HSING TA CEMENT CO., LTD.

Category	Procedures for Handling Internal Material Information and Preventing Insider Trading	Formulated by	Finance and Accounting Department	Document No.	HOFC001
Procedures		Date of Issuance	Nov. 11, 2022	Page	1／5

Version	Revision			Description of Revision	Drafted by	Reviewed by	Approved by	Date
	Revision No.	Page	Article(s)					
A				Newly enacted	Regulation Formulation Taskforce	Yang, Te-Hsiung	Board of Directors	March 29, 2010
A	1	All	All	1. Revised in accordance with the newly added procedures for preventing insider trading. 2. Revised in accordance with the company's organizational adjustments.	Regulation Formulation Taskforce	Yang, Te-Hsiung	Board of Directors	March 31, 2016
A	2	2/5 4/5	Article 5 Article 14 Article 16 Article 17 Article 18	Revised the department name in accordance with the company's organizational restructuring.	Finance and Accounting Department	Yang, Chih-Hsiung	Board of Directors	Nov. 8, 2019
A	3	All	Article 3 Article 6 Article 12 Article 13 Article 14 Article 18 Article 20 Article 23	Revised the Company's "Procedures for Handling Material Inside Information and Preventing Insider Trading" in accordance with the Taiwan Stock Exchange letter No. Tai-Cheng-Shang-Yi-1111804712 dated September 20, 2022, and the current state of the Company's corporate governance structure.	Finance and Accounting Department	Yang, Chih-Hsiung	Board of Directors	Nov. 11, 2022

Chapter 1 General Provisions

Article 1: (Purpose)

This procedure is established to ensure the proper handling and disclosure of material inside information within the Company, to prevent improper information leakage, to maintain consistency and accuracy in the Company's external communications, and to prevent insider trading.

Article 2: (Compliance with Laws and Procedures)

The Company shall handle material inside information, its disclosure, and the prevention of insider trading in accordance with applicable laws, regulations, and the rules of the Taiwan Stock Exchange, as well as this procedure.

Article 3: (Scope of Application)

This procedure applies to the Company's directors, managerial officers, and employees.

Other persons who acquire material inside information due to their status, profession, or control relationship with the Company shall also be encouraged to comply with the relevant provisions of this procedure.

Article 4: (Scope of Material Inside Information)

The scope of material inside information referred to in this procedure shall be determined by the Company's designated unit responsible for handling such information, taking into account the Securities and Exchange Act, related laws and regulations, the Taiwan Stock Exchange rules, and other relevant provisions.

Article 5: (Designated Unit for Handling Material Inside Information and Preventing Insider Trading)

The designated unit of the Company responsible for handling material inside information and preventing insider trading shall be the Finance and Accounting Department, consisting of managerial and supporting personnel, and approved by the Board of Directors. Its duties are as follows:

1. Drafting and revising the provisions of this procedure.
2. Handling matters related to material inside information and insider trading prevention, including consultation, review, and advisory tasks.
3. Receiving reports on any leakage of material inside information and formulating appropriate response measures.
4. Establishing systems for the preservation of all documents, records, and electronic data related to this procedure.
5. Performing other duties related to this procedure.

Chapter 2 Procedures for Confidentiality of Material Inside Information

Article 6: (Confidentiality Firewall – Personnel)

The Company's directors, managerial officers, and employees shall perform their duties with the due care of a prudent manager and in good faith. Where necessary, they shall sign confidentiality agreements in accordance with separate regulations.

Directors, managerial officers, and employees who become aware of material inside information shall not disclose such information to others.

They shall not inquire about or collect undisclosed material inside information unrelated to their job duties from those who possess such information, nor shall they disclose any non-public material inside information obtained other than in the course of performing their duties.

Article 7: (Confidentiality Firewall – Materials)

When transmitting documents containing material inside information in written form, appropriate protective measures shall be taken.

When transmitting such information by email or other electronic means, adequate security technologies such as encryption or digital signatures shall be employed.

Documents containing material inside information shall be backed up and securely stored in a safe location.

Article 8: (Operation of the Confidentiality Firewall)

The Company shall ensure the establishment of the firewalls prescribed in the preceding two articles and implement the following measures:

(1) Adopt appropriate firewall control measures and conduct regular testing.

(2) Strengthen the safekeeping and confidentiality of the Company's non-public material inside information and related documents.

Article 9: (Confidentiality Obligations for External Institutions or Personnel)

For external institutions or personnel involved in the Company's mergers and acquisitions, major memoranda, strategic alliances, other business cooperation projects, or the execution of significant contracts, the Company shall require the signing of confidentiality agreements. Such agreements shall strictly stipulate penalties for any unauthorized disclosure of the Company's material inside information.

Chapter 3 Procedures for External Disclosure of Material Inside Information

Article 10: (Principles for External Disclosure of Material Inside Information)

The Company shall adhere to the following principles when disclosing material inside information externally:

(1) Information disclosed shall be accurate, complete, and timely.

(2) Information disclosed shall be based on facts and evidence.

(3) Information shall be disclosed in a fair and impartial manner.

Article 11: (Implementation of the Spokesperson System)

Unless otherwise required by law or regulation, all external disclosures of material inside information shall be handled by the Company's spokesperson or deputy spokesperson, and the order of delegation shall be clearly defined. When necessary, the Company's responsible person may directly handle such disclosures.

The spokesperson and deputy spokesperson shall make statements only within the scope of their authorized authority.

Except for the responsible person, the spokesperson, and the deputy spokesperson, no other employee may disclose material inside information without proper authorization.

The operation of the spokesperson and deputy spokesperson system shall be governed by the Company's "Procedures for the Spokesperson and Deputy Spokesperson System (HOAC006)."

Article 12: (Records of External Disclosure of Material Inside Information)

When disclosing or announcing material inside information externally, the Company shall retain the following records:

(1) The personnel responsible for the disclosure or notification, and the date and time thereof.

(2) The method of disclosure.

(3) The content of the information disclosed.

(4) The content of any written materials provided.

(5) Other relevant information.

Article 13: (Major Matters to Be Reported by Each Department)

Each department shall be responsible for reporting significant matters related to external disclosure of information. Such reporting shall be conducted in accordance with relevant laws, regulations, the requirements of competent authorities, and the Company's internal rules to ensure that information is disclosed in a timely, accurate, and complete manner.

Article 14: (Procedures for Reporting and Disclosure of Major Events)

The Finance and Accounting Department is the unit responsible for handling material information, including its evaluation, review, approval, and disclosure.

Except in emergencies or outside business hours, where communication software may be used for notification, the process shall be documented in email or written form and submitted to the General Manager for approval. If communication software is used for evaluation or approval, a written record must subsequently be filed. All evaluation records, approval documents, and related materials shall be retained for at least five years.

Each department shall report the information specified in the preceding article to the Finance and Accounting Department for consolidation and approval before any external disclosure or filing is made.

Article 15: (Establishment of the Reporting System)

Both the head office and the Nanshenghu Plant shall establish an internal information reporting system and communication channels between them. The detailed provisions of the reporting system shall be stipulated separately.

Article 16: (Special Reporting Requirements for the Nanshenghu Plant)

In the occurrence of any of the following events, the Nanshenghu Plant shall immediately notify the supervisor of the designated unit at the head office or his/her deputy:

(1) Occurrence of major natural disasters or accidents.
(2) Incidents causing serious personal injury or death.
(3) Accidents resulting in the leakage or emission of large quantities of hazardous gases or liquids.
(4) Machinery maintenance or malfunction likely to affect business operations or delivery.
(5) Disasters or accidents that may cause significant financial loss.
(6) Visits by media representatives to the plant.
(7) Media reports or disclosures involving the Company.
(8) Any other major changes related to production.

If any of the above incidents constitute "material information" requiring public disclosure, due to time sensitivity, the Nanshenghu Plant shall not only immediately notify the designated contact as described above but also complete a written "Material Information Report" and send it to the Finance and Accounting Department of the head office on the same day for public disclosure.

Article 17: (Response to False Media Reports)

If the content of a media report differs from that disclosed by the Company, the Finance and Accounting Department shall promptly submit a report and make clarifications on the Market Observation Post System (MOPS), as well as request a correction from the media outlet.

Chapter 4 Handling of Irregular Situations

Article 18: (Reporting of Leaks of Material Inside Information)

If any director, managerial officer, or employee becomes aware of a leak of material inside information, they shall immediately report it to the Finance and Accounting Department or the Internal Audit Department. Upon receiving such a report, the Finance and Accounting Department shall develop a response plan and, if necessary, convene discussions with the Internal Audit Department and relevant units to address the issue. The results of the handling shall be documented and filed for record. The Internal Audit Department shall also conduct an investigation in accordance with its duties.

Article 19: (Violation Handling)

In the event of any of the following circumstances, the Company shall hold the responsible personnel accountable and take appropriate legal action:

1. Any Company personnel who disclose material inside information externally without authorization, or who violate this procedure or other applicable laws and regulations.
2. Any Company spokesperson or deputy spokesperson who makes external statements beyond their authorized scope or in violation of this procedure or other laws and regulations.

If a person outside the Company discloses the Company's material inside information and causes damage to the Company's property or interests, the Company shall pursue legal action in accordance with relevant laws and procedures.

Chapter 5 Procedures for Preventing Insider Trading

1. Article 20: (Procedures for Preventing Insider Trading)

This procedure applies to the following persons as defined under Article 157-1 of the Securities and Exchange Act.

When any such person becomes aware of information that materially affects the Company's stock price, they shall not, before the information is made public or within eighteen (18) hours after its public disclosure, trade the Company's stocks or other equity-like securities, either in their own name or through others:

1. Directors, managerial officers, and natural persons designated to exercise duties under Article 27, Paragraph 1 of the Company Act.
2. Shareholders holding more than 10% of the Company's shares.
3. Persons who obtain such information through professional or control relationships.
4. Persons who, within six months of losing any of the aforementioned statuses, still possess such information.
5. Persons who obtain the information from any of the above.

The persons listed above are also prohibited, under the same conditions, from selling the Company's corporate bonds or other non-equity securities when they become aware of information that may significantly affect the Company's ability to pay principal or interest.

Article 21: (Information That Materially Affects Stock Prices)

The "information materially affecting stock prices" referred to in the preceding article is defined under Paragraphs 5 and 6 of Article 157-1 of the Securities and Exchange Act.

It includes information relating to the Company's financial or business condition, the supply and demand of the securities in the market, or public tender offers, that may have a material impact on the stock price or significantly influence reasonable investors' investment decisions.

Chapter 6 Internal Control and Employee Education

Article 22: (Internal Control Mechanism)

This procedure shall be incorporated into the Company's internal control system.

Internal auditors shall regularly review the implementation and compliance status and prepare audit reports to ensure the effective execution of procedures for handling material inside information and preventing insider trading.

Article 23: (Education and Training)

The Company shall conduct education and training at least once a year for its directors, managerial officers, and employees regarding this procedure and relevant laws and regulations.

Newly appointed directors, managerial officers, and employees shall receive timely orientation and training on these matters.

Chapter 7 Supplementary Provisions

Article 24: (Supplementary Provisions)

This procedure shall take effect upon approval by the Board of Directors. Any amendments shall follow the same process.