



Stock Code
1109

HSING TA CEMENT CO.,LTD.

2024 Annual Report

HSING TA company website
<http://www.hsingta.com.tw>

Market Observation Post System
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One. Letter to Shareholders

Dear shareholders:

First and foremost, the Company would like to sincerely thank our valued shareholders for their care and support over the past year. With your encouragement, we were able to endure the two-month production disruption caused by the electrostatic-to-baghouse dust collector upgrade at the Nanshenghu Plant. Thanks to the joint efforts of the staff at Nanshenghu and our Taipei headquarters, we successfully overcame this difficult period and maintained a reasonable level of profitability, thereby honoring the trust and support you have placed in us.

Additionally, Taiwan's Ministry of Environment has announced that carbon fees will be officially implemented starting in 2025, making "energy conservation and carbon reduction" a crucial and unavoidable challenge for all manufacturers. In response, cement producers have begun developing Type IL (limestone blended) cement, aiming to partially replace clinker with limestone powder to reduce carbon emissions and, consequently, carbon fee costs. Determined not to fall behind, in November 2024, the Company commissioned our subsidiary, HSIN I READY MIXED CONCRETE CO., LTD., to trial-batch the Type IL cement developed at the Nanshenghu Plant. Type I cement was used as a benchmark for comparison. Test results showed that the IL cement achieved slightly higher early-to-mid strength than Type I, while its long-term strength and workability were nearly identical. We have also obtained SGS certification for the compressive strength performance. We are confident that, in the near future, as Type IL cement production technology becomes more mature, it will gradually replace part of the demand for traditional Type I cement. This transition will help reduce carbon fee burdens, preserve profit margins, and continue to fulfill the expectations of our esteemed shareholders.

The results of the Group's operations for 2024 are as follows:

Production: Cement and clinker production volume was 1.83 million metric tons, down 34.47% compared with last year.

Sales: Operating revenues for the year were NT\$4.7 billion, a slight decrease of 25.62% compared with last year.

Operations: For the year, consolidated net income were NT\$524 million, a decrease of 35.08% compared with last year.

Domestically, the Group's revenue decreased by about 10.94%; the revenue of our plants in China declined by 39.21%.

Dividends: The Board of Directors resolved to distribute a cash dividend of NT\$0.9 per share from retained earnings.

The cement industry in Mainland China has faced a downturn for three consecutive years, with market demand remaining weak. In addition, intense internal competition has led to price wars and simultaneous declines in both volume and pricing, continuously compressing corporate profits. According to the National Bureau of Statistics of China, cement production in 2024 reached 1.825 billion tons, representing a 9.5% year-on-year decrease. Industry-wide profit was approximately RMB 25 billion, down 20% from the previous year. Although the government has introduced a series of measures to revitalize the housing market, and regional cement plants have implemented industry self-regulation, staggered production schedules, and efforts to reduce inventory ratios, the cement market remains oversupplied. To compete for market share, many cement producers have engaged in price-cutting strategies and failed to strictly implement staggered production schedules. The shrinking market and extreme pricing competition have significantly impacted the 2024 performance of our Chinese subsidiary, Jiangsu Xinning. Looking ahead to 2025, with government initiatives aimed at revitalizing regional economies, public infrastructure and real estate markets are expected to gradually recover, potentially boosting cement demand and allowing for slight price increases.

In the future, the Company will continue to pursue key initiatives, including ESG sustainability practices, advancement of IL-type limestone cement technology, and closer collaboration with public-sector clients and partners. We will strengthen production capabilities through "effective carbon reduction" and "enhanced operational efficiency," actively adopt new technologies to improve both processes and products, and participate in public works tenders (such as the Taoyuan Railway Underground Project, Taipei MRT Circular Line, and Xidong Line). Additionally, we will expand grouting site development, dynamically manage customer credit risk, and solidify our foundation through product and service diversification. By further integrating upstream raw material suppliers and downstream ready-mix concrete customers, the Company aims to build a "low-carbon supply chain" in alignment with global net-zero emission goals—enhancing both market reputation and profitability.

Sincerely,

 Chairman

I. Operation Overview

At the end of October 2024, due to the baghouse system upgrade project at the Nanshenghu Plant, the Business Department began controlling customer deliveries as early as the end of June to stockpile sufficient inventory for the planned kiln shutdown. This control lasted until early January 2025 when the project was completed. The extended delivery control period, spanning over six months, combined with two electricity price hikes on April 1 and October 16, led to a decrease in revenue compared to 2023. Despite these challenges, the Company overcame difficulties through the concerted efforts of all employees.

At the beginning of the year, Taiwan's housing market experienced a brief boom driven by the "Preferential Housing Loans for the Youth", pushing property prices in many regions to historic highs. However, following the inauguration of the new cabinet, stricter regulations were introduced—such as reduced mortgage ratios for existing homeowners, selective credit controls, and shortened grace periods—causing the market to cool significantly. Since September 2024, the concrete market has also weakened due to the housing market slowdown. Ready-mixed concrete suppliers in northern Taiwan have seen declining sales. While there was a slight rebound before the Lunar New Year, most customers remain pessimistic about the concrete market outlook for 2025. However, cement demand in the Taoyuan area continues to grow steadily, supported by ongoing major infrastructure projects such as the Taoyuan Aerotropolis, MRT Green Line, and railway undergrounding, which may help offset declines in the Greater Taipei area.

Looking into 2025, the most pressing cost challenges are the new carbon fee and the potential removal of the goods tax reduction. The Ministry of Environment has confirmed that, beginning in 2025, a carbon fee of NT\$300 per metric ton of emissions will be levied, and the detailed rules of the levy were announced in October 2024. Although preferential rates are available, the impact on costs is still considerable, and the base amount for carbon fees will be adjusted every two years. Additionally, if the current 50% goods tax reduction is revoked in Q2 2025, domestic cement prices may face upward pressure. Coupled with potential global geopolitical uncertainty—such as the possible re-election of Donald Trump—the volatility of raw material costs may increase. As such, the Business Department must adopt a more cautious pricing strategy, carefully assessing order terms and including price adjustment clauses where appropriate.

In addition, the expansion of cement imports is also a major challenge. The low cement prices in Southeast Asia, coupled with the absence of carbon cost burdens, have subjected domestic cement producers to intense competition. If the Ministry of Environment continues to delay the imposition of border carbon fees on importers, it may be difficult for domestic cement prices to fully reflect cost increases. The Company must therefore collaborate with the Cement Association to advocate for a fair and competitive environment.

In the domestic cement market, total cement consumption in 2024 was approximately 13.5 million metric tons. The Company's sales of cement and clinker amounted to around 633,000 metric tons, a decrease of 109,000 metric tons from the previous year. Sales revenue totaled NT\$1,761,178 thousand, a year-on-year decrease of 12.9%.

In the mainland China cement market, the Company's subsidiaries sold approximately 1.247 million metric tons of cement and clinker in 2024, including 435,000 tons of PII52.5, down 196,000 tons from the previous year, and 812,000 tons of PO42.5, down 603,000 tons year-on-year—an overall decrease of around 800,000 metric tons from the prior year. In 2024, the mainland China cement market exhibited the operational characteristics of “shrinking demand, fierce competition, low prices, and operating losses,” with both volume and price declining. During the first and second quarters, cement demand recovered slowly. Most enterprises experienced varying degrees of profit decline and losses, and the traditional peak season failed to materialize. From April to May, market competition remained intense. A combination of adverse factors—including capital shortages, a lack of new construction projects, the May Day holiday, and recurring rainfall—resulted in weak terminal market demand. Real estate projects contracted, infrastructure demand was limited, and overall market demand remained insufficient. After the third quarter, conditions in mainland China began to show signs of recovery, but the extent of the rebound was limited. With significant declines in land transactions and new construction areas, real estate investment continued to weaken, and demand for cement in the real estate sector is expected to further decrease. Although policies promoting “stable growth” drove ongoing infrastructure development, the resulting increase in cement demand was limited and insufficient to offset the decline caused by a weakening property sector. In the fourth quarter, staggered production controls were intensified, and cement prices continued to rise. However, due to persistently weak actual market demand, declining demand in the housing construction sector, and a lack of new project starts, cement prices began to fall again after December. Cement output hit a new low not seen since 2010, and with both price and

volume declining, industry profits dropped sharply.

In terms of revenue, it will maintain the existing incomes from rental and resource recycle and reuse while at the same time, taking care of social needs, environmental protection, and economic development to achieve the objectives of industrial symbiosis and sustainable social development. In terms of other income in 2024, the Company's income from recycle processing service was NT\$83,029 thousand and lease income was NT\$49,636 thousand, up by NT\$4,915 thousand compared to the previous year.

The consolidated operating revenue for 2024 was NT\$4,656,290 thousand, down 25.62% from NT\$6,259,864 thousand in 2023; consolidated net income was NT\$524,281 thousand, a decrease of 35.08% from NT\$807,587 thousand in 2023.

II. Comparison of the performance in 2024 and 2023

Cement and clinker	Production quantity			Sales volume		
	2024	2023	Increase (decrease) %	2024	2023	Increase (decrease) %
Domestic	586,427	731,041	(19.78)	632,576	741,792	(14.72)
Mainland	1,240,078	2,056,280	(39.69)	1,247,263	2,051,142	(39.19)
Total	1,826,505	2,787,321	(34.47)	1,879,839	2,792,934	(32.69)

Unit: Thousand \$NT

Operating revenues	2024	2023	Increase (decrease) amount	Increase (decrease) %
Domestic	2,681,025	3,010,513	(329,488)	(10.94)
Mainland	1,975,265	3,249,351	(1,274,086)	(39.21)
Consolidated operating revenues	4,656,290	6,259,864	(1,603,574)	(25.62)
Consolidated net income for the period	524,281	807,587	(283,306)	(35.08)

III. Research and development

In response to the global trend toward “net zero carbon emissions,” cement manufacturers have been investing in the research and development of Portland IL-type limestone cement to reduce carbon dioxide emissions and carbon cost burdens. The Company has obtained the IL (15) certification for Portland limestone cement from the Bureau of Standards, Metrology and Inspection and has commissioned customers and Shin-Yi Ready-Mix Plant to conduct trial mixes. Preliminary test results indicate that the 3-day, 7-day, and 28-day strengths are slightly better than those of Type I cement, and the workability is similar. The Nanshenghu Plant will continue to adjust the formula based on customer feedback, with the goal of gradually replacing Type I cement in the future to align with the government’s voluntary carbon reduction policy.

IV. Business promotion and development direction and strategy

- (I) In light of variables such as the increase in the carbon fee base and the possible cancellation of the preferential 50% reduction in commodity tax, long-term contracts should be avoided, or price adjustment clauses should be included to ensure profit margins.
- (II) Active participation in public construction projects continues, including the Taipei MRT Wanda–Shulin Line, South Circular Line, and North Circular Line; New Taipei MRT Xidong Line; the Xinzhuang–Taishan Wenzizun rezoning project; the Tambei Road project; the Taoyuan Aerotropolis; and railway undergrounding works.
- (III) Ongoing promotion of IS blast-furnace cement for use in geotechnical improvement and foundation engineering.
- (IV) Application submitted for a carbon footprint label for 40kg bags of Type I cement to meet customer requirements for green building tenders.
- (V) Pay attention to our customers and adjust their credit limits and payment terms in a timely manner to avoid the risk of bad debts,
- (VI) Customers are encouraged to adopt factory pick-up transactions to reduce the instability caused by vehicle dispatches to construction sites.
- (VII) Promotion of Portland IL-type limestone cement continues, with the aim of gradually replacing Type I cement in line with carbon reduction trends.

V. Policy in response to the influence of external competition, legal environment, and overall business environment.

- (I) To fulfill the responsibility of environmental protection and sustainable development, Portland limestone cement has been developed to reduce carbon dioxide emissions.
- (II) Active investments and improvements in equipment have been carried out, and the second phase of the electrostatic baghouse dust collector project was completed on January 3, 2025.
- (III) Shipment quantities to each customer are adjusted in a timely manner based on inventory levels to meet daily delivery needs.
- (IV) Efforts continue to strengthen relationships with customers by staying informed of market trends and intelligence related to other cement manufacturers, and promptly relaying this information to the Company and plants to support timely operational adjustments.
- (V) Close attention is paid to revisions of the Public Construction Commission Construction Outline Specifications and CNS 03050, with ongoing adjustments to the sales strategies for Type I and IL cements, gradually replacing Type I cement with IL-type cement.

VI. Business plan and outlook for 2025

In 2024, production costs—including raw materials, electricity, and carbon fees—continued to rise. In addition, the outcome of the U.S. presidential election is expected to create international political instability. It is anticipated that price levels will remain volatile in 2025. Meanwhile, China's housing market and overall economic conditions have yet to show improvement, leading to stagnation in the pace of construction. Evidently, 2025 is shaping up to be a particularly challenging and difficult year. Before these various uncertainties become clearer, all departments must remain closely attuned to market trends and be prepared to adjust operational strategies at any time—seeking upward breakthroughs in market opportunities, while maintaining stability in production and sales.

Domestic cement market:

Public construction is expected to make continued progress, with infrastructure projects such as the Taoyuan railway undergrounding, New Taipei and Taoyuan MRT lines already underway. These initiatives are projected to generate steady demand this year. However, the private construction sector remains sluggish due to ongoing government housing market restrictions. The housing market in the Taipei–New Taipei–Keelung region is expected to remain cool, with only Taoyuan showing some positive momentum driven by the Aerotropolis development project—though overall growth remains limited. One piece of mixed news is that the Cement Manufacturers Association filed an anti-dumping complaint against Vietnam. A preliminary investigation by the Ministry of Economic Affairs, released on September 26, 2024, found that imports of cement and clinker from Vietnam pose a potential threat of substantial harm to the domestic industry. The Executive Yuan has delegated the investigation to the Ministry of Finance and the Ministry of Economic Affairs to separately assess “dumping” and “injury.” This development is considered favorable for domestic producers. However, the Ministry of Finance announced on February 10, 2025, that while the impact is recognized, actual damage requires further investigation. As a result, no provisional anti-dumping duties will be imposed on Vietnamese cement at this time. Thus, the anti-dumping case against Vietnam still has a long way to go. At the same time, the Cement Manufacturers Association has also submitted a proposal to the Ministry of the Environment, recommending the imposition of a border carbon fee on imported cement and clinker, aiming to level the playing field and mitigate unfair competition and carbon leakage arising from carbon cost discrepancies.

In summary, domestic cement demand for 2025 is projected to be approximately 11.5 million metric tons. While importers are estimated to have captured around 27% of the total market, internal assessments indicate that the Company can still achieve its sales targets of 625,000 metric tons of cement and 25,000 metric tons of clinker in the Taiwan region. Rather than engaging in vicious price competition with imported cement, the Company continues to focus on enhancing product quality, improving customer service, and diversifying its product offerings. These efforts aim to maintain brand competitiveness and corporate resilience, enabling the Company to navigate a volatile and unpredictable market while ensuring stable profitability.

Mainland China's cement market:

In 2025, with the real estate market yet to stabilize and infrastructure investment remaining limited, cement demand is expected to continue declining. However, awareness of “anti-involution” within the industry continues to grow, and average cement prices may see a slight rebound, leading to some recovery in industry profitability. Cement demand is forecast to keep contracting throughout 2025, with an increase in the number of staggered production days across regions. Nationwide kiln shutdowns are expected to exceed 200 days, and cement output may continue to decline, with national production potentially falling to 1.78 billion metric tons.

At present, outdated production lines with daily capacities of 2,500 tons or less still make up the majority of the market, particularly in the Northeast, Northwest, and North China regions. As local policies are implemented, some of these small-scale kilns will be replaced with environmentally friendly and energy-efficient alternatives in 2025, or else phased out and decommissioned. Starting in 2025, the cement industry will be included in the national carbon emissions trading scheme. Enterprises with low carbon intensity are expected to benefit from increased revenue, while less efficient producers will bear higher costs.

Ltd., installed online particulate monitoring systems for the cement and coal mills in August 2024. These systems are directly connected to the Nanjing pollution source monitoring platform. The company is also continuing to advance its ultra-low emissions initiatives. Plans are in place to launch environmental micro-stations and clean transportation projects in 2025. Furthermore, the Company will submit the 2024 carbon emissions report for Jiangsu Xinning by March 31, 2025, complete certification for its 2024 low-carbon products, and prepare the “Carbon Peak and Carbon Neutrality Action Plan” to be submitted to the Nanjing Municipal Government.

Since its founding in 1964, the Company has weathered over six decades of challenges and adversity, upholding the principles of “quality first, safety above all, dedication and pragmatism, and customer service.” By providing reasonable pricing and consistent quality, the Company has fulfilled its responsibility to both the nation and society. Looking ahead, the Company is committed to the goal of “low carbon emissions,” fully implementing environmental protection and achieving a low-carbon transformation to contribute to the well-being of the people of Taiwan.

Two. Corporate Governance Report

I. Information on directors, general managers, deputy general managers, senior managers, and officers of various departments

(I) Director

1. Information on directors I

April 21, 2025

Title	Nationality or place of registration	Name	Gender Age	Date elected	Term of office	Date first elected	Shareholding when elected		Shareholding now		Shareholding of spouse and minor children now		Shareholding in the name of others		Main experience (academic)	Concurrent positions in the Company and other companies now	Spouse or relatives within second degree of kinship who are managerial officers or directors of the Company			Note
							Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage			Title	Name	Relationship	
Chairman	Republic of China	Zhi-Xiong Yang	Male 71–80 years old	2024.06.19	3	1991.05.24 (Note 1)	34,426,166	10.07%	34,905,166	10.23%	14,527	0.00%	0	0.00%	Department of Industrial Management, Tamsui Institute of Business Administration	Chairman, Hsing Ta Cement Chairman, HSIN I READY MIXED CONCRETE CO., LTD.	Director Director Director	Zhong-Xiong Yang Ren-Xiong Yang Yin-Hsing Yang	Brothers Sister and brother	None
Director	Republic of China	Zhong-Xiong Yang	Male 71–80 years old	2024.06.19	3	1991.05.24 (Note 1)	41,528,048	12.14%	41,528,048	12.17%	2,779	0.00%	0	0.00%	Department of Banking, National Chengchi University Chairman, Hsing Ta Cement Chairman, Hsing Ta Cement	Director, Tang-Hai Yang Social Welfare Charitable Foundation	Chairman Director Director	Zhi-Xiong Yang Ren-Xiong Yang Yin-Hsing Yang	Brothers Sister and brother	None
Director	Republic of China	Ren-Xiong Yang	Male 61–70 years old	2024.06.19	3	1991.05.24 (Note 1)	36,108,783	10.56%	36,108,783	10.58%	1,153	0.00%	0	0.00%	Department of Hydraulic Engineering, Tamkang University	Soaring Power Corp.; Jiangsu Xinning New Building Materials Co., Ltd.; Chairman, Jiangsu Xinning New Building Materials Co., Ltd.; Chairman, Nanjing Xinrong Environmental Protection New Material Co., Ltd.	Director Chairman Director	Zhong-Xiong Yang Zhi-Xiong Yang Yin-Hsing Yang	Brothers Sister and brother	None
Director	Republic of China	Da-Qin Yang	Male 51–60 years old	2024.06.19	3	2009.06.19	8,145,934	2.38%	8,145,934	2.39%	0	0.00%	0	0.00%	Department of Information Management, National Yunlin University of Science and Technology. Chairman, HSING TA INDUSTRIAL (SHENZHEN) CO., LTD.	Chairman, HSING TA INDUSTRIAL (SHENZHEN) CO., LTD.	None	None	None	None
Director	Republic of China	Yin-Hsing Yang	Female 81–90 years old	2024.06.19	3	2024.06.19	5,169,655	1.52%	5,169,655	1.52%	0	0.00%	0	0.00%	Tam-kang High School	None	Director Chairman Director	Zhong-Xiong Yang Zhi-Xiong Yang Ren-Xiong Yang	Sister and brother Sister and brother Sister and brother	None
Director	Republic of China	Debo Investment Co., Ltd.	-	2024.06.19	3	2016.06.22	50,000	0.01%	50,000	0.01%	0	0.00%	0	0.00%	None	None	None	None	None	None
	Republic of China	Representative: Bo-Wei Yang	Male 41–50 years old	2024.06.19	3	-	3,033,133	0.89%	3,033,133	0.89%	0	0.00%	0	0.00%	Department of Industrial Engineering, Dayeh University; Vice Chairman, Qin Da Construction Co., Ltd.	Vice Chairman, Qin Da Construction Co., Ltd.	None	None	None	None
Independent director	Republic of China	Rui-Tai Wu	Male 51–60 years old	2024.06.19	3	2021.07.09	0	0.00%	0	0%	0	0.00%	0	0.00%	Department of Financial Management, National Chengchi University; Assistant Manager of Underwriting Department, Fubon Securities; Supervisor at Syncmold Enterprise Corp.; Chairman of J-Mas Enterprise Co., Ltd.; Supervisor at Leohab Enterprise Co., Ltd.	Director of BORDEN TECHNOLOGY CORPORATION; Director of Sheng You Co., Ltd.	None	None	None	None

Independent director	Republic of China	Da-Xiong Chen	Male 81–90 years old	2024.06.19	3	2024.06.19	0	0.00%	0	0%	0	0.00%	0	0.00%	Bachelor of Law, National Taiwan University; Part-time employee, Taiwan Mitsubishi Corporation; Chairperson, NEW NORTHERN KNITTING CO., LTD.; Chairperson, Shanghai Jia-Neng Garment Co., Ltd.; Supervisor General, National Association of Small & Medium Enterprises, R.O.C.; Executive Director, Importers and Exporters Association of Taipei; Board Director, Republic of China Trade Education Foundation; Chinese Taipei Representative to APEC Business Advisory Council (ABAC), 1996–1997	Honorary Chairman and CSO, Pershing Technology Services Corporation; Chairman, Xiuzhi Co., Ltd.; Chairman, Xiuzi International Co., Ltd.; Independent Director of ASIA POLYMER CORPORATION; Director of Tang-Hai Yang Social Welfare Charitable Foundation	None	None	None	None
Independent director	Republic of China	Li-Xiong Chen	Male 71–80 years old	2024.06.19	3	2024.06.19	0	0.00%	0	0%	0	0.00%	0	0.00%	Chairman of Taishin D.A. Finance Co., Ltd.; Chairman, Taishin Financial Leasing (China) Co., Ltd.; Director of NOVAX Material & Technology Inc.	Director of Taishin D.A. Finance Co., Ltd.; Director, Taishin Financial Leasing (China) Co., Ltd.; Director of NOVAX Material & Technology Inc.	None	None	None	None

Note 1: Date elected before listing.

Note 2: Term of office of the 21st Board of Directors: June 19, 2024 to June 18, 2027

Total shares in issue as of June 19, 2024: 341,158,868 shares

Total shares in issue as of April 21, 2025: 341,158,868 shares

Major shareholders of juristic-person shareholder

April 21, 2025

Name of corporate shareholder	Major shareholders of juristic-person shareholder
Debo Investment Co., Ltd.	Qin Da Construction Co., Ltd. 100%

Major shareholders of the juristic-person shareholder, if the major shareholder is a legal entity

April 21, 2025

Name of corporate shareholder	Major shareholders of corporate shareholders
Qin Da Construction Co., Ltd.	Hsing Ta Cement Co., Ltd 19.90% Debo Investment Co., Ltd. 15.36% Xue-Hua Lin 61.07% Zhi-Xiong Yang 2.47% Zhong-Xiong Yang 0.43% Ren-Xiong Yang 0.56% Da-Qin Yang 0.21%

2. Information on directors II

Disclosure of information on directors' professional qualifications and independence of independent directors:

April 21, 2025

Criteria Name	Professional qualifications and experience	Independence status	Number of other public companies in which the individual is concurrently serving as an independent director
Zhi-Xiong Yang	Has more than five years of work experience and expertise in the cement industry and business management; is not under any circumstances under Article 30 of the Company Act.	Has a relative within second degree of kinship who also serves as a director at the Company or a affiliate; he and his spouse and relatives within second degree of kinship hold shares of the Company. See Director Information I.	0
Zhong-Xiong Yang	Has more than five years of work experience and expertise in the cement industry, finance, and business management; is not under any circumstances under Article 30 of the Company Act.	Has a relative within second degree of kinship who also serves as a director at the Company or a affiliate; he and his spouse and relatives within second degree of kinship hold shares of the Company. See Director Information I.	0
Ren-Xiong Yang	Has more than five years of work experience and expertise in the cement industry, trade, and business management; is not under any circumstances under Article 30 of the Company Act.	Has a relative within second degree of kinship who also serves as a director at the Company or a affiliate; he and his spouse and relatives within second degree of kinship hold shares of the Company. See Director Information I.	0
Da-Qin Yang	Has more than five years of work experience and expertise required in the cement industry; is not under any circumstances under Article 30 of the Company Act.	Has no spouse nor a relative within second degree of kinship who also serves as a director or employee at the Company or a affiliate; he and his spouse and relatives within second degree of kinship hold shares of the Company. See Director Information I.	0
Yin-Hsing Yang	Has more than five years of work experience and expertise required in the cement industry; is not under any circumstances under Article 30 of the Company Act.	Has a relative within second degree of kinship who also serves as a director at the Company or a affiliate; he and his spouse and relatives within second degree of kinship hold shares of the Company. See Director Information I.	0
Bo-Wei Yang	Has more than five years of work experience and expertise required in the cement industry; is not under any circumstances under Article 30 of the Company Act.	Has no spouse nor a relative within second degree of kinship who also serves as a director or employee at the Company or a affiliate; he holds shares of the Company. See Director Information I.	0
Rui-Tai Wu	Has more than five years of work experience and expertise in accounting, finance, and management; holds a CPA license; is not under any circumstances under Article 30 of the Company Act.	Spouse and relatives within the second degree of kinship thereof are serving as directors or employees at the Company or its affiliates; the independent director does not and spouse and relatives within the second degree of kinship thereof do not hold the Company's shares; did not receive remuneration for providing business, legal, financial, accounting, or other services to the Company or its affiliates in the most recent two years.	0
Da-Xiong Chen	Has more than five years of work experience and expertise in finance and management; is not under any circumstances under Article 30 of the Company Act.	Spouse and relatives within the second degree of kinship thereof are serving as directors or employees at the Company or its affiliates; the independent director does not and spouse and relatives within the second degree of kinship thereof do not hold the Company's shares; did not receive remuneration for providing business, legal, financial, accounting, or other services to the Company or its affiliates in the most recent two years.	1
Li-Xiong Chen	Has more than five years of work experience and expertise in finance and management; is not under any circumstances under Article 30 of the Company Act.	Spouse and relatives within the second degree of kinship thereof are serving as directors or employees at the Company or its affiliates; the independent director does not and spouse and relatives within the second degree of kinship thereof do not hold the Company's shares; did not receive remuneration for providing business, legal, financial, accounting, or other services to the Company or its affiliates in the most recent two years.	0

3. Board diversity

(I) Board diversity policy:

To strengthen corporate governance and facilitate the robust composition and structure of the Board of Directors, Section 1 The Structure of the Board of Directors, Article 20 of the “Company’s Corporate Governance Best Practice Principles” stipulates that “the Company’s Board of Directors shall guide the Company’s strategy, supervise the management team, and be responsible to the Company and shareholders. The operations and arrangements of its corporate governance system shall ensure that the Board performs its duties in accordance with laws and regulations, the Company’s Articles of Incorporation, or the resolutions adopted by the shareholders’ meeting. There should be more than five directors on the Board considering the scale of the Company’s operations and development, our major shareholders’ shareholdings, and the needs of practical operations. The composition of the Board should be based on the principle of diversity. The number of directors who are also managers at the Company should not exceed one-third of the total number of directors, and the following two criteria should be included but not limited to: 1. basic qualifications and values: gender, age, nationality, and culture. II. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

The Board members should generally possess the knowledge, skills, and competencies needed to perform their duties. To achieve the ideal goal of corporate governance, the Board as a whole should have the capabilities and skills below: 1. Business judgment; II. Accounting and financial analysis; III. Business management; IV. Crisis management; V. Industry knowledge; VI. An international perspective; VII. Leadership; VIII. Decision-making. The candidates for the Company’s directors are nominated after their intergenerational feature, integrity, experience, education, or other experiences are considered. The Board should be formed by professionals with business management abilities and an international perspective from the fields of cement, accounting, information, or management.

(II) Board diversity and independence:

1. Implementation of the Board diversity policy:

The Company’s 21st Board of Directors was re-elected at the shareholders’ meeting on June 19, 2024, with a term from June 19, 2024, to June 18, 2027. The Board consists of nine directors. Among them, Directors Zhi-Xiong Yang, Zhong-Xiong Yang, Ren-Xiong Yang, Da-Qin Yang, Bo-Wei Yang (representative of Debo Investment Co., Ltd.), and Independent Director Rui-Tai Wu were re-elected. Newly elected members include Director Yin-Xing Yang, Independent Director Li-Xiong Chen, and Independent Director Da-Xiong Chen.

Directors Zhi-Xiong Yang, Zhong-Xiong Yang, Ren-Xiong Yang, Da-Qin Yang, and Bo-Wei Yang possess expertise in the cement industry, as well as strong capabilities in operational judgment, business management, crisis management, leadership, decision-making, and international perspective. Independent Directors Rui-Tai Wu, Li-Xiong Chen, and Da-Xiong Chen bring professional backgrounds in accounting, financial affairs, administrative management, and experience across various industries. The Board members have extensive experience in business management and possess the professional knowledge, skills, and qualities required to fulfill their duties. For the eight core competency items, at least one-third of members have the necessary capabilities in each area. Notably, over 80% of members are equipped with core competencies in the three key areas emphasized by the Company: operational judgment, business management, and crisis response.

The proportion of independent directors is 33%, and that of female directors is 11%. One independent director has served for more than three years, while two independent directors have served for less than three years. Among the directors, three are over the age of 80, three are between 70 and 79, and three are under 60. Currently, the number of female directors does not yet reach one-third of the total board seats. This is mainly because the Company has historically emphasized expertise in the cement industry when selecting directors. Due to the long-standing characteristics of the industry—such as its production methods, technical requirements, and engineering-oriented operations—the participation of women has traditionally been relatively low, resulting in fewer female candidates with experience in the cement sector.

Nevertheless, the Company has always valued gender equality in the composition of the Board. In previous terms, there has always been at least one female director. Moving forward, the Company will continue to follow corporate governance best practices and focus on increasing board diversity. Future director selection will expand to include professionals with various backgrounds, such as business management, operational judgment, environmental sustainability, legal, accounting, or financial expertise. This approach will not only enhance the complementary expertise within the Board but also gradually increase the representation of female directors, promoting gender equality and strengthening the Company’s corporate governance.

2. Independence of the Board of Directors:

The 21st Board of Directors of the Company consists of nine members, including three independent directors: Rui-Tai Wu, Li-Xiong Chen, and Da-Xiong Chen, accounting for one-third of the board seats. Among the directors, Zhi-Xiong Yang, Zhong-Xiong Yang, Ren-Xiong Yang, and Yin-Xing Yang are second-degree relatives. None of the other directors falls under the circumstances stipulated in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

(II) Information on general managers, deputy general managers, senior managers, and officers of various departments

April 21, 2025

Title	Nationality	Name	Gender	Date elected	Shareholding		Shareholding of spouse and minor children		Shareholding in the name of others		Main experience (academic)	Concurrent positions at other companies currently	Managerial officers with spouses or relatives with second degree of kinship		
					Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage			Title	Name	Relationship
General manager	Republic of China	Da-Kuan Yang	Male	2019.07.01	8,915,431	2.62%	87,996	0.03%	0	0%	Bachelor of Accounting, National Taiwan University Master of Business Administration, University of Southern California	Consultant, Jiangsu Xinning New Building Materials Co., Ltd.	None	None	None
Deputy general manager	Republic of China	Bao-Lin Zhang	Male	2021.11.11	2,779	0.00%	0	0.00%	0	0%	Department of Urban Planning, National Cheng Kung University Assistant Vice President at Xinlai Construction (Stock) Co., Ltd. and Kuo Yang Construction Co., Ltd.	None	None	None	None
Senior Manager	Republic of China	Qing-Shou Zhang	Male	2015.01.01	5,042	0.00%	5,415	0.00%	0	0%	Department of Oceanography, National Taiwan Ocean University	None	None	None	None
Manager, Finance and accounting department	Republic of China	Su-Chiu Tsai	Female	2022.02.14	0	0.00%	0	0.00%	0	0%	Department of Accounting, Chinese Culture University Deputy Manager, Financial Accounting, Shihlin Paper Co., Ltd.; Chief of Accounting Section of Mao Bao Inc.; Deputy Manager at PwC Taiwan	None	None	None	None
Manager, Audit department	Republic of China	Yi-Sheng Zhang	Male	2014.07.01	0	0.00%	0	0.00%	0	0%	Department of Business Administration, Fu Jen Catholic University	None	None	None	None
Acting Manager, Administration department	Republic of China	Shu-Yen Chou	Female	2024.10.05	0	0.00%	0	0.00%	0	0%	Department of Mathematics, Fu Jen Catholic University	None	None	None	None
Manager, Business Department	Republic of China	Ko-Chien Yeh	Male	2023.06.01	0	0.00%	0	0.00%	0	0%	Department of Cooperative Economics, National Chung Hsing University	None	None	None	None
Nanshenghu Plant Manager	Republic of China	Lian-Huo Lin	Male	2020.01.01	0	0.00%	0	0.00%	0	0%	Department of Electrical Engineering, Chien Hsin Technical College	None	None	None	None

II. Remuneration for directors (including independent directors), general managers and deputy general managers for the most recent year

(I) Remuneration for directors and independent directors

2024 Unit: NTD thousand

Title	Name	Remuneration to directors								Sum of A, B, C and D and as a % of the net profits after tax		Remuneration for employees with concurrent positions								Sum of A, B, C, D, E, F and G and as a % of the net profits after tax		Remuneration received from subsidiaries, re-invested businesses or the parent company	
		Base remuneration (A)		Severance and pension (B)		Remuneration for directors (C)		Business execution expenses (D)				Remuneration, bonus, allowance (E)		Severance and pension (F)		Remuneration for employees (G)							
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements		
																Cash	Amount	Cash	Amount				
Chairman	Zhi-Xiong Yang	3,023	4,171	0	0	4,161	4,875	25	25	7,209 accounting for 1.54%	9,071 accounting for 1.93%	0	0	0	0	0	0	0	0	7,209 accounting for 1.54%	9,071 accounting for 1.93%	None	
Director	Zhong-Xiong Yang	0	0	0	0	4,161	4,471	25	25	4,186 accounting for 0.89%	4,496 accounting for 0.96%	0	0	0	0	0	0	0	0	4,186 accounting for 0.89%	4,496 accounting for 0.96%		
Director	Representative, Debo Investment Co., Ltd.: Bo-Wei Yang	0	2,941	0	0	4,161	4,565	25	25	4,186 accounting for 0.89%	7,531 accounting for 1.60%	0	0	0	0	0	0	0	0	4,186 accounting for 0.89%	7,531 accounting for 1.60%		
Director	Ren-Xiong Yang	0	0	0	0	4,161	4,161	25	25	4,186 accounting for 0.89%	4,186 accounting for 0.89%	0	0	0	0	0	0	0	0	4,186 accounting for 0.89%	4,186 accounting for 0.89%		
Director	Da-Qin Yang	0	0	0	0	2,081	2,081	15	15	2,096 accounting for 0.45%	2,096 accounting for 0.45%	0	0	0	0	0	0	0	0	2,096 accounting for 0.45%	2,096 accounting for 0.45%		
Director	Yin-Hsing Yang	0	0	0	0	2,081	2,081	10	10	2,091 accounting for 0.45%	2,091 accounting for 0.45%	0	0	0	0	0	0	0	0	2,091 accounting for 0.45%	2,091 accounting for 0.45%		
Director	Hua-Ling Lin	0	0	0	0	4,161	4,161	20	20	4,181 accounting for 0.89%	4,181 accounting for 0.89%	0	0	0	0	0	0	0	0	4,181 accounting for 0.89%	4,181 accounting for 0.89%	7,715	
Independent director	Zheng-Ting Chen	252	252	0	0	0	0	10	10	262 accounting for 0.06%	262 accounting for 0.06%	0	0	0	0	0	0	0	0	262 accounting for 0.06%	262 accounting for 0.06%	None	
Independent director	Zheng-Tong Shi	252	252	0	0	0	0	20	20	272 accounting for 0.06%	272 accounting for 0.06%	0	0	0	0	0	0	0	0	272 accounting for 0.06%	272 accounting for 0.06%		
Independent director	Rui-Tai Wu	540	540	0	0	0	0	45	45	585 accounting for 0.12%	585 accounting for 0.12%	0	0	0	0	0	0	0	0	585 accounting for 0.12%	585 accounting for 0.12%		
Independent director	Da-Xiong Chen	288	288	0	0	0	0	25	25	313 accounting for 0.07%	313 accounting for 0.07%	0	0	0	0	0	0	0	0	313 accounting for 0.07%	313 accounting for 0.07%		
Independent director	Li-Xiong Chen	288	288	0	0	0	0	25	25	313 accounting for 0.07%	313 accounting for 0.07%	0	0	0	0	0	0	0	0	313 accounting for 0.07%	313 accounting for 0.07%		
Except as disclosed above, the remuneration for the directors of the Company for providing services to all companies in the financial statements (such as serving as a non-employee consultant at the parent company, all companies in the financial statements, or investees) in the most recent year: NT\$264,000.																							

Except as disclosed above, the remuneration for the directors of the Company for providing services to all companies in the financial statements (such as serving as a non-employee consultant at the parent company, all companies in the financial statements, or investees) in the most recent year: NT\$264,000.

* HSING TA CEMENT's policy, system, criteria and structure for the remuneration for independent directors, and the correlation to the amount of remuneration in terms of their responsibilities, risks, time spent and other factors:

1. Independent directors do not participate in the distribution of directors' remuneration.
2. The Board of Directors determines their monthly fixed remuneration based on the responsibility of the position held, the complexity of the business, the value of contribution, and the usual standards of the industry.
3. Professional service expenses are paid as per the actual needs of the business execution, and honoraria are paid for every board meeting attended.

Note: The term of office for the 20th Board of Directors expired on July 8, 2024, and the election of the 9 seats of the 21st Board of Directors was held on June 19, 2024, in advance. The newly appointed directors include Director Yin-Hsing Yang, Independent Director Da-Xiong Chen, and Independent Director Li-Xiong Chen. The re-elected directors are Zhi-Xiong Yang, Zhong-Xiong Yang, Ren-Xiong Yang, Da-Qin Yang, Bo-Wei Yang (representative of Debo Investment Co., Ltd.), and Independent Director Rui-Tai Wu.

(II) Remuneration of Supervisors : None

(III) Remuneration of the President and Vice Presidents

2024

Unit: Thousand \$NT

Title	Name	Base Compensation (A)		Bonus to Supervisors (B)		Allowances (C)		Remuneration for employees (D)				Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Remuneration received from subsidiaries, re-invested businesses or the parent company
		The company	All companies in the financial statements	The company	All companies in the financial statements	The company	All companies in the financial statements	The Company		All companies in the financial statements		The company	All companies in the financial statements	
								Cash	Amount in stock	Cash	Amount in stock			
General manager	Da-Kuan Yang	1,267	2,536	76	76	982	1,055	37	0	37	0	2,362 accounting for 0.50%	3,704 accounting for 0.79%	1,267
Deputy general manager	Bao-Lin Zhang	1,447	1,447	87	87	889	889	37	0	37	0	2,460 accounting for 0.52%	2,460 accounting for 0.52%	1,447

(IV) Remuneration of the Top Five Highest-Paid Managers

2024

Unit: Thousand \$NT

Title	Name	Base Compensation (A)		Bonus to Supervisors (B)		Allowances (C)		Remuneration for employees (D)				Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Remuneration received from subsidiaries, re-invested businesses or the parent company
		The company	All companies in the financial statements	The company	All companies in the financial statements	The company	All companies in the financial statements	The Company		All companies in the financial statements		The company	All companies in the financial statements	
								Cash	Amount in stock	Cash	Amount in stock			
General manager	Da-Kuan Yang	1,267	2,536	76	76	982	1,055	37	0	37	0	2,362 accounting for 0.50%	3,704 accounting for 0.79%	None
Deputy general manager	Bao-Lin Zhang	1,447	1,447	87	87	889	889	37	0	37	0	2,460 accounting for 0.52%	2,460 accounting for 0.52%	
Nanshenghu Plant Manager	Lian-Huo Lin	1,442	1,442	86	86	1,214	1,214	37	0	37	0	2,779 accounting for 0.59%	2,779 accounting for 0.59%	
Senior Manager	Qing-Shou Zhang	1,351	1,351	0	0	835	835	37	0	37	0	2,223 accounting for 0.47%	2,223 accounting for 0.47%	
Manager, Finance and accounting department	Su-Chiu Tsai	967	967	60	60	468	468	37	0	37	0	1,532 accounting for 0.33%	1,532 accounting for 0.33%	

1. The name of the managerial officer in charge of the distribution of employee profits sharing and the status of the distribution

2024

Unit: Thousand \$NTD

	Title	Name	Amount in stock	Cash	Total	Total amount as a percentage of net profits after tax (%)
Managerial officer	General manager	Da-Kuan Yang	0	295	295	0.06%
	Deputy general manager	Bao-Lin Zhang				
	Senior Manager	Qing-Shou Zhang				
	Manager, Business Department	Ko-Chien Yeh				
	Acting Manager, Administration department	Shu-Yen Chou				
	Manager, Finance and accounting department	Su-Chiu Tsai				
	Manager, Audit department	Yi-Sheng Zhang				
	Nanshenghu Plant Manager	Lian-Huo Lin				

Note 1: The Board of Directors approved the 2024 employee remuneration of NT\$12,484 thousand, which was estimated based on the average number of employees.

2. Analysis of the total remuneration paid to directors, general managers, and deputy general managers in the most recent 2 years by the Company and all companies in the consolidated financial statements as a % of the net profits after tax in the parent company only or individual financial statements, and explanation of the policies, criteria, combination, the procedures for determining remuneration and the correlation to operating performances and future risks.

1. Analysis of the total remuneration paid to directors, general managers, and deputy general managers in the most recent 2 years by the Company and all companies in the consolidated financial statements as a % of the net profits after tax

Title	Total remuneration amount as a percentage of net profits after tax (%)			
	2024		2023	
	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements
Director	6.42%	7.60%	5.97%	7.03%
General manager or deputy general manager	1.03%	1.31%	0.69%	0.89%

2. Policy, Criteria, and Composition of Remuneration

The Company grants remuneration to directors, managers, and employees in accordance with the Articles of Incorporation, the Organizational Regulations of the Remuneration Committee, the Personnel Management Regulations, and the Bonus Distribution Guidelines. The remuneration policy and standards are as follows:

(1) Directors

The Company's policy for director remuneration is stipulated in the Articles of Incorporation. When the Company generates profits, it allocates remuneration to directors (excluding independent directors) in accordance with the Articles of Incorporation, subject to the resolutions of the Remuneration Committee and the Board of Directors. The results are reported annually to the shareholders' meeting. Directors' remuneration includes salary (such as pay and bonuses), compensation (distributed pursuant to Article 26 of the Articles), and business execution expenses (such as travel allowances), determined with reference to industry peers. Independent directors receive fixed monthly compensation.

(2) Managers and Employees

The Company's remuneration for managers and employees includes salaries, bonuses, retirement benefits, employee compensation, and other benefits. Salaries are determined based on job responsibilities, performance, and contributions to the Company, as well as industry standards. Bonuses are granted in accordance with the Bonus Distribution Guidelines. Retirement benefits are allocated in compliance with legal requirements. Employee compensation is allocated pursuant to Article 26 of the Articles and approved by the Remuneration Committee and the Board of Directors, and reported annually to the shareholders' meeting. Benefits are designed in line with legal requirements and employee needs.

3. Procedures for Determining Remuneration

(1) Directors

In accordance with Article 26 of the Company's Articles of Incorporation, when the Company generates profits, up to 5% shall be allocated as directors' compensation. The distribution ratio, amount, and method are resolved by the Board of Directors and reported annually to the shareholders' meeting. In the case of accumulated losses, such losses shall be offset before the allocation.

(2) Managers and Employees

In accordance with Article 26 of the Company's Articles of Incorporation, 1% to 3% of the annual profit shall be allocated as employee compensation. The distribution ratio, amount, and method are determined by the Board of Directors and reported annually to the shareholders' meeting. The basis, timing, and criteria for distribution are handled in accordance with the Personnel Management Regulations and the Bonus Distribution Guidelines.

4. Linkage Between Performance Evaluation and Remuneration

(1) Directors

The Company's Articles of Incorporation (Article 26) stipulate that up to 5% of profits shall be allocated as director compensation. Director performance is evaluated by peers or through self-evaluation in accordance with the "Board Performance Evaluation Procedures." Evaluation covers at least six aspects: 1. Understanding of company goals and missions; Awareness of director responsibilities; 2. Participation in company operations; 3. Internal relationship management and communication; 4. Professionalism and ongoing education; 5. Internal control.

The Remuneration Committee reviews and calculates the results and submits recommendations to the Board of Directors, which are then reported to the shareholders' meeting.

(2) Managers and Employees

Managers' remuneration is based on individual capabilities, contributions, performance, and the market value of the position. It is positively correlated with Company performance and is regularly reviewed by the Remuneration Committee. Employee remuneration is handled according to internal guidelines, covering pay structure, salary calculation and payment, bonus distribution, evaluation, and other incentives.

5. Correlation with Operating Performance and Future Risks

(1) Directors

In addition to compensation allocated in accordance with Article 26, directors receive fixed travel allowances, and independent directors are paid fixed monthly remuneration. The Remuneration Committee periodically evaluates director remuneration and submits recommendations to the Board to ensure a balance between sustainable corporate development and risk control.

(2) Managers and Employees

In addition to compensation allocated in accordance with Article 26, remuneration includes salary, bonuses, retirement benefits, and other benefits. Aside from legally mandated allocations, other compensation is determined by referring to industry standards and based on individual performance, contributions, and Company results. Therefore, remuneration is tied to business performance and market conditions. The structure and system of payment are subject to review and adjustment based on financial status, operational risks, and regulatory changes, without encouraging managers to take risks merely for higher pay.

The Remuneration Committee also periodically evaluates managers' remuneration and submits recommendations to the Board of Directors to ensure the balance between sustainability and risk management.

III. Operations of corporate governance

(I) The operations of the Board of Directors

1. From January 1, 2024 to April 21, 2025, a total of 6 board meetings were held (2 from the 20th term; 4 from the 21st term). The attendance of directors is as follows:

Title	Name	Attendance in person (times)	Number of attendance by proxy	Attendance Rate (%)	Note
Chairman	Zhi-Xiong Yang	6	0	100%	Re-elected Date of re-election: 2024.06.19
Director	Zhong-Xiong Yang	6	0	100%	
Director	Ren-Xiong Yang	6	0	100%	
Director	Da-Qin Yang	6	0	100%	
Juristic-person representative of director	Bo-Wei Yang	5	1	83%	
Director	Hua-Ling Lin	2	0	100%	Discharged
Director	Yin-Hsing Yang	3	1	75%	Newly elected
Independent director	Zheng-Ting Chen	1	1	50%	Discharged
Independent director	Zheng-Tong Shi	2	0	100%	Discharged
Independent director	Rui-Tai Wu	6	0	100%	Re-elected Date of re-election: 2024.06.19
Independent director	Da-Xiong Chen	4	0	100%	Newly elected
Independent director	Li-Xiong Chen	4	0	100%	Newly elected
Other matters to be recorded: I. For matters listed in Article 14-3 of the Securities and Exchange Act or other board meeting resolutions that have been opposed or reserved by independent directors with records or written statements, the date and period of the board meeting, proposal content, all independent directors' opinions and the Company's handling of their opinions should be described: (I) Matters listed in Article 14-3 of the Securities and Exchange Act: Please refer to "Important resolutions of the Board of Directors" on pages 42 to 43. (II) Except for the matters above, other board meeting resolutions for which independent directors expressed objections or reserved opinions on record or in a written statement: None. (III) The implementation of directors' recusal of proposals for being interested parties: None. II. Evaluation of the current year's and the most recent year's goals of strengthening the Board functions and implementation: 1. The Company communicated with CPAs in writing on relevant governance matters on a quarterly basis, and CPAs were invited to attend the Board meeting on March 13, 2025 in a non-voting capacity to communicate with all directors. 2. The Company has established the "Regulations for Board Performance Self-Evaluation or Peer Evaluation," and in 2023 added provisions for evaluating members of functional committees. In 2024, members of the Board of Directors and functional committees conducted self-evaluations of the operations of the Board of Directors, the Audit Committee, and the Remuneration Committee for the year 2023. The Board Secretariat then performed a comprehensive assessment, and the results were submitted to the Board of Directors on March 13, 2025.					

2. Attendance of independent directors at each board meeting in 2024

2024	1st	2nd	3rd	4th
Zheng-Ting Chen	Attended by proxy	Attended in person	Former, re-elected on 2024/06/19	
Zheng-Tong Shi	Attended in person	Attended in person		
Rui-Tai Wu	Attended in person	Attended in person	Attended in person	Attended in person
Da-Xiong Chen	Newly elected, re-elected on 2024/06/19		Attended in person	Attended in person
Li-Xiong Chen			Attended in person	Attended in person

3. Board and Functional Committees Performance Evaluation

Evaluation frequency	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once a year	From January 1, 2024 to December 31, 2024	The entire board	Internal self-evaluation by the Board of Directors	1. Participation in the Company's operations 2. Improvement to the quality of decision-making by the Board of Directors 3. Composition and structure of the Board of Directors 4. Election and continuing education of directors 5. Internal control
Once a year	From January 1, 2024 to December 31, 2024	Individual directors	Board members Self-evaluation	1. Keeping abreast of the Company's goals and mission 2. Awareness of directors' duties 3. Participation in the Company's operations 4. Internal relationship management and communication 5. Professional and continuing education of directors 6. Internal control
Once a year	From January 1, 2024 to December 31, 2024	Performance evaluation of the Audit Committee	Member's self-evaluation	1. Participation in the Company's operations 2. Awareness of the duties of the functional committee 3. Improvement in the quality of the functional committee's decision making 4. Composition and member selection of the functional committee 5. Internal control
Once a year	From January 1, 2024 to December 31, 2024	Performance evaluation of the Remuneration Committee	Member's self-evaluation	1. Participation in the Company's operations 2. Awareness of the duties of the functional committee 3. Improvement in the quality of the functional committee's decision making 4. Composition and member selection of the functional committee 5. Internal control

Note: For more details, please visit the Company's website at <https://www.hsingta.com.tw> → Investor Services → Corporate Governance → “Board and Functional Committees Performance Evaluation”.

(2). Highlights of the annual work of the Audit Committee and its operations

1. The aim of the Audit Committee is to assist the Board of Directors in overseeing the quality and integrity of the Company's implementation of accounting, auditing, financial reporting processes and financial controls. The matters reviewed in 2024 mainly include:
 - (1) Financial statement audits and accounting policies and procedures.
 - (2) The internal control system and relevant policies and procedures and the assessment of the effectiveness of the internal control system.
 - (3) Independence and performance evaluation of CPAs.
 - (4) Appointment and professional fees of CPAs.
 - (5) Appointment and dismissal of finance, accounting and internal audit officer.
 - (6) The annual financial report that was signed or sealed by the Chairman, manager, and the chief accounting officer and audited and certified by CPAs, and the quarterly financial reports (including the first, second, and third quarters) reviewed by CPAs.
 - (7) Any other material matter so determined by the company or the competent authority.

2. The operations of the Audit Committee

In 2024, the Audit Committee held 4 meetings, and the attendance of independent directors is as follows:

Title	Name	Attendance in person (times)	Number of attendance by proxy	Attendance Rate (%)	Note
Independent director	Zheng-Ting Chen	1	1	50%	Discharged
Independent director	Zheng-Tong Shi	2	0	100%	Discharged
Independent director	Rui-Tai Wu	4	0	100%	Re-elected Date of re-election: 2024.06.19
Independent director	Da-Xiong Chen	2	0	100%	Newly elected
Independent director	Li-Xiong Chen	2	0	100%	Newly elected

Other matters to be recorded:

- I. If the operation of the Audit Committee is under any of the following circumstances, the date, period, proposal content, resolution of the Audit Committee and the Company's handling of the Audit Committee's opinions should be described:

(I) Matters specified in Article 14-5 of the Securities and Exchange Act:

Date of meeting	Motion content	Resolution of the Audit Committee and the Company's handling of the Audit Committee's opinions
March 13, 2024 (11th meeting of 2nd term)	The Company's 2023 parent company only and consolidated financial statements.	Agreed to pass by all the members present, submitted to the Board of Directors and approved by all the directors present without any objection.
	2023 earnings distribution proposal.	
	Report on the distribution of the 2023 profit-sharing remuneration for employees and profit-sharing remuneration for directors.	
	Appointment, professional fees, and evaluation of the independence of the attesting CPAs of the Company for 2024.	
	"Statement on Internal Control System" for 2023.	

May 08, 2024 (12th meeting of 2nd term)	The consolidated financial statements for 1Q2024 had been prepared, with the draft review report that stated a qualified opinion issued by PwC Taiwan.	Agreed to pass by all the members present, submitted to the Board of Directors and approved by all the directors present without any objection.
August 13, 2024 (1st meeting of 3rd term)	Election of the convener of the 3rd Audit Committee.	After the Audit Committee members unanimously approved the proposal to elect Rui-Tai Wu as the convener and the meeting chairperson of the Committee,
	The consolidated financial statements for 2Q2024 had been prepared, with the draft review report that stated a qualified opinion issued by PwC Taiwan.	Agreed to pass by all the members present, submitted to the Board of Directors and approved by all the directors present without any objection.
November 12, 2024 (2nd meeting of 3rd term)	The consolidated financial statements for 3Q2024 had been prepared, with the draft review report that stated a qualified opinion issued by PwC Taiwan.	Agreed to pass by all the members present, submitted to the Board of Directors and approved by all the directors present without any objection.
	Total budget for 2025.	
	Amendments to Certain Provisions of the Company’s “Regulations Governing Internal Control Systems” and “Detailed Rules for Implementation of Internal Audits”	

(II) Other than the matters in the preceding paragraphs, resolutions not approved by the Audit Committee but approved by two-thirds or more of all directors: None.

II. With respect to the implementation of directors’ recusal of proposals for being interested parties, the names of the independent directors, the contents of the proposals, the reasons for the recusal and the circumstances of their participation in voting: None.

III. The communication status between independent directors, internal audit officer, and CPAs (material matters, methods, and results of communication on the Company’s financial and business status shall be included):

(I) The independent directors convene the meetings of the Audit Committee on a quarterly basis, and the internal audit officer attends the meetings to report on the execution of audit works and reports on significant internal control and internal audit matters, and completes the execution, reporting and tracking of matters instructed by each of the independent directors.

(II) The attesting CPAs appointed by the Company communicate with each independent director on matters required by other relevant laws and regulations at the quarterly audit committee meetings, and attend the meetings of the Audit Committee in the first quarter of each year to communicate on matters related to the audit and attestation of financial statements.

Meeting date	Communication with internal audit officer	Communication with CPA
March 13, 2024 11th meeting of 2nd term	Report on the execution of 2024 audit works.	Report on the audit results of the 2023 financial statements.
May 08, 2024 12th meeting of 2nd term	Report on the execution of 2024 audit works.	
August 13, 2024 1st meeting of 3rd term	Report on the execution of 2024 audit works.	
November 12, 2024 2nd meeting of 3rd term	Report on the execution of 2024 audit works.	

* The independent directors of the Company’s Audit Committee have no objections or reservations to the Audit Committee’s decisions.

(III) The Company's implementation of corporate governance and the differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.

Evaluation items	Implementation Status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary	
I. Has the Company formulated and disclosed its corporate governance practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"?	✓		The Company has formulated a set of "Corporate Governance Practice Principles" and disclosed it on the Company website and the Market Observation Post System (MOPS).	None
II. The Company's equity structure and shareholder equity				
(I) Has the Company established internal operating procedures to handle shareholder recommendations, doubts, disputes and litigations, and implemented them in accordance with the procedures?	✓		(I) The Company has a spokesperson, an acting spokesperson and stock affairs personnel and cooperates with the stock affairs agency to handle shareholder proposals or disputes, and has contact information on the website at http://www.hsingta.com.tw . All of the above are implemented in accordance with the internal systems.	None
(II) Does the Company have a list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders?	✓		(II) The Company keeps track of the stake of major shareholders and file reports in accordance with regulations.	None
(III) Has the Company established and implemented risk control and firewall mechanisms between affiliated companies?	✓		(III) Set up relevant internal control systems in accordance with laws and regulations, has established the "Measures for Governance of Subsidiaries" and other regulations, and regularly holds supervisory meetings to control operation risks by using the "Analysis and Evaluation Form for Finance and Business of Subsidiary"	None
(IV) Has the Company formulated internal regulations to prevent insiders from trading securities using undisclosed information on the market?	✓		(IV) (The Company has established "Operating Procedures for Handling Material Inside Information and Preventing Insider Trading", which are published on the Company's website. On 2024.01.17, 2024.04.18, 2024.07.22, 2024.10.21, 2024.10.24, the Company provided promotional educations on the "Possible Violations of Law Caused by Insider Equity Transfer", "Operating Procedures for Handling Material Inside Information and Preventing Insider Trading" and relevant laws and regulations. A total of 293 people were trained.	None
III. Composition and responsibilities of the Board of Directors				
(I) Has the Board of Directors formulated a Board diversity policy and specific management objectives and implemented them accordingly?	✓		(I) The Company has established a diversity policy on membership in Chapter 3 "Enhancing the functions of the Board of Directors" of the "Corporate Governance Practice Principles". See page 15 of the annual report.	None
(II) In addition to the Remuneration Committee and the Audit Committee established in accordance with law, has the Company voluntarily set up other functional committees?		✓	(II) In addition to the Remuneration Committee and the Audit Committee established in accordance with law, has the Company will set up other functional committees.	None
(III) Has the Company formulated board performance evaluation regulations and evaluation methods, conducted performance evaluations annually and regularly, reported the results of performance evaluations to the board of directors, and adopted such results as a reference for deciding the remuneration of and nominating candidates for individual directors?	✓		(III) The Company's "Measures for the Self-Evaluation or Peer Evaluation of the Board of Directors" were passed on March 31, 2020. According to the Measures, the 2024 self-evaluation by the Board and the performance evaluation of functional committees were completed on December 31, 2024, and the reporting was completed in March 2025. The results of the performance evaluation were submitted to the Board of Directors on March 13, 2025, and the Remuneration Committee for reference.	None
(IV) Does the Company regularly evaluate the independence of CPAs?	✓		(IV) We regularly assess the independence of CPAs per year and require them to provide a "statement of independence". Since 2023, the Audit Committee and the Board of Directors have further assessed and confirmed the independence and suitability of the CPAs and their accounting firm appointed with reference to the 13 indicators of the five aspects of the Audit Quality Indicators (AQIs) (please refer to pages 44-45	None

Evaluation items	Implementation Status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary	
			of this annual report). On March 13, 2025, the Audit Committee and the Board passed the review of the independence of the CPAs. The main points of the evaluation are as follows: - Whether there is any direct or material indirect financial interest between the Group and PwC. - Whether the Group has significant close business relationships with PwC. - Whether the Group has an employment relationship with PwC. - Whether the Group and PwC agreed on contingent professional fees related to audit cases. - Whether anyone from PwC currently or within the most recent two years has served as a director, supervisor, managerial officer or position that has a significant influence on audit cases. - Whether PwC represents the Group in defense of legal cases or other disputes with third parties. - Whether the members of the PwC audit team are related to the directors, supervisors, managerial officers or persons who have significant influence on the audit cases of the Group. - Whether the Group has obtained the statement on independence issued by PwC.	
IV. Does the Company as a listed enterprise have suitable and appropriate number of corporate governance personnel and appoint a corporate governance officer to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors and supervisors to perform their business, assisting directors and supervisors to comply with laws and regulations, conducting board meeting and shareholder meeting related matters in accordance with law, handling company registration and alteration registration, and preparing minutes of board meetings and shareholder meetings, etc.)?	✓		The President concurrently serves as the corporate governance officer, and the personnel of Finance and Accounting Department concurrently serve as corporate governance personnel, who are responsible for providing the information required by the directors to perform their duties, handling matters related to the Board meetings and shareholders' meetings, handling stock affairs, preparing annual reports, minutes of shareholders' meetings, minutes of board meetings, and handling other corporate governance matters, and discussing important matters related to governance. As for important matters related to governance: it is responsible for establishing an effective corporate governance structure, protecting shareholders' rights and interests, strengthening the Board functions, making good use of the supervisory functions, respecting stakeholders' rights and interests, and improving information transparency.	None
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.) and a special section for stakeholders on the Company's website, and responded appropriately to important corporate social responsibility issues that are of concern to stakeholders?	✓		For stakeholder inquiries, recommendations, complaints, and whistleblowing, please contact us directly by phone or by online consultation based on the contact information disclosed on the Company's website: http://www.hsingta.com.tw .	None
VI. Has the Company appointed a professional stock affairs agency to handle matters for shareholder meetings?	✓		The Company appoints the Agency Department of CTBC Bank Co., Ltd. to handle the stock affairs.	None
VII. Information Disclosure				
(I) Has the Company set up a website to disclose finance and business matters and corporate governance information?	✓		(I) Finance and business matters as well as information on corporate governance are disclosed on the Market Observatory Post System (MOPS) and the website http://www.hsingta.com.tw in real time.	None
(II) Has the Company adopted other means of information disclosure (such as setting up an English website, appointing dedicated personnel responsible for the collection and disclosure of Company information, implementing a spokesperson	✓		(II) The Company has a spokesperson and an acting spokesperson mechanism and appoints personnel to be responsible for collecting and disclosing information. We have set up an official website to publish material information in real time in addition to disclosing it on the MOPS and announce information on the Company's events and activities. There is a "Stakeholders area" on the official website (http://www.hsingta.com.tw/Aboutusdetail.asp?lv=-1&id=14),	None

Evaluation items	Implementation Status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary	
system, posting the Company's earnings calls on its website, etc.)? (III) Does the Company publicly announce and file annual financial statements within two months after the end of the fiscal year, and the financial statements for the first, second and third quarters and the monthly operating status before the prescribed deadline?		✓	to allow stakeholders to communicate with the Company smoothly. The information on the annual investor conference held per year has been disclosed in the "Investor Services" area of the Company's website (http://www.hsingta.com.tw/Download.asp?lv=0&id=90). In the future, an English website will be set up as appropriate. (III) The Company shall announce and file its annual financial statements within three months after the end of each fiscal year, announce and file its first, second and third quarterly financial statements within 45 days after the end of each quarter, and announce and file its monthly operating status by the 10th of each month.	Filings are made within the time specified by law
VIII. Does the Company have other important information that is helpful to understand its implementation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, continuing education of directors and supervisors, Implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company's purchase of liability insurance for directors and supervisors, etc.)?	✓		(I) The Group has HR-related management measures in accordance with law, makes contributions for labor pensions, protects employee rights and interests, and regularly renews collective bargaining agreements with enterprise unions. (II) The Company's labor insurance and various welfare measures such as group injury insurance, regular health checkups, travel allowances, educational subsidies, and consolation payments for employees, as well as provisions of employee welfare funds are in place to take care of employees and their families. (III) In addition to announcing material information in accordance with law, the Company discloses financial, business and corporate governance information on the Company's website, and has dedicated personnel to provide investor inquiry services. (IV) The Group has always attached importance to relationship with suppliers. In addition to building a foundation for mutual trust and benefit, the Group has also established a supplier evaluation system and requested commitments from suppliers to enhance the quality of procurement and transparency of transactions. Supplier management and policies can be found on the Company's website at: http://www.hsingta.com.tw/SupportDetail.asp?lv=-1&id=14 (V) The Company adopts the principle of sustainable operations to pursue its goals, and fully discloses information on the Company's website and the Market Observation Post System to protect the rights of all stakeholders. (VI) The directors of the Group always pay attention to compliance with relevant laws and regulations. (VII) The internal control systems of the Group has required it to conduct risk management and evaluation for various operations according to laws and regulations and materiality, and to carry out self-evaluation and audit to effectively control various risks. (VIII) The Group has established service management measures to handle customer complaints, conduct regular customer satisfaction surveys, set up whistleblowing websites, and review customer service conditions at business meetings. (IX) We purchase liability insurance for all directors per year for a period of one year with an insurance amount of NT\$90,000,000.	None

Evaluation items	Implementation Status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary	
IX. Please describe the improvements that have been made in response to the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange in the most recent year, and propose priorities and measures for those not yet improved:				
(I)	The Company's Measures for the "Self-Evaluation or Peer Evaluation of the Board of Directors" were passed on March 31, 2020, and Board members perform individual self-evaluation per year, and the operations of the Board were then comprehensively evaluated by the unit in charge of Board meetings, and the performance evaluation results were disclosed on the MOPS. The measures were amended on March 14, 2023 with the relevant regulations on "functional committee" performance evaluation added. The 2024 performance evaluation of the Audit Committee and the Remuneration Committee were completed in 2025, and the evaluation results were reported by the Board of Directors on March 13, 2025.			
(II)	On August 10, 2023, the Board of Directors approved the Company's "Risk Management Policies and Procedures", which regulate the disclosure of the scope, organizational structure, and operations of risk management, which are available on the Company's official website http://www.hsingta.com.tw/Download.asp?lv=1&id=191 .			
(III)	The Company's 2023 Sustainability Report discloses relevant ESG information in accordance with the GRI Standards, SASB Standards, and the TCFD recommendations issued by the Global Reporting Institute (GRI), and is published on the Company's official website. The 2024 Sustainability Report will be published by August 31, 2025. http://www.hsingta.com.tw/SupportDetail.asp?lv=-1&id=7			
(IV)	The Company has completed the carbon footprint of ISO 14067 and obtained the third-party BSI verification certificate in February 2025, and applied for the carbon label of the main products from the Environmental Department in April 2025.			

(IV) Composition, duties and operation of the Remuneration Committee

1. Composition of the Remuneration Committee: 3 members in total.

Information on the members of the Remuneration Committee

April 21, 2025

Position	Criteria Name	Professional qualifications and experience	Independence status	Number of other public companies in which the individual is concurrently serving as a remuneration committee member
Convener of independent directors	Rui-Tai Wu	See the Table on page 8	See the Table on page 8	None
Independent director	Da-Xiong Chen	See the Table on page 8	See the Table on page 8	1
Others	Shuowen Zhang	Has more than five years of work experience and specializes in management. Experience: Master of Science in Technology Management, Christian University of Colorado, USA. Member of the 6th and 7th Legislative Yuan General Manager, TAIWAN FARMER UNITED LOGISTICS CORP.	(Note 1) None of the situations indicated. Meet the independence criteria.	None

Note 1: Including but not limited to whether I, my spouse, or relatives within the second degree of kinship serve as directors, supervisors, or employees at the Company or its affiliates; whether I, my spouse, or relatives within the second degree of kinship (or by nominee arrangement) hold the Company's shares (number and percentage); whether I, my spouse, or relatives within the second degree of kinship serve as a director, supervisor, or employee at a company with specific relations with the Company (see provisions of Article 6, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); the amount of remuneration I received for providing business, legal, financial, accounting, or other services to the company or its affiliates in the last two years.

2. Responsibilities of the Remuneration Committee:

- A. Establish and regularly review the policies, systems, standards and structures for performance evaluation and remuneration for directors and managerial officers.
- B. Regularly evaluate and determine the remuneration for directors, and managerial officers.

3. Information on the operations of the Remuneration Committee: There are three members in the Remuneration Committee; the term the current term of members: From August 13, 2024 to June 18, 2027. The Remuneration Committee held two meetings in the most recent year (A). The members' qualifications and attendance are as follows:

Title	Name	Number of attendance in person (B)	Number of attendance by proxy	Actual attendance (%) (B/A) (Note)	Note
Convener	Rui-Tai Wu	2	0	100%	Re-elected on 2024.08.13
Member	Da-Xiong Chen	1	0	100%	Newly appointed on 2024.08.13
Member	Shuowen Zhang	2	0	100%	Re-elected on 2024.08.13
Member	Zheng-Ting Chen	1	0	100%	Discharged

Other matters to be recorded:	
I.	If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it should state the date, period, proposal content, resolution of the board, and its handling of the committee's opinions (if the remuneration approved by the board is better than the recommendation proposed by the committee, the difference and reasons should be stated): None.
II.	For the proposals by the Remuneration Committee. If any members have objections or reservations with records or written statements, the date, period, proposal content, the opinions of all members, its handling of the members' opinions should be stated: None.
III.	Remuneration Committee meetings:
1.	At the 6th meeting of the 5th Remuneration Committee on January 30, 2024, the proposals regarding employee remuneration, director remuneration, and the year-end bonuses for the Chairman and managers for the year 2023 were all approved by all attending committee members without objection and were subsequently reported to and approved by the Board of Directors.
2.	At the 1st meeting of the 6th Remuneration Committee on October 16, 2024, the proposals regarding the independent directors' remuneration and travel allowances, the salary and compensation of the Chairman and managers, and the employee profit-sharing bonus were all approved by all attending committee members without objection and were subsequently reported to and approved by the Board of Directors.
IV.	Resignation, new appointment, and re-election of the Remuneration Committee:
1.	The term of office of the 5th Remuneration Committee was terminated on 2024.06.19 in line with the re-election of the Board of Directors.
2.	The Board of Directors appointed the 6th Remuneration Committee members on 2024.08.13.

Note 1 If a member of the Remuneration Committee leaves before the end of the year, the date left should be indicated in the Note column. The attendance in person (%) is calculated based on the number of the Remuneration Committee meetings and the individual's attendance during his or her employment.

Note 2: If the Remuneration Committee is re-elected before the end of the year, the new or existing member of the Committee should be listed and the date of re-election should be indicated in the Remarks column. The attendance in person (%) is calculated based on the number of the Remuneration Committee meetings and the individual's attendance during his or her employment.

(V) Status of promotion of sustainable development and deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof

Evaluation items	Implementation			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
I. Has the Company established exclusively (or concurrently) dedicated units to promote sustainable development, and has the Board of Directors placed personnel at the senior management in charge of the promotion and monitored the promotion?	✓		1. The structure of the Company's sustainable development governance: We originally had a CRS office in place, which was transformed into a "Sustainable Development Committee" in September 2022, which is chaired by the General Manager, along with the members served by senior management of different departments. They jointly inspect the Company's situation and set out medium- and long-term sustainable development plans, while regularly reporting the implementation and results to the Board. 2. Implementation by each organization: (1) The Sustainable Development Committee is divided into the "environmental sustainability task force", "social shared prosperity task force", and "stewardship task force". The members of each task force are from different departments and units. Different issues will be improved after they are reported by relevant units. Among them, the "environmental sustainability task force" (this task force was then transformed into an independent greenhouse gas inventory committee) is responsible for energy saving, carbon reduction, greenhouse gas emissions, air pollution, water pollution, waste, and environmental management; the "social shared prosperity task force" is responsible for customer service, labor-management relations, supply chain social responsibility, and social charity; the "stewardship task force" is responsible for operational risk management, internal audit, financial performance, information security, compliance, ethical management, and board governance practices. Please visit the Company's official website for the organizational chart and more details:http://www.hsingta.com.tw/SupportDetail.asp?lv=-1&id=7 (2) In 2023, the Company established the Sustainability Committee for the first time. A total of 30 committee members participated in sustainability-related education and training. Internal training sessions were held on November 5 and December 10, 2024, while external consultants were	None

Evaluation items	Implementation			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			invited to deliver lectures on February 16, February 21, March 28, June 27, September 19, November 6, November 27, November 29, December 4, and December 5, 2024. In total, 10 sustainability-related training sessions were conducted, amounting to 25 cumulative hours of training. (3) Since its establishment, the Committee has been reporting to the Board of Directors at least once per year on the implementation of sustainability initiatives. In 2024, progress reports were presented to the Board during the quarterly meetings held on March 13, May 8, August 13, and November 12. 3. The Company will adjust relevant strategies, goals, and review measures on a rolling basis depending on laws and regulations or the governance situation.	
II. Does the Company conduct risk evaluations on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		The evaluation boundaries are within the Company (including the Taipei headquarters and the Nanshenghu Plant in Yilan). We review the risks faced and perform risk assessment, classifying different environmental and social risks by probability, materiality, acceptability, and response. The Company has established various regulations and measures, which are enforced and controlled by each executive unit in accordance with law, and internal audit is responsible for review and feedback. The Company responds to different levels of risk by adopting different combinations of risk aversion, risk acceptance, risk transfer, risk reduction, and risk utilization for The ESG Committee conducts analysis in accordance with the materiality principle of the ESG report, communicates with internal and external stakeholders, and evaluates the impact of various issues through our 6 senior management and 3 independent directors of the Company on the Company's short-, medium-, and long-term financial and non-financial business. It also reviews the practices of domestic and international leading companies and relevant literature to evaluate material ESG issues, formulates assessment, supervision, and management policies for such issues, and adopts specific action plans to reduce the impact of such risks. Please refer to the Company's ESG Report for the relevant risk management policies: http://www.hsingta.com.tw/SupportDetail.asp?lv=-1&id=7.	None
III. Environmental Issues				
(I) Has the Company set up an appropriate environmental management system based on the characteristics of its industry?	✓		(I) The Company has complied with the applicable laws and regulations on environmental protection and carries out inspections, keeps records, and files reports based on the characteristics of the cement industry. We are committed to improving pollution prevention equipment. The main flue is equipped with a CEMS continuous monitoring system to control pollution emissions in real time in compliance with the air pollutant emission standards and regulations under environmental laws. We have established an environmental management system for effluent discharge management, air pollution prevention, waste management, environmental protection education and training, and environmental management organization and responsibility. As for greenhouse gases, we conduct annual greenhouse gas inventory and adopt third-party verification service in accordance with the ISO14064-1 standard and the "Guidelines for Greenhouse Gas Emission Inventory of the Environmental Protection Administration" (EPA) and input the verification results on the "EPA's National Greenhouse Gas Input Platform" and disclose it in the annual report.	None
(II) Is the Company committed to improving the energy use efficiency and using recycled materials with a low impact on the environment?	✓		(II) Energy Management The Company is committed to enhancing energy efficiency. In accordance with the Energy Management Act, energy management personnel have been appointed and an audit mechanism has been established to regularly review energy	None

Evaluation items	Implementation			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			usage. Through equipment upgrades and process optimization, energy performance has been improved. In 2024, the replacement of dust collection equipment was completed, with estimated annual savings of approximately 700,000 kWh per unit starting from 2025. Additionally, by participating in Taipower's demand response programs and reserve capacity support mechanisms, the Company saved about 226,000 kWh of electricity in 2024. Self-consumption of solar energy generated around 700,000 kWh, further reducing dependence on the grid. To increase the share of green electricity, the Company procured a total of 160,000 kWh of renewable energy during 2024–2025, of which 79,000 kWh was declared in 2024, with an additional 81,000 kWh expected to be declared in 2025. Including both purchased green power and self-generated electricity, total renewable energy usage reached approximately 779,000 kWh in 2024. From 2015 to 2024, the Company has achieved an average annual energy-saving rate of over 1%. Going forward, efforts will continue to expand energy-saving and green energy applications to further reduce environmental impact. Recycled materials The Company is fully committed to promoting environmental protection, circular economy and resource recycling. The Company makes great efforts towards reducing the use of raw ore, coal and electricity as well as zero waste water discharge from the processes; in terms of reuse of business waste, the Company has made the reuse of resources in the circular economy a key development plan. For example: Using desulfurized gypsum and coal fly ash produced by power plants, slag and iron slag produced by steel plants, silica sand and clay from waste earthwork as alternative raw materials for processes; helping photovoltaic power and semiconductor industries treat calcium fluoride sludge and water washed stabilized ash from incineration plants and incinerate recycled pellets. The Company is committed to reducing the discharge of pollutants from processes and improving the efficiency of resource use actively to maximize the recycling and reuse of resources.	None
(III) Does the Company evaluate the potential risks and opportunities of climate change to the Company now and in the future, and take corresponding measures to respond to relevant issues?	✓		(III) To cope with potential risks that may be caused by climate change, the Company had completed the first climate risk assessment in 2022 in accordance with the TCFD recommendations, focusing on five major risks, and has formulated relevant implementation measures in advance to reduce or avoid potential risks. Also, the Company actively participates in the government's technical guidance sessions on voluntary greenhouse gas reduction, proactively improves processes, invests in equipment to improve processes, reduces energy consumption, and recycles and reuses renewable resources, to respond to energy conservation and carbon emissions issues and regulations due to climate change. Countermeasures: Improve processes, reduce energy consumption, and use renewable resources, which can cut costs, improve corporate image, and fulfill corporate social responsibility. The detailed assessment of climate change risk and analysis has been disclosed in the Company's Sustainability Report.	None
(IV) Does the Company make statistics on greenhouse gas emissions, water consumption and total weight of waste for the past two years, and formulate policies for greenhouse gas reduction, water consumption reduction, or other waste management?	✓		(IV) The Company's Nanshenghu Plant has conducted annual greenhouse gas emissions examinations since 2013, and had expanded the scope of the inventories to include the mining sites and the Taipei Head Office in 2022, and has been certified by the external third party, AFNOR, and its annual greenhouse gas emissions have been registered on the "National Greenhouse Gas Registration Platform of the Environmental Protection Bureau, Executive Yuan". In line with the government's energy-saving and carbon-reduction program, the Company has continued to implement the nationwide policy of reducing average annual electricity consumption by 1% since	

Evaluation items	Implementation			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			2020. Regarding water usage, in addition to biannual reporting to the Water Pollution Control Information Management System of the Environmental Protection Administration, Executive Yuan, the Nanshenghu Plant has achieved zero discharge by recycling all process water for reuse. As for industrial waste, the total amount is reported monthly to the Business Waste Declaration and Management Information System of the Environmental Protection Administration, and is properly treated and reused on-site through the rotary kiln system. The Nanshenghu Plant continues to pay attention to and invest in improvements for various environmental protection issues, such as air pollution control and prevention, water pollution control and prevention, energy saving and carbon reduction, and greenhouse effect and hopes to co-exist and co-prosper with the local environment and share the win-win-win result among our plant, the local environmental policy and the ecological environment in Yilan. (1) Greenhouse Gas Emissions: In 2023, the Nanshenghu Plant's Scope 1 (direct) GHG emissions amounted to 551,764.8090 tCO₂e, Scope 2 (indirect from energy) emissions were 40,857.1068 tCO₂e, resulting in a combined total of 592,621.916 tCO₂e. For detailed data in 2024, please refer to the table on page 34 of this annual report. Over the past three years, the data has been verified and certified by independent third-party organizations such as SGS Taiwan and AFNOR. (2) Water Consumption: The Nanshenghu Plant's groundwater usage was 251,619 cubic meters in 2022, 303,941 cubic meters in 2023, and 355,931 cubic meters in 2024. The process water at the Nanshenghu Plant is primarily used to replenish the loss of non-contact cooling water through evaporation during production operations. The Company has completed the full-scale process water recycling system, enabling zero discharge of process water. In December 2016, the Company obtained a Wastewater (Sewage) Storage Permit issued by the Environmental Protection Bureau of the Yilan County Government, providing a legal foundation for the recycling and reuse of wastewater and the zero-discharge policy at the plant. Management strategies for process water at Nanshenghu Plant: I. Strengthen the recycling and reuse of cooling water in the manufacturing process (Strengthening of Recycling and Reuse) and the recycling and reuse of cooling water, and establish a sealed cooling water circulation system to reduce the emission and replenishment of cooling water. II. Enhance management inspection (Strengthen Management and Inspection) regularly inspect water-consuming equipment and pipelines: Check if there is any leakage and regularly maintain the pumps, valve doors and pipelines to prevent the occurrence of failure. The ultimate goal is to effectively reduce water consumption in the manufacturing process through the management strategy of water consumption in the manufacturing process, and to achieve the goal of recycling and reuse of water consumption in the manufacturing process and reducing the consumption of water resources, in order to achieve the goal of recycling and reuse of water consumption in the manufacturing process by more than 95% of the entire factory. (3) Waste: Waste disposal volume in 2023 was 118.675 tons, in 2022 was 104.405 tons, and in 2024 was 0 tons for hazardous waste and 104.405 tons for non-hazardous waste, totaling 104.405 tons. The waste entrusted to be processed by the Company in the past was derived waste such as equipment maintenance and transportation packing materials, not from the manufacturing process,	

Evaluation items	Implementation			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			and no hazardous industrial waste was produced. The Company's waste management policy is to reduce waste generation at the source by reducing (Reduce), recycling (Recycle), reuse (Reuse) and re-use (Reuse/Remanufacture) through the manufacturing process. Waste is also converted into useful resources. Compared to the commissioned treatment volume of waste output in 2024, which is more than 10% less than that in 2023, the Company will continue to promote effective waste management practices such as process reduction, recycling, reuse and re-use, and work towards the goal of a sustainable environment.	
IV. Social Issues	✓		(I) The Company has formulated various measures on personnel management in accordance with relevant labor laws and regulations as well as internationally recognized basic labor human rights principles, and has set up an employee welfare committee and corporate labor unions to ensure the legitimate rights and interests of employees and non-discriminatory employment. Refer to the website for the Company's human rights policy and whistleblowing channels for violations of the policy: http://www.hsingta.com.tw/SupportDetail.asp?lv=-1&id=16 . Implementation status: See the "labor-management relations" in this annual report.	None
(I) Does the Company formulate relevant management policies and procedures in accordance with relevant laws and regulations and the International Bill of Human Rights?	✓		(II) Employee remuneration Reasonable remuneration, vacation and various employee welfare measures have been implemented in accordance with relevant labor laws and regulations (see "Labor Relations" in this annual report for more details), and various cash awards are regularly assessed and paid for childbirth and three festivals. In addition, according to the Company's Article of Incorporation, "1% to 3% of the annual profits shall be set aside as employee bonus. There was no change in the average employee remuneration in 2023 and 2024." Employee welfares The company has set up an Employee Welfare Committee to provide employees with quality welfares, such as: employee travel subsidies, birthday gift coupons, wedding subsidies, funeral subsidies, and other benefits. Diversity and equality in the workplace To realize equal pay for equal work and equal promotion opportunities for men and women, the average percentage of female employees in 2024 was 8.28%, and the average percentage of female leaders was 9.09%.	None
(II) Has the Company established and implemented reasonable employee welfare measures (including remuneration, leave, and other benefits) and appropriately reflected the business performance or results in the employee remuneration policy?	✓		(III) The Company's Nanshenghu Plant has established and implemented an effective and preventive safety and health management system in accordance with the ISO 45001:2018 and the CNS 45001:2018 safety and health management systems and provided relevant education and training and regular "on-site health services" with contracted medical personnel. The occupational safety committee has been established and its composition include more than one-third of labor representatives in addition to professionals. The committee meets at least once a quarter to make recommendations on safety and health policies, and to review, coordinate and suggest safety and health related matters. There is a safety and health management office responsible for the awareness and maintenance of workplace safety, and regular training and employee health checkups are implemented to reduce hazards to employee safety and health, prevent occupational hazards, and improve employee working environment. There were no occupational disasters in 2024.	None
(III) Does the Company provide employees with a safe and healthy working environment, and related education?	✓		(IV) The Company's Administration Department and Factory Affairs Department have set up their respective human resources unit, which focuses on offering of professional training and acquisition of technical certification, and gradually establishes	None
(IV) Has the Company established an effective career development training program for employees?	✓			

Evaluation items	Implementation			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(V) Does the Company comply with applicable laws and international standards regarding issues, such as customer health and safety, customer privacy, as well as marketing and labelling of products and services? Has it formulated relevant policies and complaint procedures to protect consumers' or customers' rights and interest?	✓		career development training programs for employees in various professions. (V) The Company's plant has obtained ISO 9001 certification, with cement products meeting the CNS Marking requirements, and has "Service Management Measures", "Personal Data Protection Management Measures" and other specifications for compliance, and has set up a complaint channel on the website; in addition, the departments and personnel in charge of business are the front line of action to collect information and resolve and report relevant problems. The Company's products, services and labeling are in accordance with government regulations and international standards.	None
(VI) Has the Company formulated supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and monitor their implementation?	✓		(VI) Before the Company deals with major suppliers, they will need to undergo reviews and evaluations and will be expected to live up to the International Bill of Human Rights, fulfill corporate social responsibility, develop a sustainable environment, enhance resource efficiency, and treat each other with integrity and equality. See more information on the website: http://www.hsingta.com.tw/SupportDetail.asp?lv=-1&id=14 Suppliers still need to undergo continuous evaluations after being qualified by the initial reviews and evaluations. If any supplier is involved in illegal acts, violations of social norms, or breaches of quality commitments, the Company may terminate its qualifications at any time. Supplier management and policies can be found on the website of HSING TA.	None
V. Has the Company referred to international reporting standards or guidelines in its preparation of ESG reports and other reports which disclose the Company's non-financial information? Has the confirmation or assurance opinion from third-party certifying institutions been obtained for the reports of the preceding paragraph?		✓	The Company had published the first Sustainability Report in 2022 with reference to international sustainable development trends, ESG regulations (GRI Standards and SASB), industry characteristics, and practices of model companies, and it is planned to publish the 2024 Sustainability Report before the end of August. http://www.hsingta.com.tw/SupportDetail.asp?lv=-1&id=7 .	In the future, we will appoint a third party to provide assurance for the report in accordance with laws and regulations.
VI. If the Company has formulated its own Sustainable Development Best Practice Principles in accordance with the Sustainable Development "Best Practice Principles for TWSE/TPEX Listed Companies", please describe the difference between its operation and the established Principles: We will formulate the Sustainable Development Best Practice Principles depending on the situation.				
VII. Other important information helpful to understand the implementation status of the sustainable development: (I) The Group's Nanshenghu Plant: 1. In addition to actively assisting Su'ao Cold Spring Cultural Festival, hiking, road running and other cultural and charitable activities organized by the Su'ao Township Office, Yilan County, the Company's Nanshenghu Plant provided NT\$900,000 in scholarships to benefit university, junior and senior high school students in the county in 2024. 2. The Company fulfills its corporate social responsibility by providing NT\$2.3 million to the Taiya Tribe in Naoxiao Village, Yilan County, in support of education, social care and cultural development. The three categories include: Education and support: The Company provides scholarships (from primary school to college students) of about NT\$700,000, and sponsors the primary school children and parents of NT\$250,000 for the co-study program. Care for the tribe: The Company has provided NT\$400,000 in holiday gifts to compensate for weddings, funerals, and emergency relief, and to fulfill the needs of the local community. Cultural development: Invested NT\$300,000 in traditional tribal festivals, sponsored sports and cultural events for NT\$250,000, and promoted cultural inheritance and community cohesion. In addition, the Company has also prepared budgets to support community services, employment opportunities and interaction, and implement the co-prosperity development of the Company and the local community. 3. The Group's Nanshenghu Plant constantly sponsors festive events in the neighboring communities and temples; gives gifts to residents near the plant during Chinese New Year to fulfill the responsibility of being a good neighbor; and in response to the activities of the Environmental Protection Bureau activities, adopts the front section of the Taiwan no. 9 highway and the Mingde Industrial Road leading to the Wulaiheng Scenic Area, and regularly send staff to sweep and cut the weeds along the road.				

Evaluation items	Implementation			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
4. Residents in the vicinity of the Group's Nanshenghu Plant feared that the original drainage ditch could not cope with heavy rainfalls and therefore, the Company provided 350 Pings of land behind the plant for free and cooperated with the Soil and Water Conservation Bureau and other units to widen, improve and afforest the river course. 5. Sheng'an Temple was built on the land where the Nanshenhu Plant of the Group is located with a long history. It is the central religious belief of the local residents. The Company donated 252 pings of land to the Temple to make its property rights complete. 6. The Group financed the cleaning of the drainage ditch around the plant to ensure that the surrounding farmland would not be affected when heavy rain came. For further details, please refer to the Chapter on "Social Shared Prosperity" in the Company's Sustainability Report.				
(II) The Group's Jiangsu Xinning Plant: In August 2024, the Jiangsu Xinning Construction Cement Gravel Line 2 online monitoring system and the coal dust line online monitoring system were installed. The Company has connected to the Nanjing City pollution source monitoring platform, and built corresponding monitoring stations and video monitoring. The trial operation is normal, and the self-inspection work is expected to complete in January 2025. The ultra-low emission of cement is being carried out as planned. The construction of the sealing of the outer walls of the clay storage, the construction of the damper and the pumping system, the construction of the environmental control platform and monitoring micro stations, and the cleaning transportation projects have been initiated in 2025.				
1. Air pollution improvement				
In terms of environmental protection, the local standard of the cement industry in Jiangsu Province, "Cement Industry Gaseous Pollutant Emission Standards" has been implemented on July 1, 2022. The pollution emission concentration limit values are: Nitrogen oxides less than 50mg/m³, sulfur dioxide less than 35mg/m³, particulate matter less than 10mg/m³, and ammonia less than 8mg/m³. Online monitoring of kilns and tail lines show that the concentration of pollutants is lower than the minimum and maximum emission limit of Jiangsu Province. The control requirements of the Ecological Bureau of Nanjing City are more stringent than the local standards of Jiangsu Province. Since 2019, the requirements for pollution control have been gradually increased. In 2024, the Namchow Group has implemented the "Nanjing City Key Enterprise Air Pollution Control List" standard, which is Nitrogen Oxide less than 50mg/m³, Sulfate less than 5mg/m³, and Particulate matter less than 5mg/m³. The air control should respond to the Nitrogen Oxide less than 40mg/m³ at the time. The construction of the new waste water treatment project for the desulphurization of tail gas and water started in early 2023. The project was completed at the end of March and began to be put into operation. The effectiveness of the desulphurization of tail gas and water was obvious. At the beginning of 2024, the new waste water treatment project for the desulphurization of tail gas and water was updated, maintained and modified. This further improved the reliability of the operation of the desulphurization of tail gas and water facilities. The NO_x emissions in 2024 were 106.778 tons, with an average emission concentration of 42.39mg/m³; the SO_x emissions were 10.8106 tons, with an average emission concentration of 4.30mg/m³; the PM emissions were 8.8135 tons, with an average emission concentration of 3.50mg/m³; the PM emissions were 6.0523 tons, with an average emission concentration of 5.67mg/m³; the total annual NO_x emissions in 2024 were 3.5845kg/t of clinkers. (997,449 tons of clinkers and 3,574.38 tons of ammonia water in 2024)				
2. Greenhouse gas inventory				
In respect of carbon emission, as the cement industry will soon be included in the national carbon emissions trading market, the platform for reporting greenhouse gas has been changed from the original website of the Ministry of Ecology and Environment of the PRC for emission permits to the National Carbon Emissions Trading Market Website - National Carbon Emissions Trading Market Management Platform. The 2023 greenhouse gas report was completed in November 2024. In August, the Company was entrusted by the Jiangsu Provincial Ecological Environment Office to conduct on-site audit of the carbon inspection unit of the vendors and passed the audit successfully. In 2023, the carbon dioxide emissions reported in accordance with the clinker production line accounting report template totaled 1,168,057.18 tons, the greenhouse gas emissions within the corporate boundaries calculated in accordance with the guidelines totaled 1,319,199.18 tCO₂e, and the greenhouse gas emission intensity was 0.7838 CO₂ tons of CO₂/ton of clinker. The 2024 Greenhouse Gas Emission Report and Monitoring Plan were calculated and formulated in accordance with the latest "Double Guide" published by China, and were reported on the platform before March 31, 2025. The Company completed the 2024 certification for low-carbon cement products. In accordance with the requirements of the Nanjing Municipal Government, the Company also prepared and submitted Hsin Ning's "Carbon Peak and Carbon Neutrality Action Plan" this year.				
3. Energy management				
The Mainland China "Norm of Energy Consumption per Unit Product of Cement" (GB16780-2021) was implemented in November 2022. In 2024, the Company's comprehensive coal consumption per unit of clinker, energy consumption index, energy consumption per unit of cement product, and electricity consumption at the cement preparation stage all met the Level 1 standard. However, the comprehensive electricity consumption per unit of clinker only met the Level 2 standard. Among them, the combined coal consumption per unit of clinker product is 89.97kgce/t, the combined power consumption per unit of clinker product is 53.93kWh/t, the combined energy consumption per unit of clinker product is 96.60kgce/t, the combined energy consumption per unit of cement product is 77.83kgce/t, and the power consumption at the stage of cement preparation is 25.67kwh/t. According to energy-saving plan under the 14th Five-Year Plan, the benchmark for the cement industry in Jiangsu Province is that the combined energy consumption per unit of clinker product should be less than 100kgce/t. Nanjing City requires all cement enterprises to reach the provincial benchmark by 2025.				
4. Implementation of corporate governance				
(1) We actively participate in other social responsibility activities such as environmental protection and energy conservation, social participation, social contribution, social services, social welfare, consumer rights, human rights, safety, sanitation, and health, such as waste recycling treatment and social activity donations, etc. (2) The relevant units are responsible for environmental protection and various social welfare matters, such as engineering modification, environmental governance, environmental beautification and services, etc. to reduce the impact on the natural environment; reduce the discharge of pollutants and waste, and properly dispose of waste, increase the comprehensive utilization of resources, and maximize the sustainable use of resources. (3) Training and promotion are held from time to time on corporate ethics, which is incorporated in employees' comprehensive assessment. The HR management measures have basic rules, confidentiality obligations, and prohibition of corruption, malfeasance, bribery, etc., and rewards and punishments are given according to the degree and included in the employee performance assessment.				
5. For the development of a sustainable environment, is committed to improving the efficiency of resource utilization and using recycled materials with low impact on the environment.				
6. Establish an appropriate environmental management system according to the characteristics of the industry				

Evaluation items	Implementation			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(1) We carry out testing, recording, and reporting on the characteristics of the cement industry in accordance with relevant environmental protection laws and regulations, and strive to improve pollution prevention equipment and reduce pollution emissions to meet regulatory standards. (2) There is an industrial and environmental section dedicated to air pollution, water pollution, waste management and other related matters. (3) We actively transform plant equipment, reduce the unit consumption of products, and continuously modify plant equipment to achieve the goal of energy saving, low carbon and emission reduction. 7. Maintain social welfare (1) The Company has formulated various measures on personnel management, money awards, leave of absence, and retirement management, etc. in accordance with relevant labor laws and regulations as well as internationally recognized basic labor human rights principles, and has set up an employee welfare committee to ensure the legitimate rights and interests of employees and non-discriminatory employment. (2) There is an industrial and environmental section responsible for the awareness and maintenance of workplace safety, and regular training and employee health checkups are implemented to reduce hazards to employee safety and health, prevent occupational hazards, and improve employee working environment. (3) There is a quality control division to handle customer feedback and questions at any time, and the business department regularly conducts customer opinion surveys to ensure the quality of customer service. (4) The Company enforces strict quality control and acceptance procedures and establish cooperative relationships with excellent suppliers through supplier evaluation, and work together to improve equipment efficiency and product quality. The Company is actively committed to cooperating in the processing of the sludge from the Nanjing Sewage Plant, taking on social responsibility and comprehensive reuse of resources. (5) Every year the ditches at the boundary of the plant are dredged to facilitate the water conservancy of the farmland of the surrounding people in the rainy season. (6) In 2024, the Company will continue to participate in the "Suzhou Cooperation" to provide regular donations to local primary schools and stone kilns, and support local education and community care. (III) The Company's Group has obtained product certification, quality management system certification (ISO9001), safety production standardization certification, ISO 45001:2018/CNS 45001:2018 safety and health management system certification, ISO/IEC 10725 laboratory certification, and ISO 14064-1 greenhouse gas inventory certification. (IV) For other sustainable development, please refer to the official website of the Company - Social Responsibility - Corporate Sustainability Report. https://www.hsingta.com.tw/SupportDetail.asp?lv=-1&id=7				

(VI) Implementation of climate-related measures

Item	Implementation
1. Describe the Board's and management's oversight and governance of climate-related risks and opportunities. 2. Describe how the identified climate risks and opportunities affect the business, strategy and finance of the Company (short, medium and long term). 3. Describe the impact of extreme climate events and transition actions on finance. 4. Describe how the identification, assessment and management processes of climate risks are integrated into the overall risk management system. 5. If scenario analysis is used to assess the resilience to climate change risk, describe the scenarios, parameters, assumptions, analytical factors used, and key financial impacts. 6. If there is a transition plan for managing climate-related risks, describe the plan and the metrics and targets used to identify and manage physical risks and transition risks.	1. In order to oversee and manage climate-related risks and opportunities, the general manager shall chair the Sustainable Development Committee, and the head of each unit are the members of the Committee to identify, assess, and deal with related affairs. The Chairman of the Board of Directors will report to the Board of Directors annually, and the Board of Directors will supervise the effectiveness of the implementation. Starting from the second quarter of 2022, the Sustainable Development Committee of the Company reports to the Board of Directors quarterly on the progress of the greenhouse gas inventory for sustainable development. 2. For actual and potential climate-related impacts, please refer to the table of short-, medium- and long-term climate risks and opportunities in the "Climate Change Governance" of the Company's 2024 Sustainability Report. 3. The Climate Change Responses Act will impose a carbon fee on high-carbon emission industries starting from 2024, and the Company's cement industry is a high-carbon emission industry. If a carbon fee of NT\$300 per metric ton is imposed, it is estimated that the financial cost will increase by NT\$170,000 thousand, and the risk of greenhouse gas emissions will have a significant impact on the Company's finance. 4. For the risk identification, assessment and management of the Company's climate-related risk management process, the Sustainable Development Committee has completed the collection of background information on climate and environment, and conducted the assessment of climate risks and operating scope of the Company. 5. The Company discussed 2°C scenario in the meeting of the Sustainability Committee and simultaneously used the tools provided by the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) as a reference for the assessment of the physical risk scenarios of climate change, and finally chose to adopt the scenario of 2°C / PCP8.5 high level of greenhouse gas emissions as the possible operational changes and financial impacts on the Company caused by the change in the climate risks. 6. Since 2020, the Company has continued to support the government's energy conservation efforts, and has continued to reduce energy consumption by 1% per unit of output. By the end of 2024, the Company has achieved a cumulative energy conservation rate of 12.9%, which met the government's target. In respect of greenhouse gas, it has been proposed to use 2022 as the base year, and to reduce the greenhouse gas emissions by 50% by 2045.

7. If internal carbon pricing is used as a planning tool, describe the basis for pricing.	7. The Company has not yet used internal carbon pricing as a tool and will do so in the future as appropriate.
8. If climate-related targets are set, describe the information on the activities covered, the scope of greenhouse gas emissions, the planning schedule, and the annual progress of achievement. If carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, describe the sources and quantities of carbon reduction credits used for the offsets or the number of RECs.	8. In 2025, the Company completed the 2024 greenhouse gas inventory of the parent company (Taipei Head Office, Yilan Nanshenghu Plant, and Mount Taibai Mining Site) and completed ISO 14064-1:2018 and Ministry of the Environment verification by a third-party verification company, AFNOR. The 2024 Greenhouse Gas Inventory of the subsidiaries in the consolidated financial statements will be completed in 2025, and the verification will be completed in 2027.
9. Greenhouse gas inventory and assurance, reduction targets, strategies and specific action plans	9. For details, please refer to "1-1 Information on greenhouse gas inventory and assurance" and "1-2 Greenhouse gas reduction targets, strategies and specific action plans".

1-1 Information on greenhouse gas inventory and assurance for the most recent 2 years

1-1-1 Information on greenhouse gas inventory

Describe the GHG emissions (tons CO₂e), intensity (tons of CO₂e/ revenue in NTD million), and the scope of the data for the most recent 2 years.

- I. The parent company and its subsidiaries included in the consolidated financial statements have completed their greenhouse gas (GHG) inventories.
- II. Starting from 2024, subsidiaries included in the consolidated financial statements have established GHG inventory mechanisms in accordance with ISO 14064-1, the international standard published by the International Organization for Standardization (ISO).
- III. The GHG inventory data for the past two years has been aggregated based on the "operational control approach," covering emissions from the parent company and all subsidiaries included in the consolidated financial statements, as detailed below:

		2023		2024	
		Emissions (tons CO ₂ e)	Intensity (tons CO ₂ e/revenue in NTD million)	Emissions (tons CO ₂ e)	Intensity (tons CO ₂ e/revenue in NTD million)
Parent Company	Scope 1	552,623.04	243.02	434,008.75	93.21
	Scope 2	41,137.36	18.09	33,066.44	7.10
	Scope 3	15,311.38	6.73	27,567.30	5.92
		609,071.78	-	494,642.49	-
Subsidiaries included in the Consolidated Financial Statements	Scope 1			767,268.10	164.78
	Scope 2			37,483.79	8.05
	Scope 3			-	-
	合計			804,751.89	-
Total		609,071.78	-	1,299,394.38	-

Note 1: In 2023, only the parent company's GHG inventory was completed; therefore, the emission intensity was calculated based on the parent company's standalone revenue. In 2024, subsidiaries were included in the inventory scope; hence, the emission intensity was calculated based on consolidated revenue.

Note 2: After materiality assessment, only upstream electricity and fuel emissions were included under Scope 3 for the parent company.

Note 3: The parent company's standalone GHG emissions in 2024 decreased mainly due to the shutdown of the kiln at the Xinda Nanshenghu Plant from October to December 2024 for a power bag filter replacement project aimed at improving energy efficiency. This temporarily affected both revenue and emission figures for the parent company.

1-1-2 Information on greenhouse gas assurance

Describe the status of the assurance for the most recent 2 year and the current year up to the publication date of the annual report, including the scope of the assurance, the agency, criteria and opinion for the assurance.

- I. The parent company's inventory boundries include the Taipei Head Office, Nanshenghu Plant, and Mount Taibai Mining Site, and the status of assurance for the most recent two years is as follows:
 - (1) In 2023, direct emissions (Scope 1), indirect energy emissions (Scope 2), and other indirect emissions (Scope 3) were verified by a third-party verification agency, SGS Taiwan, in accordance with the ISO 14064-1:2018 with direct emissions (Scope 1) of 552,623.04 (metric tons of CO₂e), and indirect energy emissions (Scope 2) of 41,137.36 (metric tons of CO₂e), both of which achieved the reasonable level of assurance. Other indirect emissions (Scope 3) of 15,311.38 (metric tons of CO₂e) achieved a limited level of assurance.
 - (2) The 2024 inventory data is currently being verified and certified by AFNOR, a third-party verification agency, and the related details can be found in the Company's Sustainability Report expected to be issued in August 2025.

Note 1: "SGS Taiwan" and "AFNOR" is in compliance with the regulations on the assurance for sustainability reports promulgated by Taiwan Stock Exchange and Taipei Exchange.

Note 2: According to the assurance requirements, the parent company's standalone entity has been assured to disclose the assurance status since 2024, and the subsidiaries in the consolidated financial statements are expected to disclose the assurance status since 2027.

1-2 GHG Reduction Targets, Strategies and Specific Action Plans

Describe the base year of greenhouse gas reduction and its data, reduction targets, strategies and specific action plans, and the achievement of reduction targets.

1. The scope boundary of the Company's parent company has 2022 as the base year, with direct emissions (Scope 1) of 479,891.48 (metric tons of CO₂e) and indirect energy emissions (Scope 2) of 37,922.41 (metric tons of CO₂e).
2. The Company has set a relative target of 10% reduction every two years using the base year as the benchmark, with the goal of reducing greenhouse gas emissions by 50% in 2030 compared to 2022. In addition to upgrading and improving process equipment to enhance production efficiency, the Company is currently using "alternative raw materials" (air-cooled furnace rock, calcium fluoride, incineration washing fly ash, incineration regeneration pellets, coal-fired fly ash) in the production process, replacing calcium carbonate with calcium oxide to reduce the amount of limestone; while "alternative fuels" are currently under study for trial use; and "alternative clinker" is being used to reduce the clinker amount per unit of cement to reduce carbon emissions from the production process.
3. Carbon reduction was about 17,700 tons of CO₂ in 2024, about 3% for the whole year and in line with the target.

(VII) Performance of faithful business operations, the differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor

Evaluation items	Implementation Status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary	
I. Formulate ethical corporate management policy and plan				
(I) Has the Company formulated an ethical corporate management policy approved by the Board of Directors, and are the policy and practice of ethical corporate management stated in the Company's regulations and external documents, as well as the commitment of the Board of Directors and the senior management to actively implement the policy?	✓		(I) The "Ethical Corporate Management Principles", "Code of Ethical Conduct" and "Code of Conduct for Employees" have been formulated and then approved by the Board of Directors and all members of the Company conduct business in accordance with the principles, rules and guidelines. In addition, all suppliers are required to sign a letter of commitment to comply with the Company's ethical policy in all dealings. For information on ethical management, please refer to "Contact HSING TA"/ "Whistleblowing System" on the Company's website.	None
(II) Whether the Company has established a mechanism for evaluating the risk of unethical conduct, regularly analyzes and evaluates the activities in the scope of business with a higher risk of unethical conduct, and on the basis of this, has formulated a plan to prevent unethical conduct, which covers at least the preventive measures for the conduct set out in Paragraph 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	✓		(II) The Company conducts risk assessment for each operation every year and has implemented the internal control systems; conducts education and audits on higher-risk operations; has established and implemented the "Ethical Corporate Management Principles" ; as well as set out plans for preventing unethical conduct clearly in various regulations.	None
(III) Whether the Company has specified operating procedures, conduct guidelines, and disciplinary and complaint systems for violations in the plan to prevent unethical conduct and implemented the plan as well as regularly reviews and amends it?	✓		(III) The Company has regularly offered education, training, and guidance, and included the prevention and handling of dishonest conducts in the Company's relevant regulations, and has actually implemented and reviewed them in a timely manner. Among them, the "Procedures for Reporting Dishonesty and Misconduct" has been established, and platforms and information communication channels for reporting misconduct have been set up on the Company's website and with a mailbox, and relevant information has been announced by email and bulletin boards.	None
II. The implementation of ethical corporate management				
(I) Does the Company evaluate the ethical records of its counterparties and specify the ethical conduct clauses in the contracts signed with the counterparties?	✓		(I) When selecting a partner, the Company avoids dealing with those with an unethical record. The Company also obtains a letter of commitment from suppliers or stipulates the ethical management clauses in the contract to ensure that the Company's ethics and integrity standards and fair trading practice serve as the basis for all dealings. In the event that a supplier violates the terms of the commitment, the Company may immediately terminate or cancel contracts signed and impose a fine as agreed.	None
(II) Does the Company have a dedicated unit under the Board of Directors to promote ethical corporate management and report regularly (at least once a year) to the Board of Directors on its ethical management policy and plan to prevent unethical conduct and monitor their implementation?	✓		(II) The Company has an ethical corporate management team and the Administration department is the executive unit to promote ethical corporate management, and the Board of Directors and the management regularly promote and continuously supervise the implementation. It reported to the Board of directors on the implementation of the Company's ethical management for 2024 on 2025.05.13.	None

Evaluation items	Implementation Status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary	
(III) Does the Company have a policy to prevent conflict of interest, provide appropriate channels for explanation, and implement it?	✓		(III) The Company has established the "Ethical Corporate Management Principles", "Code of Ethical Conduct" and "Code of Conduct for Employees," which clearly stipulate that directors, managers, or employees must not sacrifice the rights and interests of the Company for their personal interests, and if anyone finds a violation, he or she may report or file a complaint in accordance with the procedures for reporting dishonesty and misconduct.	None
(IV) Whether the Company has established an effective accounting system and internal control system for the implementation of ethical corporate management, and the internal audit unit draws up relevant audit plans based on the evaluation results of risk of unethical conduct, and audits the compliance of the plan to prevent unethical conduct or entrusts a CPA to perform the audit?	✓		(IV) The Company has established adequate and effective accounting systems and internal control systems and implemented them actively. Each executive unit performs self-assessment of internal control regularly every year. The Audit Department evaluates the Company's risks every year, draws up an internal audit plan as per the results of the risk assessment, and performs audit accordingly. The Company did not have material non-compliance with the internal control system and violation of regulations.	None
(V) Does the Company regularly organize internal and external education and training on ethical corporate management?	✓		(V) The Company's corporate governance rules and regulations are centered on the core concept of ethical management. To implement ethical management, the Company increases employees' awareness of the importance of ethical corporate management at important meetings occasionally and dispatches personnel to participate in external ethical corporate management seminars and training. The Company also organized internal and external education and training on ethical corporate management issues in 2024 (including ethical corporate management, compliance, safety and health management, accounting systems, and internal control) with 3,634 hours and 550 participants.	None
III. The operation of the Company's whistleblower reporting system				
(I) Has the Company set up a specific whistleblower reporting and reward system and a convenient reporting channel, and designated appropriate personnel to deal with the reported matters?	✓		(I) The "Procedures for Reporting Dishonesty and Misconduct" have been established, which include reporting and reward systems, and dedicated personnel have been assigned to handle related matters. For the reporting procedures and website, refer to http://www.hsingta.com.tw .	None
(II) Has the Company formulated standard operating procedures for the investigation of the reported matters, follow-up measures to be taken after the completion of the investigation, and the relevant confidentiality mechanisms?	✓		(II) The operating procedures for "receiving whistleblowing and investigations" have been established, and there are dedicated personnel responsible for taking relevant measures, handling data confidentiality processing, and getting confidentiality declarations.	None
(III) Whether the Company takes measures to protect whistleblowers from being improperly handled due to reporting?	✓		(III) In the whistleblowing process, the Company has promised to protect whistleblowers from being improperly handled as a result.	None
IV. Enhance Information Disclosure Does the Company disclose the content and effectiveness of its Ethical Corporate Management Principles on its website and the Market Observation Post System?	✓		Company website: http://www.hsingta.com.tw . In 2024, the Company did not have any incidents that violated ethical corporate management.	None
V. If the Company has related practice principles of its own in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please state the differences between the two and the state of implementation: No material difference as the Group adheres to the principles of ethical corporate management.				

Evaluation items	Implementation Status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary	
VI. Other important information that is helpful to understand the implementation of ethical corporate management (For example, if the Company reviews and amends its ethical corporate management principles.): Evaluate and review the implementation from time to time.				

(VIII) If the Company has formulated the “Corporate Governance Practice Principles” and related rules, it shall disclose its inquiry methods:

“Corporate Governance Practice Principles” and other operating procedures have been established. For related contents, please refer to the website:

(<http://www.hsingta.com.tw>)→ Investor Services → Corporate Governance → Rules and Regulations.

(IX) Other important information that is helpful to understand the Company's implementation of corporate governance:

1. Continuing education of directors

Title	Name	Training date		Organizer	Title of course	Training hours	Note
		From	To				
Independent director	Rui-Tai Wu	December 24, 2024	December 24, 2024	Taiwan Corporate Governance Association	Infinite Net Zero Path of Business Opportunities - Analyze the Strategic Direction from the Industry's Vision	3	
		December 20, 2024	December 20, 2024	Taiwan Corporate Governance Association	Notice to Directors and Supervisors: Insight on how to use the methods and strategies of non-regular transactions and related party transactions by the criminal.	3	
Independent director	Da-Xiong Chen	July 11, 2024	July 11, 2024	Securities and Futures Institute	Digital Reconstruction and New AI Future - Case Study of AI Application	3	
		February 21, 2024	February 21, 2024	Taiwan Corporate Governance Association	Strengthen corporate governance and achieve sustainable operation	3	
		December 24, 2024	December 24, 2024	Taiwan Corporate Governance Association	Infinite Net Zero Path of Business Opportunities - Analyze the Strategic Direction from the Industry's Vision	3	
Independent director	Li-Xiong Chen	November 07, 2024	November 07, 2024	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Workshop for directors and supervisors of the Company - Prevention of Money Laundering and Counter Terrorist Financing and Expansion of International Regulations and Domestic Laws and Regulations	3	
		October 07, 2024	October 07, 2024	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	2024 Taishin Net Zero Summit	3	

2. Education and training of managerial officers on corporate governance

Title	Name	Training date		Organizer	Title of course	Training hours	Note
		From	To				
General manager	Da-Kuan Yang	January 17, 2024	January 17, 2024	Accounting and Research Development Foundation	Related Party Transaction of the senior directors and supervisors and the practice of corporate governance	3	
		March 01, 2024	March 01, 2024	Chinese National Association of Industry and Commerce, Taiwan	The attack and prevention of hostile M&A, and the responsibilities of directors and supervisors for corporate M&A	3	
		March 22, 2024	March 22, 2024	BCSD Taiwan	Creating a New Era of Carbon with Sustainable Knowledge" CDP Taiwan Announcement	3	
		April 10, 2024	April 10, 2024	Taiwan Academy of Banking and Finance	Workshop for corporate governance and sustainable operation of enterprises	3	
Manager, Audit department	Yi-Sheng Zhang	May 21, 2024	May 21, 2024	The Institute of Internal Auditors	Sustainable information development and emerging risks	3	
		October 08, 2024	October 08, 2024	The Institute of Internal Auditors	Business Integrity and Green Risk Management	3	
		November 05, 2024	November 05, 2024	The Institute of Internal Auditors	Analysis and audit focus of the laws and regulations of the Board of Directors and functional committees	6	
		November 26, 2024	November 26, 2024	The Institute of Internal Auditors	Internal audit digital transformation practice seminar	6	
Manager, Finance and accounting department	Su-Chiu Tsai	March 13, 2024	March 13, 2024	Accounting and Research Development Foundation	Tax strategies and practices for offshore holding and cross-border investment	3	
		March 13, 2024	March 13, 2024	Accounting and Research Development Foundation	Analysis of the Latest Securities and Financial Tax Laws and Professional Standards	1	
		May 15, 2024	May 15, 2024	Accounting and Research Development Foundation	Corporate Taxation Governance Practice under ESG Trend	3	
		May 15, 2024	May 15, 2024	Accounting and Research Development Foundation	Analysis of the Latest Securities and Financial Tax Laws and Professional Standards	1	
		July 17, 2024	July 17, 2024	Accounting and Research Development Foundation	Impact of the "Net Zero Carbon Emission" Era on Financial Statements	3	
		July 17, 2024	July 17, 2024	Accounting and Research Development Foundation	Analysis of the Latest Securities and Financial Tax Laws and Professional Standards	1	
		August 14, 2024	August 14, 2024	Accounting and Research Development Foundation	Common "tax planning" strategies and related legal responsibilities of enterprises	3	
		August 14, 2024	August 14, 2024	Accounting and Research Development Foundation	Analysis of the Latest Securities and Financial Tax Laws and Professional Standards	1	
		September 11, 2024	September 11, 2024	Accounting and Research Development Foundation	Case study and analysis of legal liability for new money laundering practices using FinTech - emerging financial technologies	3	
		September 11, 2024	September 11, 2024	Accounting and Research Development Foundation	Analysis of the Latest Securities and Financial Tax Laws and Professional Standards	1	

3. Education and training of personnel related to company financial information transparency

Department	Training date		Title of course	Training hours	Number of trainees
	From	To			
Audit department	November 05, 2024	November 05, 2024	Analysis and audit focus of the laws and regulations of the Board of Directors and functional committees	6	1
	November 14, 2024	November 14, 2024	Analysis of the policy of sustainable information disclosure and the focus of internal control and internal audit	6	1
	November 26, 2024	November 26, 2024	Internal audit digital transformation practice seminar	6	1
	December 10, 2024	December 10, 2024	"Annual Report/Sustainable Information/Financial Statement Preparation" related laws and regulations summary and internal control management practices	6	1
Finance and accounting department	February 21, 2024 March 13, 2024 April 17, 2024 May 15, 2024 June 12, 2024 July 17, 2024 August 14, 2024 September 11, 2024 October 16, 2024 November 13, 2024 December 11, 2024	February 21, 2024 March 13, 2024 April 17, 2024 May 15, 2024 June 12, 2024 July 17, 2024 August 14, 2024 September 11, 2024 October 16, 2024 November 13, 2024 December 11, 2024	Analysis of the Latest Securities and Financial Tax Laws and Professional Standards	1	4
	February 21, 2024	February 21, 2024	Analysis of Common Defects and Penalties in Taxation of Enterprises	3	1
	January 23, 2024	January 23, 2024	After the launch of personal CFC, the impact of minimum tax on wealth inheritance will be reexamined.	2.5	1
	March 13, 2024	March 13, 2024	Tax strategies and practices for offshore holding and cross-border investment	3	1
	March 21, 2024	March 21, 2024	Taiwan Stock Exchange and National Chengchi University Green Sustainable Finance and Net Zero Carbon Reduction Promotion Course	8.5	1
	April 17, 2024	April 17, 2024	Profit-seeking Enterprise Income Tax Return Filing Practice Seminar	3	1
	May 15, 2024	May 15, 2024	Corporate Taxation Governance Practice under ESG Trend	3	1
	June 12, 2024	June 12, 2024	Legal Responsibilities and Case Studies of Insider Trading Lawsuit	3	1
	July 16, 2024	July 16, 2024	ESG Global Views 2024 International Master Forum - Advance to the Carbon-Value Era and Net-0 Competition for the Defense	4	1
	July 17, 2024	July 17, 2024	Impact of the "Net Zero Carbon Emission" Era on Financial Statements	3	1
	July 30, 2024	July 30, 2024	2024 Seminar on Internal Control Systems for Sustainability Information Management	4	1
	August 09, 2024	August 09, 2024	2024 Asia Pacific Sustainability Expo - Sustainability Talent Trend Forum	4	1
	August 14, 2024	August 14, 2024	Common "tax planning" strategies and related legal responsibilities of enterprises	3	1
	August 16, 2024	August 16, 2024	Sustainability and ESG Strategy Implementation Workshop	4	1
	September 11, 2024	September 11, 2024	Case study and analysis of legal liability for new money laundering practices using FinTech - emerging financial technologies	3	1
	September 18, 2024	September 18, 2024	Net Zero, All Around, Sustainable Future - ESG Summit 2024	8	3
	October 16, 2024	October 16, 2024	IFRS 9 "Financial Instruments" and Fair Value Review Points	3	1
	October 18, 2024	October 18, 2024	CPCM - Corporate sustainable carbon management	4	1

	November 13, 2024	November 13, 2024	Legal Responsibilities of Enterprises Committing Fraud in Financial Statements and the Investigation and Investigation of Judicial Units	3	1
	November 26, 2024	November 26, 2024	Challenge and Opportunity - the Sustainability of Cross-Strait Management Enterprises Conference	8	2
	December 09, 2024	December 09, 2024	Industry Sustainability Transformation Conference - Traditional Manufacturing Industries	2.5	1
	December 11, 2024	December 11, 2024	Risk Management and Internal Control Practices under the ESG Wave	3	1
	December 17, 2024	December 17, 2024	New Thoughts in the Low Carbon Economy Era - Carbon Trading and Carbon Financing	4	1
	December 19, 2024	December 19, 2024	Seminar on Promoting the Adoption of International Financial Reporting Standards in Taiwan 2024	4	2

(X) Implementation of internal control systems

1. Internal control statement:

The Company's 2024 Statement of Internal Control System has been announced on the MOPS.

Please visit the Market Observation Post System (MOPS) at (<https://mops.twse.com.tw>) : Home > Listed Companies > Corporate Governance > Corporate Rules/Internal Control > Internal Control Statement. Enter the company code 【1109】 to access the information.

2. Where a CPA was entrusted to review the internal control system, the review report should be disclosed: Not applicable.

(XI) Material resolutions of shareholders' meetings or Board meetings during the most recent year and up to the publication date of the annual report:

Date	Board meeting/ shareholder meeting	Important resolution	Matters listed in Article 14-3 of the Securities and Exchange Act
2024.03.13	Board meeting (13th meeting of 20th term)	1. Resolved to approve the Company's 2023 business report.	
		2. Resolved to approved the Company's 2023 stand-alone and consolidated financial statements.	V
		3. Resolved to approve the Company's 2023 earnings distribution proposal.	V
		4. Resolved to approve the conclusions of the 5th term - 6th meeting of the Remuneration Committee of the Company.	
		5. Resolved to approve the Company's 2023 remuneration paid to employees and directors.	V
		6. Resolved to approve the Company's 2024 appointment, professional fees and evaluation of independence of attesting CPA.	V
		7. Resolved to approved the Company's 2023 "Statement of Internal Control Systems".	V
		8. Resolved to approve the amendment to "Audit Committee Charter".	
		9. Resolved to approve the amendment to the Company's "Rules of Procedure for Board of Directors Meetings".	
		10. Re-election of directors of the Company and the period and the place for accepting nominations of candidates for directors (including independent directors).	V
		11. Removal of the non-compete restrictions on the Company's newly elected directors and their representatives.	V
		12. Resolved to approve the proposed time, place and agenda of the 2024 regular shareholder meeting.	
		13. Discussion about whether the Company should apply for urban renewal or sale of the "2F, Linyuan Building".	V
2024.05.08	Board meeting (14th meeting of 20th term)	1. Resolved to approve the Company's financial statements for the first quarter of 2024.	V
		2. Approved the list of director (including independent director) candidates nominated by the Company.	V
		3. Removal of the non-compete restrictions on the Company's newly elected directors and their representatives.	V
		4. Resolved to approve the Company adjustments to the order of the agenda for the 2024 regular shareholders' meeting.	
		5. Extension of the credit lines with E.SUN COMMERCIAL BANK, Shanghai Commercial & Savings Bank, Taiwan Cooperative Bank, and CTBC Bank Co., Ltd.	V
2024.06.19	Regular shareholders' meeting	Adoption 1. Adoption of the Company's 2023 annual accounting final reports.	V
		2. Adoption of the Company's 2023 earnings distribution proposal.	V
		Election 1. The re-election of the Company's Board of Directors of the 21st term is hereby submitted for you to vote.	V
		Other Motions 1. Removal of the non-compete restrictions on the Company's newly elected directors and their representatives.	V

Date	Board meeting/ shareholder meeting	Important resolution		Matters listed in Article 14-3 of the Securities and Exchange Act
		Review of implementation status	1. The important resolutions of the shareholder meeting have been addressed, and the execution was considered appropriate. 2. With respect to the Company's 2023 earnings distribution, the cash dividend per share was NT\$1.2, with July 25, 2024 set as the base date for the dividend distribution, and was paid out on August 15, 2024. The execution was considered appropriate.	
2024.06.19	Extraordinary Board of Directors (1st meeting of 21st term)	1. Approved the election of the Company's 21st Chairperson.		
2024.08.13	Board meeting (2nd meeting of 21st term)	1. Resolved to approve the Company's financial statements for the second quarter of 2024.		V
		2. Resolved to approve the appointment of members of the 6th Remuneration Committee of the Company.		
		3. The decision was approved to submit the "2023 Sustainability Report of the Company".		
2024.11.12	Board meeting (3rd meeting of 21st term)	1. Resolved to approve the Company's financial statements for the third quarter of 2024.		V
		2. Approved the Company's 2025 budget plan.		V
		3. Approved the Group's "2025 Business Plan".		
		4. Resolved to approve the Company's "2025 Internal Audit Plan".		
		5. Resolved to approve the amendments to the Company's "Regulations Governing Internal Control Systems" and "Internal Control Implementation Rules".		V
		6. Approved the revision of the "Sustainable Reporting and Verification Procedures" of the Company.		
		7. Approved the review of the remuneration to the Chairperson and the managers.		V
		8. Approved the motion for the subsidiary to apply for renewal of the endorsement/guarantee.		V
		9. Approved the nomination of Deputy Assistant General Manager of the Administration Department.		V
		10. Approved the "Overall Development Project of the Hsing Ta Guanxi Community."		V
2025.03.13	Board meeting (4th meeting of 21st term)	1. Resolved to approved the Company's 2024 stand-alone and consolidated financial statements.		V
		2. Approved the proposal for the appointment, service fees and independence evaluation of the 2025CPAs of PwC Taiwan.		V
		3. Approved the "2024 Business Report" of the Group.		
		4. Resolved to approve the Company's 2024 earnings distribution proposal.		V
		5. Resolved to approve the conclusions of the 6th term - 2nd meeting of the Remuneration Committee of the Company.		
		6. Resolved to approve the Company's 2024 remuneration paid to employees and directors.		V
		7. Resolved to approved the Company's 2024 "Statement of Internal Control Systems".		V
		8. Resolved to approve the amendment to "Audit Committee Charter".		
		9. Resolved to approve the amendment to the Company's "Rules of Procedure for Board of Directors Meetings".		
		10. Approval of the amendments to certain provisions of the Company's "Articles of Incorporation".		V
		11. Resolved to approve the proposed time, place and agenda of the 2025 regular shareholder meeting.		
2025.05.13	Board meeting (5th meeting of 21st term)	1. Resolved to approve the Company's financial statements for the first quarter of 2025.		V
		2. Extension of the credit lines with E.SUN COMMERCIAL BANK, Taiwan Cooperative Bank, and CTBC Bank Co., Ltd.		
		3. Disposal of partial shareholdings of Pershing.		

(XII) During the most recent year or during the current year up to the date of publication of the annual report, if board directors or independent directors had different opinions on important resolutions approved by the Board of Directors with records or written statements, the main content of the opinions: None.

IV. Information on CPA fees

The amount of professional fees paid to the CPAs, the accounting firm, and its affiliated enterprises.

Unit: Thousand \$NT

CPA firm	CPA name	CPA audit period	Audit fees	Non-audit fees	Total	Note
CPA firm: PricewaterhouseCoopers Taiwan	Xiu-Ling Li	2024/1/1~12/31	NT\$3,490 thousand	NT\$806 thousand (see Note)	NT\$4,296 thousand	1. NT\$30 thousand for IXBRL financial statements filing
	Chih, Ping- Chiun					2. NT\$20 thousand for review of non-managerial personnel's high salary 3. for typing and photocopying of financial statements NT\$56 thousand 4. NT\$120 thousand for English financial statements NT\$580 thousand for tax compliance audit

V. Information on the replacement of CPA: Not applicable.

VI. The evaluation of the independence of CPAs

- (I) In addition to regularly requiring CPAs to provide a statement of independence, we plan to assess their independence and suitability once per year on our own. We conducted an assessment in accordance with the Corporate Governance Best Practice Principles and with reference to the 13 indicators in the five aspects of the AQIs (adopted starting from 2023) (Note 1) and submitted the evaluation results to the Audit Committee and the Board of Directors for deliberation. Except for the appointment of PwC Taiwan to provide financial statement and tax compliance audit services, the Group did not appoint it, is involved in any financial benefits with it, or work with it for business. Based on the most recent year's assessment results approved by the Audit Committee and the Board of Directors on March 13, 2025, Li, Hsiu-Ling and Chih, Ping-Chiun, CPAs at PwC Taiwan, both meet the Company's independence and suitability criteria and are qualified to serve as the Company's CPAs.

2024 annual evaluation of the independence of attesting CPAs:

Evaluation unit: Finance and accounting department

The evaluation of the independence between HSING TA CEMENT CO., LTD and its subsidiaries (hereinafter referred to as the Group) and CPAs Li, Hsiu-Ling and Chih, Ping-Chiun of PricewaterhouseCoopers Taiwan (hereinafter referred to as PwC) are as follows:

Item	Yes	No
Whether there is any direct or material indirect financial interest between the Group and PwC.		V
Whether the Group has significant close business relationships with PwC.		V
Whether the Group has an employment relationship with PwC.		V
Whether the Group and PwC agreed on contingent professional fees related to audit cases.		V
Whether anyone from PwC currently or within the most recent two years has served as a director, supervisor, managerial officer or position that has a significant influence on audit cases.		V
Does PwC represent the Group in defense of legal cases or other disputes with third parties?		V
Whether the members of the PwC audit team are related to the directors, supervisors, managerial officers or persons who have significant influence on the audit cases of the Group.		V
Whether the Group has obtained the statement on independence issued by PwC.	V	

(Note 1) AQIs assessment results 2024:

In the [professionalism] aspect, the 2023 CPAs and their firm have sufficient auditing experience and training hours and its turnover rate and professional support personnel as a percentage of all its personnel are consistent with to the average level of the industry. As for the [quality control] aspect, although the CPAs' workload is higher than the industry average, but the auditing hours are up to standard, and the audit quality control hours are higher than the industry average. The firm has adequate personnel support for quality control, without causing an impact on the quality of the Company's financial report audit. Regarding the [independence], [supervision], and [innovation ability], the firm also met the indicator standards.

- (II) The same CPA has not performed attestation services continuously for more than five years.
- (III) Through the CPA competency questionnaire every year, the results of the evaluation of the independence of attesting CPA are compiled every year.

VII. Anyone among the Company's Chairman, general managers, or any managerial officers in charge of finance or accounting affairs who have in the most recent year held a position at the counting firm of the CPAs or an affiliate of the accounting firm: None.

VIII. Any equity transfer or change in equity pledge by a director, supervisor, managerial officer, or shareholder with 10% stake or more during the most recent year or during the current year up to the date of publication of the annual report

- (I) There is no change in equity of the Company's directors, managers, and shareholders holding more than 10% of the shares. Please refer to the MOPS for the relevant information: https://mops.twse.com.tw/mops/#/web/t93sb06_1
- (II) Information on transfer and pledge of shares: No transfer or pledge.

IX. Relationship information, if among the top ten shareholders any one is a related party or a relative within the second degree of kinship of another:

The relationship between the top 10 shareholders who hold the highest shareholding percentages

April 21, 2025

Unit: Share

NAME	SHAREHOLDING		SHAREHOLDING OF SPOUSE AND MINOR CHILDREN		TOTAL SHAREHOLDING IN THE NAME OF OTHERS		THE NAME OF AND RELATIONSHIP AMONG THE TOP 10 SHAREHOLDERS IF ANYONE IS A RELATED PARTY, A SPOUSE OR A RELATIVE WITHIN SECOND DEGREE OF KINSHIP OF ANOTHER UNDER STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS. NO. 6.		NOTE
	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Name	Relationship	
Zhong-Xiong Yang	41,528,048	12.17%	2,779	0%	0	0%	Ren-Xiong Yang Zhi-Xiong Yang Mei-Hong Hu Xue-Hua Lin Shu-E Yang-Chen	Relative within 2nd degree of kinship	-
Ren-Xiong Yang	36,108,783	10.58%	1,153	0%	0	0%	Zhong-Xiong Yang Zhi-Xiong Yang Mei-Hong Hu Xue-Hua Lin Shu-E Yang-Chen	Relative within 2nd degree of kinship	-
Zhi-Xiong Yang	34,952,166	10.25%	14,527	0%	0	0%	Zhong-Xiong Yang Ren-Xiong Yang Mei-Hong Hu Xue-Hua Lin Shu-E Yang-Chen	Relative within 2nd degree of kinship	-
Mei-Hong Hu	20,668,448	6.06%	0	0%	0	0%	Zhong-Xiong Yang Zhi-Xiong Yang Ren-Xiong Yang Xue-Hua Lin Shu-E Yang-Chen Da-Qin Yang Da-Qing Yang	Relative within 2nd degree of kinship	-
Debo Investment Co., Ltd. Person in charge: Bo-Min Yang	15,387,055	4.51%	0	0%	0	0%	None	None	-
	164,717	0%	0	0%	0	0%	Xue-Hua Lin	Relative within 1st degree of kinship	
Shu-E Yang-Chen	10,739,966	3.15%	0	0%	0	0%	Zhong-Xiong Yang Zhi-Xiong Yang Ren-Xiong Yang Mei-Hong Hu Xue-Hua Lin Da-Kuan Yang	Relative within 2nd degree of kinship	-
Xue-Hua Lin	9,521,388	2.79%	0	0%	0	0%	Zhong-Xiong Yang Zhi-Xiong Yang Ren-Xiong Yang Mei-Hong Hu Shu-E Yang-Chen	Relative within 2nd degree of kinship	-
Da-Kuan Yang	8,945,431	2.62%	87,996	0.03%	0	0%	Shu-E Yang-Chen	Relative within 1st degree of kinship	-
Da-Qing Yang	8,204,669	2.40%	0	0%	0	0%	Mei-Hong Hu Da-Qin Yang	Relative within 2nd degree of kinship	-
Da-Qin Yang	8,145,934	2.39%	0	0%	0	0%	Mei-Hong Hu Da-Qing Yang	Relative within 2nd degree of kinship	-

X. The total number of shares and the consolidated equity stake percentage held in any single reinvested enterprise by the Company, its directors, supervisors, managerial officers, or any companies controlled either directly or indirectly by the Company

December 31, 2024

Unit: shares; %

Investee enterprise	Investment by the Company		Directors, supervisors, managerial officers, and investments controlled either directly or indirectly		Total investments	
	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %
HSIN I READY MIXED CONCRETE CO., LTD.	6,072,000	55.20%	4,231,708	38.47%	10,303,708	93.67
Xin Ni Development Co., Ltd.	5,880,000	98.00%	79,333	1.32%	5,959,333	99.32
Soaring Power Corporation	46,586,667	66.67%	0%	0%	46,586,667	66.67
TAIWAN OOPARTS CO., LTD	538,072	18.68%	0%	0%	538,072	18.68
Qin Da Construction Co., Ltd.	5,200,000	19.90%	958,888	3.67%	6,158,888	23.57
TAIAN INSURANCE CO ,LTD.	365,173	0.12%	0%	0%	365,173	0.12
Pershing Technology Services Corporation	2,782,455	8.35%	0%	0%	2,782,455	8.35
FUJITEC TAIWAN CO.,LTD.	70,000	2.33%	0%	0%	70,000	2.33
DA CHIANG INTERNATIONAL CO., LTD.	3,448,276	1.72%	0%	0%	3,448,276	1.72
POWER DIGITAL CARD CO., LTD.	796,665	1.70%	1,597,793	3.40%	2,394,458	5.09
AMCOM COMMUNICATIONS, INC.	708,800	7.43%	901,612	9.45%	1,610,412	16.88

Three. Capital Overview

I. Capital and shares

(I) Source of share capital

April 21, 2025

Unit: Shares; \$NT

Date	Issuance price	Authorized capital stock		Paid-in capital		Note		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Using property other than cash as payment of shares	Others
2017	10	540,000,000	5,400,000,000	359,955,650	3,599,556,500	-	-	5% cash capital reduction
2018	10	540,000,000	5,400,000,000	341,957,868	3,419,578,680	-	-	5% cash capital reduction
2019	10	540,000,000	5,400,000,000	341,957,868	3,419,578,680	-	-	-
2020	10	540,000,000	5,400,000,000	341,957,868	3,419,578,680	-	-	-
2021	10	540,000,000	5,400,000,000	341,957,868	3,419,578,680	-	-	-
2022	10	540,000,000	5,400,000,000	341,957,868	3,419,578,680	-	-	-
2023	10	540,000,000	5,400,000,000	341,158,868	3,411,588,680	-	-	799,000 treasury shares Retirement
2024	10	540,000,000	5,400,000,000	341,158,868	3,411,588,680			
2025	10	540,000,000	5,400,000,000	341,158,868	3,411,588,680			

April 21, 2025

Share type	Authorized capital stock				Note
	Outstanding shares	Treasury shares	Unissued shares	Total	
Common shares	341,158,868	799,000 (Retirement)	198,042,132	540,000,000	Listed shares

(II) List of major shareholders

April 21, 2025

Unit: person; shares

Shares	Shareholding	Shareholding %
Name of major shareholder		
Zhong-Xiong Yang	41,528,048	12.17%
Ren-Xiong Yang	36,108,783	10.58%
Zhi-Xiong Yang	34,952,166	10.25%
Mei-Hong Hu	20,668,448	6.06%
Debo Investment Co., Ltd.	15,387,055	4.51%
Shu-E Yang-Chen	10,739,966	3.15%
Xue-Hua Lin	9,521,388	2.79%
Da-Kuan Yang	8,945,431	2.62%
Da-Qing Yang	8,204,669	2.40%
Da-Qin Yang	8,145,934	2.39%

(III) Dividend policy and implementation status

1. Dividend policy

If the Company has surplus earnings in a year at the conclusion of the year-end accounting close, in addition to paying income tax in accordance with the law, the Company shall first make up for the losses of prior years, then set aside 10% of the remaining earnings as legal reserve, and if necessary, provide for special reserve or keep them in retained earnings, and for the remaining earnings, together with the unappropriated earnings at the beginning of the period, the Board of Directors shall prepare an earning distribution proposal to be resolved by the shareholders' meeting to distribute shareholders' dividends.

In accordance with the regulations of the competent authorities, if the Company has unrealized losses on decline in value of long-term equity investments, cumulative translation adjustments, or other deductions on reduce shareholders' equity, the Company should first set aside a special reserve of the same amount within the following limits before distributing the earnings:

- I. The amount of special reserve provided for deduction on shareholders' equity incurred during the current year should not exceed the sum of the after-tax earnings of the current year and the accumulated unappropriated earnings of prior years.
- II. The amount of the deduction on shareholders' equity incurred during prior years shall not exceed the accumulated unappropriated earnings of prior years after deducting the amount set forth in Subparagraph 1.

If a reversal of the reduction on shareholders' equity occurs in a subsequent year, the reversed amount may be distributed as earnings. As the Company is in a mature industry, unless there is an actual needs for capital expenditures for future corporate development or financial planning, cash dividends, in principle, should not be less than 10% of shareholders' bonus for the year.

2. Dividend distribution proposed at the shareholder meeting

It was proposed at the shareholder meeting proposed to distribute cash dividends of NT\$0.9 per share on the basis of 341,158,868 shares outstanding.

- (IV) Effects of the intended stock grants proposed at the shareholders' meeting on the operating performance and earnings per share of the Company for the year: Not applicable.
- (V) Remuneration to employees, directors
1. The percentage or scope of remuneration for employees and directors as per the Company's Articles of Incorporation
 - (1) If the Company makes profits, it should make an appropriation based on the profits before tax.
Employees: 1% ~ 3%.
Directors' remuneration: No more than 5%.
 - (2) However, when the Company still has accumulated losses, it should reserve the losses make-up amount in advance.
 2. The estimation of the remuneration for employees and directors for this period is based on the number of shares distributed to employees as bonus and the accounting treatment when the estimate and the actual distribution amount are different:

The estimation basis for the current period is based on the profits before tax for the current period, which is estimated based on the percentage range stated in the Company's Article of Incorporation, and recognized as operating costs and operating expenses of the current year. When the estimate and the actual distribution amount are different, the difference is will be adjusted as profit and loss for the following year.
 3. The Board of Directors approved the remuneration distribution proposal.
 - (1) Actual distribution of 2024 remuneration to employees and directors
On March 13, 2025, the Board of Directors approved to distribute the remuneration in cash:
 - NT\$12,483,644 to employees.
 - NT\$24,967,288 to directors.
 - The amount of remuneration for employees and directors is the same as the expense recognized in the year without any difference.
 - The proposed amount of stock-based profits sharing for employees and its proportion to the net profits after tax and total profits sharing amount to employees for the period: No stock-based profits sharing for employees was intended for the year, thus not applicable.
 - (2) Actual distribution of 2023 remuneration to employees and directors
On March 13, 2024, the Board of Directors approved to distribute the remuneration in cash:
 - NT\$17,829,829 to employees.
 - Profit-sharing remuneration to directors of NT\$35,659,657
 - The actual payment of remuneration for employees, directors is the same in amount as the expense recognized without any difference.
 - The amount of stock-based profits sharing paid to employees and its proportion to the net profits after tax and total profits sharing amount to employees for the period: No stock-based profits sharing for employees was intended for the year, thus not applicable.
- (VI) Repurchase of the Treasury Stock: None.

II. Issuance of corporate bonds: None.

III. Issuance of corporate bonds: None.

IV. Issuance of global depository receipts: None.

V. Employee stock option plan and Employee restricted stock: None.

VI. Issuance of new shares in connection with mergers or acquisitions of shares of other companies: None.

VII. Financing planning and implementation: None.

Four. Operational Overview

I. Business Activities

(I) Business Scope

1. Major businesses and their revenue proportions: Currently the Group is mainly engaged in the production and sales of cement and clinker, with a revenue proportion of 60.75%; the second is the production and sales of concrete, with a revenue proportion of 17.88%.
2. The Group's current products: Portland type I cement, type I low-alkali cement, type II low-alkali cement, type II (MH) even heat cement, blended blast furnace slag cement, limestone, concrete, PII52.5, PO42. 5.

(II) Industry overview

1. Current state and development of the industry (macro economic environment and industry trends)

(1) Taiwan

Although the government's public construction projects continue to increase the consumption of basic cement, the private construction projects have slowed down due to the various prevention policies, so the overall consumption of cement may not increase by much or even decrease. It is estimated that the total consumption in 2025 will be about 11.5 million tonnes. In addition to the import cement market, the domestic cement industry also has to calculate carbon emissions and carbon fees. If the cost of goods tax is cut by half, the cost of goods will rise significantly, which will be unfavorable to the price competition of imported cement.

In order to avoid vicious price competition, the Company has endeavored to improve quality and services. In order to seek and obtain large-scale public construction projects such as the circular line, Xizhou Line, and Taoyuan railway underground project of the Taipei MRT, the Company will also pay close attention to the connection of the Taipower, and strive to achieve stable shipments in 2025, in order to achieve the expected sales targets.

(2) Mainland

Current situation in the industry:

The overall cement market in 2024 showed the characteristics of "shrink in demand," "intense competition," "low price," and "loss in operation," with a sharp decline in price and volume. The demand for cement has recovered slowly. Although many regions have increased the peak and postponed the kilns in the first quarter, the weak demand has slowed down the withdrawal of cement from the inventory. The national cement price continued to fluctuate and fall in the first quarter of 2024, and the frequency of price drop increased. The cumulative drop expanded, and the demand for cement declined, and the price also continued to fall. In the tough time, most cement manufacturers have seen a decline in profits and losses at different levels. The cement industry is facing the toughest challenge in the past decade. The industry's capacity is over-estimated, the market demand is falling, the supply and demand gap is emerging, and the price is falling rapidly. The business operation is becoming difficult, and the industry's benefits are falling.

2. The correlation among the upstream, midstream and downstream industries

In terms of the logistics of raw materials, upstream players include limestone mining and cement manufacturing, limestone-containing production, and cement clinker production; midstream players include ready-mixed concrete and cement, limestone distributors and

delivery, etc.; downstream players include construction companies, chemical industries using limestone, or civil engineering contractors, and construction of civil buildings, etc.

3. Development trends and competition of products

(1) Taiwan

In order to reduce carbon emissions, the Company has developed a special type of Portland cement, and the test mixing of the first ready-mix concrete plant in November 2024 and the SGS inspection of the samples simultaneously sent have all obtained the early and mid strength higher than the Type I cement, and the late strength and the nature of work is not much different. In the future, we will replace some Type I cement to make mortar or general private construction, to achieve the carbon reduction performance.

In addition to the private construction market, the Company's cement products are also used for IS-type high furnace cement mortar land modification projects in cooperation with distributors. The special cement, such as I-type low-alkaline cement and II-type low-alkaline cement, is especially popular among the Taipei MRT and various departments. Many large-scale concrete, marine engineering and land creation projects are all designated to use the special cement of the Company.

(2) Mainland

From January to December 2024, the total sales of cement were 1,247,263 tons, comprising 812,361 tons of PO42.5 bulk cement, down year-on-year by 603,088 tons, 43% less; and 434,902 tons of PII52.5 bulk cement, down year-on-year by 196,011 tons, 31% less. The average unit price of PO42.5 bulk cement sales included the tax of \$207.83 per ton, which was \$27.64 per ton or 12% less than the same period of last year. The average unit price of PII52.5 bulk cement sales included the tax of \$231.70 per ton, which was \$31.60 per ton or 12% less than the same period of last year. The cement market has seen a decline in demand for many years since 2021, and the cement price has also continued to plummet. The market competition has intensified and the price war has become more frequent, resulting in a frequent low in the profit of the cement industry. In 2024, or reducing to NT\$12 billion, it is the lowest level in the past decade. In 2025, with the active execution of peak-off production by local cement companies, stable quantity and price, plus the industry's upgrade and transformation, the cost will decrease. The profit or bottom line of the cement industry will rebound. Looking ahead to 2025, the domestic macro environment will continue to be good, the demand for infrastructure will be bottomed out, the demand for housing construction will be bottomed out, the decline in cement supply and demand will narrow down, and the price of cement will be low in the beginning and high in the end. The profit or bottom lines of the industry will rebound.

(III) Technology and R&D

1. R&D expenses invested during the most recent year or during the current year up to the date of publication of the annual report (1Q2025) (more than NT\$5 million)

Unit: Thousand \$NT

Year	Item	Expenditure	Achievements
2024	Improvement of transmission system of the grinder	24,965	Reduce vibration and energy consumption, improve equipment yield rate
	Coal grinding and feeding for modification and replacement	649	Equipment elimination to improve precision and operation rate, ensure stable feeding, and meet production requirements.
	A new set of dust inspection system was added to the coal dust outlet	788	To accommodate the environmental protection policy, the Company has increased the number of smoke test points and implemented control over the emission.
	Coordinated disposal of general solid waste from cement kilns project	4,881	Coordinated disposal of sludge and contaminated soil using cement kilns, where sludge and contaminated soil are disposed of with components that replace clay raw materials, resulting in a saving of approximately 90,000 tons of replacement clay raw materials.

2. Successfully developed technologies or products in the most recent year and in the current year up to the date of publication of the annual report:

Improved manufacturing process, reduced the cost of raw materials, and mass produced Type I and Type II low-alkali cement and hydraulic cement.

(IV) Long-term and short-term business development plans

1. Long-term plan

(1) Taiwan

In the face of competition from the domestic industry and imported cement, the Company adopts the competitive capital of improving product stability and service quality to avoid vicious price competition. The Company also invests in the production and sales of low-carbon cement with limestone, and leads the market trend, to strengthen the brand image of the Company's cement.

Therefore, the Company sets the product pricing at the median of the market price, and sells at a price lower than the market price. The stable quality of the products helps to win the trust of the customers with high C/P value.

(2) Mainland

With the products and market positioning improved, Jiangsu Xinning New Building Materials Co., Ltd., a subsidiary in China, takes grade-PO 42.5 and grade-P II 52.5 cement in the "Xinning brand" as its leading products for the infrastructure construction market. With advanced skills, excellent service, high quality, strong production capabilities to ensure supply, and a complete service network, it serves the infrastructure construction market in Nanjing and Jiangsu.

1. It is rigorous, pragmatic, and efficient in sales. With the company's advantages in product quality, it ensures adequate cement supply and service for clients, stabilizes its market share, and increases cement sales.
2. It optimizes the structure of clients, expands sales channels, focuses on grade-42.5 and grade-52.5 cement, and sells products to clients mainly in the Jiangbei and Jiangnan regions, along with clients near Anhui and clinker clients, to ensure the normal operation of kilns, to strike a balance of production and sales and increase the company's profits.
3. It proactively bids for key construction projects, timely produce low-alkali cement or retarders in line with market demand, as well as differentiates its products and expands sales, to increase the company's product reputation. It also enhances sales

personnel's training to improve their sales skills, adapts to market changes, stabilizes its sales teams, and strengthens market surveying, to keep abreast of market trends.

2. Short-term plans

(1) Taiwan

The factors of the current stage of electricity tariff increase, whether the reduction of goods tax by half will be extended, and the carbon fee starting this year, the Company will not take any more orders for more than one quarter (three months) to avoid the loss caused by the inability to adjust the price in time. Therefore, the short-term business plan is to confirm the cost and determine the reasonable price.

In addition, to avoid the impact of market contraction on the Company's performance, the Company will be more actively striving to maintain the shipment volume of large-scale public construction projects, and will also formulate project prices based on customer's needs. If the customer has a long-term contract demand (over one year), the Company will also include price negotiation conditions, to avoid the subsequent cost increase that compresses the profit margin.

(2) Mainland

We will achieve the sales targets and expand sales on a daily and monthly basis, enhance exchanges with competitors, adjust prices timely, and increase selling prices.

I. The Company has been actively involved in regional projects, including the Nanjing North Station and the Beishi-Jiang and Beishi-Ruih high-speed railway projects, and is actively involved in other municipal support projects to strive for the right to supply for projects, form differentiated competition, and ensure stable sales.

II. The Company will accurately understand the changes in the market, increase the number of customers of cement products and pile customers, expand the sales area and scope of cement products, and ensure the balance of production and sales.

III. The Company will continue to maintain positive communication and coordination with the industry peers to maintain a stable market price.

II. Market and production and sales overview

(I) Market analysis

1. Sales area of major products cement and clinker

Market and proportion of sales of cement and clinker produced by the Group.

Taiwan accounted for 57.58% of the sales and Nanjing, China, accounted for 42.42% of the sales.

(1) Taiwan

The products are mainly type I ordinary cement and type IS blast furnace slag cement, which are suitable for ready-mixed concrete plants, geological improvement in construction engineering projects, and the paint markets.

Main target markets: Yilan, Keelung, Greater Taipei, and north of Taoyuan, accounting for more than 94% of sales.

Secondary target markets: Hsinchu, Miaoli, Taichung, Changhua, accounting for 6% of sales or less.

(2) Mainland

The products are mainly PO42.5 and PII52.5 high-standard cement, which are suitable for mixing stations, pipe piles and engineering customers in the region. Due to the small effective sales radius of cement product transportation, the dominant areas are concentrated in Nanjing Jiangbei, Jiangnan, etc. with sales radius around 80-100KM. In 2022, with lower logistics costs, the sales scope has expanded to more than 150 km in radius. The sales market and proportion:

Main target markets include the areas near the plants, Pukou and Liuhe districts in Jiangbei Nanjing, Jiangbei New Area, Yuhua district in Jiangnan, Binjiang district, Hexi district, Jiangning district, and Wujiang, Anhui, accounting for about 95% of sales. The sales in the main target markets accounted for about 99% in 2024.

Secondary target markets include Chuzhou, Anhui Maanshan, and Hefei. With key construction engineering projects and clinker sales at different stages included, accounting for around 5% of the sales. The sales in the secondary target markets in 2024 accounted for around 1% of the sales.

2. Market share

(1) Taiwan

In 2024, cement and clinker sales accounted for approximately 6.1% of the market in Taiwan.

(2) Mainland

In 2024, the total annual demand for cement in Nanjing was about 9.5 million tons, and the Company's market share in Nanjing was about 15%.

3. Future market supply and demand and growth

(1) Taiwan

As mentioned above, the growth of private construction projects has slowed down under the government's various real estate development policies. It is expected that the cement market will be sluggish this year, or even decline slightly, depending on whether the market turns hot in the second half of the year. The key to market turning hot depends on whether there are favorable factors (such as large public construction projects launched by the government, and large urban renewal projects launched). Therefore, the domestic cement market is expected to reach 11.5 million tonnes in 2025. As for the domestic market, the supply is even flat, and the import market share of cement is 27%. The Cement Manufacturer Association has also filed a tariff for the import of cement to Vietnam, the importer is facing the aforementioned pressures for growth, and it is estimated that the domestic cement supply and supply ratio will not change much in 2025.

(2) Mainland

The cement market has seen a decline in demand for many years since 2021, and the cement price has also continued to plummet. The market competition has intensified and the price war has become more frequent, resulting in a frequent low in the profit of the cement industry. In 2024, or reducing to NT\$12 billion, it is the lowest level in the past decade.

In 2025, with the active execution of peak-off production by local cement companies, stable quantity and price, plus the industry's upgrade and transformation, the cost will decrease. The profit or bottom line of the cement industry will rebound. Looking ahead to 2025, the domestic macro environment will continue to be good, the demand for infrastructure will be bottomed out, the demand for housing construction will be bottomed out, the decline in cement supply and demand will narrow down, and the price of cement will be low in the beginning and high in the end. The profit or bottom lines of the industry will rebound.

A. Taiwan

- With sufficient limestone ore source, the supply of the main raw materials can continue for a long time.
- The sales of cement should be stable as the government is actively promoting various infrastructure projects, expanding the construction of local cities and towns, and the surrounding lines of MRT in various regions.
- The market share of the domestic cement industry is clear, and the probability of vicious price competition is extremely low, which can maintain a

reasonable margin.

B. Mainland

- The limestone stock of our subsidiary in China is abundant, and the quality of ore is high; the supply to the market should be adequate.
- The product quality is stable, the adaptability is high, the market sales channels are in a stable state, and the sales policy is basically accepted by customers.
- The transportation distance from the subsidiary in China to the state-level Nanjing Jiangbei New Area is relatively short. Thanks to the development of the Jiangbei New Area in recent years, we have certain competitiveness advantages in terms of the location in regional market.

(1) Unfavorable factors

A. Taiwan

- The carbon emission tax will be levied, the electricity tariff will rise, and the preferential reduction of goods tax will be revoked. The cost of cement will reach a new record height, which will have an unprecedented impact on the concrete market and the construction industry.
- The private construction development is slowing down, and only the government's public construction projects can drive the enthusiasm of local construction projects.
- The import cement market share has exceeded 25%, and the import cement is facing the pressure of low price and no border carbon tax.

B. Mainland

- Within 50 kilometers of China subsidiaries' locations are several large cement manufacturers, including Quanjiao Conch Cement Company Limited, Anhui Panjing Cement Co., Ltd., and Chuzhou Zhonglian Cement Co. Ltd., with a production capacity of about 13 million tons and similar products and highly overlapping client groups, so the competition in homogenous products is intense. Between 2022 and 2024, new production lines will be put into operation in neighboring Anhui, which will surely increase the supply in Nanjing, with a certain impact on cement sales and prices. The low-priced cement transported by cement carriers in the upper reaches of the Yangtze River relies on the existing sales channels.
- Large cement groups, including China National Building Materials Group Corporation and Anhui Conch Cement Company Limited, tapped into their capital advantages to expand their upstream and downstream cement businesses, from the upstream mining resource bidding and mining business to the downstream concrete and building component production. Large cement groups merged and acquired concrete enterprises in the region, and the density of such businesses is high. They procure cement within the group, so we lost some of our market share.

(2) Countermeasures:

A. Taiwan

- Enhance product quality and after-sales service, avoid price competition with other operators, strictly control costs, and maintain profitability margins.
- To respond to the world's net-zero carbon emissions, we have developed low-carbon limestone cement to reduce carbon dioxide emissions. The product has been certified for the positive mark and has also achieved excellent results in trial mixing.
- The Company maintains close contact with customers, and communicates market information and maintains price flexibility at any time. The Company

cooperates with customers to provide project prices to obtain government tenders and private construction projects, creating a win-win situation.

B. Mainland

- Formulate a competitive sales policy with stable product quality and high richness of the mix, mainly promoting 52.5 and 42.5 high-grade cement, to achieve competitive differentiation in response to changes in the market conditions.
- Actively participate in the bidding for major infrastructure projects to make up for the decrease in real estate projects to ensure stable sales.
- Increase customer visits frequency, optimize customer structure and pipelines, and enhance stability and clients' royalty.

(II) Important uses and production processes of the main products

1. Key purposes of main products:

(1) Taiwan

A. Portland Type I Cement

Portland type I cement is suitable for general construction and engineering works without sulfate corrosion or temperature rise, such as: pavement, floor, reinforced concrete structures, roads, pipelines, stucco works and other pre-cast bodies, etc.

B. Portland Type I Low Alkali Cement

Portland type I low alkali cement is similar to Portland type I cement in physical properties. However, the total alkali content in its chemical composition must be less than 0.6% Alkalies ($\text{Na}_2\text{O} + 0.658\text{K}_2\text{O}$), because it can reduce the alkali silicate colloid produced by excessive alkali in the reaction, and avoid the occurrence of building swelling and cracking.

C. Portland Type II Low Alkali Cement

The chemical composition of this cement is subject to more restrictions than that of Type I cement. The alkali equivalent content in the chemical composition must be less than 0.6%, and it has moderate resistance to sulfate corrosion, thus avoiding the swelling and cracking caused by the reaction of alkali with aggregates. It has lower dry shrinkage and better durability, and is suitable for underpasses, sewers, piers, breakwaters, harbors and other engineering works.

D. Portland II (MH) cement

Portland II (MH) cement is also called even heat cement and has similar properties to Portland II cement, but the sum of tricalcium silicate and 4.75 times tricalcium aluminate must be less than 100% for its chemical composition. Its slow hydration reaction, low expansion rate and relatively low heat of hydration heat can reduce water consumption and prevent alkaline reaction of aggregates. It has moderate sulfate resistance and moderate hydration heat. Its early strength is lower than that of Type I, but its late strength is higher. It is suitable for engineering works such as reservoirs, dams, rapid transit, elevated roads, and mass concrete.

E. Blended hydraulic cement IS Type (Portland blast furnace slag cement)

Blast furnace slag cement has the advantages of lower heat of hydration, higher late-stage compressive strength, durability and low cost, often used in foundation works of dams, bridges, tunnels, river banks and basements.

F. Blended hydraulic cement IL Type (Prestressed Portland cement)

As limestone is finer and more delicate, the early strength is higher. However, the late strength is not as good as Type I. In addition, the CO₂ emission reduction is 8-12%. In the future, Portland Type I cement will be the most widely used product.

(2) Mainland

A. General Silicate Cement Clinker

A hydraulic hard cement material with calcium silicate as the main mineral component, produced by having the raw materials mainly containing CaO , SiO_2 , Al_2O_3 , Fe_2O_3 ground into fine powder in appropriate proportions and burned until partially melted. The mineral content (mass fraction) of calcium silicate is not less than 66%, and the mass ratio of calcium oxide to silicon oxide is not less than 2.0. The alkali content of the Company's clinker is less than 0.6% and C3A is less than 8.0%, which is suitable for grinding various types of low alkali general silicate cement.

B. PII Silicate Cement (also known as Type II Portland Cement)

General silicate cement clinker with 0~5% limestone or blast furnace slag has higher early and late strength, alkali content less than 0.6%, which can greatly reduce the occurrence of alkali aggregate reaction and have moderate resistance to sulfate erosion and strong resistance to weathering. The Company currently produces low-alkali Portland cement PII 52.5, which is suitable for large-scale commercial buildings, bridges, docks and seaport facilities and other large-scale important engineering works.

2. Production process of major products

Raw materials such as limestone, clay, silica sand, iron slag and furnace stone are ground into fine powder in appropriate proportions and then calcined at high temperature in a rotary kiln to produce clinkers, and then ground into various cement products by adding appropriate gypsum and corresponding mixed materials in specific proportions.

(III) Supply of main raw materials

Role	Source of supply	Note
Limestone	Self-mining	- The main raw materials for cement production include limestone, clay, silica sand, iron slag, and gypsum; the fuel is coal. In addition to limestone, which is of self-mining by the Company for self-use, other raw materials are also mainly sourced locally, while any shortage will be purchased from outside. - Long-term and short-term contracts are adopted to stabilize prices, and ensure that quantity and delivery time of suppliers can meet the Company's needs. - The Company maintains a good collaborative relationship with suppliers, and the source of supply is safe.
Clay	Purchased domestically	
Silica sand	For Taiwan, mainly purchased domestically or imported from Vietnam	
	For Mainland, mainly purchased locally from Nanjing	
Iron slag	Mainly purchased locally, partly imported from Japan	
Gypsum	Mainly purchased domestically	
Coal chips	For Taiwan, imported from Russia	
	For Mainland, mainly purchased from Nanjing	
Furnace slag	Mainly purchased locally, partly imported from Japan	
Dry fly ash	For Mainland, mainly purchased from Nanjing	
Slag powder	For Mainland, mainly purchased from Nanjing	

(IV) The names of suppliers and customers who have accounted for more than 10% of the total purchases (sales) in any of the most recent 2 years, their purchases (sales) amount and proportion.

1. Information on major suppliers in the last two years

Unit: Thousand \$NT

	2024				2023				As of the previous quarter 2025			
Item	Name	Amount	As a percentage of net purchases for the year (%).	Relationship with the issuer	Name	Amount	As a percentage of net purchases for the year (%).	Relationship with the issuer	Name	Amount	As a percentage of net purchases for the year up to the previous quarter (%).	Relationship with the issuer
1	B	326,222	18.13	None	C	546,548	20.25	None	E	93,782	24.09	None
2	F	294,760	16.38	None	B	414,489	15.36	None	F	88,632	22.76	None
3	E	280,053	15.56	None	A	381,942	14.15	None	A	66,468	17.07	None
4	C	250,342	13.91	None	E	336,607	12.47	None	B	44,864	11.52	None
5	A	126,388	7.02	None	F	310,356	11.50			-	-	
6	Others	521,918	29.00	None	Others	708,731	26.26	None	Others	95,597	24.55	None
	Net purchases	1,799,683	100.00		Net purchases	2,698,673	100.00		Net purchases	389,343	100.00	

The ratio of the purchases from the three major suppliers to those from all suppliers has not changed much. The main reason is that the Company mainly produces cement, and the raw material belongs to the ore category. As the production process consumes a great deal of coal and electricity, the top three suppliers supply ore, coal, and electric power, respectively. To take into account the stability and adequacy of the supply of materials, there should be no great change in the purchase of said raw materials.

2. Information on major customers in the most recent 2 years Unit:

NTD thousand

	2024				2023				As of the previous quarter 2025			
Item	Name	Amount	As a percentage of net sales for the year (%).	Relationship with the issuer	Name	Amount	As a percentage of net sales for the year (%).	Relationship with the issuer	Name	Amount	As a percentage of net purchases for the year up to the previous quarter (%).	Relationship with the issuer
1				None								None
2				None								None
3	Others	4,656,290	100.00	None	Others	6,259,864	100.00	None	Others	1,097,070	100.00	None
	Net sales	4,656,290	100.00		Net sales	6,259,864	100.00	-	Net sales	1,097,070	100.00	

The Company maintains stable collaborative relationships with major sales clients. China is an extensive market and the market competition is fierce, so the increase or decrease in the ratio of sales to clients is due to the increase or decrease in sales caused by the supply and demand in the general market.

III. The number of employees for the most recent 2 years, and the current year up to the date of publication of the annual report, their average years of service, average age, and education distribution.

Item \ Date		December 31, 2024	December 31, 2023	As of March 31, 2025
Number of employee		711	718	642
Average age		46.52	45.89	47.07
Average years of service		12.22	12.17	12.675
Education profile	Doctoral Degree	0.00%	0.00%	0.00%
	Master's degree	1.83%	1.81%	1.87%
	University or college	31.08%	31.48%	30.22%
	High school	33.61%	33.70%	33.49%
	Below high school	33.47%	33.01%	34.42%

Note: It refers to the number of the Group's employees (including employees of subsidiaries in Taiwan and mainland China).

IV. Information on environmental protection expenditures

In view of the rapid development of circular economy and technology, the Group actively promotes green energy and environmental protection, and is committed to environmental sustainability to implement corporate social responsibility. Also, the Company conducts business in compliance with various environmental protection laws and regulations while strengthening efforts in tree planting around mines, energy conservation, carbon reduction, and pollution prevention, improvement to processes, and waste treatment, to reduce the impact on the environment, implement various management of safety, health, environmental protection, and fulfill corporate responsibilities for environmental protection.

The details of 2024 expenditure for investment in pollution prevention and control equipment or technology are as follows:

Unit: Thousand \$NT

Item	Expenditure	Note
Update and maintenance of pollution prevention equipment	11,141	To ensure that the emission complies with the environmental protection regulations and improve the treatment efficiency, the Company regularly updates and maintains the pollution prevention equipment, including dust removal, desulfurization, and waste gas monitoring system, to strengthen the pollution control effectiveness and reduce the impact on the environment.
Coal grinding and feeding for modification and replacement	649	Equipment elimination to improve precision and operation rate, ensure stable feeding, and meet production requirements.
A new set of dust inspection system was added to the coal dust outlet	788	To accommodate the environmental protection policy, the Company has increased the number of smoke test points and implemented control over emissions.
Coordinated disposal of general solid waste from cement kilns project	4,881	Co-processing of sludge and contaminated soil using cement kilns. The sludge and contaminated soil are treated as substitutes for clay raw materials, resulting in a saving of approximately 90,000 tons of substitute clay materials.

Reconstruction and transfer of earthwork at the mine dumping site.	5,853	Construction of a fire access and landscape road in the mining area, with soil from the original +155m dump site transported to the +100m platform as a foundation for the fire access landscape road project.
Fire access road project in the mining park.	34,138	Enhancing road safety in the mining area while improving the landscape to create a green mine.
Renovation of fireproof ceilings in the mine canteen and dormitories.	7,425	Ceilings in the canteen and dormitories were replaced with fire-resistant materials to prevent fire and improve fire safety.

Pollution prevention equipment or technology investment in 2024: NT\$64,875 thousand.

(II) The total amount of losses and penalties due to environmental pollution in the most recent year:

1. Date of Penalty: December 24, 2024

Penalty Number: Fu-Shou-Huan-Ji-Zi No. 1130043431

Violated Regulation: Article 23, Paragraph 1, Subparagraph 1 of the Air Pollution Control Act

Violation Description:

On June 26, 2024, the Environmental Protection Bureau conducted an inspection at No. 205 and No. 235, Section 2, Zhongshan Road, Sheng'ai Village, Su'ao Township. During the inspection, visible particulate pollutants were observed beyond the facility's perimeter. On-site personnel confirmed that the emission was due to a blockage in the raw slurry conveyor, causing noticeable particulate matter to be released into the atmosphere. This indicated a failure to properly collect and treat the particulate pollutants, and that the material was discharged during transport without proper emission ducting, resulting in offsite dispersion. This constituted a violation of Article 23, Paragraph 1 of the Air Pollution Control Act and was penalized in accordance with Article 62, Paragraph 1, Subparagraph 4 of the same Act.

Penalty: A fine of NT\$120,000 was imposed pursuant to Article 62 of the Act.

Corrective Measures: The blockage and resulting emission were immediately resolved on the same day. As there is no ongoing issue, no further corrective action is required.

(III) Future corresponding measures and possible expenditures

1. Future corresponding measures

(1) Taiwan

- Step up management and maintenance of production equipment and environmental protection facilities to reduce the possibility of pollution.
- Continue to strengthen the training of operators on the prevention, control and response to noise, air and water pollution and strictly enforce the operation regulations.
- At present, all possible pollution sources have been equipped with pollution prevention and control equipment, and personnel are regularly trained to deal with abnormal situations in order to completely eliminate pollution.

- In accordance with Article 13 of the "Greenhouse Gas Reduction and Management Act," since 2015, the Group's Nanshenghu Plant has been disclosing annual information related to greenhouse gas emissions for the previous year (with proof such as a third-party examination statement) and has been registered on the "National Greenhouse Gas Registration Platform of the Environmental Protection Bureau, Executive Yuan in response to greenhouse gas emissions and reduction measures".

Participate in the voluntary greenhouse gas reduction campaign, receive technical guidance from the Industrial Development Bureau on energy saving and carbon reduction, and improve process equipment to reduce energy loss.

In response to the call for more greenhouse gas emission reduction, will continue to renew equipment and improve processes to reduce energy loss per unit of production, and hold regular review meetings on process energy efficiency.

- Carbon fee collection

In 2015, the Environment Protection Administration enacted the "Greenhouse Gas Reduction and Management Act" for the management of greenhouse gas emissions. On February 15, 2023, the Act was renamed the "Climate Change Response Act", and in August of the same year, the Ministry of the Environment was given the responsibility to develop climate change adaptation strategies and to reduce and manage greenhouse gas emissions. In order to achieve the national greenhouse gas reduction target, the central competent authority has stipulated the rules for carbon fee levy in phases, and there is a great deal of concern about the method of collecting carbon fee and other compliance requirements announced by the central competent authority.

- Reuse processing policy

Proper disposal of self-generated waste and implementation of resource sorting and reuse.

In line with the circular economy policy, reusable industrial by-products or wastes will be transformed into alternative raw materials and properly processed and mixed in accordance with law, so as to reduce the energy consumption of raw material mining and carbon emissions, and to put into action the environmental protection concept of reusing global resources.

- Reduce water consumption

The groundwater currently used at the Nanshenghu Plant, except for process evaporation consumption, is only used for the cooling of process equipment and is recycled and reused. and achieved the goal of zero discharge of recycled water in the manufacturing process as indicated by the fact that the Yilan County Environmental Protection Bureau issued the "Waste (Sewage) Water Storage Permit Document" on December 8, 2016.

(2) Mainland

- Committed to the social responsibility goals of environmental protection, culture, poverty alleviation, and community interaction; adopt green production and green lifestyles as the goal of environmental sustainability; start from ecological vegetation projects, energy conservation and carbon reduction, addition and update of pollution prevention and control equipment to waste recycling and treatment to reduce the impact on the environment.
- As for energy conservation and consumption reduction, the Company will optimize the energy system throughout entire production line through a series of energy-saving technological modifications to improve the energy efficiency. In terms of collaborative treatment, the Company treated municipal sludge as designated by the Nanjing Municipal Government and has effectively alleviated the pressure on local disposal work for environmental protection to jointly improve energy consumption indicators, environmental emission indicators, comprehensive utilization of resources, and changes in people's perceptions.
- Strengthen the management and maintenance of production equipment and environmental protection facilities by all production units to ensure normal and stable operation, and meet the standard requirements of the special emission limits of atmospheric pollutants in the national designated areas of the country and the requirements of the Ecological and Environmental Protection Bureau of Nanjing City and Pukou District.
- Provide more trainings on environmental protection awareness for all employees, upgrade environmental management techniques and further elevate the environmental management level of the Company; make complete environmental protection files, including environmental assessment reports, environmental engineering acceptance reports, pollution source monitoring reports, pollution emission standards, environmental protection laws and regulations, environmental protection technical information and other environmental statistics, and report to the local environmental protection administrative department on a regular basis to ensure that the emission of pollutants meets the standards and keep in good shape total amount control of pollution emission.

2. Future possible expenditures

- (1) Expenses for replacement, renewal, and upgrade of existing anti-pollution equipment.
- (2) Environmental taxes on pollutants discharged/emitted.
- (3) Skills training for environmental management personnel.
- (4) Road maintenance and vegetation costs.
- (5) Fees for environmental protection facility certification and pollutant discharge/emission monitoring.
- (6) Carbon fee collection.

Expected future expenditures for environmental protection:

Item	Performance
Mesh spraying planting project for residual wall and platform 820–830 on the south side	Implement the vegetation and water and soil conservation work and work with the government's vegetation policy to proactively restore and reduce the impact on the landscape
Update and maintenance of pollution prevention equipment	Reduce the emission of pollutants and fulfill corporate social responsibility
Automatic monitoring of ammonia in kilns	Automatic monitoring of ammonia emission in kilns, and connect to the ecological department.
Environmental protection power monitoring system upgrade and completion	Production facilities for environmental protection power monitoring and environmental governance facilities
TSP Concentration Monitoring and Air Micro Station Construction	The factory's main production dust points, such as the dust collection shelter, are equipped with total suspended particle (TSP) concentration monitoring device. The transportation of raw materials and fuel storage and import/export, kilns, kilns tail, cement grinding, and coal storage and import/export in the vulnerable areas and workshop are easy to produce dust. The central section of the material transportation road with a length of more than 200 meters has been set up with air quality micro-station.
Construction of an integrated environment management platform for the whole factory	The integrated environment control platform of the whole factory, to collect related production facilities, governance facilities, and pollution emission data systems. The system shall be designed with the function of alert, handling, feedback and closure that will be required for the operation parameter and monitoring data of the governing facilities.
Cleaning transportation modification	For products and raw material transportation vehicles that do not use new energy or the Chinese emission standard vehicles, all transportation vehicles are required to use new energy or Chinese emission standard vehicles for transportation.
Assessment and monitoring of ultra-low emission modification items	Enterprises must complete the on-site monitoring after the on-site ultra-low emission reform is completed in accordance with the requirements of the ultra-low emission pre-assessment report. The monitoring data is included in the assessment report.
Replacement of dust collection bag	Bags for collecting cement dust, coal dust, and gravel from mining sites need to be replaced.

It is estimated that the total environmental protection expenditure will be NT\$51,135 thousand in the future to improve the stability of the existing equipment operation and optimize the emission quality.

V. Labor Relations

In addition to enhancing the welfare and working environment for employees under various labor, safety and health laws and regulations, the Group has also established various evaluation, training, retention and utilization systems to improve the quality of human resources and transfer of work experience, and planned various salary and bonus benefits to meet the expectations of employees and society, in order to build up the momentum for future competitiveness.

(I) The Group's employee benefits, education, training and retirement systems and their implementation

1. The Group sets out employee benefits in accordance with regulations with variations from region to region. The main contents include emergency relief, bereavement aid (including dependents), wedding support, birthday gift certificate, education scholarship for children, childcare allowance, New Year's gift certificate, transportation subsidy, meal allowance, staff dormitory, model worker recognition and staff travel subsidy, movie tickets, group accident insurance for employees, etc.

2. Employee development and training

The Group regularly organizes training programs for new recruits and various professional training programs. The human resources department plans employee training programs every year, focusing on the functional needs of different departments and levels, and organizes internal and external training programs in conjunction with the Company's development strategy to provide supervisors and employees with ample opportunities for training, covering professional skills and development of talents in accounting, production, computer, finance, and law, etc. Depending on the actual needs, each department can also participate in vocational training programs offered by government agencies and social organizations to improve the connection between professional functions and social trends.

In 2024, HSING TA employees had a total of 3,634 hours of training, with 550 participants.

Mainland Xinning Plant's employees had a total of 564 hours of training, with 1,966 participants.

3. Retirement systems

The Company has the "Regulations on HR Management" to provide for the appointment, service, evaluation, reward and punishment, promotion and termination of employees, and the "Regulations on Employee Bereavement" to take care of employees and their families. The Company has a Supervisory Committee of Labor Retirement Reserve in accordance with law, which meets from time to time as necessary to review the appropriation and utilization of pension funds to fully protect the retirement rights of employees.

The "Labor Pension Act" became effective on July 1, 2005. For employees who were previously employed and are still in employment, they may choose to continue to be subject to the pension provisions of the "Labor Standards Act" (the old scheme) or to be subject to the pension scheme of the Act and to retain the length of service prior to the application of these provisions. Employee pensions are paid based on years of service and average salary for the six months before retirement. After July 1, 2005, only the pension scheme under the Labor Pension Act (the "new scheme") is applicable to new employees.

For employees who choose to be subject to the Labor Standards Act (old scheme), the Company contributes a monthly retirement reserve, as per the results of the actuarial report, to a dedicated account in the Trust Department of the Bank of Taiwan, and their pension payments are made from this dedicated account.

In line with the new scheme of labor pension appropriation, the Company contributes 6% of the total monthly salary of employees who choose to apply the Labor Pension Act (the new scheme) to their individual accounts with the Bureau of Labor Insurance.

(1) Employee retirement criteria:

Retirement can be divided into self-initiated retirement and mandatory retirement, and the criteria are as follows.

Criteria for self-initiated retirement:

- Have worked for at least 15 years and have reached the age of 55.
- Has completed at least 25 years of service.
- Have worked for at least 10 years and have reached the age of 60.

Criteria for mandatory retirement:

- Have reached the age of 65.
- Is mentally or physically incapacitated and no longer fit for duty

The age specified in the preceding paragraph may be adjusted by the employer upon application to the central authority for special jobs that are dangerous or require strong physical strength. But not less than 55 years old.

(2) Employee retirement procedure:

- Retirement application

Employees who apply for self-initiated retirement should fill out the "Separation (Suspension) Application Form", while mandatory retirement shall be initiated by HR unit

in accordance with regulations.

- Retirement review

The HR unit according to hierarchy submits to the supervisor at each level for review and to general manager for approval.

- Retirement process

Before employees retire, they must complete the handover process in accordance with the separation procedures, and their immediate supervisors must oversee the transfer of the employees' works and company properties, and reimburse all borrowings.

- Pension payment

Employee pension is paid within 30 days from the date of retirement.

In accordance with the pension insurance system stipulated by the government of the People's Republic of China, the Mainland Xinning Plant provides monthly pension insurance benefits to local employees at 16% of their basic salary, and each employee's pension is managed and arranged centrally by the government.

4. Protective measures for working environment and employee personal safety

(1) Specific measures for safety and health management

- Policy and administration of occupational safety and health management system

With "Safety First, Prevention of Injuries and Diseases, Compliance with Laws and Regulations, and Continuous Improvement" as the spirit of the safety and health management system, the Company has established and implemented an effective and preventive safety and health management system for all employees to follow and continuously improve in order to achieve the safety and health goals.

Comply with domestic safety and health laws, and strive to meet international safety and health standards. Strengthen relevant safety and health education and training to improve employee's awareness of workplace hazards and prevent occupational injuries and diseases. Establish a good communication mechanism and build a harmonious relationship. Continuous audit, review and supervision, timely correction of unsafe factors to enhance operational safety.

- Set out safety and health policy

Establish a "Safety and Health Work Rules" as the basis for consensus on safety and health measures in the Company. In order to achieve the goal of zero disaster, the plan is revised every year based on risk assessment and meeting discussions, in addition to complying with the requirements of corporate social environment and government labor regulations, and continuously facilitate the overall improvement of safety and health performance through the PDCA method.

- Hazard identification, risk assessment and corresponding measures

Based on the hazards discovered during the inspection, each unit formulates an improvement management plan after review and evaluation, which serves as the basis for formulating the annual safety and health management plan and the safety operation standards, so as to reduce the risk of hazards in the business unit year by year and achieve the ultimate goal of zero disaster.

- Operating environment monitoring

In accordance with the measures for the implementation of labor working environmental monitoring, qualified working environment monitoring organization is entrusted to monitor dust, noise and other chemical and physical factors in the working environment, and determine whether the monitoring results meet the provisions of law, and if there are abnormalities in the monitoring results, they need to be improved and corrected to protect the safety of personnel.

- Health care and management

In accordance with the labor health protection rules, health inspections are carried out, and there are medical staff in the factory. Special inspections such as lung function are carried out for workers working under special health hazards such as dust. After the results of special

health inspections, differential management is implemented with follow-up for employees with abnormal inspection data to help them pay attention to their health conditions and take up healthy lifestyle habits.

- Audit management of safety and health responsibility area

A three-level audit management system is adopted to implement internal audit (internal self-audit) and external audit (audit by the audit department and competent authority) according to employee's responsibility area. In addition to requiring all employees to thoroughly carry out safety and health management, also ensure that the safety and health management system operates smoothly and well.

- Implement automatic checks

Considering that employees are prone to physical injury due to unsafe operations, equipment or management when they deal with different working environments, processes, operations and works, actively promote automatic inspections, hoping to by this measure discover potential hazards for improvement and effective control.

- Occupational health and safety management system

Through the occupational safety and health management system, fully utilize the autonomous management function of safety and health, continuously improve occupational safety and health performance, and reduce risks to safety and health, so as to ensure labor safety and health and boost competitiveness in the industry.

(2) Implement operation safety control

- Operation application control

According to legal requirements and actual operation needs, special operation controls and work permits are implemented for elevated operations, fire operations, confined space operations, etc. for workers to follow.

- Regular inspection and certification of hazardous machinery and equipment

All hazardous machinery and equipment must be inspected and qualified regularly. Operators must obtain professional licenses in accordance with law to operate and need to receive regular on-the-job retraining.

- Analysis and investigation of occupational accidents and false alarms

Analyze and investigate all injuries, non-injuries and false alarms and track ex post improvements to eliminate potential hazards.

- Amendment to safety operation standard

All amendments to safety operation procedures are led by unit chiefs, who guide workers actually conducting related operations to participate in amendment discussions. Through continuous and comprehensive reviews, the safety operation procedures can effectively be carried out on the operation shop floor so that the perception of hazards of operating personnel is enhanced and improper accidents due to failure to follow the procedures are eliminated.

- Improvement of traffic in the plant

In order to ensure the safety of all intersections in the plant, will continue to discuss improvement measures and introduce improvement projects, and strengthen traffic safety educational propaganda and eliminate unsafe driving behaviors.

- Machine and equipment switch control

In order to avoid the hazards associated with "false activation" of equipment switches, in addition to a comprehensive inspection and labeling of the switches on site, safety procedures have been established for power-off and tagging during machine shutdown for repair to avoid the hazards of winding and pinching during equipment maintenance or machine shutdown.

- Firefighting equipment inspection and filing

In addition to regular self-inspection of fire-fighting facilities and equipment, continuous improvements are also made every year.

5. In order to encourage the professional services of our employees and to support their lives after

- retirement, the Group has established labor retirement and employee bereavement schemes to take care of employees and their families.
- (II) Agreements between management and employees of the Group and measures to protect the rights and interests of employees
1. Labor-management agreement
To create a harmonious labor-management relationship, the Company convenes labor-management meetings regularly to ensure employees' safety, well-being, and health. It establishes a channel for consultation and grievance with smooth employees grievance channels. Therefore, the labor-management relationship has been harmonious since the establishment of the Company without material labor disputes. All employees work hard with loyalty to the Company.
 2. Measures for protection of employee rights
In addition to formulating the "Employee Work Rules" in accordance with the laws and regulations to clearly regulate the working conditions and protect the rights and interests of employees, the Company has also facilitated the "Labor-Management Meetings", and established the "Employee Welfare Committee", and the "Employee Complaint Channels" in accordance with the laws and regulations. The Company's Nanshenghu Plant entered into a collective bargaining agreement with enterprise Union for a period of 3 years (from June 19, 2024 to June 18, 2027), which will be renewed before the expiration of the agreement, and a labor-management supervisory meeting will be held every 3 months, during which labor representatives can propose employee welfares (improvement of factory food, adjustment of flexible rest days, and increase of bonus). In 2024, five regular meetings were held, and the resolutions passed were submitted to the Head Office for approval to have the related welfares adjusted for the current year. Employees' rights and benefits can be addressed fairly and reasonably through the aforementioned channel. The Company and its employees have been working together in good faith to create a win-win situation, and so far there has not been occasions that gave rise to damage to the rights and interests of the employees, and the Company has been awarded by the Ministry of Labor's "Award as an Experienced Mediator of Labor Disputes and Collective Bargaining Agreements" in 2018 and 2019 consecutively. Please refer to the Chapter "Labor-Management Communication" of the Company's Sustainability Report for more details.
- (III) Losses incurred due to labor-management disputes in the most recent year and in the current year up to the date of the publication of the annual report and disclosure of the estimated amount of current or future potential losses and corresponding measures:
In the most recent 3 years, the Group had no labor-management disputes and there is no potential cause of labor-management disputes. However, the Company will continue to maintain close communication and coordination with labor unions and actively enhance welfare measures and improve working environment to promote harmonious labor relations with a view to eliminating the possibility of labor-management disputes.
- (IV) Code of conduct or ethics for employees
The "Ethical Corporate Management Principles", "Code of Business Conduct with Integrity" and "Code of Conduct for Employees" have been established to regulate the ethical conduct of all employees. For relevant contents, please refer to the website:
<http://www.hsingta.com.tw>→About HSING TA→Major Company Regulations.
- (V) The total amount of losses and penalties due to labor safety and health in the most recent year: None in 2024.

VI. Cyber security management

- (I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.
1. Cyber security and risk management framework:
 - A. The goal of information security:

Establish a safe and reliable computerized operating environment to ensure the security of company data, systems, equipment, and networks to protect the Company's interests and all units' sustainable operations of the information systems.
 - B. Information security management measures:

To strengthen the Company's internal information security management, that is, to ensure the confidentiality, integrity, and availability of information, with cyber security, the Company has formulated the Computer Operations Management Regulations to regulate the security maintenance of information and data. The Company has established a management system for the access, generation, use and storage of various IT data, and regulated the behaviors concerning information security that employees must follow when using computer information systems for business purposes. The Company protects information assets from improper use, leakage, tampering, destruction to ensure the security of information collection, processing, transmission, storage, and circulation.
 - C. The scope of information security
 - Personnel management and information security information promotion.
 - Cyber security management.
 - System access control.
 - Physical and environmental security management.
 - Computer system security management.
 - Email data security management.
 - System development and maintenance security management.
 - Information security audit.
 2. Information security policy:

Establish a safe and reliable information operating environment to ensure the security of company data, systems, equipment, and networks to protect the Company's interests and all units' sustainable operations of the information systems. Maintain the stability of the Company's business operations and avoid operating losses from system interruptions or information security incidents.
 3. Specific management plan:
 - A. Information security specific plan
 - Establish firewall settings and connection rules.
 - Use anti-virus software to reduce the chance of computer virus infection.
 - Email security control to prevent unsure email and spam.
 - Data backup: Daily data backup and remote storage to ensure data security.
 - Data recovery: At least one data recovery drill is organized a year to ensure the effectiveness of backup procedures and data so as to prevent the risks when disasters occur, and to ensure the smooth connection of all information systems.
 - B. Information security audit and review
 - The Company conducts one "Information Security Audit" and two "Information System Internal Control Self-Assessment" each year by external parties and internal auditors.
 - Review reports on internal information application systems, office automation, network information and information security protection measures are presented in management meetings from time to time, and provide tools related to operation, management and decision-making to reduce information security and to manage such risks.

4. Resources put in cyber security management:

- Cyber security equipment includes firewall, email virus protection, and spam filtering.
- The system is monitored daily by responsible personnel to prevent hackers from intruding and stealing the company's information.
- We raise employees' awareness of information security from time to time.
- In 2024, a total of 12 information security education sessions were conducted, and a total of 5 information security personnel were trained for 24 hours.
- Purchased firewall equipment in 2022.
- In 2024, the Company will plan to update network equipment and optimize the email system to strengthen network security control.
- In order to strengthen the information security mechanism and the information security situation and communication between the industry, the Company joined the Taiwan Computer and Network Crisis Management and Cooperation Center (TWCERT/CC) in March 2025 to obtain the latest information security threat information and protect information immediately, and to take action to prevent information security attacks immediately.

(II) In the most recent year and up to the publication date of the annual report, the losses suffered as a result of major information and communication security incidents, the possible impacts, and the responsive measures. If it cannot be reasonably estimated, please explain the fact that it cannot be reasonably estimated:

In the most recent year and as of the date of publication of the annual report, the Company has not suffered losses due to major information security incidents.

VII. Important contracts

Contract nature	Party	Dates of commencement and expiration of the contracts	Principal contents	Restriction clause
Engineering contracts	Kaishin Engineering Co., Ltd.	2018.02.14~Completed	Contract for the land development project	None
Purchase and sales contracts	Jiangsu Electric Power Company Nanjing Power Supply Company	2024.01.01~2024.12.31	Electricity bill	None
Purchase and sales contracts	Nanjing China Coal Energy Transportation and Sales Co., Ltd.	2024.01.01~2024.12.31	Raw material coal	None
Purchase and sales contracts	Jiangsu Guoneng Power Fuel Co., Ltd.	2024.01.01~2024.12.31	Raw material coal	None
Purchase and sales contracts	Jiangsu Shunyi Road Environmental Protection Technology Co., Ltd.	2024.01.01~2024.12.31	Phosphorus slags, coal ash from incinerators	None
Purchase and sales contracts	Nanjing Tianbeiyi Building Materials Co., Ltd.	2024.01.01~2024.12.31	Mineral powder, sandstone, iron tailing sand, gangue sand	None
Purchase and sales contracts	Zhenjiang Nuohao Building Material Co., Ltd.	2024.01.01~2024.12.31	Sandstone, yellow phosphorus slag	None
Purchase and sales contracts	Nanjing Nangang Jiahua New Building Materials Co., Ltd.	2024.01.01~2024.12.31	Mineral powder	None
Purchase and sales contracts	Jiangsu Runtian Building Material Co., Ltd.	2024.01.01~2024.12.31	Grinding aid and raw meal mineralizer	None
Purchase and sales contracts	Runtian (Nanjing) New Material Technology Co., Ltd.	2024.01.01~2024.12.31	S80 mining powder, mining powder	None
Purchase and sales contracts	Nanjing Biaobei Trading Company	2024.01.01~2024.12.31	Desulfurized gypsum, coal dust, wet coal dust	None
Purchase and sales contracts	Jurong Chunfan Chemical Co., Ltd.	2024.01.01~2024.12.31	Ammonia	None
Purchase and sales contracts	Jiangsu Tubang Technology Co., Ltd.	2024.01.01~2024.12.31	Ammonia	None
Purchase and sales contracts	Nanjing Anjite Mine Engineering Co., Ltd.	2024.01.01~2024.12.31	Mining engineering works and vegetation project	None
Purchase and sales contracts	Shandong Xunfei Building Materials Co., Ltd.	2024.01.01~2024.12.31	Refractory brick	None
Purchase and sales contracts	Yixing City Jiaxing Refractories Co., Ltd.	2024.01.01~2024.12.31	Construction materials	None
Purchase and sales contracts	Jiangsu Changyou Special Steel Machinery Co., Ltd.	2024.01.01~2024.12.31	Grate plate, anchor	None
Engineering contracts	Nanjing Fuyou Pipeline Engineering Co., Ltd.	2024.01.01~2024.12.31	Integrated management of water supply network	None
Engineering contracts	Jiang Su Tian Mu Construction Group Limited Company.	2024.01.01~2024.12.31	Grate plate, anchor	None
Engineering contracts	Jiangsu Jinma Engineering Co., Ltd.	2024.01.01~2024.12.31	Inspection and repair	None
Engineering contracts	Shanghai Laser Power Equipment Co., Ltd.	2024.01.01~2024.12.31	Kiln outlet electric dust collection	None
Engineering contracts	Yixing City Bingwei Water Treatment Equipment Co., Ltd.	2024.01.01~2024.12.31	Wastewater desulphurization and treatment project	None
Engineering contracts	Jiangsu Yuanmiao Environmental Engineering Co., Ltd.	2024.01.01~2024.12.31	Coordinated disposal of general solid waste from cement kilns project	None
Engineering contracts	Taisheng Construction Co., Ltd.	2024.01.01~2024.12.31	Cooling and storage	None
Engineering contracts	Nanjing Huazhang Construction Engineering Group Co., Ltd.	2024.01.01~2024.12.31	Green mine fire escape road reconstruction	None
Engineering contracts	Nanjing Anjite Mine Engineering Co., Ltd.	2024.01.01~2024.12.31	Green mine fire escape earthwork	None
Engineering contracts	Nanjing Jieyun Construction Engineering Co., Ltd.	2024.01.01~2024.12.31	Green mine planting and landscape work	None
Engineering contracts	Tangshan Yifeng Furnace Engineering Co., Ltd.	2024.01.01~2024.12.31	Furnace construction	None

Five. Review and analysis of financial status and financial performance, and risks

I. Financial Status

Unit: Thousand \$NT

Item \ Year	2024	2023	Increase (decrease) amount	Change Percentage (%)	Remarks
Current assets	6,377,807	6,686,926	(309,119)	(4.62)	
Property, plant, and equipment	2,625,304	2,671,967	(46,663)	(1.75)	
Intangible assets	14,306	17,537	(3,231)	(18.42)	
Other assets	2,261,817	2,186,740	75,077	3.43	
Total assets	11,279,234	11,563,170	(283,936)	(2.46)	
Current liabilities	911,464	1,391,300	(479,836)	(34.49)	(Note 1)
Non-current liabilities	165,976	181,269	(15,293)	(8.44)	
Total liabilities	1,077,440	1,572,569	(495,129)	(31.49)	(Note 1)
Equity attributable to shareholders of the parent	8,298,713	8,117,677	181,036	2.23	
Capital stock	3,411,589	3,411,589	0	0.00	
Capital surplus	15,724	15,697	27	0.17	
Retained earnings	4,957,509	4,883,546	73,963	1.51	
Other equity	(86,109)	(193,155)	107,046	(55.42)	(Note 2)
Treasury shares			0		
Non-controlling interests	1,903,081	1,872,924	30,157	1.61	
Total equity	10,201,794	9,990,601	211,193	2.11	
Analysis and explanation of changes in the increase or decrease percentage in the most recent 2 years (Note 1) Mainly due to the decrease in notes payable and accounts payable in China, resulting in a decrease in current liabilities. (Note 2) Mainly due to exchange differences on translation of foreign financial statements of subsidiaries in Mainland China.					

II. Financial performance

Unit: Thousand \$NT

Item \ Year	2024	2023	Increase (decrease) amount	Change Percentage (%)	Remarks
Operating revenues	4,656,290	6,259,864	(1,603,574)	(25.62)	(Note 1)
Operating gross margin	991,648	1,341,074	(349,426)	(26.06)	(Note 1)
Operating profits	651,364	989,292	(337,928)	(34.16)	(Note 1)
Non-operating income and expense	60,354	122,326	(61,972)	(50.66)	(Note 2)
Net income before tax	711,718	1,111,618	(399,900)	(35.97)	(Note 1)
Net income for the period	524,281	807,587	(283,306)	(35.08)	(Note 1)
Other comprehensive income (loss)	175,018	(89,947)	264,965	(294.58)	(Note 3)
Total comprehensive income for the period	699,299	717,640	(18,341)	(2.56)	
Net income attributable to shareholders of the parent	469,398	685,884	(216,486)	(31.56)	(Note 1)
Net income attributable to non-controlling interests	54,883	121,703	(66,820)	(54.90)	(Note 1)
Comprehensive income attributable to shareholders of the parent	590,400	624,638	(34,238)	(5.48)	
Comprehensive income attributable to non-controlling interests	108,899	93,002	15,897	17.09	
Earnings per share (Unit: NT\$)	1.38	2.01	(0.63)	(31.34)	(Note 1)
Analysis and explanation of changes in the increase or decrease percentage in the most recent 2 years (Note 1) The sales volume declined, resulting in a decline in gross profit and net profit. (Note 2) Mainly due to the decline in the gain or loss on financial assets. (Note 3) Mainly due to exchange differences on translation of foreign financial statements of subsidiaries in Mainland China.					

III. Cash flow

Cash flow analysis

Unit: Thousand \$NT

(I) Analysis of change in cash flow in the most recent year:					
Cash balance, beginning of period	Net cash inflow from operating activities during the year	Cash outflow for the year	Cash balance	Remedies for cash shortage	
				Investment plan	Financing plan
2,930,678	403,244	(312,049)	3,021,873	-	-
Analysis and explanation of change in cash flow in the most recent year:					
1. Cash inflow from operating activities decreased compared with the previous period: Due to the decrease in cash receivables for the period.					
2. Cash outflow from investing activities decreased compared with the previous period: Due to the increase in disposal of financial assets at amortized cost compared with the previous period.					
3. Cash outflow from financing activities decreased compared with the previous period: Due to the decrease in cash dividends paid					
(II) Analysis of change in cash flow in the coming year:					
Cash balance, beginning of period	Net cash inflow from operating activities during the year	Cash outflow for the year	Cash balance	Remedies for cash shortage	
				Investment plan	Financing plan
3,021,873	2,055,707	(1,823,455)	3,254,124	-	-
Analysis and explanation of change in cash flow in the coming year					
1. Operating activities: Due to the increase in the Company's profit.					
2. Investing activities: Purchase of fixed assets, construction of plant and equipment, increase in foreign investment, etc.					
3. Financing activities: Due to the payment of cash dividends.					

IV. Effect of major capital expenditures on finance and business matters in the most recent year

(I) Major capital expenditures and source of fund

The Group's capital expenditure for 2024 was implemented by way of self funding in accordance with the budget plan and has no impact on the Group's finance and business matters.

Unit: Thousand \$NT

Item		Source of fund	Expenditure for 2024	Utilization of capital Estimate for 2025
Taiwan	Process equipment renovation and improvement project	Self-funding	-	117,910
Mainland	Wet desulphurization project	Self-funding	9,798	-
	Coordinated disposal of general solid waste from cement kilns project	Self-funding	4,881	24,405-
	Drainage ditch and road maintenance of the base slope of the mining peak	Self-funding	3,538	-
	Renovation of fireproof ceilings in the mine canteen and dormitories.	Self-funding	7,425	-
	Mine park project	Self-funding	39,991	38,739 -

Impact on business from expected potential benefits

1. Green manufacturing, energy saving and carbon reduction are introduced into cement production to be in line with the government's environmental protection regulations.
2. Protecting the environment of mines, carrying out ecological environmental governance with plant as the main focus (plant restoration) in mines from the economic structure, industrial layout, comprehensive planning, renovation and management of mines, promoting safe mining and planting and greening of mines, improving and restoring environmental quality, achieving environmental friendliness, and promoting harmony between the environment and economic and social development is of great significance to sustainable development and fulfilling corporate social responsibilities.

V. Reinvestment policy for the most recent year, the main reasons for profit or loss, improvement plan and investment plan for the coming year.

(I) Reinvestment policy for the most recent year:

The Company makes reinvestments based on its long-term strategy with business diversification to generate profit margins. The relevant units provide professional investment plans by evaluating future prospects, market profile, competitiveness, market share, business strategy, competition analysis, and current industry status of investment projects, etc., so that the management can judge and analyze the pros and cons of various investment projects when making the investment decisions, evaluate each investment project, and select feasible investment projects. In recent years, Mainland subsidiaries have remained the pivot of the Company's reinvestment.

(II) Main reasons for profit or loss, improvement plan

For the existing reinvestment, the main investment is Jiangsu Xinning New Building Materials Co., Ltd. in the Nanjing area of China. As the supply reform in the Chinese cement market in recent years has eliminated some of the low-performance production lines and prohibited the use of PC32.5 in some areas, plus the peak-off production of cement plants, the compulsory environmental protection and industrial self-regulation of new capacity, the supply of cement is under control. In addition, the real estate market continues to adjust, the demand for the cement market has declined rapidly, and the low-price vicious competition is frequent. The sales price of cement is now lower than the cost price. Overall, the output of the Chinese cement market in 2024 was a record low compared to 2025. The price of coal and other key materials declined, but the decline in cement price was more profound, and the profit of the industry shrunken compared to the previous year. The Chinese market is relatively larger than the Taiwanese market. In recent years, the revenue and profit of the subsidiaries in China have been relatively weak. From 50% and 30% of the consolidated revenue and consolidated net profit in the past, they have declined to 40% of the consolidated revenue and 10% of the consolidated net profit.

The investment income recognized for the Company's long-term equity investments under the equity method in 2024 was NT\$90,277 thousand. The investment income from the subsidiary in China, Jiangsu Xinning, accounted for about 57%, and the investment income from the subsidiary in Taiwan, accounted for about 43%.

(III) Future investment plan:

1. Taiwan

- (1) Continue to carry out the long-term plan for the activation and development of the Guanxi land.
- (2) The Company has worked with CHAINQUI CONSTRUCTION DEVELOPMENT CO., LTD. for joint construction and allocation of housing units on the land located at No. 602-1 and No. 603, Section 2, Section 2, Zhongzheng District, Taipei City. and it is estimated the current value of the land intended for the project is about NT\$450 million. This project is still underway.

2. Mainland

In 2023, the Company will cooperate with the local government's investment policy to construct the mining park with the surplus transferred to the capital, and the basic construction work has been completed in 2024. It is expected that the project will enter the phase of decline in 2025.

VI. Risk analysis and assessment

(I) The impact of the changes in interest rate and exchange rate, and inflation on the Company's profitability and future corresponding measures:

1. Interest rate changes: The Company's interest rate risk mainly comes from the loan in U.S. dollars. Because of the debt with floating interest rates, changes in market interest rates will cause fluctuations in the cash flow. The loan in U.S. dollars has been repaid in February 2020, and the Company currently has no bank loan, so the interest rate changes have limited impact on the Company's profit or loss.
2. Changes in exchange rate: The Group is a transnational business, so it is subject to exchange rate risks arising from exchanges different from functional currencies between the Company and its subsidiaries, mainly USD and CNY. The Company's products are all for domestic sales so there is no exchange problem in terms of revenues. Some imported raw materials are mainly paid in USD, and any significant fluctuations in the USD exchange rate will have an impact on the Company's financial status. The Company adjusts its USD stocks in accordance with changes in market exchange rates, and carries out spot foreign exchange transactions in a timely manner to reduce exchange risks. However, as exchange gains and losses are still subject to exchange rate fluctuations of USD and CNY, the Company will continue to monitor changes in market exchange rates in order to be able to respond in a timely manner. Exchange gain this year was NT\$24,058 thousand, accounting for 0.52% of revenue and 4.59% of net income after tax. Exchange rate changes have limited impact on the Company's operations.
3. Inflation: The annual average consumer price index (CPI) issued by the Directorate-General of Budget, Accounting and Statistics, Executive Yuan, increased by 2.18% year on year. Looking ahead to 2025, the domestic minimum wage and public and educational salaries will increase. If TPC confirms the increase in electricity tariff, it will affect CPI. However, as the international geopolitical conflicts are expected to result in a decline in raw material prices, the price of crude oil and grains will also drop simultaneously, which will suppress the rise in price. The two will rise and fall, and the Ministry of Economic Affairs estimates that the probability of maintaining a rate of inflation under 2% is high. There is no concern about malicious inflation, and the impact on the Company's profit and loss is limited.
4. Future countermeasures: For foreign currency deposits and borrowings, in addition to coordinating the effective allocation of various funds, pay close attention to information related to economic and financial changes, strengthen the training of financial personnel to analyze the sensitivity of changes in interest rates and exchange rates, and keep abreast of global Business outlook to effectively manage changes in interest rates and exchange rates.

The Company's risk management is carried out by the Finance and Accounting Department in accordance with its policies. It is responsible for identifying, evaluating and hedging financial risks by working closely with various operating units within the Group. The Company has set out written principles for overall risk management, and also provides written execution policies for specific areas and issues, such as exchange rate risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of remaining liquidity.

(II) Policies on high-risk, highly-leveraged investments, lending funds others, endorsement and guarantee, and derivatives transactions, main reasons for gain or loss, and future corresponding measures:

1. The Company's financial operations are based on the principle of conservatism and stability, and there are no high-risk, high-leverage investments.
2. Currently, the Company has not lent any funds to others, and the counterparties of the endorsements/guarantees are all subsidiaries, and the balance of the endorsements/guarantees was both NT\$321,176 thousand as of December 31, 2024 and March 31, 2025. In addition to strengthening the supervision of subsidiaries, the Company complies with the relevant laws and regulations of the Financial Supervisory Commission and the Company's "Operating Procedures for Lending Funds to Others" and "Operating Procedures for Endorsement and Guarantee" in order to reduce the risk of lending funds and guarantees. Currently, subsidiaries are in normal financial condition and are

contributing to the Company's non-operating income without making losses.

3. The Company is not currently engaged in derivative transactions.
4. The Company follows the "Operating Procedures for Lending Funds to Others" and "Operating Procedures for Endorsement and Guarantee" established in accordance with the Company Act to handle the relevant matters, and has set up a memorandum book for regular review of each transaction to manage transaction risks.

(III) Future R&D plans and the estimated expenses:

The Company will continue to improve operation rate, save energy and reduce waste, invest in reuse and evaluation of environmental protection equipment, increase the production of low temperature cement, and expect to invest approximately NT\$179,340 thousand in R&D in the future.

Item	Performance
Limestone powder equipment	Production of low-carbon products
Promotion Plan for the Transformation of the Chemical Industry	Transformation of low-carbon manufacturing process
Nitrogen removal from kilns	The basic level of NOx emission intensity and volume is reduced further by the SNCR, grade combustion and high-efficiency high-performance desulphurization technology, reducing the use of ammonia water and reducing the ammonia escape.
Modification of electrostatic precipitation in kilns	Add bag dust collection room to ensure that the concentration of particulate matter in the kilns is less than 5mg.
Estimated total R&D expenses	NT\$179,340 thousand

(IV) The impact of important domestic and foreign policy and legal changes on the Company's finance and business and corresponding measures

The Group's operations are in compliance with laws and regulations. The Group's response to the corporate governance, the competent authorities at home and abroad, is as follows:

The financial impacts and countermeasures of the Company Act and the Securities and Exchange Act are as follows:

1. The Company raises directors', managers', and employees' awareness of applicable laws and regulations amended by the competent authorities from time to time.
2. Strengthen the Audit Committee's function of supervising the Company's financial data. The Company's financial statements for each period are submitted to the Audit Committee for discussion and approval starting from 2022 and should be submitted to the Board of Directors for deliberation.
3. In order to continuously strengthen the functions of the Board of Directors, on March 14, 2023, the Board resolved to amend the Company's "Rules for Self-Evaluation or Peer Evaluation of the Board of Directors."

In addition to conducting an annual performance evaluation of the Board of Directors, the Company began conducting performance evaluations of functional committees starting in 2024. The Company has reported the results of the 2024 Board performance evaluation to the Board of Directors and completed the required filing.
4. The Ministry of Environment has levied carbon fees for annual emissions of 25,000 tons or more since 2025. The initial rate of the carbon fee is NT\$300 per ton. The Company is the first to be subject to the carbon tax. The estimated annual carbon tax cost will be NT\$170 million. In order to reduce financial impact, the Company intends to propose a voluntary reduction plan to the Environmental Protection Administration. After assessment and consideration, the Company plans to submit an application for the preferential rate B plan. Through the phased implementation of reduction measures, the Company meets the standards of the Environmental Protection Administration and is entitled to a reduction preferential rate.
5. Although the Scope 2 (purchased electricity) is not the main source of carbon emissions, in response to the energy transition trend and corporate social responsibility, the Company has fully installed solar power generation equipment in the factory area for the use of Taipower, and also purchased green power certificates to gradually reduce the reliance on traditional energy sources and increase the energy efficiency and the proportion of renewable energy.
6. The Company has completed the third-party verification of the BSI Standards Institute (BSI) for

the voluntary disclosure of the carbon footprint (ISO 14067) of all cement products in the factory in February 2025. Among them, Portland Type I cement is expected to obtain the carbon label certification from the Ministry of Environment by the end of 2025, enhancing the market competitiveness of the Company's low-carbon products.

7. The Company has completed the parent company's (including Headquarters, Nanshenghu Plant and Shenshan) full-scale greenhouse gas inventory since 2022, and has conducted annual audits and third-party verification in accordance with the regulations. In addition, according to the FSC's requirements and the "Sustainable Development Action Plan for TWSE/GTSM Listed Companies", the Company expects to complete the inventory of subsidiaries in the consolidated financial statements in 2025, and complete the third-party verification of the entire organization in 2027, gradually establishing a complete and compliant carbon management system.
8. As the Chinese government tightens environmental control over the cement industry, including stricter standards on nitrogen oxide and waste gas emissions, cement enterprises are required to reduce the total emissions of major atmospheric pollutants. With the government accelerating its regulatory response, companies must strengthen the execution of emergency control measures. The Company's subsidiary in mainland China is located in Nanjing, Jiangsu Province, where environmental regulations are stricter than those enforced by the provincial government. To meet local government requirements, Jiangsu Xinning, the Company's Chinese subsidiary, has developed tiered control plans and invested significantly in pollution prevention equipment and technological upgrades. As a result, its environmental emission indicators surpass local industry standards. The subsidiary was recognized as a "2023 Green Development Leading Enterprise" and a "2023 Environmental Demonstration Unit".
9. The "energy consumption limit of cement unit products" implemented by the Chinese government in November 2022 for the cement industry has been met by Jiangsu Xinning Plant in 2024, except for the overall electricity consumption of clinker unit products, which only met 2-level indicators, all other indicators exceeded the specifications.
10. The Chinese government plans to include the cement industry in the national carbon trading market, and change the greenhouse gas reporting platform to the national carbon market information network - national carbon market management platform. The Jiangsu Xinning 2023 Greenhouse Gas has been reported and completed in April 2024, and has passed the on-site audit by the third-party carbon inspection unit entrusted by the Ecological Environment Office of Jiangsu Province in August of the same year. The 2024 Greenhouse Gas Emission Report and Monitoring Plan were calculated and formulated in accordance with the latest "Double Guide" published by China, and the platform declaration was completed by the end of March 2025.

Jiangsu Xinning has completed the 2024 certification of cement low-carbon products, and will prepare the "Carbon Da Feng Carbon Zhong Ho Action Plan" and report it in accordance with the requirements of the Nanjing City Government.

- (V) The influence of changes in technology (including cyber security risks) and the industry on the Company's financial business and countermeasures:

1. Changes in technology

With the changes in the industry and the development of digital technology, the plants in China have accelerated the development of smart cement plants. From raw material supply, production, sales to transportation, the entire production line is managed through program control and delicacy management, and financial operations have been managed using digital technology. With the national development of information, digitalization and 5G communication, the Company is gradually completing the foundation of smart plant development to improve efficiency, reduce costs, and produce products with the highest quality recognized by clients while continuing to explore the potential of energy conservation and consumption reduction to produce low-carbon products. The Company will continue to pursue new technologies to reach new heights while cultivating and enhancing the business capabilities of the operating team to respond to changes in the times so as to enhance competitive advantages and corporate

productivity and competitiveness.

The changes in technology (including cyber security risks) and the industry did not impact the Company's financial business. Please refer to "VI. Cyber security management" on page 71 of this annual report for information on our information security risk management.

2. Industrial changes:

The cement manufacturing industry is a highly capital-intensive, highly energy-consuming traditional industry, and is also a very important basic industry for people's livelihood, so it still needs to maintain a stable production capacity. Under the conflict between environmental conservation and industrial development, introduce green manufacturing process for energy saving and carbon reduction, and completely capture, recycle and reuse pollutants generated in the manufacturing process. The high-temperature combustion of cement rotary kilns can be used by other industries to convert wastes into resource for reuse, and the waste treatment fees will become an important income, creating a circular economy and demonstrating the contribution of cement manufacturing to the environment to achieve sustainable development. It requires the government and enterprises to invest capital and manpower in research and development, and to relax the regulations on waste disposal in order to promote the continuous improvement of the overall industry, and to produce cement alternative in compliance with the Mining Act, so as to achieve a good balance between environmental protection and industrial development.

- (VI) The impact of change in corporate image on corporate crisis management and corresponding measures
In response to the potential reputation risks and crisis management challenges brought by changes in corporate image, the Company has established multiple preventive and response mechanisms. First, through enhanced brand communication and information transparency, the Company regularly discloses financial, environmental and governance information in annual reports, company websites and sustainable reports to enhance stakeholders' trust. The Company also uses ESG as a risk assessment item. Through carbon disclosure, environmental label applications, social participation and supply chain management, the Company builds a sustainable image. In addition, the Company actively promotes internal risk awareness, regularly organizes employee education and training and compliance courses, strengthens the crisis prevention awareness and response ability of all employees, and the management leads the Company to implement a corporate governance culture. Finally, through the stakeholder management system, we maintain a stable communication and cooperation relationship with all parties, and can quickly integrate resources, alleviate the public and stabilize trust in the event of a crisis, effectively reducing the impact of corporate image changes on operations and finances.
- (VII) Expected benefits and possible risks of mergers and acquisitions and corresponding measures
The Company currently has no merger and acquisition plans; if there is a suitable M&A option, it will make a reasonableness evaluation by analyzing the investment benefits and costs and related possible risks and rewards, and envisioning the corresponding measures to address the related risks.
- (VIII) Expected benefits and possible risks of plant expansion and corresponding measures:
The Company currently has no plan for plant expansion.
- (IX) Risks of concentrations of purchases or sales and corresponding measures:
1. Purchases: In order to gain price advantage and ensure stable quality, the Company adopts a rather concentrated purchasing method for some bulk raw materials. However, in order to reduce the risk of sudden supply interruption, in addition to maintaining safety stocks, it also has friendly contacts and regular transactions with other manufacturers.
 2. Sales: The Company currently has no risk of over-concentration in the proportion of sales from any single customer and has established long-term and stable cooperative relationships with customers. Combining the competitive advantages of these customers with those of the Company can ensure the Company's long-term stable growth, and diversifying customer base can help achieve the purpose of diversifying risks and reducing the significant impact of a single or a small number of customers on the Company.
- (X) Where the Company's directors or major shareholders holding more than 10% of the Company's shares transfer or replace their shares in a large quantity, it may cause changes in the management rights, and

investors may have concerns about the Company's operating conditions, which may result in fluctuation in the Company's market prices of securities. The transfer of equity by the Company's insiders is filed as per the relevant regulations of the competent authority, and there was no massive transfer of equity this year.

- (XI) The structure of the Company's major shareholders is stable, and the chance of temporary replacement of the Chairman or senior managers is very low. If there is a in the company's management rights, which leads to replacement of the Chairman or senior managers without suitable successors recruited, it may adversely affect the Company's operations. In the event of the above-mentioned personnel replacement, the Company strives to recruit appropriate professional managers who identify with the Company's corporate culture and work to achieve the Company's business goals, to cope with the risk of changes in the management rights. At present, the Company's business strategy, business policy, and Board of Directors are operating well without major changes in management rights, and there should be no risk of major changes in management rights.
- (XII) The impact on the Company and risks of change in management rights and corresponding measures: The structure of the Company's major shareholders is stable and the Company's business strategy, business policy, and Board of Directors are operating well, so there should be no risk of major changes in management rights.
- (XIII) Litigation or non-litigation events (if the Company, its directors, supervisors, general managers, de facto persons in charge, major shareholders with more than 10% stake, or subordinate companies have been convicted by final and binding judgments or are still bound by significant litigation, non-litigation or administrative disputes, the results of which may have a significant impact on shareholder interests or securities prices, the facts of the dispute, the amount of the subject matter, the start date of the litigation, the main parties involved and the handling of the case as of the date of publication of the annual report shall be disclosed): None.
- (XIV) Other major risks and corresponding measures

1. Organizational structure of risk management

Part-time risk management unit	Functions
Remuneration Committee	subordinate to the Board of Directors. According to the Remuneration Committee Charter, formulate and regularly evaluate the performance and remuneration system and standards for directors and managerial officers.
Audit Committee	subordinate to the Board of Directors. The main responsibilities as per the Audit Committee Charter are to supervise: 1. Appropriate expression of the Company's financial statements. 2. The appointment (dismissal), independence and performance of attesting CPA. 3. Effective implementation of internal control. 4. Compliance with the relevant laws and regulations. 5. Management and control of the Company's existing or potential risks.
Audit department	Responsible for promoting and revising the internal control systems, evaluating the potential risks of each unit's business, and preparing and implementing risk management-oriented annual audit plans.
Finance and accounting department	Responsible for financial operation strategy, investment strategy, financing strategy and dividend strategy, budget control management, account handling and tax planning to ensure the reliability and transparency of financial reporting and compliance with relevant laws and regulations in order to reduce operational risks of the Company.
Business department	Responsible for marketing strategy, customer credit and understanding of market trends and striving for the achievement of operational objectives and reduction in business risks.
Safety and Health Management Office	Formulate an occupational safety and health management plan and guide its implementation by the relevant departments. Responsible for the identification, evaluation and control of work environment or operation hazards, the formulation of safety and health operation standards and the monitoring of the working environment to reduce plant hazards and employee safety risks.
Administration Department	Responsible for purchasing and contracting, and establishing a hedging mechanism for price changes and insufficient supply of raw materials to reduce the risk of purchasing operations.

2. The impact of climate change on production management and countermeasures

(1) The impact of climate change on production management:

Climate change has become a global crisis. This issue will also impact the daily life of the public. Global climate risks may cause oil and electricity prices to rise, transportation costs to rise, energy tax, carbon tax, and environmental protection laws to become more stringent, and derived investment costs, etc. to directly impact the economy and operations of enterprises.

(2) Countermeasures:

To alleviate the impact of climate change, we have actively adopted countermeasures. The Group has also considered such issues in the production and operations and set stage-based environmental targets at various to meet increasingly stringent national environmental emissions standards and to mitigate the impact of greenhouse gas emissions on global warming, with the aim of contributing a share to improve this global crisis.

- A. Improve production efficiency to reduce unit product electricity consumption and heat value, and it is expected to reduce coal consumption and carbon dioxide emissions.
- B. Avoid greenhouse gases that are generated due to the large amount of fuel required for long-distance transportation through local and short-distance procurement of raw materials and supplies.
- C. Seek a variety of possible resources and materials for reuse to replace natural resources and reduce the fuel and electricity consumption for mining of raw materials.
- D. During the production process, the Group seeks to reduce the substitute materials, supplies, and fuel that may reduce carbon emissions, and reduce the carbon emissions generated directly during the use and manufacturing of the raw materials of the overall mining materials to achieve the carbon reduction benefits.
- E. The Company has established a factory in Suao Town to complete the construction of the solar power generation system on the existing buildings and empty land, and cooperated with excellent manufacturers to plan and implement the system. The system hardware was completed in 2022. The system is operating steadily and provides some electricity for the plants to use.
- F. The Company conducted an electrostatic bag modification project in November 2024. The production process emission channels were successfully optimized and changed from the original "static electrostatic dust collection device" to a "bag-type dust collection device". The concentration of particulate pollutants was significantly and substantially reduced from 30mg/m³ to under 10mg/m³.
- G. Jiangsu Xinning completed the project of improving the efficiency of wastewater treatment by the end of March 2023. The equipment was upgraded and maintained at the beginning of 2024, and the operation of the wet desulphurization equipment was further improved. In addition, online monitoring is conducted at the kiln tail, and the pollutant emission concentration must remain below the local emission limit standards of Jiangsu Province at all times—this is the minimum requirement Jiangsu Xinning sets for itself.

VII. Other important matters: none.

Six. Special Disclosures

I. Information on the Company's affiliates:

The Company has, in accordance with regulations, disclosed the relevant information of the “Consolidated Business Report,” “Consolidated Financial Statements,” and “Affiliates Report” of affiliated companies—prepared pursuant to the requirements of the Financial Supervisory Commission—on the MOPS (Market Observation Post System) under the section “Three Reports of Affiliated Enterprises” (https://mopsov.twse.com.tw/mops/web/t57sb01_q10#). Path to access: Homepage > Individual Company > Electronic Document Download > Affiliate Information Disclosure (Three Forms). Enter the company code [1109] to view the information.

II. Private placement of securities during the most recent year or during the current year up to the date of publication of the annual report: None.

III. Other matters requiring supplemental explanations: None.

IV. If any of the situations listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholder equity or the price of the Company's securities, has occurred during the most recent year or during the current year up to the date of publication of the annual report: None.

HSING TA CEMENT CO.,LTD



Chairman: Zhi-Xiong Yang



May 31, 2025

