used pig excrement from neighboring areas. This could also solve the environmental problems.
4. For many years, the Hualien plant promotes the cultivation of the native species of trees for greening the quarry and the plant.
5. In 2014, the Hualien plant devoted NT\$ 8,773,372 to the greening and beautification of the quarry.
6. Due to Hualien Plant's dedication of environmental protection and engaging in community activities, the Taroko National Park cooperates with the Company to preserve native species of trees for greening and beatification of the National Park and environment guidance.
7. In 2007, the Hualien Plant was awarded for the excellent performance in the project of "promoting green communities" by the Environmental Protection Administration.

#### **5.4.4 Major Environmental Protection Work in the Future**

1. Reinforcing and ensuring the normal operation of environmental facilities.
2. Practicing in industry waste reduction; avoiding pollution.
3. Improving the greening rate in factory and quarry areas.
4. Utilizing wastes as resources to take social responsibilities.
5. Endlessly enhancing the environmental measures and techniques; expecting to reach the goal





of “zero pollution”.

#### **5.4.5 Fulfill Social Responsibilities**

1. The Company volunteered to take care of greenbelts and pavements along the Dun-Hua South Road and An-He Road over a long period of time to fulfill its social responsibilities and strengthen relations with neighborhood.
2. Since 2001 on, Hualien plant has annually participated in local festivals such as lily blossom in Buluowan held by the Taroko National Park and donated potted flowers and plants for all visitors.
3. For our neighbors’ traffic safety, the Hualien plant has regularly sponsored Xincheng Branch of the Hualien County Police Office to renew police stands and street lamps.
4. The Company will also sponsor local activities and facilities of the villages and towns nearby the Hsinchu and Hualien plant.
5. Employees are encouraged to serve as hospital volunteers.
6. Based on ACC corporate philosophy of “feeding back to society whatever takes from society,” the Company sponsors Far Eastern Medical Foundation, Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation, and Far Eastern Memory Foundation and participates in all kinds of public service activities.

#### **5.5 Labor Relations**

The Company complies with every regulation of labor relationship. Due to the excellent labor relations, there were no damages or penalties causing from labor disputes.

1. According to law, The Company has Industrial Welfare Committee to allot welfare fund for staffs and conduct many welfare-related activities. In factory, we have basketball courts, tennis courts, badminton courts, table tennis courts, and swimming pools, etc., as staff’s recreational facilities. Health examination, group insurance, subsidies for employee’s education, trips, and clubs are also included in welfare plans.

##### **2. Employee Relations**

The Company provides Employee Assistance Program (EAP) service from Hsinchu Lifeline Association, EAP Center, which offers professional counsel to all issues employees may meet, such as career development, family issues, and interpersonal relationship.

3. Every year, the Company participates in the training programs provided by the training center of Far Eastern Group, which include professional courses such as finance, accounting, marketing, information, and management skills for management levels. Following the Company’s development plan, the Human Resource Department also holds in-house courses customized for the competencies by request of different professions and levels. These courses provide executives and employees with sufficient training opportunities, which not only can be applied to the workplace, but also connect with employees’ career development.

Also, the Far Eastern EMBA programs designed by professors from Center for Management Studies, Yuan Ze University, provide the chances of advanced study with employees and develop staffs’ excellent talents for the Company’s long-term development. We also invite all

trainees to share what they learned to expand learning effect. In addition, in view of respective demands, every department of the Company recommends employees to participate in the courses introduced by government bodies and other social institutions in order to acquire the latest relevant information.

Furthermore, Human Resource Department holds reading club, inviting a professional lecturer monthly to guide reading and facilitate discussion, encouraging employees to absorb new concepts and sharing knowledge.

In 2014, totally 150 training courses were held for ACC employees, roughly 2,000 participants; the relevant expenditures amounted to NT\$ 1.5 million.

4. The “Employment Rules of Asia Cement Corporation” articulates regulations in connection with appointment, service, assessment, and rewards as well as punishments, promotion, retirement, and compensation, etc. In order to guarantee the rights relating to retirement and compensation, in accordance with the law the Company sets up Supervisory Committee of the Labor Retirement Fund, allocates work’s retirement reserve fund into the special account managed by assigned institutions, regularly convenes the supervisory committee, and audits the allocation and practice of work’s retirement reserve fund. In addition, in compliance with Labor Pension Act, the Company monthly set aside pension fund for the employees who choose to be subject to the pension mechanism.
5. The Company’s management philosophy “Sincerity, Diligence, Thrift and Prudence” has been firmly in every employee’s heart. “Sincerity” implies honest and enthusiasm. “Diligence” indicates dedication. “Thrift” signifies frugality and modesty. “Prudence” represents deliberation and accuracy. In short, one important corporate culture of ACC is that every job should be done thoroughly, precisely, and perfectly.

In “Employment Rules of Asia Cement Corporation” mentioned above, the chapter 4 ‘Service’, and chapter 7 ‘Assessment, Reward, Punishment, and Promotion’ clearly illustrate the principles of conduct. In terms of management, besides emphasizing staff self-discipline, the Company also asks every department managers to take responsibilities of educating, advising, and leading their subordinates, which enables employees to fully understand the behavior and ethics criteria.

For better compliance with corporation governance, the Company has also enacted “Codes of Ethical Conduct” and “Principles for Ethical Management”.

## 6. Policies of labor safety and health

### A. Management in Labor Safety and Health

The Company’s policy of labor safety and health is based on the following vision-“protecting labor safety, improving occupational environment, and building up friendly workplace.” Also, we comply with Labor Safety and Health Act, carry out systematical management in occupational health and safety, and implement identification of the hazardous factors, risk evaluation and control in workplace. Besides setting up safety standards and developing safety management system, the safety-related training courses, such as prevention of hidden dangers, emergency response planning, and safety



self-management are regularly and irregularly held, to ensure that all employees can obey safety related rules and operate safety equipment and protective outfits well. The Company reached the target which is no occupational-safety accident happened in 2014.

In February 2009, the Hualien plant has passed TOSHMS (Taiwan Occupational Safety and Health Management System). On November 6, 2013, the Hualien Plant obtained “Occupational Safety and Health Management System Performance Recognitions” from the Council of Labor Affairs. Its effective period is five year. The Hualien plant also pass the certification of "TOSHMS Taiwan Occupational Safety and Health Management System" on October 12, 2013 approved by the Ministry of Economic Affairs Bureau of Standards. . Its effective period is to June 27, 2016. The Hsinchu Plant also follows the model of Hualien plant for establishing a faultless occupational safety and health management System.

#### B. Workplace environment and labor safety protection

To assure employee safety and health, protect the assets of the Company, and make comfortable and safe workplace, based on safety-related rules, we have the following active measures:

##### a. Following procurement to assure the intrinsic safety of raw materials and equipment:

Conforming to the safety and health standard is the essential consideration of purchasing raw materials and equipment to assure the intrinsic safety of manufacture procedure, products, and equipment.

##### b. General safety management, training courses, and related auditing:

We monthly hold safety and health committee and safety-related courses for employees and contractors to make sure that everyone working with ACC fully understands the possible hazardous factors and prevention measures in workplace, and obeys safety-related standards to preclude the occurrence of any disaster. Also, by means of “the walking around management” and frequently patrols, we investigate flaws and also improve them to assure the effective operation in safety management.

##### c. Workplace environmental monitoring system and usage of protective outfits:

All plants regularly monitor noise, high temperature, and radiation around workplace, so the unusual condition can be immediately detected and eliminated. Also, all employees can be protected from possible dangers by protective outfits designed for different hidden hazardous factors in workplace.

##### d. Health Care Management for Employees:

All plants set up medical offices with nursing staff and contracted doctors, and prepare emergency medicine, equipment, and supplies. According to related rules, all employees regularly accept health assessment and carry out health care management.

##### e. Emergency Drills and Exercises

All plants shall regularly exercise emergency response drills by following their emergency response plan. All employees shall be familiar with relevant details, which ensures the losses could be minimized in case of emergency.

7. ACC has enjoyed harmonious relations between management and employees for years. Employees devoted their time and hard work to the Company. In recent years, the Company's continuous excellent performance of sales and production is a proof of employees' effort. The Company's work and employment regulations are based on the Labor Law and in some cases even exceed the minimum requirements of the law. Besides reasonable payment, ACC gives seasonal bonuses to encourage clinker production, attendance award, and cost and resource-saving measures, as well as year-end bonuses based on the Company's annual performance. In addition, employees are entitled to other dividends depending on their positions in the Company. All regulations concerning bonuses are clearly stipulated in the Company's regulations.

The Company was awarded "2013 Excellence Recognition for its collective agreement with employees" by the Ministry of Labor.



## 5.6 Major Contracts

Type of Contract	Contracting Party	Contract Duration	Primary Contents	Restrictive Clauses
Issuance of Long-term Commercial paper	International Bills Finance Corporation	2014/04~2018/04	Company has the right to terminate the issuance after 3 years	None
Issuance of Long-term Commercial paper	China Bills Finance Corporation	2014/04~2018/04	Company has the right to terminate the issuance after 3 years	None
Issuance of Long-term Commercial paper	China Bills Finance Corporation	2014/03~2018/03	Company has the right to terminate the issuance after 3 years	None
Issuance of Long-term Commercial paper	Mega Bills Finance co., Ltd	2014/03~2018/03	Company has the right to terminate the issuance after 3 years	None
Bank long-term unsecured loan	Mizuho Corporate Bank, Taipei Branch	2015/03~2017/03	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	First Commercial Bank, Tung-Hwa Branch	2015/03~2017/03	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Taiwan Cooperative Bank	2015/02~2017/02	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Hwa Nan Commercial Bank, Tung-Hwa Branch	2015/01~2017/01	Interest paid monthly, principal repaid at maturity	None
Bank long-term secured loan	Far Eastern International Bank Business Dept.	2015/01~2017/01	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	CTBC Bank Co., Ltd.	2014/12~2016/12	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Bank of Taiwan	2014/12~2016/12	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	E.Sun Commercial Bank	2014/10~2016/10	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Yuanta Commercial Bank	2014/10~2016/10	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Chang Hwa Bank Tung-Hwa Branch	2014/08~2016/08	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	HSBC Bank (Taiwan) Limited	2014/12~2016/12	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Mega International Commercial Bank Foreign Dept.	2014/06~2016/06	Interest paid monthly, principal repaid at maturity	None
Bank long-term secured loan	Mega International Commercial Bank Foreign Dept.	2014/06~2016/06	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Land Bank of Taiwan Co., Ltd.	2014/07~2016/07	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	BNP PARIBAS Taiwan	2014/05~2016/05	Interest paid monthly, principal repaid at maturity	None
Long term raw material supply	Chung Ling Co.	2015/01~2015/12	Contract of Limestone, Clay, Shale Purchase	None
Long term raw material supply	CC Co.,	2015/01~2015/12	Contract of Coal Purchase from Australia	None
Long term raw material supply	BB Co.,	2015/02~2015/03	Contract of Coal Purchase from Australia	None
Long term raw material supply	Young Year	2015/01~2015/05	Contract of Gypsum Purchase	None
Long term raw material supply	ZZ Co.,	2015/01~2015/12	Contract of Gypsum Purchase	None

## VI Financial Information

### 6.1 Financial Reports & Audit Results (2010~2014)

#### 6.1.1 Consolidated Balance Sheets

UNIT: NT\$1,000

Item	Year	Three-Year Financial Summary			As of Mar. 31, 2015 (Note2)
		2012(Note1)	2013(Note1)	2014	
Current Assets		49,663,040	65,337,233	70,558,875	75,530,943
Property, Plant and Equipment		55,930,994	62,481,951	70,586,382	69,163,983
Intangible Assets		2,159,286	2,176,436	5,485,677	5,404,921
Other Assets		128,901,681	132,407,961	136,188,121	137,527,243
Total Assets		236,655,001	262,403,581	282,819,055	287,627,090
Current Liabilities	Before Apportioned	41,721,322	61,955,511	64,989,203	67,410,775
	After Apportioned	47,213,883	67,887,477	-	-
Non-current Liabilities		50,233,697	47,605,868	56,102,626	52,981,529
Total Liabilities	Before Apportioned	91,955,019	109,561,379	121,091,829	120,392,304
	After Apportioned	97,447,580	115,493,345	-	-
Equity Attributable To Owners Of The Corporation		128,049,692	134,448,119	141,833,564	147,504,932
Share Capital		32,309,181	32,955,365	33,614,472	33,614,472
Capital Surplus		1,034,446	1,018,079	1,073,920	1,073,920
Retained Earnings	Before Apportioned	87,741,404	92,169,086	94,863,921	96,348,507
	After Apportioned	81,602,659	85,578,013	-	-
Other Equity		6,964,661	8,305,589	12,281,251	16,468,033
Non-Controlling Interests		16,650,290	18,394,083	19,893,662	19,729,854
Total Equity	Before Apportioned	144,699,982	152,842,202	161,727,226	167,234,786
	After Apportioned	139,207,421	146,910,236	-	-

Note 1: The measurement subsequent to initial recognition of investment properties was altered to fair value model from January 1, 2014 and the consolidated financial information of 2012 and 2013 included the effects of these amendments of accounting policy.

Note 2: The consolidated financial information of 2015Q1 have been reviewed by CPA.



## 6.1.2 Consolidated Statements of Comprehensive Income

Unit: NT\$1,000

Item	Year	Three-Year Financial Summary			As of Mar. 31, 2015 (Note2)
		2012	2013(Note1)	2014	
Operating Revenue		63,793,183	70,172,781	77,683,281	15,362,530
Realized Gross Profit		6,140,552	9,042,595	11,129,604	1,631,311
Profit From Operations		4,106,489	6,672,500	8,248,404	1,037,375
Non-operating Income And Expenses		2,613,180	7,409,748	5,471,335	807,325
Income Before Income Tax		6,719,669	14,082,248	13,719,739	1,844,700
Net Profit For The Period		5,842,391	12,164,319	10,905,998	1,542,288
Other Comprehensive Income , Net		(920,590)	2,340,845	4,827,293	3,927,296
Total Comprehensive Income For The Period		4,921,801	14,505,164	15,733,291	5,469,584
Net Profit Attributable To Owner Of The Company		5,082,381	10,517,318	9,361,635	1,468,473
Net Profit Attributable To Non-Controlling Interests		760,010	1,647,001	1,544,363	73,815
Total Comprehensive Income Attributable To Owner Of The Company		4,649,295	12,091,175	13,273,390	5,633,392
Total Comprehensive Income Attributable To Non-Controlling Interests		272,506	2,413,989	2,459,901	(163,808)
Earnings Per Share		1.65	3.35	2.98	0.47
Earnings Per Share (Note3)		1.62	3.35	2.98	0.47

Note 1: The measurement subsequent to initial recognition of investment properties was altered to fair value model from January 1, 2014 and the consolidated financial information of 2013 included the effects of these amendments of accounting policy.

Note 2: The consolidated financial information of 2015Q1 have been reviewed by CPA.

Note 3: Based on weighted average outstanding shares in 2014 after subtracting the shares of the Corporation held by the associates treated as treasury stock.

### 6.1.3 Separate Balance Sheets

Unit: NT\$1,000

Item \ Year		Three-Year Financial Summary		
		2012(Note)	2013(Note)	2014
Current Assets		11,864,615	20,849,405	14,346,035
Property, Plant and Equipment		5,423,442	5,113,731	4,850,893
Intangible Assets		18,725	12,435	9,808
Other Assets		150,923,136	158,769,476	168,832,659
Total Assets		168,229,918	184,745,047	188,039,395
Current Liabilities	Before Apportioned	10,778,457	23,929,318	13,024,234
	After Apportioned	16,271,018	29,861,284	-
Non-current Liabilities		29,401,769	26,367,610	33,181,597
Total Liabilities	Before Apportioned	40,180,226	50,296,928	46,205,831
	After Apportioned	45,672,787	56,228,894	-
Share Capital		32,309,181	32,955,365	33,614,472
Capital Surplus		1,034,446	1,018,079	1,073,920
Retained Earnings	Before Apportioned	87,741,404	92,169,086	94,863,921
	After Apportioned	81,602,659	85,578,013	-
Other Equity		6,964,661	8,305,589	12,281,251
Total Equity	Before Apportioned	128,049,692	134,448,119	141,833,564
	After Apportioned	122,557,131	128,516,153	-

Note: The measurement subsequent to initial recognition of investment properties was altered to fair value model from January 1, 2014 and the separated financial information of 2012 and 2013 included the effects of these amendments of accounting policy.





### 6.1.4 Separate Statements of Comprehensive Income

UNIT: NT\$1,000

Item \ Year	Three-Year Financial Summary		
	2012	2013(Note1)	2014
Operating Revenue	11,758,818	12,292,506	12,394,201
Realized Gross Profit	670,658	846,569	1,381,751
Profit From Operations	134,742	234,523	737,270
Non-operating Income And Expenses	5,131,042	10,651,309	9,972,764
Income Before Income Tax	5,265,784	10,885,832	10,710,034
Net Profit For The Year	5,082,381	10,517,318	9,361,635
Other Comprehensive Income , Net	(433,086)	1,573,857	3,911,755
Total Comprehensive Income For The Year	4,649,295	12,091,175	13,273,390
Earnings Per Share	1.65	3.35	2.98
Earnings Per Share (Note2)	1.62	3.35	2.98

Note1: The measurement subsequent to initial recognition of investment properties was altered to fair value model from January 1, 2014 and the separated financial information of 2013 included the effects of these amendments of accounting policy.

Note2: Based on weighted average outstanding shares in 2014 after subtracting the shares of the Corporation held by the associates treated as treasury stock.

## 6.1.5 Balance Sheets-R.O.C GAAP

UNIT: NT\$1,000

Item \ Year		Three-Year Financial Summary		
		2010	2011	2012
Current Assets		6,225,141	11,224,122	11,830,954
Long-term Investments		93,155,847	95,882,556	94,832,864
Properties and Equipment		7,495,881	13,004,318	13,499,125
Other Assets		3,212,037	3,132,529	3,115,288
Total Assets		110,088,906	123,243,525	123,278,231
Current Liabilities	Before Apportioned	4,980,039	2,612,903	10,322,312
	After Apportioned	10,823,123	9,827,575	15,814,873
Long-term Liabilities		23,417,198	29,217,633	23,407,129
Other Liabilities		3,050,650	5,042,919	4,879,550
Total Liabilities	Before Apportioned	31,447,887	36,873,455	38,608,991
	After Apportioned	37,290,971	44,088,127	44,101,552
Capital Stock		30,753,075	31,368,137	32,309,181
Capital Surplus		8,256,848	6,640,128	6,590,192
Retained Earnings	Before Apportioned	23,718,601	27,373,910	25,382,092
	After Apportioned	17,260,455	19,218,194	19,243,347
Unrealized Gains on Financial Instruments		13,852,517	7,218,912	9,274,052
Cumulative Translation Adjustments		(565,828)	3,239,069	618,416
Net Loss not Recognized as Pension Cost		(160,325)	(185,516)	(222,747)
Unrealized revaluation increments		2,786,131	10,715,430	10,718,054
Total Stockholders' Equity	Before Apportioned	78,641,019	86,370,070	84,669,240
	After Apportioned	72,797,935	79,155,398	79,176,679



### 6.1.6 Statements of Income – R.O.C GAAP

UNIT: NT\$1,000

Item \ Year	Three-Year Financial Summary		
	2010	2011	2012
Operating Revenue	9,757,253	10,868,073	11,758,818
Realized Gross Profit	599,523	491,027	767,966
Operating Income(Loss)	28,946	(207,764)	253,385
Nonoperating Income and Gains	9,110,241	11,575,358	7,169,960
Nonoperating Expenses and Losses	1,286,728	1,232,128	991,045
Income before Income Tax	7,852,459	10,135,466	6,432,300
Net Income	7,676,310	10,016,249	6,235,192
Earnings Per Share	2.50	3.19	1.93
Earnings Per Share (Based on outstanding shares in 2014)	2.28	2.98	1.85

### 6.1.7 Auditors' Opinions from 2010 to 2014

Year	CPA's Name	Audit Opinion
2010	Hsin Wei Tai 、 You Wei Fan	Unqualified Opinion
2011	Hsin Wei Tai 、 You Wei Fan	Unqualified Opinion
2012	Hsin Wei Tai 、 Li Wen Kuo	Unqualified Opinion
2013	Hsin Wei Tai 、 Li Wen Kuo	Unqualified Opinion
2014	Li Wen Kuo 、 You Wei Fan	Modified Unqualified Opinion

## 6.2 Financial Analysis

### 6.2.1 Consolidated Financial Statements

Item		Year	Financial Analysis (2012~2014)			As of March 31, 2015 (Note 2)
			2012	2013 (Note 1)	2014 (Note 1)	
Capital Structure (%)	Debts Ratio		46.97	41.75	42.82	41.86
	Long-term Capital In % of Property, Plant and Equipment		272.75	320.81	308.60	318.40
Repayment Ability	Current Ratio (%)		119.04	105.46	108.57	112.05
	Quick Ratio (%)		101.02	92.77	94.08	97.57
	Times Interest Earned		4.79	9.59	9.23	5.47
Operating Efficiency	Turnover of Receivable(Times)		3.57	4.15	4.13	3.18
	Average Collection Days of Receivable		102	88	88	115
	Turnover of Inventory (Times)		7.66	7.95	7.70	5.73
	Turnover of Payable (Times)		8.22	8.16	7.36	5.97
	Average Days of Sales		48	46	47	64
	Turnover of Property, Plant and Equipment (Times)		1.12	1.19	1.17	0.88
	Turnover of Total Assets (Times)		0.33	0.28	0.28	0.22
Profitability (%)	Return on Total Assets (%)		3.74	5.42	4.51	2.64
	Return on Stockholders' Equity (%)		5.62	8.18	6.93	3.75
	Income Before Income Tax In (%) of Capital Stock		20.80	42.73	40.81	21.95
	Profit Margin (%)		9.16	17.33	14.04	10.04
	Earnings per Share (NT\$) (Based on outstanding shares in 2014)		1.62	3.35	2.98	0.47
Cash Flow (%)	Cash Flow Ratio		33.96	23.86	16.38	2.08
	Cash Flow Adequacy Ratio		70.60	83.14	89.91	103.02
	Cash Reinvestment Ratio		4.04	4.61	2.14	0.63
Degree of Leverage	Degree of Operating Leverage		2.10	1.72	1.72	2.40
	Degree of Financial Leverage		1.76	1.33	1.25	1.66
<p>The explanation of the change in financial ratios for deviation over 20% in recent two years:                      The decrease in Cash Flow Ratio and Cash Reinvestment Ratio was mainly due to an decrease in cash provided by operating activities in 2014.</p>						

Note 1: The measurement subsequent to initial recognition of investment properties was altered to fair value model from January 1, 2014 and the consolidated financial information of 2013 included the effects of these amendments of accounting policy.

Note 2: The consolidated financial information of 2015Q1 have been reviewed by CPA.



## 6.2.2 Separate Financial Statements

Item		Year	Financial Analysis(2012~2014)		
			2012	2013(Note 1)	2014(Note 1)
Capital Structure (%)	Debts Ratio		31.26	27.23	24.57
	Long-term Capital In % of Property, Plant and Equipment		2,145.19	3,144.78	3,607.90
Repayment Ability	Current Ratio (%)		110.08	87.13	110.15
	Quick Ratio (%)		92.29	79.16	98.10
	Times Interest Earned		8.96	17.24	21.16
Operating Efficiency	Turnover of Receivable(Times)		9.85	10.39	10.42
	Average Collection Days of Receivable		37	35	35
	Turnover of Inventory (Times)		5.69	5.99	6.33
	Turnover of Payable (Times)		6.48	6.43	6.12
	Average Days of Sales		64	61	58
	Turnover of Property, Plant and Equipment (Times)		2.30	2.33	2.49
	Turnover of Total Assets (Times)		0.09	0.07	0.07
Profitability (%)	Return on Total Assets (%)		4.49	6.27	5.26
	Return on Stockholders' Equity (%)		5.84	8.01	6.78
	Income Before Income Tax In (%) of Capital Stock		16.30	33.03	31.86
	Profit Margin (%)		43.22	85.56	75.53
	Earnings per Share (NT\$) (Based on outstanding shares in 2014)		1.62	3.35	2.98
Cash Flow (%)	Cash Flow Ratio		57.37	22.36	50.08
	Cash Flow Adequacy Ratio		86.31	87.26	88.68
	Cash Reinvestment Ratio		(0.81)	(0.10)	0.37
Degree of Leverage	Degree of Operating Leverage		4.76	3.82	1.70
	Degree of Financial Leverage		(0.26)	(0.54)	3.58

The explanation of the change in financial ratios for deviation over 20% in recent two years:

The increase in Current Ratio、Quick Ratio and Cash Flow Ratio was mainly due to an decrease in current liabilities in 2014.

The increase in Cash Reinvestment Ratio was mainly an increase in cash provided by operating activities in 2014.

The decrease in Degree of Operating Leverage and the increase in Degree of Financial Leverage were mainly due to the operating income increased in 2014.

The increase in Times Interest Earned was mainly due to decrease in interest expense in 2014.

Note 1: The measurement subsequent to initial recognition of investment properties was altered to fair value model from January 1, 2014 and the separated financial information of 2013 included the effects of these amendments of accounting policy.

### 6.2.3 Financial Statements (Accounting Principles Generally Accepted in the Republic of China)

Item		Year	Financial Analysis (2010~2012)			
			2010	2011	2012	
Capital Structure (%)	Debts Ratio		28.57	29.92	31.32	
	Long-term Capital In % of Fixed Assets		1,361.52	888.84	800.62	
Repayment Ability	Current Ratio (%)		125.00	429.57	114.62	
	Quick Ratio (%)		93.23	349.01	95.35	
	Times Interest Earned		17.12	17.61	10.72	
Operating Efficiency	Turnover of Receivable(Times)		8.91	8.81	9.68	
	Average Collection Days of Receivable		41	41	38	
	Turnover of Inventory (Times)		5.80	6.76	6.28	
	Turnover of Payable (Times)		6.24	6.50	6.32	
	Average Days of Sales		63	54	58	
	Turnover of Fixed Assets (Times)		1.30	0.84	0.87	
	Turnover of Total Assets (Times)		0.09	0.09	0.10	
Profitability (%)	Return on Total Assets (%)		7.31	9.02	5.50	
	Return on Stockholders' Equity (%)		9.99	12.14	7.29	
	In (%) of Capital Stock	Operating Income		0.09	註 1	0.78
		Income Before Income Tax		25.53	32.31	19.91
	Profit Margin (%)		78.67	92.16	53.03	
	Earnings per Share (NT\$)		2.50	3.19	1.93	
	Earnings per Share (NT\$) (Based on outstanding shares in 2014)		2.28	2.98	1.85	
Cash Flow (%)	Cash Flow Ratio		85.52	242.67	57.36	
	Cash Flow Adequacy Ratio		100.41	91.80	85.25	
	Cash Reinvestment Ratio		(0.89)	0.35	(0.97)	
Degree of Leverage	Degree of Operating Leverage		77.88	註 1	9.17	
	Degree of Financial Leverage		(0.06)	註 2	(0.62)	
<p>The explanation of the change in financial ratios for deviation over 20% in recent two years:  The decrease in Current Ratio, Quick Ratio and Cash Flow Ratio were mainly due to an increase in current portion of long-term liabilities.  The decrease in Cash Reinvestment Ratio was mainly due to that cash dividends paid was more than cash provided by operating activities.  The decrease in Times Interest Earned, Return on Total Assets, Return on Stockholders' Equity, Income Before Income Tax In (%) of Capital Stock , Profit Margin and Earnings per Share were mainly due to an decrease in net income in 2012.</p>						

Note 1: The ratio was equal or less than zero.

Note 2: The ratio was not calculated due to operating loss in 2011.



### **6.3 Supervisor's Review Report on the 2014 Financial Statements**

To: The 2015 Regular Shareholders' Meeting

The undersigned has duly audited the Operating Report, Financial Statements certified by CPA Miss Li Wen Kuo and Mr. Yu Wei Fan of the Deloitte & Touche, together with the Schedule of Earnings Distribution prepared by the Board of Directors for the year of 2014, and found the same to be true and correct.

Therefore, in accordance with Article 219 of the Company Act of the Republic of China, the undersigned takes pleasure in submitting this report for your perusal and acceptance.

Asia Cement Corporation

Supervisor: Shaw Yi Wang

Champion Lee

K. T. Li

T.Y. Tung

Chin-Der Ou

March 26, 2015

## **6.4 Financial Statements and Independent Auditors' Report**

Please refer to Attachment I for the Notes to Consolidated Financial Statements

### **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Stockholders

Asia Cement Corporation

We have audited the accompanying consolidated balance sheets of Asia Cement Corporation (the "Corporation") and its subsidiaries (collectively referred to as the "Group") as of December 31, 2014, December 31, 2013 and January 1, 2013, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2014 and 2013. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the Rules Governing Auditing of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2014, December 31, 2013 and January 1, 2013, and their consolidated financial performance and their consolidated cash flows for the years ended December 31, 2014 and 2013, in conformity 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 by the Financial Supervisory Commission of the Republic of China.

As disclosed in Note 3 to the consolidated financial statements, the Corporation changed its accounting policy for investment properties on January 1, 2014. As a result, the investment properties are subsequently measured using fair value model and the consolidated financial statements as of and for the year ended December 31, 2013 and the consolidated balance sheet as of January 1, 2013 have been retroactively restated for this change in accounting policy.

We have also audited the parent company only financial statements of Asia Cement Corporation as of and for the years ended December 31, 2014 and 2013 on which we have issued an unqualified opinion with an explanatory paragraph report.

March 20, 2015





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.*

# ASIA CEMENT CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2014		December 31, 2013 (Restated)		January 1, 2013 (Restated)	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Notes 6 and 39)	\$ 12,739,834	5	\$ 19,184,742	7	\$ 8,309,069	4
Financial assets at fair value through profit or loss - current (Notes 7 and 39)	743,682	-	760,570	-	718,691	-
Available-for-sale financial assets - current (Note 8)	16,949,278	6	9,074,555	3	6,608,175	3
Debt investments with no active market - current (Notes 6, 11 and 40)	5,834,881	2	6,731,406	3	8,385,707	4
Notes receivable						
Related parties (Note 39)	24,029	-	24,029	-	47,095	-
Third parties	7,616,264	3	7,049,301	3	6,672,080	3
Trade receivables						
Related parties (Notes 12 and 39)	625,319	-	532,567	-	870,132	-
Third parties (Notes 12 and 13)	11,889,276	4	9,861,131	4	8,779,583	4
Other receivables (Notes 14 and 39)	2,633,755	1	2,470,991	1	454,500	-
Current tax assets (Note 34)	1,251	-	11,774	-	-	-
Inventories (Note 15)	9,416,977	3	7,863,420	3	7,515,813	3
Prepayments (Note 21)	1,291,788	1	1,238,867	1	1,012,142	-
Other current assets	792,541	-	533,880	-	290,053	-
<b>Total current assets</b>	<b>70,558,875</b>	<b>25</b>	<b>65,337,233</b>	<b>25</b>	<b>49,663,040</b>	<b>21</b>
<b>NON-CURRENT ASSETS</b>						
Investments accounted for using equity method (Notes 16 and 41)	69,755,589	25	67,771,629	26	65,102,861	27
Available-for-sale financial assets - non-current (Notes 8 and 41)	13,363,777	5	13,664,054	5	13,758,483	6
Held-to-maturity financial assets - non-current (Note 9)	-	-	-	-	1,138,092	-
Financial assets measured at cost - non-current (Note 10)	1,432,927	-	1,485,416	-	1,222,800	1
Debt investment with no active market - non-current (Notes 6, 11 and 40)	152,468	-	155,668	-	120,074	-
Property, plant and equipment (Notes 17 and 41)	70,586,382	25	62,481,951	24	55,930,994	24
Investment properties (Notes 18 and 41)	33,351,639	12	31,441,488	12	29,672,144	13
Intangible assets (Notes 19 and 20)	5,485,677	2	2,176,436	1	2,159,286	1
Deferred tax assets (Note 34)	464,876	-	393,696	-	282,163	-
Long-term notes receivables and other receivables (Notes 13 and 22)	11,590,904	4	12,109,603	5	12,551,384	5
Long-term prepayments for lease (Note 21)	3,946,242	1	3,395,221	1	3,290,631	1
Other non-current assets (Notes 23 and 31)	2,129,699	1	1,991,186	1	1,763,049	1
<b>Total non-current assets</b>	<b>212,260,180</b>	<b>75</b>	<b>197,066,348</b>	<b>75</b>	<b>186,991,961</b>	<b>79</b>
<b>TOTAL</b>	<b>\$ 282,819,055</b>	<b>100</b>	<b>\$ 262,403,581</b>	<b>100</b>	<b>\$ 236,655,001</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 24 and 39)	\$ 22,816,222	8	\$ 13,768,355	5	\$ 10,821,788	5
Short-term bills payable (Notes 25 and 40)	13,241,862	5	4,508,007	2	4,356,268	2
Financial liabilities at fair value through profit or loss - current (Notes 7 and 39)	561,086	-	1,215,049	1	668,747	-
Accounts payable and accrued expenses						
Third parties	9,753,342	4	7,649,148	3	6,641,726	3
Related parties (Note 39)	256,664	-	414,977	-	284,274	-
Dividends and bonuses payable	212,475	-	212,566	-	218,023	-
Other payable - other (Note 26)	707,454	-	-	-	-	-
Current tax liabilities (Note 34)	593,984	-	870,572	-	561,568	-
Provisions - current (Note 28)	9,188	-	8,963	-	8,743	-
Customers' deposits and advances (Note 27)	674,389	-	626,162	-	571,673	-
Current portion of long-term liabilities (Notes 27 and 40)	16,162,537	6	32,681,712	13	17,588,512	8
<b>Total current liabilities</b>	<b>64,989,203</b>	<b>23</b>	<b>61,955,511</b>	<b>24</b>	<b>41,721,322</b>	<b>18</b>
<b>NON-CURRENT LIABILITIES</b>						
Bonds payable (Note 27)	20,954,895	8	8,606,676	3	24,931,418	11
Long-term borrowings (Notes 27 and 40)	26,183,195	9	31,092,586	12	17,976,435	8
Provisions - non-current (Notes 28 and 40)	306,021	-	275,528	-	270,383	-
Derivative financial liabilities for hedging - non-current (Note 43)	14,854	-	30,747	-	48,609	-
Deferred tax liabilities (Note 34)	6,827,330	3	5,640,897	2	5,257,986	2
Accrued pension liabilities (Note 31)	190,518	-	181,978	-	222,129	-
Long-term deferred revenue (Note 27)	1,063,093	-	1,131,179	1	1,199,264	-
Other non-current liabilities (Note 41)	562,720	-	646,277	-	327,473	-
<b>Total non-current liabilities</b>	<b>56,102,626</b>	<b>20</b>	<b>47,605,868</b>	<b>18</b>	<b>50,233,697</b>	<b>21</b>
<b>Total liabilities</b>	<b>121,091,829</b>	<b>43</b>	<b>109,561,379</b>	<b>42</b>	<b>91,955,019</b>	<b>39</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 29 and 33)</b>						
Share capital	33,614,472	12	32,955,365	13	32,309,181	14
Capital surplus	1,073,920	-	1,018,079	-	1,034,446	-
Retained earnings						
Legal reserve	13,251,715	5	12,571,132	5	11,954,738	5
Special reserve	59,505,623	21	14,013,200	5	14,015,705	6
Unappropriated earnings	22,106,583	8	65,584,754	25	61,770,961	26
Total retained earnings	94,863,921	34	92,169,086	35	87,741,404	37
Other equity	12,281,251	4	8,305,589	3	6,964,661	3
<b>Total equity attributable to owners of the Corporation</b>	<b>141,833,564</b>	<b>50</b>	<b>134,448,119</b>	<b>51</b>	<b>128,049,692</b>	<b>54</b>
<b>NON-CONTROLLING INTERESTS (Notes 28, 29 and 35)</b>						
	19,893,662	7	18,394,083	7	16,650,290	7
<b>Total equity</b>	<b>161,727,226</b>	<b>57</b>	<b>152,842,202</b>	<b>58</b>	<b>144,699,982</b>	<b>61</b>
<b>TOTAL</b>	<b>\$ 282,819,055</b>	<b>100</b>	<b>\$ 262,403,581</b>	<b>100</b>	<b>\$ 236,655,001</b>	<b>100</b>

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

(With Deloitte & Touche auditors' report dated March 20, 2015)



# ASIA CEMENT CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	For the Years Ended December 31			
	2014		2013 (Restated)	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 31 and 39)	\$ 77,683,281	100	\$ 70,172,781	100
OPERATING COSTS (Notes 15, 20, 31, 32, 33 and 39)	<u>66,553,091</u>	<u>85</u>	<u>61,130,154</u>	<u>87</u>
GROSS PROFIT	11,130,190	15	9,042,627	13
UNREALIZED GROSS PROFIT	<u>(586)</u>	<u>-</u>	<u>(32)</u>	<u>-</u>
REALIZED GROSS PROFIT	11,129,604	15	9,042,595	13
OPERATING EXPENSES (Notes 30, 31, 32 and 39)	<u>2,881,200</u>	<u>4</u>	<u>2,370,095</u>	<u>4</u>
PROFIT FROM OPERATIONS	<u>8,248,404</u>	<u>11</u>	<u>6,672,500</u>	<u>9</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 33)	1,579,088	2	2,324,762	3
Other gains and losses (Notes 33 and 39)	1,209,572	1	1,508,123	2
Finance costs (Note 33)	(1,667,598)	(2)	(1,640,204)	(2)
Share of profit or loss of associates and joint ventures	<u>4,350,273</u>	<u>6</u>	<u>5,217,067</u>	<u>8</u>
Total non-operating income and expenses	<u>5,471,335</u>	<u>7</u>	<u>7,409,748</u>	<u>11</u>
INCOME BEFORE INCOME TAX	13,719,739	18	14,082,248	20
INCOME TAX EXPENSE (Note 34)	<u>2,813,741</u>	<u>4</u>	<u>1,917,929</u>	<u>3</u>
NET PROFIT FOR THE YEAR	<u>10,905,998</u>	<u>14</u>	<u>12,164,319</u>	<u>17</u>
OTHER COMPREHENSIVE INCOME, NET				
Exchange differences on translating foreign operations	2,980,569	4	2,532,355	4
Unrealized gain (loss) on available-for-sale financial assets	1,186,536	1	(1,034,586)	(1)
Cash flow hedges	13,877	-	20,330	-
Actuarial gain arising from defined benefit plans	4,146	-	262,379	-
Revaluation gain	128,470	-	-	-

(Continued)

# ASIA CEMENT CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	For the Years Ended December 31			
	2014		2013 (Restated)	
	Amount	%	Amount	%
Share of other comprehensive income of associates and joint ventures	\$ 527,962	1	\$ 579,878	1
Income tax relating to components of other comprehensive income	<u>(14,267)</u>	<u>-</u>	<u>(19,511)</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>4,827,293</u>	<u>6</u>	<u>2,340,845</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 15,733,291</u>	<u>20</u>	<u>\$ 14,505,164</u>	<u>21</u>
NET PROFIT ATTRIBUTABLE TO:				
Owner of the Corporation	\$ 9,361,635	12	\$ 10,517,318	15
Non-controlling interests	<u>1,544,363</u>	<u>2</u>	<u>1,647,001</u>	<u>2</u>
	<u>\$ 10,905,998</u>	<u>14</u>	<u>\$ 12,164,319</u>	<u>17</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owner of the Corporation	\$ 13,273,390	17	\$ 12,091,175	17
Non-controlling interests	<u>2,459,901</u>	<u>3</u>	<u>2,413,989</u>	<u>4</u>
	<u>\$ 15,733,291</u>	<u>20</u>	<u>\$ 14,505,164</u>	<u>21</u>
EARNINGS PER SHARE (Note 34)				
Basic	<u>\$2.98</u>		<u>\$3.35</u>	
Diluted	<u>\$2.65</u>		<u>\$3.17</u>	

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

(With Deloitte & Touche auditors' report dated March 20, 2015)

(Concluded)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	Equity Attributable to Owners of the Corporation												Non-controlling Interests	Total Equity
	Retained Earnings						Other Equity							
	Capital Stock Issued		Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Unrealized Gain on Revaluation	Cash Flow Hedge	Total Other Equity	Total		
	Shares	Amount												
BALANCE, JANUARY 1, 2013	3,230,918	\$ 32,309,181	\$ 1,034,446	\$ 11,954,738	\$ 14,015,705	\$ 19,990,027	\$ (2,347,315)	\$ 9,347,018	\$ -	\$ (35,042)	\$ 6,964,661	\$ 86,268,758	\$ 16,646,891	\$ 102,915,649
Effect of retrospective application and retrospective restatement	-	-	-	-	-	41,780,934	-	-	-	-	-	41,780,934	3,399	41,784,333
BALANCE AT JANUARY 1, 2013 RESTATED	3,230,918	32,309,181	1,034,446	11,954,738	14,015,705	61,770,961	(2,347,315)	9,347,018	-	(35,042)	6,964,661	128,049,692	16,650,290	144,699,982
Appropriation of 2012 earnings														
Legal reserve	-	-	-	616,394	-	(616,394)	-	-	-	-	-	-	-	-
Cash dividends - \$1.7 per share	-	-	-	-	-	(5,492,561)	-	-	-	-	-	(5,492,561)	-	(5,492,561)
Stock dividends - \$0.2 per share	64,618	646,184	-	-	-	(646,184)	-	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(456,299)	(456,299)
Change in capital surplus from investments in associates and joint ventures accounted for by using equity method	-	-	(16,367)	-	-	-	-	-	-	-	-	(16,367)	-	(16,367)
Excess of the consideration paid over the carrying amount of the subsidiaries' net assets during acquisition	-	-	-	-	-	-	-	-	-	-	-	-	(213,897)	(213,897)
Net profit for the year ended December 31, 2013	-	-	-	-	-	10,517,318	-	-	-	-	-	10,517,318	1,647,001	12,164,319
Other comprehensive income (loss) for the year ended December 31, 2013, net of income tax	-	-	-	-	-	232,929	2,796,469	(1,479,609)	3,460	20,608	1,340,928	1,573,857	766,988	2,340,845
Other change in equity from investments in associates accounted for by using equity method	-	-	-	-	(2,505)	(181,315)	-	-	-	-	-	(183,820)	-	(183,820)

# ASIA CEMENT CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2014	2013 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 13,719,739	\$ 14,082,248
Adjustments for:		
Depreciation expenses	5,628,378	4,596,085
Share of profit of associates and joint ventures	(4,350,273)	(5,217,067)
Interest expenses	1,667,598	1,640,205
Gain on change in fair value of investment properties	(1,426,537)	(1,767,273)
Net gain on fair value change of financial assets and liabilities designated as at fair value through profit or loss	(1,034,483)	(47,155)
Effect of exchange rate of bonds payable	970,241	463,723
Dividend income	(727,018)	(700,889)
Interest income	(477,369)	(727,788)
Unrealized foreign exchange loss (gain)	391,654	(601,824)
Loss on redemption of bonds payable	356,480	116,382
Amortization expenses	313,519	176,239
Impairment loss recognized on accounts receivable	156,678	42,458
Gain on disposal of investments	(114,480)	(72,474)
Reversal of impairment loss on non-financial assets	(76,572)	-
Reversal of inventory	(65,434)	(23,718)
Impairment loss recognized on financial assets	51,387	32,500
Gain on disposal of associates	(20,903)	-
Gain on disposal of property, plant and equipment	(9,249)	(5,776)
Compensation cost of share-based payment	-	603
Other items	4,995	2,236
Changes in operating assets and liabilities		
Decrease in financial assets held for trading	448,181	76,829
Increase in notes receivable	(148,326)	(18,029)
Increase in trade receivables	(787,811)	(31,366)
Decrease in other receivables	174,482	17,938
Increase in inventories	(763,209)	(182,005)
Increase in prepayments	(8,579)	(134,793)
Increase in other current assets	(248,092)	(224,048)
(Decrease) increase in accounts payable and accrued expenses	(3,836,677)	1,260,077
Increase (decrease) in provisions	23,426	(126)
(Decrease) increase in customers' deposits and advances	(81,054)	30,432
Decrease in accrued pension liabilities	(3,836)	(20,073)
Decrease in deferred revenue	(68,086)	(68,085)
Cash generated from operations	9,658,770	12,695,466
Interests received	504,217	737,830
Dividends received	3,999,751	4,058,444
Interests paid	(1,460,549)	(1,359,274)
Income tax expenses paid	(2,059,597)	(1,351,200)
Net cash generated from operating activities	<u>10,642,592</u>	<u>14,781,266</u>

(Continued)



# ASIA CEMENT CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2014	2013 (Restated)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of available-for-sale financial assets	\$ (7,492,054)	\$ (2,904,207)
Acquisition property, plant and equipment	(4,166,990)	(8,522,673)
Net cash outflow on acquisition of subsidiaries (Note 36)	(2,848,728)	-
Proceeds on disposal of available-for-sale financial assets	1,309,730	847,208
Decrease (increase) in debt investments with no active market	1,153,514	1,795,671
Acquisition of investments accounted for using equity method	(397,688)	(245,836)
Acquisition of investment properties	(128,219)	(2,071)
Increase in prepayments for lease	(74,879)	(104,377)
Proceeds from disposal of property, plant and equipment	61,718	123,912
(Increase) decrease in other non-current assets	(19,566)	5,811
Acquisition of intangible assets	(14,741)	(7,355)
Proceeds from disposal of investment accounted for using equity method	10,150	-
(Increase) decrease in refundable deposits	(8,091)	7,667
Acquisition of financial assets measured at cost	(3,307)	(297,321)
Increase in other receivables-related parties	-	(1,922,790)
Acquisition of held-to-maturity financial assets	-	(409,624)
Proceeds on disposal of held-to-maturity financial assets	-	379,793
Net cash used in investing activities	<u>(12,619,151)</u>	<u>(11,256,192)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of long-term borrowings	(46,917,171)	(35,542,745)
Proceeds from long-term borrowings	43,127,324	47,419,563
Repayments of bonds	(18,148,889)	(6,814,707)
Increase in short-term bills payable	8,737,700	152,032
Proceeds from issue of bonds	8,000,000	6,499,996
Increase in short-term borrowings	7,976,022	1,639,455
Dividends paid	(5,931,673)	(5,492,251)
Change of non-controlling interests	(1,255,192)	(934,542)
(Decrease) increase in other non-current liabilities	(118,554)	25,511
Decrease in guarantee deposits received	(36,429)	(32,506)
Net cash (used in) generated from financing activities	<u>(4,566,862)</u>	<u>6,919,806</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>98,513</u>	<u>430,793</u>

(Continued)

# ASIA CEMENT CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

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	For the Years Ended December 31	
	2014	2013 (Restated)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	\$ (6,444,908)	\$ 10,875,673
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>19,184,742</u>	<u>8,309,069</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 12,739,834</u>	<u>\$ 19,184,742</u>

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

(With Deloitte & Touche auditors' report dated March 20, 2015)

(Concluded)





## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders  
Asia Cement Corporation

We have audited the accompanying balance sheets of Asia Cement Corporation (the "Corporation") as of December 31, 2014, December 31, 2013 and January 1, 2013, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2014 and 2013. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2014, December 31, 2013 and January 1, 2013, and its financial performance and its cash flows for the years ended December 31, 2014 and 2013, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

As disclosed in Note 3 to the financial statements, the Corporation changed its accounting policy for investment properties on January 1, 2014. As a result, the investment properties are subsequently measured using fair value model and the financial statements as of and for the year ended December 31, 2013 and the balance sheet as of January 1, 2013 have been retroactively restated for this change in accounting policy.

March 20, 2015

### Notice to Readers

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

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

# ASIA CEMENT CORPORATION

## BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2014 (Audited)		December 31, 2013 (Restated and Audited)		January 1, 2013 (Restated and Audited)	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Notes 6 and 31)	\$ 263,566	-	\$ 8,483,568	5	\$ 548,003	-
Financial assets at fair value through profit or loss - current (Notes 7 and 31)	542,137	-	292,857	-	149,900	-
Available-for-sale financial assets - current (Note 8)	7,987,827	4	3,787,164	2	2,109,655	1
Debt investments with no active market - current (Note 10)	2,538,326	2	5,069,803	3	5,762,393	4
Notes receivable						
Related parties (Note 31)	24,029	-	24,029	-	47,092	-
Third parties	149,364	-	175,888	-	255,770	-
Trade receivables						
Related parties (Notes 11 and 31)	511,353	-	554,756	-	456,335	1
Third parties (Note 11)	527,313	1	412,495	-	440,367	-
Other receivables (Note 31)	24,790	-	50,372	-	72,833	-
Inventories (Note 12)	1,569,656	1	1,907,329	1	1,916,950	1
Prepayments (Note 17)	200,533	-	83,045	-	78,735	-
Other current assets	7,141	-	8,099	-	26,582	-
<b>Total current assets</b>	<b>14,346,035</b>	<b>8</b>	<b>20,849,405</b>	<b>11</b>	<b>11,864,615</b>	<b>7</b>
<b>NON-CURRENT ASSETS</b>						
Investments accounted for using equity method (Notes 13 and 33)	120,508,174	64	112,356,092	61	106,888,388	64
Available-for-sale financial assets - non-current (Note 8)	6,183,703	3	6,446,911	4	6,246,836	4
Financial assets measured at cost - non-current (Note 9)	223,536	-	261,995	-	43,116	-
Property, plant and equipment (Notes 14 and 33)	4,850,893	3	5,113,731	3	5,423,442	3
Investment properties (Notes 15, 31 and 33)	38,896,918	21	36,819,239	20	35,049,894	21
Intangible assets (Note 16)	9,808	-	12,435	-	18,725	-
Deferred tax assets (Note 27)	155,934	-	60,864	-	87,393	-
Long-term prepayments for lease (Note 17)	342,200	-	366,468	-	428,505	-
Other non-current assets (Notes 18 and 23)	2,522,194	1	2,457,907	1	2,179,004	1
<b>Total non-current assets</b>	<b>173,693,360</b>	<b>92</b>	<b>163,895,642</b>	<b>89</b>	<b>156,365,303</b>	<b>93</b>
<b>TOTAL</b>	<b>\$ 188,039,395</b>	<b>100</b>	<b>\$ 184,745,047</b>	<b>100</b>	<b>\$ 168,229,918</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 19 and 33)	\$ 400,000	-	\$ -	-	\$ 300,000	-
Short-term bills payable (Notes 20 and 33)	7,246,837	4	-	-	699,748	1
Financial liabilities at fair value through profit or loss - current (Notes 7 and 31)	561,086	-	1,215,049	1	668,747	-
Accounts payable and accrued expenses						
Third parties	1,633,263	1	1,524,298	1	1,555,033	1
Related parties (Note 31)	161,500	-	277,821	-	201,666	-
Dividends and bonuses payable	204,221	-	203,927	-	203,617	-
Current tax liabilities (Note 27)	204,588	-	85,572	-	373,276	-
Customers' deposits and advances (Note 22)	112,739	-	146,297	-	136,041	-
Current portion of long-term liabilities (Notes 21 and 33)	2,500,000	2	20,476,354	11	6,640,329	4
<b>Total current liabilities</b>	<b>13,024,234</b>	<b>7</b>	<b>23,929,318</b>	<b>13</b>	<b>10,778,457</b>	<b>6</b>
<b>NON-CURRENT LIABILITIES</b>						
Bonds payable (Note 21)	20,954,895	11	8,606,676	5	22,207,713	13
Long-term borrowings (Notes 21 and 33)	4,722,512	3	11,479,763	6	1,199,416	1
Deferred income tax liabilities (Note 27)	6,375,681	3	5,086,557	3	4,743,432	3
Deferred revenue - non-current (Note 22)	1,063,093	1	1,131,179	-	1,199,264	1
Other non-current liabilities	65,416	-	63,435	-	51,944	-
<b>Total non-current liabilities</b>	<b>33,181,597</b>	<b>18</b>	<b>26,367,610</b>	<b>14</b>	<b>29,401,769</b>	<b>18</b>
<b>Total liabilities</b>	<b>46,205,831</b>	<b>25</b>	<b>50,296,928</b>	<b>27</b>	<b>40,180,226</b>	<b>24</b>
<b>EQUITY (Note 24)</b>						
Ordinary shares	33,614,472	18	32,955,365	18	32,309,181	19
Capital surplus	1,073,920	1	1,018,079	1	1,034,446	1
Retained earnings						
Legal reserve	13,251,715	7	12,571,132	7	11,954,738	7
Special reserve	59,505,623	31	14,013,200	8	14,015,705	8
Unappropriated earnings	22,106,583	12	65,584,754	35	61,770,961	37
Total retained earnings	94,863,921	50	92,169,086	50	87,741,404	52
Other equity	12,281,251	6	8,305,589	4	6,964,661	4
<b>Total equity</b>	<b>141,833,564</b>	<b>75</b>	<b>134,448,119</b>	<b>73</b>	<b>128,049,692</b>	<b>76</b>
<b>TOTAL</b>	<b>\$ 188,039,395</b>	<b>100</b>	<b>\$ 184,745,047</b>	<b>100</b>	<b>\$ 168,229,918</b>	<b>100</b>

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

(With Deloitte & Touche auditors' report dated March 20, 2015)



# ASIA CEMENT CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME

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

	For the Years Ended December 31			
	2014		2013 (Restated)	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 25 and 31)	\$ 12,394,201	100	\$ 12,292,506	100
OPERATING COSTS (Notes 25, 26 and 31)	<u>11,011,070</u>	<u>89</u>	<u>11,449,568</u>	<u>93</u>
GROSS PROFIT	1,383,131	11	842,938	7
UNREALIZED GAIN ON THE TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	(1,380)	-	-	-
REALIZED GAIN ON THE TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	<u>-</u>	<u>-</u>	<u>3,631</u>	<u>-</u>
REALIZED GROSS PROFIT	1,381,751	11	846,569	7
OPERATING EXPENSES (Notes 26, 31 and 32)	<u>644,481</u>	<u>5</u>	<u>612,046</u>	<u>5</u>
OPERATING INCOME	<u>737,270</u>	<u>6</u>	<u>234,523</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 26)	680,242	5	676,811	5
Other gains and losses (Note 26)	1,534,030	12	1,276,740	10
Finance costs (Note 26)	(531,319)	(4)	(670,506)	(5)
Share of the profit or loss of subsidiaries and associates	<u>8,289,811</u>	<u>67</u>	<u>9,368,264</u>	<u>76</u>
Total non-operating income and expenses	<u>9,972,764</u>	<u>80</u>	<u>10,651,309</u>	<u>86</u>
INCOME BEFORE INCOME TAX	10,710,034	86	10,885,832	88
INCOME TAX EXPENSE (Note 27)	<u>1,348,399</u>	<u>11</u>	<u>368,514</u>	<u>3</u>
NET INCOME	<u>9,361,635</u>	<u>75</u>	<u>10,517,318</u>	<u>85</u>
OTHER COMPREHENSIVE INCOME				
Unrealized (loss) gain on available-for-sale financial assets	(9,624)	-	580,723	5
Revaluation gain	128,470	1	-	-

(Continued)

# ASIA CEMENT CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME

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

	For the Years Ended December 31			
	2014		2013 (Restated)	
	Amount	%	Amount	%
Actuarial (loss) gain arising from defined benefit plans	\$ (1,110)	-	\$ 242,833	2
Share of the other comprehensive income of subsidiaries and associates	3,800,248	31	791,583	6
Income tax relating to the components of other comprehensive income	<u>(6,229)</u>	<u>-</u>	<u>(41,282)</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>3,911,755</u>	<u>32</u>	<u>1,573,857</u>	<u>13</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 13,273,390</u>	<u>107</u>	<u>\$ 12,091,175</u>	<u>98</u>
EARNINGS PER SHARE (Note 28)				
Basic	<u>\$2.98</u>		<u>\$3.35</u>	
Diluted	<u>\$2.65</u>		<u>\$3.17</u>	

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

(With Deloitte & Touche auditors' report dated March 20, 2015)

(Concluded)

# ASIA CEMENT CORPORATION

## STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars, Except Per Share Amount)

	Capital Stock Issued		Capital Surplus	Retained Earnings			Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Other Equity			Total Equity
	Shares	Share Capital		Legal Reserve	Special Reserve	Unappropriated Earnings			Unrealized Gain on Revaluation	Cash Flow Hedge	Total	
BALANCE AT JANUARY 1, 2013	3,230,918	\$ 32,309,181	\$ 1,034,446	\$ 11,954,738	\$ 14,015,705	\$ 19,990,027	\$ (2,347,315)	\$ 9,347,018	\$ -	\$ (35,042)	\$ 6,964,661	\$ 86,268,758
Effect of retrospective application and retrospective restatement	-	-	-	-	-	41,780,934	-	-	-	-	-	41,780,934
BALANCE AT JANUARY 1, 2013 AS RESTATED	3,230,918	32,309,181	1,034,446	11,954,738	14,015,705	61,770,961	(2,347,315)	9,347,018	-	(35,042)	6,964,661	128,049,692
Appropriation of 2012 earnings												
Legal reserve	-	-	-	616,394	-	(616,394)	-	-	-	-	-	-
Cash dividends - \$1.7 per share	-	-	-	-	-	(5,492,561)	-	-	-	-	-	(5,492,561)
Stock dividends - \$0.2 per share	64,618	646,184	-	-	-	(646,184)	-	-	-	-	-	-
Change in capital surplus from investments in subsidiaries, associates and joint ventures accounted for by using equity method	-	-	(16,367)	-	-	-	-	-	-	-	-	(16,367)
Net income in 2013	-	-	-	-	-	10,517,318	-	-	-	-	-	10,517,318
Other comprehensive income (loss) for the year ended December 31, 2013, net of income tax	-	-	-	-	-	232,929	2,796,469	(1,479,609)	3,460	20,608	1,340,928	1,573,857
Other - change in equity from investments in associates accounted for by using equity method	-	-	-	-	(2,505)	(181,315)	-	-	-	-	-	(183,820)
BALANCE AT DECEMBER 31, 2013	3,295,536	32,955,365	1,018,079	12,571,132	14,013,200	65,584,754	449,154	7,867,409	3,460	(14,434)	8,305,589	134,448,119
Special reserve provided under Rule No. 1030006415 issued by the FSC	-	-	-	-	45,492,423	(45,492,423)	-	-	-	-	-	-
Appropriation of 2013 earnings												
Legal reserve	-	-	-	680,583	-	(680,583)	-	-	-	-	-	-
Cash dividends - \$1.8 per share	-	-	-	-	-	(5,931,966)	-	-	-	-	-	(5,931,966)
Stock dividends - \$0.2 per share	65,911	659,107	-	-	-	(659,107)	-	-	-	-	-	-
Change in capital surplus from investments in subsidiaries, associates and joint ventures accounted for by using equity method	-	-	934	-	-	-	-	-	-	-	-	934
Excess of the consideration paid over the carrying amount of the subsidiaries' net assets during acquisition	-	-	54,907	-	-	-	-	-	-	-	-	54,907
Net income in 2014	-	-	-	-	-	9,361,635	-	-	-	-	-	9,361,635
Other comprehensive income (loss) for the year ended December 31, 2014, net of income tax	-	-	-	-	-	(63,907)	3,739,355	(10,464)	246,006	765	3,975,662	3,911,755
Other - change in equity from investments in associates accounted for by using equity method	-	-	-	-	-	(11,820)	-	-	-	-	-	(11,820)
BALANCE AT DECEMBER 31, 2014	<u>3,361,447</u>	<u>\$ 33,614,472</u>	<u>\$ 1,073,920</u>	<u>\$ 13,251,715</u>	<u>\$ 59,505,623</u>	<u>\$ 22,106,583</u>	<u>\$ 4,188,509</u>	<u>\$ 7,856,945</u>	<u>\$ 249,466</u>	<u>\$ (13,669)</u>	<u>\$ 12,281,251</u>	<u>\$ 141,833,564</u>

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

(With Deloitte & Touche auditors' report dated March 20, 2015)

# ASIA CEMENT CORPORATION

## STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2014	2013 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 10,710,034	\$ 10,885,832
Adjustments for:		
Share of profit of associates and joint venture	(8,289,811)	(9,368,264)
Gain on change in fair value of investment properties	(1,620,298)	(1,767,273)
Net gain on fair value change of financial assets and liabilities designated as at fair value through profit or loss	(1,012,816)	(46,053)
Effect of exchange rate of bonds payable	970,240	463,723
Interest expenses	531,319	670,506
Depreciation expenses	511,772	657,800
Dividend income	(400,730)	(319,398)
Unrealized gain on foreign currency exchange	(194,846)	(242,273)
Loss on redemption of bonds payable	356,480	116,382
Interest income	(139,051)	(286,744)
Reversal of impairment loss recognized on non-financial assets	(76,572)	-
Impairment loss recognized on financial assets	37,358	23,500
Gain on disposal of associates	(20,780)	-
Amortization expenses	5,357	6,290
Gain on disposal of property, plant and equipment	(3,379)	(600)
Unrealized (realized) gain from inter-affiliate	1,380	(3,631)
Impairment loss recognized on trade receivables	767	6,369
Other items	4,409	2,273
Changes in operating assets and liabilities:		
Financial assets held for trading	122,957	-
Notes receivable	26,524	102,945
Trade receivables	(72,182)	(76,918)
Other receivables	(19,475)	(3,526)
Inventories	305,956	(20,568)
Prepayments	(93,220)	10,105
Other current assets	958	18,483
Prepaid pension	(35,627)	(14,928)
Accounts payable and accounted expenses	(18,585)	74,851
Customers' advances	(33,558)	10,256
Deferred income	(68,086)	(68,085)
Cash generated from operations	1,486,495	831,054
Interest received	184,108	312,731
Dividend received	5,133,720	4,815,423
Interest paid	(240,349)	(280,586)
Income tax paid	(41,558)	(327,846)
 Net cash generated from operating activities	 <u>6,522,416</u>	 <u>5,350,776</u>

(Continued)



# ASIA CEMENT CORPORATION

## STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2014	2013 (Restated)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of available-for-sale financial assets	\$ (3,947,079)	\$ (1,296,861)
Decrease in debt investments with no active market	2,688,117	854,764
Acquisition of investments accounted for using equity method	(731,762)	(622)
Acquisition of property, plant and equipment	(399,250)	(270,043)
Acquisition of investment properties	(78,494)	(2,071)
Decrease (increase) in refundable deposits	5,776	(6,404)
Proceeds from disposal of property, plant and equipment	12,198	606
Acquisition of financial assets measured at cost	(3,308)	(244,584)
Acquisition of intangible assets	(2,730)	-
Proceeds from disposal of investments accounted for using equity method	<u>171</u>	<u>115</u>
Net cash used in investing activities	<u>(2,456,361)</u>	<u>(965,100)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of long-term borrowings	(37,290,000)	(24,960,000)
Proceeds from long-term borrowings	30,540,000	35,240,000
Repayments of bonds payable	(15,259,025)	(6,814,707)
Proceeds from issue of bonds	8,000,000	6,499,996
Increase (decrease) in short-term bills payable	7,950,000	(700,000)
Cash dividends paid	(5,931,673)	(5,492,251)
(Decrease) in short-term borrowings	(300,000)	(300,000)
Increase in other non-current liabilities	1,120	9,430
Increase in guarantee deposits received	<u>861</u>	<u>2,061</u>
Net cash (used in) generated from financing activities	<u>(12,288,717)</u>	<u>3,484,529</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>2,660</u>	<u>65,360</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(8,220,002)	7,935,565
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>8,483,568</u>	<u>548,003</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 263,566</u>	<u>\$ 8,483,568</u>

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

(With Deloitte & Touche auditors' report dated March 20, 2015)

(Concluded)

※The Company and its affiliates have not experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the printing date of the annual report.





## VII Analysis of Financial Status, Operating Result, and Risk Management

### 7.1 Analysis of Financial Status

Unit: NT\$1,000

Item \ Year	2013	2014	Variance	
			Amount	%
Current Assets	65,337,233	70,558,875	5,221,642	8
Property, Plant and Equipment	62,481,951	70,586,382	8,104,431	13
Intangible Assets	2,176,436	5,485,677	3,309,241	152
Other Assets	132,407,961	136,188,121	3,780,160	3
Total Assets	262,403,581	282,819,055	20,415,474	8
Current Liabilities	61,955,511	64,989,203	3,033,692	5
Non-current Liabilities	47,605,868	56,102,626	8,496,758	18
Total Liabilities	109,561,379	121,091,829	11,530,450	11
Equity Attributable To Owners Of The Corporation	134,448,119	141,833,564	7,385,445	5
Share Capital	32,955,365	33,614,472	659,107	2
Capital Surplus	1,018,079	1,073,920	55,841	5
Retained Earnings	92,169,086	94,863,921	2,694,835	3
Other Equity	8,305,589	12,281,251	3,975,662	48
Non-Controlling Interests	18,394,083	19,893,662	1,499,579	8
Total Equity	152,842,202	161,727,226	8,885,024	6
Analysis of deviation over 20%:				
1. The increase of intangible assets mainly due to the increase of goodwill which proceeds from purchase of Sichuan Lanfeng Company.				
2. Other equity increased mainly resulted from the increase of exchange differences on translating foreign operations.				

## 7.2 Analysis of Operating Results

Unit: NT\$1,000

Item	Year		Variance	
	2013	2014	Amount	%
Operating Revenue	70,172,781	77,683,281	7,510,500	11
Operating Costs	61,130,154	66,553,091	5,422,937	9
Gross Profit	9,042,627	11,130,190	2,087,563	23
Unrealized Gross Profit	(32)	(586)	(554)	1,731
Realized Gross Profit	9,042,595	11,129,604	2,087,009	23
Operating Expenses	2,370,095	2,881,200	511,105	22
Profit From Operations	6,672,500	8,248,404	1,575,904	24
Non-operating Income And Expenses	7,409,748	5,471,335	(1,938,413)	(26)
Income Before Income Tax	14,082,248	13,719,739	(362,509)	(3)
Income Tax Expense	1,917,929	2,813,741	895,812	47
Net Profit For The Year	12,164,319	10,905,998	(1,258,321)	(10)
Other Comprehensive Income , Net	2,340,845	4,827,293	2,486,448	106
Total Comprehensive Income For The Year	14,505,164	15,733,291	1,228,127	9
Net Profit Attributable To Owner Of The Company	10,517,318	9,361,635	(1,155,683)	(11)
Net Profit Attributable To Non-Controlling Interests	1,647,001	1,544,363	(102,638)	(6)
Total Comprehensive Income Attributable To Owner Of The Company	12,091,175	13,273,390	1,182,215	10
Total Comprehensive Income Attributable To Non-Controlling Interests	2,413,989	2,459,901	45,912	2

### 1. Analysis of deviation over 20%:

The increase of the gross profit and net gross profit were mainly due to the increase of operating revenue.

The increase of the unrealized gross profit resulted from the transactions with affiliated companies in 2014.

Operating expenses increased mainly due to the increase of operating revenue, caused the increase of related expense.

Operating income increased mainly due to the increase of gross profit.

The decrease of non-operating income and expenses mainly due to the decrease of investment revenue and insurance compensation revenue.

Income tax expense increased since the accrued income tax expense in 2014 was greater than 2013.

Other comprehensive income increased mainly due to the increase of unrealized gain on available-for-sale financial assets.

2. For 2015, expected sales volume of cement and clinker is 4,930 thousand MT in Taiwan, and 33,054 thousand MT in China. Total sales volume will be 37,984 thousand MT, which is better than sales volume 35,136 thousand MT in 2014.



### 7.3 Analysis of Cash Flow

Unit: NT\$1,000

Cash Balance, Beginning of 2014	The Cash Inflows from Operating Activities for 2014	Cash Outflows for 2014	The Cash Surplus	Source of Funding for Negative Cash Balance	
				Investing Plans	Financing Plans
19,184,742	10,642,592	17,087,500	12,739,834	-	-
<p>The Analysis for Changing of Cash Flow for the Year</p> <ol style="list-style-type: none"> <li>1. Operating Activities: Mainly generated from operations NT\$9,658,770 thousand and dividends received NT\$3,999,751 thousand.</li> <li>2. Investing Activities: Primarily for investment in available-for-sale financial assets NT\$7,492,054 thousand, capital expenditures NT\$4,166,990 thousand and Net cash outflow on acquisition of subsidiaries NT\$2,848,728 thousand.</li> <li>3. Financing activities: Mostly for net increase in short-term and long-term loans NT\$2,774,986 thousand and payout of cash dividends NT\$5,931,673 thousand.</li> </ol> <p>Measures to Save the Cash Deficiency and the Liquidity Analysis :</p> <ol style="list-style-type: none"> <li>1. Source of Funding for Negative Cash Balance : Not Applicable.</li> <li>2. Liquidity Analysis : Please Refer to the List Below.</li> </ol>					
Items	2013	2014	Increase(Decrease)Percentage		
Cash Flow Ratio	23.86	16.38	(31.35)		
Cash Flow Adequacy Ratio	83.14	89.91	8.14		
Cash Reinvestment Ratio	4.61	2.14	(53.58)		
<p>1. The decrease in Cash Flow Ratio and Cash Reinvestment Ratio was mainly due to an decrease in cash provided by operating activities in 2014.</p>					
Cash Balance, Beginning of 2015	Expected Net Cash Inflows from Operating Activities for 2015	Expected Total Cash Outflows for 2015	Expected Cash Surplus	Expected Source of Funding for Negative Cash Balance	
				Investing Plans	Financing Plans
12,739,834	9,312,034	10,504,762	11,547,106	-	-
<p>Liquidity Analysis for the Coming Year :</p> <ol style="list-style-type: none"> <li>1. Operating Activities : Mainly from net income and dividends received from associates.</li> <li>2. Investing Activities : Primarily for investment in financial assets and capital expenditures.</li> <li>3. Financing activities: Mostly for net increase in short-term and long-term loans and payout of cash dividends.</li> </ol>					

## 7.4 Impacts of Major Capital Expenditures on Finance and Operation

### 7.4.1 Major Capital Expenditures and Funding Sources

Unit: NT\$1,000

Projects	Actual or Expected Source of Capital	Actual or Expected Date of Completion	Total Capital	Actual or Expected Capital Expenditures			
				2012~2013	2014	2015	2016
Improvement project of kiln #3 in Hualien Plant	Retained Earnings	2016/12/31	360,450	-	-	186,870	173,580
Installation constructions of new indoor coal bunker , stacker reclaimer and material conveyor system in Hualien plant	Retained Earnings	2015/12/31	556,160	139	8,805	547,216	-
Jiangxi Yadong No.5.and No.6 kiln production line expansion construction	Self-owned capital & loan	No.5-2013/9 No.6-2014/1	11,538,444	9,063,224	2,475,220	-	-

### 7.4.2 Expected Benefit to Finance and Operation from the Major Capital Expenditure

- A. Reducing consumption of coal and electricity.
- B. In order to prevent the emission of coal sewage water for complying with environmental protection laws and regulations, and refrain coal containing excessive water after heavy rain from leading to the losses of reduction of clinker production or interruption of production, the new indoor coal bunker and conveyor system constructions were executed in Hualien plant.
- C. After Jiangxi Yadong No.5and No.6 kiln are completed, annual production capacity of clinker increases 4.7 million MT which could produce 6 million MT cement.

Above three major capital expenditures have positive benefits for the financial and operating outlook.

## 7.5 Investment Strategies in the Most Recent Year, the Major Reasons for its Gain or Loss and Improvement Plan and Investment Plans for Next Year

The majority of the Company's investments were for long-term strategic purposes. In 2014, the total gain through equity method by the Company was NT\$8,289,811,000(NT\$4,350,273,000 on consolidated basis). In the future, the Company will continue to focus on strategic purposes through prudent assessment.



## 7.6 Analysis and Evaluation of Risk Management

### 7.6.1 The Impact of Fluctuation of Foreign Exchange, Interest Rates, and Inflation on the Company's Profit and Loss and Its Countermeasures

※Foreign exchange impact:

The percentage of foreign exchange gains/losses over operating revenue and operating income in 2014 are as follows:

Unit : NT\$1,000

Item \ Year	2014
Foreign Exchange Gains (Losses) (A)	(556,001)
Operating Revenue (B)	77,683,281
% of Operating Revenue (A)/(B)	-0.7%
Operating Income (C)	8,248,404
% of Operating Income (A)/(C)	-6.7%

Foreign exchange rate fluctuates constantly because of the variation in market demand and supply. Thus, the risk of foreign exchange may occur to the Company by means of various trading. For the Company, most of the procurements of raw materials were disbursed in USD; foreign sales were collected in USD. Currently, the revenue mostly equals to the disbursement, which led to the effect of natural hedge, minimizing the impact of fluctuation of foreign exchange on the Company's profit and loss.

Besides natural hedge, in order to minimize the risk of foreign exchange, the Company and subsidiaries had adopted the following risk management policies against the uncertainty:

1. Monitoring the impact to foreign exchange rate from global macro-economic change and building up a necessary hedge mechanism.
2. Planning future's demand for currencies and establishing the foreign currency position from relatively lower level to reduce overall cost. Convert weak currencies to strong currencies.

※Interest rate impact:

The percentage of interest revenue/losses over operating revenue and operating income in 2014 are as follows:

Unit : NT\$1,000

Item \ Year	2014
Interest Revenue (Losses) (A)	(1,190,229)
Operating Revenue (B)	77,683,281
% of Operating Revenue (A)/(B)	(1.5%)
Operating Income (C)	8,248,404
% of Operating Income (A)/(C)	(14.4%)

If market interest rates had been 0.01% higher/lower, the group's pretax profit for the year ended December 31, 2014 would have decreased/increased by \$3,955 thousand, mainly due to the Group's exposure to interest rates on its floating-rate bank borrowings and bank deposits' interest revenue and expenses.

The Company primarily utilizes short-term bank loans and issues long-term debt instruments to finance its short, mid, and long term funding demands.

According to the terms and conditions of agreements entered with banks, short-term bank loan, subject to floating interest rate basis, can be utilized in revolving method within the duration of the agreements. Since the Company has been maintaining stable status operationally and financially, it is capable of obtaining relatively lower interest rate with aggressive negotiations with banks. Besides, the duration of utilizing short-term loan is less than one year. In a whole, the impact of the fluctuation of interest rates on the Company's short-term loans is limited. In order to minimize the risk of interest rate, the Company and subsidiaries had adopted such risk management policies against the uncertainty:

The Company mainly issues long-term and fixed interest rate debt instruments to lock relatively lower funding cost, which can reduce interest expense and impact of interest fluctuation, spare banks' credit lines for temporary funding demand, replenish working capital, and improve financial structure to comply with the principle for long-term sustainable operation.

**※Inflation rate impact:**

Taiwan inflation rate was about 1.2% in 2014. This inflation rate did not have substantial effect on the Company's operation and profit. In order to minimize the risk of inflation rate, the Company and subsidiaries maintained stable and long-term cooperative relationships with our major suppliers.

**7.6.2 The Impact of Highly Risky Investments, Highly Leveraged Transaction, Loaning to Others, Endorsement and Guarantee for Others, and Derivatives**

The Company has no highly risky and highly leveraged investments or loaning to others.

The Company provided endorsement and guarantee for its subsidiaries according to "Procedures for Endorsement and Guarantee". Its balance was NT\$17,681,711,000 and NT\$19,942,101,000 by the end of 2014 and the end of April 2015 respectively. Based on conservative operating policy, the operations of its subsidiaries bring considerable income to the Company. Besides that, the Company supervises its subsidiaries regularly and controls related risks.

The financial transactions with "derivative" nature the Company and subsidiaries entered into were strictly for hedging purposes and not for any trading or speculative purposes. To control various types of financial trading risks, the Company and subsidiaries has established internal policies and procedures based on sound financial and business practices, all in compliance with the relevant rules and regulations issued by the Taiwan Securities and Futures Bureau.

The Company entered into USD/TWD CCS transactions and its balance was NT\$6,597,000,000 by the end of April 2015 (fair value was NT\$ 6,774,602,160); Our subsidiary, Asia Cement (China) entered into IRS transactions and its balance was US\$30,000,000 by the end of April 2015 (fair value was US\$ 29,781,349)



### 7.6.3 The Prevention of Legal Risks

In view of current company's operations, in addition to compliance with laws and regulations, there are many different areas involved in the legal norms, such as dealing with other companies, government agency, stakeholders, employees, and other foreign-related cases. Preventing legal risks shall be the first priority in today's business operators

In response to this situation, the Company ask those who majored in law to be in charge of the Secretarial Department. Besides, the Company teaches and requires every employee to comply with every regulation in daily operations. The Company also cooperates with the Group's legal department to handle labor, general affairs, sales, factory management, taxation and other issues. Lawyers and accountants would be consulted if necessary. These could ensure legal risks reduced to maintain the Company's interests.

◎R&D project and estimated expenditures in the future:

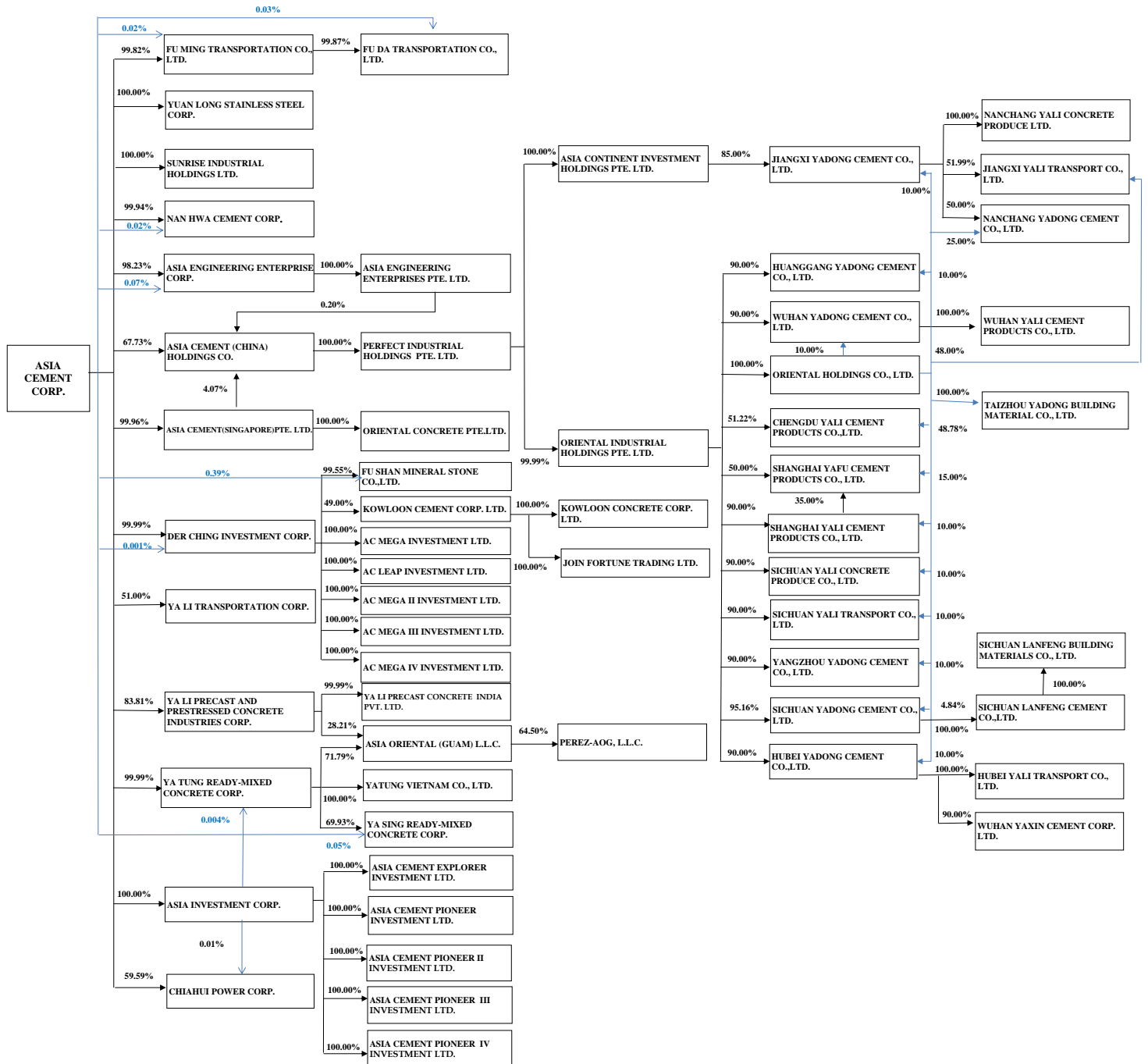
		Unit: NT\$1000
	<b>Item</b>	<b>Amount</b>
1	Method to measure particulate matter (PM) emissions from stationary sources.	1,400
	Total	1,400

- ◎Effect on the Company's finance and operation from any changes in major policies and laws at home and abroad in the most recent fiscal year: None.
- ◎Effect on the Company's finance and operation due to the technological improvement and the change of industrial environment in the most recent fiscal year: None.
- ◎Events influencing the Company's corporate image in the most recent fiscal year: None.
- ◎Merger or acquisition plan in the most recent fiscal year: None.
- ◎Plan of expanding capacity in the most recent fiscal year: None.
- ◎Supply and sale of the Company in the most recent fiscal year: Normal and steady.
- ◎Large volume shares transferred or changed by directors, supervisors, or shareholders with more than 10% shareholdings in the most recent fiscal year: None.
- ◎Change of the Company's management in the most recent fiscal year: None.
- ◎Litigation, non-litigation incidents or administrative disputes of directors, supervisors, president, shareholders with more than 10% shareholdings, or subsidiaries which could materially affect shareholders' equity or the prices of the Company's securities: None.
- ◎Other major risks: None.

**7.7 Other Mentionable Issues : None.**

# VIII Special Disclosure

## 8.1 Organizational Chart of Affiliated Companies







## 8.2 Basic Information of Affiliated Companies

Currency: NT\$ (except otherwise specified)

Unit: \$1,000

As of December 31, 2014

Company Name	Establishing Date	Paid-in Capital	Main business or Production Item
FU MING TRANSPORTATION CO., LTD. Address: No.139, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City	Feb. 1980	295,695	Transportation
YUAN LONG STAINLESS STEEL CORP. Address: No.28, Daye S. Rd., Xiaogang Dist., Kaohsiung City	Dec. 2005	2,000,000	Steel rolling and related business
SUNRISE INDUSTRIAL HOLDINGS LTD. Address: Portcullis TrustNet Chambers, PO Box 3444, Road Town, Tortola, British Virgin Islands	Apr. 1996	USD 90	Investment
NAN HWA CEMENT CORP. Address: No.90, Sec. 2, Linkong. Rd., Longchin Dist., Taichung City	May. 1979	261,440	Granulated Blast-Furnace Slag, Cement, Limestone Slag
ASIA ENGINEERING ENTERPRISE CORP. Address: No.125, Xinxing Rd., Xincheng Township, Hualien County	Nov. 1982	81,144	Engineering
ASIA CEMENT (CHINA) HOLDINGS CO. Address: Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681GT, George Town, Grand Cayman, British West Indies	Apr. 2004	HKD 156,685	Investment
ASIA CEMENT (SINGAPORE) PTE. LTD. Address: 5 Little Road #09-01 Cemtex Industrial Building Singapore 536983	Apr. 1964	SGD 10,500	Cement
DER CHING INVESTMENT CORP. Address: 31F., No.207, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City	Dec. 1988	5,651,061	Investment
YA LI TRANSPORTATION CORP. Address: No.125, Xinxing Rd., Xincheng Township, Hualien County	Oct. 1980	100,000	Transportation
YA LI PRECAST AND PRESTRESSED CONCRETE INDUSTRIES CORP. Address: No.3, Sec. 2, Jiayuan Rd., Shulin Dist., New Taipei City	Nov. 1990	193,776	Cement products
YA TUNG READY-MIXED CONCRETE CORP. Address: No.139, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City	Jan. 1999	1,375,281	Ready-mixed concrete, Cement products
ASIA INVESTMENT CORP. Address: 31F., No.207, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City	Oct. 1998	1,546,345	Investment
CHIAHUI POWER CORP. Address: No.688, Songzijiao, Minxiong Township, Chiayi County	Apr. 1996	4,700,000	Power plant
FU DA TRANSPORTATION CO., LTD. Address: No.139, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City	Feb. 1989	279,279	Transportation
ASIA ENGINEERING ENTERPRISES PTE. LTD. Address: Portcullis TrustNet Chambers, PO Box 3444, Road Town, Tortola, British Virgin Islands	June. 1995	USD 50	Engineering
PERFECT INDUSTRIAL HOLDINGS PTE. LTD. Address: CITCO Building, Wickhams Cay,P.O.Box 662,Road Town ,Tortola, British Virgin Islands	May. 1997	USD 8,395	Investment

<b>Company Name</b>	<b>Establishing Date</b>	<b>Paid-in Capital</b>	<b>Main business or Production Item</b>
ORIENTAL CONCRETE PTE. LTD. Address: 5 Little Road #09-01 Cemtex Industrial Building Singapore 536983	Oct. 1980	SGD 17,000	Ready-mixed concrete
FU SHAN MINERAL STONE CO., LTD. Address: No.125, Xinxing Rd., Xincheng Township, Hualien County	Dec. 1970	13,000	Marble, Limestone Mining
KOWLOON CEMENT CORP. LTD. Address: 11/F Lippo Leighton Tower, 103 Leighton Road, Causeway Bay, Hong Kong	Sept. 1986	HKD 23,000	Cement
AC MEGA INVESTMENT. LTD. Address: Portcullis TrustNet Chambers, PO Box 3444, Road Town, Tortola, British Virgin Islands	Nov. 2010	USD 19,600	Investment
AC LEAP INVESTMENT. LTD. Address: Portcullis TrustNet Chambers, PO Box 3444, Road Town, Tortola, British Virgin Islands	Nov. 2010	USD 19,600	Investment
AC MEGA II INVESTMENT. LTD. Address: Portcullis TrustNet Chambers, PO Box 3444, Road Town, Tortola, British Virgin Islands	June. 2011	USD 10,000	Investment
AC MEGA III INVESTMENT. LTD. Address: Portcullis TrustNet Chambers, PO Box 3444, Road Town, Tortola, British Virgin Islands	June. 2011	USD 10,000	Investment
AC MEGA IV INVESTMENT. LTD. Address: Portcullis TrustNet Chambers, PO Box 3444, Road Town, Tortola, British Virgin Islands	June. 2011	USD 19,400	Investment
YA LI PRECAST CONCRETE INDIA PVT. LTD. Address: 7/241,2nd Floor, Sunder Vihar, Paschim Vihar, New Delhi-110087	June. 2007	INR 16,000	Cement products
ASIA ORIENTAL (GUAM) L.L.C Address: 136 Adrian Sanchez Street Tamuning, GU 96913	Aug. 2010	USD 6,900	Investment
YATUNG VIETNAM CO. LTD. Address: Supporting industry zone, Ky Phuong Commune, Ky Anh District, Ha Tinh Province	Feb. 2010	VND 141,348,502	Ready-mixed concrete, Cement products
YA SING READY-MIXED CONCRETE CORP. Address: No.350, Niupu S. Rd., Xiangshan Dist., Hsinchu City	Apr. 2000	100,000	Ready-mixed concrete, Cement products
ASIA CEMENT EXPLORER INVESTMENT. LTD. Address: Portcullis TrustNet Chambers, PO Box 3444, Road Town, Tortola, British Virgin Islands	Aug. 2008	USD 11,415	Investment
ASIA CEMENT PIONEER INVESTMENT. LTD. Address: Portcullis TrustNet Chambers, PO Box 3444, Road Town, Tortola, British Virgin Islands	Aug. 2008	USD 66,550	Investment
ASIA CEMENT PIONEER II INVESTMENT. LTD. Address: Portcullis TrustNet Chambers, PO Box 3444, Road Town, Tortola, British Virgin Islands	June. 2011	USD 18,500	Investment
ASIA CEMENT PIONEER III INVESTMENT. LTD. Address: Portcullis TrustNet Chambers, PO Box 3444, Road Town, Tortola, British Virgin Islands	June. 2011	USD 10,000	Investment



<b>Company Name</b>	<b>Establishing Date</b>	<b>Paid-in Capital</b>	<b>Main business or Production Item</b>
ASIA CEMENT PIONEER IV INVESTMENT. LTD. Address: Portcullis TrustNet Chambers, PO Box 3444, Road Town, Tortola, British Virgin Islands	June. 2011	USD 9,510	Investment
ASIA CONTINENT INVESTMENT HOLDINGS PTE. LTD. Address: 5 Little Road #09-01 Cemtex Industrial Building Singapore 536983	Apr. 1995	USD 288,847	Investment
ORIENTAL INDUSTRIAL HOLDINGS PTE. LTD. Address: 5 Little Road #09-01 Cemtex Industrial Building Singapore 536983	May. 1994	USD 743,962	Investment
KOWLOON CONCRETE CORP. LTD. Address: 11/F Lippo Leighton Tower, 103 Leighton Road, Causeway Bay, Hong Kong	Mar. 1992	HKD 10	Barges
JOIN FORTUNE TRADING LTD Address: 263 MAIN STREET, ROAD TOWN, TORTOLA, BRITISH VIRGIN ISLANDS	Jul. 2012	USD 1,551	Investment
PEREZ-AOG, L.L.C. Address: 136 Adrian Sanchez Street Tamuning, GU 96913	Mar. 2011	USD 9,600	Ready-mixed concrete, Cement products
JIANGXI YADONG CEMENT CO., LTD. Address: Changjiang Road, Jiujiang Economic Development Zone, Jiujiang City, Jiangxi Province, China	Oct. 1997	USD 356,104	Cement, Cement products, Ready-mixed concrete
HUANGGANG YADONG CEMENT CO., LTD. Address: 5 Tiyu Avenue, Huangzhou Zone, Huanggang City, Hubei Province, China	Aug. 2006	USD 86,170	Cement, Cement products, Ready-mixed concrete
WUHAN YADONG CEMENT CO., LTD. Address: Cihui Avenue, Wujiashan Taiwan Business Investment Zone, Dongxihu, Wuhan, China	Nov. 1999	USD 36,140	Cement, Slag-Cement, Granulated blast-furnace slag
ORIENTAL HOLDINGS CO., LTD. Address: Room 305A, No 2875, South Yanggao Rd, Pudong New Area, Shanghai	July. 2003	USD 110,407	Investment, Consultant
CHENGDU YALI CEMENT PRODUCTS CO., LTD. Address: No.68 AnPeng Road, Tianpeng Town, Pengzhou, Chengdu City, Sichuan, China	Dec. 2004	USD 4,100	Ready-mixed concrete, Cement products
SHANGHAI YAFU CEMENT PRODUCTS CO., LTD. Address: No.3000 Longwu Road Minhang Shanghai China	Jan. 2003	USD 2,540	Ready-mixed concrete, Cement products
SHANGHAI YALI CEMENT PRODUCTS CO., LTD. Address: No.3000 Longwu Road Minhang Shanghai China	Nov. 1995	USD 15,000	Ready-mixed concrete, Cement products
SICHUAN YALI CONCRETE PRODUCE CO., LTD. Address: No.268, Three Passage, Wenquan Road Wenjiang District, Chendu City, Sichuan, China	Nov. 2005	USD 3,300	Ready-mixed concrete, Cement products
SICHUAN YALI TRANSPORT CO., LTD. Address: No.68 AnPeng Road, Tianpeng Town, Pengzhou, Chengdu City, Sichuan, China	May. 2006	USD 3,500	Transportation
YANGZHOU YADONG CEMENT CO., LTD. Address: No.7 Gudu Road BaliTown, Yangzhou Economic Development Zone Yangzhou City Jiangsu Province China	July. 2006	USD 35,530	Cement, Clinker, Ready-mixed concrete

<b>Company Name</b>	<b>Establishing Date</b>	<b>Paid-in Capital</b>	<b>Main business or Production Item</b>
SICHUAN YADONG CEMENT CO., LTD. Address: No.66 AnPeng Road, Tianpeng Town, Pengzhou, Chengdu City, Sichuan, China	Nov. 2004	USD 348,340	Clinker, Cement, Limestone, Cement products, Ready-mixed concrete
HUBEI YADONG CEMENT CO., LTD. Address: No.66 Ya Dong Avenue, Pingjiang West Road, Yangluo Economic Development Zone, Wuhan City, Hubei Province, China	June. 2005	USD 154,800	Cement, Ready-mixed concrete, Cement products
NANCHANG YALI CONCRETE PRODUCE LTD. Address: Melin AVE Bashuihu Industries Zone Nanchang ETDZ Jiangxi Province	Dec. 2003	RMB 60,000	Ready-mixed concrete, Cement products
JIANGXI YALI TRANSPORT CO., LTD. Address: No.8,Yadong Ma-Toutown Ruichang City Jiangxi, China	May. 2000	RMB 12,500	Transportation
NANCHANG YADONG CEMENT CO., LTD. Address: Industrial 2nd Rd, Changdong Industrial Park, Nanchang Jiangxi, China	Jan. 2004	RMB 90,000	Cement, Clinker, Ready-mixed concrete
WUHAN YALI CEMENT PRODUCTS CO., LTD. Address: No.66 Ya Dong Avenue, Pingjiang West Road, Yangluo Economic Development Zone, Wuhan City, Hubei Province, China	Dec. 2007	RMB 60,000	Ready-mixed concrete, Cement products
TAIZHOU YADONG BUILDING MATERIAL CO., LTD. Address: Central Village of Yong anzhou Town, Gaogang District, Thaizhou, Jiangu Province, China	Sep. 2013	USD 16,000	Cement warehousing and wholesale
SICHUAN LANFENG BUILDING MATERIALS CO., LTD. Address: Middle, Qinggui Road, Guihua Town, Pengzhou, Chengdu City, Sichuan, China	Nov. 2010	RMB 20,000	Construction
SICHUAN LANFENG CEMENT CO., LTD. Address: Middle, Qinggui Road, Guihua Town, Pengzhou, Chengdu City, Sichuan, China	Sep. 2008	RMB 350,000	Clinker, Cement, Limestone, Cement products, Ready-mixed concrete
HUBEI YALI TRANSPORT CO., LTD. Address: Cihui Avenue, Wujiashan Taiwan Business Investment Zone, Dongxihu, Wuhan, Hubei Province, China	Oct. 2006	RMB 13,000	Transportation
WUHAN YAXIN CEMENT CO., LTD. Address: Jiangjun mountain, Jiangxia District, Wuhan, Hubei Province, China	Aug. 2003	RMB 90,000	Clinker, Cement, Limestone

### 8.3 Main Business of Affiliated Companies

Please Refer to Above List.



## 8.4 Information of the Directors, Supervisors, and Presidents of Affiliated Companies

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
FU MING TRANSPORTATION CO., LTD.	Chairman	Johnny Shih (ACC Representative)	29,517,188	99.82
	Director / President	W.T. Hsu (ACC Representative)	29,517,188	99.82
	Director	K.Y. Lee (ACC Representative)	29,517,188	99.82
	Director	Y.F. Chang (ACC Representative)	29,517,188	99.82
	Director	R.H. Shao (ACC Representative)	29,517,188	99.82
	Director	B.Z. Cheng (ACC Representative)	29,517,188	99.82
	Director	Z.F. Lin (ACC Representative)	29,517,188	99.82
	Supervisor	T.L. Yu (Asia Investment Corp. Representative)	5,000	0.02
	Supervisor	Humphrey Cheng (Asia Investment Corp. Representative)	5,000	0.02
YUAN LONG STAINLESS STEEL CORP.	Chairman	K.Y. Lee (ACC Representative)	200,000,000	100.00
	Director / President	B.R. Cheng (ACC Representative)	200,000,000	100.00
	Director	Peter Hsu (ACC Representative)	200,000,000	100.00
	Director	C.F. Cheng (ACC Representative)	200,000,000	100.00
	Director	C.M. Chen (ACC Representative)	200,000,000	100.00
	Supervisor	Doris Wu (ACC Representative)	200,000,000	100.00
	Supervisor	T.M. Chen (ACC Representative)	200,000,000	100.00
SUNRISE INDUSTRIAL HOLDINGS LTD.	Director	Douglas Tong Hsu (ACC Representative)	90,000	100.00
	Director	Peter Hsu (ACC Representative)	90,000	100.00
	Director	K.Y. Lee (ACC Representative)	90,000	100.00
	Director	R.H. Shao (ACC Representative)	90,000	100.00
	Director	Doris Wu (ACC Representative)	90,000	100.00
NAN HWA CEMENT CORP.	Chairman	K.Y. Lee (ACC Representative)	26,128,171	99.94
	President	M.T. Chen	0	0.00
	Director	Douglas Tong Hsu	1,548	0.00
	Director	Peter Hsu	1,548	0.00
	Director	Y.F. Chang (ACC Representative)	26,128,171	99.94
	Director	C.M. Chen (ACC Representative)	26,128,171	99.94
	Director	Doris Wu (ACC Representative)	26,128,171	99.94
	Director	Z.F. Lin (ACC Representative)	26,128,171	99.94
	Director	C.H. Chiu (ACC Representative)	26,128,171	99.94
	Director	C.K. Chang (ACC Representative)	26,128,171	99.94
	Director	S.J. Lin (ACC Representative)	26,128,171	99.94
	Supervisor	W.H. Yeh (Asia Investment Corp. Representative)	5,000	0.02
ASIA ENGINEERING ENTERPRISE CORP.	Chairman	Y.F. Chang (ACC Representative)	7,970,703	98.23
	Director / President	Z.P. Chang (ACC Representative)	7,970,703	98.23
	Director	Douglas Tong Hsu	15,649	0.19
	Director	Peter Hsu	6,817	0.08
	Director	K.Y. Lee (ACC Representative)	7,970,703	98.23
	Director	C.K. Chang (ACC Representative)	7,970,703	98.23
	Director	J.B. Yu (ACC Representative)	7,970,703	98.23
	Director	X.M. Guo (ACC Representative)	7,970,703	98.23
	Director	Z.F. Lin (ACC Representative)	7,970,703	98.23
	Director	J.C. Lin (ACC Representative)	7,970,703	98.23
	Supervisor	H.Z. He (Asia Investment Corp. Representative)	6,000	0.07
ASIA CEMENT (CHINA) HOLDINGS CO.	Chairman / Non-Executive Director	Douglas Tong Hsu	3,000,000	0.19
	Vice Chairman/ Executive Director	Peter Hsu	200,000	0.01

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Executive Director	T.H. Chang	1,433,000	0.09
	Executive Director	R.H. Shao	477,000	0.03
	Executive Director	Charles Wu	400,000	0.03
	Executive Director	C.K. Chang	430,000	0.03
	Executive Director	S.J. Lin	400,000	0.03
	Independent Non - Executive Director	D.L. Zhan	0	0.00
	Independent Non - Executive Director	Y.H. Huang	0	0.00
ASIA CEMENT (SINGAPORE) PTE. LTD.	Chairman / Managing Director	Douglas Tong Hsu	2	0.00
	Vice Managing Director	J.H. Lin (ACC Representative)	10,495,495	99.96
	Director	Peter Hsu (ACC Representative)	10,495,495	99.96
	Director	K.Y. Lee (ACC Representative)	10,495,495	99.96
	Director	Y.F. Chang (ACC Representative)	10,495,495	99.96
	Director	R.H. Shao (ACC Representative)	10,495,495	99.96
	Director	Doris Wu (ACC Representative)	10,495,495	99.96
	Director	C.P. Sue (ACC Representative)	10,495,495	99.96
DER CHING INVESTMENT CORP.	Chairman	K.Y. Lee (ACC Representative)	565,050,591	99.99
	Director	Peter Hsu	6,299	0.00
	Director	Y.F. Chang (ACC Representative)	565,050,591	99.99
	Director	W.K. Chou (ACC Representative)	565,050,591	99.99
	Director	R.H. Shao (ACC Representative)	565,050,591	99.99
	Director	Doris Wu (ACC Representative)	565,050,591	99.99
	Director	Terry Cheng (ACC Representative)	565,050,591	99.99
	Supervisor	M. Wang (Asia Investment Corp. Representative)	5,125	0.00
Supervisor	H.T. Peng (Asia Investment Corp. Representative)	5,125	0.00	
YA LI TRANSPORTATION CORP.	Chairman	K.Y. Lee (Yu Yuan Investment Corp. Representative)	4,839,183	48.39
	Director	Peter Hsu (Yu Yuan Investment Corp. Representative)	4,839,183	48.39
	Director	Y.F. Chang (Yu Yuan Investment Corp. Representative)	4,839,183	48.39
	Director	Z.P. Chang (Yu Yuan Investment Corp. Representative)	4,839,183	48.39
	Director	M.T. Chen (Yu Yuan Investment Corp. Representative)	4,839,183	48.39
	Director	H.Z. He (Yu Yuan Investment Corp. Representative)	4,839,183	48.39
	Director	W.T. Hsu (Yu Yuan Investment Corp. Representative)	4,839,183	48.39
	Supervisor	Y.M. Shin (ACC Representative)	5,100,000	51.00
YA LI PRECAST AND PRESTRESSED CONCRETE INDUSTRIES CORP.	Chairman	K.Y. Lee (ACC Representative)	16,241,083	83.81
	President	L.C. Li	0	0.00
	Director	Douglas Tong Hsu (ACC Representative)	16,241,083	83.81
	Director	Peter Hsu (ACC Representative)	16,241,083	83.81
	Director	Y.F. Chang (ACC Representative)	16,241,083	83.81
	Director	C.H. Chiu (ACC Representative)	16,241,083	83.81
	Director	T.Z. Yang (ACC Representative)	16,241,083	83.81
	Director	C.F. Cheng (ACC Representative)	16,241,083	83.81
	Supervisor	Lin Kuo (FEGC Representative)	3,105,647	16.03
	Supervisor	T.L. Yu (FEGC Representative)	3,105,647	16.03
YA TUNG READY-MIXED CONCRETE CORP.	Chairman	K.Y. Lee (ACC Representative)	137,526,904	99.99
	President	Z.P. Chen	0	0.00
	Director	Peter Hsu	136	0.00



Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Director	Y.F. Chang (ACC Representative)	137,526,904	99.99
	Director	W.K. Chou (ACC Representative)	137,526,904	99.99
	Director	C.M. Chen (ACC Representative)	137,526,904	99.99
	Supervisor	Doris Wu (Asia Investment Corp. Representative)	5,000	0.00
	Supervisor	Nancy Kao (Asia Investment Corp. Representative)	5,000	0.00
ASIA INVESTMENT CORP.	Chairman	K.Y. Lee (ACC Representative)	154,634,483	100.00
	Director	Y.F. Chang (ACC Representative)	154,634,483	100.00
	Director	Y.M. Shin (ACC Representative)	154,634,483	100.00
	Supervisor	Nancy Kao (ACC Representative)	154,634,483	100.00
CHIAHUI POWER CORP.	Chairman	Douglas Tong Hsu (ACC Representative)	280,093,521	59.59
	President	C.L. Chen	0	0.00
	Director	Peter Hsu (ACC Representative)	280,093,521	59.59
	Director	K.Y. Lee (ACC Representative)	280,093,521	59.59
	Director	Ko Suenaja (J-Power Investment Netherlands B.V. Representative)	187,854,807	39.97
	Director	Chiharu Doi (J-Power Investment Netherlands B.V. Representative)	187,854,807	39.97
	Supervisor	Doris Wu (Asia Investment Corp. Representative)	37,574	0.01
	Supervisor	W.H. Yeh (Asia Investment Corp. Representative)	37,574	0.01
FU DA TRANSPORTATION CO., LTD.	Chairman	Johnny Shih (Fu Ming Transportation Co., Ltd. Representative)	27,892,834	99.87
	Director / President	W.T. Hsu (Fu Ming Transportation Co., Ltd. Representative)	27,892,834	99.87
	Director	K.Y. Lee (Fu Ming Transportation Co., Ltd. Representative)	27,892,834	99.87
	Director	Y.F. Chang (Fu Ming Transportation Co., Ltd. Representative)	27,892,834	99.87
	Director	Y.X. Wu (Fu Ming Transportation Co., Ltd. Representative)	27,892,834	99.87
	Director	Humphrey Cheng (Fu Ming Transportation Co., Ltd. Representative)	27,892,834	99.87
	Supervisor	B.Z. Cheng (Asia Investment Corp. Representative)	7,145	0.03
	Supervisor	C.M. Shi (Asia Investment Corp. Representative)	7,145	0.03
ASIA ENGINEERING ENTERPRISES PTE. LTD.	Director	Y.F. Chang	0	0.00
	Director	Doris Wu	0	0.00
	Director	Z.P. Chang	0	0.00
PERFECT INDUSTRIAL HOLDINGS PTE. LTD.	Director	Douglas Tong Hsu	0	0.00
	Director	Doris Wu	0	0.00
ORIENTAL CONCRETE PTE. LTD.	Chairman	Douglas Tong Hsu (Asia Cement (Singapore) Pte. Ltd. Representative)	17,000,000	100.00

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Director / Managing Director	James Lin (Asia Cement (Singapore) Pte. Ltd. Representative)	17,000,000	100.00
	Director	Peter Hsu (Asia Cement (Singapore) Pte. Ltd. Representative)	17,000,000	100.00
	Director	K. Y. Lee (Asia Cement (Singapore) Pte. Ltd. Representative)	17,000,000	100.00
	Director	C.P. Sue (Asia Cement (Singapore) Pte. Ltd. Representative)	17,000,000	100.00
FU SHAN MINERAL STONE CO., LTD.	Chairman	Y.F. Chang (Der Ching Investment Corp. Representative)	1,291,005	99.31
	Director	Peter Hsu (Der Ching Investment Corp. Representative)	1,291,005	99.31
	Director	C.M. Chen (Der Ching Investment Corp. Representative)	1,291,005	99.31
	Director	Z.P. Chang (Der Ching Investment Corp. Representative)	1,291,005	99.31
	Director	Manfred Wang (Der Ching Investment Corp. Representative)	1,291,005	99.31
	Supervisor	W.H. Yeh (Asia Investment Corp. Representative)	5,000	0.38
KOWLOON CEMENT CORP. LTD.	Chairman	Douglas Tong Hsu	0	0.00
	Director	Johnny Shih	0	0.00
	Director	K. Y. Lee	0	0.00
	Director	Y.F. Chang	0	0.00
	Director	R.H. Shao	0	0.00
	Director	C.P. Sue	0	0.00
AC MEGA INVESTMENT LTD.	Director	C.M. Chen (Der Ching Investment Corp. Representative)	19,600,000	100.00
	Director	W.K. Chou (Der Ching Investment Corp. Representative)	19,600,000	100.00
	Director	Doris Wu (Der Ching Investment Corp. Representative)	19,600,000	100.00
AC LEAP INVESTMENT LTD.	Director	C.M. Chen (Der Ching Investment Corp. Representative)	19,600,000	100.00
	Director	W.K. Chou (Der Ching Investment Corp. Representative)	19,600,000	100.00
	Director	Doris Wu (Der Ching Investment Corp. Representative)	19,600,000	100.00
AC MEGA II INVESTMENT LTD.	Director	C.M. Chen (Der Ching Investment Corp. Representative)	10,000,000	100.00
	Director	W.K. Chou (Der Ching Investment Corp. Representative)	10,000,000	100.00
	Director	Doris Wu (Der Ching Investment Corp. Representative)	10,000,000	100.00
AC MEGA III INVESTMENT LTD.	Director	C.M. Chen (Der Ching Investment Corp. Representative)	10,000,000	100.00
	Director	W.K. Chou (Der Ching Investment Corp. Representative)	10,000,000	100.00
	Director	Doris Wu (Der Ching Investment Corp. Representative)	10,000,000	100.00
AC MEGA IV INVESTMENT LTD.	Director	C.M. Chen (Der Ching Investment Corp. Representative)	19,400,000	100.00
	Director	W.K. Chou (Der Ching Investment Corp. Representative)	19,400,000	100.00





Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Director	Doris Wu (Der Ching Investment Corp. Representative)	19,400,000	100.00
YA LI PRECAST CONCRETE INDIA PVT. LTD. DELHI BRANCH	Chairman	L.C. Lee (Ya Li Precast And Prestressed Concrete Industries Corp. Representative)	*INR 1,599,990	99.99
	Director	X.M. He (Ya Li Precast And Prestressed Concrete Industries Corp. Representative)	*INR 1,599,990	99.99
	Director	W.H. Yeh (Ya Li Precast And Prestressed Concrete Industries Corp. Representative)	*INR 1,599,990	99.99
	Director	Nancy Kao (Ya Li Precast And Prestressed Concrete Industries Corp. Representative)	*INR 1,599,990	99.99
	Director	Gary Lee (Ya Li Precast And Prestressed Concrete Industries Corp. Representative)	*INR 1,599,990	99.99
	Director	H.C. Lee (Ya Li Precast And Prestressed Concrete Industries Corp. Representative)	*INR 1,599,990	99.99
	ASIA ORIENTAL (GUAM) L.L.C	Manager	C.P. Chen	0
Manager		Gary Lee	0	0.00
YATUNG VIETNAM CO. LTD.	Manager	S.Y. Huang	0	0.00
YA SING READY-MIXED CONCRETE CORP.	Chairman	K.Y. Lee (Ya Tung Ready-Mixed Concrete Corp. Representative)	6,993,000	69.93
	Director / President	Z.G. He (Ya Tung Ready-Mixed Concrete Corp. Representative)	6,993,000	69.93
	Director	M.T. Chen (Ya Tung Ready-Mixed Concrete Corp. Representative)	6,993,000	69.93
	Director	Z.P. Chen (Ya Tung Ready-Mixed Concrete Corp. Representative)	6,993,000	69.93
	Director	S.Y. Huang (Ya Tung Ready-Mixed Concrete Corp. Representative)	6,993,000	69.93
	Director	J.H. Chiu (Ya Tung Ready-Mixed Concrete Corp. Representative)	6,993,000	69.93
	Director	C.T. Tsai (Nan Kung Enterprise Corp.Ltd. Representative)	1,000,000	10.00

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Director	J.B. Zhuo (Lien Fang Enterprise Corp.Ltd. Representative)	500,000	5.00
	Director	J.F. Tsai (Ho Hwei Enterprise Corp.Ltd. Representative)	500,000	5.00
	Supervisor	F.C. Wu (Chu Chiang Enterprise Corp.Ltd. Representative)	1,000,000	10.00
	Supervisor	W.K. Chou (Asia Investment Corp. Representative)	5,000	0.05
	Supervisor	J.M. Lin (Asia Investment Corp. Representative)	5,000	0.05
ASIA CEMENT EXPLORER INVESTMENT LTD.	Director	C.M. Chen (Asia Investment Corp. Representative)	11,415,000	100.00
	Director	W.K. Chou (Asia Investment Corp. Representative)	11,415,000	100.00
	Director	Doris Wu (Asia Investment Corp. Representative)	11,415,000	100.00
ASIA CEMENT PIONEER INVESTMENT LTD.	Director	C.M. Chen (Asia Investment Corp. Representative)	66,550,000	100.00
	Director	W.K. Chou (Asia Investment Corp. Representative)	66,550,000	100.00
	Director	Doris Wu (Asia Investment Corp. Representative)	66,550,000	100.00
ASIA CEMENT PIONEER II INVESTMENT LTD.	Director	C.M. Chen (Asia Investment Corp. Representative)	18,500,000	100.00
	Director	W.K. Chou (Asia Investment Corp. Representative)	18,500,000	100.00
	Director	Doris Wu (Asia Investment Corp. Representative)	18,500,000	100.00
ASIA CEMENT PIONEER III INVESTMENT LTD.	Director	C.M. Chen (Asia Investment Corp. Representative)	10,000,000	100.00
	Director	W.K. Chou (Asia Investment Corp. Representative)	10,000,000	100.00
	Director	Doris Wu (Asia Investment Corp. Representative)	10,000,000	100.00
ASIA CEMENT PIONEER IV INVESTMENT LTD.	Director	C.M. Chen (Asia Investment Corp. Representative)	9,510,000	100.00
	Director	W.K. Chou (Asia Investment Corp. Representative)	9,510,000	100.00
	Director	Doris Wu (Asia Investment Corp. Representative)	9,510,000	100.00



Company Name	Title	Name or Representative	Shareholding	
			Shares	%
ASIA CONTINENT INVESTMENT HOLDINGS PTE. LTD.	Chairman	Douglas Tong Hsu	0	0.00
	Director	Peter Hsu	0	0.00
	Director	K.Y. Lee	0	0.00
	Director	Doris Wu	0	0.00
	Director	Shing Wei	0	0.00
ORIENTAL INDUSTRIAL HOLDINGS PTE. LTD.	Chairman	Douglas Tong Hsu	2,000	0.00
	Director	Peter Hsu	0	0.00
	Director	R.H. Shao	1,000	0.00
	Director	Doris Wu	0	0.00
	Director	Shing Wei	0	0.00
KOWLOON CONCRETE CORP. LTD.	Chairman	Douglas Tong Hsu	0	0.00
	Director	K.Y. Lee	0	0.00
	Director	L.H. Fang	0	0.00
	Director	Doris Wu	0	0.00
	Director	C.P. Sue	0	0.00
JOIN FORTUNE TRADING LTD	Manager	C.P. Sue	0	0.00
	Manager	Gary Lee	0	0.00
PEREZ-AOG, L.L.C.	Manager	Rodney Chen	0	0.00
JIANGXI YADONG CEMENT CO., LTD.	Chairman	Charles Wu (Asia Continent Investment Holdings Pte. Ltd. Representative)	*USD 302,689	85.00
	Director / President	C.K. Chang (Asia Continent Investment Holdings Pte. Ltd. Representative)	*USD 302,689	85.00
	Director	S.J. Lin (Asia Continent Investment Holdings Pte. Ltd. Representative)	*USD 302,689	85.00
	Director	L.H. Fang (Asia Continent Investment Holdings Pte. Ltd. Representative)	*USD 302,689	85.00
	Director	J.B. Yu (Asia Continent Investment Holdings Pte. Ltd. Representative)	*USD 302,689	85.00
	Director	L. Tian (Asia Continent Investment Holdings Pte. Ltd. Representative)	*USD 302,689	85.00
	Director	T.M. Chen (Asia Continent Investment Holdings Pte. Ltd. Representative)	*USD 302,689	85.00
	Director	Dana Lee (Asia Continent Investment Holdings Pte. Ltd. Representative)	*USD 302,689	85.00

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Director	Doris Wu (Oriental Holdings Co., Ltd. Representative)	*USD 35,610	10.00
	Director	Karen Yang (Oriental Holdings Co., Ltd. Representative)	*USD 35,610	10.00
	Director	D.M. Yao (Jiangxi Provincial Investment Group Corp. Representative)	*USD 17,805	5.00
	Supervisor	T.Z. Wu (Asia Continent Investment Holdings Pte. Ltd. Representative)	*USD 302,689	85.00
HUANGGANG YADONG CEMENT CO., LTD.	Chairman	Charles Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 77,553	90.00
	Director / President	C.K. Chang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 77,553	90.00
	Director	S.J. Lin (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 77,553	90.00
	Director	Doris Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 77,553	90.00
	Director	W.Y. Liu (Oriental Holdings Co., Ltd. Representative)	*USD 8,617	10.00
	Supervisor	B.H. Lu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 77,553	90.00
WUHAN YADONG CEMENT CO., LTD.	Chairman	C.K. Chang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 32,526	90.00
	President	L. Tian	*USD 0	0.00
	Director	Charles Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 32,526	90.00
	Director	S.J. Lin (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 32,526	90.00
	Director	Doris Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 32,526	90.00
	Director	M. Wang (Oriental Holdings Co., Ltd. Representative)	*USD 3,614	10.00
	Supervisor	W.F. Hsu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 32,526	90.00
ORIENTAL HOLDINGS CO., LTD.	Chairman	Doris Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 110,407	100.00
	President	R.H. Shao	*USD 0	0.00
	Director	Charles Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 110,407	100.00
	Director	C.K. Chang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 110,407	100.00
	Director	S.J. Lin (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 110,407	100.00



Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Director	Peter Chiang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 110,407	100.00
	Supervisor	Michael Ting (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 110,407	100.00
CHENGDU YALI CEMENT PRODUCTS CO., LTD.	Chairman	J.Q. Chen (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,100	51.22
	President	J.B. Yu	*USD 0	0.00
	Director	Charles Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,100	51.22
	Director	C.K. Chang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,100	51.22
	Director	S.J. Lin (Oriental Holdings Co., Ltd. Representative)	*USD 2,000	48.78
	Director	Doris Wu (Oriental Holdings Co., Ltd. Representative)	*USD 2,000	48.78
	Supervisor	C.H. He (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,100	51.22
	SHANGHAI YAFU CEMENT PRODUCTS CO., LTD	Chairman	H.M. Chen (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 1,270
President		S.C. Lin	*USD 0	0.00
Director		Charles Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 1,270	50.00
Director		C.K. Chang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 1,270	50.00
Director		S.J. Lin (Shanghai Yali Cement Products Co., Ltd. Representative)	*USD 889	35.00
Director		Doris Wu (Oriental Holdings Co., Ltd. Representative)	*USD 381	15.00
Supervisor		Y.Y. Lai (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 1,270	50.00
SHANGHAI YALI CEMENT PRODUCTS CO., LTD.		Chairman	W.K. Chou (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 13,500
	President	S.C. Lin	*USD 0	0.00
	Director	Charles Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 13,500	90.00
	Director	C.K. Chang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 13,500	90.00

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Director	S.J. Lin (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 13,500	90.00
	Director	Doris Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 13,500	90.00
	Supervisor	Rodney Chen (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 13,500	90.00
SICHUAN YALI CONCRETE PRODUCE CO., LTD.	Chairman	Z.X. Yang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,970	90.00
	President	J.B. Yu	*USD 0	0.00
	Director	Charles Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,970	90.00
	Director	C.K. Chang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,970	90.00
	Director	S.J. Lin (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,970	90.00
	Director	Doris Wu (Oriental Holdings Co., Ltd. Representative)	*USD 330	10.00
	Supervisor	P.P. Yu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,970	90.00
SICHUAN YALI TRANSPORT CO., LTD.	Chairman	S.Y. Lin (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 3,150	90.00
	President	L.H. Fang	*USD 0	0.00
	Director	Charles Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 3,150	90.00
	Director	C.K. Chang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 3,150	90.00
	Director	S.J. Lin (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 3,150	90.00
	Director	Doris Wu (Oriental Holdings Co., Ltd. Representative)	*USD 350	10.00
	Supervisor	W.T. Chang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 3,150	90.00
YANGZHOU YADONG CEMENT CO., LTD.	Chairman	Charles Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 31,977	90.00
	President	T.S. Yang	*USD 0	0.00



Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Director	C.K. Chang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 31,977	90.00
	Director	S.J. Lin (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 31,977	90.00
	Director	Doris Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 31,977	90.00
	Director	Z.S. Lee (Oriental Holdings Co., Ltd. Representative)	*USD 3,553	10.00
	Supervisor	Z.Y. Lin (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 31,977	90.00
SICHUAN YADONG CEMENT CO., LTD.	Chairman	S.J. Lin (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 331,506	95.16
	President	L.H. Fang	*USD 0	0.00
	Director	Charles Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 331,506	95.16
	Director	C.K. Chang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 331,506	95.16
	Director	Doris Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 331,506	95.16
	Director	X.M. Guo (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 331,506	95.16
	Director	J.H. Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 331,506	95.16
	Director	C.H. Cheng (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 331,506	95.16
	Director	W.T. Hsu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 331,506	95.16
	Director	Gary Lee (Oriental Holdings Co., Ltd. Representative)	*USD 16,834	4.84
	Supervisor	Albert Wang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 331,506	95.16
HUBEI YADONG CEMENT CO., LTD.	Chairman	C.K. Chang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 139,320	90.00
	Director / President	S.J. Lin (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 139,320	90.00
	Director	Charles Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 139,320	90.00

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Director	Doris Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 139,320	90.00
	Director	A.K. Fu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 139,320	90.00
	Director	H.R. Lin (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 139,320	90.00
	Director	T.S. Yang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 139,320	90.00
	Director	Jason Tai (Oriental Holdings Co., Ltd. Representative)	*USD 15,480	10.00
	Director	M.C. Yang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 139,320	90.00
	Supervisor	J.X. Shen (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 139,320	90.00
NANCHANG YALI CONCRETE PRODUCE LTD.	Chairman	Humphrty Cheng (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
	President	S.M. Chang	*RMB 0	0.00
	Director	Charles Wu (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
	Director	C.K. Chang (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
	Director	S.J. Lin (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
	Director	Doris Wu (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
	Supervisor	H.W. Chen (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
JIANGXI YALI TRANSPORT CO., LTD.	Chairman	W.T. Hsu (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 6,499	51.99
	President	T.S. Yang	*RMB 0	0.00
	Director	Charles Wu (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 6,499	51.99
	Director	C.K. Chang (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 6,499	51.99
	Director	S.J. Lin (Oriental Holdings Co., Ltd. Representative)	*RMB 6,000	48.00





Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Director	Doris Wu	*RMB 1	0.01
	Supervisor	L.C. Lian (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 6,499	51.99
NANCHANG YADONG CEMENT CO., LTD.	Chairman	S.J. Lin (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 45,000	50.00
	President	A.K. Fu	*RMB 0	0.00
	Director	Charles Wu (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 45,000	50.00
	Director	C.K. Chang (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 45,000	50.00
	Director	Doris Wu (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 45,000	50.00
	Director	D.H. Lin (Oriental Holdings Co., Ltd. Representative)	*RMB 22,500	25.00
	Director	Y.T. Wang (Oriental Holdings Co., Ltd. Representative)	*RMB 22,500	25.00
	Director	X.L. Chang (Fangda Special Steel Technology Co., Ltd. Representative)	*RMB 22,500	25.00
	Director	M.H. Li (Fangda Special Steel Technology Co., Ltd. Representative)	*RMB 22,500	25.00
	Supervisor	J.F. Jiang (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 45,000	50.00
	WUHAN YALI CEMENT PRODUCTS CO., LTD.	Chairman	L.C. Chen (Wuhan Yadong Cement Co., Ltd. Representative)	*RMB 60,000
President		R.X. Ciou	*RMB 0	0.00
Director		Charles Wu (Wuhan Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
Director		C.K. Chang (Wuhan Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
Director		S.J. Lin (Wuhan Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
Director		Doris Wu (Wuhan Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
Supervisor		S.M. Chang (Wuhan Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
TAIZHOU YADONG BUILDING MATERIAL CO., LTD.	Chairman	S.J. Lin (Oriental Holdings Co., Ltd. Representative)	*USD 16,000	100.00
	President	T.S. Yang	*USD 0	0.00
	Director	Charles Wu (Oriental Holdings Co., Ltd. Representative)	*USD 16,000	100.00
	Director	C.K. Chang (Oriental Holdings Co., Ltd. Representative)	*USD 16,000	100.00
	Director	Doris Wu (Oriental Holdings Co., Ltd. Representative)	*USD 16,000	100.00
	Supervisor	Z. Y. Chang (Oriental Holdings Co., Ltd. Representative)	*USD 16,000	100.00
SICHUAN LANFENG BUILDING MATERIALS CO., LTD.	Chairman	R.H. Shao (Sichuan Lanfeng Cement Co., Ltd. Representative)	*RMB 20,000	100.00
	Director / President	J.B. Yu (Sichuan Lanfeng Cement Co., Ltd. Representative)	*RMB 20,000	100.00
	Director	Peter Hsu (Sichuan Lanfeng Cement Co., Ltd. Representative)	*RMB 20,000	100.00
	Director	Charles Wu (Sichuan Lanfeng Cement Co., Ltd. Representative)	*RMB 20,000	100.00
	Director	C.K. Chang (Sichuan Lanfeng Cement Co., Ltd. Representative)	*RMB 20,000	100.00
	Director	S.J. Lin (Sichuan Lanfeng Cement Co., Ltd. Representative)	*RMB 20,000	100.00
	Director	Doris Wu (Sichuan Lanfeng Cement Co., Ltd. Representative)	*RMB 20,000	100.00
	Director	L.H. Fang (Sichuan Lanfeng Cement Co., Ltd. Representative)	*RMB 20,000	100.00
	Supervisor	J.H. Wu (Sichuan Lanfeng Cement Co., Ltd. Representative)	*RMB 20,000	100.00
SICHUAN LANFENG CEMENT CO., LTD.	Chairman	R.H. Shao (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 350,000	100.00
	Director / President	J.B. Yu (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 350,000	100.00
	Director	Peter Hsu (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 350,000	100.00
	Director	Charles Wu (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 350,000	100.00



Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Director	C.K. Chang (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 350,000	100.00
	Director	S.J. Lin (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 350,000	100.00
	Director	Doris Wu (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 350,000	100.00
	Director	L.H. Fang (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 350,000	100.00
	Supervisor	J.H. Wu (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 350,000	100.00
HUBEI YALI TRANSPORT CO., LTD.	Chairman	J.J. Jiang (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 13,000	100.00
	President	T.X. Nie	*RMB 0	0.00
	Director	Charles Wu (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 13,000	100.00
	Director	C.K. Chang (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 13,000	100.00
	Director	S.J. Lin (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 13,000	100.00
	Director	Doris Wu (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 13,000	100.00
	Supervisor	Y.H. Lu (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 13,000	100.00
WUHAN YAXIN CEMENT CO., LTD.	Chairman	Doris Wu (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 81,000	90.00
	President	L. Tian	*RMB 0	0.00
	Director	Charles Wu (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 81,000	90.00
	Director	C.K. Chang (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 81,000	90.00
	Director	S.J. Lin (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 81,000	90.00
	Director	R.T. Sie (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 81,000	90.00
	Director	C.C. Cheng	*RMB 9,000	10.00
	Supervisor	J.M. Chang (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 81,000	90.00

\*The above companies marked with the “\*” sign are not incorporated companies. Therefore the shareholding are shown in capital (Unit: INR, USD, VND and RMB \$1,000) instead of shown in numbers of shares.

## 8.5 Operating Condition of Affiliated Companies

Unit:NT\$1,000

Company Name	Capital	Total Assets	Total Liabilities	Net Value	Net Sales	Operating Income (Loss)	Income (Loss) After Income Tax	Earnings (Loss) per Share (After Income Tax)
FU MING TRANSPORTATION CO., LTD.	295,695	1,656,235	291,554	1,364,681	830,776	60,504	146,482	4.95
YUAN LONG STAINLESS STEEL CORP.	2,000,000	5,074,762	3,435,537	1,639,225	3,899,411	18,900	5,657	0.03
SUNRISE INDUSTRIAL HOLDINGS LTD.	2,909	128,279	80,626	47,653	-	(114)	3,361	37.35
NAN HWA CEMENT CORP.	261,440	1,102,632	700,030	402,602	477,215	21,835	25,603	0.98
ASIA ENGINEERING ENTERPRISE CORP.	81,144	395,458	226,280	169,178	94,747	9,205	26,542	3.27
ASIA CEMENT (CHINA) HOLDINGS CO.	634,575	83,429,793	32,642,001	50,787,792	-	(349,081)	3,899,558	2.49
ASIA CEMENT (SINGAPORE) PTE. LTD.	250,425	4,594,515	957,761	3,636,754	1,177,351	13,451	267,693	25.49
DER CHING INVESTMENT CORP.	5,651,061	16,242,987	3,847,053	12,395,934	153,511	151,752	487,951	0.86
YA LI TRANSPORTATION CORP.	100,000	537,886	56,284	481,602	277,707	27,427	313,391	31.34
YA LI PRECAST AND PRESTRESSED CONCRETE INDUSTRIES CORP.	193,776	389,692	284,444	105,248	349,071	18,047	18,036	0.93
YA TUNG READY-MIXED CONCRETE CORP.	1,375,281	4,066,290	2,567,003	1,499,287	8,438,522	93,332	77,334	0.56
ASIA INVESTMENT CORP.	1,546,345	8,649,815	6,289,311	2,360,504	184,686	183,374	254,797	1.65
CHIAHUI POWER CORP.	4,700,000	14,000,718	5,510,620	8,490,098	9,805,830	1,001,958	783,270	1.67
FU DA TRANSPORTATION CO., LTD.	279,279	955,300	290,404	664,896	582,573	57,408	72,384	2.60
ASIA ENGINEERING ENTERPRISES PTE. LTD.	1,580	122,994	-	122,994	22,317	137	9,232	184.65
PERFECT INDUSTRIAL HOLDINGS PTE. LTD.	265,288	64,680,098	951,365	63,728,733	-	(4,848)	4,320,126	514.60
ORIENTAL CONCRETE PTE. LTD.	405,450	263,049	1,403	261,646	37,879	19,394	10,738	0.63
FU SHAN MINERAL STONE CO.,LTD.	13,000	91,682	58,690	32,992	46,172	(13)	(759)	(0.58)
KOWLOON CEMENT CORP. LTD.	93,150	983,160	65,514	917,646	561,034	37,046	48,467	21.07
AC MEGA INVESTMENT LTD.	579,926	509,470	-	509,470	10,454	10,246	12,810	0.65
AC LEAP INVESTMENT LTD.	579,439	564,886	-	564,886	2,623	2,495	1,832	0.09
AC MEGA II INVESTMENT LTD.	289,050	268,965	-	268,965	5,408	5,282	7,041	0.70



Company Name	Capital	Total Assets	Total Liabilities	Net Value	Net Sales	Operating Income (Loss)	Income (Loss) After Income Tax	Earnings (Loss) per Share (After Income Tax)
AC MEGA III INVESTMENT LTD.	289,050	308,493	-	308,493	6,268	6,138	8,082	0.81
AC MEGA IV INVESTMENT LTD.	575,055	668,841	-	668,841	6,336	6,193	10,631	0.55
YA LI PRECAST CONCRETE INDIA PVT. LTD.	8,005	33,441	18,554	14,887	29,619	2,498	2,388	Note 1
ASIA ORIENTAL (GUAM) L.L.C	218,040	169,315	3,139	166,176	946	(628)	(14,077)	Note 1
YATUNG VIETNAM CO., LTD.	179,513	267,113	53,540	213,573	357,686	28,070	25,908	Note 1
YA SING READY-MIXED CONCRETE CORP.	100,000	418,430	329,615	88,815	1,184,030	11,976	7,692	0.77
ASIA CEMENT EXPLORER INVESTMENT LTD.	334,065	158,743	-	158,743	2,660	2,537	5,920	0.52
ASIA CEMENT PIONEER INVESTMENT LTD.	2,039,879	2,005,643	60,064	1,945,579	29,081	28,919	41,860	0.63
ASIA CEMENT PIONEER II INVESTMENT LTD.	544,135	581,130	-	581,130	4,835	4,660	3,754	0.20
ASIA CEMENT PIONEER III INVESTMENT LTD.	289,050	248,086	-	248,086	4,985	4,835	6,388	0.64
ASIA CEMENT PIONEER IV INVESTMENT LTD.	286,263	291,414	-	291,414	6,263	6,100	6,853	0.72
ASIA CONTINENT INVESTMENT HOLDINGS PTE. LTD.	9,127,562	18,120,116	98	18,120,018	-	(200)	1,423,856	4.29
ORIENTAL INDUSTRIAL HOLDINGS PTE. LTD.	23,518,700	45,588,204	150	45,588,054	-	(289)	2,886,448	4.18
KOWLOON CONCRETE CORP. LTD.	41	131,127	59	131,068	5,580	(741)	1,790	179.03
JOIN FORTUNE TRADING LTD.	49,005	49,005	317	48,688	-	(101)	(1,342)	(0.11)
PEREZ-AOG, L.L.C.	303,360	326,278	87,495	238,783	272,108	(24,888)	(26,259)	Note 1
JIANGXI YADONG CEMENT CO., LTD.	11,252,886	33,169,227	11,876,525	21,292,702	14,409,149	1,902,691	1,736,143	Note 1
HUANGGANG YADONG CEMENT CO., LTD.	2,722,972	6,449,583	1,555,625	4,893,958	3,079,582	601,917	435,760	Note 1
WUHAN YADONG CEMENT CO., LTD.	1,142,024	3,987,949	881,671	3,106,278	2,991,518	299,949	286,580	Note 1
ORIENTAL HOLDINGS CO., LTD.	3,488,861	7,102,140	8,924	7,093,216	-	(3,941)	500,074	Note 1
CHENGDU YA LI CEMENT PRODUCTS CO., LTD.	129,560	612,226	227,913	384,313	616,530	47,429	30,957	Note 1
SHANGHAI YAFU CEMENT PRODUCTS CO., LTD.	80,264	108,701	519	108,182	-	(6,308)	2,985	Note 1
SHANGHAI YALI CEMENT PRODUCTS CO., LTD.	474,000	1,300,353	876,589	423,764	1,046,005	(150,949)	(182,198)	Note 1

Company Name	Capital	Total Assets	Total Liabilities	Net Value	Net Sales	Operating Income (Loss)	Income (Loss) After Income Tax	Earnings (Loss) per Share (After Income Tax)
SICHUAN YALI CONCRETE PRODUCE CO., LTD.	104,280	536,445	364,975	171,470	428,929	52,581	27,595	Note 1
SICHUAN YALI TRANSPORT CO., LTD.	110,600	418,433	113,384	305,049	590,842	20,122	19,380	Note 1
YANGZHOU YADONG CEMENT CO., LTD.	1,122,748	3,457,372	1,512,146	1,945,226	3,547,179	2,949	(9,043)	Note 1
SICHUAN YADONG CEMENT CO., LTD.	11,007,544	28,163,606	9,311,605	18,852,001	6,723,399	1,157,388	1,107,476	Note 1
HUBEI YADONG CEMENT CO., LTD.	4,891,680	17,006,710	5,321,330	11,685,380	6,339,586	992,836	970,777	Note 1
NANCHANG YALI CONCRETE PRODUCE LTD.	309,854	1,097,954	350,043	747,911	1,058,778	157,237	117,129	Note 1
JIANGXI YALI TRANSPORT CO., LTD.	64,553	332,017	67,268	264,749	507,021	40,823	35,864	Note 1
NANCHANG YADONG CEMENT CO., LTD.	464,781	940,771	126,319	814,452	1,320,610	52,322	51,219	Note 1
WUHAN YALI CEMENT PRODUCTS CO., LTD.	309,854	1,008,257	688,100	320,157	882,208	32,775	3,371	Note 1
TAIZHOU YADONG BUILDING MATERIAL CO., LTD.	505,600	1,067,000	566,959	500,041	-	(6,709)	(5,471)	Note 1
SICHUAN LANFENG BUILDING MATERIALS CO., LTD.	103,285	194,062	153,247	40,815	-	(6,057)	(11,414)	Note 1
SICHUAN LANFENG CEMENT CO., LTD.	1,807,481	9,017,252	6,793,618	2,223,634	2,676,409	531,396	416,597	Note 1
HUBEI YALI TRANSPORT CO., LTD.	67,135	211,541	29,075	182,466	313,876	22,224	18,036	Note 1
WUHAN YAXIN CEMENT CORP. LTD.	464,781	2,552,839	1,009,823	1,543,016	1,827,923	215,634	155,273	Note 1

Note1: The subsidiaries in China or overseas are not limited liability companies; therefore it's not able to count earnings per share.

Note2: The data in Balance Sheet are converted according to the exchange rate at the end of 2014 (USD : 31.6 ; SGD : 23.85 ; RMB : 5.16423 ; HKD : 4.05 ; INR : 0.5003 ; VND : 0.00127); the data in Income Statement are converted according to the 2014 average exchange rate(USD : 30.3056 ; SGD : 23.9244 ; RMB : 4.931509 ; HKD : 3.9076 ; INR : 0.4969 ; VND : 0.001382).

Note3: The operating income of investees is calculated according to the sum of gain/loss from selling shares and stock dividends.

◎**Consolidated Financial Reports:** Please read section 6.4 for details.

◎**Relationship Report:** Not applicable.

◎**Private placement:** None.

◎**The shares held or disposed by subsidiaries in the most recent fiscal year and the current fiscal year up to the date of printing of the annual report:** None.

◎**In the most recent fiscal year and the current fiscal year up to the date of printing of the annual report, any event which has a material impact on shareholders' equity or securities prices:** None.

◎**Other matters that require additional description:** None.



**ASIA CEMENT CORPORATION**