

Chia Hsin Cement Corporation

Tax Policy and Governance

Tax Policy and Governance	Number	RG2-05-13
	Approve	2023.11.08
	Amendment	

Chapter 1 General Principles

Article 1 In response to global trends of tax governance, Chia Hsin Cement Corporation (hereinafter referred to as the Company) and its subsidiaries comply with tax regulations, promote corporate sustainability, manage risk, enhance shareholder value, fulfill social responsibility. To achieve these objectives, the Company has established a tax policy and governance guideline, which serves as the framework for compliance.

Article 2 Each subsidiary shall comply with the policy.

Chapter 2 Tax Policy

Article 3 The Company and each subsidiary commit to be an honest taxpayer and comply with the following tax policies:

1. Compliance with Laws: Fully understand and comply with tax laws established by domestic and local governments and their underlying purposes. Being a taxpayer, to accurately calculate and file tax returns.
2. Related Party Transactions: Comply with tax laws established by domestic and local governments, as well as adherence to the transfer pricing standards established by OECD to ensure that the transactions between related parties adhere to regular policy and transfer pricing standards.
3. Reasonable Structure: The corporate structure is established to align with substantive operation activities and legitimate business purpose, rather than practicing tax avoidance as the primary purpose of transactions.
4. Information Transparency: Tax disclosures shall be handled in accordance with relevant regulations and guidelines. Related policy shall be disclosed through public channels to ensure information transparency.
5. Integrity Communication: Establishing mutual trust and maintaining integrity communication with tax authorities. Maintain a positive

relationship while engaging in timely communication and clarification of tax issue.

6. Risk Assessment: Major transactions and decisions are in compliance with relevant laws, and tax related risks and impacts are evaluated prudently.
7. Talent Cultivation: Cultivate and improve the expertise of tax professionals to stay informed about changes in tax regulations, assess the impacts, and formulate responsive decisions timely.

Chapter 3 Administrative Organization

Article 4 Tax governance related organizations and responsibilities including the followings:

1. The board of directors is the highest decision making and supervision unit, responsible for approving tax policies to ensure the effective implementation of tax governance policies.
2. Financial department is the tax management unit, and both the Company and subsidiaries shall implement a hierarchical responsibility system and obtain appropriate approvals. Depending on the significance of the issue, the financial department shall report to the board on an irregular basis.
3. The Company and its subsidiaries must thoroughly review and examine the supporting documents of tax declarations for comprehensive bookkeeping or external authorities' review.
4. The Company and its subsidiaries shall carefully evaluate the tax impacts of significant transactions or decisions, and seek advice from external professional consultants according to business needs.

Chapter 4 Supplementary Provisions

Article 5 The policy shall be reviewed and amended in response to changes in international and domestic laws and regulations. For matter not covered herein, regulations shall prevail in accordance with applicable laws and regulations.

Article 6 The policy shall be implemented after approved by the audit committee and the board of directors, and same applies to any amendments