

Stock Code : 1103



嘉新企業團  
CHIA HSIN CEMENT GROUP

# CHIA HSIN CEMENT CORPORATION 2024 ANNUAL REPORT



CHC Website : [www.chcgroup.com.tw](http://www.chcgroup.com.tw)

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None

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## Cover Design Concept

The cover's central illustration, composed of minimalist lines, outlines the landmarks of Chia Hsin Cement's headquarters and six key locations—Taipei, Kaohsiung, Shanghai, Jiangsu, Okinawa, and Rome—symbolizing the company's steady growth and global vision.

The color scheme incorporates Pantone's 2025 Color of the Year, "Mocha Mousse", reflecting a growing desire for a connection with nature and a pursuit of personal well-being and comfort. The design also features blue and orange circles, representing Chia Hsin's core cement business and emerging service sectors, respectively. This combination not only conveys the stability and resilience of the cement industry but also aligns with Chia Hsin's commitment to crafting high-quality living experiences.

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# 1 ► Letter to Shareholders

Dear Shareholders,

Amid the complex global economic landscape, we continue to face challenges stemming from elevated inflation, high interest rates, geopolitical tensions, climate change, and the reconfiguration of supply chains. Despite these headwinds, Chia Hsin Cement Corporation demonstrated operational resilience in 2024 and laid down solid foundations for future growth.

Looking ahead to 2025, global economic uncertainties persist. The United States, serving as a critical bellwether for global trends, shows limited signs of recession, with prospects for a soft landing still feasible. However, policy shifts following the inauguration of the new U.S. president may bring significant changes to international trade, including adjustments to tariffs, immigration reforms, and enhanced restrictions on Chinese goods. Meanwhile, China faces ongoing economic difficulties, including a sluggish real estate sector and rising unemployment, which could hinder its economic recovery. In contrast, Japan's weakened yen has boosted its tourism and export sectors. Notably, the newly appointed Prime Minister's ¥39 trillion fiscal stimulus package is expected to sustain healthy inflation levels. Our hospitality business in Okinawa, including Hotel Collective, is poised to benefit from Japan's rebounding tourism, ensuring steady occupancy and room rates.

Domestically, Taiwan's robust electronics sector continues to thrive, fueled by growing global demand for AI infrastructure. This growth supports strong employment rates, wage increases, and consumer spending. However, traditional industries are feeling the impact of China's slowdown and external price competition. Climate change, as a significant global risk, further underscores the importance of businesses adapting to a carbon-conscious economy. With consumers increasingly favoring low-carbon products, our future competitiveness depends on effective carbon reduction strategies.

2024 marks the 70th anniversary of Chia Hsin Cement. Reflecting on our journey, we have successfully navigated numerous transitions and challenges by upholding our core principles and fostering collaboration. We will remain committed to sustainable growth that benefits both society and the environment.

## 1. Operational Performance in 2024

1. Consolidated Revenue: NT\$2.99 billion, up 2.5% from NT\$2.91 billion in 2023.
2. Net Income: NT\$0.34 billion. Net profit attributable to owners of the parent company: NT\$0.32 billion.
3. Basic Earnings Per Share (after tax): NT\$0.48 per share.

### (1) Key Business Segments

1. Cement Sales: In 2024, total cement sales in Taiwan reached 418,000 metric tons.
2. Real Estate Leasing: The primary revenue source was Chia Hsin Building, achieving an overall occupancy rate of 99%.
3. Stevedoring & Warehousing: Taipei Port handled a total of 1.103 million metric tons of coal and 4.815 million metric tons of sand and other bulk cargo.

4. Hospitality Services: Revenue primarily came from Hotel Collective in Okinawa and Jaho Life Plus+ Management Corp., Ltd.. In 2024, total hospitality revenue amounted to approximately NT\$800 million.

## (2) Budget Execution

Unit: NTD thousands

Item	2024 Actual Figure	2024 Budget (Note)	Achievement Rate
Operating Revenue	2,985,357	2,888,115	103%
Operating Costs	2,550,390	2,508,685	102%
Gross Profit	434,967	379,430	115%
Operating Expenses	586,916	554,017	106%
Gain (Loss) From Operations	(151,949)	(174,587)	87%
Non-Operating Income and Expenses	537,733	435,144	124%
Profit (Loss) Before Income Tax	385,784	260,557	148%
Income Tax Benefit or (Expense)	(48,373)	(8,038)	602%
Net Profit (Loss) for the Year	337,411	252,519	134%
Net Income (Loss) Attributable to Owners of the Company	319,580	224,739	142%

Note: The budget is for internal use only. Financial forecast is not disclosed.

## (3) Profitability Analysis (Note)

Item	2024	2023
Return on Assets	1.43%	0.71%
Return on Equity	1.53%	0.43%
Profit before Income Tax over Paid-In Capital	4.88%	1.05%
Net Profit Margin	11.30%	3.30%
Earnings per Share (after Tax)(NTD)	0.48	0.12

Note: The above calculations are based on consolidated financial statements prepared under IFRS.

## (4) Research and Development (R&D) Status

Our cement operations adopt a distributorship model, while other segments, including warehousing, loading and unloading, real estate leasing, hospitality, and healthcare, do not require extensive R&D due to industry-specific factors. Instead, research and development efforts are reflected in operational management improvements. The Company continuously monitors and evaluates external environmental changes at all levels to identify potential responses and growth opportunities, leveraging diverse strategies to expand its industry influence.



## 2. Future Development Strategy

With climate change emerging as a pivotal challenge, our long-term strategy is tightly aligned with carbon reduction efforts. Since 2022, we have conducted carbon inventories across 29 domestic and international sites and obtained ISO 14064-1, ISO 50001, and ISO 14001 certifications. In early 2024, we passed the Science-Based Targets initiative (SBTi) assessment and earned recognition from the CommonWealth Magazine's Carbon Reduction Initiative. Our sustainability report outlines clear decarbonization milestones and strategic pathways.

Operationally, the growing acceptance of low-carbon cement and Taiwan's Low-Carbon Building Certification initiative offer promising growth opportunities. We plan to leverage our Gangshan facility to install solar panels on client-rented rooftops, creating a stable green power supply. Newly developed hotels and office buildings will incorporate low-carbon designs to achieve green building certifications.

In hospitality and wellness services, we aim to enhance brand value, strengthen customer connections, and streamline service offerings. Future plans include strategic collaborations with international brands, industry mergers, and cross-sector alliances.

## 3. 2025 Business Outlook

Despite global economic uncertainties and the introduction of Taiwan's carbon fee policy affecting the construction sector, our hospitality segment is positioned for further revenue growth, driven by Japan's booming tourism market. As demand for low-carbon cement continues to rise, we will capitalize on our upgraded Keelung Port logistics center and green energy initiatives, including solar panel installations targeting over 2 MW capacity within two years.

We appreciate the unwavering support of our shareholders as we continue this journey of growth and innovation.



Jason K. L. Chang

Chairman

## 2 ► Corporate Governance

### 2.1 Directors and Management Team

#### 2.1.1 Board of Directors

##### 1. Board of Directors Profile

Title (Note 1)	Nation- ality or Place of Regi- stration	Name	Gender Age (Note 2)	Date Elected or Inaugu- rated	Term (Years)	Date First Elected (Note 3)	Shareholding When Elected		Current Shareholding		Current Shareholding of Spouse & Minor Children	
							Shares	%	Shares	%	Shares	%
Chairman	ROC	Jason K. L. Chang	M 51-60	06/14/ 2022	3	05/31/ 2001	4,808,396	0.62%	5,217,563	0.66%	4,566,540	0.58%
Director	ROC	Chi-Te Chen	M 61-70	06/14/ 2022	3	04/27/ 1988	692,955	0.09%	706,814	0.09%	0	0.00

Insiders' shareholdings information as of 12/31/2024

	Shareholding by Nominee Arrangement		Experience & Education (Note 4)	Current Positions within the Group and/or Other Companies (IR: Institution Representative)	Executive, Directors, or Supervisors Who are Spouses or within Two Degrees of Kinship			Other Remarks (Note 5)
	Shares	%			Title	Name	Relation	
	1,055,700	0.13%	Master of Science in Technology Management, Massachusetts Institute of Technology (MIT)	<ul style="list-style-type: none"> <li>Chairman, YJ Int'l Corp. (IR)</li> <li>Chairman, Bluesky Co., Ltd. (IR)</li> <li>Chairman, Chia Sheng Construction Corp. (IR)</li> <li>Chairman, Tong Yang Chia Hsin Int'l Corp.</li> <li>Director, Chia Pei Int'l Corp. (IR)</li> <li>Director, Chia Hsin Property Management &amp; Development Corp. (IR)</li> <li>Director, Chia Hsin Business Consulting (Shanghai) Co., Ltd. (IR)</li> <li>Chairman, Chia Hsin Green Electricity Corp. (IR)</li> <li>Director, Shanghai Jia Huan Concrete Co., Ltd. (IR)</li> <li>Director, Shanghai Chia Hsin Ganghui Co., Ltd. (IR)</li> <li>Director, Chia Hsin Pacific Ltd.</li> <li>Director, Effervesce Investment Ptd Ltd.</li> <li>Director, Sparksview Ptd Ltd.</li> <li>Director, Tong Yang Chia Hsin Marine Corp. (IR) (also President)</li> <li>Director, Taiwan Cement Corp. (IR)</li> <li>Chairman, Taiwan Cement Manufacturers' Association.</li> <li>Vice Chairman, EPOCH Foundation</li> <li>Chairman, Chia Hsin Foundation</li> </ul>	Director	Alec Jun-Ci Chang	father-son relationship	-
	0	0.00%	MBA, University of California, Santa Clara	<ul style="list-style-type: none"> <li>Director, Chia Hsin Property Management &amp; Development Corp. (IR)</li> <li>Vice Chairman, Chien Kuo Construction Co., Ltd.</li> <li>Chairman, Golden Canyon Venture Capital Investment Co., Ltd.</li> <li>Chairman, Golden Canyon II Venture Capital Investment Co., Ltd.</li> <li>Director, Shun Long International Electrical Engineering Co., Ltd.</li> <li>Director, Silver Shadow Holdings Co., Ltd.</li> <li>Director, Golden Canyon Co., Ltd.</li> <li>Director, Chien Kuo Asia Co., Ltd.</li> <li>Director, China Real Estate Management Co., Ltd.</li> <li>Chairman, Chien Hwei Investment Co. Ltd.</li> <li>Chairman, Rock Publishing International</li> <li>Chairman, Ten-Cheng International Co., Ltd.</li> <li>Chairman, Chien Huei Cultural &amp; Educational Foundation</li> <li>Chairman, Chien Kuo Foundation for Arts And Culture</li> </ul>	-	-	-	-

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2)	Date Elected or Inaugurated	Term (Years)	Date First Elected (Note 3)	Shareholding When Elected		Current Shareholding		Current Shareholding of Spouse & Minor Children	
							Shares	%	Shares	%	Shares	%
Director	ROC	Tong Yang Chia Hsin International Corp.		06/14/2022	3	05/31/2001	127,370,320	16.44%	129,917,726	16.44%	0	0.00
JPR of Tong Yang Chia Hsin Int'l Corp.	USA	Pan Howard Wei-Hao	M 51-60	06/14/2022	3	06/19/2013	0	0.00	0	0.00	0	0.00
JPR of Tong Yang Chia Hsin Int'l Corp.	ROC	Alec Jun-Ci Chang	M 21-30	07/09/2024	0.5	07/09/2024	0	0.00	35,700	0.00	0	0.00
		I-Cheng Liu	M 51-60	06/14/2022	3	04/28/2020	0	0.00	0	0.00	0	0.00

	Shareholding by Nominee Arrangement		Experience & Education (Note 4)	Current Positions within the Group and/or Other Companies (IR: Institution Representative)	Executive, Directors, or Supervisors Who are Spouses or within Two Degrees of Kinship			Other Remarks (Note 5)
	Shares	%			Title	Name	Relation	
	0	0.00	-	-	-	-	-	-
	0	0.00	Master of EE and MBA, Massachusetts Institute of Technology	<ul style="list-style-type: none"> <li>• Director, Chia Hsin property Management &amp; Development Corp. (IR)</li> <li>• Director, Bluesky Co., Ltd. (IR)</li> <li>• Director, Chia Sheng Construction Corp. (IR)</li> <li>• Director, Chia Hsin Pacific Ltd.</li> <li>• Director, Effervesce Investment Pte Ltd.</li> <li>• Director, Sparksview Pte Ltd.</li> <li>• Director, Cheng Yeh Chemical Works Ltd. (also President)</li> <li>• Director, Hao An Enterprise Co., Ltd. (IR)</li> <li>• Director, Micro Tech Enterprise Co., Ltd.</li> <li>• Director, CFA Society of Taiwan</li> <li>• Vice Chairman, Chia Hsin Foundation</li> </ul>	-	-	-	-
	0	0.00	Bachelor of Hotel Management, New York University, USA	<ul style="list-style-type: none"> <li>• Special Assistant to the Chairman, Chia Hsin Cement Corp.</li> <li>• Director, Tong Yang Chia Hsin International Corp. (IR)</li> </ul>	Chairman	Jason K. L. Chang	father-son relationship	-
	0	0.00	MBA, Wharton School of the University of Pennsylvania	<ul style="list-style-type: none"> <li>• Director, Sunsino Innovation Technology Inc. Independent</li> <li>• Director, PlayNitride Inc.</li> <li>• Independent Director, Pili International Multimedia</li> <li>• Vice Chairman and President, Pegatron Venture Capital Co., Ltd.</li> <li>• Business Consultant, CTBC Bank</li> <li>• Vice President, T1 League</li> <li>• Director, Taiwan Film and Audiovisual Institute</li> <li>• Director, Taiwan Cultural &amp; Creativity Development Foundation</li> </ul>	-	-	-	Note 6

Title (Note 1)	Nation- ality or Place of Regi- stration	Name	Gender Age (Note 2)	Date Elected or Inaugu- rated	Term (Years)	Date First Elected (Note 3)	Shareholding When Elected		Current Shareholding		Current Shareholding of Spouse & Minor Children	
							Shares	%	Shares	%	Shares	%
Inde- pendent Director	ROC	Robert K. Su	M 61-70	06/14/ 2022	3	06/27/ 2016	0	0.00	0	0.00	0	0.00
Inde- pendent Director	ROC	Pao- Chu Lin	F 61-70	06/14/ 2022	3	06/14/ 2022	0	0.00	0	0.00	0	0.00
Inde- pendent Director	ROC	Kevin Kuo-I Chen	M 61-70	06/14/ 2022	3	06/14/ 2022	0	0.00	0	0.00	0	0.00

Note 1: The corporate shareholder should separately disclose its name and the name of its representative. If the representative is acting on behalf of a corporate shareholder, the name of the corporate shareholder must also be specified. The required information should be provided in Table 1 below.

Note 2: Please specify the actual age, which may be presented in ranges, such as 41–50 years or 51–60 years.

Note 3: Please specify the date of first appointment as a director or supervisor of the company. If there was any interruption in service, a note should be provided for clarification.



	Shareholding by Nominee Arrangement		Experience & Education (Note 4)	Current Positions within the Group and/or Other Companies (IR: Institution Representative)	Executive, Directors, or Supervisors Who are Spouses or within Two Degrees of Kinship			Other Remarks (Note 5)
	Shares	%			Title	Name	Relation	
	0	0.00	Ph. D., Accounting Louisiana State University	• Independent Director, DBS Bank (Taiwan) Ltd..	-	-	-	-
	0	0.00	MBA, National Taiwan University	• Independent Director, APCB Group • Director, Grand World Compassion	-	-	-	-
	0	0.00	Master of Law New York University	• Vice President and Adjunct Professor, National Taiwan Sport University • Adjunct Professor, University of Taipei • Consultant, Chinese Taipei Olympic Committee • Executive Board Member and President, Finance Committee of Olympic Council of Asia	-	-	-	-

Note 4: Relevant experience related to the current position should be specified. If the individual has previously worked at a CPA firm responsible for audit certification or at a related enterprise during the specified period, their job title and responsibilities should be detailed.

Note 5: If the chairman of the board and the general manager (or an equivalent senior executive) are the same person, spouses, or first-degree relatives, an explanation should be provided regarding the reason, reasonableness, necessity, and corresponding measures taken (e.g., increasing the number of independent directors and ensuring that the majority of directors do not concurrently serve as employees or executives).

Note 6: I-Cheng Liu, the former corporate representative director of Tong Yang Chia Hsin International Corporation, resigned on July 9, 2024, and was replaced by Alec Jun-Ci Chang as the new director on the same day.

**Table 1: Major Shareholders of Institutional Shareholders**

As of the ex-dividend date: 07/24/2024

Institutional Shareholder (Note 1)	Major Shareholders (Note 2)
Tong Yang Chia Hsin International Corporation	Chia Hsin Cement Corporation (87.18%) Chia Hsin Construction & Development Corporation (10.41%) Chia Min Corporation (0.52%) Sung Ju Investment Corporation (0.42%) Ju-Ping Chang (0.25%) Yung-Ping Chang (0.22%) Chung-Lien Chung (0.19%) International Chia Hsin Corporation (0.16%) Nelson An-Ping Chang (0.12%) Robert C.K. Wang (0.11%)

Note 1: If directors or supervisors represent institutional shareholders, the name of the institution shareholder shall be listed.

Note 2: The name of the major shareholder of the institutional shareholder (whose shareholding ratio ranks in the top ten) and their shareholding ratio shall be listed. If its major shareholder is a corporation, please also fill in Table 2.

Note 3: If the corporate shareholder is not a company entity, the disclosed shareholder names and shareholding ratios should refer to the investors or donors and their respective investment or donation ratios. If a donor is deceased, it should be noted as "deceased."

Note 4: The above information is provided by institutional shareholders; the Company is only responsible for disclosing the information.

**Table 2: Major Shareholders of Institutional Shareholders in Table 1**

As of the ex-dividend date: 07/24/2024

Name of Institutional Shareholders (Note 1)	Major Shareholders (Note 2)
Chia Hsin Cement Corporation	Tong Yang Chia Hsin International Corporation (16.44%) Sung Ju Investment Corporation (8.88%) Yung-Ping Chang (5.39%) Taiwan Cement Corporation (3.54%) Ta-Ho Maritime Corporation (3.33%) Nutri Vita Inc. (2.23%) Chia Hsin Foundation (1.92%) International Chia Hsin Corporation (1.89%) Chia Hsin R.M.C. Corporation (1.70%) Ding Shun Fa Investment Co., Ltd. (1.55%)

Note 1: If the major shareholder in the table above is a institutional shareholder, the name of the institutional shareholder shall be listed.

Note 2: The name of the major shareholder of the institutional shareholder (whose shareholding ratio ranks in the top ten) and their shareholding ratio shall be listed.

Note 3: If the corporate shareholder is not a company entity, the disclosed shareholder names and shareholding ratios should refer to the investors or donors and their respective investment or donation ratios. If a donor is deceased, it should be noted as "deceased."

Note 4: The above information is provided by institutional shareholders; the Company is only responsible for disclosing the information.

## 2. Director Profile

### (1) Directors' Professional Qualifications and Independent Directors' Independence Status

Condition Name (Note 1)	Professional qualifications and work experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies Concurrently Serving as an Independent Director
Jason K. L. Chang	<ol style="list-style-type: none"> <li>Chairman of the Company, Convener of the Sustainable Development Committee, and Member of the Nomination Committee and Risk Management Committee.</li> <li>Other positions include Director of Taiwan Cement Corp., Director of Chia Hsin Property Management &amp; Development Corp., Chairman of YJ Int'l Corp, and more.</li> <li>Extensive cross-industry leadership experience in cement, construction, hospitality, and more.</li> </ol>	Has a second-degree kinship relationship with Director Alec Jun-Ci Chang.	0
Chi-Te Chen	<ol style="list-style-type: none"> <li>Serving as the Director of the Company.</li> <li>Other positions include Vice Chairman of Chien Kuo Construction Co., Ltd., Director of Taiwan Cement Corp., Director of Chia Hsin Property Management &amp; Development Corp., and more.</li> <li>Extensive cross-industry leadership experience in cement, engineering, construction, and more.</li> </ol>	No spouse or relatives within the second degree of kinship currently on the Board.	0
Pan Howard Wei-Hao	<ol style="list-style-type: none"> <li>Director of the Company and Member of the Sustainable Development Committee.</li> <li>Other positions include Director of Chia Hsin Property Management &amp; Development Corp., Director of Chia Sheng Construction Corp. and more.</li> <li>Extensive cross-industry leadership experience in construction, big health, and more.</li> </ol>	No spouse or relatives within the second degree of kinship currently on the Board.	0
Alec Jun-Ci Chang	<ol style="list-style-type: none"> <li>Director the Company.</li> <li>Also serves as Special Assistant to the Chairman of Chia Hsin Cement Corp. and Director of Tong Yang Chia Hsin International Corp.</li> <li>Has experience in the cement industry, asset management, and hospitality services.</li> </ol>	Has a second-degree kinship relationship with Director Jason K. L. Chang.	0

Condition Name (Note 1)	Professional qualifications and work experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies Concurrently Serving as an Independent Director
Robert K. Su	<ol style="list-style-type: none"> <li>1. Serving as the Independent Director of the Company, convener of the Remuneration Committee, member of the Audit Committee, member of the Sustainable Development Committee, and member of the Risk Management Committee.</li> <li>2. Other positions include Independent Director of DBS Bank (Taiwan) Ltd.; served as the former Dean of NCCU College of Commerce and former Director of NCCU Department of Accounting.</li> <li>3. Possesses extensive expertise and experience in financial accounting, intangible assets, and corporate valuation.</li> </ol>	<ol style="list-style-type: none"> <li>1. Meets the criteria of Independent Director.</li> <li>2. Fully complied with Independence status:               <ol style="list-style-type: none"> <li>(1) The individual, his/her spouse, or relatives within the second degree of kinship does not hold position as director, supervisor, or employee of the Company or its affiliates.</li> <li>(2) The individual, his/her spouse, or relatives within the second degree of kinship does not own any shares of the Company.</li> <li>(3) During the two years before appointment and throughout the tenure, there was no involvement in any of the situations defined in Article 3, Paragraph 1 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</li> </ol> </li> </ol>	1
Pao-Chu Lin	<ol style="list-style-type: none"> <li>1. Serving as the Independent Director of the Company, convener of the Audit Committee, member of the Remuneration Committee, member of the Nomination Committee, and member of the Risk Management Committee.</li> <li>2. Other positions include Independent Director of APCB Inc.; served as CPA of KPMG and former Consultant to the KPMG Chairman/CEO Office.</li> <li>3. Extensive practical experience in risk management, internal audit, and compliance.</li> </ol>	<ol style="list-style-type: none"> <li>1. Meets the criteria of Independent Director.</li> <li>2. Fully complied with Independence status:               <ol style="list-style-type: none"> <li>(1) The individual, his/her spouse, or relatives within the second degree of kinship does not hold position as director, supervisor, or employee of the Company or its affiliates.</li> <li>(2) The individual, his/her spouse, or relatives within the second degree of kinship does not own any shares of the Company.</li> <li>(3) During the two years before appointment and throughout the tenure, there was no involvement in any of the situations defined in Article 3, Paragraph 1 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</li> </ol> </li> </ol>	1

Condition Name (Note 1)	Professional qualifications and work experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies Concurrently Serving as an Independent Director
Kevin Kuo-I Chen	<ol style="list-style-type: none"> <li>Serving as the Independent Director of the Company, member of the Audit Committee, member of the Sustainable Development Committee, member of the Nomination Committee, and member of the Risk Management Committee.</li> <li>Other positions include Vice President of National Taiwan Sport University, Consultant of Chinese Taipei Olympic Committee, and more.</li> <li>Extensive professional experience in legal, business, and international affairs.</li> </ol>	<ol style="list-style-type: none"> <li>Meets the criteria of Independent Director.</li> <li>Fully complied with Independence status:               <ol style="list-style-type: none"> <li>The individual, his/her spouse, or relatives within the second degree of kinship does not hold position as director, supervisor, or employee of the Company or its affiliates.</li> <li>The individual, his/her spouse, or relatives within the second degree of kinship does not own any shares of the Company.</li> <li>During the two years before appointment and throughout the tenure, there was no involvement in any of the situations defined in Article 3, Paragraph 1 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</li> </ol> </li> </ol>	0

Note 1: The Directors of the Company have not been involved in any of the circumstances described in Article 30 of the Company Act.

Note 2: The Directors listed in this table are current directors of the Company.

## (2) Board Diversity and Independence

### Board Diversity Policy

The objectives of diversifying the backgrounds of Board members, regarding professional knowledge, expertise, industry experience, and enhancement of female participation in decision-making, are as follows:

- Members of the Board shall include at least one member with professional qualifications in accounting or law, respectively.
- Promote achieving a one-third representation of either gender among board directors.
- Members of the Board shall have at least two in each of the following fields of expertise but not limited to financial accounting, legal affairs, investment and mergers and acquisitions, risk management, operational management, hospitality, information technology, sustainable development, and global market perspective, etc.

## Board Diversity Policy Implementation

The Company's Board of Directors consists of seven directors (including three independent directors), appointed from the list of director nominees according to Article 192-1 of the Company Law by the Annual General Meeting. The Board of Directors convenes at least once every quarter, but may also be convened at any time in case of emergency.

The Company's Board of Directors currently consists of six male directors and one female director. Among them, four are aged 61 to 70, two are aged 51 to 60, and one is aged 21 to 30. The Board includes one Ph.D. holder, five with master's degrees, and one with a bachelor's degree. With diverse backgrounds and experiences, the composition of the Board enhances the decision-making process.

1. **Chairman, Mr. Jason K.L. Chang:** Extensive leadership experience in cement, construction, and hospitality industries, and comprehensive administrative experience in all aspects of the business of the group.
2. **Director, Mr. Chi-Te Chen:** Extensive leadership experience in engineering, construction, and business industries.
3. **Director, Pan Howard Wei-Hao:** Extensive leadership experience in health and construction industries.
4. **Director, Alec Jun-Ci Chang:** Serves as Special Assistant to the Chairman of the Company, with experience in the cement industry, asset management, and hospitality services, as well as administrative expertise in corporate group operations.
5. **Independent Director, Robert K. Su:** Renowned accounting scholar with extensive professional experience in intangible assets and enterprise valuation fields.
6. **Independent Director, Pao-Chu Lin:** Former practicing accountant with extensive practical experience in auditing, risk management, internal auditing, and compliance.
7. **Independent Director, Kevin Kuo-I Chen:** Extensive practical experience in legal fields and sports industry.

As a collective, the seven directors hold extensive experience in cross-industries including business, cement, construction, hospitality, finance, auditing, risk management, law, and information technology. The Board, as a whole, possess the necessary knowledge, expertise, and competence to fulfill their respective duties. With ample experience in management and operational decision-making, the Chairman possesses the ability to lead the Company and obtain the largest interest for its shareholders.

In recent years, the Company has been undergoing a transformation, evolving from a cement-focused business into a diversified enterprise group encompassing hospitality and healthcare sectors. During the earlier phase, when the cement business remained the core focus, it was challenging to recruit directors with the necessary professional background due to industry-specific constraints. However, to align with the trend of board diversity and comply with relevant regulations, the Company actively added a female director during the board election in 2022.



Although the current proportion of female directors has not yet reached one-third, the next board election is scheduled for 2025. The Company remains committed to board diversity and will continue to seek and invite qualified candidates, nominating suitable individuals to further increase female representation on the board.

### Board Diversity

Title	Name	Nationality	Gender	Education	Age			Seniority	Diversified Ability							
					21   30	51   60	61   70		Accounting, Finance, and Legal Affairs	Risk Management	Business Operations	Global Market	Investment and M&A	Hospitality	Information Technology	Sustainability Development
Chairman	Jason K. L. Chang	ROC	M	Master	✓			24 years	✓	✓	✓	✓	✓	✓	✓	✓
Director	Chi-Te Chen	ROC	M	Master			✓	37 years	✓	✓	✓	✓	✓			✓
	Pan Howard Wei-Hao	USA	M	Master	✓			12 years	✓	✓	✓	✓	✓		✓	✓
	Alec Jun-Ci Chang	ROC	M	Bachelor	✓			0.5 years			✓	✓		✓		✓
Independent Director	Robert K. Su	ROC	M	PhD			✓	9 years	✓	✓	✓	✓	✓			✓
	Pao-Chu Lin	ROC	F	Master			✓	3 years	✓	✓	✓	✓	✓			✓
	Kevin Kuo-I Chen	ROC	M	Master			✓	3 years	✓	✓	✓	✓	✓			✓

### Independence Status

1. The Company's Board includes three Independent Directors, approximately 43% of the total board composition.
2. The Company's Chairman and CEO, or any position of equal status, are not of the same individual and not a spouse or relative within the first degree of kinship to each other.
3. Board members are elected through nomination and all directors, including Independent Directors, have not been involved in any of the situations defined in Article 26-3 of the Securities and Exchange Act, as of the time of appointment.
4. Chairman Jason K.L. Chang and Director Alec Jun-Ci Chang have a second-degree kinship relationship.

## 2.1.2 Management Team

### ▼ Profile on President, Vice President, Director, and Department Heads

Title (Note 1)	Nationality	Name	Gender	Elective Date	Current Shareholdings (Note 4)		Current Share- holdings of Spouse & Minor Children		Shareholdings by Nominee Arrangement	
					Shares	%	Shares	%	Shares	%
President, Also CEO of Headquarters Office, Chief Sustainability Officer, Information Security Supervisor (Note4)	ROC	Li-Hsin Wang	F	07/13/2022 07/11/2019 12/14/2021 12/15/2023	465,391	0.06%	0	0.00%	0	0.00%
Human Resources Vice President	ROC	Wen- Wan Chen	F	06/06/2022	48,000	0.00%	0	0.00%	0	0.00%
Director and Financial Officer	ROC	Jane Y. C. Chou	F	07/05/2013	189,691	0.02%	0	0.00%	0	0.00%
Director	ROC	Hua- Chou Huang	M	04/18/2023	171,000	0.02%	0	0.00%	0	0.00%

## Insiders' shareholdings information as of 02/29/2024

	Experience & Education (Note 2)	Other position (IR: Institution Representative)	Managers Who are Spouses or Within Two Degree of Kinship			Remarks (Note 3)
			Title	Name	Relation	
	MBA Waseda University	<ul style="list-style-type: none"> <li>Chairman, Jaho Life Plus+ Management Corp. (IR)</li> <li>Director, YJ Int'l Corp. (IR)</li> <li>Director, Chia Pei Int'l Corp. (IR)</li> <li>Director, Tong Yang Chia Hsin Int'l Corp. (IR)</li> <li>Supervisor, Chia Hsin Property Management &amp; Development Corp. (IR)</li> <li>Supervisor, Chia Sheng Construction Corp. (IR)</li> <li>Supervisor, Bluesky Co., Ltd. (IR)</li> <li>Director, Chia Hsin Energy Co., Ltd. (IR)</li> <li>Director, Chia Hsin Business Consulting (Shanghai) Co., Ltd. (IR)</li> <li>Director, Shanghai Chia Hsin Ganghui Co., Ltd. (IR)</li> <li>Director, Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. (IR)</li> <li>Director, Jiapeng GemCare Maternity (Yangzhou) Co., Ltd. (IR)</li> <li>Chairman, Chia Hsin Pacific Ltd.</li> <li>Director, Effervesce Investment Ptd. Ltd.</li> <li>Director, Sparksvie Pte. Ltd.</li> <li>Director, Tong Yang Chia Hsin Marine Corp. (IR)</li> <li>Director, LDC ROME HOTELS S.R.L</li> <li>Executive Officer, CHC Ryukyu Development GK</li> <li>Representative Director, CHC Ryukyu COLLECTIVE KK</li> <li>Director, Taiwan Cement Corp. (IR)</li> </ul>	-	-	-	-
	Master of Communication, Washington State University	None	-	-	-	-
	Dept. of Industrial Management, National Taiwan University of Science & Technology	<ul style="list-style-type: none"> <li>Superviror, YJ Int'l Corp. (IR)</li> <li>Supervisor, Chia Pei Int'l Corp. (IR)</li> <li>Supervisor, Jaho Life Plus+ Management Corp., Ltd. (IR)</li> <li>Supervisor, Chia Hsin Energy Co., Ltd. (IR)</li> <li>Representative Director, CHC Ryukyu COLLECTIVE KK</li> </ul>	-	-	-	-
	School of Management, National Taiwan University	<ul style="list-style-type: none"> <li>Director, Tong Yang Chia Hsin Int'l Corp. (IR)</li> <li>Supervisor, Chia Pei Int'l Corp. (IR)</li> <li>Chairman, Shanghai Chia Hsin Ganghui Co., Ltd. (IR)</li> <li>Chairman, Chia Hsin Business Consulting (Shanghai) Co., Ltd. (IR)</li> <li>Chairman, Shanghai Jia Huan Concrete Co., Ltd. (IR)</li> <li>Chairman, Jiangsu Jiaguo Construction Material &amp; Storage Co., Ltd. (IR)</li> <li>Supervisor, Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. (IR)</li> <li>Supervisor, Chia Peng GemCare Maternity (Yangzhou) Co., Ltd. (IR)</li> </ul>	-	-	-	-

Title (Note 1)	Nationality	Name	Gender	Elective Date	Current Shareholdings (Note 4)		Current Share- holdings of Spouse & Minor Children		Shareholdings by Nominee Arrangement	
					Shares	%	Shares	%	Shares	%
Director and Corporate Governance Officer	ROC	Hsiao- Yun Yu	F	04/18/2023	120,768	0.02%	0	0.00%	0	0.00%
Director	ROC	Puo- Chien Lin	M	04/18/2023	133,540	0.02%	3,060	0.00%	0	0.00%
Manager and Accounting Officer	ROC	Mars Feng	M	07/11/2019	82,880	0.01%	2,040	0.00%	0	0.00%

Note 1: Information about President, Vice President, Director, Managers, Department Heads, or any other equivalent positions within the Company shall be disclosed, regardless of job title.

Note 2: Regarding past experiences, if any of the current and past positions involve positions in the auditing CPA firm or its affiliates, additional details of the individual's title and responsibilities shall be provided.

	Experience & Education (Note 2)	Other position (IR: Institution Representative)	Managers Who are Spouses or Within Two Degree of Kinship			Remarks (Note 3)
			Title	Name	Relation	
	Dept. of Economics, Tamkang University	None	-	-	-	-
	MBA, Suffolk University	<ul style="list-style-type: none"> <li>• Director, YJ Int'l Corp. (IR)</li> <li>• Executive Officer, CHC Ryukyu Development GK (IR)</li> <li>• Representative Director, CHC Ryukyu COLLECTIVE KK</li> <li>• Director, Smart Ageing Tech Co., Ltd. (IR)</li> <li>• Director, B Current Impact Investment (IR)</li> </ul>	-	-	-	-
	Dept. of Accounting, Tamkang University	None	-	-	-	-

Note 3: If the President or person of equivalent duties (top manager), and the Chairman happen to be the same person, spouse, or first kinship relatives, the reason, rationality, necessity and corresponding measures (e.g., increasing number of independent directors, having more than half of directors who are not part-time employees or managers of the Company, etc) shall be provided.

Note 4: Exempt from concurrently serving as Information Security Supervisor starting January 1, 2025.

## 2.2 Remuneration of Directors, President, and Vice President

### 2.2.1 Remuneration of Directors and Independent Directors

#### Remuneration of Directors and Independent Directors

Title		Name	Remuneration							
			Base Compensation (A)		Severance/ Pension (B)		Directors Compensation (C)		Executive Expenses (D)	
			The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report
Director	Chairman	Jason K. L. Chang	13,126	14,074	0	0	3,873	5,045	1,047	1,095
	Director	Chi-Te Chen	7,588	7,588	0	0	1,549	1,549	40	72
	Director	Pan Howard Wei-Hao (Note 1)	1,147	1,147	0	0	0	0	56	104
	Director	Alec Jun-Ci Chang (Note 1&2)	551	878	0	0	0	0	24	24
	Director	I-Cheng Liu (Note 1&2)	595	595	0	0	0	0	32	32
Independent Director	Independent Director	Robert K. Su	1,350	1,350	0	0	0	0	56	56
	Independent Director	Pao-Chu Lin	1,350	1,350	0	0	0	0	56	56
	Independent Director	Kevin Kuo-I Chen	1,350	1,350	0	0	0	0	56	56

- The Company's Director remuneration policy, standard, criteria, and structure in relation to job responsibilities, risk, time invested, and remuneration offered as stated below:
  - The Company's Chairman and Director remuneration are decided in accordance with Company's Articles of Association.
  - The Company's Articles of Association stipulate that the provision of annual profits as director remuneration shall not exceed 3%.
  - The recipient of director remuneration shall follow Company's regulation regarding distribution and payment of director remuneration.
  - The Board of Directors is authorized to pay a fixed monthly compensation to Independent Directors based on the level of participation and contribution and referenced to industry average. They are also entitled to receive travel allowances based on the number of meetings attended. Additional year-end bonuses are given according to responsibilities and individual performance.

Note 1: Corporate Representative of Tong Yang Chia Hsin International Corporation.

Note 2: The Corporate Representative of Tong Yang Chia Hsin International Corporation was changed from I-Cheng Liu to Alec Jun-Ci Chang on July 9, 2024.



Unit: NTD thousands

	Total Remuneration of item A, B, C, and D and Ratio to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Total Remuneration of item A, B, C, D, E, F, and G and Ratio to Net Income (%)		Remuneration from Non- Consolidated Affiliates or from the Parent Company
			Salary, Bonuses and Allowances (E)		Severance/ Pension (F)		Salary, Bonuses, and Allowances (G)						
	The Company	All Compa- nies in the Financial Report	The Company	All Compa- nies in the Financial Report	The Company	All Compa- nies in the Financial Report	The Company		All Compa- nies in the Financial Report		The Company	All Compa- nies in the Financial Report	
							Cash	Stock	Cash	Stock			
	18,046 5.65%	20,214 6.33%	0	0	0	0	0	0	0	0	18,046 5.65%	20,214 6.33%	0
	9,177 2.87%	9,209 2.88%	0	0	0	0	0	0	0	0	9,177 2.87%	9,209 2.88%	0
	1,203 0.38%	1,251 0.39%	0	1,240	0	0	0	0	0	0	1,203 0.38%	2,491 0.78%	0
	575 0.18%	902 0.28%	499	559	0	0	66	0	66	0	1,140 0.36%	1,527 0.48%	0
	627 0.20%	627 0.20%	0	0	0	0	0	0	0	0	627 0.20%	627 0.20%	0
	1,406 0.44%	1,406 0.44%	0	0	0	0	0	0	0	0	1,406 0.44%	1,406 0.44%	0
	1,406 0.44%	1,406 0.44%	0	0	0	0	0	0	0	0	1,406 0.44%	1,406 0.44%	0
	1,406 0.44%	1,406 0.44%	0	0	0	0	0	0	0	0	1,406 0.44%	1,406 0.44%	0

2. In addition to information listed in the table above, the remuneration received by the Directors of the Company in the most recent fiscal year for services provided (such as serving as consultant for parent company/all companies within the financial report/invested enterprises, not as an employee) is: None.

## 2.2.2 Remuneration of President and Vice President

### Remuneration of President and Vice President

Title	Name	Base Compensation (A)		Severance/ Pension (B)	
		The Company	Companies in the consolidate financial statements	The Company	Companies in the consolidate financial statements
President, Also CEO of Headquarters Office, Chief Sustainability Officer, Information Security Supervisor (Note 1)	Li-Hsin Wang	7,049	7,049	0	0
Vice President	Wen-Wan Chen				

Note 1: Exempt from concurrently serving as Information Security Supervisor starting January 1, 2025.

### Range of Remuneration

Range of President and Vice President Remuneration	President and Vice President	
	The Company	All Companies included in Financial Report (E)
Lower than NT\$ 1,000,000		
NT\$ 1,000,000(including)~NT\$2,000,000(not including)		
NT\$2,000,000(including)~NT\$3,500,000(not including)		
NT\$3,500,000(including)~NT\$5,000,000(not including)		
NT\$5,000,000(including)~NT\$ 10,000,000(not including)	Li-Hsin Wang, Wen-Wan Chen	Li-Hsin Wang, Wen-Wan Chen
NT\$ 10,000,000(including)~NT\$ 15,000,000(not including)		
NT\$ 15,000,000(including)~NT\$30,000,000(not including)		
NT\$30,000,000(including)~NT\$50,000,000(not including)		
NT\$50,000,000(including)~NT\$ 100,000,000(not including)		
Greater than or Equal to NT\$ 100,000,000		
Total	2	2

Unit: NTD thousands

	Bonuses and Special Disbursement (C)		Employee Compensation (D)				Total Remuneration of item A, B, C, D and Ratio to Net Income (%)		Remuneration from Non-Consolidated Affiliates or from the Parent Company
	The Company	Companies in the consolidate financial statements	The Company		Companies in the consolidate financial statements		The Company	Companies in the Consolidated Financial Statements	
			Cash	Stock	Cash	Stock			
	3,756	4,278	1,443	0	1,443	0	12,248	12,770	None

### Managers Assigned to Distribute Employee Compensation and the Distribution Status

12/31/2024 Unit: NTD thousands

	Title	Name	Stock	Cash	Total	Ratio to Net Income (%)
Manager	President, Also CEO of Headquarters Office, Chief Sustainability Officer, and Information Security Supervisor (Note 1)	Li-Hsin Wang	0	2,593	2,593	0.81%
	Vice President	Wen-Wan Chen				
	Financial Officer	Jane Y.C Chou				
	Accounting Officer	Mars Feng				
	Director and Corporate Governance Officer	Hsiao-Yun Yu				
	Director	Hua-Chou Huang				
	Director	Puo-Chien Lin				

Note 1: Exempt from concurrently serving as Information Security Supervisor starting January 1, 2025.

### 2.2.3 Does the circumstances in sub-item "a" or in sub-item "e" of Item 2 subparagraph 2 Paragraph 1 Article 10 of the Regulations apply to CHC? If so, CHC shall disclose the individual remuneration paid to each of its top five management personnel:

No such circumstances.

## 2.2.4 Comparative Analysis of Remuneration Paid to Directors, President, and Vice President for the Past Two Fiscal Years as a percentage of net Income in the Single and Consolidates Financial Statements, Including Details on Remuneration Policies, Procedures, and its Link to Operational Performance and Future Risks

### Analysis of the Company's recent two fiscal years of Director, President, and Vice President Remuneration ratio to net income

Year	Director, President, and Vice President Total Remuneration (in thousands)		Ratio to Net Income (Note 1)	
	The Company	All Companies included in Financial Report	The Company	All Companies included in Financial Report
2023	33,008	35,932	40.71%	44.32%
2024	46,659	51,056	14.60%	15.98%

Note 1: Net profit refers to the net profit of the Company's individual financial statements, prepared in accordance with International Financial Reporting Standards, for the most recent fiscal year.

## 2.2.5 Remuneration Policies and Standards

- Article 26 of the Company's Articles of Association stipulates that if there is profit made in the current year, 0.01% to 3% shall be allocated for employee remuneration, and up to 3% for director remuneration. However, if the Company still has accumulated losses, the amount shall be reserved in advance to offset the deficit before carrying out the remuneration mentioned previously.
- Director remuneration is allocated in accordance with the Company's Articles of Association and is linked to performance, which is evaluated by the Board's Performance Evaluation Regulation based on six factors: "achievement of Company targets and goals," "understanding of Board responsibilities," "participation in Company operations," "internal communication," "professional capability and continuous improvement," and "internal control." Distribution of remuneration shall be reviewed by the Remuneration Committee, submitted to the Board for approval, and reported at the shareholders' meeting.
- To actively fulfill its corporate sustainability commitments, Chia Hsin Group closely integrates the annual objectives of its senior management team with ESG performance targets. This ensures continuous improvements in environmental protection, social responsibility, and corporate governance, driving the Company's long-term development.  
In 2024, cybersecurity, stakeholder communication, and greenhouse gas emissions management have been designated as specific objectives for senior executives and management. Each department head will formulate concrete implementation strategies based on their managerial and professional expertise to ensure the effective execution of ESG policies and their substantial impact. Furthermore, ESG-related goals will be

incorporated into departmental KPIs, accounting for at least 5% of the total assessment. Additionally, ESG performance is linked to annual performance evaluations and the Company's compensation system to reinforce management's commitment and actions toward sustainability. In accordance with the Regulations on the Compensation Management of Directors and Managers, the variable bonuses for senior executives will be directly tied to ESG performance, making the achievement of ESG objectives a key determinant of compensation. Bonuses for managers and employee remuneration will be evaluated based on individual contributions, job performance, achievement of annual operational targets, and the fulfillment of sustainability goals. The Chairman will propose the total bonus amount and distribution plan, which will be reviewed and approved by the Compensation Committee before submission to the Board of Directors for final approval and disbursement.

4. Director remuneration approved by the Board of Directors shall be allocated only to those holding directorship on the day of remuneration distribution. However, for Directors who were not re-elected, remuneration may still be distributed in proportion to their tenure.
5. Distribution of remuneration is based on the Company's overall operational and profit status, which is positively correlated with operational performance, and is carried out in accordance with legal requirements and Company regulations, in the hopes of minimizing the chance and impact of future risks while achieving a balance between sustainable operations and risk management.

## 2.3 Corporate Governance Implementation

### 2.3.1 Board of Directors Meeting

#### 1. Board of Directors Meeting Results

(1) A total of 7 Board of Directors meetings took place during January 1, 2024, to December 31, 2024, attendance of Directors are as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%) (B/A) (Note 2)	Additional Notes
Chairman	Jason K.L. Chang	7	0	100%	
Director	Chi-Te Chen	5	2	71.43%	
Director	Tong Yang Chia Hsin Int'l Corp. Representative: Pan Howard Wei-Hao	7	0	100%	
Director	Tong Yang Chia Hsin Int'l Corp. Representative: I-Cheng Liu	4	0	100%	Resigned on July 9, 2024.
Director	Tong Yang Chia Hsin Int'l Corp. Representative: Alec Jun-Ci Chang	3	0	100%	Resigned on July 9, 2024.
Independent Director	Robert K. Su	7	0	100%	
Independent Director	Pao-Chu Lin	7	0	100%	
Independent Director	Kevin Kuo-I Chen	7	0	100%	

Other matters to be recorded:

1. When one of the following situations occurs in regarding operations of the Board, the date and term of the Board meeting, content of proposals, opinions of all Independent Directors, and the Company's actions in response to the respective opinions shall be stated:
  - (1) Matters included in Article 14-3 of the Securities and Exchange Act: Since the Company has already established an Audit Committee, the regulations from Article 14-3 are not applicable. For detailed explanations on matters listed in Article 14-5 of the Securities and Exchange Act, please refer to 2.3.2 Audit Committee Meeting Status in this annual report.
  - (2) In addition to the matters mentioned above, any other resolutions on which an independent director had an objection or reservation: None
2. The execution status of Directors recused from resolutions due to conflict of interest shall include the names of the Directors, content of motion, reasons for recusal, and their participation in the voting process:

Date of Board Meeting	Name of Director	Content of Motion	Reason for Recusal	Participation in Voting Process
01 / 09 / 2024 459 <sup>th</sup>	Jason K.L. Chang	To discuss remuneration of the Chairman and managers of 2023	Chairman Jason K.L. Chang and all managers of the Company recused themselves from the discussion; Independent Director Robert K. Su served as the acting chairman.	Chairman Jason K.L. Chang recused himself from the discussion and voting of the resolution; the motion was approved by 5th term, 5th meeting of the Remuneration Committee and was passed with no objection from other attending directors after consultation by the acting chairman.
	Chi-Te Chen Pan Howard Wei-Hao I-Cheng Liu Kevin Kuo-I Chen	To discuss additional remuneration for Directors for the 2023 Lunar New Year	Director Chi-Te Chen, Pan Howard Wei-Hao, I-Cheng Liu, and Independent Director Kevin Kuo-I Chen recused themselves from the discussion.	Director Chi-Ten Chen, Pan Howard Wei-Hao, and I-Cheng Liu, and Independent Director Kevin Kuo-I Chen recused themselves from the discussion and voting of the resolution; the motion was approved by 5th term, 5th meeting of the Remuneration Committee and was passed with no objection from other attending directors after consultation by the acting chairman.
	Robert K. Su Pao-Chu Lin	To discuss additional remuneration for members of the Remuneration Committee for the 2023 Lunar New Year	Independent Director Robert K. Su and Pao-Chu Lin recused themselves from the discussion	Independent Director Robert K. Su and Pao-Chu Lin recused themselves from the discussion and voting of the resolution; the motion was approved by 5th term, 5th meeting of the Remuneration Committee and was passed with no objection from other attending directors after consultation by the acting chairman.
02 / 27 / 2024 460 <sup>th</sup>	Jason K.L. Chang Chi-Te Chen Pan Howard Wei-Hao I-Cheng Liu	To discuss the distribution of Director remuneration of 2023	Chairman Jason K.L. Chang, Director Chi-Te Chen, Pan Howard Wei-Hao, and I-Cheng Liu recused themselves from the discussion and Independent Director Robert K. Su served as the acting chairman.	Chairman Jason K.L. Chang, Director Chi-Te Chen, Pan Howard Wei-Hao, and I-Cheng Liu recused themselves from the discussion and voting of the resolution; the motion was passed with no objection from other attending directors after consultation by the acting chairman.



12 / 12 / 2024 465 <sup>th</sup>	Jason K.L. Chang	To discuss remuneration of the Chairman and managers of 2024	Chairman Jason K.L. Chang and all managers of the Company recused themselves from the discussion; Independent Director Robert K. Su served as the acting chairman.	Chairman Jason K.L. Chang recused himself from the discussion and voting of the resolution; the motion was approved by 5th term, 8th meeting of the Remuneration Committee and was passed with no objection from other attending directors after consultation by the acting chairman.
	Chi-Te Chen Pan Howard Wei-Hao Alec Jun-Ci Chang Kevin Kuo-I Chen	To discuss additional remuneration for Directors for the 2024 Lunar New Year	Chairman Jason K. L. Chang recused himself from the discussion and left the meeting as he was acting on behalf of Director Chi-Te Chen and had a conflict of interest in this matter. The Chairman designated Independent Director Robert K. Su to temporarily preside over the meeting. Director Pan Howard Wei-Hao, Director Alec Jun-Ci Chang, and Independent Director Kevin Kuo-I Chen also recused themselves from the discussion.	Director Jason K. L. Chang, Pan Howard Wei-Hao, Alec Jun-Ci Chang, and Independent Director Kevin Kuo-I Chen recused themselves from the discussion and voting of the resolution; the motion was approved by 5th term, 8th meeting of the Remuneration Committee and was passed with no objection from other attending directors after consultation by the acting chairman.
	Robert K. Su Pao-Chu Lin	To discuss additional remuneration for members of the Remuneration Committee for the 2024 Lunar New Year	Independent Director Robert K. Su and Pao-Chu Lin recused themselves from the discussion.	Independent Director Robert K. Su and Pao-Chu Lin recused themselves from the discussion and voting of the resolution; the motion was approved by 5th term, 8th meeting of the Remuneration Committee and was passed with no objection from other attending directors after consultation by the acting chairman.

3. The information regarding self-assessment (or peer evaluation) of the Board of Directors includes the cycle and period, scope, method, and content of the assessment:

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Contents of Evaluation
Annually	01/01/2024 to 12/31/2024	Board of Directors, functional committees (including the Audit Committee, Remuneration Committee, Sustainable Development Committee), and their individual members	Self-assessment from the Board of Directors, functional committees (including the Audit Committee, Remuneration Committee, Sustainable Development Committee), and their individual members	With reference to the sample published by authorities, the assessments of the Company are as follows: 1. Board Performance Assessment 1-1 Participation in Company operations 1-2 Quality of decisions 1-3 Structure and organization 1-4 Election and continuing education 1-5 Internal control 2. Individual Director Performance Assessment 2-1 Alignment of the goals and targets of the Company 2-2 Understanding of director duties 2-3 Participation in Company operations 2-4 Management of internal communication and relationships. 2-5 Director professional qualifications and continuing education 2-6 Internal control 3. Functional Committee Performance 3-1 Participation in Company operations 3-2 Understanding of functional committee duties 3-3 Quality of decision 3-4 Structure and election 3-5 Internal control

				4. Functional Committee Individual Member Performance 4-1 Function of functional committee 4-2 Understand of functional committee member duties 4-3 Participation in functional committee operations 4-4 Management of internal relationships and communication
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4. Assessment of the goals to enhance functions of the Board of Directors (e.g., establishing the Audit Committee, improving information transparency) and status of implementation:

- (1) The Company has completed the goal of increasing female participation in decision-making. Upon the shareholders’ meeting on June 14, 2022, one female director was appointed to join the Board of Directors. The Board members possess the professional knowledge, expertise, and industry experience required for their respective positions. Through the composition of a diverse Board of Directors, the decision-making process is further optimized. In response to rapid changes in the external environment, the Company conducted a series of education courses for diversified Directors in the second half of the year. The courses covered topics such as information security, corporate carbon neutrality, cross-border investment structures, tax rules, and family business succession and transformation, all in the hopes of continuously enhancing the Board’s professional competence as a whole. For details regarding the yearly educational improvement status of Directors, please refer to Section 2.3.1 of this annual report.
- (2) In 2024, the Company held a total of 7 Board meetings, with an average attendance rate of 95.92% for all Directors. Information regarding significant agenda items and Director attendance was announced on the Market Observation Post System in accordance with regulations to ensure real-time and transparent information dissemination. Motions and resolutions all had undergone thorough discussion conducted by Directors before making a decision, especially paying attention to issues in relation to risk management of all kinds, further showcasing smooth overall operation process.
- (3) The Company established the Compensation Committee in 2011, the Audit Committee in 2013, the Sustainable Development Committee in 2021, and the Nomination Committee and Risk Management Committee in December 2024 to enhance the accountability and effectiveness of the Board of Directors.
- (4) To assist directors in understanding the Company's risk profile and to facilitate their evaluation and oversight of risks, risk management has been designated as one of the key functions of the Sustainable Development Office. The scope of risk assessment covers the Company and its key subsidiaries. The Audit Committee supports the Board of Directors in executing its risk management responsibilities.

The Risk Management Task Force conducts a comprehensive assessment of the Company's strategic, operational, compliance, financial, and other risks (including environmental, energy, and emerging risks). It reports on the status of risk management operations to the Audit Committee and the Board of Directors at least once a year.

The 2025 risk assessment report was presented to the Audit Committee and the Board of Directors on December 12, 2024.

## 2. Directors and Independent Directors Training:

Name of Director	Course Title	Organizer	Date of Training	Hours	Total Hour
Jason K.L. Chang	How the board of directors can implement the link between senior compensation and ESG performance system	Taiwan Institute of Directors	04/02/2024	3	6
	How directors supervise the company and promote risk management systems (digital technology & privacy protection trends)	Taiwan Institute of Directors	10/16/2024	3	
Chi-Te Chen	The Latest Trends in Corporate Governance Evaluation Indicators That Directors and Supervisors Must Know – Intellectual Property Management	Taiwan Corporate Governance Association	10/30/2024	3	6
	Corporate Mergers and Acquisitions Equity Investment Planning and Practical Analysis of Joint Venture Agreements	Taiwan Corporate Governance Association	11/08/2024	3	
Pan Howard Wei-Hao	Benchmarking Learning – How to Leverage the Experience of Global Industry Leaders for Rapid Growth	Taiwan Insurance Institute	01/23/2024	3	6
	Artificial intelligence leads industrial transformation and enterprise transformation	Taiwan Institute of Directors	08/14/2024	3	
Alec Jun-Ci Chang	The Four Essential Strategies for Addressing Shareholder Activism	Taiwan Investor Relations Institute	09/12/2024	3	12
	New forms of cross-border information security threats and governance trends & protection strategies	Taiwan Institute of Directors	09/25/2024	3	
	How directors supervise the company and promote risk management systems (digital technology & privacy protection trends)	Taiwan Institute of Directors	10/16/2024	3	
	Enhancing Corporate Competitiveness Through Strategic Expansion Beyond the Comfort Zone	Taiwan Institute of Directors	10/30/2024	3	

Name of Director	Course Title	Organizer	Date of Training	Hours	Total Hour
Robert K. Su	How the board of directors can implement the link between senior compensation and ESG performance system	Taiwan Institute of Directors	04/02/2024	3	18
	Director's responsibility in corporate control disputes—focusing on the protection of shareholders' rights	Taiwan Corporate Governance Association	04/19/2024	3	
	Artificial intelligence leads industrial transformation and enterprise transformation	Taiwan Institute of Directors	08/14/2024	3	
	International Climate Change Development Trends and Practical Case Analysis	Taiwan Corporate Governance Association	08/28/2024	3	
	New forms of cross-border information security threats and governance trends & protection strategies	Taiwan Institute of Directors	09/25/2024	3	
	Current Status and Trends in Sustainability Reporting (Professional Course)	Taipei Bar Association	09/27/2024	3	
Pao-Chu Lin	How the board of directors can implement the link between senior compensation and ESG performance system	Taiwan Institute of Directors	04/02/2024	3	21
	2024 Cathay Sustainable Finance and Climate Change Summit	Taiwan Stock Exchange	07/03/2024	6	
	Artificial intelligence leads industrial transformation and enterprise transformation	Taiwan Institute of Directors	08/14/2024	3	
	New forms of cross-border information security threats and governance trends & protection strategies	Taiwan Institute of Directors	09/25/2024	3	
	Comprehensive Analysis of the Core Content of IFRS Sustainability Disclosure Standards IFRS S1 and S2	Taiwan Institute of Directors	09/26/2024	3	
	How directors supervise the company and promote risk management systems (digital technology & privacy protection trends)	Taiwan Institute of Directors	10/16/2024	3	
Kevin Kuo-I Chen	How the board of directors can implement the link between senior compensation and ESG performance system	Taiwan Institute of Directors	04/02/2024	3	12
	Artificial intelligence leads industrial transformation and enterprise transformation	Taiwan Institute of Directors	08/14/2024	3	
	New forms of cross-border information security threats and governance trends & protection strategies	Taiwan Institute of Directors	09/25/2024	3	
	How directors supervise the company and promote risk management systems (digital technology & privacy protection trends)	Taiwan Institute of Directors	10/16/2024	3	

## 2.3.2 Audit Committee Meeting

### 1. Annual Key Duties of the Audit Committee

- For the professional qualifications and experiences of the three members of the Audit Committee, please refer to Section 2.1.1 in this annual report.
- The Audit Committee aims to assist the Board of Directors in overseeing the quality and integrity of the Company's accounting, auditing, financial reporting processes, and finance controls.
- Key objectives supervised by the Audit Committee are as follows:  
Review Financial reports; auditing and accounting policies and procedure; internal control systems and related policies and procedures; significant asset or derivative transactions; significant loans, endorsements, or guarantees; raise or issuance of securities; related party transactions and potential conflicts of interest involving managers and directors; company risk management; assessing effectiveness of internal control systems; qualifications, independence, and performance evaluation of CPAs; appointment, dismissal, or compensation of CPAs; appointment or dismissal of financial, accounting, or internal audit executives; other significant matters as required by the Company or regulatory authorities.
- According to regulations, the members of the Audit Committee shall consist of all Independent Directors. The composition of the Company's Audit Committee complies with the aforementioned legal requirements.
- The Company's Audit Committee fully understands its responsibility to necessary audits and investigations in accordance with the organizational charter. The Committee shall maintain direct channels of communication with the Company's internal auditors, CPAs, and all employees. In addition, the Committee has the authority to hire and oversee lawyers, accountants, or other consultants to assist in fulfilling auditing duties.
- For further details on the organizational regulations of the Audit Committee, please refer to the Company's official website.

### 2. Audit Committee Meeting Results

A total of 6 Audit Committee meeting (A) (Note 3) was held in the latest fiscal year, attendance of Audit Committee members are as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%) (B/A)	Additional Notes
Independent Director	Pao-Chu Lin	6	0	100%	Newly elected on 2022/06/14
Independent Director	Robert K. Su	6	0	100%	Re-elected on 2022/06/14
Independent Director	Kevin Kuo-I Chen	6	0	100%	Newly elected on 2022/06/14

Other matters to be recorded:

1. When one of the following situations occurs regarding operations of the Audit Committee, the date and term of the Audit Committee meeting, content of motion, opinions of all members of the respective committee, and the Company's actions in response to the respective opinions shall be listed.

(1) Items listed in Article 14-5 of the Securities and Exchange Act:

Meeting Date (Session)	Content of Motion	Items Listed in Article 14-5 of the Securities and Exchange Act	Resolution of the Audit Committee and the Company's Response
02/27/2024 12 <sup>th</sup> Meeting of the 4 <sup>th</sup> Term	1. The 2023 Internal Control Statement. 2. The drafting of 2023 business report and financial statement. 3. The continuing appointment of the current CPAs and their service fee.	✓	All attending members of the committee approved and passed the motion; the motion was reported to the Board of Directors and unanimously approved by all attending Directors.
04/12/2024 13 <sup>th</sup> Meeting of the 4 <sup>th</sup> Term	1. Company's distribution of profits for the fiscal year of 2023. 2. The amendment in Audit Committee Charter.	✓	
05/09/2024 14 <sup>th</sup> Meeting of the 4 <sup>th</sup> Term	Review the Company's consolidated financial statements for the Q1 of 2024.	✓	
08/08/2024 15 <sup>th</sup> Meeting of the 4 <sup>th</sup> Term	1. CHC plans to increase the cash capital of CHC Ryukyu Collective KK on behalf of subsidiary Y J International Corporation, which is 100% owned by CHC, with no more than 3 Billion Japanese Yen. 2. Review the Company's consolidated financial report for the Q2 of 2024.	✓	
11/07/2024 16 <sup>th</sup> Meeting of the 4 <sup>th</sup> Term	1. Review the Company's consolidated financial report for the Q3 of 2024. 2. The endorsement of the loan taken out from Taishin International Bank Tokyo Branch for the Company's two subsidiaries CHC Ryukyu COLLECTIVE KK and CHC Ryukyu Development GK in Japan. 3. Signing Operation and Leasing Agreement with Port of Keelung, Taiwan International Ports Corporation, Ltd.	✓	
12/11/2024 17 <sup>th</sup> Meeting of the 4 <sup>th</sup> Term	1. To renew the management contract for Keelung Storage and Transportation Center and service contract for cement storage warehousing in Taichung Port with the Company's subsidiary Tong Yang Chia Hsin International Corporation. 2. To sign the business commission contract with the subsidiary Tong Yang Chia Hsin International Corporation. 3. To sign 2025 annual equipment usage fee agreement at Cargo Terminal No.1 in Taipei Port with the Company's subsidiary Chia Pei International Corp. 4. Extension of Storage and Transport Agreement with the Company's subsidiary Chia Pei International Corp. 5. To adjust the organization system of company and abolish "Regulations on the Organization of the Supervisory and Management Committee of Subsidiaries". 6. The amendments to the Internal control system & Internal audit implementation rules. 7. Approved 2025 Audit Plan. 8. Amendment to the company's approval authority table of regulations governing duty delegation. 9. The endorsement of the loan taken out from CTBC Bank Tokyo Branch and derivative financial product quota of CTBC Bank Dunbei Branch for the Company's two subsidiaries CHC Ryukyu COLLECTIVE KK and CHC Ryukyu Development GK in Japan. 10. Approved 2025 Budget.	✓	

- (2) Other decisions that have not been approved by the Audit Committee but have been agreed upon by two-thirds or more of all Directors shall include details such as the date and session of the meeting, content of motion, the decision of the Audit Committee, and the Company's response: None
2. Regarding the execution of status of Independent Directors recused from the meeting, the name of the Independent Director, content of motion, reason of recusal, and participation in voting process shall be listed: none.
3. Regarding communication between Independent Directors and the internal audit manager and auditors (such as matters discussed, methods, and results related to the Company's finances and business conditions): Internal audit manager and auditors regularly communicate with the Independent Directors regarding the Company's finances, operations, and internal control status, or provide relevant written reports.
- (1) Independent Directors and auditors hold meetings at least 3-4 times a year. The auditors report to the Independent Directors on the Company's financial status, financial situation and overall operations of subsidiaries in Taiwan and abroad, discussions on key audit matters for the year, and the status of internal control audits. Both parties also thoroughly discuss matters regarding the impact on accounting and finances caused by amendments on entries and regulations. The communication between Independent Directors and CPAs is healthy and effective.
- (2) The Audit Office compiles monthly audit reports and tracking reports, which are submitted to each Independent Director for review and approval. If Independent Directors have any questions or suggestions upon reviewing the audit reports, they communicate directly with the Audit Office as needed, while maintaining a good working relationship.
- (3) Communications between Independent Directors and the audit division officer for 2024 are listed as follows:

Meeting Date	Main Communication	Result
01/09/2024 (BOD)	Execution report and communications regarding the audit for October, 2023.	Acknowledged.
02/23/2024 (Individual symposium)	Discussion and communication between Audit Office officer and Independent Directors.	Internal auditor followed the advice given by Independent Directors.
02/27/2024 (BOD & Audit committee meeting)	1. Execution report and communications regarding the audit for November and December, 2023. 2. The 2023 Internal Control Statement.	1. Acknowledged. 2. After discussion, the statement was proposed to the BOD for decision.
04/12/2024 (BOD & Audit committee meeting)	1. Execution report and communications regarding the audit for January, 2024. 2. The amendment in Audit Committee Charter.	1. Acknowledged. 2. After discussion, the statement was proposed to the BOD for resolution.
05/09/2024 (BOD)	Execution report and communications regarding the audit for February, 2024.	Acknowledged.
08/08/2024 (BOD)	Execution report and communications regarding the audit for March, April and May, 2024.	Acknowledged.
11/07/2024 (BOD)	Execution report and communications regarding the audit for June, July and August, 2024.	Acknowledged.



Meeting Date	Main Communication	Result
12/11/2024 (Audit committee meeting)	<ol style="list-style-type: none"> <li>The amendments to the Internal control system &amp; Internal audit implementation rules.</li> <li>Approved the 2025 Audit Plan.</li> <li>Amendment to the company's approval authority table of regulations governing duty delegation.</li> </ol>	<ol style="list-style-type: none"> <li>Acknowledged.</li> <li>After discussion, the statement was proposed to the BOD for resolution.</li> </ol>
12/12/2024 (BOD)	<ol style="list-style-type: none"> <li>Execution report and communications regarding the audit for September, 2024.</li> <li>The amendments to the Internal control system &amp; Internal audit implementation rules.</li> <li>Approved the 2025 Audit Plan.</li> <li>Amendment to the company's approval authority table of regulations governing duty delegation.</li> </ol>	Acknowledged.

The three Independent Directors of the Company have frequently provided suggestions during Audit Committee or Board meetings, but they have not expressed opposition or reservation. Any specific instructions or handling of situations have been explained in the table above.

(4) Communications between Independent Directors and CPAs for 2023 are listed as follows:

Meeting Date	Main Communication	Result
02/23/2024 (Individual symposium)	<ol style="list-style-type: none"> <li>Independent directors and the CPAs held a meeting to understand the CPAs' communication with the Company's managers and the audited departments.</li> </ol>	Well communicated.
02/27/2024 (BOD & Audit committee meeting)	<ol style="list-style-type: none"> <li>The CPAs explained the contents of the 2023 consolidated financial report, key audit matters, and types of audit opinion issued.</li> <li>The CPAs explained and communicated the questions raised by the participants.</li> </ol>	Approved by the participants and proposed to BOD for decision.
08/08/2024 (BOD & Audit committee meeting)	<ol style="list-style-type: none"> <li>The CPAs explained the contents of the review of the consolidated financial report for the second quarter of 2024.</li> <li>The CPAs explained and communicated the questions raised by the participants.</li> </ol>	Approved by the participants and proposed to BOD for decision.
12/12/2024 (BOD)	<ol style="list-style-type: none"> <li>The CPAs evaluated and explained the possible "Key Audit Matters" for the Company's financial report for 2024.</li> <li>The CPAs explained and communicated the questions raised by the participants.</li> </ol>	Well communicated.

Note 1: Date of resignation for Independent Directors who resigned before the end of the fiscal shall be listed. while the attendance rate in person (%) shall be calculated based on the number of Audit Committee meetings held during their tenure and their attendance rate in person. (There were no such occurrences in the current fiscal year)

Note 2: If there were changes in Independent Directors before the end of the fiscal year, both the outgoing and incoming Independent Directors shall be listed, and in the remarks column, it shall be noted whether the Independent Director is outgoing, incoming, or re-elected, along with the date of the change. The attendance rate in person (%) shall be calculated based on the number of Audit Committee meetings held during their tenure and their actual attendance in person.

Note 3: Number of meetings are ones that took place during the most recent fiscal year up to the publication of this annual report: 6 meetings in 2024, and 1 meeting in 2024 (as of December 31, 2024).



### 2.3.3 Corporate Governance Implementation and Deviations from the "Corporate Governance Best Practice Principles" of the TWSE/TPEX Listed Companies

Evaluation Item	Implementation Status (Note)		Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		<p>The Company's Corporate Governance Practice Principles was established in reference to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" by the Taiwan Stock Exchange and first approved by the Board of Directors at the Board meeting held on March 25, 2015. Recently, on November 7, 2024, amendments on partial articles were approved by the Board. The information was disclosed on the Market Observation Post System (herein referred to as MOPS) and also available to investors on the Company's official website. The Company's corporate governance regulation is established in compliance with the legal regulations and Articles of Association. At the same time, it protects investors' rights, strengthens the supervision of the Board of Directors, utilizes the functional committees, respects conflicts of interests, and enhances information transparency.</p> <p>None</p>
2. Shareholding Structure and Shareholders' Rights			
(1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	✓		<p>(1) The Company's Corporate Governance Practice Principles specifies internal control procedures for handling shareholders' suggestions, concerns, and disputes and establishes a spokesperson and deputy spokesperson system for investor relations, which is fully supported by the Board secretariat. Capital Securities Corporation also helps with handling The Company also shareholders' suggestions, concerns, disputes and litigation matters. During Board meetings, participating shareholders are all given appropriate time to speak and discuss motions. The Company accepts any undisputed and feasible suggestions and makes improvements accordingly. However, suggestions with disputes are to be resolved by voting in accordance with the rules and procedure of shareholders' meetings.</p> <p>None</p>
(2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	✓		<p>(2) The Board Secretariat and Capital Securities Corporation are always monitoring shareholding status regarding the Directors, managers, and major shareholders holding more than 5% of the shares.</p> <p>None</p>

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
(3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	✓		(3) Asset management, finance and accounting operations of the Company's affiliates are conducted independently. However, the Company has a subsidiary supervisory committee (consists of 2 to 4 directors selected by the Board of Directors and the President), with divisions responsible for risk management, sales, finance, information system, Board secretariat, operation management and investment planning to regularly monitor business activities of subsidiaries and their affiliates and any potential risk. Furthermore, all communications with affiliated companies are conducted in accordance with "the established procedures for acquisition or disposal of assets," "the operation procedures for fund lending and endorsements," and "the regulations for financial transactions between related parties." Adequate risk management and firewalls have been established to avoid any adverse effects on malpractices directed towards the Company. (The Subsidiary Supervision and Management Committee was abolished following approval by the Board of Directors at its 465th meeting on December 12, 2024, with all supervisory and management functions transitioned to the relevant corporate divisions. This change took effect on January 1, 2025.)	None
(4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	✓		(4) To safeguard shareholders' rights and ensure equal treatment, the Board of Directors approved amendments to the Corporate Governance Best Practice Principles, which stipulate that directors are prohibited from trading the Company's shares or any other equity-based securities during the 30-day blackout period before the announcement of the annual financial report and the 15-day blackout period before the announcement of each quarterly financial report.  Additionally, to enhance the timeliness, accuracy, and completeness of material information disclosure, the Procedures for Handling Material Internal Information and Preventing Insider Trading were revised and reaffirmed, with approval from the 449th Board of Directors meeting on December 14, 2022. The revised procedures explicitly prohibit insiders, quasi-insiders, and information recipients from trading securities using non-public information and designate the Board Secretariat as the responsible unit.  To further promote compliance, at least once per quarter, existing insiders receive briefings on pre- and post-transaction reporting requirements for changes in shareholding. Moreover, educational materials on these procedures and related regulations are disseminated electronically on a monthly basis. In 2024, a total of 16 sessions were conducted.	None

Evaluation Item	Implementation Status (Note)		Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	
			<p>To deepen the understanding of insider trading prevention among internal employees and corporate group management, the Company organized two training sessions on insider trading prevention for new employees on May 17 and July 19, 2024. Additionally, from November to December 2024, the Company conducted in-person and online Integrity Management Training for employees, led by professional instructors from AnZon Attorneys at Law. The training covered key ethical business principles, including topics such as corporate governance from the perspective of corporate sustainability, the relationship between governance and ethical business practices, legal responsibilities related to greenwashing in sustainability reports, and preventive measures against insider trading. A total of 235 employees from the corporate group participated in the training, achieving a 100% training completion rate in Taiwan (including new employees). After the sessions, the presentation and video recordings were uploaded to the internal employee education system, allowing employees to access and review the materials at any time.</p>
<p>3. Composition and responsibilities of the board of directors</p> <p>(1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?</p>	✓		<p>(1) The structure of the Company's Board of Directors is determined based on the operational mode and development requirements of the Company, while the number of Directors is decided in accordance with the Company's Articles of Association and practical operational needs; Board members are selected with a focus on diversity and competence regarding the knowledge, skills, and diverse backgrounds required for their roles. This includes Director and Independent Directors who are serving as executives with extensive business experience from various industries and professors with specialized expertise in their respective field of study. In order to reach the ideal goals of corporate governance, the Board of Directors shall be equipped the following abilities:</p> <ol style="list-style-type: none"> <li>1. Accounting, Finance, and Legal Affairs</li> <li>2. Risk Management</li> <li>3. Business Operations</li> <li>4. Global Market</li> <li>5. Investment and M&amp;A</li> <li>6. Hospitality</li> <li>7. Information Technology</li> <li>8. Sustainability Development</li> </ol> <p>For the implementation of core competencies in board diversity by individual directors, please refer to the Board Diversity Table in section 2.1.1 "Board of Directors" of this annual report.</p> <p>None</p>

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
(2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?	✓		<p>(2) In addition to establishing the Remuneration Committee and Audit Committee as required by law, the Company also set up the Subsidiary Supervision and Management Committee in accordance with its internal control system. This committee was composed of two to four professional directors and the general manager, as appointed by the Board of Directors. A convener was designated to lead various task forces formed by different departments to fulfill the responsibility of supervising and managing subsidiaries.</p> <p>Furthermore, to actively promote and strengthen sustainable business strategies and address key issues of concern to stakeholders, the Board of Directors, at its 441st meeting on December 14, 2021, approved the establishment of the Sustainable Development Committee. Additionally, to enhance the functions and operations of the Board, the Board, at its 465th meeting on December 12, 2024, approved the establishment of the Nomination Committee and the Risk Management Committee.</p> <p>For details on the composition, responsibilities, and operations of these committees, please refer to section 2.3.8 "Additional Information on Corporate Governance Practices" in this annual report. (The Subsidiary Supervision and Management Committee was abolished following approval by the Board of Directors at its 465th meeting on December 12, 2024. All supervisory and management functions have been transitioned to the respective corporate divisions, effective January 1, 2025.)</p>	None
(3) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	✓		<p>(3) At the Board meeting held on May 9, 2019, the Board of Directors approved the Board Performance Evaluation Regulations, which states that performance evaluations shall be conducted regularly each year. The 2023 performance evaluation of the Board was completed and reported to the Board on February 27, 2024; the overall performance was better compared to the previous year. The Board Performance Evaluation Regulation includes five aspects, as stated below:</p> <ol style="list-style-type: none"> <li>1. Participation in business operations</li> <li>2. Improvement of Board decision quality</li> <li>3. Structure and organization of the Board of Directors</li> <li>4. Director elections and continuing improvements</li> <li>5. Internal Control</li> </ol> <p>Results of the 2023 performance evaluation of the Board are as follows:</p> <ol style="list-style-type: none"> <li>1. Self-assessment of the Board of Directors' performance, with a rating of "excellent" or above, are nearly 100%.</li> </ol>	None

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
(4) Does the Company regularly evaluate its external auditors' independence?	✓		<p>2. Self-assessment of functional committees, except for the Sustainable Development Committee, which temporarily received a lower rating due to internal policy revisions, also have a near 100% rating of "excellent" or above.</p> <p>For details regarding the Board performance evaluation methods, procedure, and results, please refer to the Company's official website and MOPS.</p> <p>(4) Every year, the Company's Audit Committee evaluates the independence and suitability of the external auditors. In addition to requiring auditors to provide a "Statement of Independence" and "Audit Quality Indicators (AQIs)," the evaluation is conducted based on the key independence assessment criteria outlined in Section 2.4 Auditor Fee Information and the 13 AQI indicators.</p> <p>After confirming that the auditors have no financial interests or business relationships with the Company beyond audit and tax-related service fees, and that their family members do not violate independence requirements, the Company continues to implement digital audit tools to enhance audit quality. The most recent evaluation results were approved by the Audit Committee on February 27, 2024, and subsequently approved by the Board of Directors on the same date.</p>	None
4. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	✓		<p>On July 11, 2019, the Board of Directors appointed President Li-Hsin Wang as the Corporate Governance Officer. On April 18, 2023, at the 452th Board meeting, Director Hsiao-Yun Yu was appointed as the Corporate Governance Officer to continue overseeing corporate governance operations. Director Hsiao-Yun Yu has extensive experience in handling stock affairs for publicly traded companies and has served as the head of the Board Secretariat for over three years. Responsibilities of the Corporate Governance Officer are as follows (minimum requirement):</p> <ol style="list-style-type: none"> <li>1. Handle all matters relating to Board of Directors' meetings and shareholders' meetings in compliance with regulations.</li> <li>2. Prepare minutes of Board of Director meetings and the general shareholders' meetings.</li> <li>3. Assist in onboarding and continuing education of the Directors and supervisors.</li> <li>4. Provide all information required for performance of duties requested by Directors and supervisors.</li> <li>5. Assist Directors and supervisors regarding compliance.</li> <li>6. To report the compliance result of the qualification, nomination, election, and headship of the independent directors for relevant regulations.</li> <li>7. To handle the relevant matter for the change of directors.</li> <li>8. Other matters specified by the Articles of Association.</li> </ol>	None

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons																																													
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			<table><thead><tr><th>Items</th><th>Time or Period</th><th>Description</th></tr></thead><tbody><tr><td>Corporate Governance Evaluation Results</td><td>2023~2024</td><td>The result of the 10<sup>th</sup> (2023) annual corporate governance evaluation results were announced on April 30, 2024; the Company showed a result of 6 - 20% (the second level) for 3 consecutive years, which is the same as last year.</td></tr><tr><td>Performance Evaluation of the Board of Directors Meeting</td><td>02/27/2024</td><td>The 2023 Performance evaluation ( self-assessment) on the Board of Directors and functional committees resulted as "excellent," and was reported at the 460th Board meeting.</td></tr><tr><td>The General Shareholders' Meeting</td><td>05/24/2024</td><td>Shareholders' meeting was conducted and pre-registration procedures before the scheduled date were handled.</td></tr><tr><td>Directors' Liability Insurance</td><td>08/08/2024</td><td>Purchased Directors' liability insurance in compliance with regulations and reported at the 463th Board meeting.</td></tr><tr><td>Continuing education of the directors</td><td>Annual and irregularly</td><td>In 2024, Taiwan Institute of Directors arranged Director training courses and periodic updates on other relevant courses from various institutions were forwarded to Directors for their reference.</td></tr><tr><td>Other important matters</td><td></td><td>Announcement on the latest laws and regulations or referral of information on policy advocacy for the Directors' reference.</td></tr></tbody></table> <p>The Continuing Education Summary of Chief Corporate Governance Officer Hsiao-Yun Yu, for 2024 is as follows:</p> <table><thead><tr><th>Organizer</th><th>Time</th><th>Course</th><th>Hours</th></tr></thead><tbody><tr><td rowspan="2">Chinese National Association of Industry and Commerce</td><td>03/01 2024</td><td>Hostile Takeover Defense and Directors' and Supervisors' Responsibilities in Corporate Mergers and Acquisitions</td><td>3</td></tr><tr><td>03/15 2024</td><td>Key Considerations and Common Issues for the 2024 Board of Directors and Shareholders' Meeting</td><td>3</td></tr><tr><td rowspan="4">Taiwan Institute of Directors</td><td>04/02 2024</td><td>How the board of directors can implement the link between senior compensation and ESG performance system</td><td>3</td></tr><tr><td>08/14 2024</td><td>Artificial intelligence leads industrial transformation and enterprise transformation</td><td>3</td></tr><tr><td>09/25 2024</td><td>New forms of cross-border information security threats and governance trends &amp; protection strategies</td><td>3</td></tr><tr><td>10/16 2024</td><td>How directors supervise the company and promote risk management systems (digital technology &amp; privacy protection trends)</td><td>3</td></tr></tbody></table> <p>To enhance the quality of corporate governance, the Company's Corporate Governance Officers participated and passed the Basic Competency Test for Corporate Governance Personnel organized by the Securities &amp; Futures Institute.</p>	Items	Time or Period	Description	Corporate Governance Evaluation Results	2023~2024	The result of the 10 <sup>th</sup> (2023) annual corporate governance evaluation results were announced on April 30, 2024; the Company showed a result of 6 - 20% (the second level) for 3 consecutive years, which is the same as last year.	Performance Evaluation of the Board of Directors Meeting	02/27/2024	The 2023 Performance evaluation ( self-assessment) on the Board of Directors and functional committees resulted as "excellent," and was reported at the 460th Board meeting.	The General Shareholders' Meeting	05/24/2024	Shareholders' meeting was conducted and pre-registration procedures before the scheduled date were handled.	Directors' Liability Insurance	08/08/2024	Purchased Directors' liability insurance in compliance with regulations and reported at the 463th Board meeting.	Continuing education of the directors	Annual and irregularly	In 2024, Taiwan Institute of Directors arranged Director training courses and periodic updates on other relevant courses from various institutions were forwarded to Directors for their reference.	Other important matters		Announcement on the latest laws and regulations or referral of information on policy advocacy for the Directors' reference.	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Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	✓		The Company's official website has an ESG /Sustainable Development Stakeholders page, which is handled by a designated individual to provide investors, as well as other stakeholders, the communication channel to reflect related issues and maintain their rights and interest. The URL is as follows: <a href="https://www.chcgroup.com.tw/en/esg-en/">https://www.chcgroup.com.tw/en/esg-en/</a>	None
6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	✓		The Company has appointed Capital Securities Corporation as the share agent to handle the affairs of the shareholders' meetings.	None
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	✓		(1) The Company's finances, operations, and corporate governance status are disclosed on both the official websites of Taiwan Stock Exchange and the Company. The URL is as follows: <a href="http://www.chcgroup.com.tw">www.chcgroup.com.tw</a>	None



Evaluation Item	Implementation Status (Note)		Summary description	Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No		
(2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, Note: Regardless of whether "Yes" or "No" is ticked regarding the implementation status, an explanation should still be provided in the explanation column for each item. designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	✓		(2) The Company website is offered in both Chinese and English. A designated individual is responsible for handling information collection and disclosure, while implementing a spokesperson system. Corporate briefing sessions and their included materials are posted on MOPS and on the Company's website.	None
(3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	✓		(3) a. With the enhancement and adjustment of workforce quality, the Company is now capable of independently preparing financial reports within two months after the end of the fiscal year. This year, the previous year's financial report was announced and filed by the end of February 2024. b. The Company has announced and filed the first, second and third quarter financial reports before the deadline; monthly revenue reports are submitted as early as possible and before the deadline as well.	None



Evaluation Item	Implementation Status (Note)		Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	✓		<p>(1) Regarding employee rights and wellness, the Company compiled a comprehensive employee handbook, ethics regulation and employee benefits, and implemented environmental protection in accordance with regulations.</p> <p>(2) The Company has always respected and protected its stakeholders' interests, including its suppliers, investors and or other interested parties.</p> <p>(3) Training of Director and Independent Directors: In addition to self-generated educational improvements taken by Directors and Independent Directors, the Company actively arranges courses offered by Taiwan Corporate Governance Association, Securities &amp; Futures Institute, China National Association of Industry and Commerce, and Taiwan Institute of Directors. The courses topics such as IFRS, corporate governance, risk management, and more. Training records of Directors and Independent Directors have been published on MOPS in accordance with regulations.</p> <p>(4) Implementation of risk management policies and risk measurement standards: 1. The Company first established its Risk Management Policy to continue improving, building, and implementing better risk management standards. Amendments to the Policy have been approved by the Board of Directors on December 12, 2024. 2. In accordance with risk management standard procedures, the Company references external expert reports and ESG databases to better identify significant risks. After conducting risk assessments, the Company then formulates relevant response measures and monitoring indicators, while regularly tracking the results of risk management. 3. The Company has already presented its 2025 risk assessment report to the Audit Committee and the Board of Directors on December 12, 2024. The URL is as follows: <a href="https://www.chcgroup.com.tw/en/%e9%a2%a8%e9%9a%aa%e7%ae%a1%e7%90%86-en/?lang=en">https://www.chcgroup.com.tw/en/%e9%a2%a8%e9%9a%aa%e7%ae%a1%e7%90%86-en/?lang=en</a></p> <p>(5) Liability insurance coverage for Directors and Independent Directors: The Company has purchased liability insurance for Directors and Independent Directors effective since June, 2012. During their term of office, liabilities of Directors shall be insured within the scope of their duties.</p> <p>(6) The Company's rules of procedure are transparent, in compliance with regulations and allows for shareholder participation.</p> <p>(7) Succession planning for members of the Board of Directors and key management personnel, which operates as follows: 1. Selection of Board Member The Company established the Remuneration Committee in December 2011, the Audit Committee in June 2013, the Sustainability Development Committee in December 2021, and the Nomination Committee and Risk Management Committee in December 2024, progressively advancing the optimization of the Board of Directors' effectiveness. In addition to their professional background and skills, the Board members of the Company should also have expertise in business management planning and business operation. In order to enhance</p>

Evaluation Item	Implementation Status (Note)		Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	
			<p>the professionalism and continuously improve the abilities of Board members, the Company has selected a wide range of courses covering finance, risk management, business operations, commerce, legal affairs, accounting, corporate social responsibility or Internal Control System, and financial reporting, all in relation to the Company's industry. Each Board member is required to take at least 6 hours of class to ensure that the members have a substantial degree of industry knowledge and novel information.</p> <p>The succession plan of the Chairman of the Company continues to follow the previous model of nurturing key individuals in the corporate group by assigning critical duties, opportunity to participate in important projects, and training conducted abroad (e.g., participation in the construction of cement plants). As of the re-election in June, 2013, Chairman Jason K.L. Chang has held the position since.</p> <p>The Company also plans to expand the participation of senior managers in the Company's operations through job rotations and assignments, in order to assist them in developing the ability to formulate strategies and macroscopic vision, and familiarizing with the operations of the Board of Directors. In the midst of the Company's corporate transformation, the Company has also assigned executives and reserve talents at various levels to execute new business overseas projects to cultivate their cross-disciplinary functions. As of today, the Company has successfully established its first hospitality brand, Hotel Collective, in Japan, by the end of 2019, and has nurtured many outstanding middle and senior-level talents.</p> <p>2. Key Management Levels</p> <p>The Company emphasizes on the development of human resources and has established a management succession plan.</p> <p>The Company's management succession plan (including the development of talent reserves) is based on cross-company unit rotation/experiential learning and project assignment within the corporate group to strengthen the functions of operational decision-making and development of strategic partnerships.</p> <p>The duration of the program for each key position is divided into three categories: 1 (inclusive) to 3 years, 3 (inclusive) to 5 years, and 5 (inclusive) years or more, and personal development plans are promoted according to the nature of their duties. Through planning, trainees are able to integrate and utilize various resources to develop their abilities to align with management standards. At the same time, the Human Resources Division will plan courses to strengthen management abilities to further prepare reserved talents for management positions in the future. The courses include, but are not limited to, supervisory roles and team building, goal management and annual planning, efficient communication and teamwork, performance interview and employee motivation, effective communication, teamwork and sensitivity training, etc.</p>

Evaluation Item	Implementation Status (Note)		Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	
9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If the Company was not included among the companies evaluated for the given recent year, this item does not need to be completed.)			
Improvements Made in the 10th Corporate Governance Evaluation System Indicators:			
No.	Items of Corporate Governance Evaluation		Implementation and Improvement
1.1	Did the company report at the AGM the remuneration received by directors, including the remuneration policy, the content and amount of individual remuneration?		The Company has added and reported the details and amounts of directors' remuneration to shareholders at the 2024 Annual General Meeting held on May 24, 2024.
3.4	Did the company file its audited annual financial report within 2 months from the end of the fiscal year?		With the enhancement and adjustment of workforce quality, the Company is now capable of independently preparing financial reports within two months after the end of the fiscal year. This year, the previous year's financial report was announced and filed by the end of February 2024.
Improvements Made in the 10th Corporate Governance Evaluation System Indicators:			
No.	Items of Corporate Governance Evaluation		Implementation and Improvement
4.22	Did the company invest resources to support domestic cultural development, and disclose the methods and results of that support on the company's website or in its annual report or sustainability report?		In 2024, the Company sponsored NT\$500,000 for the theatrical performance "Ama in the House" by Greenray Theatre Company and NT\$1,000,000 for the "2024 Design With Nature Now International Exhibition and Taipei Special Exhibition" organized by the Taiwan Institute of Landscape Architects. Through concrete actions and resource investment, the Company actively supports cultural development in Taiwan. Although these efforts do not yet meet the standards of the corporate governance evaluation system, the Company will continue to allocate resources to support domestic cultural initiatives and disclose the results in its Sustainability Report.

Note: An abstract description on the operational status shall be stated in the columns, regardless of whether "Yes" or "No" is selected.

## 2.3.4 Establishment, Responsibilities, and Status of the Remuneration Committee and Nomination Committee

### 1. Information regarding members of the Remuneration Committee

Criteria		Professional Qualification Experiences	Independent criteria (Note 1)	Number of members who are concurrently members of the compensation and remuneration committees of other public offering companies
Title	Name			
Chair-person (Independent Director)	Robert K. Su	<ol style="list-style-type: none"> <li>Serving as the Independent Director of the Company, convener of the Remuneration Committee, member of the Audit Committee, member of the Sustainable Development Committee, and member of the Risk Management Committee.</li> <li>Other positions include Independent Director of DBS Bank (Taiwan) Ltd.; served as the former Dean of NCCU College of Commerce and former Director of NCCU Department of Accounting.</li> <li>Possesses extensive expertise and experience in financial accounting, intangible assets, and corporate valuation.</li> </ol>	<ol style="list-style-type: none"> <li>Meets the criteria for an Independent Director.</li> <li>Independence status: <ol style="list-style-type: none"> <li>The individual, his/her spouse, or relatives within the second degree of kinship do not hold position as director, supervisor, or employee of the Company or its affiliates.</li> <li>The individual, his/her spouse, or relatives within the second degree of kinship does not own any shares of the Company.</li> <li>During the two years before appointment and throughout the tenure, there was no involvement in any of the situations defined in Article 3, Paragraph 1 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</li> </ol> </li> </ol>	0
Member (Independent Director)	Pao-Chu Lin	<ol style="list-style-type: none"> <li>Serving as the Independent Director of the Company, convener of the Audit Committee, member of the Remuneration Committee, member of the Nomination Committee, and member of the Risk Management Committee.</li> <li>Other positions include Independent Director of APCB Inc.; served as CPA of KPMG and former Consultant to the KPMG Chairman/CEO Office.</li> <li>Extensive practical experience in risk management, internal audit, and compliance.</li> </ol>	<ol style="list-style-type: none"> <li>Meets the criteria for an Independent Director.</li> <li>Independence status: <ol style="list-style-type: none"> <li>The individual, his/her spouse, or relatives within the second degree of kinship do not hold position as director, supervisor, or employee of the Company or its affiliates.</li> <li>The individual, his/her spouse, or relatives within the second degree of kinship does not own any shares of the Company.</li> <li>During the two years before appointment and throughout the tenure, there was no involvement in any of the situations defined in Article 3, Paragraph 1 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</li> </ol> </li> </ol>	1
Member	Chi-Lin Wea	<ol style="list-style-type: none"> <li>Serving as a member of the Remuneration Committee of the Company.</li> <li>Other positions included Chairman of IBF Financial Holdings Co., Ltd., and Director of Mega Holdings Group.</li> <li>Extensive experience in business, legal affairs, finances, accounting, and more; graduated with a PhD from the Department of Economics, University of Paris, France.</li> </ol>	<ol style="list-style-type: none"> <li>Meets the criteria for an Independent Director.</li> <li>Independence status: <ol style="list-style-type: none"> <li>The individual, his/her spouse, or relatives within the second degree of kinship do not hold position as director, supervisor, or employee of the Company or its affiliates.</li> <li>The individual, his/her spouse, or relatives within the second degree of kinship does not own any shares of the Company.</li> <li>During the two years before appointment and throughout the tenure, there was no involvement in any of the situations defined in Article 6, Paragraph 1 of 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.</li> </ol> </li> </ol>	3

### Responsibilities of the Remuneration Committee

The responsibilities of the Remuneration Committee are to assess the salary and remuneration policies and regulations of the Directors and managers of the Company from a professional and objective position, and make recommendations to the Board of Directors.

### Authorities of the Remuneration Committee

The Remuneration Committee shall, with good intention, faithfully perform the following duties and submit its recommendations to the Board of Directors for discussion:

1. Establish and regularly review the policies, systems, standards, and structures of the performance evaluation and remuneration for the Company's Directors, Independent Directors, and managers.
2. Regularly assess and determine the remuneration of the Company's Directors, Independent Directors, and managers.

## 2. Remuneration Committee Meeting Results

(1) The Company's Remuneration Committee consists of 3 members.

(2) Term of office of the current members: From June 14, 2022 to June 13, 2025; In 2024, the Remuneration Committee held three meetings (A), the qualification and attendance of the members are as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%) (B/A) (Note)	Remarks
Convener	Robert K. Su	3	0	100%	
Member	Chi-Lin Wea	2	1	66.67%	
Member	Pao-Chu Lin	3	0	100%	

Other matters to be recorded:

1. If the Board of Directors does not adopt or modifies a recommendation presented by the Remuneration Committee, it shall specify the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the Company's response to the Remuneration Committee's opinion (e.g., the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified): None.
2. If resolutions of the Remuneration Committee were objected by members or reservations were expressed with written records or declarations, the date of the meeting, session, content of motion, all members' opinions and the response to the respective opinions shall be listed: None.

Note:

- (1) If any member of the Remuneration Committee left before the end of the fiscal year, the date of resignation shall be noted in the remarks column. Attendance rate in person (%) shall be calculated based on the number of meetings the member attended divided by the total number of meetings during his/her term of office.
- (2) If there was re-election for members of the Remuneration Committee before the end of the fiscal year, the names of both the former and current members shall be listed and specify whether the members are former, new, or re-elected, as well as the date of the election shall be disclosed. Attendance rate in person (%) shall be calculated based on the number of meetings the member attended in person divided by the total number of meetings during his/her term of office.

**Motions discussed and resolutions reached of the Remuneration Committee, as well as the Company's response to the members' opinions, are as follows:**

Remuneration Meeting	Members Attended	Content of Motion	Recusal from Meeting	Participation and Voting Results
02/19/2024 6 <sup>th</sup> Meeting of the 5 <sup>th</sup> Term	Robert K. Su Chi-Lin Wea Pao-Chu Lin	Proposal for the distribution of Director and employee compensation for 2023.	-	Motion was unanimously resolved and proposed to the Board of Directors for resolution.
		Distribution of Director remuneration of 2023.	-	Motion was unanimously resolved and proposed to the Board of Directors for resolution.
		Distribution of manager employee remuneration of 2023.	-	Motion was unanimously resolved and proposed to the Board of Directors for resolution.
07/23/2024 7 <sup>th</sup> Meeting of the 5 <sup>th</sup> Term	Robert K. Su Chi-Lin Wea Pao-Chu Lin	2023 remuneration of corporate directors and supervisors of affiliates and other invested companies.	-	Motion was unanimously resolved and proposed to the Board of Directors for resolution.
		The case of managerial officers (including employees) subscribing to treasury shares.	-	Motion was unanimously resolved and proposed to the Board of Directors for resolution.
		Amendment to the "Regulations Governing the Remuneration of Directors and Managerial Officers."	-	Motion was unanimously resolved and proposed to the Board of Directors for resolution.
		Amendment to the "Guidelines for the Appointment and Remuneration Management of Corporate Directors and Supervisors."	-	Motion was unanimously resolved and proposed to the Board of Directors for resolution.

Remuneration Meeting	Members Attended	Content of Motion	Recusal from Meeting	Participation and Voting Results
12/11/2024 8 <sup>th</sup> Meeting of the 5 <sup>th</sup> Term	Robert K. Su Chi-Lin Wea Pao-Chu Lin	Amount of year-end bonus for board chairman and managerial officers (including employees) for 2024.	-	Chi-Lin Wea entrusted Robert K. Su, with Robert K. Su and Pao-Chu Lin attending in person. The proposal was approved without objection by the attending members of the Remuneration Committee and was subsequently submitted to the Board of Directors for review and approval.
		Additional payment of Lunar New Year for Directors for 2024.	-	Chi-Lin Wea entrusted Robert K. Su, with Robert K. Su and Pao-Chu Lin attending in person. The proposal was approved without objection by the attending members of the Remuneration Committee and was subsequently submitted to the Board of Directors for review and approval.
		Additional payment of Lunar New Year for Remuneration Committee members for 2024.	In accordance with the principle of conflict of interest avoidance, this proposal is submitted to the Board of Directors for resolution.	Chi-Lin Wea entrusted Robert K. Su, with Robert K. Su and Pao-Chu Lin attending in person but not participating in the discussion or voting. The proposal was directly submitted to the Board of Directors for review and approval.

### 3. Information regarding members of the Nomination Committee

The Company approved the establishment of the Nomination Committee at the 465th Board of Directors meeting on December 12, 2024. As it was recently established, there are no operational activities to report at this time.

Title	Name	Education & Experience
Chairperson (Committee member)	Jason K.L. Chang	<ul style="list-style-type: none"> <li>• Master, Massachusetts Institute of Technology</li> <li>• Director, Taiwan Cement Corp. (IR)</li> <li>• Chairman, Taiwan Cement Manufacturers' Association</li> <li>• Vice Chairman, EPOCH Foundation</li> <li>• Chairman, Chia Hsin Foundation</li> </ul>
Independent Director (Committee member)	Pao-Chu Lin	<ul style="list-style-type: none"> <li>• MBA, National Taiwan University</li> <li>• Consultant, Chairman/CEO's Office KPMG</li> <li>• CPA, KPMG</li> </ul>
Independent Director (Committee member)	Kevin Kuo-I Chen	<ul style="list-style-type: none"> <li>• Master of Law New York University</li> <li>• Vice President and Adjunct Professor, National Taiwan Sport University</li> <li>• Adjunct Professor, University of Taipei</li> <li>• Consultant, Chinese Taipei Olympic Committee</li> </ul>



## Responsibilities of the Nomination Committee

To enhance the functionality of the Company's Board of Directors and strengthen the management mechanisms for director candidates and succession planning.

## Authorities of the Nomination Committee

1. Establish criteria for the professional knowledge, skills, experience, gender diversity, and independence required for board members, and use these standards to identify, review, and nominate director candidates.
2. Develop and enhance the organizational structure of the Board of Directors and its committees, conduct performance evaluations of the Board, its committees, and individual directors, and assess the independence of independent directors.
3. Formulate and periodically review the Board succession plan.

### 2.3.5 Sustainable Development Implementation Status and Deviations from the "Sustainable Development Best Practice Principles" of the TWSE/TPEX Listed Companies

Item	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	✓		<p>1. To align with international trends and sustainability development needs, as well as to address key issues of concern to stakeholders, the Company established the Sustainable Development Committee at its 441st Board of Directors meeting on December 14, 2021. The committee is responsible for formulating the corporate group's sustainability roadmap.</p> <p>Additionally, the Company has established the Sustainable Development Office, which is dedicated to executing and promoting sustainability initiatives. Based on operational needs, the office has formed task forces focusing on environmental management, social commitment, corporate governance (including risk management), information disclosure, and stakeholder communication.</p> <p>The Company has launched various sustainability projects, including greenhouse gas inventory assessments and the implementation of the ISO 50001 energy management system. The progress and outcomes of these initiatives are regularly reported to the Board of Directors and the Sustainable Development Committee.</p> <p>2. For information on the composition of the Sustainable Development Committee, including the members' professional capabilities, diversity, and operational details, please refer to Section 2.3.8 in this annual report.</p> <p>3. Responsibilities of the Sustainable Development Committee include:</p> <p>(1) Integrate corporate culture and important sustainable development issues into future plans, while formulating the mission, vision, and development policies.</p>	None



Item	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>(2) Review the Company's sustainable development performance and effectiveness and report regularly to the Board of Directors.</p> <p>(3) Address important issues of concern to stakeholders and supervise communication plans.</p> <p>(4) Handle other matters as determined by the Board of Directors.</p> <p>4. Since 2020, the Company's corporate governance organization (now renamed the Sustainable Development Division) has been regularly reporting to the Board of Directors on the implementation status of various sustainable development (including corporate social responsibility) projects. For details on the recent operation of the Sustainable Development Committee, please refer to Article 2, Section 3.4.9 Additional Company Corporate Governance Practices in this annual report.</p> <p>5. The Board of Directors' oversight of sustainability development is summarized as follows (including the formulation and review of management policies, strategies, and targets):</p> <p>a. Since 2021, the Sustainable Development Office has provided quarterly reports on the progress and planning of greenhouse gas (GHG) inventories and has completed the full corporate group's GHG inventory data since 2022.</p> <p>b. In response to GHG management needs, the Company evaluated and implemented a GHG inventory system, which was demonstrated at the Board of Directors meeting in December 2024.</p> <p>c. In 2024, the Company published its first self-compiled and third-party verified Task Force on Climate-related Financial Disclosures (TCFD) Report.</p> <p>d. In 2024, the Company obtained SBTi (Science Based Targets initiative) verification, committing to a 42% carbon reduction by 2030, presenting a carbon reduction roadmap, and setting carbon reduction targets.</p> <p>e. The Board reviews the projects and budgets of the Sustainable Development Office.</p>	
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)	✓		<p>1. The Company first established the Risk Management Policy on December 15, 2020. To continuously enhance and develop a comprehensive risk management framework, the Board of Directors approved the revision of the Company's "Risk Management Policy and Procedures" on December 12, 2024.</p> <p>2. In accordance with the risk management framework, the Company references external expert reports and the ESG database to identify key risks. It conducts risk assessments, formulates response measures, and establishes monitoring indicators.</p> <p>The 2025 Risk Assessment Report was presented to the Audit Committee and the Board of Directors on December 12, 2024.</p> <p>3. The Company follows the GRI Standards and industry development trends, adopting the double materiality principle</p>	None

Item	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>to conduct cross-assessments of sustainability issues that have significant impacts on the Company's development, performance, and risks. This process identifies sustainability topics that key stakeholders consider to have substantial economic, social, and environmental impacts.</p> <p>For more details, please refer to the "Material Sustainability Topics" section of the Company's Sustainability Report.</p> <p>Additionally, considering the significant risks posed by climate change, the Company aligns with international frameworks such as the United Nations Sustainable Development Goals (UN SDGs) and the Task Force on Climate-related Financial Disclosures (TCFD). The Company discloses related risk management and opportunities in the "Climate Risk Management Framework and Mechanism" and "Strategy, Risk, and Opportunity Identification Results" sections of the Sustainability Report.</p>	
3.Environmental Issues				
(1) Has the Company set an environmental management system designed to industry characteristics?	✓		<p><b>Environmental Management System</b></p> <p>The Company implements environmental management through ISO international standards, including greenhouse gas (GHG) inventory assessments and an energy management system. Since 2023, the Company has successfully obtained third-party verification of ISO 14064-1 GHG inventory for all corporate group locations for two consecutive years. Additionally, the corporate group has obtained the following third-party certifications:</p> <ul style="list-style-type: none"> <li>• ISO 50001 Energy Management System (Valid: November 7, 2024 – November 7, 2027)</li> <li>• ISO 14001 Environmental Management System (Valid: December 7, 2022 – December 6, 2025)</li> </ul> <p>The certifications and related sustainability information are publicly disclosed in the Sustainability Report and on the Company's website: <a href="http://www.chcgroup.com.tw">http://www.chcgroup.com.tw</a>.</p> <p>For its investment businesses, the Company has established industry-specific environmental management systems based on their respective sector characteristics:</p> <ul style="list-style-type: none"> <li>• Postpartum care centers adhere to the international WELL Building Standard, receiving the highest-level Platinum certification in 2020.</li> <li>• Hotel Collective in Okinawa follows LEED Green Building Standards, obtaining LEED certification in 2021.</li> </ul>	None
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	✓		<p>1. The Company is committed to enhancing energy efficiency. Since 2021, the ISO 50001 Energy Management System has been implemented at the headquarters building, along with the establishment of an Energy and Environmental Policy. This policy supports the use of environmentally friendly and energy-efficient products, promotes rational energy distribution, drives diverse energy-saving initiatives, improves energy efficiency, strengthens employee awareness of energy conservation, and ensures sustainable operations.</p>	None

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			<p>In 2023, the system was expanded to five additional operational sites. From 2021 to 2024, the Company successfully obtained third-party certification each year. For more details, please refer to the Sustainability Report and the Company website: <a href="http://www.chcgroup.com.tw">http://www.chcgroup.com.tw</a>.</p> <p>In addition to internal energy-saving initiatives, the Company regularly implements energy conservation and equipment replacement plans as part of its annual energy efficiency improvement efforts.</p> <p>2. The Company values resource efficiency. In its hospitality services, including restaurants operated by the corporate group, the Company eliminates the use of disposable tableware and avoids ingredients sourced from protected plant and animal species.</p> <p>3. Overseas hotel development projects incorporate LEED Green Building standards, implementing energy-saving and water conservation measures to minimize environmental impact.</p>																																				
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	✓		<p>The Board of Directors serves as the highest governing body for climate-related issues within the corporate group. To strengthen oversight, the Board has established the Sustainable Development Committee, which is responsible for reviewing climate change strategies and targets, monitoring implementation progress, and providing quarterly reports to the Board of Directors.</p> <p>The corporate group conducts climate change risk and opportunity identification and assessment, develops a climate change matrix, and formulates response strategies. For more details, please refer to the Climate Change Risks and Opportunities section or the Task Force on Climate-related Financial Disclosures (TCFD) Report available in the ESG section of the Company's website.</p>	None																																			
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	✓		<p>For more details, please refer to the "Environmental Management" section of the Company's 2023 Sustainability Report or the "Other Climate-Related Indicators" section of the 2023 Task Force on Climate-related Financial Disclosures (TCFD) Report.</p> <table border="1"> <thead> <tr> <th>Environmental Indicators</th><th>Item</th><th>Year 2022</th><th>Year 2023</th><th>Remarks</th></tr> </thead> <tbody> <tr> <td>Total consumption (MWh)</td><td>1 MWh = 1000 KWh</td><td>11,771</td><td>12,053</td><td></td></tr> <tr> <td>Total consumption (GJ)</td><td></td><td>42,375.57</td><td>43,391.74</td><td>1 GJ = 0.277778 MWh</td></tr> <tr> <td>Energy consumption per capita (GJ/person)</td><td></td><td>95.4405</td><td>103.3137</td><td></td></tr> <tr> <td>Energy consumption per unit of revenue (KWh/thousand NTD)</td><td></td><td>5.2231</td><td>4.1398</td><td></td></tr> <tr> <td>Energy consumption per unit of revenue (GJ/million NTD)</td><td></td><td>18.8030</td><td>14.9031</td><td></td></tr> <tr> <td>Data coverage (%)</td><td></td><td>100%</td><td>100%</td><td></td></tr> </tbody> </table>	Environmental Indicators	Item	Year 2022	Year 2023	Remarks	Total consumption (MWh)	1 MWh = 1000 KWh	11,771	12,053		Total consumption (GJ)		42,375.57	43,391.74	1 GJ = 0.277778 MWh	Energy consumption per capita (GJ/person)		95.4405	103.3137		Energy consumption per unit of revenue (KWh/thousand NTD)		5.2231	4.1398		Energy consumption per unit of revenue (GJ/million NTD)		18.8030	14.9031		Data coverage (%)		100%	100%		None
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4. Social issues																																																
(1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		The Group is committed to safeguard the basic human rights of employees, recognizes and supports international human rights standards such as "The UN Global Compact", "United Nations Universal Declaration of Human Rights," and "Declaration on Fundamental Principles and Rights at Work and its Follow-up," and formulates human rights policies accordingly. The policy focuses on the implementation of diverse and inclusive workplaces and ensuring equal job opportunities, smooth communication channels, providing a safe and healthy working environment, personal data protection, regular reviews and evaluation of human rights-related systems and actions. The respective policy was signed and implemented by the Chairman in January 2020. Subsequently, the Company will conduct human rights due diligence based accordingly. Once the risk assessment confirms the results, we will immediately develop corresponding risk mitigation measures, and then regularly review the effectiveness of these measures. We will also conduct reviews through internal audits and employee feedback to ensure the effective implementation of policies. Through concrete actions, the Group is committed to preventing human trafficking, forced labor, child labor, and discrimination, and to upholding the rights to freedom of association, collective bargaining, and equal pay for equal work. In 2024, the Company did not experience any incidents of human rights violations or discrimination.			None																																										

Item	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	✓		<p><b>Employee welfare measures:</b></p> <p>The Company has established diversified employee welfare measures.</p> <p>The working hours and vacations of employees are detailed in the Company's Work Rules, which are in compliance with "Labor Standards Act", "Regulations of Leave-Taking of Workers," and "Act of Gender Equality in Employment." In 2023, the Company implemented flexible working hours, remote work days, and various types of leave policies that exceed the requirements of labor laws. These include paid family care leave, paid sick leave, and flexible early leave on the afternoon before five major holidays.</p> <p>In February 2024, the Company launched an Employee Stock Ownership Trust (ESOT) program. Participation is voluntary, and employees who enroll may allocate a fixed amount from their monthly salary into a trust account. The Company matches 100% of this amount as an incentive, encouraging employees to share in the fruits of business success while building long-term savings for retirement.</p> <p>The Company also provides group insurance for employees and free annual influenza vaccinations, offers childcare welfare subsidies for employees with children under 12 years of age, and regularly allocates funds to the Employee Welfare Committee to provide employees with appropriate care in various aspects.</p> <p>At Chia Hsin Cement Group, we deeply care about the overall well-being of our employees. Through the Employee Assistance Program: Good Pregnancy and Parenting Program, we aim to provide better support to pregnant employees and their families. When an employee or their spouse is pregnant, The Company prepares thoughtful "motherhood gift set" valued at NT\$5,000, and also leverages resources from businesses within the group to offer help, such as free prenatal classes and exclusive housing discounts at GemCare Maternity Center, discounts on soup delivery, and more. When an employee welcomes a new baby, the Company happily celebrates the birth of new life by providing a \$10,000 bonus. We strive to ensure that every employee and their spouse feel cared for and supported by the Company during pregnancy and childcare.</p> <p>In addition, under the Employee Assistance Program: Reporting and Care for Employee Special Situations program, the Company aims to proactively provide support and understanding when employees encounter special attendance situations. This initiative is designed to ensure that employees feel genuine care and support from the Company when facing unique circumstances. By fostering a compassionate work culture, we strive to create a supportive work environment where every employee feels supported and understood at every stage, further promoting a better balance between work and family life, while satisfying the needs of both family and career.</p>	None

Item	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	✓		<p><b>Employee Assistance Program (EAP):</b></p> <p>The Company also offers a comprehensive Employee Assistance Program (EAP), which includes a 24/7 communication channel to provide real-time support and a caring, friendly working environment. Employee privacy is fully protected, and third-party counseling services are available to offer professional and confidential assistance.</p> <p><b>Workplace diversity in relation to compensation system:</b></p> <p>The Company does not differentiate or discriminate in any form due to gender (including sexual orientation), ethnicity, class, age, marital situation, language, thoughts, religion, political stance, nationality, birth place, appearance, facial feature, physical and mental disabilities, etc. of employees, and provides equal pay for equal work and equal promotion opportunities. For compensation, the Company established "Employee Compensation Management Measures." When determining the starting salary for new employees, the Company follows the "Job Title and Rank System" and the "Salary Range by Job Title and Rank". Furthermore, referring to the overall compensation market survey reports from 104 Job Bank and Willis Towers Watson (WTW), the Company aims to make its salary conditions more competitive to attract and retain talent. Additionally, the Company has established the "Performance Management Regulations," (revised in 2024), "Year-End Bonus Distribution Regulations," "Employee Compensation Distribution Regulations," and "Promotion Procedures," which are used to conduct employee evaluations and job performances for distribution of bonuses and compensation amounts. Bonuses and compensation are determined based on business performance, employee competencies, individual and managerial development plans, and overall job performance. The results of the respective performance evaluations are directly linked to promotion eligibility.</p>	None
			<p>The Company follows the regulations of occupational safety and health-related laws and regulations, establishes disaster prevention as the core concept, aims to achieve zero disasters, and ultimately build a healthy and joyful workplace. In 2024, the Company had zero occupational disasters. The Company's machinery and equipment are subject to detailed inspections in accordance with the law to ensure the user's safety. The Company provides employee health checks every year, which are beyond legal requirements, and arranges on-site occupational nurses to conduct interviews to guide and analyze employee health. The Company has set up an employee workout center, which provides various fitness facilities and is equipped with automatic external defibrillator (AED), blood pressure monitors, and other equipment. The Company also regularly arranges all employees to conduct safety education and training, such as CPR and AED first aid and fire drills. Health seminars are held irregularly to help employees adjust their body and mind and relieve stress.</p>	



Item	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(4) Has the Company established effective career development training programs for employees?	✓		<p><b><i>The Company verification status:</i></b>            Safe Place Certification, Healthy Startup Badge, Health Promotion Badge, Sports Business Certification.            For fire safety management, the Company conducts educational training sessions every six months in compliance with regulations. These sessions include lectures on fire prevention and practical drills simulating fire evacuation. Following the training, review meetings are held to address any deficiencies identified during the drills and enhance preparedness. There were no fire incidents reported in 2024.</p> <p>In the fourth quarter of each year, the Company regularly promotes departmental talent development plans, covering talent standards, talent analysis, and talent cultivation. Each department evaluates whether the capabilities of its personnel align with short-, medium-, and long-term departmental goals. In addition, based on key work tasks and project needs, development plans are devised and include:</p> <ul style="list-style-type: none"> <li>• Arrangement of internal and external training courses.</li> <li>• Assignment of department colleagues to provide task-specific coaching.</li> <li>• The Company also maintains regular training programs that include:               <ul style="list-style-type: none"> <li>• New employee training, which helps newcomers quickly integrate into the organization and grasp key responsibilities.</li> <li>• Mandatory courses for all employees, aimed at strengthening core skills and knowledge foundations.</li> <li>• Management training, designed to cultivate leadership and management capabilities in support of organizational growth.</li> </ul> </li> </ul> <p>Each year, based on the results of the employee training needs survey, the Company plans a series of internal office skills training and project-related courses to meet diverse needs. Additionally, continuing education courses offered to Board Directors and Supervisors are also made available to all employees, encouraging collective growth, cross-disciplinary learning, and fostering a learning-oriented organization.</p> <p><b><i>Promotion of the Competency Model and Core Competency Development</i></b>            Since the establishment of the competency model in 2023, the Company has actively promoted the implementation and application of core, professional, and management competencies. In 2024, these competencies have been further integrated into the recruitment and selection process as well as the performance evaluation system, in order to enhance employees' job performance and personal development potential.            The Company emphasizes six core competencies, including Integrity, Proactivity, Accountability, Adaptability, Innovation, and Teamwork, and has launched various promotional and training initiatives accordingly.</p>	None

Item	Implementation Status (Note 1)		Summary description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No		
			<p><b>Integrity</b> To deepen the value of integrity, the Company invited Attorney Rebecca Chang of AnZon Attorney at Law to deliver a special lecture titled "Integrity Management under ESG". The session was held for all employees of Chia Hsin Cement Group Taiwan, with a total of 235 participants over three hours, achieving a 100% attendance rate among required employees. The session effectively strengthened employees' awareness and practice of ethical business conduct.</p> <p><b>Innovation</b> To foster innovation capabilities, the Company utilized its online learning platform to assign relevant courses that aim to cultivate creative thinking and problem-solving skills. In 2024, a total of 65 employees completed the designated courses, with a 70% completion rate among those assigned. An in-person course titled "AI-Driven Industrial Transformation and Corporate Innovation" was also held, with 56 required and elective participants, and achieved a 100% attendance rate. Through the implementation and application of the competency model, the Company has not only improved the precision of talent management but also laid a solid foundation for employees' professional development and the Company's long-term sustainability.</p> <p><b>Fostering a Diverse Workplace Culture and Enhancing Employee Adaptability</b> To enhance employees' adaptability in the workplace, interpersonal communication skills, and awareness of health management, the Company actively promotes a cross-generational and diverse workplace culture. By strengthening conflict resolution and empathy capabilities, the Company aims to improve team collaboration efficiency and reduce work disruptions caused by interpersonal or health-related issues. A series of training sessions under the Employee Assistance Program (EAP) was organized, comprising five courses totaling 15 hours, with 86 total participants and a 91% attendance rate among elective participants. This series of training sessions strengthened communication and collaboration across generations and backgrounds, improving teamwork and project execution. Through enhanced health awareness and crisis response capabilities, employees' sense of identification with and loyalty to the Company were elevated. At the same time, the initiative also promoted knowledge transfer and innovation, contributing to the creation of a harmonious and high-performing diverse workplace culture.</p>	



Item	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	✓		The Company complies with relevant laws and regulations to ensure consumer rights and establishes a customer service mailbox and a dedicated customer service line, which are both clearly displayed on the Company's website.	None
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	✓		<p><b>【 Supplier Management Policy 】</b></p> <p>In recent years, the Company has actively promoted transformation and gradually worked towards developing service businesses such as hospitality and health care. The Company no longer has factories to manufacture cement, instead, it only plays the role of distributor in the cement business entity. Therefore, the management of suppliers is not factory oriented.</p> <p>The Company formulated the Supplier Management Policy in 2020, and promulgated the Company's subsidiaries to comply. Focusing on green procurement principles such as energy conservation, environmental protection, and environmental sustainability, the Company also requires suppliers to focus on human rights and labor rights and prohibits the use of child labor. At the same time, the Company greatly values the integrity of supplier's operation and compliance with corporate social responsibility commitments. Suppliers are required to sign the "Integrity Commitment" and "Corporate Social Responsibility Commitment." According to the type of suppliers, regularly conducted supplier evaluation/self-evaluation, coaching/education, and performance evaluation are provided. In 2022, the Company further provided training courses on integrity management and anti-corruption education to key suppliers to emphasize and deepen the principles of integrity management and clean procurement of Chia Hsin Cement Group. In the future, in addition to continuing to promote the importance of suppliers' actions regarding sustainability, suppliers will be required to abide by the principles of labor rights, integrity management, and green procurement through various contracts.</p>	None

Item	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<div><div><div><div>【 Implementation of Supplier Management Policies and Relevant Specifications 】</div><div><div>Supplier Evaluation / Performance Assessment</div><div><div>- In 2024, evaluation was conducted on the quality, delivery time, cooperation degree, price, integrity management, labor and human rights, and green procurement of cement and paper bag packaging-related products, and the implementation ratio is 100%.</div><div>- In 2024, evaluation was conducted on a total of 20 suppliers for Central kitchen suppliers, and the implementation ratio is 100%.</div></div></div><div><div>Supplier Mentorship or Education</div><div><div>- In 2024, the Company invited suppliers and affiliates to attend the supplier education course on integrity management. (courses were offered in December of 2024) 33 suppliers attended the courses, with a total of 54 attendants, and each course lasted for 2 hours.</div></div></div><div><div>Supplier Contracts</div><div><div>In 2024, the Company continues to require suppliers to abide by the principles of labor and human rights, business integrity, and green procurement through various contracts. The Company holds great value towards the business integrity of suppliers, and therefore, selects suppliers in accordance with the Code of Integrity Management, and requires suppliers of a certain amount to sign the Pledge of Integrity, Pledge of Confidentiality, and Supplier's Commitment to Social Responsibility.</div></div></div></div><div>The management policies and implementation listed above are published on the Company's official website under "ESG-Supplier Management" (<a href="https://www.chcgroup.com.tw">https://www.chcgroup.com.tw</a>).</div></div></div>	
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	✓		Referencing internationally accepted reporting standards, the Company drafts its Sustainability Report to disclose the Company's non-financial information. The Company's 2022 Sustainability Report is verified by the third-party verification unit BSI British Standards Institution to provide AA1000 moderate assurance. The Company's 2024 Sustainability Report will still be verified by a third party and apply for relevant assurance or assurance opinions.	None
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations:			The Company established its Corporate Social Responsibility Policy in March, 2015 in accordance with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies. In May 2020, due to regulations, the Company replaced the original policy with its Code of Practice for Corporate Social Responsibility, which was later revised and renamed to Sustainable Development Policy, and submitted to and approved by the Board of Directors in March 2022. As of now, the Company's operations are implemented in accordance with the established code of practice, thus there is no difference.	
7. Other important information to facilitate better understanding of the company's promotion of sustainable development:			(1) The Company is dedicated to building a happy workplace. In response to the outbreak of the COVID-19 in 2021, the Company adopted a remote work policy during the severe pandemic and continued to maintain a flexible commuting system after returning to in-person working mode.	

Item	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(2)			The Group has designated 2021 as the year of employee health commencement and encouraged employees to participate in health management activities held by the Zhongshan Health Center. The Company also continued to conduct employee health check and arranged free flu vaccination in 2022.	
(3)			As of 2014, the Company has continued to support Epoch Foundation for the Garage + Program by providing free office spaces to startups. The rental fees and management fees subsidized are approximately NT\$5 million per year. The Company hopes to assist young people in entrepreneurship, which may further lead to the increasing employment rate. Due to the remarkable outcome of the case, the Company decided to expand the scale; free office spaces provided were increased in August 2020 and the annual subsidy for rental fees increased to approximately NT\$7.5 million.	
(4)			In 2023, the Company donated NT\$100,000 to Jieh Huey Social Welfare & Charity Foundation to care for the disadvantaged and disabled in rural areas.	
(5)			In 2023, Chia Hsin Foundation awarded \$6.87 million in scholarships to students from underprivileged or disadvantaged families with excellent academic performance. In addition, in the second term of the Sustainable Power Scholarship in 2023, a total of NT\$700,000 was awarded to encourage the younger generation to bravely confront the challenges of this century. This scholarship aims to inspire practical actions that address environmental protection, circular economy, and other issues related to human sustainable development, in the hopes of empowering young leaders to make a positive impact.	
(6)			The corporate group is committed to youth development. For three consecutive years, the Company was invited to participate in the 2022 Sustainability Hackathon jointly organized by seven universities, including Feng Chia University, Asia University China Medical College, and more. The Company provided prepositions to students to brainstorm and come up with their own business proposals, and sponsored NT\$40,000 as competition prize, further strengthening the interaction with students.	
(7)			The corporate group has always been incorporating environmental sustainability-related international quality certification standards into new business projects. Hotel Collective in Okinawa has received its LEED green building certification and fully equipped to thoroughly manage water, energy, and waste recycling; GemCare Maternity Center in Taiwan, on the other hand, followed the WELL Building Standard specification, by monitoring ten objectives including air, water, nourishment, light, movement, thermal comfort, sound, materials, mind, and community during the design process and create the most suitable living environment that is healthy for humans. In addition, the maternity center has received the WELL Platinum certification in September 2020 and its equipped central kitchen has passed HACCP and ISO22000 certifications after the construction completed in 2019.	
(8)			The new corporate website was launched in November 2022, emphasizing transparent corporate governance, information disclosure, and stakeholder communication.	
(9)			Key sustainability achievements in 2023: a. Once again awarded the Sports Enterprise Certification by the Ministry of Education, Sports Department. b. Joined and advocated for TALENT, in Taiwan - Taiwan Talent Sustainability Action Alliance. c. Awarded Excellence in Corporate Social Responsibility Citizenship Awards by the Little Giant Group. d. Awarded the TCSA Sustainability Report Platinum Award in the second category.	

Note 1: If "Yes" is answered for implementation status, the important policies, strategies, measures, and implementation situation shall be described specifically; if "No" is answered implementation status, deviations, reasons, future policies, strategies, and measures to be adopted shall be described in the Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons column.

Note 2: The principle of materiality refers to those who have a significant impact on the Company's investors and other stakeholders in relation to environmental, social and corporate governance issues.

Note 3: For disclosure methods, please refer to the Best Practice Reference Examples on the official website of the Corporate Governance Center of the Taiwan Stock Exchange.

## 2.3.6 Task Force on Climate-related Financial Disclosures (TCFD)

### 1.1. Climate-related information and implementation

Item	Implementation
1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	<p>1. The highest governing body for climate-related issues within the corporate group is the Board of Directors, which has established the Sustainable Development Committee. This committee is responsible for reviewing the Company's climate change strategies and targets, overseeing implementation progress, and reporting relevant updates to the Board on a quarterly basis. Additionally, the committee has established the Sustainable Development Office, which is dedicated to planning and promoting sustainability initiatives. The Chief Sustainability Officer (CSO) oversees the Sustainable Development Office, which is structured into task forces focusing on environmental management, social commitment, corporate governance (including risk management), information disclosure, and stakeholder communication. The Sustainable Development Office holds regular meetings to ensure the implementation and monitoring of the corporate group's sustainability goals and progress.</p> <p>To enhance climate change response efforts, the Environmental Management and Climate Change Task Force has incorporated carbon reduction targets and climate-related issues into individual Key Performance Indicators (KPIs) as part of their 2024 Personal Annual Performance Development Plans.</p>
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	<p>2. The corporate group has completed the identification of climate change-related risks and opportunities, including physical risks, transition risks, and climate-related opportunities. Based on the degree of impact on the Company's operations and the timeframe of influence (short-term, mid-term, long-term), a Climate Change Risk and Opportunity Matrix has been developed. Response plans and strategies have been formulated for different risks and opportunities.</p> <p>For more details, please refer to the Company's 2023 Task Force on Climate-related Financial Disclosures (TCFD) Report.</p>
3. Describe the financial impact of extreme weather events and transformative actions	<p>3. The corporate group has assessed the financial impacts of physical and transition risks related to climate change on the Company's operations, assets, and finances. Additionally, climate risk scenario analysis has been conducted for specific physical and transition risks to evaluate their potential financial impact.</p> <p>For more details, please refer to the Company's 2023 Task Force on Climate-related Financial Disclosures (TCFD) Report.</p>
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system	<p>4. The corporate group has integrated the climate change risk identification process and response strategies into its overall corporate risk management framework. After identifying material climate-related risks and opportunities, the Risk Management Task Force incorporates significant physical and transition risks into the overall risk profile and reports the findings to the Audit Committee and the Board of Directors.</p>

Item	Implementation
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	<p>5. The corporate group, following the framework of the Task Force on Climate-related Financial Disclosures (TCFD) Report, has conducted climate risk scenario analysis for specific physical and transition risks to assess their financial impacts. Based on the analysis results, the Company has formulated and implemented appropriate adaptation policies to mitigate risks, enhance climate resilience, and strengthen climate adaptation capabilities.</p> <p>For more details, please refer to the Company's 2023 Task Force on Climate-related Financial Disclosures (TCFD) Report.</p> <p>(1) SSP5-8.5 (4.0°C Temperature Increase) Scenario Assumption:</p> <p>The increased frequency of extreme weather events (e.g., typhoons, floods, heavy rainfall) reduces customers' willingness to stay, leading to higher booking cancellations and lower occupancy rates, which could result in an estimated 1% decrease in the projected 2025 revenue of the hospitality business.</p> <p>To mitigate these risks, the Company has implemented emergency response procedures for typhoons and other natural disasters to minimize asset damage, secured corporate liability insurance to transfer accident risks and compensate for disaster losses, and established a weather monitoring system to track changes in wind speed, rainfall, and water levels for real-time response.</p> <p>(2) SSP1-2.6 (1.5°C Temperature Increase) Scenario Assumption:</p> <p>In response to national net-zero emissions targets and government carbon management regulations, future carbon fees may increase, leading to additional costs equivalent to 0.005% to 0.084% of the projected 2030 revenue of the cement and warehousing business.</p> <p>To address this, the corporate group has installed solar photovoltaic systems, with an estimated annual power generation of over 2.2 million kWh starting in 2026.</p>
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks	<p>6. In response to managing climate-related risks, the corporate group has developed a transition plan that includes a commitment to reducing Scope 1 and Scope 2 greenhouse gas (GHG) emissions. Using 2022 as the baseline year, the Company has set a short-term target of achieving a 42% absolute reduction by 2030.</p> <p>The planned strategies include replacing energy-efficient equipment and assessing the feasibility of renewable energy installations. Currently, the Company has planned to install solar panels on leased factory rooftops. Once completed and operational, the generated electricity will be supplied to affiliated enterprises.</p> <p>Moving forward, the Company will continue to evaluate and refine its climate transition risk management strategies to ensure effective adaptation.</p>
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	<p>7. The Company has not yet evaluated an internal carbon price and will be continuing to seek and assess the regulation, both locally and globally, needed on carbon pricing.</p>

Item	Implementation
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	<p>8. In 2024, the corporate group completed greenhouse gas (GHG) inventories for all subsidiaries included in the consolidated financial statements, achieving 100% coverage and obtaining third-party verification (see Appendix 1-1). The Company continues to implement energy and environmental management systems at various locations to monitor electricity consumption and improve energy efficiency by upgrading equipment.</p> <p>The short-term target is to achieve a 42% reduction in Scope 1 and Scope 2 carbon emissions by 2030. Additionally, the Company plans to install solar panels, with an estimated annual power generation of approximately 2.2 million kWh starting in 2026.</p> <p>For details on the carbon reduction roadmap, strategies, and initiatives, please refer to the Company's 2023 Task Force on Climate-related Financial Disclosures (TCFD) Report.</p>
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below)	9. For details on CHG inventory verification and accreditation, please refer to following Table 1-1.

## 1-1 Recent Two-Year GHG Inventory Verification and Accreditation

### 1-1-1. GHG Inventory Information

Company Information		Capital over NT\$ 10 billion, steel manufacturing, cement manufacturing			
GHG inventory data coverage		Chia Hsin Cement Group (Scope of Consolidated Financial Statements)			
Scope	Category	Item	2022	2023	Remark
Scope 1	Category 1: Direct GHG emissions and removals.	Carbon emissions (tCO <sub>2</sub> e)	834.8500	972.7627	
		Carbon emissions per capita (tCO <sub>2</sub> e /person)	1.88	2.32	
		Carbon emissions per unit of revenue (tCO <sub>2</sub> e / NT\$M)	0.37	0.33	
		Data coverage (%)	100%	100%	
Scope 2	Category 2: Indirect GHG emissions from imported energy.	Carbon emissions (tCO <sub>2</sub> e)	6,807.5640	7,015.3239	
		Carbon emissions per capita (tCO <sub>2</sub> e /person)	15.33	16.70	
		Carbon emissions per unit of revenue (tCO <sub>2</sub> e / NT\$M)	3.02	2.41	
		Data coverage(%)	100%	100%	



Scope	Category	Item	2022	2023	Remark
Scope 3	Category 3: Indirect GHG emissions from transportation.(Note 1)	Carbon emissions (tCO2e)	103.1230	369.1500	
		Carbon emissions per unit of revenue (tCO2e / NT\$M)	0.05	0.13	
		Data coverage (%)	100%	100%	
	Category 4: Indirect GHG emissions from products used by organization.(Note 2)	Carbon emissions (tCO2e)	1,187.4960	1,506.9443	
		Carbon emissions per unit of revenue (tCO2e / NT\$M)	0.53	0.52	
		Data coverage (%)	100%	100%	
	Category 5: Indirect GHG emissions associated with the use of products from the organization.	Carbon emissions (tCO2e)	666.0780	620.0883	
		Carbon emissions per unit of revenue (tCO2e / NT\$M)	0.2956	0.2130	
		Data coverage (%)	100%	100%	
	Category 6: Indirect GHG emissions from other sources.	Carbon emissions (tCO2e)	-	-	Identified as not material
		Carbon emissions per unit of revenue (tCO2e / NT\$M)	-	-	
		Data coverage (%)	-	-	
Total GHG emissions		Carbon emissions (tCO2e)	9,599.111	10,484.2692	
		Data coverage (%)	100%	100%	
Total number of people (person)			444	420	
Total revenue (million NTD)			2,254	2,912	

Note 1: Employee commuting was included in Category 3 inventory items for the first time in 2023, which is the main reason for the difference in emissions in this category from the year before.

Note 2: Indirect emissions of purchased goods was included in Category 4 inventory items for the first time in 2023, and the indirect GHG emissions of externally purchased electricity increased by 223.3278 tCO<sub>2</sub>e compared to the previous year. These are main reasons for the difference in emissions in this category from the year before.

### 1-1-2. GHG Inventory Verification and Accreditation

Year	Accreditation Institution	Accreditation Description
2023	The British Standards Institution (BSI)	(1) Principle of verification: ISO 14064-1:2018 (2) Verification range: Chia Hsin Cement Group (3) Level of Assurance: external verification assurance level is set as reasonable in 2023 (4) Materiality information: Materiality threshold is 5%
2022	The British Standards Institution (BSI)	(1) Principle of verification: ISO 14064-1:2018 (2) Verification range: Chia Hsin Cement Group (3) Level of Assurance: external verification assurance level is set as reasonable in 2022 (4) Materiality information: Materiality threshold is 5%

Note 1: The complete 2024 verification and accreditation information is disclosed in the Sustainability Report.

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

In January 2024, the Company received approval from the Science Based Targets initiative (SBTi) for its carbon reduction targets, using 2022 as the baseline year. The short-term goal is to achieve a 42% absolute reduction in Scope 1 and Scope 2 emissions by 2030.

For details on reduction targets, strategies, and specific action plans, please refer to the climate-related information implementation table above. Moving forward, the Company will continue to evaluate, plan, and track the implementation and progress of these initiatives.

With the support of consultants, the Company has developed a carbon reduction roadmap. For further details on the carbon reduction pathway, strategies, and actions, please refer to the 2023 Task Force on Climate-related Financial Disclosures (TCFD) Report.



# The British Standards Institution (BSI) Greenhouse Gas Emission Verification Opinion Statement



## Opinion Statement



### Greenhouse Gas Emissions Verification Opinion Statement

This is to verify that: Chia Hsin Cement Corporation  
and its subsidiaries  
No.96, Sec. 2, Zhongshan N. Rd.  
Zhongshan Dist.  
Taipei City 104418  
Taiwan

嘉新水泥股份有限公司暨子公司  
臺灣  
台北市  
中山區  
中山北路二段 96 號  
104418

Holds Statement No: GHGEV 804525

#### Verification opinion statement

As a result of carrying out verification and validation procedures in accordance with ISO 14064-3:2019, it is the statement for mixed engagement including reasonable assurance for verification activity, validation and agreed-upon procedures (AUP) contains the following:

- The Greenhouse Gas Emissions with Chia Hsin Cement Corporation and its subsidiaries for the period from 2023-01-01 to 2023-12-31 was verified and validated.
- The verified organization-level greenhouse gas emissions include direct greenhouse gas emissions 972.7627 tonnes of CO<sub>2</sub> equivalent and indirect greenhouse gas emissions from imported energy 7,015.3239 tonnes of CO<sub>2</sub> equivalent.
- Chia Hsin Cement Corporation and its subsidiaries has defined and explained its own process and pre-determined criteria for significance of indirect Greenhouse Gas Emissions and quantify and report these identified significant emissions accordingly.

For and on behalf of BSI:

  
Managing Director BSI Taiwan, Peter Pu

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Verification activities are performed based on reasonable level of assurance.

- The data and information of greenhouse gas emissions are based on historical in nature, and no material misstatements for the period from 2023-01-01 to 2023-12-31 Greenhouse Gas Emissions calculation were revealed.
- Data quality was considered acceptable in meeting the principles as set out in ISO 14064-1:2018.
- The emission factor for electricity for the year 2023 is not published by Taiwan government so far, the emission factor used for electricity is 0.495 kilograms of Carbon Dioxide equivalent per kWh instead which may potentially result in different Greenhouse Gas Emission estimates.

EMISSIONS		Notes	tonnes CO <sub>2</sub> e
Category 1: Direct GHG emissions and removals			<b>972.7627</b>
1.1	Stationary combustion		459.0451
1.2	Mobile combustion		80.5456
1.3	Industrial processes (anthropogenic systems)		0.3520
1.4	Fugitive (anthropogenic systems)		432.8200
1.5	Land use, land use change and forestry		0.0000
Direct emissions in tonnes of CO <sub>2</sub> e from biomass			0.0000
Category 2: Indirect GHG emissions from imported energy			<b>7,015.3239</b>
2.1	Indirect emissions from imported electricity	location-based approach	7,015.3239
2.2	Indirect emissions from imported energy (steam, heating, cooling and compressed air)		0.0000

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#### Agreed-upon procedures (AUP)

- AUP are specific types of verification activities, BSI have performed the evidence-gathering procedures for the period from 2023-01-01 to 2023-12-31.
- BSI do not express any assurance on the GHG emissions, removals and storage in listed below.

EMISSIONS		Notes	AUP Item(s)	tonnes CO <sub>2</sub> e
Category 3: Indirect GHG emissions from transportation				<b>369.1500</b>
3.3	Emissions from Employee commuting	Distance-based method: Use questionnaires and the total number of employees to estimate total emissions	The total number of people surveyed: 400 Motorcycle: 435,240 pkm Electric motorcycle: 65,422 pkm Bus: 328,054 pkm MRT: 23,312 rides Car: 837,546 pkm Railway: 36,555 pkm High speed rail: 19,989 pkm	242.1086
3.5	Emissions from Business travels	Fuel-based method: private car used for business Distance-based method: taxi, airplane, Taiwan High Speed Rail and travel in Japan (bus, shinkansen, railway and metro)	Gasoline: 28,932.2969 litre Diesel: 1,152.8600 litre Taxi: 22,017.7073 pkm Airplane: 442,669 pkm High Speed Rail: 77,032,188 pkm Travel in Japan (bus, shinkansen, railway and metro): 6,475.56 pkm	127.0414
Category 4: indirect GHG emissions from products used by organization				<b>1,506.9443</b>
4.1	Emissions from Purchased goods	Average-data method: Calculated using water bill and allocation results	Upstream emissions of purchased tap water 172,835 cubic metre	55.0018
4.1	Emissions from Purchased goods	Average-data method	Upstream emissions of purchased electricity and energy Electricity: 12,053,272.1040 kWh Liquefied petroleum gas: 803.5560 litre Natural gas: 211,859 cubic metre Gasoline: 22,666.6111 litre Diesel: 10,728.8096 litre Heavy oil: 136.9 litre	1,298.0634
4.3	Emissions from the disposal of solid and liquid waste	Average-data method: Estimating total waste weight by using waste disposal contract and per capita waste generation data	Solid waste only household garbage: 377,834 kg	153.8791
Category 5: indirect GHG emissions associated with the use of products from the organization				<b>620.0883</b>
5.2	Emissions from downstream leased assets	Direct and indirect emissions from imported energy of 8 locations of downstream leased assets	Electricity: 367,619.8381 kWh Refrigerant: R410a 2.926 kg	199.6251
5.4	Emissions from investments	Direct and indirect emissions from imported energy of 2 sites of Gemcare Maternity Center	Electricity: 811,819.5487 kWh Diesel: 27.2550 Litre Refrigerant: R410a 8.038 kg	420.4632

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The direct GHG emissions and removals(cat.1) and indirect GHG emissions from imported energy (cat.2) were verified in selected branches and representative offices, including but not limited to the following:

Location	Verification Information
Chia Hsin Cement Corporation and its subsidiaries No.96, Sec. 2, Zhongshan N. Rd. Zhongshan Dist. Taipei City 104418 Taiwan 嘉新水泥股份有限公司暨子公司 臺灣 台北市 中山區 中山北路二段 96 號 104418	<p>The Greenhouse Gas Emissions with Chia Hsin Cement Corporation and its subsidiaries for the period from 2023-01-01 to 2023-12-31 was verified, including direct greenhouse gas emissions 972.7627 tonnes of CO<sub>2</sub> equivalent and indirect greenhouse gas emissions from imported energy 7,015.3239 tonnes of CO<sub>2</sub> equivalent.</p> <p>The organization boundary of greenhouse gas inventory of Chia Hsin Cement Corporation and its subsidiaries includes 29 sites including Chia Hsin Cement Corporation, YJ International Corporation, Chia Hsin Property Management &amp; Development Corporation, Jaho Life Plus+ Management Corp., Ltd., Tong Yang Chia Hsin International Corporation, Bluesky Co., Ltd., Chia Sheng Construction Corp, Chuang Neng Technology Co., Ltd., Chia Hsin Green Electricity Corporation, Chia Hsin Business Consulting (Shanghai) Co., Ltd., Shanghai Jia Huan Concrete Co., Ltd., Shanghai Chia Hsin Gang Hui Co., Ltd., Shanghai Chia Peng Healthcare Management Consulting Co., Ltd, Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd, Jiangsu Jiaguo Construction Material &amp; Storage Co., Ltd., Jiangsu Jiaguo Construction Material &amp; Storage Co., Ltd. Changshu Branch, Jiangsu Chia Hsin Real Estate Co., Ltd., CHC Ryukyu COLLECTIVE KK and CHC Ryukyu Development GK.</p> <p>嘉新水泥股份有限公司暨子公司溫室氣體盤查組織邊界包括嘉新水泥股份有限公司、雲嘉國際股份有限公司、嘉新資產管理開發股份有限公司、嘉和健康生活股份有限公司、嘉新國際股份有限公司、嘉北國際股份有限公司、藍鈞股份有限公司、嘉昇建設股份有限公司、創能科技股份有限公司、嘉新綠能電力股份有限公司、嘉新企業管理諮詢(上海)有限公司、上海嘉環混凝土有限公司、上海嘉新港輝有限公司、上海嘉彭健康管理諮詢有限公司、嘉彭母嬰護理(揚州)有限公司、江蘇嘉國建材加工倉儲有限公司、江蘇嘉國建材加工倉儲有限公司常熟分公司、江蘇嘉新置業有限公司、嘉新琉球 COLLECTIVE 株式會社及嘉新琉球開發合同會社等 29 個據點。</p>

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# bsi.

## Opinion Statement



### Greenhouse Gas Emissions Verification Opinion Statement

This is to verify that: Chia Hsin Cement Corporation and its subsidiaries  
No.96, Sec. 2, Zhongshan N. Rd.  
Zhongshan Dist.  
Taipei City  
104418  
Taiwan

嘉新水泥股份有限公司暨子公司  
臺灣  
台北市  
中山區  
中山北路二段 96 號  
104418

Holds Statement No: GHGEV 787916

#### Verification opinion statement

As a result of carrying out verification procedures in accordance with ISO 14064-3:2006, it is the opinion of BSI with reasonable assurance that:

- The Greenhouse Gas Emissions with Chia Hsin Cement Corporation and its subsidiaries for the period from 2022-01-01 to 2022-12-31 was verified, including direct greenhouse gas emissions 834.850 tonnes of CO<sub>2</sub> equivalent and indirect greenhouse gas emissions from imported energy emissions 6,807.564 tonnes of CO<sub>2</sub> equivalent.
- No material misstatements for the period from 2022-01-01 to 2022-12-31 Greenhouse Gas Emissions calculation were revealed.
- Data quality was considered acceptable in meeting the principles as set out in ISO 14064-1:2018.
- The emission factor for electricity for the year 2022 is not published by Taiwan government so far, the emission factor used for electricity is 0.509 kilograms of Carbon Dioxide equivalent per kWh instead which may potentially result in different Greenhouse Gas Emission estimates.

The other selected indirect GHG emissions listed in the attached table on the next page were also reported and thus verified with limited assurance, and data quality was not considered unacceptable in meeting the principles as set out in ISO 14064-1: 2018.

For and on behalf of BSI:

Managing Director BSI Taiwan, Peter Pu

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Statement No: GHGEV 787916

Location

Verification Information

The greenhouse gas emissions information reported by the organization for the period from 2022-01-01 to 2022-12-31 is as follows:

EMISSIONS		Notes	tonnes CO <sub>2</sub> e
<b>Category 1: Direct GHG emissions and removals</b>			<b>834.850</b>
1.1	Stationary combustion		373.0404
1.2	Mobile combustion		68.2361
1.3	Industrial processes (anthropogenic systems)		0.2234
1.4	Fugitive (anthropogenic systems)		393.3503
1.5	Land use, land use change and forestry		0.000
Direct emissions in tonnes of CO <sub>2</sub> e from biomass			0.000
<b>Category 2: Indirect GHG emissions from imported energy</b>			<b>6,807.564</b>
2.1	Indirect emissions from imported electricity	location-based approach	6,807.5636
2.2	Indirect emissions from imported energy (steam, heating, cooling and compressed air)		0.000
<b>Category 3: Indirect GHG emissions from transportation</b>			<b>103.123</b>
3.1	Emissions from upstream transport and distribution for goods	NS	
3.2	Emissions from Downstream transport and distribution for goods	NS	
3.3	Emissions from Employee commuting	NS	
3.4	Emissions from Client and visitor transport	NS	
3.5	Emissions from Business travels	private car used for business, taxi, airplane, Taiwan High Speed Rail and travel in Japan (bus, shinkansen, railway and metro)	103.1232
<b>Category 4: indirect GHG emissions from products used by organization</b>			<b>1,187.496</b>
4.1	Emissions from Purchased goods	Upstream emissions of purchased electricity and fuel	1,051.2027
4.2	Emissions from Capital goods	NS	
4.3	Emissions from the disposal of solid and liquid waste	Disposal and treatment of solid waste	136.2928
4.4	Emissions from the use of assets (leased)	NS	
4.5	Emissions from the use of services that are not described in the above subcategories	NS	
<b>Category 5: indirect GHG emissions associated with the use of products from the organization</b>			<b>666.078</b>
5.1	Emissions or removals from the use stage of the product	NS	
5.2	Emissions from downstream leased assets	Direct and indirect emissions from imported energy of 8 locations of downstream leased assets	200.9560
5.3	Emissions from end of life stage of the product	NS	
5.4	Emissions from investments	Direct and indirect emissions from imported energy of 2 sites of Gemcare Maternity Center	465.1216

\* NS: Non significant.

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The total emissions were verified in selected branches and representative offices, including but not limited to the following:

Location	Verification Information
Chia Hsin Cement Corporation and its subsidiaries No.96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist. Taipei City, 104418, Taiwan 嘉新水泥股份有限公司暨子公司 104418 臺灣台北市中山區中山北路二段 96 號	The Greenhouse Gas Emissions with Chia Hsin Cement Corporation and its subsidiaries for the period from 2022-01-01 to 2022-12-31 was verified, including direct greenhouse gas emissions 834.850 tonnes of CO <sub>2</sub> equivalent and indirect greenhouse gas emissions from imported energy emissions 6,807.564 tonnes of CO <sub>2</sub> equivalent.

公司名稱 Company Name	據點地址 Address
嘉新水泥股份有限公司 Chia Hsin Cement Corporation	台北市中山區中山北路二段 96 號 No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City
	嘉新水泥股份有限公司(台中區營業所) Chia Hsin Cement Corporation (Taichung office) 台中市西屯區台灣大道二段 689 號 8 樓 8F., No. 689, Sec. 2, Taiwan Blvd., Xitun Dist., Taichung City
	雲嘉國際股份有限公司 YJ International Corporation 台北市中山區中山北路二段 96 號 No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City
嘉新資產管理開發股份有限公司 Chia Hsin Property Management & Development Corporation	台北市中山區中山北路二段 96 號 No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City
	嘉新資產管理開發股份有限公司(高雄辦公室) Chia Hsin Property Management & Development Corporation (Kaohsiung office) 高雄市岡山區嘉新東路 35 號 2F 2F., No. 35, Jiaxin E. Rd., Gangshan Dist., Kaohsiung City
	嘉和健康生活股份有限公司(餐廳) Collective Element 台北市中山區中山北路二段 96 號 1F 1F., No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City
嘉和健康生活股份有限公司 Jaho Life Plus+ Management Corp., Ltd.	嘉和健康生活股份有限公司(健身房) Fit Collective 台北市中山區中山北路二段 96 號 B1F B1F., No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City
	嘉和健康生活股份有限公司(央廚) Central Kitchen 台北市內湖區行愛路 140 巷 21 號 3 樓 3F., No. 21, Ln. 140, Xing'ai Rd., Neihu Dist., Taipei City

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嘉新國際股份有限公司 Tong Yang Chia Hsin International Corporation	台北市中山區中山北路二段 96 號 1F 1F., No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City 嘉新國際股份有限公司(基隆港水泥儲運站) Tong Yang Chia Hsin International Corporation (Keelung port) 基隆市中山區光華路 59 號 No. 59, Guanghua Rd., Zhongshan Dist., Keelung City
	嘉新國際股份有限公司(桃園楊梅活動中心) Tong Yang Chia Hsin International Corporation (Yangmei activity center) 桃園市楊梅區益新三街 1 號 1F & 2F 1F. & 2F., No. 1, Yixin 3rd St., Yangmei Dist., Taoyuan City
	嘉新國際股份有限公司(台中港水泥儲運站) Tong Yang Chia Hsin International Corporation (Taichung port) 台中市梧棲區中南一路二段 946 號 No. 946, Sec. 2, Zhongnan 1st Rd., Wuqi Dist., Taichung City
	嘉北國際股份有限公司 Chia Pei International Corporation
藍鈞股份有限公司 Bluesky Co., Ltd.	台北市中山區中山北路二段 96 號 No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City
	嘉昇建設股份有限公司 Chia Sheng Construction Corp
	創能科技股份有限公司 Chuang Neng Technology Co., Ltd.
	嘉新企業管理諮詢(上海)有限公司 Chia Hsin Business Consulting(Shanghai)Co., Ltd
上海嘉環混凝土有限公司 Shanghai Jia Huan Concrete Co., Ltd	上海市龍吳路 4100 號 No.4100, LongWu Road, Minhang Dist., Shanghai, P.R.C
	上海嘉新港輝有限公司 Shanghai Chia Hsin Gang Hui Co., Ltd
	上海嘉彭健康管理諮詢有限公司 Shanghai Chia Peng Healthcare Management Consulting Co., Ltd
	嘉彭母嬰護理(揚州)有限公司 Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd
嘉彭母嬰護理(蘇州)有限公司 Jiapeng Gemcare Maternity (Suzhou) Co., Ltd	江蘇省揚州市邗江區興城西路 58 號 No.58, Xingcheng West Road, Hanjiang Dist., Yangzhou City, Jiangsu, P.R.C
	江蘇省蘇州市高新區科發路 101 號 416 室 Room 416, No. 101, Kefa Road, High Tech Zone, Suzhou, Jiangsu, P.R.C

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江苏嘉国建材加工仓储有限公司 Jiangsu Jiaguo Construction Material & Storage Co., Ltd.	江苏省镇江市解放路 69 号丹徒物资大厦 6 楼 6F, Dan Tu materials Building, No 69, Jie Fang Road, Zhen Jiang, Jiangsu, P.R.C
江苏嘉国建材加工仓储有限公司常熟分公司 Jiangsu Jiaguo Construction Material & Storage Co., Ltd. Changshu Branch	江苏省常熟市海虞镇海虞村望虞西路 22 号 No. 22, Wangyu west Road, Haiyu village, Haiyu Town, Changshu city, Jiangsu, P.R.C
江苏嘉新置业有限公司 Jiangsu Chia Hsin Real Estate Co., Ltd.	江苏省镇江市解放路 69 号丹徒物资大厦 6 楼 6F, Dan Tu materials Building, No 69, Jie Fang Road, Zhen Jiang, Jiangsu, P.R.C
嘉新琉球 COLLECTIVE 株式會社 CHC Ryukyu COLLECTIVE KK	沖縄縣那覇市松尾 2-5-7 2-5-7 Matsuo, Naha City, Okinawa, Japan
嘉新琉球開發合同會社 CHC Ryukyu Development GK	沖縄縣那覇市松尾 2-5-7 2-5-7 Matsuo, Naha City, Okinawa, Japan

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## 2.3.7 Code of Ethical Corporate Management and Deviations from the “Ethical Corporate Management Best Practice Principles” of the TWSE/TPEX Listed Companies

Evaluation Item	Implementation Status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
1. Establishment of ethical management policies and programs				
(1) Does the Company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	✓		<p>(1) The Company's “Code of Ethical Conduct and “Ethical Corporate Management Best Practice Principles” have been approved by the Board meeting in May 2014. After several amendments, the latest version has been approved by the Board meeting held on November, 11, 2020.</p> <p>The above regulations are disclosed on both internal and external company websites, with updates promptly made upon each alteration. Furthermore, in all external contracts, the Company explicitly states the procedures for handling violations towards its ethical management policies, proactively demonstrating the Company's commitment to uphold its “Code of Ethical Conduct and “Ethical Corporate Management Best Practice Principles”. After the re-election of the Board in 2023, all newly elected Directors and the management have signed the Declaration of Compliance with the “Ethical Corporate Management Policies” (signing rate of all directors reached 100%).</p>	None
(2) Does the Company establish a mechanism to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with a higher risk of unethical conduct within its scope of business? Does the Company implement programs cover at least the matters described in Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles” for TWSE/GTSM Listed Companies?	✓		<p>(2) To ensure the implementation of the “Ethical Corporate Management Best Practice Principles” and prevent the risk of unethical and dishonest behavior, the Company has duly established effective accounting and internal control systems, as well as various management measures, which are regularly evaluated and strengthened through revisions. The Audit Division also conducts regular checks on compliance. In case of any dishonest behavior, the Company has established disciplinary mechanisms for violations within its disciplinary policy.</p>	None

Evaluation Item	Implementation Status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(3) Does the Company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the Company enforce the programs above effectively and perform regular reviews and amendments?	✓		(3) To prevent unethical or dishonest behavior and commit to the Ethical Corporate Management Best Practice Principles, the Company has established the "Operating Procedures" and "Ethical Corporate Management Operating Procedures and Behavior Guidelines", which states clear guidelines for ethical behavior in various business activities and includes disciplinary measures for violations, as well as an appeal procedure. In addition, the Company also reinforces the promotion and requirement of ethical conduct in the "Employee Handbook".	None
2. Fulfilling ethical corporate management policies				
(1) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	✓		(1) The Company regularly reviews and evaluates all business partners' ethical records and terminates relationship with those partners with unsatisfactory results. Contracts signed include clauses stipulated in the "Ethical Corporate Management Best Practice Principles" and "Supplier Management Policies". Suppliers' ethical conduct is also conducted on a regular basis.	None
(2) Does the Company have a dedicated unit for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	✓		(2) The Company's Sustainable Development Office is responsible for planning, promoting, and monitoring corporate sustainability, including ethical corporate management. The office operates under the guidance and supervision of the Sustainable Development Committee and reports regularly to the Board on its implementation status.  The progress of promoting ethical corporate management was reported to the Board at the 465th Board meeting on December 12, 2024.	None
(3) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implemented it?	✓		(3) The Company clearly stipulates that managers are prohibited from engaging in activities that conflict with the interests of the Company unless restrictions are resolved by the Board of Directors. In cases where Board members have conflicts of interest with themselves or their representatives, they are allowed to provide explanations during the agenda, but must recuse themselves from participation in discussions and voting in order to avoid any violation of ethical corporate management principles.	None

Evaluation Item	Implementation Status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons						
	Yes	No	Summary description							
(4) Does the Company have effective accounting and Internal Control systems to in place to implement ethical corporate management? Does the internal audit unit follow the result of unethical conduct risk assessments and devise audit plan to audit the system accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	✓		(4) To ensure the implementation of ethical management, the Company has established effective accounting and Internal Control systems, as well as various management measures. The Audit Office formulates and executes annual internal audit work based on risk assessment results, and regularly reviews the effectiveness of Internal Control Systems and makes necessary adjustments.	None						
(5) Does the Company regularly hold internal and external educational trainings on ethical corporate management?	✓		<div>(5) Promotions on Ethical Corporate Management related educational trainings in 2024 are as follows:</div> <table><tr><td>Ethical Corporate Management Training Courses Offered to Employees</td><td>In 2024, multiple physical and online training courses regarding integrity ethical corporate management and employee education were conducted, with a total of 235 attending participants. The total duration of Ethical Corporate Integrity Management courses completed amounted to 2 hours. The training coverage rate for all employees of the corporate enterprise group in Taiwan reached 100% for the year.</td></tr><tr><td>Supplier Ethical Management Course</td><td>In 2024, the Company invited suppliers and affiliated partners to participate in the supplier education course on Ethical Corporate Management. A total of 33 suppliers attended, with 54 participants in total. The duration of the course was 2 hours.</td></tr><tr><td>New Employee Education, Training, and Advocacy</td><td>1. Prevention of Insider Trading Awareness Course: Participants were newly-hired employees of the corporate group. On May 17, 10 people attended; and on July 19, 10 people attended, totaling 20 participants. The new employee participation rate reached 100%. 2. Arrange newly-hired employees to participate in the annual Ethical Corporate Management Employee Training Course: The number of participants is included in the annual Ethical Corporate Management Employee Training Course.</td></tr></table>	Ethical Corporate Management Training Courses Offered to Employees	In 2024, multiple physical and online training courses regarding integrity ethical corporate management and employee education were conducted, with a total of 235 attending participants. The total duration of Ethical Corporate Integrity Management courses completed amounted to 2 hours. The training coverage rate for all employees of the corporate enterprise group in Taiwan reached 100% for the year.	Supplier Ethical Management Course	In 2024, the Company invited suppliers and affiliated partners to participate in the supplier education course on Ethical Corporate Management. A total of 33 suppliers attended, with 54 participants in total. The duration of the course was 2 hours.	New Employee Education, Training, and Advocacy	1. Prevention of Insider Trading Awareness Course: Participants were newly-hired employees of the corporate group. On May 17, 10 people attended; and on July 19, 10 people attended, totaling 20 participants. The new employee participation rate reached 100%. 2. Arrange newly-hired employees to participate in the annual Ethical Corporate Management Employee Training Course: The number of participants is included in the annual Ethical Corporate Management Employee Training Course.	None
Ethical Corporate Management Training Courses Offered to Employees	In 2024, multiple physical and online training courses regarding integrity ethical corporate management and employee education were conducted, with a total of 235 attending participants. The total duration of Ethical Corporate Integrity Management courses completed amounted to 2 hours. The training coverage rate for all employees of the corporate enterprise group in Taiwan reached 100% for the year.									
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New Employee Education, Training, and Advocacy	1. Prevention of Insider Trading Awareness Course: Participants were newly-hired employees of the corporate group. On May 17, 10 people attended; and on July 19, 10 people attended, totaling 20 participants. The new employee participation rate reached 100%. 2. Arrange newly-hired employees to participate in the annual Ethical Corporate Management Employee Training Course: The number of participants is included in the annual Ethical Corporate Management Employee Training Course.									

Evaluation Item	Implementation Status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
3. Operation of reporting channel				
(1) Does the Company establish both a reporting/incentive system and reporting hotline? Can the accused be reached by an appropriate designated person for follow-up?	✓		(1) "Internal Procedures for Reporting Illegal, Unethical and Dishonest Acts" was approved by the 426th Board meeting held on November 13, 2019. Whistleblower reports on unethical and dishonest behavior can be made via three methods respectively: by a direct complaint hotline (02)25512317, by regular mail, and by email chcgroupp.audit@gmail.com. The reported incidents in violation with the Ethical Corporate Management are handled by the Chief Auditor and further processed in accordance with the Company's internal reporting system.  Individuals who provide concrete evidence leading to substantiated investigations or offer assistance in conducting investigations may be eligible for whistleblower rewards upon approval.	None
(2) Does the Company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	✓		(2) The Audit Division is in charge of all whistleblower reports within the Company and shall conduct investigations based on the information obtained. The complexity and relevance of each case determine whether or not a special investigation team shall be formed. Results of the investigation are then reported to the Chairman in a convened meeting. In cases involving Directors or senior managers, the matter is reported to the convener of the Audit Committee.  The acceptance, investigation process, and results of the whistleblower reports are kept in a highly confidential manner and stored for a period of five years.  In 2024, no reports of internal or external violations were received.	None
(3) Does the Company provide proper whistleblower protection?	✓		(3) The personal information provided by both the whistleblower and the accused party is treated with the utmost confidentiality by the Company to protect their personal data, content of the report, and privacy of the related party. In addition to strictly safeguarding the identity of the whistleblower, the Company ensures that they will not face any reprisals for their report.	None
4. Strengthening information disclosure				
Does the Company disclose its ethical corporate management policies and results of its implementation on the Company's website and MOPS?	✓		The Company's Code of "Ethical Conduct" and "Ethical Corporate Management Best Practice Principles" are disclosed on the Company's website and its internal bulletin board for employees to follow accordingly, and also on MOPS.	None

Evaluation Item	Implementation Status (Note)		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	
5. If the Company has established the ethical corporate management policies based on the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe any discrepancies between the policies and their implementation: No discrepancies found.			
6. Other important information to facilitate a better understanding of the Company's ethical corporate management practices: (e.g., review and amendment of the policies): The Company's Board of Directors approved revised versions of the "Ethical Corporate Management Best Practice Principles" and the "Code of Ethical Conduct" on November 11, 2020. On the same day, the Board also approved its newly established "Ethical Corporate Management Operating Procedures and Behavioral Guidelines, making the practical aspects more specific and clear. The Company complies with the Company Law, the Securities and Exchange Act, relevant regulations for listed companies, relevant laws and regulations for listed companies and other relevant laws and regulations on business practices which collectively for the basis of our implementation of ethical corporate management. For details, please refer to the "Ethical Corporate Management" section in the Company's Sustainability Report.			

Note: Provide an appropriate explanation regardless whether yes or no is selected.

## 2.3.8 Additional Information on Corporate Governance Practices

### 1. Composition of the Sustainable Development Committee

On December 13, 2019, the Company established its corporate governance organization structure (including risk management, etc.) at the 427th Board meeting. In addition to actively promoting corporate governance and fulfilling corporate social responsibilities, the Committee periodically reported implementation results to the Board.

The Company established the Sustainable Development Committee at the 441st Board meeting on December 14, 2021 to continue the operations and all functions of the corporate governance organization. Furthermore, related planning (e.g., environmental management, climate actions) was included in accordance with aspects of sustainable development.

To assist the Board in fulfilling sustainable management and to actively implement sustainable development related affairs, responsibilities of the Sustainable Development Committee shall include the following items:

- (1) Integrate business culture of the corporate group and future critical sustainable development issues; establish vision, mission, and development policies.
- (2) Review and discuss the implementation status and effectiveness of sustainable development.
- (3) Pay attention to issues concerned by the interested parties and supervise the communication plan.
- (4) Other assigned issues decided by the Board.



The term of the current Sustainable Development Committee is from June 14, 2022, to June 13, 2025. In 2024, the Committee convened 2 times (A). The professional qualifications and experience of the committee members, their attendance records, and the discussion topics are as follows

Title	Name	Key Professional Experiences	Diversified Capabilities								No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B/A)
			Accounting, Finance and Legal Affairs	Risk Management	Business Management	Global Marketing	Investment and M&A	Hospitality Business	Information Technology	Sustainability Management			
Chairperson	Jason K.L. Chang (Chairman)	<ul style="list-style-type: none"> <li>Director, Taiwan Cement Corp.</li> <li>Chairman, the Taiwan Cement Manufacturers' Association</li> <li>Vice Chairman, EPOCH</li> </ul>	✓	✓	✓	✓	✓	✓	✓	✓	2	0	100%
Member	Pan Howard Wei-Hao (Director)	<ul style="list-style-type: none"> <li>Director and President, Cheng Yeh Chemical Works</li> <li>Director and V.P., CFA Society Taiwan</li> </ul>	✓	✓	✓	✓	✓		✓	✓	2	0	100%
Member	Robert K. Su (Independent Director)	<ul style="list-style-type: none"> <li>Accounting professor, NCCU</li> <li>Director, Chinese Business Ethics Education Association</li> <li>Consultant Chien Kuo Construction Co., Ltd.</li> </ul>	✓	✓	✓	✓	✓			✓	2	0	100%
Member	Kevin Kuo-I Chen (Independent Director)	<ul style="list-style-type: none"> <li>Vice President and Adjunct Professor, National Taiwan Sport University</li> <li>Adjunct Professor, University of Taipei</li> <li>Consultant, Chinese Taipei Olympic Committee</li> <li>Executive Board Member and President, Finance Committee of Olympic Council of Asia</li> </ul>	✓	✓	✓	✓			✓	✓	2	0	100%

## 2. Operation of the Sustainable Development Committee in the latest fiscal year:

Session/ Meeting Date	Agenda	Item of Discussion	Report to the Board of Directors
08/01/2024 5 <sup>th</sup> Meeting of the 2 <sup>nd</sup> Term	<ol style="list-style-type: none"> <li>Decisions and implementation status of the 4th meeting of the 2nd Term Sustainable Development Committee.</li> <li>Progress report on the implementation of CHC Group's Sustainable Development (including the Greenhouse gas inventories).</li> </ol>	Reformulate the Company's Sustainable Development Charter Re-establishment of the Company's "Rules of Organization of the Sustainable Development Committee"	08/08/2024 463 <sup>th</sup> Board meeting
12/12/2024 6 <sup>th</sup> Meeting of the 2 <sup>nd</sup> Term	<ol style="list-style-type: none"> <li>Decisions and implementation status of the 5th meeting of the 2nd Term Sustainable Development Committee.</li> <li>Progress report on the implementation of CHC Group's Corporate Sustainable Development Blueprint(including the Greenhouse gas inventories).</li> <li>Establishment of the "Sustainable Information Management Operating Procedures".</li> </ol>	Budget for 2025 Sustainable Development Office. (Includes the establishment of important subsidiary ESG-related management policies, strategies, and objectives)	12/12/2024 465 <sup>th</sup> Board meeting

Note: For the full attendance records and discussion topics of the current Sustainability Committee, please visit the Company's website under ESG > Corporate Governance > Committees > Sustainable Development Committee (<https://www.chcgroup.com.tw/%e5%a7%94%e5%93%a1%e6%9c%83-2/>).

## 2.Explanation of the Establishment of the Risk Management Committee and Composition of Its Members:

The Company approved the establishment of the Risk Management Committee at the 465th Board of Directors Meeting on December 12, 2024. As the committee was recently established, there are no operational activities to report at this time.

### Responsibilities of the Risk Management Committee

The responsibilities of the Risk Management Committee are to establish a comprehensive risk management system for the company, oversee the operation of related risk management mechanisms, enhance risk management functions, and assist the Board of Directors in fulfilling its risk management duties.

### Authorities of the Risk Management Committee

The Risk Management Committee is responsible for reviewing and overseeing the formulation and implementation of risk management policies:

1. Reviewing risk management policies, procedures, and frameworks, and periodically assessing their applicability and effectiveness;
2. Approving risk appetite (risk tolerance) to guide resource allocation;
3. Ensuring that the risk management mechanism effectively addresses the risks faced by the company and is integrated into daily operational processes;
4. Approving the prioritization and grading of risk controls;
5. Reviewing the implementation of risk management, providing necessary improvement recommendations, and reporting to the Board of Directors periodically (at least once a year);
6. Executing the risk management decisions of the Board of Directors.

### The member of the Risk Management Committee

Title	Name	Education & Experience
Chairperson (Committee member)	Jason K.L. Chang	<ul style="list-style-type: none"> <li>• Master, Massachusetts Institute of Technology</li> <li>• Director, Taiwan Cement Corp. (IR)</li> <li>• Chairman, Taiwan Cement Manufacturers' Association</li> <li>• Vice Chairman, EPOCH Foundation</li> <li>• Chairman, Chia Hsin Foundation</li> </ul>
Independent Director (Committee member)	Pao-Chu Lin	<ul style="list-style-type: none"> <li>• MBA, National Taiwan University</li> <li>• Consultant, Chairman/CEO's Office KPMG</li> <li>• CPA, KPMG</li> </ul>
Independent Director (Committee member)	Robert K. Su	<ul style="list-style-type: none"> <li>• Ph. D., Accounting Louisiana State University</li> <li>• Professor, Department of Accounting of National Cheng Chi University</li> <li>• Independent Director, DBS Bank (Taiwan) Ltd.</li> </ul>
Independent Director (Committee member)	Kevin Kuo-I Chen	<ul style="list-style-type: none"> <li>• Master of Law New York University</li> <li>• Vice President and Adjunct Professor, National Taiwan Sport University</li> <li>• Adjunct Professor, University of Taipei</li> <li>• Consultant, Chinese Taipei Olympic Committee</li> </ul>

3. The Company continues to stay focused on Corporate Governance related issues and trends. Relevant personnel are encouraged to participate in various corporate governance courses or seminars, such as practical workshops for Directors and supervisors, IFRS seminars or courses, and the setting and operation of the Remuneration Committee. Furthermore, the Company also is also a member of the Internal Audit Association of the Republic of China, the Accounting Research and Development Foundation, the Information Managers Association, the Public Issuing Company Stock Association, and appointed relevant individuals to attend regular members meetings and seminar to discuss topics such as fraud and corporate governance, cyber security, and accounting manager education, further improving the Company's corporate governance to reduce the occurrence of risks.

Managers who attended corporate governance related courses and trainings are as follows:

Title	Name	Content of Course	Date Attended	Hours
President, Also CEO of Headquarter Office, Chief Sustainability Officer, Information Security Supervisor	Li-Hsin Wang	Common Wealth Economic Forum (CWEF)	01/17/2024~ 01/18/2024	14
		2024 The Path to Becoming a Sustainable Enterprise	02/23/2024	2.5
		Asia-Pacific Senryu Forum: Examining Taiwan Strait Contingencies from Japan's Perspective	03/05/2024	3
		Seminar on the U.S. Grand Strategy toward China	03/16/2024	2
		How the board of directors can implement the link between senior compensation and ESG performance system	04/02/2024	3
		Cybersecurity Leadership for Non-Technical Executives	04/03/2024~ 04/05/2024	16
		Case Study on Qisda's Successful Transformation	04/24/2024	1
		WTW CEO Breakfast Meeting: The Tri-Body Strategy for Creating a New Era of Globalization	05/31/2024	2
		Common Wealth Sustainability Forum - 1.5°C Forum	06/05/2024	3
		Harvard X SAP Business AI Executive Roundtable - Empowering Innovation and Redefining Corporate Competitiveness through AI	07/11/2024	2
		Artificial intelligence leads industrial transformation and enterprise transformation	08/14/2024	3
		Harvard Business Review Management Conference	09/04/2024	3

Title	Name	Content of Course	Date Attended	Hours
President, Also CEO of Headquarter Office, Chief Sustainability Officer, Information Security Supervisor	Li-Hsin Wang	2024 Common Wealth Talent Sustainability International Forum	09/24/2024	1
		WOB Forum and General Meeting	09/25/2024	6
		Corporate Governance – Talent Development and Succession Planning	10/01/2024	1.5
		How directors supervise the company and promote risk management systems (digital technology & privacy protection trends)	10/16/2024	3
		Just Transition	10/30/2024	3
		Ethical Corporate Management Seminar under ESG	11/21/2024	2
		Global and U.S. Stock & Currency Market Outlook and Trend Analysis	11/21/2024	1.5
		Corporate Governance and Corporate Compliance – Insider Trading and Concerted Actions	11/27/2024	3
		Listed Companies Sustainable Development Committee and Chief Sustainability Officer Forum	12/04/2024	3
Vice President of Human Resources Division	Wen- Wan Chen	How HR Can Become a Strategic Partner (HRBP)	02/21/2024	3
		Talent Management Secrets	02/21/2024	3
		Diversity × Equity × Inclusion (DEI) Practical Forum	03/27/2024	6
		Mandatory Corporate Training – Sexual Harassment Prevention Awareness	03/29/2024	1
		How the board of directors can implement the link between senior compensation and ESG performance system	04/02/2024	3
		The Power of Vocal Expression	04/11/2024	7
		Competency Interviews and Performance Reviews	05/15/2024	4
		Artificial intelligence leads industrial transformation and enterprise transformation	08/14/2024	3
		Workday Elevate Taipei – Unleashing Talent Potential, Shaping the Future of Enterprises	08/15/2024	5
		How directors supervise the company and promote risk management systems (digital technology & privacy protection trends)	10/16/2024	3
		Ethical Corporate Management Seminar under ESG	11/21/2024	2

Title	Name	Content of Course	Date Attended	Hours
Director of Headquarters Office	Hua-Chou Huang	Talent Management Secrets	02/21/2024	3
		Mandatory Corporate Training – Sexual Harassment Prevention Awareness	03/29/2024	1
		How the board of directors can implement the link between senior compensation and ESG performance system	04/02/2024	3
		Artificial intelligence leads industrial transformation and enterprise transformation	08/14/2024	3
		New forms of cross-border information security threats and governance trends & protection strategies	09/25/2024	3
		How directors supervise the company and promote risk management systems (digital technology & privacy protection trends)	10/16/2024	3
		Ethical Corporate Management Seminar under ESG	11/21/2024	2
Corporate Governance Officer	Hsiao-Yun Yu	Hostile Takeover Defense and Directors' and Supervisors' Responsibilities in Corporate Mergers and Acquisitions	03/01/2024	3
		2024 Corporate Governance Evaluation Awareness Training	03/13/2024	1
		Key Considerations and Common Issues for the 2024 Board of Directors and Shareholders' Meeting	03/15/2024	3
		How the board of directors can implement the link between senior compensation and ESG performance system	04/02/2024	3
		Competency Interviews and Performance Re-views	05/15/2024	4
		Artificial intelligence leads industrial transformation and enterprise transformation	08/14/2024	3
		New forms of cross-border information security threats and governance trends & protection strategies	09/25/2024	3
		How directors supervise the company and promote risk management systems (digital technology & privacy protection trends)	10/16/2024	3
		Ethical Corporate Management Seminar under ESG	11/21/2024	2

Title	Name	Content of Course	Date Attended	Hours
Director of Strategic Business Division	Puo-Chien Lin	Talent Management Secrets	02/21/2024	0.5
		Mandatory Corporate Training – Sexual Harassment Prevention Awareness	03/29/2024	1
		How the board of directors can implement the link between senior compensation and ESG performance system	04/02/2024	3
		Artificial intelligence leads industrial transformation and enterprise transformation	08/14/2024	3
		How directors supervise the company and promote risk management systems (digital technology & privacy protection trends)	10/16/2024	3
		Ethical Corporate Management Seminar under ESG	11/21/2024	2
Finance Officer	Jane YC Chou	Talent Management Secrets	02/21/2024	3
		How the board of directors can implement the link between senior compensation and ESG performance system	04/02/2024	3
		The Power of Vocal Expression	04/13/2024	7
		2024 Global Financial Market Outlook	04/19/2024	3
		Competency Interviews and Performance Re-views	05/15/2024	4
		SAP "Business AI • Achieve the Extraordinary"	05/22/2024	7
		Intergenerational Collaboration – Enhancing Workplace Competitiveness for Senior Employees (Including Support for Middle-Aged and Older Employees)	05/24/2024	3
		The Vitality March – Workplace Health Promotion and Self-Health Management	06/04/2024	3
		ESG Forum – Moving Towards a Net-Zero and Sustainable Era in 2024	06/12/2024	3
		Artificial intelligence leads industrial transformation and enterprise transformation	08/14/2024	3
		Dual-Axis Transformation for Sustainable Operations	08/21/2024	3
		A Must-Take Course for Taiwanese Companies Investing in Japan	08/30/2024	2.5
		Turning Conflict into Opportunity – Handling and Responding to Workplace Emergencies	09/12/2024	3
		New forms of cross-border information security threats and governance trends & protection strategies	09/25/2024	3
		Carbon Finance and Green Economy	09/25/2024	1
		How directors supervise the company and promote risk management systems (digital technology & privacy protection trends)	10/16/2024	3
		Ethical Corporate Management Seminar under ESG	11/21/2024	2

Title	Name	Content of Course	Date Attended	Hours
Accounting Officer	Mars Feng	Talent Management Secrets	02/21/2024	3
		How the board of directors can implement the link between senior compensation and ESG performance system	04/02/2024	3
		The Power of Vocal Expression	04/11/2024	7
		Global Financial Market Outlook	04/19/2024	3
		Corporate Public Relations Crisis Management and Media PR Strategies	05/08/2024	3
		Competency Interviews and Performance Reviews	05/15/2024	4
		2024 ESG Vision Collaborative Circle – International Master Forum: Embracing the Era of Carbon Pricing and Preparing for the Net-Zero Race	07/16/2024	3
		Challenges for CFOs: Agile Financial Governance and Data Platform – From Automated Consolidation to Self-Compiled Financial Reporting Performance Sharing	07/30/2024	1
		Artificial intelligence leads industrial transformation and enterprise transformation	08/14/2024	3
		Seminar on the Current Status and Outlook of Green Power and Carbon Trading	09/12/2024	3
		How directors supervise the company and promote risk management systems (digital technology & privacy protection trends)	10/16/2024	3
		Ethical Corporate Management Seminar under ESG	11/21/2024	2

### 2.3.9 Internal Control System Execution Status

#### 1. Statement of Internal Control System:

Please refer to the Chinese version of Market Observation Post System (MOPS). The access path is as follows:

Market Observation Post System (MOPS) > Individual Company > Corporate Governance > Company Regulations/Internal Control > Internal Control Statement Announcement

#### 2. CPA's audit report if the Company engaged CPA to audit its internal control system: None.



## 2.3.10 Major Resolutions of Shareholders' Meeting and Board Meetings in the Past Fiscal Year and up to the Publication Date of this Annual Report

### 1. Major Resolutions of Shareholders' Meeting

Date	Major Resolution	Execution Status
2024/05/24 Shareholders' Meeting (hybrid shareholders' meeting)	1. Approved 2023 Business Report through voting.	Announcement was made on the same date and in accordance with resolution of the shareholders' meeting
	2. Approved the distribution of 2023 profits, with NT\$394,406,229 set aside as shareholder dividends (cash dividend of NT\$0.5 per share) through voting. The distribution will prioritize the allocation from the net profit of 2023.	2023 earnings distribution was completed in accordance with the result of the shareholders' meeting; the Board meeting established 2024/07/24 as the record ex-dividend date and completed the distribution on 2024/08/16.

2. A total of 7 Board meetings were held for the fiscal year of 2024 as of December 31, 2024, resolutions of each meeting are as follows:

Meeting	Date	Major Resolutions
459	2024/01/09	<ol style="list-style-type: none"> <li>1. Approved the amount of bonuses for the Chairman and executives for 2023.</li> <li>2. Approved the additional 2023 Lunar New Year compensation for Directors (excluding Independent Directors concurrently serving as members of the Remuneration Committee).</li> <li>3. Approved the proposal for additional Lunar New Year compensation for members of the Remuneration Committee in 2023 (including those concurrently serving as Independent Directors).</li> </ol>
460	2024/02/27	<ol style="list-style-type: none"> <li>1. Approved the proposal for the distribution of Directors' and employees' remuneration for 2023.</li> <li>2. Approved the allocation amount for Directors' remuneration for 2023.</li> <li>3. Approved the allocation amount for executives' remuneration for 2023.</li> <li>4. Approved the 2023 Internal Control System Statement.</li> <li>5. Approved the drafting of the Company's 2023 operational report and financial statements, and submitted to the shareholders' meeting for approval.</li> <li>6. Approved CPA appointment and audit fees.</li> <li>7. Approved the convening of the 2024 shareholders' meeting.</li> <li>8. Approved the acceptance of shareholder proposals and related procedural matters.</li> <li>9. Approved the renewal of credit facilities with First Bank.</li> </ol>
461	2024/04/12	<ol style="list-style-type: none"> <li>1. Approved the amendment made in Audit Committee Charter.</li> <li>2. Approved the amendment made in the Board Meeting Regulations.</li> <li>3. Approved the Company's distribution of profits for the fiscal year of 2023.</li> </ol>
462	2024/05/09	<ol style="list-style-type: none"> <li>1. Approved the Company's 2024 first quarter financial report.</li> <li>2. Approved the opening for multi-currency investment account in BNP Paribas Singapore Branch.</li> <li>3. Approved the renewal of the credit line agreement with Bank SinoPac.</li> </ol>

Meeting	Date	Major Resolutions
463	2024/08/08	<ol style="list-style-type: none"> <li>1. Approved the capital increase to CHC Ryukyu COLLECTIVE KK via the Company's whollyowned subsidiary, YJ International Corp. for the amount less than 3 billion Japanese Yen.</li> <li>2. Approved the managers' subscription details for the first time process for the share transfer to the employees for the repurchase of shares in year 2020.</li> <li>3. Approved the performance evaluation of Directors and supervisors appointed to affiliated business and responsible for external investment enterprises, based on the Company's Appointment of Institution Directors and Supervisors and Bonuses Management Guidelines, for the purpose of determining bonus amounts for the fiscal year of 2023.</li> <li>4. Approved the amendment made in the Remuneration Policy of the appointed Institution Directors and Supervisors.</li> <li>5. Approved the amendment made in the Remuneration Policy of the Directors and Managers.</li> <li>6. Approved the Company's 2024 second quarter financial report.</li> <li>7. Approved the signing of the short-term credit line agreement with O-Bank.</li> <li>8. Approved the reformulation of the Company's Sustainable Development Charter.</li> </ol>
464	2024/11/07	<ol style="list-style-type: none"> <li>1. Approved the Company's 2024 third quarter financial report.</li> <li>2. Approved endorsement guarantees of a bank loan from Taishin International Bank Tokyo Branch to the Company's two subsidiaries in Japan, CHC Ryukyu COLLECTIVE KK and CHC Ryukyu Development GK.</li> <li>3. Approved the amendment made in Corporate Governance Best Practice Principles.</li> <li>4. Approved the Signing Operation and Leasing Agreement for the land and cement storage facilities behind Wharf 33 West at Keelung Port with Port of Keelung, Taiwan International Ports Corporation.</li> </ol>
465	2024/12/12	<ol style="list-style-type: none"> <li>1. Approved the renewal of the management contract for Keelung Storage and Transportation Center and service contract for cement storage warehousing, with the Company's subsidiary Tong Yang Chia Hsin International Corporation.</li> <li>2. Approved the renewal of the business commission contract with the subsidiary Tong Yang Chia Hsin International Corporation.</li> <li>3. Approved the renewal of the Equipment Usage Agreement for 2025 at Taipei Cargo Terminal No.1 with the Company's subsidiary Chia Pei International Corporation.</li> <li>4. Approved the renewal of the Storage and Transportation Agreement signed with the Company's subsidiary Chia Pei International Corporation.</li> <li>5. Approved the change for the Company's Information Security Officer.</li> <li>6. Approved the amount of bonuses for the Chairman and executives for 2024.4</li> <li>7. Approved the additional 2024 Lunar New Year compensation for Directors (excluding Independent Directors concurrently serving as members of the Remuneration Committee).</li> <li>8. Approved the proposal for additional Lunar New Year compensation for members of the Remuneration Committee in 2024 (including those concurrently serving as Independent Directors).</li> <li>9. Approved the adjustment for the org. chart and abolishment the Company's Regulations on the Organization of the Supervisory and Management Committee of Subsidiaries.</li> <li>10. Approved to set up the nomination committee, making the charter and the appointment of the first committee members.</li> <li>11. Approved to set up the risk management committee, making the charter and the appointment of the first committee members.</li> <li>12. Approved the amendment made in Risk management policy and procedure.</li> <li>13. Approved the making of Sustainability Information Management and Procedure.</li> <li>14. Approved the amendment made in Internal Control System and Enforcement Rules of Internal Audit.</li> <li>15. Approved the 2025 audit plan of the Company.</li> <li>16. Approved the amendment made in approval authority in Job Delegation Management Procedure.</li> <li>17. Approved the endorsement guarantee of a bank loan from CTBC Bank Tokyo Branch to the Company's two subsidiaries in Japan, CHC Ryukyu COLLECTIVE KK and CHC Ryukyu Development GK, as well as derivative financial products facilities with CTBC Dunbei Branch.</li> <li>18. Approved the continuation of credit lines signed with financial institutions.</li> <li>19. Approved the 2025 budget.</li> </ol>

### 2.3.11 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors in the Past Fiscal Year and up to the Publication Date of this Annual Report: None.

## 2.4 Information Regarding the Company's Certified Public Accountant Audit Fee

1. If the non-audit fees paid to the CPA, CPA's firm, and its affiliated enterprises amount to more than one-fourth of the audit fees, the amount of audit and non-audit fees and the content of non-audit services shall be disclosed:

### Information of Audit Fee

Unit: NTD thousands

Accounting Firm	Name of CPA	Period Covered by Audit	Audit Fee	Non-Audit Fee (Note 1)	Subtotal	Remarks
Deloitte Taiwan	Chiang-Hsun Chen	2024	7,420	310	7,730	
	Sheng-Tai Liang					

Note 1: Mainly for transfer pricing of 310.

2. If the audit fee of the year is less than that of the previous year after changing account firm, the before and the previous and after audit fee amounts and reasons for the change shall be disclosed: None.
3. If the audit fee decreases by more than 10% compared to that of the previous year, the amount, percentage, and reasons for the decrease in the audit fee shall be disclosed: None.
4. CPA independence evaluation:

The company's Audit Committee regularly evaluates the independence of the external auditor based on the following factors and reports the assessment results to the Board of Directors:

- (1) The auditor's independence statement.
- (2) Audit services provided by the auditor require prior review by the Audit Committee.
- (3) Annual compilation of the assessment on the auditor's independence through a questionnaire on independence and suitability (Note).

Note: Important criteria regarding external auditor's independence:

Items	Content	Qualified or Not	
		Qualified	Not
1	The appointed accountant must recuse from accepting tasks if there is a direct or significant indirect conflict of interest that may affect their impartiality and independence.	✓	
2	The appointed accountant providing audit, review, verification, or special examination of financial statements and issuing an opinion report shall maintain both substantive and formal independence. Therefore, members of the audit service team and related entities of the accounting firm must maintain independence from the audited client.	✓	

3	Whether or not the appointed accountant holds independence with an honest and objective perspective.	✓	
4	Whether or not the appointed accountant's independence is affected by factors such as self-interest, self-assessment, advocacy, familiarity, and coercion.		✓
5	None of the following circumstances apply:		
	(1) Disciplinary action by the competent authority or sanctions under Article 37 of the Securities and Exchange Act.	✓	
	(2) Continuous seven-year tenure as the Company's accountant or any circumstances detrimental to independence.	✓	
	(3) Using authority to conduct unfair competition.	✓	

## 2.5 Replacement of Certified Public Accountant: None.

## 2.6 Company's Chairman, President, and Managers in Charge of Finance and Accounting Operations Holding Any Positions within Company's Independent Audit Firm or Its Affiliates in the Past Year: None.

## 2.7 Changes in Trade and Pledge of Shareholding of Directors, Management, and Shareholders with 10% Shareholdings or More

### 1. Changes in Shareholding of Directors, Managers, and Major Shareholders

Title (Note 1)	Name	2024		Up until December 31 of Current Fiscal Year	
		Net Change in Shareholding	Net Change in Share Pledged	Net Change in Shareholding	Net Change in Share Pledged
Chairman	Jason K.L. Chang	3 13,000	0	3 13,000	0
Director	Chi-Te Chen	0	0	0	0
Director	Tong Yang Chia Hsin Int'l Corp.	0	0	0	0
Representative of Institution Director	Pan Howard Wei-Hao	0	0	0	0
Representative of Institution Director	Alec Jun-Ci Chang	0	0	0	0
Independent Director	Robert K. Su	0	0	0	0
Independent Director	Pao-Chu Lin	0	0	0	0
Independent Director	Kevin Kuo-I Chen	0	0	0	0
President, CEO of Headquarters Office, Chief Sustainability Officer, Information Security Supervisor	Li-Hsin Wang	136,000	0	136,000	0

Title (Note 1)	Name	2024		Up until December 31 of Current Fiscal Year	
		Net Change in Shareholding	Net Change in Share Pledged	Net Change in Shareholding	Net Change in Share Pledged
Vice President	Wen-Wan Chen	48,000	0	48,000	0
Director of Finance and Accounting Division / Financial Officer	Jane Y.C. Chou	69,000	0	69,000	0
Director of Headquarters Office (Date of Appointment: 2023/04/18)	Hua-Chou Huang	69,000	0	69,000	0
Director of Headquarters Office/ Corporate Governance Officer (Date of Appointment: 2023/04/18)	Hsiao-Yun Yu	35,000	0	35,000	0
Director of Strategic Business Division (Date of Appointment: 2023/04/18)	Puo-Chien Lin	55,000	0	55,000	0
Manger of Finance and Accounting Division / Accounting Officer	Mars Feng	38,000	0	38,000	0
Major Shareholder (16.44%)	Tong Yang Chia Hsin International Corporation	0	0	0	0

Note 1: Shareholders with 100% shareholdings or more shall be stated separately as a Major Shareholder.

2. Shares Transfer to Related Parties: None.

3. Shares Pledged to Related Parties: None.

## 2.8 Relationship between CHC Group's Top 10 Shareholders

Name (Note 1)	Personal Shareholding		Spouse's & Minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship between the Company's Top Ten Shareholders, or Spouses or Relatives within Two Degrees of Kinship (Note 3)		Re- marks
	Shares	(%)	Shares	(%)	Shares	(%)	Name	Relationship	
Tong Yang Chia Hsin Int'l Corp.	129,917,726	16.47	0	0	0	0	Int'l Chia Hsin Corp.	Supervisor	-
Tong Yang Chia Hsin Int'l Corp. Representative: Jason K.L. Chang	4,904,563	0.62	4,566,540	0.58	1,055,700	0.13	Yung-Ping Chang Taiwan Cement Corp.	Father & Son Director (IR)	-
Sung Ju Investment Corp.	70,155,843	8.89	0	0	0	0	None	None	-

Name (Note 1)	Personal Shareholding		Spouse's & Minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship between the Company's Top Ten Shareholders, or Spouses or Relatives within Two Degrees of Kinship (Note 3)		Re- marks
	Shares	(%)	Shares	(%)	Shares	(%)	Name	Relationship	
Sung Ju Investment Corp. Representative: Yung-Ping Chang	42,583,141	5.40	6,933,493	0.88	0	0	Nelson An-Ping Chang Hsien-Ping Chang Chang Koo, Huai-Ju Jason K.L. Chang Int'l Chia Hsin Corp.	2 <sup>nd</sup> degree kinship 2 <sup>nd</sup> degree kinship 2 <sup>nd</sup> degree kinship Father & Son Director	-
Yung-Ping Chang	42,583,141	5.40	6,933,493	0.88	0	0	Same as above	Same as above	-
Taiwan Cement Corp.	27,967,804	3.55	0	0	0	0	Ta-Ho Marintime Corp.	Parent/Subsidiary	-
Taiwan Cement Corp. Representative: Nelson An-Ping Chang	6,669,735	0.88	246,077	0.03	0	0	Yung-Ping Chang Hsien-Ping Chang Chang Koo, Huai-Ju Ta-Ho Marintime Corp. Chia Hsin R.M.C. Corp.	2 <sup>nd</sup> degree kinship 2 <sup>nd</sup> degree kinship Spouse Director(IR) Director	-
Ta-Ho Marintime Corp.	26,276,513	3.33	0	0	0	0	Taiwan Cement Corp.	Parent/Subsidiary	-
Ta-Ho Marintime Corp. Representative: Li-Wen Tsai	0	0	0	0	0	0	None	None	-
Nutri Vita Inc.	17,612,153	2.23	0	0	0	0	None	None	-
Nutri Vita Inc. Representative: Hsien-Ping Chang	1,020	0	0	0	0	0	Yung-Ping Chang Nelson An-Ping Chang Chang Koo, Huai-Ju Tong Yang Chia Hsin Int'l Corp. Int'l Chia Hsin Corp. Chia Hsin R.M.C. Corp.	2 <sup>nd</sup> degree kinship 2 <sup>nd</sup> degree kinship 2 <sup>nd</sup> degree kinship Supervisor Supervisor Supervisor	-
Chia Hsin Foundation	15,139,756	1.92	0	0	0	0	None	None	-
Chia Hsin Foundation Representative: Jason K.L. Chang	4,904,563	0.62	4,566,540	0.58	1,055,700	0.13	Yung-Ping Chang Taiwan Cement Corp.	Father & Son Director (IR)	-
Int'l Chia Hsin Corp.	14,933,245	1.89	0	0	0	0	Tong Yang Chia Hsin Int'l Corp.	Director	-
Int'l Chia Hsin Corp. Representative: Shiao-Lin Chen	0	0	0	0	0	0	Tong Yang Chia Hsin Int'l Corp.	Supervisor(IR)	-
Chia Hsin R. M. C. Corp.	13,414,135	1.70	0	0	0	0	Taiwan Cement Corp.	Director	-
Chia Hsin R. M. C. Corp. Representative: Chang Koo, Huai-Ju	246,077	0.03	6,669,735	0.83	0	0	Yung-Ping Chang Hsien-Ping Chang Nelson An-Ping Chang	2 <sup>nd</sup> degree kinship 2 <sup>nd</sup> degree kinship Spouse	-
Ding Shun Fa Investment Co., Ltd.	12,240,000	1.55	0	0	0	0	None	None	-
Ding Shun Fa Investment Co., Ltd. Representative: Tzu-Ying Sun	0	0	0	0	0	0	None	None	-

Note 1: All top ten shareholders shall be listed: institution shareholders shall list their name and representatives separately.

Note 2: The calculation of shareholding ratio includes calculating the shareholding percentage separately under one's own name, spouse, minor, or by nominee arrangement.

Note 3: If the disclosed shareholders listed above include institution and natural persons, the relationships between them shall be disclosed in accordance with the standards for issuer's financial reports.

Note 4: The data is current as of the ex-dividend date on August 2, 2023.

## 2.9 Shareholding Information of the Company, Directors, Managers, in Directly and Indirectly Controlled Entities

### Comprehensive Shareholding Information

Unit : Share ; %

Affiliated Companies (Note 1)	Company Investment		Direct or Indirect Investment by Directors, Supervisors, and Managers		Comprehensive Investment	
	Shares	%	Shares	%	Shares	%
Tong Yang Chia Hsin International Corp.	257,073,050	87.18	462,490	0.16	257,535,540	87.34
Chia Hsin Pacific Ltd.	19,186,070	74.16	6,257,179	24.18	25,443,249	98.34
Chia Hsin Property Management & Development Corp.	100,000,000	100.00	0	0	100,000,000	100.00
Chia Pei International Corp.	19,560,000	100.00	0	0	19,560,000	100.00
Bluesky Co., Ltd.	8,300,000	100.00	0	0	8,300,000	100.00
YJ International Corp.	293,700,000	100.00	0	0	293,700,000	100.00
Jaho Life Plus+ Management Corp.	45,000,000	100.00	0	0	45,000,000	100.00
Chia Hsin Green Electricity Corp.	10,500,000	100.00	0	0	10,500,000	100.00
Chis Hsin Construction & Development Corp.	31,458,920	46.18	284,421	0.42	31,743,341	46.60
LDC ROME HOTELS S.R.L.	(Note 2)	40.00	0	0	0	40.00
L'Hotel De Chine Corporation	67,998,915	23.10	0	0	67,998,915	23.10

Note 1: The affiliated companies stated are long-term investments accounted for using equity method as of 31 December 2024 by the Company.

Note 2: The investment amount listed is €21,871,000.



## 3 ► Capital and Shares

### 3.1 Capital and Shares

#### 3.1.1 Source of Capital

##### Source of Capital

Date	Issue Price Per Share	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount NTD	Shares	Amount NTD	Source of Capital NTD	Capital Increased by Assets Other Than Cash	Other
2007/12/31	10	779,639,050	7,796,390,500	673,687,050	6,736,870,500			
2008/02/04	10	779,639,050	7,796,390,500	671,888,050	6,718,880,500	a 17,990,000		
2008/08/29	10	779,639,050	7,796,390,500	739,076,855	7,390,768,550	b 671,888,050		
2008/12/02	10	779,639,050	7,796,390,500	725,830,855	7,258,308,550	c 132,460,000		
2009/03/18	10	779,639,050	7,796,390,500	717,877,855	7,178,778,550	d 79,530,000		
2010/08/18	10	779,639,050	7,796,390,500	732,235,412	7,322,354,120	e 143,575,570		
2011/08/04	10	779,639,050	7,796,390,500	754,202,474	7,542,024,740	f 219,670,620		
2012/08/19	10	1,500,000,000	15,000,000,000	776,828,548	7,768,285,480	g 226,260,740		
2016/01/18	10	1,500,000,000	15,000,000,000	774,780,548	7,747,805,480	h 20,480,000		
2023/08/23	10	1,500,000,000	15,000,000,000	790,247,459	7,902,474,590	i 154,669,110		

Note: Source of capital are as follows,

- a. Share repurchase and cancellation of NTD 17,990,000
- b. Capital increase from retained earnings of NTD 671,888,050
- c. Share repurchase and cancellation of NTD 132,460,000
- d. Share repurchase and cancellation of NTD 79,530,000
- e. Capital increase from retained earnings of NTD 143,575,570
- f. Capital increase from retained earnings of NTD 219,670,620
- g. Capital increase from retained earnings of NTD 226,260,740
- h. Share repurchase and cancellation of NTD 20,480,000
- i. Capital increase from retained earnings of NTD 154,669,110

Share Type	Authorized Capital			Remarks
	Outstanding Shares (Note)	Unissued Shares	Total Shares	
Common Share	790,247,459	709,752,541	1,500,000,000	Listed Shares

Note: Treasury stocks are included. Please refer to Section 4.1.9 in this annual report for details.

##### Summary of Self Registration Information

Securities Type	Preparing to Issue Amount		Issued Amount		Purpose and Effect for Issued Shares	Issue Period for Unissued Shares	Remarks
	Total Shares	Authorized Amount (NTD)	Shares	Price (NTD)			
Not Applicable							

### 3.1.2 Major Shareholders

#### ▼ List of Major Shareholders

As of the ex-dividend date: 2024/07/24

Name of Shareholders	Shareholding	
	Shares	In Percentage
Tong Yang Chia Hsin Int'l Corp.	129,917,726	16.47%
Sung Ju Investment Corp.	70,155,843	8.89%
Yung-Ping Chang	42,583,141	5.40%
Taiwan Cement Corp.	27,967,804	3.55%
Ta-Ho Marintime Corp.	26,276,513	3.33%
Nutri Vita Inc.	17,612,153	2.23%
Chai Hsin Foundation	15,139,756	1.92%
Int'l Chia Hsin Corp.	14,933,245	1.89%
Chia Hsin R. M. C. Corp.	13,414,135	1.70%
Ding Shun Fa Investment Co., Ltd.	12,240,000	1.55%

### 3.1.3 Company's Dividend Policy and Implementation

#### 1. Dividend Policy

The Company adopts a residual dividend policy, which allows for the retention of earnings in accordance with considerations of future capital expenditure spendings and financial needs. After retaining an appropriate amount, any remaining earnings may be distributed to shareholders as dividends and at least 50% shall be distributed as dividends to shareholders.

Regarding the distribution of dividends, the Company shall to allocate at least 10% of the total dividend distribution in cash, while the remainder may be distributed as stock dividends.

However, if it is necessary to change the dividend policies mentioned above, due to requirements by government agencies or the Taiwan Stock Exchange, changes in domestic or international political and economic situations, major capital expenditures by the Company, inability to obtain sufficient funds from external sources to support financial needs, or any other factor that is beyond the Company's control, the Chairman is thereby authorized to propose revisions to the policy based on the circumstances and shall submit the decision the Board of Director for discussion and approval.

#### 2. Implementation Status

As of the publication date of this annual report, the Company's Board of Directors has not yet reached a decision regarding the 2024 earnings distribution.

### 3.1.4 Impact of Proposed Stock Dividend on the Company's Operating Performance and EPS: Not applicable.

### 3.1.5 Compensation to Employees and Directors

#### 1. Percentage or range of compensation for employees and directors specified in the Company's Articles of Association:

In accordance with the Company's Articles of Association, should there be profit in the fiscal year, the Company is required to allocate between 0.01% to 3% of the profit as employee compensation, and up to 3% as Director remuneration. However, when there are accumulated losses, the Company shall retain the amount for loss recovery before allocating the compensation mentioned before. All arrangements are subject to approval by the Board of Directors and reported to the shareholders' meeting.

#### 2. Basis for estimating compensation for employees and directors of the period, for calculating number of shares for stock-based employee compensation, and for accounting solutions for any differences between actual and estimated amount are as follows: Will be processed according to accounting estimations and recorded in the following fiscal year.

#### 3. Approval of distribution of compensation by the Board of Directors:

- (1) Employee and Director compensation distributed in cash or stocks. Any difference between the estimated expenses recorded and the actual amount distributed shall be disclosed, along with the reasons and responsive measures taken:

The Company has calculated and allocated directors' remuneration in accordance with relevant regulations, taking into consideration overall operating results and the performance evaluation of the Board of Directors. This approach reflects a positive correlation between remuneration and the Company's operational performance.

To support overall business development and boost employee morale, the Company distributed an average of 2.3 months' year-end bonuses to employees at the end of 2024 as an early incentive.

As of the publication date of this annual report, the amounts for 2024 employee compensation and directors' remuneration have not yet been approved by the Board of Directors.

- (2) The ratio of employee remuneration distributed in the form of stock to the net profit for the period and the total employee remuneration for the period are as follows:

This is not applicable, as the Company did not distribute any employee compensation in the form of stocks this year.

#### 4. The actual distribution of employee, Director, and supervisor remuneration for the previous fiscal year (including the number of shares distributed, amount, price per share) and any differences between the distribution and recognition of employee, Director, and supervisor remuneration, reasons of difference, and responsive measures take shall be disclosed:

Remuneration for employees and Directors for the fiscal year of 2023

Unit: NTD thousands

Type of Remuneration	Board Resolution (02/27/2024)	Actual Payment
Employee Compensation(in cash)	700	700
Director Compensation(in cash)	700	700

### 3.1.6 Buyback of Treasury Stock

#### 1. Buyback of Treasury Stock (already completed)

As of 12/31/2024

Buyback Issue	the 9th
Buyback Purpose	Transfer to employees
Buyback Timeframe	03/26/2020 - 05/22/2020
Price Range	NT\$14.79 to NT\$15.96
Type and Number of Buyback Shares	1,435,000 shares of common stock
Value of Buyback Shares	NT\$22,239,663
Number of Shares Repurchased to the Total Shares to Be Repurchased (%)	20.50%
Shares Cancelled or Transferred	1,435,000 shares of common stock
Accumulated Number of Buyback Shares Held by the Company	0 shares of common stock
Accumulated Number of Buyback Shares to the Total Outstanding Shares Issued by the Company (%)	-

2. Buyback of Treasury Stock (still in progress): None.

**3.2 Issuance of Corporate Bonds:** None.

**3.3 Issuance of Preferred Shares:** None.

**3.4 Issuance of Global Depositary Shares:** None.

**3.5 Issuance of Employee Stock Options:** None.

**3.6 Status of Employee Restricted Shares:** None.

**3.7 Status of New Share Issuance in Connection with Mergers, Acquisitions:** None.

**3.8 Funding Plans and Implementation:** None.

## 4 ► Operational Highlights

### 4.1 Business Activities

#### 4.1.1 Business Scope

Sector	Proportion of Operations
Cement	41%
Warehousing and Storage	22%
Real Estate	10%
Hospitality	27%

#### 4.1.2 Industry Overview

##### 1. Cement Sector

###### Current Status and Future Development

The Company's cement sales in Taiwan are primarily focused on the central and northern regions. As a mature industry, the domestic cement market maintains stable demand. According to the Taiwan Cement Manufacturers' Association's 2024 statistics, domestic cement production totaled 9,876,231 metric tons, reflecting a 3.67% decline from the previous year, while total cement consumption reached 13,400,388 metric tons, marking a 2.96% increase, with an average per capita consumption of 573 kilograms.

Unit: metric tons

Year \ Item	Domestic Cement Production	Domestic Cement Consumption (Sum of Domestic and Imported Cement Sales)
2023	10,251,872	13,015,752
2024	9,876,231	13,400,388
Difference	-375,641	384,636

Source: Taiwan Cement Manufacturers' Association

###### Industry Supply Chain Relationships

The cement industry is closely interconnected with upstream, midstream, and downstream sectors, including cement producers, shipping and logistics providers, cement warehousing, land transportation, ready-mix concrete, cement product manufacturing, and the construction industry. These industries collectively support the stability of the cement supply chain and contribute to overall economic activity.

###### Product Development Trends and Competition

Portland Type I cement remains the dominant product in Taiwan's market. However, recent years have seen growing demand for Portland Type II cement, particularly in public infrastructure projects. While the Company currently focuses on the sale of Portland Type I

cement, its existing storage and distribution infrastructure allows for flexible adaptation to market needs, making the potential expansion into Portland Type II cement seamless should demand continue to rise.

Additionally, with increasing global emphasis on carbon reduction and environmental sustainability, the market for low-carbon building materials is expanding. The Company has established a competitive advantage in low-carbon cement, supported by dedicated storage and distribution facilities capable of handling low-carbon cement products efficiently. This strategic positioning allows the Company to align with emerging market trends, strengthen its sustainability initiatives, and reinforce long-term business resilience.

## 2. Warehousing and Storage Sector

### Current Status and Future Development

The Company’s warehousing division primarily provides bulk handling services for industrial raw materials. The volume of port cargo handling fluctuates with domestic economic conditions. In 2024, the total bulk cargo handling volume at Taipei Port reached 15,087,358 metric tons, reflecting a 27.1% decline compared to the previous year. Meanwhile, Keelung Port handled 3,656,964 metric tons, representing a 4.1% decrease from the prior year, and Taichung Port recorded 47,989,427 metric tons, marking an 8.41% increase year-over-year.

### Handling Volume at Each Port

		Unit: metric tons		
Year \ Port	Taipei Port	Keelung Port	Taichung Port	
2023	20,695,886	3,813,877	44,264,927	
2024	15,087,358	3,656,964	47,989,427	
Difference (%)	-27.10%	-4.10%	8.41%	

Source: Official website of each Port Bureau

### Industry Supply Chain Relationships

The warehousing and transportation industry is closely linked to multiple related sectors, including transportation, warehousing, cargo handling, freight forwarding, packaging, logistics processing, distribution, and information platforms. These sectors collectively support the efficiency and competitiveness of the supply chain.

### Product Development Trends and Competition

Port cargo handling volumes are highly correlated with domestic economic activity and are influenced by regional market demand. In Northern Taiwan, major infrastructure projects and urban redevelopment initiatives are key drivers of port handling demand. Logistics costs on the demand side also play a significant role in port selection, leading customers to favor ports closer to key markets or, in the case of large-scale enterprises, to develop private wharf facilities. However, with growing environmental awareness, ports that control their operations and provide low-emission solutions will retain a competitive edge in the market.

### 3. Real Estate Sector

#### Current Status and Future Development

The commercial and industrial real estate market continues to benefit from the lifting of investment restrictions on returning Taiwanese businesses, sustaining capital inflows into the sector. However, the residential market remains subdued, affected by the central bank's housing and credit control measures, leading to sluggish transaction volumes. In 2024, the Taipei office market saw 34,000 ping of new supply. The vacancy rate for Grade A office buildings declined to 6.8%, with an average monthly rent of NT\$2,966 per ping. Meanwhile, Grade B office buildings maintained a low vacancy rate of 3.6%, with an average monthly rent of NT\$1,990 per ping. Driven by corporate demand for upgraded office spaces, net absorption in 2024 far exceeded that of 2022 and 2023, approaching levels last seen in 2021. The industrial real estate sector benefited from expansion trends in the high-tech industry. In 2024, Taiwan's total industrial property transactions reached NT\$108.9 billion, surpassing NT\$57.7 billion in 2023 and NT\$29.3 billion in 2022.

#### Industry Supply Chain Relationships

The real estate asset management sector is closely linked to various industries across the supply chain. Upstream industries primarily include real estate developers and real estate investment firms, which initiate projects and provide capital for development. Midstream industries consist of construction, engineering consultancy, building materials, and interior design, which contribute to the development and enhancement of properties. Downstream industries encompass property management, real estate brokerage, and support services, ensuring that properties are efficiently maintained, leased, and sold.

The real estate leasing sector can be categorized into residential and non-residential segments. The residential segment includes apartment buildings, serviced residences, hotel-style apartments, and senior housing, catering to different demographic needs. The non-residential segment comprises offices, retail spaces, hotels, factories, and medical facilities, each serving distinct commercial and industrial purposes. Every property type is linked to its own specific upstream, midstream, and downstream industries, forming a dynamic and interconnected market ecosystem driven by its intended use and demand.

#### Product Development Trends and Competition

The real estate market is significantly influenced by macroeconomic conditions, government housing policies, and supply-demand dynamics. In 2024, property transactions in Taiwan's six major metropolitan areas reached 271,309 units, representing a 14.7% year-over-year increase and setting a new 11-year high.

All major cities experienced growth in transaction volumes. Taipei recorded a 12% increase, while New Taipei saw a 6.9% rise. Taoyuan exhibited the strongest growth at 20.8%, followed by Taichung at 15.3%, Tainan at 11.4%, and Kaohsiung at 24.8%. The first half of 2024 saw a surge in market activity, driven by the New Youth Homeownership Loan Program, which



stimulated both housing prices and transaction volumes. However, in the second half of the year, the central bank implemented its seventh round of credit control measures, leading to a sharp decline in buyer confidence and significantly cooling the market.

## 4. Hospitality Sector

### Current Status and Future Development

#### Tourism and Hospitality Industry

The Company maintains a strategic investment portfolio in the hospitality sector across Europe, Japan (Okinawa), and Taiwan. This diversified market presence effectively mitigates risks while capturing growth opportunities in different regions.

In Europe, the tourism industry continued to recover in 2024, with record-high foreign visitor arrivals and overnight stays. Italy performed particularly well, welcoming 230 million summer tourists, a 2.3% year-over-year increase, setting a new seasonal record.

In Japan, according to the Japan National Tourism Organization (JNTO), total foreign visitor arrivals reached 36.87 million, breaking historical records. The continued depreciation of the Japanese yen further fueled inbound tourism, strengthening the hospitality and lodging market.

In Taiwan, the primary sources of international visitors were Japan, Hong Kong, Macau, and South Korea. However, yen depreciation and economic slowdowns in China and South Korea led to weaker-than-expected inbound travel.

According to the Taiwan Tourism Administration, as of December 3, 2024, total foreign visitor arrivals reached 7 million, falling short of the 12 million target but surpassing the 5.67 million recorded the previous year. These indicators suggest that Taiwan's tourism industry is steadily recovering, laying a foundation for future growth.

The Company will continue monitoring market trends and adapting strategies accordingly to capitalize on the global tourism rebound and expand its footprint in the health and wellness hospitality sector.

#### Healthcare

Many countries worldwide are facing declining birth rates, and Taiwan is no exception. Economic pressures, high housing prices, education costs, and shifting attitudes toward marriage and childbirth have contributed to a 3% decline in births in 2024 compared to 2023.

In Taipei, the number of postpartum care facilities declined from 53 in 2023 to 50 in 2024. Nationwide, the total number of facilities fell to 260, reflecting an industry-wide reshuffling. The average age of first-time mothers increased from 30.35 years in 2013 to 31.5 years in 2023, with 31.97% of births occurring in women over 35. However, with proactive government initiatives and corporate policies encouraging child birth, Taipei's birth rate increased by 6.83% in 2024 compared to 2023.

Taichung, while not yet experiencing a similar rebound, has launched comprehensive maternal and child healthcare programs since 2022 to promote a "Willing to Give Birth, Confident to Raise" environment.

As maternal age increases, the market has placed greater emphasis on prenatal and postnatal care, with increasingly stringent requirements for safety and higher expectations on quality. According to the Ministry of Health and Welfare's 2021 statistics, professional postpartum care facilities are now the preferred choice for maternal recovery. While some providers exited the market since 2022, leading industry players continue expanding their services. Despite a declining national birth rate, consumer demand and regulatory standards for high-quality maternal and infant care continue to rise, positioning the sector as a potential solution to Taiwan's declining birthrate challenge.

### Industry Supply Chain Relationships

The hospitality services sector provides accommodation and care services. In terms of the overall industry correlation, the Company belongs to the middle segment of the industry. Relevant upstream, middle, and downstream sectors include online travel agencies, traditional travel agencies, specialized medical institutions for women and infants, retail businesses for maternity and baby products, educational centers, and health consulting services. Meanwhile, food and beverage services procure fresh food, beverages, and general supplies from upstream suppliers.

### Product Development Trends and Competition

The hospitality and wellness industries have undergone significant shifts in consumer preferences following the pandemic. Travelers and guests now place greater emphasis on personalized and unique experiences, seeking accommodations that offer tailored services and distinctive settings. Health-conscious travel and lifestyle choices have also gained traction, leading to increased demand for wellness-oriented facilities and services. Additionally, sustainability and eco-friendly accommodations have become a growing priority, prompting businesses to adopt green practices and energy-efficient operations. At the same time, the rise of digital and tech-driven hospitality solutions has transformed customer interactions, with smart technologies enhancing guest experiences through seamless check-ins, AI-driven personalization, and automated services.

As competition within the high-end hospitality sector intensifies, a clear market divergence has emerged between premium and budget offerings. Luxury providers are focusing on exclusive experiences and premium services, while budget accommodations cater to cost-conscious travelers seeking functional yet comfortable stays. This evolving landscape underscores the need for hospitality businesses to differentiate their offerings, adapt to shifting consumer expectations, and embrace technological and sustainable innovations to maintain a competitive edge.

### 4.1.3 Technology and Research & Development

While the Company does not engage in independent technological research and development, it actively integrates proven technologies into its services and healthcare systems as part of its strategic investment approach. These technologies are carefully evaluated and implemented in phases to ensure efficiency and effectiveness. Additionally, the Company maintains close collaboration with industry partners and actively participates in government policies and industry initiatives, leveraging these engagements to enhance service performance and strengthen market competitiveness.

### 4.1.4 Long-Term and Short-Term Development Plans

#### 1. Short-Term Development Plans

##### 1. Cement Sector

The Company will continue to strengthen its cement distribution channels in Taiwan while advocating and expanding the sales of low-carbon cement to align with sustainability trends.

##### 2. Warehousing and storage sector

Efforts will focus on maintaining existing customers while actively expanding new business opportunities, ensuring steady operational growth.

##### 3. Real Estate Sector

The Company will pursue diversified land development strategies and optimize underutilized assets by enhancing leasing operations. Additionally, existing properties will undergo continuous facility improvements to enhance their overall value.

##### 4. Hospitality Sector

1. The Company will enhance expertise in both the hospitality and healthcare sectors, focusing on talent development while establishing core competitive advantages and integrating smart technologies.
2. Through brand management, the Company will continue to differentiate its products and develop extended business models to increase market presence and profitability.

#### 2. Long-Term Development Plans

##### 1. Cement Sector

1. The Company will continue to maintain close cooperation with Taiwan Cement Corporation (TCC) through strategic equity holdings, indirectly benefiting from investment returns in the Chinese and European cement markets while exploring international expansion opportunities and enhancing asset value.
2. The Company will play an active role in the circular economy of the cement industry, supporting the efficient and large-scale implementation of sustainability projects. These initiatives will include renewable energy, battery storage, energy solutions, and waste treatment, contributing to TCC's forward-thinking green sustainability strategy.

3. To align with global environmental trends, the Company will deepen its research on green and low-carbon building materials, analyze market dynamics, and explore innovative materials and applications. This will provide competitive and sustainable solutions for the future construction market while unlocking new growth opportunities.

## 2. Warehousing and storage sector

1. The Company will diversify its cargo handling operations and optimize its customer portfolio to ensure a stable supply of aggregates, slag, and bulk commodities. These efforts will help mitigate seasonal demand fluctuations and support consistent and predictable profitability.
2. The Company will proactively engage with government agencies to ensure that policy changes have minimal impact on operations, while seeking additional support and collaboration to enhance long-term business stability.

## 3. Real estate sector

Continue to plan the development of existing assets and leasing projects in order to fully leverage Company assets and achieve effective growth in leasing revenue.

## 4. Hospitality Sector

### → Tourism & Hospitality •

- ▶ The Company will strengthen the brand value and market recognition of its proprietary Hotel Collective brand to reinforce its competitive position.
- ▶ In parallel, the Company will collaborate with international brands and affiliated companies, leveraging strategic partnerships to expand influence across different markets.

### → Healthcare Services •

- ▶ The Company will continue expanding into new markets, integrating upstream and downstream services to establish an innovative healthcare model and enhance brand recognition.
- ▶ By optimizing its service teams and investing in professional training, the Company aims to strengthen its expertise in healthcare operations and develop industry-leading talent.
- ▶ The Company will integrate business operations, social responsibility, and educational initiatives to promote public awareness of health and wellness.
- ▶ Additionally, the Company will continue evaluating potential overseas market opportunities for strategic expansion.

## 4.2 Market, Production, and Sales Overview

### 4.2.1 Market Analysis

#### 1. Cement sector

##### Sales Regions, Market Share, Future Supply and Demand, and Growth Prospects of Main Products

The cement industry faces challenges due to fluctuating demand. In the first half of 2024, post-earthquake reconstruction efforts and a booming real estate market drove domestic cement sales to rebound, reaching an annual total of 10,156,386 metric tons, a 3.5% increase compared to 2023. However, in the latter half of the year, government measures to curb housing prices led to a slowdown in market demand growth. In the meantime, the continued influx of low-cost cement from Vietnam continues to exert pressure on the domestic market, with imported cement now accounting for 25% of total sales volume.

With international environmental policies placing greater emphasis on low-carbon building materials, the promotion of low-carbon cement products has become a key competitive factor in the market. Our company's storage and transportation facilities at Keelung Port and Taichung Port provide a strong foundation for market expansion, enabling us to swiftly adapt to evolving demand and enhance our market competitiveness.

##### Competitive Niche

- **Pioneering the Low-Carbon Cement Market:** Actively driving the sales of low-carbon cement products to align with the green building materials trend, positioning the company as a leader in product transformation.
- **Strategic Advantage in Storage and Transportation:** Storage facilities at Keelung Port and Taichung Port are strategically located near key markets, covering the major economic corridor along Taiwan's western coast, ensuring efficient and stable supply services.
- **Brand Trust and Market Foundation:** With a strong operational history and well-established sales channels, the company has built a solid and loyal customer base.

##### Favorable Factors for Industry Development

- **Advancement of Environmental Policies:** The increasing global demand for low-carbon building materials presents an opportunity for the cement industry to transition towards sustainable products.
- **Reconstruction Demand:** Post-earthquake infrastructure and housing reconstruction continue to sustain cement consumption.

##### Unfavorable Factors for Industry Development and Countermeasures

- **Challenge of Low-Cost Imported Cement:** Vietnam's low-price cement imports exert pressure on the local market.

**Counter Measures:** Advocate for the government to impose anti-dumping tariffs on Vietnamese cement imports while increasing the market share of low-carbon cement to enhance competitive advantage.

- **Regulatory and Environmental Cost Pressures:** The introduction of carbon fees has increased operating costs for domestic cement manufacturers.

**Counter Measures:** In addition to partially passing costs on to downstream customers, the company will offset carbon fees through the purchase of green energy certificates, reinforcing its green image and enhancing product value.

- **Aging Equipment and Safety Risks:** Some equipment at the Keelung and Taichung storage facilities is aging, leading to reduced efficiency and potential safety hazards.

**Counter Measures:** Allocate budget for comprehensive upgrades and maintenance, including the refurbishment of the Keelung storage facility's ladder platforms and the improvement of Taichung's loading and unloading systems.

## 2. Warehousing and Storage

### Sales Regions, Market Share, Future Supply and Demand, and Growth Prospects of Main Products

Taipei Port's Bulk & General Cargo Terminal 1 primarily serves distributors and manufacturers of sand, gravel, coal, and general bulk cargo in northern Taiwan. In 2024, the company handled approximately 5,632,200 metric tons of bulk cargo at Terminal 1, accounting for 27.5% of the total cargo throughput at the port.

With the global energy transition, the Taiwanese government has been actively increasing the share of natural gas and renewable energy in the national energy mix, leading to a gradual decline in coal demand and exerting pressure on coal imports and related handling operations. However, demand for sand, gravel, and other bulk cargo remains stable, supported by ongoing infrastructure and land reclamation projects, which provide short-term stability for the handling of these materials.

Despite policy-driven uncertainties affecting the industry landscape, Taipei Port remains resilient, leveraging its strategic location, environmental facilities, and high-efficiency cargo handling capabilities to adapt to market fluctuations. However, as coal demand continues to decline, the company anticipates increasing operational challenges. In response, we will maintain flexible operational strategies, actively engage with government agencies to ensure business stability amid policy shifts, and explore new market opportunities to drive long-term sustainable growth.

### Competitive Niche

- **High Entry Barrier Advantage in Port Operations:** As a regulated industry requiring special permits, port operations have high entry barriers, making it difficult for new competitors to enter the market.
- **Enhanced Cargo Handling and Environmental Capabilities:** Taipei Port's Bulk & General Cargo Terminal 1 is equipped with environmental protection facilities and high-efficiency cargo handling systems, catering to diverse cargo needs. This strengthens operational efficiency and supports the company's structural transformation.

### Favorable Factors for Industry Development

- **Growing Demand for Aggregates:** Infrastructure and land reclamation projects have driven an increase in aggregate imports, fueling the growth of cargo handling operations.
- **Diversification of Bulk Cargo Business:** Demand for other bulk cargo categories continues to rise steadily, providing stable market support.
- **Heightened Environmental Standards:** Traditional ports like Keelung face constraints in land availability and facilities, making it difficult to meet new environmental regulations. As a result, more cargo handling operations may shift to Taipei Port in the future.

### Unfavorable Factors for Industry Development and Countermeasures

- **Declining Coal Demand:** In line with the government's 2050 net-zero emissions policy, coal consumption is gradually decreasing, impacting cargo handling volumes.

**Counter Measures:** Actively expand operations in aggregates, slag, and other bulk cargo to ensure stable growth in cargo handling services.

- **Market Structure Transformation:** Changes in the energy landscape present challenges to the traditional coal industry.

**Counter Measures:** Enhance cargo handling efficiency and diversify cargo types to adapt to the evolving logistics landscape and strengthen market competitiveness. Additionally, the company will maintain close communication with government authorities to minimize the operational impact of policy changes and explore opportunities to create greater value amid industry transformation.

## 3. Real Estate Sector

### Sales Regions, Market Share, Future Supply and Demand, and Growth Prospects of Main Products

The Real Estate Sector focuses on business operations such as asset leasing, management, and development. With restrictions on Taiwanese businesses reinvesting in Taiwan now lifted, the commercial and industrial real estate markets are experiencing a fresh wave of capital inflows, fostering favorable conditions for the company's business expansion.

In 2024, the company recorded revenue of NT\$301.662 million, representing a 4.95% increase from NT\$287.432 million in 2023. Among the assets, Chia Hsin Building maintained an average occupancy rate of 99.33% throughout the year, with rental income rising by 0.71%; Gangshan Facility achieved an average occupancy rate of 71.63%, driving a 13.16% increase in rental income; Other leasing income grew 2.92% compared to the previous year.

### Competitive Niche

#### Diverse Portfolio of Premium Properties

- **Chia Hsin Building:** Strategically located in the heart of Zhongshan North Road, Taipei, offers an exceptional location advantage. It is just a three-minute walk from two MRT



stations and in close proximity to Taipei Main Station, seamlessly connecting to the high-speed rail (HSR), Taiwan Railways (TRA), and MRT networks. This well-connected transportation hub makes it a top choice for corporate offices. The building is surrounded by a well-established commercial ecosystem, featuring renowned hotels, banks, post offices, and a wide range of business services, providing tenants with a convenient and dynamic work environment. The flexible interior design and customizable floor plans accommodate businesses of various sizes, while ample parking facilities enhance tenant convenience. Committed to continuous infrastructure enhancement, Chia Hsin Building has recently undergone multiple upgrades and renovations, including elevator modernization and common area enhancements, further elevating the property's value and management efficiency.

- **Gangshan Plant:** Located in Kaohsiung, this facility benefits from Kaohsiung City's "S Corridor" industrial development initiative and the opening of the Gangshan Second Interchange, making it a key location for emerging industries and an attractive option for high-quality tenants.

#### Favorable Factors for Industry Development

- **Policy Liberalization and Investment Boom:** The removal of the five-year restriction on Taiwanese businesses reinvesting in real estate is expected to channel fresh capital into the commercial and industrial real estate markets, accelerating sector growth.
- **Rising Regional Demand:** The supply of comparable office spaces with competitive rental rates remains limited, positioning Chia Hsin Building as a highly attractive option in the market. Its prime location, well-developed surrounding amenities, and flexible space configurations provide a distinct competitive edge. Additionally, with stable property management services and a premium office environment, Chia Hsin Building continues to attract corporate tenants, ensuring steady leasing demand and enhancing asset value.
- **Infrastructure Development:** Kaohsiung City's "S Corridor" industrial initiative and the completion of the Gangshan Second Interchange are drawing businesses to lease space at the Gangshan Facility, further strengthening its market potential.

#### Unfavorable Factors for Industry Development and Countermeasures

- **High Interest Rates and Policy Restrictions:** The central bank's strict regulations on construction financing and the implementation of the Housing Tax 2.0 policy have placed pressure on land transactions and investment momentum.

**Counter Measures:** Focus on enhancing the value of existing assets through interior, exterior, and facility upgrades to maintain competitiveness.

- **Economic Uncertainty:** Global economic volatility may dampen investor confidence.

**Counter Measures:** Strengthen lease management, actively attract high-quality tenants, and secure long-term lease agreements to mitigate short-term market fluctuations.

## 4. Hospitality Sector

The hospitality sector mainly has two product lines, hotel and healthcare, which are detailed separately as follows.

### Hotel

#### Sales Regions, Market Share, Future Supply and Demand, and Growth Prospects of Main Products

In 2025, Okinawa's tourism is expected to experience steady growth, with annual inbound visitor numbers projected to exceed 10 million, marking a historic high. This growth is primarily driven by the expansion of Naha Airport's immigration facilities, the opening of the JUNGLIA theme park, and strong domestic travel demand. The return of Taiwanese and South Korean tourists has been particularly notable, with flight recovery rates to Okinawa reaching 78% and 57%, respectively, making these markets key drivers of growth.

However, as market demand rises, competition in the luxury hotel segment has intensified, with travelers increasingly seeking high-quality services and added value. The market is gradually polarizing into high-end and budget segments, presenting an opportunity for luxury hotels to differentiate themselves by offering refined services and premium experiences. This strategic positioning will not only attract high-spending guests and enhance brand value and profitability but also mitigate competition from mid- to low-priced market segments.

Hotel Collective, with 260 guest rooms, accounts for 3.72% of Okinawa's total urban hotel supply and holds a significant position in Naha's luxury hotel market. In 2024, Hotel Collective achieved annual revenue of JPY 3.138 billion, maintaining an occupancy rate above 80%. Although its average daily rate (ADR) is slightly lower than that of Hyatt Regency Naha Okinawa, its revenue per available room (RevPAR) has surpassed key competitors. Moving forward, the hotel will continue to enhance service quality and product value, further strengthening its market position and advancing toward its goal of becoming a leading brand in the luxury hospitality sector.

#### Competitive Niche

- **Prime Location:** Ideally situated in the heart of Kokusai Street, offering a premium location that makes it the top choice for travelers.
- **State-of-the-Art Facilities:** The banquet hall is equipped with a large LED screen, providing industry-leading meeting and event spaces.
- **Spacious Design:** Guest rooms and bathrooms are twice the size of those in a typical Japanese urban hotel, ensuring a comfortable and expansive stay.
- **International Hospitality:** A multinational staff caters to the diverse needs of international travelers, enhancing the guest experience.
- **LEED Certification (Leadership in Energy and Environmental Design):** The hotel meets high sustainability standards in energy efficiency, water conservation, indoor air quality,

and material selection, effectively reducing operational costs while providing a healthier and more comfortable stay for guests.

### Favorable Factors for Industry Development

- **Increased Flight Capacity:** The opening of Naha Airport's second runway has expanded flight capacity, making travel more convenient for both domestic and international visitors.
- **Stable Growth in Domestic Tourism:** Okinawa's position as a top travel destination continues to strengthen amid steady growth in domestic tourism demand.
- **Rising Luxury Travel Market:** Consumers are increasingly seeking high-value experiences, driving demand in the premium travel segment.
- **Growing Focus on Sustainable Travel:** As environmental awareness rises, travelers are prioritizing sustainable tourism. Hotels with LEED certification, known for their energy efficiency and eco-friendly design, have become the preferred choice for responsible travelers, further enhancing market competitiveness and brand value.

### Unfavorable Factors for Industry Development and Countermeasures

- **Intensifying Competition in the Luxury Market:** The increasing number of entrants in the high-end hospitality sector has raised service standards, making continuous improvement essential.

**Counter Measures:** Enhance product value propositions and implement targeted marketing strategies aimed at high-end clientele, leveraging differentiation to attract the desired market segment. Additionally, strengthen employee training programs to elevate service quality, ensuring an exceptional guest experience and reinforcing competitive positioning.

- **Workforce Challenges:** High employee turnover and labor shortages pose operational difficulties.

**Counter Measures:** Leverage cross-border corporate resources to optimize talent sharing, improve recruitment efficiency, and implement internal training and retention programs to reduce staff turnover.

- **Rising Operating Costs:** Increasing energy and procurement expenses are putting pressure on profitability.

**Counter Measures:** Implement strict cost control measures and energy-saving initiatives to enhance operational efficiency and mitigate financial impact.

## Health Care Sector

### Sales Regions, Market Share, Future Supply and Demand, and Growth Prospects of Main Products

GemCare is dedicated to providing the most thoughtful care for mothers and newborns, serving as a strong support system for families as they enter a new life stage. While the

barrier to entry in the postpartum care market is relatively low, shifting consumer demands and priorities continue to reshape the competitive landscape.

In Taipei, the rising birth rate has significantly increased growth potential in the maternal and infant care market. Additionally, consumers' heightened focus on health and quality of life has fueled demand for premium postpartum care services, creating a strong niche advantage for GemCare Dunhua Center. Meanwhile, Taichung, with its dense population and diverse family structures, has shown growing awareness of healthy living. The Taichung City Government continues to introduce policies that support maternal and infant health, reinforcing its vision of building a "Willing to Give Birth, Confident to Raise" city. This policy environment provides a solid foundation for Jaho to establish a flagship postpartum care center in central Taiwan.

Although Taiwan's overall birth rate in 2024 did not see a significant increase despite the Year of the Dragon, GemCare's strong brand positioning, strategic market approach, and commitment to professional care enabled Dunhua Center to achieve a record-high RevPAR (Revenue per Available Room) and successfully turn post-tax earnings positive. Looking ahead to 2025, a "Little Dragon Year", the company aims to leverage policy support, enhance professional expertise, and deepen existing competitive advantages while identifying emerging market needs. By capitalizing on momentum from the Year of the Dragon, GemCare will continue its brand evolution and market expansion, hoping to achieve higher levels of growth and development.

### Competitive Niche

- **Brand Recognition:** With nearly nine years of dedication, Gem Care has successfully differentiated itself from other institutions, establishing strong brand awareness and market trust.
- **Endorsement from External Professionals:** The company has attracted like-minded experts who share its vision, working together to develop comprehensive postpartum care solutions.
- **Market Expansion:** Plans are underway to launch a Taichung center, further expanding brand influence and reinforcing its leadership in the postpartum care industry.
- "Rooted in warmth and compassion, driven by an unwavering commitment to professional excellence"—defines Gem Care's competitive edge and fuels its team's motivation.

### Favorable Factors for Industry Development

- **Declining Birth Rates Elevate the Importance of Maternal and Infant Healthcare,** while government policies provide a solid foundation for market expansion.
- **Shifting Market Demand** has strengthened consumer trust in the brand, allowing it to move beyond price-driven competition.
- **Brand Values Have Gained Recognition from Industry Professionals,** fostering business collaboration and expansion opportunities.

### Unfavorable Factors for Industry Development and Countermeasures

- **Challenges of Nursing Workforce Shortages:** The ongoing shortage of nursing professionals in Taiwan continues to pose challenges for industry operations and growth. With limited nursing staff, maintaining high consumer expectations, strong satisfaction rates, and premium pricing has become a key operational challenge that must be addressed.

#### Counter Measures:

- i. Collaborate with nursing schools to establish a talent pipeline while implementing comprehensive training programs to ensure continuous skill development and professional growth.
- ii. Leverage a multidisciplinary workforce by optimizing specialized roles, enhancing care service efficiency, and managing operational costs effectively.

## 4.2.2 Important Applications and Production Processes of Main Products

### 1. Important Applications of Main Products

#### 1. Cement Sector

The cement sold by the Company is all Portland cement Type I. This type of cement has a wide range of applications, including the construction of bridges, highways, drainage facilities, dams, levees, dock equipment, military facilities, as well as the construction of houses and buildings in civil engineering projects, and also surface finishing of structures.

#### 2. Warehousing and Storage Sector

The loading, unloading, and storage services facilitate the circulation of goods, allowing the physical products involved in transactions to be transferred through intermediate stations to reach the designated locations of purchasers.

#### 3. Real Estate Sector

The Company's real estate sector currently focuses primarily on leasing, offering products such as land or buildings for tenants to establish factories or offices.

#### 4. Hospitality Sector

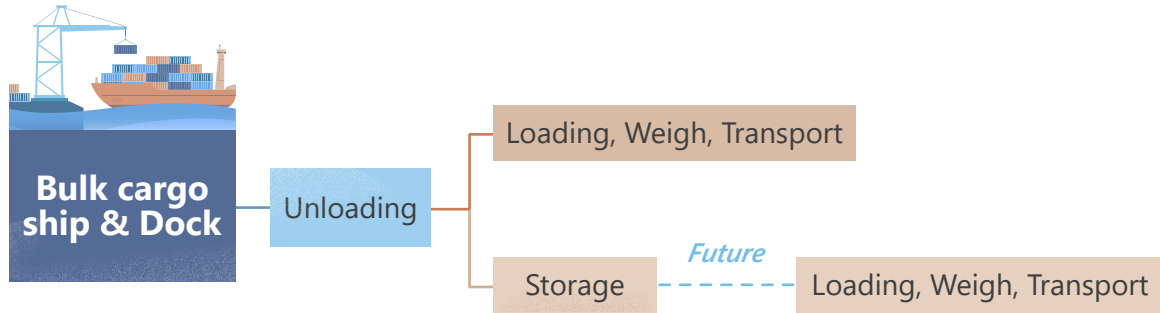
In the hospitality sector, the Company mainly operates guest rooms, dining facilities, and health care services, aiming to leave customers with wonderful and lasting memories after use.

### 2. Process of Main Product Production

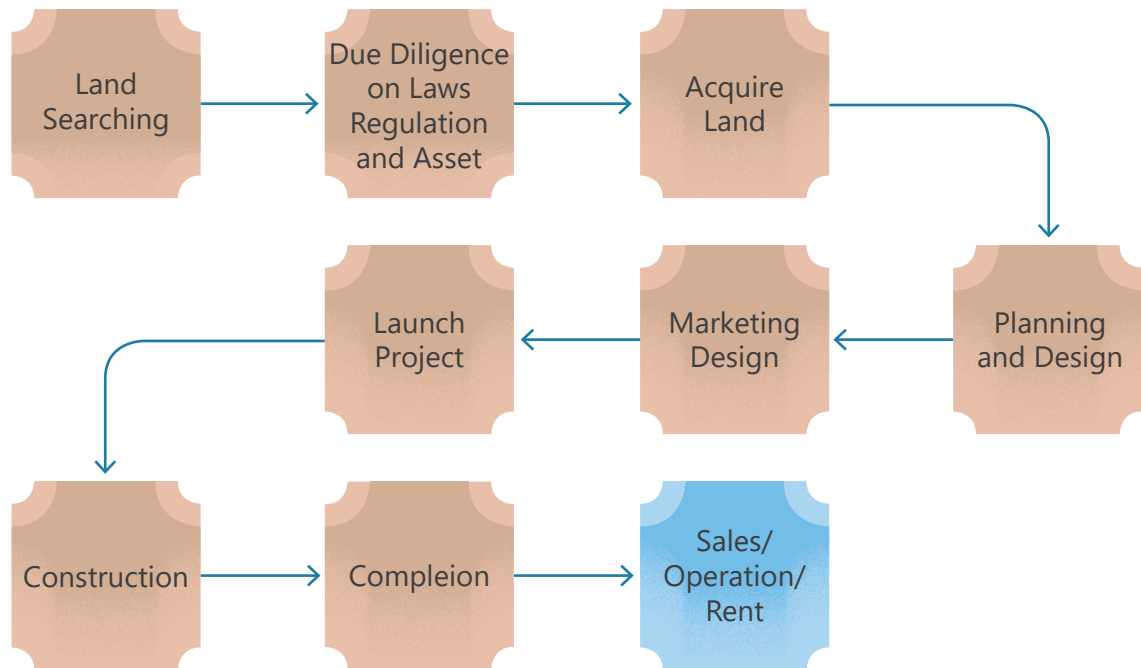
#### 1. Cement Sector

Our company operates as a distributor in Taiwan, mainly procuring cement domestically and internationally and transporting it by ship to large cement silos at Port of Keelung and Port of Taichung (with capacities of 38,000 metric tons and 45,000 metric tons, respectively). The cement is then sold to customers in bulk or bagged form.

## 2. Warehousing and Storage Sector

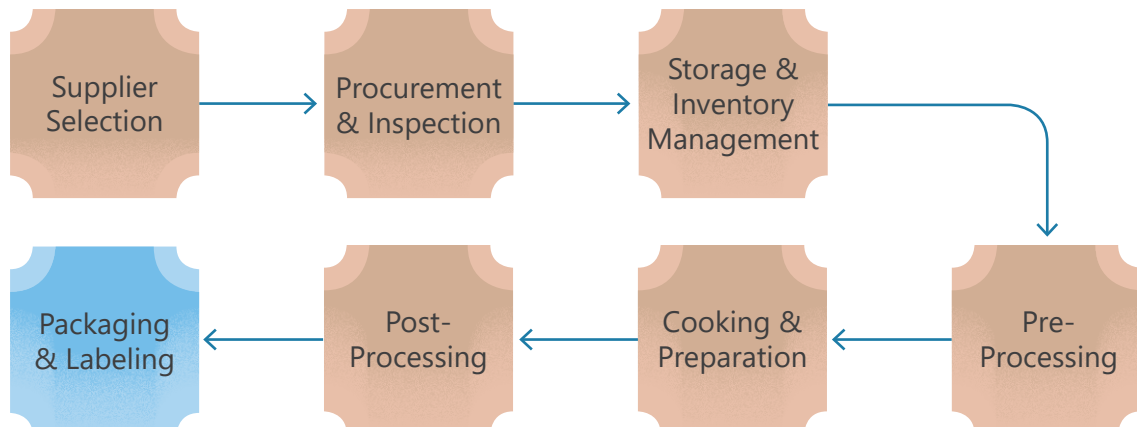


## 3. Real Estate Sector



## 4. Hospitality Sector

For accommodation, the Company accepts bookings from official websites, individuals, physical and online travel agencies, and corporate clients. After receiving bookings, the Company purchases related room amenities from suppliers to ensure that guests can enjoy a comfortable hotel experience. For the food production sector, process is as follows:



## 4.2.3 Supply of Key Raw Materials

### 1. Cement Sector

According to the statistics published by Taiwan Cement Manufacturers' Association in 2024, domestic cement production amounted to 9,876,231 metric tons, showing a 3.67% decline compared to the previous year. The total cement consumption for the year was 13,400,388 metric tons, marking a 2.96% increase. Supply and demand remain in a balanced state. The Company's main cement suppliers are Taiwan Cement Corporation and Asia Cement Corporation.

### 2. Warehousing and Storage Sector

Mainly focuses on the warehousing and storage services; therefore, there is no direct concern in raw material supply.

### 3. Real State Sector

The real estate and asset management sector primarily oversees assets such as the Taipei Chia Hsin Building, buildings on Bo'ai Road in Taipei, land in Zhonghe District, in New Taipei City, land in Mount Dagang in Kaohsiung; properties also include both old and new factories in Gangshan, and land on Kuojian Road in Kaohsiung. All managed assets are currently owned by the CHC Group.

### 4. Hospitality

- Accommodation:

Hotel Collective offers 260 guest rooms; GemCare Maternity Center offers 25 rooms.

- Food & Beverages (Central Kitchen):

Apart from regular upstream food suppliers, to advocate for organic produce and local revitalization efforts, the Company also sources organic food from Yong Lin Farm through GPing Wellness Corporation and engages in corporate procurement from small-scale farmers supported by corporate groups.

## 4.2.4 List of Major Suppliers and Customers in the Past Two Years

### 1. Major Suppliers in the Past Two Years

Unit: NTD thousands

Item	2024				2023			
	Company Name	Amount	As % of Total Net Purchase	Relation with the Company	Company Name	Amount	As % of Total Net Purchase	Relation with the Company
1	Taiwan Cement Corp.	573,750	44%	The Company is a Director of Taiwan Cement Corp.	Taiwan Cement Corp.	583,700	49%	The Company is a Director of Taiwan Cement Corp.
2	Asia Cement Corp.	583,550	45%	None	Asia Cement Corp.	501,600	42%	None



Item	2024				2023			
	Company Name	Amount	As % of Total Net Purchase	Relation with the Company	Company Name	Amount	As % of Total Net Purchase	Relation with the Company
3	Others	136,492	11%		Others	117,353	9%	
	Total Net Purchase	1,293,792	100%		Total Net Purchase	1,202,653	100%	

Note 1: List the names of suppliers whose total purchases in the past two years account for more than 10%, along with their purchase amounts and proportions. However, if contracts prohibit the disclosure of supplier names or if the trading partner is an individual and not a related party, then they may be represented by a code.

## 2. Major Customers in the Past Two Years

Unit NTD thousands

Item	2024				2023			
	Company Name	Amount	As % of Total Net Revenue	Relation with the Company	Company Name	Amount	As % of Total Net Revenue	Relation with the Company
1	Lian Hsin Construction Material LTD.	368,367	12%	None	Lian Hsin Construction Material LTD.	327,847	11%	None
2	Others	2,616,990	88%		Others	2,583,736	89%	None
	Total Net Revenue	2,985,357	100%		Total Net Revenue	2,911,583	100%	

Note 1: List the names of customers whose total revenue in the past two years account for more than 10%, along with their revenue amounts and proportions. However, if contracts prohibit the disclosure of customer names or if the trading partner is an individual and not a related party, then they may be represented by a code.

## 4.3 Profile of Employees in the Past Two Years and up to the Publication Date of this Annual Report

### 1. The Company

Year		2023	2024	Current Fiscal Year and up until 12/31/2024
Number of Employees	Regular Employees	88	85	85
	Contracted Employees	0	0	0
	Total	88	85	85
Average age		45.8	44.55	44.55
Average Length of Service (Years)		11.70	10.58	10.58
Education Distribution Ratio (%)	Ph.D.	0.00	0.00	0.00
	Masters	25.00	24.71	24.71
	Bachelor's Degree	68.18	69.41	69.41
	Senior High School	6.82	5.88	5.88
	Below Senior High School	0.00	0.00	0.00

## 2. All Companies included in the Consolidated Financial Statements

Year		2023	2024	Current Fiscal Year and up until 12/31/2024
Number of Employees	Regular Employees	398	395	395
	Contracted Employees	22	29	29
	Total	420	424	424
Average age		43.77	43.10	43.10
Average Length of Service (Years)		6.82	6.53	6.53
Education Distribution Ratio (%)	Ph.D.	0.00	0.00	0.00
	Masters	10.32	10.38	10.38
	Bachelor's Degree	66.51	65.33	65.33
	Senior High School	15.45	18.87	18.87
	Below Senior High School	7.72	5.42	5.42

## 4.4 Environmental Protection Expenditures

1. Losses or penalties caused by environmental pollution in the past year and up to the publication date of this annual report: None.

### 2. Specific Measures:

Considering the emphasis on environmental protection, each company within the corporate group will continue to invest in or improve pollution control equipment and energy saving technologies. Specific measures taken in the past two years are as follows:

Unit: NTD thousands

Company/Unit	2024	2023	Remarks
Chia Hsin Cement Corporation	-	760	In response to climate change and global warming, the corporate group has implemented concrete measures to promote environmental sustainability, energy conservation, carbon reduction, and water saving. Particularly, five atmospheric Water-GENNY water generator have been purchased and installed across various locations. Note: The Watergen-GENNY atmospheric water generator has received certification including the American ASSE LEC-2004 certification, NSF 61/42/53 certifications, and compliance with US federal drinking water standards. The device has also passed 78 inspections under Taiwan SGS standards. Under conditions of 70% humidity and 24 degrees Celsius, it can produce up to 18.8 liters of weak alkaline drinking water with a pH of 7.8-8.0 per day. The energy consumption is 350 watts per liter of drinking water (approximately 1 kWh). Such innovation has established itself as an advanced and environmentally friendly drinking water solution widely used in over 80 different countries worldwide.
Tong Yang Chia Hsin Int'l Corp	513	337	The Port of Taichung storage and logistics center has replaced its import system with high-efficiency motors, replaced export system with capacitors and pneumatic refrigerated dryers, and installed conventional air conditioners with water-cooled and variable-frequency air conditioners to enhance energy efficiency. Furthermore, the upgraded of dust collection bags resulting in a significant reduction in dust pollution. At the plant at Port of Keelung, the disposal of waste cement dry powder hoses coming from self-unloading ships has been recycled and replaced with dust collection bags, which significantly reduces dust pollution.

Company/Unit	2024	2023	Remarks
Chia Pei Int'l Corp.	4,892	2,223	Taipei Port First Bulk Cargo Center has replaced the lighting fixtures in different zones of the factory with LED lights, upgraded compressed air equipment to energy-efficient models, and improved its sprinkler facilities to comply with regulatory standards and reduce dust pollution.
Chia Hsin Property Management & Development Corp.	2,200	4,950	Considering equipment lifespan and the benefits of energy conservation and carbon reduction, all six elevators at the front and rear buildings of the Chia Hsin Building were replaced and upgraded; the total project cost amounted to NT\$17.22 million.

### 3. Significant Environmental Capital Expenditures for the Next Three Years:

- To accommodate the development of the resort hotel in Toyosaki, Okinawa, the Company will adopt high-standard specifications, focusing on energy efficiency, water conservation, and electricity savings. Significant funds are expected to be invested in environmental protection measures over the next few years. The overall cost estimate will be determined once the final construction design is confirmed.
- The energy efficiency subsidy project for the Chia Hsin Building is expected to save 300,000 kWh annually, with an estimated total cost of 14.5 million.
- The replacement project of main iced-water machine at the second building is expected to save 100,000 kWh per year, with an estimated total cost of 4.5 million.
- To meet LEED Green Building and WELL Building standards, the headquarters of the Chia Hsin Building is implementing an interior renovation project, with an estimated cost of 60 million.
- A solar system is planned for construction in Gangshan, Kaohsiung, with an estimated total cost of 60 million.
- Future upgrades to the exterior windows of the Chia Hsin Building will replace the current double-pane clear windows with single-pane Low-E laminated windows. This material of glass offers high light transmission, strong thermal insulation, and low emissivity. Allowing natural light to enter while keeping heat out and expecting to improve energy efficiency, indoor comfort, and natural lighting, with an estimated cost of 60 million.

### 4. Implementation of the Restriction of Hazardous Substances Directive (RoHS) by the European Union and Avoidance Measures taken to Protect Investor Rights:

This directive does not apply to the financial operations of the Company.

## 4.5 Labor Relations

### Major Labor-Management Negotiations and Implementation Status

#### 1. Labor-Management Meetings

Labor-management meetings are conducted periodically, major functions are as follows:

- (1) Negotiate the relationship between labor and management and encourage collaboration.
- (2) Communicate about working conditions.
- (3) Plan employee welfare.
- (4) Improve work efficiency.

In each meeting, both parties are able to put in their best efforts to communicate and reach a consensus for an outstanding outcome.

#### 2. Employee Welfare Committee Meeting

Employee Welfare Committee meetings are conducted periodically, its missions are as follows:

- (1) Review, promote, and supervise matters regarding employee welfare.
- (2) Planning, safeguarding, and utilization of employee welfare funds.
- (3) Allocation, auditing, and reporting of income and expenditure in regard for the employee welfare committee.
- (4) Other related employee welfare matters.

#### 3. Supervisory Committee for Employee Retirement Preparation Fund

The Supervisory Committee for Employee Retirement Preparation Fund holds periodic meetings to fulfill the following missions:

- (1) Review the allocation of the retirement preparation fund.
- (2) Examine the amount of retirement preparation fund allocations.
- (3) Examine matters regarding collections and deposits of the retirement preparation fund.
- (4) Examine payment made to or from the retirement preparation fund.
- (5) Supervise other retirement preparation fund related matters.

#### 4. Implementation of Employee Welfare and Retirement Preparation Program

In addition to the statutory retirement pension system, labor insurance, and health insurance, the Company also offers group insurance for employees. Furthermore, the Company conducts annual health checks for employees, which exceed legal requirements, and provides free flu vaccines. Special health check-ups are also offered to employees working at the ports operated by Chia-Pei International Corporation and Tong Yang Chia Hsin International Corporation. Meanwhile, the Employee Welfare Committee provides various benefits including holiday, birthday, and elder care gifts, marriage and funeral subsidies, hospitalization condolences, retirement benefits, employee and children scholarships, employee and spouse childbirth gifts,

and subsidies for childcare expenses. Additionally, flexible working hours, no clock-in required for make-up days, birthday leave, new employee leave, volunteer leave, paid family care leave and sick leave are implemented. The Company also provides additional leave for prenatal check-ups, spousal prenatal check-up leave, paternity leave, bereavement leave, and remote work days, all of which exceed legal requirements. Employees are also allowed flexible early leave on the afternoon of the workday prior to five major holidays. The Company organizes various employee welfare activities periodically to promote the important balance between work and life. In February 2024, the Company launched an employee stock ownership trust program. Through a trust account, employees may contribute a fixed amount from their monthly salary, which is matched 100% by the Company. This initiative encourages employees to share in the Company's operational success and facilitates long-term savings for retirement preparation.

## 5. Implementation of Employee Training

The Company regularly promotes a departmental talent development plan in the fourth quarter of each year, which encompasses talent standards establishment, talent analysis, and talent cultivation. Each department evaluates whether the competencies of its personnel align with short-, medium-, and long-term goals. Based on key tasks and project needs, training plans are developed, including:

- Arranging internal and external training courses.
- Assigning departmental partners to provide dedicated job coaching.
- Rotating employees to different positions within the department to enhance diverse experiences and skillsets.

Additionally, the Company has regular training programs, including:

- Onboarding training for new employees: To help new hires quickly integrate into the organization and grasp key aspects of their roles.
- Mandatory courses for all employees: To strengthen core skills and foundational knowledge.
- Management training: To develop leadership and management abilities in support of organizational growth.

Based on annual employee training needs surveys, the Company organizes office skills training series and project-related courses to meet diverse requirements. Furthermore, professional development courses designed for directors and supervisors are also open for employees to enroll in, encouraging collective growth and cross-functional learning, fostering a learning-oriented organization.

## **Competency Model Promotion and Core Competency Development**

Following the establishment of the competency model in 2023, the Company has actively promoted the implementation and application of core competencies in 2024. The competency model encompasses core competencies, professional competencies, and management competencies, and has been integrated into recruitment processes and performance evaluation systems to enhance employees' work performance and personal development potential.

The Company has prioritized the promotion of six core competencies:

Integrity and Honesty, Proactiveness, Responsibility, Adaptability, Innovation, and Teamwork. Various promotional efforts have been made, and corresponding training actions have been implemented as follows:

### **Integrity and Honesty**

To reinforce the value of integrity, the Company invited Attorney Rebecca Chang from AnZon Attorneys at Law to deliver a special lecture titled "Integrity in Business under ESG." This lecture was targeted at all employees in Taiwan and had a total of 235 participants. The two-hour mandatory session achieved a 100% attendance rate, effectively strengthening employees' understanding and practice of ethical business conduct.

### **Innovation**

For promoting innovation, the Company utilized an online learning platform to assign relevant courses to employees, aiming to cultivate innovative thinking and problem-solving abilities. In 2024, 65 employees completed the designated courses, achieving a 70% completion rate among required participants, demonstrating positive learning outcomes.

Additionally, an in-person course titled "AI-Led Industrial Transformation and Corporate Innovation" was conducted with 56 mandatory and elective participants, achieving a 100% attendance rate.

Through the establishment and application of the competency model, the Company has refined its human resource management practices, laying a solid foundation for employees' professional growth and the sustainable development of the organization.

### **Diverse Workplace Culture and Resilience Enhancement Plan**

To improve employees' workplace adaptability, interpersonal communication skills, and health awareness, while fostering a multigenerational and diverse workplace culture, the Company has strengthened conflict resolution and care capabilities. These efforts effectively enhance team collaboration efficiency and reduce work disruptions caused by interpersonal or health-related issues.

A series of Employee Assistance Program (EAP) training sessions were conducted, comprising five courses totaling 15 hours, with 86 participants and a 91% attendance rate for elective sessions. This training enhanced communication and collaboration skills among employees from different generations and backgrounds, improving teamwork and project efficiency. By strengthening health awareness and crisis management capabilities, employees' sense of belonging and loyalty to the Company increased. These initiatives also facilitated knowledge transfer and innovation, creating a harmonious and highly efficient diverse workplace culture.

**6. Losses Resulted from Labor Dispute up to the Publication date of this Annual Report:** None.

## 4.6 Information Security Management

### 1. Information Security Risk Management Framework

The Company has established the Information Security Management Committee as the highest authority for overseeing information security. Chaired by the President, the committee is responsible for strategic decision-making, reviewing, and resolving critical information security matters. To ensure effective execution, an Information Security Officer, reporting to the President’s Office, provides dedicated support to the committee's activities and initiatives.

The IT Division acts as the operational unit for implementing information security measures. In alignment with the Company’s information security policies and guidelines, it establishes and maintains robust measures to effectively prevent and mitigate information security risks.

The Audit Office serves as the supervisory unit for information security. It conducts regular audits, and if any deficiencies are identified, the audited unit is required to promptly submit improvement plans to the Board of Directors. The Audit Office also monitors the progress of these improvements to reduce internal information security risks.

Additionally, certified public accountants (CPAs) perform annual audits of the Company’s information operations. Any deficiencies identified are addressed through corrective measures, with follow-ups to ensure proper implementation.

Recognizing the critical importance of information security, responsible units provide regular updates to the Board of Directors on the Company’s information security governance and implementation status. The most recent report was presented on December 12, 2024.

### 2. Information Security Policy

The Company administers the following measures to prevent risk and strengthen the management of information security, ensures the availability, integrity, and confidentiality of information, and avoids any intentional or accidental threats internally and externally. The goals of security management are as follows:

- (1) Maintain the continuous operation of various information systems
- (2) Prevent cyber-attacks from hackers and various viruses
- (3) Prevent improper and illegal use of systems
- (4) Prevent the leakage of confidential and sensitive information
- (5) Avoid human error and accident
- (6) Maintain physical environment security

Information security management includes the following:

(1) Computer equipment security management	(4) System access control
(2) Network security management	(5) Operation sustainability
(3) Endpoint protection and management prevention	(6) Promotion and educational training



### 3. Management Plan

#### (1) Computer equipment security management

1. All computers, application servers, and other equipment of the Company are located in dedicated machine rooms with access control limited to key cards and access records retained for inspection.
2. The machine rooms are equipped with independent air conditioning systems to maintain suitable temperature conditions for the operation of computer equipment. Additionally, chemical fire extinguishers are installed, suitable for use in general or electrical fires.
3. The mainframes in the machine rooms are equipped with uninterrupted power supply (UPS) and voltage stabilization devices. They are connected to the Company building's backup generator power supply system to prevent system crashes caused by sudden power outages from the utility provider, or to ensure the continuous operation of computer applications during temporary power outages.
4. The usage status of computer equipment are evaluated based on actual needs and operational performance. Equipment that does not meet usage requirements or has insufficient performance will be budgeted for replacement based on actual conditions to ensure work efficiency and operational stability.

#### (2) Network security management

1. Strengthen network control by deploying enterprise-grade firewalls at the entry points connecting to external networks, effectively blocking illegal intrusion attempts by hackers.
2. Install data encryption for site-to-site connections between the Taichung and Keelung storage and transportation stations and the Taipei headquarters, to ensure data transmission security and prevent unauthorized access during the process.
3. Require employees accessing the Company's internal network remotely to apply for VPN accounts. Access to the ERP system is granted only after passing through VPN certificate control and username-password authentication, with usage records available for auditing purposes.
4. Implement internet behavior management and filtering devices to regulate access to the internet, while blocking access to harmful or policy-prohibited websites and content, to enhance network security and prevent improper utilization of bandwidth resources.
5. Conduct regular external network risk assessments using external network risk assessment tools to evaluate the Company's external network services and weaknesses identified are promptly reinforced to mitigate risks.
6. Conduct social engineering drills annually, coupled with educational training, to enhance employee awareness of cybersecurity threats.

#### (3) Endpoint protection and management prevention

1. Install endpoint protection software systems both in the server and the terminal computers for anti-virus and anti-hacking protection. The virus pattern is automatically updated to ensure that the latest virus can be blocked, and at the same time, detect and prevent the

installation of potentially executable files from threatening systems.

2. The anti-virus system will not only isolate or delete the detected or intercepted virus immediately, but will also proactively issue a risk report on the computer that is exposed so that managers can take corresponding actions.

#### **(4) System access control**

1. Employees requesting access to various application systems should do so through the Company's internal system permission application process. Upon approval by the relevant authorities, the IT Division creates system accounts, and system administrators then authorize access based on the requested functional permissions.
2. Passwords for accounts are required to meet appropriate strength and length criteria, including a mixture of alphabets, numbers, and special symbols, to ensure security.
3. When employees leave or resign, they are required to notify the IT Division to proceed with the deletion of their accounts from various systems as part of the departure procedures.

#### **(5) Operation sustainability**

1. System backup: Establish a cloud backup system with daily backup mechanisms. In addition to uploading one copy to the international cloud, another copy is stored in the computer room and a bank vault to ensure absolute security.
2. Disaster recovery drills: Conduct an annual drill for core systems . After selecting a restoration date baseline, the backup media is restored to the main system, and then have all users confirm the correctness of the recovered data in writing to ensure the accuracy and effectiveness of the backup media.
3. Two data lines are rented from a telecommunications company. Through bandwidth management equipment, the two lines are connected in parallel for redundant use to ensure uninterrupted network communication.

#### **(6) Promotion and educational training**

1. Regular advocacy: Require employees to periodically change their system passwords to maintain account security.
2. Seminar Advocacy: Conduct periodic information security-related education and training courses for all internal employees.
3. Join the Taiwan Computer Emergency Response Team Coordination Center (TWCERT/CC) as a member to obtain channels for cybersecurity incident consultation and collect cybersecurity intelligence for internal advocacy.
4. Provide additional education and training for employees to enhance cybersecurity awareness based on the results of social engineering drills.

### **4. Information Security Management Resources**

In order to implement the six major information security policies, resources invested are as follows:

- (1) Network hardware devices including firewall, email antivirus, spam filtering, online behavior analysis, managed hub, etc.

- (2) Software systems including endpoint protection systems, backup management software, VPN authentication, and encryption software, etc.
- (3) Telecommunication services such as multiple lines, cloud backup services, intrusion protection services, etc.
- (4) Human resources allocation including daily system status checks and backups, weekly backup media offsite storage execution, at least two cybersecurity awareness education courses held every year, annual system disaster recovery execution drills, annual internal audits of information circulation, and audits by CPAs, etc.
- (5) Information security management personnel: 1 chief information security management officer and 1 information security management dedicated personnel, both responsible for cybersecurity architecture design, cybersecurity operations and supervision, cybersecurity incident response and investigation, cybersecurity policy review and revision. The dedicated chief officer reports to the Board of Directors at least once a year.
- (6) System Upgrade and Data Center Migration: The company upgraded its ERP system to SAP, which features built-in multi-layer security mechanisms, meeting the demands of a faster and more secure modern system. Simultaneously, the company's data center was migrated to an IDC facility, ensuring compliance with data center standards.

## **5. Losses for Major Information Security Management Incidents in the Recent Fiscal Year and Countermeasures.**

From the fiscal year of 2024 and as of the publication date of the annual report, there have been no significant information security management incidents.

## **6. Information Security Drills**

The Company conducts social engineering drills annually to enhance employee awareness of information security. The most recent drill was conducted on November 13, 2024 and employees who did not pass received relevant prevention training.

## 4.7 Material Contracts

### ▼ Important Material Contracts

Nature of Contract	Counterparty	Period	Major Contents	Restrictions
Lease Agreement	Chia Hsin Cement Corporation / Port of Keelung, Taiwan International Ports Corporation	07/07/2024 - 07/06/2034	The Company leased the back land area of Wharf W33 and related cement silo facilities from TIPC Port of Keelung, for the purpose of conducting cement loading, unloading, storage, transshipment, and distribution operations at the Port of Keelung. A lease and operation agreement was signed between both parties accordingly.	
Lease Agreement (Note 1)	Chia Hsin Cement Corporation / TIPC Port of Keelung	35 years and 5 months starting from 12/10/2009	The Company leased wharfs (E13, E14 and E15) at Taipei Port's Bulk & General Cargo Terminal 1 and agreed to construct wharf E16, and joint-venture constructed warehouse facilities, offices, and storage equipment at the back side of the Center. The facilities and equipment are used for loading and unloading, storage and transportation of coal, gravel, and bulk and general cargo.	
Storage & Transport Agreement	Chia Hsin Cement Corporation / CHC Resources Corporation	10/25/2010 - 05/10/2045	The Company built warehouse facilities at the backside of wharfs (E14, E15 and E16) at Taipei Port's Bulk & General Cargo Terminal 1. Main scope of work included handling and storage services for furnace slag powder from CHC Resources Corporation or other types of finished furnace slag powder. Management of the storage facilities is entrusted to CHC Resources Corporation during the term of the contract, as they will be responsible for matters related to occupational safety, environmental protection, site utilization, facility operation and maintenance, as well as insurance.	
Lease Agreement	Tong Yang Chia Hsin Int'l Corp. / Port of Taichung, Taiwan International Ports Corp., Ltd.	01/01/2025 - 12/31/2034	Rented Port of Taichung No. 27 Wharf 1st line land, cement silo, and auxiliary facilities	
Engineering Contract Agreement	Tong Yang Chia Hsin Int'l Corp. / Taiwan Jiuyueng Engineering Corporation	contract signed on 05/27/2024 - completion date	The installation project of low-carbon cement loading and dispatch equipment at the rear cement storage facility of W33 at the port of Keelung.	
Lease Agreement	Chia Hsin Property Management & Development Corp. / National Taiwan University	05/16/2014 - 01/15/2025	Long term rental of Japanese-style housing and attached buildings on Hangzhou South Road, Taipei City from National Taiwan University	
Lease Agreement	Chia Hsin Property Management & Development Corp. / GPing Wellness	08/16/2015 - 01/15/2025	Long term rental of Japanese-style housing and attached buildings on Hangzhou South Road, Taipei City.	
Lease Agreement	Chia Hsin Property Management & Development Corp. / POYA Int'l Co., Ltd.	12/01/2015 - 11/30/2035	Rental of two lots of land at Watsu Section, Gangshan District, Kaohsiung City (No. 2197-4 and No. 2205), totaling 8,413 ping.	

Nature of Contract	Counterparty	Period	Major Contents	Restrictions
Lease Agreement	Chia Hsin Property Management & Development Corp. / Family Mart	01/01/2016 - 12/31/2035/	Rental of six lots of land (No. 2197) at Watsu Section, Gangshan District, Kaohsiung City, totaling 15,130.37 ping.	
Lease Agreement	Chia Hsin Property Management & Development Corp. / Family Mart	01/01/2017 - 12/31/2035	Increase rental of land No. 2197-3, 965.88 ping at Watsu Section, Gangshan District, Kaohsiung City	
Lease Agreement	Chia Hsin Property Management & Development Corp. / Woey Her Enterprise Co., Ltd.	03/15/2019 - 05/31/2043	Rental of five lots of land (No. 1164) at Chia Hsin Section, Gangshan District, Kaohsiung, totaling 12,764 ping	
Lease Agreement	Chia Hsin Property Management & Development Corporation / Woey Her Enterprise Co., Ltd.	06/01/2023 - 05/31/2043	Rental of one lot of land (No. 1169) at Chia Hsin Section, Gangshan District, Kaohsiung, totaling 3,548.35 ping.	
Lease Agreement	Chia Hsin Property Management & Development Corp. / Hon Yuan Moto Corp.	01/01/2021 - 03/31/2033	Rental of land and building, totaling 905.35 and 384.62 ping respectively, at No. 349, Zhongshan Rd., Sec. 2, Chunghe District, New Taipei City	
Lease Agreement	Chia Hsin Property Management & Development Corp. / Eagle Cold Storage Enterprise Co., Ltd.	02/01/2023 - 01/31/2043	Rental of two lots of land No. 1163 Chia Hsin Section and No.1001 Wujiawei Section, Gangshan District, Kaohsiung City, totaling 4,109.17 ping	
Lease Agreement	Chia Hsin Property Management & Development Corp. / Chuang Neng Technology Co., Ltd	01/01/2024 - 12/31/2040	Rental of partial land of No.1148 Chia Hsin Section, Gangshan District, Kaohsiung City, totaling 2,500 ping. The contract termination agreement was signed on 08/31/2024.	
Urban Renewal Cooperation Agreement	Chia Hsin Property Management & Development Corp. / Huang Hsiang Construction Corporation	contract signed on 03/24/2022	Urban renewal of 3 lots of land, property above ground, and superficies on No. 539 Chengzhong Section 2nd, Zhongzhen District, Taipei	
Technical Service Commission Contract	Chia Hsin Property Management & Development Corp. / Urbanet Counseling Group	from 04/20/2021 until receiving approval from Kaohsiung City	Technical services for land change in Dagangshan section, Tianliao District, Kaohsiung City.	
Engineering Contract Agreement	Chia Hsin Property Management & Development Corp./ Taiwan Mitsubishi Elevator Co., Ltd.	contract signed on 01/17/2023 - completion date	Replacement (demolition and renewal) of six elevators in Chia Hsin Building.	

Nature of Contract	Counterparty	Period	Major Contents	Restrictions
Engineering Contract Agreement	Chia Hsin Property Management & Development Corp. / LJ Construction, Corp.	contract signed on 06/05/2023 - completion date	New construction project for commercial shops, dormitories, and offices in Gangshan, Kaohsiung City.	
Joint Development and Sale Agreement	Chia Hsin Property Management & Development Corp. / YueBao Industrial Co., Ltd.	contract signed on 08/12/2024	Joint development and sale of 20 lots of lands at Shuixian section, Tamsui Dist, New Taipei City, totaling 1,514.95 ping.	
Energy Technology Services Agreement	Chia Hsin Property Management & Development Corp. / Foxwell Power Co. Ltd.	07/01/2024 - approval by the Ministry of Economic Affairs Industrial Development Administration.	Both of Chia Hsin Buildings applied for technical consulting services under the 2024 Industry Energy Efficiency Subsidy Program by the Ministry of Economic Affairs.	
Loading, Unloading, Storage And Transport Agreement	Chia Pei Int'l Corp. / Nan Ya Plastic, Hua Ya Power	08/01/2010 - 07/31/2026	Provision of unloading, warehousing, and truck loading services for coal at Taipei Port's Bulk & General Cargo Terminal 1.	
Lease Agreement	aho Life Plus+ Management Lease Corp./ Mercuries Life Insurance	05/01/2025 - 04/30/2040	Property Lease Agreement.	
Architectural Design And Supervision Services Commission Contract	CHC Ryukyu Development GK/ Kengo Kuma & Associates	contract signed on 05/28/2018	Architectural planning, design, and supervision for land development in Toyosaki, Japan. (The direction of the design changes is still being finalized.)	
Management Agreement	CHC Ryukyu Development GK/ IHG Japan (Management) LLC	contract signed on 08/17/2019	Project management of the hotel in Toyosaki, Japan. (The hotel development model is still under evaluation)	
Lease Agreement	Jiapeng GemCare Maternity (Yangzhou) Co., Ltd./ Yangzhou Tianlegang Holiday Concourse	12/01/2018 - 02/28/2034	Lease of property in Yangzhou City, China.	
General Contracting Agreement	Chia Hsin Green Electricity Co., Ltd. / Go Achieve Technology Co., Ltd.	contract signed on 12/25/2023 - completion date	General contracting project for the photovoltaic power generation system at the old Chia Hsin Gangshan plant factory.	

Note 1: In compliance with Article 9 of the Establishment Act of Taiwan International Ports Corporation, Ltd., Taiwan International Ports Corporation, Ltd. shall succeed the contracts made between TIPC Port of Keelung and the Company, as of March 1, 2012.

## 5 ► Review and Analysis of Financial Status, Financial Performance, and Risk Management

### 5.1 Financial Status

Unit: NTD thousands

Item \ Year	2024	2023	Difference	
			Amount	%
Current Assets	9,848,540	10,549,056	(700,516)	(7)
Property, Plant and Equipment	3,828,076	4,250,010	(421,934)	(10)
Other Assets	21,401,464	21,665,268	(263,804)	(1)
Total Assets	35,078,080	36,464,334	(1,386,254)	(4)
Current Liabilities	2,925,659	3,301,743	(376,084)	(11)
Non-current Liabilities	10,562,664	10,744,033	(181,369)	(2)
Total Liabilities	13,488,323	14,045,776	(557,453)	(4)
Share Capital	7,902,474	7,902,474	-	-
Capital Surplus	1,388,434	1,318,181	70,253	5
Retained Earnings	10,190,860	10,258,578	(67,718)	(1)
Other Equity	2,455,605	3,280,168	(824,563)	(25)
Treasury Shares	(1,055,710)	(1,077,950)	22,240	(2)
Total Equity Attributable to Owners of the Company	20,881,663	21,681,451	(799,788)	(4)
Non-controlling Interests	708,094	737,107	(29,013)	(4)
Total Equity	21,589,757	22,418,558	(828,801)	(4)

Analysis of difference ratio reaching 20% or more:

- **Decrease of Other Equity:** Mainly due to decrease in fair value assessment gains (losses) of financial assets measured at fair value through other comprehensive income (FVOCI).

**Future Response Plan:** Non-operating financial asset investments are primarily strategic, and the company will continue to track their stock prices and dividend impact.

### 5.2 Financial Performance

Unit: NTD Thousands

Item \ Year	2024	2023	Amount Increased (Decreased)	Difference %
Operating Revenue	2,985,357	2,911,583	73,774	3
Operating Cost	2,550,390	2,545,152	5,238	0
Gross Profit	434,967	366,431	68,536	19
Operating Expenses	586,916	513,955	72,961	14
Profit (Loss) from Operations	(151,949)	(147,524)	(4,425)	3
Non-Operating Income and Expenses	537,733	230,291	307,442	134



Item \ Year	2024	2023	Amount Increased (Decreased)	Difference %
Profit (Loss) Before Income Tax from Continuing Operations	385,784	82,767	303,017	366
Income Tax Profit (Expense)	(48,373)	13,271	(61,644)	(465)
Net Profit (Loss) for the Year	337,411	96,038	241,373	251

Analysis of difference ratio reaching 20% or more:

- 1. Increase in non-operating Income and Expense:** Profit (Loss) Before Income Tax from Continuing Operations and Net Profit (Loss) for the Year: Mainly due to an increase in dividend income and foreign exchange gains.
  - 2. Decrease in Income Tax Profit (Expense):** Mainly due to decrease in deferred income tax benefits resulting from unrealized exchange gains and losses.
- Future Response Plan:** Non-operating financial asset investments are primarily strategic. The company will continue to monitor their stock prices and dividend impact on the company.

## 5.3 Cash Flow

### 1. Analysis of Cash Flow Changes in the Past Fiscal Year

Unit: NTD Thousands

Beginning Cash and Cash Equivalents	Annual Net Cash Flow from Operating Activities	Annual Net Cash Flow from Investing and Financing Activities	Cash Surplus (Insufficiency)	Remedial Measures for Cash Insufficiency	
				Investment Plans	Financing Plans
2,054,339	410,787	(151,923)	2,313,203	-	-

- Analysis of change in cash flow in the current fiscal year:
  - (1) Operating activities: Mainly due to disposal of funds.
  - (2) Investing and financial activities: Primarily due to the payment of cash dividends.
- Remedy for cash insufficiency: Not applicable.

### 2. Analysis of Cash Flow Changes in the Past Two Fiscal Years

Item \ Year	2024	2023	Deviance (%)
Cash Flow Ratio (%)	14.04%	0.00%	100
Cash Flow Adequacy Ratio (%)	16.62%	5.94%	180
Cash Reinvestment Ratio (%)	0.17%	0.00%	100

Deviance explanation:

The increases in the Cash Flow Ratio, Cash Flow Adequacy Ratio, and Cash Reinvestment Ratio were primarily due to the net cash inflows from operating activities.

### 3. Analysis of Cash Liquidity in the Coming Year

Unit: NTD Thousands

Beginning Cash and Cash Equivalent	Estimated Net Cash Flows from Operating Activities	Estimated Cash Flows from Investing and Financing Activities	Cash Surplus (Insufficiency)	Remedial Measures for Cash Insufficiency	
				Investment plans	Financing plans
2,313,203	157,210	(451,780)	2,018,633	-	-

Analysis of Cash Liquidity in the Coming Year:

According to the internal 2025 budget, it is anticipated that the operations will remain stable for the upcoming year, with no insufficient fundings expected.

## 5.4 Major Capital Expenditures and Impact on Financial and Business in Recent Fiscal Year

1. The construction cost for the Gangshan commercial space and dormitory amounts to approximately NT\$32 million, primarily driven by tenant requirements. This investment is expected to enhance occupancy rates and rental income.
2. The capital expenditure for infrastructure at the Toyosaki project in Okinawa, Japan, is approximately JPY 350 million. This investment is mainly for the foundational infrastructure of the Toyosaki Hotel in Okinawa, which is anticipated to generate additional operational revenue once the hotel commences operations.

## 5.5 Investment Policy, Primary Causes of Profit or Losses, Improvement and Investment Plans for the Upcoming Year

Reinvestments are carried out by the Company's management based on operational or strategic objectives. Professional information is provided by relevant units, consolidated, and reported to responsible executives along with evaluation recommendations. Once an investment proposal is formulated, a comprehensive assessment is conducted on the past and future prospects, market conditions, and operational stability of the target company. This assessment serves as the foundation for management's investment decisions.

In 2024, LDC Rome Hotels S.R.L. achieved a net profit of NT\$48 million, representing an increase of NT\$14 million compared to the previous year. This growth was primarily driven by a rise in average room revenue, coupled with a decline in hotel energy-related operating costs due to falling natural gas and oil prices. Meanwhile, LDC Hotels & Resorts recorded an after-tax net profit of NT\$266 million in the same fiscal year, with both hospitality and catering businesses delivering strong results. In the hospitality sector, the continuous increase in foreign tourists and business travelers visiting Taiwan boosted occupancy rates. In the catering segment, the success of off-site dining established a stable profit-generating business model.

With a 46.18% stake, Chia Hsin Construction & Development Corporation recorded a profit of NT\$117 million in 2024, marking a significant increase from the previous year. This growth was primarily driven by the strong performance of domestic and international capital markets, which led to a substantial rise in disposal gains from non-operating financial assets.

## 5.6 Risk Management in the Recent Fiscal Year and up to the Publication Date of this Annual Report

### 5.6.1 Impact of Interest Rates, Foreign Exchange Rates, and Inflation on Corporate Finance and Future Response Measures

The Group's primary financing consists of long-term loans. To prudently manage interest rate risks, the Group continuously reviews market conditions, operational needs, and financial status to

assess interest rate trends and determine the most effective risk management tools.

Regarding the domestic financial environment, economic growth in 2024 exceeded expectations, driven by strong export performance supported by rising demand for emerging technology applications. However, the rise of U.S. unilateralism and challenges in China's economic recovery remain key variables. Increasing demand for goods is expected to sustain Taiwan's economic growth momentum. For 2025, Taiwan's Directorate-General of Budget, Accounting, and Statistics forecasts an annual consumer price index (CPI) growth rate of 1.93%, reflecting minimal inflation risk. However, U.S. tariff policies and global supply chain restructuring may impact the global economy, leading to greater fluctuations in domestic interest and exchange rates, which must be carefully managed.

In response to interest rate and exchange rate risks, the Group has adopted the following measures:

1. To mitigate exchange rate risks, funding for overseas investment projects is primarily sourced through local bank loans. Additionally, capital expenditures are planned to be financed mainly through long-term loans and capital increases to hedge against interest rate risks.
2. For foreign currency deposits held overseas, in addition to closely monitoring and tracking relevant market information, the Group implements appropriate hedging strategies at optimal times and under suitable conditions. Simultaneously, investment project funding requirements are carefully coordinated to achieve the most efficient allocation.

To stay informed of economic and financial developments, the Company regularly sends employees to participate in financial institutions' training programs on global economic outlooks, foreign exchange hedging instruments, transactions, and market analysis. Through these training sessions, the Company aims to enhance employees' sensitivity to interest rate and exchange rate fluctuations, strengthen their risk assessment capabilities, and develop effective risk management strategies.

### **5.6.2 Primary Causes of Profit or Losses and Future Response Measures Regarding High-Risk and Highly Leveraged Investments, Lending, Endorsements, Guarantees of Other Parties, and Financial Derivative Transactions**

The Company has refrained from engaging in high-risk or highly leveraged investments. As for lending funds, offering endorsements and guarantees, and engaging in derivative transactions, the Company adheres to policies established in accordance with the "Asset Acquisition and Disposal Procedure" and "Fund Lending and Endorsement Guarantees Procedure," and assesses the risks involved, in order to implement necessary response measures.

### **5.6.3 Future Research & Development Plans and Expected Spending:** None.

### 5.6.4 Risks Associated with and Response Measures to Changes in Local and International Government Policies and Regulatory Environment

As of the publication date of this annual report, the Company has not experienced any significant impact on its financial operations due to changes in important local or international government policies and regulations.

The execution of business activities within the Company is carried out in accordance with the relevant domestic and international policies and legal regulations. The Legal Division assists each unit in keeping up with developments in important domestic and international policies, as well as changes in markets and environment, to evaluate potential impacts on the Company and establish suitable countermeasures in a timely manner. When necessary, the Company seeks advice from legal advisors, CPAs, and other relevant professional units to ensure compliance and mitigate any potential impacts on financial and business operations.

### 5.6.5 Impact of and Response Measures to Changes in Technology (including information security risks) and Industry Relating to Corporate Finance and Operation

The Company's Board of Directors and management closely monitor technological advancements and industry changes, taking proactive and effective measures to adapt operations accordingly.

1. In response to the increasing risks of cybersecurity threats, the Company conducts annual social engineering drills, using phishing email simulations to enhance employees' awareness of information security.
2. To ensure the security of information systems and maintain uninterrupted operations, the Company has relocated its on-site data center to an ISO 27001-compliant IDC facility. Additionally, the server and network architecture has been restructured by implementing a hyper-converged infrastructure, integrating computing, storage, and networking resources. This upgrade enhances management efficiency, enables flexible scalability, and optimizes costs, supporting the Company's accelerated digital transformation.
3. Given the growing importance of cybersecurity, the Company has engaged an information security consulting firm to assist the IT department in establishing an information security management system based on ISO 27001 standards. The Company has completed the documentation of four levels of security policies, conducted risk assessments, and developed a risk management plan. Furthermore, the first Information Security Management Review Committee meeting was successfully held on November 14, 2024.
4. To enhance operational efficiency and strengthen cybersecurity, the Company is replacing its existing ERP system with SAP to meet modern digital transformation requirements. The SAP system offers key advantages, including real-time data analytics to improve decision-making, enterprise resource integration to enhance cross-departmental collaboration, and built-in multi-layer security mechanisms to mitigate system vulnerabilities and cybersecurity risks. This system upgrade will accelerate process automation and maximize operational efficiency.

### **5.6.6 Changes in Corporate Reputation and its Impact on the Company's Crisis Management Measures**

The Group continues to enhance corporate governance by maintaining independent director seats on the Board and establishing functional committees, including the Remuneration Committee, Sustainability Committee, Audit Committee, and Risk Management Committee. All material information required by regulations is disclosed in a timely manner to ensure stakeholders have access to transparent and symmetrical information.

In recent years, the Group has undergone a transformation, expanding into the hospitality industry. To reshape public perception, which has long associated the Group with traditional manufacturing, and to enhance understanding of its transition into hospitality services, the Group undertook a comprehensive rebranding in 2019. Through professionally designed videos and corporate introductions, the Group has effectively communicated its new corporate identity to the public, media, institutional investors, employees, customers, and shareholders, receiving positive recognition and feedback.

As the Company transitions into the consumer industry, managing corporate image requires heightened diligence. In today's landscape of digital media and social networking, even minor missteps can lead to negative publicity, potentially impacting business performance. In the event of an emergency or critical incident, the Company follows a structured crisis management protocol. A crisis response team is immediately activated, with the General Manager appointing a convener who designates a commander. Task forces for legal affairs, investigations, execution, PR & IR, documentation, and expert consultation are then formed to handle crisis reporting and response procedures. Post-incident reviews and improvements are conducted to refine risk management strategies and update databases, ensuring the Company remains well-prepared to respond promptly and mitigate potential damage.

### **5.6.7 Expected Benefits and Risks Associated with, and Response Measures to Merger and Acquisitions:** None.

### **5.6.8 Expected Benefits and Risks Associated with, and Response Measures to Plant Expansion Plans**

The Company currently has no plans to expand plants.

### **5.6.9 Risks Associated with and Response Measures to Sales or Purchasing Concentration:** None.

### **5.6.10 Impact on, Risks Associated with, and Response Measures to Sales of Significant Numbers of Shares by Directors, and/or Shareholders Owning 10% or More of Company's Total Outstanding Shares:** None.

### 5.6.11 Impact on, Risks Associated with, and Response Measures to Change in Management Rights: None.

### 5.6.12 Litigious and Non-Litigious Matters: None.

### 5.6.13 Other Material Risks and Response Measures

In accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and following the Company's "Risk Management Policy and Procedures" as well as the "Chia Hsin Group Risk Identification Methodology", the Company conducts risk assessments by referencing the World Economic Forum Global Risks Report, SASB, and MSCI industry ESG risk topics. Through this process, the Company identifies significant and emerging risks, categorizing them into five major risk areas: Strategic, Operational, Financial, Compliance, and Other Risks (including Environmental, Energy, and Emerging Risks).

The risk assessment process involves conducting risk education and training sessions and interview discussions to enhance internal risk awareness and understanding. It also includes evaluating the impact and likelihood of each risk. For significant risks, the Company formulates response measures and monitoring indicators, continuously tracking changes to ensure the effective implementation of risk management practices.

The 2025 Risk Assessment Report was presented to the Audit Committee and the Board of Directors on December 12, 2024. A detailed overview of major and emerging risks is provided as follows:

Risk	Impact	Mitigation Strategy
Building durability, safety, and legality	<ul style="list-style-type: none"> <li>- Decline in revenue</li> <li>- Personnel Safety</li> <li>- Capital expenditure</li> </ul>	<ol style="list-style-type: none"> <li>1. Regularly review and assess the safety and legality of the building; plan and execute relevant maintenance and repair projects.</li> <li>2. Update building equipment and systems in stages.</li> <li>3. Incorporate green building certification and conduct segmented marketing that targets specific customer groups.</li> </ol>
Policy changes in response to Net-zero carbon emissions by 2050	<ul style="list-style-type: none"> <li>- Decline in revenue</li> <li>- Increase in operating costs</li> <li>- Corporate reputation</li> </ul>	<ol style="list-style-type: none"> <li>1. Actively seek new business opportunities and development directions.</li> <li>2. In accordance with market demand and development trends, negotiate contract modifications with the port authority in a timely manner.</li> <li>3. Track and understand government policies and regulations, and propose response measures when needed.</li> <li>4. The near-term emission reduction targets under the Science Based Targets initiative (SBTi) were successfully validated in the first quarter of 2024. The Company has set carbon emission reduction targets and is actively implementing decarbonization initiatives.</li> </ol>

Risk	Impact	Mitigation Strategy
Extreme Climate	<ul style="list-style-type: none"> <li>- Financial loss</li> <li>- Personnel Safety</li> <li>- Operational Impact</li> </ul>	<ol style="list-style-type: none"> <li>1. Establish comprehensive Business Continuity, Crisis Management, and Response Plans, and conduct regular reviews.</li> <li>2. Regularly assess and enhance infrastructure resilience.</li> <li>3. Increase or ensure adequate insurance coverage to meet operational needs.</li> <li>4. Incorporate climate risk considerations when evaluating new investment projects.</li> </ol>
Low birth rates and regional issues leading to labor shortages	<ul style="list-style-type: none"> <li>- Operational Impact</li> </ul>	<ol style="list-style-type: none"> <li>1. Enhance employer brand image by adopting diverse hiring policies to create an equitable and inclusive workplace environment.</li> <li>2. Continuously monitor industry and workforce development trends, collect market salary data, and regularly adjust recruitment and training programs.</li> <li>3. Benchmark compensation and benefits against industry peers to regularly review and optimize the remuneration system.</li> <li>4. Provide employees with professional training and development programs.</li> <li>5. Establish multiple communication channels for regular employee interviews to gather feedback.</li> <li>6. Continuously optimize operational processes to improve employee productivity.</li> <li>7. Expand industry-academia collaboration to strengthen talent pipelines.</li> </ol>
Business Continuity Risks caused by external factors such as disasters, accidents, or infectious diseases	<ul style="list-style-type: none"> <li>- Loss of equipment</li> <li>- Decreased revenue</li> <li>- Impact on reputation</li> </ul>	<ol style="list-style-type: none"> <li>1. Establish comprehensive Business Continuity, Crisis Management, and Response Plans, and conduct regular reviews.</li> <li>2. Develop a diversified supply chain to enhance resilience.</li> <li>3. Organize regular training programs and drills to strengthen employees' response capabilities.</li> <li>4. Continuously monitor alerts and policy changes issued by governments and relevant agencies.</li> <li>5. Mitigate geopolitical risks through portfolio diversification.</li> </ol>
Inflation or other external factors leading to increased operating cost increase	<ul style="list-style-type: none"> <li>- Operational Impact</li> </ul>	<ol style="list-style-type: none"> <li>1. Regularly review costs and expenses, conduct efficiency analyses, and implement appropriate countermeasures.</li> <li>2. Establish a systematic supplier management mechanism to build a robust supply chain system.</li> <li>3. Introduce energy-saving equipment to enhance energy efficiency and reduce energy costs. Optimize equipment to increase service value while adjusting cost structures reasonably.</li> </ol>
Strategic New Market Expansion Risk	<ul style="list-style-type: none"> <li>- Financial loss</li> <li>- Operational Impact</li> </ul>	<ol style="list-style-type: none"> <li>1. Perform feasibility assessments.</li> <li>2. Form a project team to ensure the timely achievement of all project milestones.</li> <li>3. Reinforce brand value and differentiation.</li> </ol>

## 5.7 Other Material Matters: None.



## 6 ► Special Disclosures

### 6.1 Affiliated Companies:

Please refer to the Chinese version of Market Observation Post System (MOPS). The access path is as follows: Market Observation Post System > Single Company > Electronic Document Download > Related Party Transactions Section

### 6.2 Private Placement Securities in the Past Year and up to the Publication Date of this Annual Report: None.

### 6.3 Other Necessary Supplemental Information: None.

## 7 ► Any Events that Had Material Impact on Shareholders' Interests or Share Prices as Stated in Item 3 Paragraph 2 of Article 36 of Securities and Exchange Act of Taiwan in the Past Fiscal Year and up to the Publication Date of this Annual Report: None.



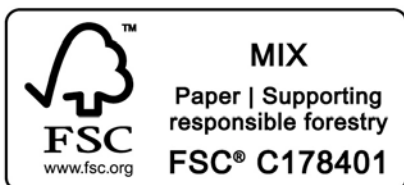


## CHIA HSIN CEMENT CORPORATION



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**Jason K. L. Chang**





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