

**CHC Resources Corporation and  
Subsidiaries**

**Consolidated Financial Statements for the  
Six Months Ended June 30, 2024 and 2023 and  
Independent Auditors' Review Report**

## INDEPENDENT AUDITORS' REVIEW REPORT

CHC Resources Corporation

### Introduction

We have reviewed the accompanying consolidated balance sheets of CHC Resources Corporation (the "Corporation") and its subsidiaries as of June 30, 2024 and 2023, the consolidated statements of comprehensive income for the three months and six months ended June 30, 2024 and 2023, and the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2024 and 2023, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Corporation and its subsidiaries as of June 30, 2024 and 2023, its consolidated financial performance for the three months and six months ended June 30, 2024 and 2023, and its consolidated cash flows for the six months ended June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the FSC.

The engagement partners on the reviews resulting in this independent auditors' review report are Yu-Shiang Liu and Chao-Chun Wang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

August 2, 2024

Notice to Readers

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

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

# CHC RESOURCES CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 461,889	4	\$ 302,321	2	\$ 516,503	5
Financial assets at fair value through other comprehensive income - current (Notes 7 and 28)	250,073	2	292,293	2	282,994	2
Financial assets for hedging - current (Note 28)	-	-	4,279	-	31,568	-
Contract assets - current (Notes 23 and 29)	1,815	-	1,682	-	341	-
Notes receivable (Note 8)	227,499	2	270,597	2	204,122	2
Accounts receivable (Note 8)	230,847	2	227,045	2	162,147	1
Accounts receivable - related parties (Notes 8 and 29)	1,063,735	9	851,298	8	900,668	8
Other receivables	9,107	-	22,572	-	16,915	-
Other receivables - related parties (Note 29)	36,264	-	20,845	-	51,758	-
Current tax assets	-	-	71	-	77	-
Inventories (Note 9)	459,829	4	440,505	4	417,955	4
Prepayments (Notes 10 and 29)	101,307	1	120,863	1	135,178	1
Other financial assets - current (Notes 11 and 30)	103,527	1	102,631	1	56,285	-
Refundable deposits - current (Note 15)	29,736	-	35,635	-	34,479	-
Costs to fulfil a contract (Note 23)	16,828	-	12,066	-	41,742	-
Other current assets	27,569	-	47,526	-	43,377	-
Total current assets	<u>3,020,025</u>	<u>25</u>	<u>2,752,229</u>	<u>22</u>	<u>2,896,109</u>	<u>23</u>
<b>NONCURRENT ASSETS</b>						
Financial assets at fair value through other comprehensive income - noncurrent (Notes 7 and 28)	36,874	-	33,564	-	34,447	-
Investments accounted for using the equity method (Note 13)	286,271	2	299,179	2	302,358	2
Property, plant and equipment (Notes 14 and 30)	4,652,695	38	4,842,613	40	6,215,722	50
Right-of-use assets (Notes 15, 29 and 30)	1,464,783	12	1,652,561	13	1,666,786	13
Investment properties (Note 16)	2,327,256	20	2,328,773	20	1,107,211	9
Intangible assets (Note 17)	7,091	-	7,980	-	7,821	-
Deferred tax assets	106,746	1	105,330	1	93,260	1
Prepayments for equipment	4,213	-	476	-	2,844	-
Refundable deposits - noncurrent (Note 15)	234,470	2	240,188	2	246,008	2
Other financial assets - noncurrent (Notes 11 and 30)	3,850	-	4,005	-	3,355	-
Other noncurrent assets	4,201	-	4,438	-	3,328	-
Total noncurrent assets	<u>9,128,450</u>	<u>75</u>	<u>9,519,107</u>	<u>78</u>	<u>9,683,140</u>	<u>77</u>
<b>TOTAL</b>	<u>\$ 12,148,475</u>	<u>100</u>	<u>\$ 12,271,336</u>	<u>100</u>	<u>\$ 12,579,249</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Note 18)	\$ 153,817	1	\$ 593,895	5	\$ 433,293	3
Contract liabilities - current (Notes 23 and 29)	66,100	1	56,801	-	116,341	1
Notes payable	9,459	-	16,208	-	6,973	-
Accounts payable	132,353	1	145,610	1	94,115	1
Accounts payable - related parties (Note 29)	79,073	1	101,638	1	71,137	1
Payables on equipment	24,241	-	47,571	-	11,649	-
Payables for dividends	758,894	6	804	-	628,619	5
Other payables (Note 19)	986,458	8	982,727	9	868,810	7
Other payables - related parties (Notes 19 and 29)	162,996	1	79,597	1	163,646	1
Current tax liabilities	142,069	1	216,082	2	110,728	1
Lease liabilities - current (Notes 15 and 29)	325,505	4	356,934	3	342,197	3
Guarantee deposits received - current	37,764	-	55,034	-	60,336	-
Current portion of long-term borrowings (Notes 18 and 30)	264,349	2	142,670	1	224,580	2
Other current liabilities	5,715	-	6,277	-	7,499	-
Total current liabilities	<u>3,148,793</u>	<u>26</u>	<u>2,801,848</u>	<u>23</u>	<u>3,139,923</u>	<u>25</u>
<b>NONCURRENT LIABILITIES</b>						
Long-term borrowings (Notes 18 and 30)	1,373,048	11	1,491,510	13	1,897,652	15
Provisions - noncurrent (Note 20)	308,618	3	306,146	2	231,019	2
Deferred tax liabilities	135,687	1	129,412	1	124,589	1
Lease liabilities - noncurrent (Notes 15 and 29)	1,045,163	9	1,201,508	10	1,216,490	10
Net defined benefit liabilities	44,694	-	49,409	-	45,840	-
Guarantee deposits received - noncurrent	9,111	-	6,400	-	3,733	-
Total noncurrent liabilities	<u>2,916,321</u>	<u>24</u>	<u>3,184,385</u>	<u>26</u>	<u>3,519,323</u>	<u>28</u>
Total liabilities	<u>6,065,114</u>	<u>50</u>	<u>5,986,233</u>	<u>49</u>	<u>6,659,246</u>	<u>53</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 22)</b>						
Ordinary shares	2,485,404	20	2,485,404	20	2,485,404	20
Capital surplus	162,024	1	162,024	1	162,024	1
Retained earnings						
Legal reserve	1,657,720	14	1,574,514	13	1,574,514	13
Special reserve	17,532	-	-	-	-	-
Unappropriated earnings	1,595,279	13	1,854,078	15	1,433,451	11
Total retained earnings	3,270,531	27	3,428,592	28	3,007,965	24
Other equity	(61,475)	-	(17,532)	-	42,202	-
Total equity attributable to owners of the Corporation	5,856,484	48	6,058,488	49	5,697,595	45
<b>NON-CONTROLLING INTERESTS (Note 22)</b>	226,877	2	226,615	2	222,408	2
Total equity	<u>6,083,361</u>	<u>50</u>	<u>6,285,103</u>	<u>51</u>	<u>5,920,003</u>	<u>47</u>
<b>TOTAL</b>	<u>\$ 12,148,475</u>	<u>100</u>	<u>\$ 12,271,336</u>	<u>100</u>	<u>\$ 12,579,249</u>	<u>100</u>

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

# CHC RESOURCES CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 29)								
Sales	\$ 1,899,745	56	\$ 1,714,705	53	\$ 3,731,536	59	\$ 3,358,711	53
Construction revenue	2,723	-	-	-	7,729	-	2,205	-
Service revenue	1,478,626	44	1,533,564	47	2,580,366	41	2,921,714	47
Total operating revenue	3,381,094	100	3,248,269	100	6,319,631	100	6,282,630	100
OPERATING COSTS (Notes 9, 24 and 29)								
Cost of goods sold	1,481,043	44	1,357,249	42	2,886,382	46	2,675,976	43
Construction costs	2,593	-	-	-	7,361	-	2,100	-
Service costs	1,396,720	41	1,481,550	46	2,428,528	38	2,838,742	45
Total operating costs	2,880,356	85	2,838,799	88	5,322,271	84	5,516,818	88
GROSS PROFIT	500,738	15	409,470	12	997,360	16	765,812	12
OPERATING EXPENSES (Notes 24 and 29)								
Selling and marketing expenses	55,878	2	44,543	1	109,246	2	90,674	1
General and administrative expenses	66,010	2	62,635	2	131,064	2	128,861	2
Research and development expenses	5,908	-	5,932	-	12,884	-	11,135	-
Total operating expenses	127,796	4	113,110	3	253,194	4	230,670	3
PROFIT FROM OPERATIONS	372,942	11	296,360	9	744,166	12	535,142	9
NON-OPERATING INCOME AND EXPENSES (Notes 24 and 29)								
Interest income	1,901	-	1,829	-	3,442	-	3,104	-
Other income	10,874	-	9,966	-	21,407	-	24,427	-
Other gains and losses	245	-	(329)	-	(64)	-	(663)	-
Finance costs	(16,512)	-	(22,811)	-	(32,836)	-	(45,876)	-
Share of profit or loss of associates	(585)	-	2,735	-	2,499	-	3,438	-
Total non-operating income and expenses	(4,077)	-	(8,610)	-	(5,552)	-	(15,570)	-
PROFIT BEFORE INCOME TAX	368,865	11	287,750	9	738,614	12	519,572	9
INCOME TAX EXPENSE (Notes 4 and 25)	68,601	2	54,503	2	141,602	2	100,792	2
NET PROFIT FOR THE PERIOD	300,264	9	233,247	7	597,012	10	418,780	7

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# CHC RESOURCES CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Note 22)								
Items that will not be reclassified subsequently to profit or loss								
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	\$ (7,202)	-	\$ (13,954)	-	\$ (38,911)	(1)	\$ (2,106)	-
Gain (loss) on hedging instruments subject to basis adjustment	-	-	(2,525)	-	42	-	(3,090)	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	(1,197)	-	(2,967)	-	(7,889)	-	3,993	-
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translation of the financial statements of foreign operations	(6,355)	-	17,975	-	6,121	-	12,000	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	26	-	(115)	-	(20)	-	(42)	-
Other comprehensive income (loss) for the period, net of income tax	(14,728)	-	(1,586)	-	(40,657)	(1)	10,755	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>\$ 285,536</b>	<b>9</b>	<b>\$ 231,661</b>	<b>7</b>	<b>\$ 556,355</b>	<b>9</b>	<b>\$ 429,535</b>	<b>7</b>
<b>NET PROFIT</b>								
ATTRIBUTABLE TO:								
Owners of the Corporation	\$ 292,398	9	\$ 227,133	7	\$ 585,130	10	\$ 410,297	7
Non-controlling interests	7,866	-	6,114	-	11,882	-	8,483	-
	<u>\$ 300,264</u>	<u>9</u>	<u>\$ 233,247</u>	<u>7</u>	<u>\$ 597,012</u>	<u>10</u>	<u>\$ 418,780</u>	<u>7</u>
<b>TOTAL COMPREHENSIVE INCOME</b>								
ATTRIBUTABLE TO:								
Owners of the Corporation	\$ 278,626	9	\$ 222,931	7	\$ 543,617	9	\$ 419,298	7
Non-controlling interests	6,910	-	8,730	-	12,738	-	10,237	-
	<u>\$ 285,536</u>	<u>9</u>	<u>\$ 231,661</u>	<u>7</u>	<u>\$ 556,355</u>	<u>9</u>	<u>\$ 429,535</u>	<u>7</u>
<b>EARNINGS PER SHARE</b> (Note 26)								
Basic	\$ 1.18		\$ 0.91		\$ 2.35		\$ 1.65	
Diluted	\$ 1.17		\$ 0.91		\$ 2.35		\$ 1.65	

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

(Concluded)

# CHC RESOURCES CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars)

	Total Equity Attributable to Owners of the Corporation						Other Equity				Total Equity Attributable to Owners of the Corporation	Non-controlling Interests	Total Equity
	Ordinary Shares	Capital Surplus	Retained Earnings			Total	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Total			
			Legal Reserve	Special Reserve	Unappropriated Earnings								
BALANCE AT JANUARY 1, 2024	\$ 2,485,404	\$ 162,024	\$ 1,574,514	\$ -	\$ 1,854,078	\$ 3,428,592	\$ (36,463)	\$ 18,973	\$ (42)	\$ (17,532)	\$ 6,058,488	\$ 226,615	\$ 6,285,103
Appropriation of 2023 earnings (Note 22)													
Legal reserve	-	-	83,206	-	(83,206)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	17,532	(17,532)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(745,621)	(745,621)	-	-	-	-	(745,621)	-	(745,621)
	-	-	83,206	17,532	(846,359)	(745,621)	-	-	-	-	(745,621)	-	(745,621)
Net profit for the six months ended June 30, 2024	-	-	-	-	585,130	585,130	-	-	-	-	585,130	11,882	597,012
Other comprehensive income (loss) for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	-	5,183	(46,738)	42	(41,513)	(41,513)	856	(40,657)
Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	585,130	585,130	5,183	(46,738)	42	(41,513)	543,617	12,738	556,355
Adjustment of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(12,476)	(12,476)
Disposal of investments in equity instruments at fair value through other comprehensive income (loss)	-	-	-	-	2,430	2,430	-	(2,430)	-	(2,430)	-	-	-
BALANCE AT JUNE 30, 2024	\$ 2,485,404	\$ 162,024	\$ 1,657,720	\$ 17,532	\$ 1,595,279	\$ 3,270,531	\$ (31,280)	\$ (30,195)	\$ -	\$ (61,475)	\$ 5,856,484	\$ 226,877	\$ 6,083,361
BALANCE AT JANUARY 1, 2023	\$ 2,485,404	\$ 162,024	\$ 1,496,349	\$ -	\$ 1,721,535	\$ 3,217,884	\$ (16,063)	\$ 48,367	\$ 2,032	\$ 34,336	\$ 5,899,648	\$ 218,661	\$ 6,118,309
Appropriation of 2022 earnings (Note 22)													
Legal reserve	-	-	78,165	-	(78,165)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(621,351)	(621,351)	-	-	-	-	(621,351)	-	(621,351)
	-	-	78,165	-	(699,516)	(621,351)	-	-	-	-	(621,351)	-	(621,351)
Net profit for the six months ended June 30, 2023	-	-	-	-	410,297	410,297	-	-	-	-	410,297	8,483	418,780
Other comprehensive income (loss) for the six months ended June 30, 2023, net of income tax	-	-	-	-	2	2	10,158	1,931	(3,090)	8,999	9,001	1,754	10,755
Total comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	410,299	410,299	10,158	1,931	(3,090)	8,999	419,298	10,237	429,535
Adjustment of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(6,490)	(6,490)
Disposal of investments in equity instruments at fair value through other comprehensive income (loss)	-	-	-	-	1,133	1,133	-	(1,133)	-	(1,133)	-	-	-
BALANCE AT JUNE 30, 2023	\$ 2,485,404	\$ 162,024	\$ 1,574,514	\$ -	\$ 1,433,451	\$ 3,007,965	\$ (5,905)	\$ 49,165	\$ (1,058)	\$ 42,202	\$ 5,697,595	\$ 222,408	\$ 5,920,003

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

# CHC RESOURCES CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 738,614	\$ 519,572
Adjustments for:		
Depreciation expense	439,531	462,793
Amortization expense	13,032	10,079
Net gain on financial assets at fair value through profit or loss	(160)	(262)
Finance costs	32,836	45,876
Interest income	(3,442)	(3,104)
Share of profit of associates	(2,499)	(3,438)
Gain on disposal of property, plant and equipment	(157)	(305)
Impairment loss on property, plant and equipment	49,541	-
Write-down (reversal) of inventories	(1,047)	926
Recognition of provisions	2,472	66,485
Others	(177)	(79)
Changes in operating assets and liabilities		
Contract assets - current	(133)	19,071
Notes receivable	43,098	42,695
Accounts receivable	(3,802)	16,202
Accounts receivable - related parties	(212,437)	(375,594)
Other receivables	13,449	9,690
Other receivables - related parties	(8,316)	(9,348)
Inventories	(18,277)	(43,017)
Prepayments	19,556	22,558
Other current assets	19,957	(4,316)
Other financial assets	(741)	37,151
Costs to fulfil a contract	(4,762)	(32,492)
Contract liabilities - current	9,299	78,144
Notes payable	(6,749)	(17,918)
Accounts payable	(13,257)	(47,765)
Accounts payable - related parties	(22,565)	(33,176)
Other payables	4,059	(109,001)
Other payables - related parties	83,399	67,791
Other current liabilities	(562)	(5,709)
Net defined benefit liabilities	(4,715)	(10,375)
Cash generated from operations	1,165,045	703,134
Income taxes paid	(210,685)	(180,351)
Net cash generated from operating activities	<u>954,360</u>	<u>522,783</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through profit or loss	(150,000)	(400,000)
Proceeds from disposal of financial assets at fair value through profit or loss	150,160	400,262
Acquisition of financial assets for hedging	-	(6,528)
Proceeds of financial assets for hedging	4,321	9,472
Acquisition of property, plant and equipment	(138,704)	(100,339)

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# CHC RESOURCES CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2024	2023
Proceeds from disposal of property, plant and equipment	\$ 381	\$ 305
Decrease in refundable deposits	11,617	3,786
Payments for intangible assets	(1,416)	(2,050)
Increase in other noncurrent assets	(10,486)	(8,246)
Interest received	3,458	2,931
Dividends received from associates	<u>395</u>	<u>-</u>
Net cash used in investing activities	<u>(130,274)</u>	<u>(100,407)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	2,073,130	3,067,036
Repayments of short-term borrowings	(2,514,428)	(3,054,780)
Proceeds from short-term bills payable	5,000	200,000
Repayments of short-term bills payable	(5,000)	(200,000)
Proceeds from in long-term borrowings	2,130,000	2,000,000
Repayments of long-term borrowings	(2,128,833)	(1,918,833)
Refund of guarantee deposits received	(14,559)	(1,585)
Repayments of principal portion of lease liabilities	(178,138)	(181,538)
Interest paid	<u>(33,807)</u>	<u>(47,032)</u>
Net cash used in financing activities	<u>(666,635)</u>	<u>(136,732)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	<u>2,117</u>	<u>5,174</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	159,568	290,818
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>302,321</u>	<u>225,685</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 461,889</u>	<u>\$ 516,503</u>

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

(Concluded)

# CHC RESOURCES CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. GENERAL INFORMATION

CHC Resources Corporation (the “Corporation”) was jointly incorporated by China Steel Corporation (CSC), Taiwan Cement Corporation (TCC) and other shareholders in May 1991. CSC is the parent company that has substantive control over the Corporation. As of June 30, 2024, CSC and its subsidiaries owned 35.6% of the Corporation’s issued ordinary shares. The Corporation mainly engages in the production, processing and sales of Ground - Granulated Blast-Furnace Slag (GGBFS), Portland Blast-Furnace Slag Cement and reutilization of resources.

The shares of the Corporation have been listed on the Taiwan Stock Exchange since November 1999.

The consolidated financial statements are presented in the Corporation’s functional currency, the New Taiwan dollar.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s board of directors on August 2, 2024.

### 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Corporation and its subsidiaries’ accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB</b>
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note)

Note : An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Corporation and its subsidiaries shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<b><u>New, Amended and Revised Standards and Interpretations</u></b>	<b><u>Effective Date Announced by IASB (Note)</u></b>
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note : Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

**IFRS 18 “Presentation and Disclosure in Financial Statements”**

IFRS 18 will supersede IAS 1” Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Corporation and its subsidiaries shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Corporation and its subsidiaries shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Corporation and its subsidiaries labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Corporation and its subsidiaries as a whole, the Corporation and its subsidiaries shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Corporation and its subsidiaries are continuously assessing the possible impacts of the application of standards and interpretations on the Corporation and its subsidiaries’ financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### 4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

##### a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

##### b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

##### c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e., its subsidiaries).

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Corporation.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Corporation and its subsidiaries’ ownership interests in subsidiaries that do not result in the Corporation and its subsidiaries losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Corporation and its subsidiaries and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

See Note 12 and Table 5 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2023.

1) Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- Liabilities for which the Corporation and its subsidiaries do not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

2) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

3) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

## **5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The same material accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as those applied in the preparation of the consolidated financial statements for the year ended December 31, 2023.

## 6. CASH AND CASH EQUIVALENTS

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand	\$ 315	\$ 228	\$ 213
Checking accounts and demand deposits	361,874	254,093	394,956
Cash equivalents (time deposits with original maturities of 3 months or less)	<u>99,700</u>	<u>48,000</u>	<u>121,334</u>
	<u>\$ 461,889</u>	<u>\$ 302,321</u>	<u>\$ 516,503</u>

## 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2024	December 31, 2023	June 30, 2023
Domestic and foreign investments (investments in equity instruments)			
Listed shares	\$ 250,073	\$ 292,293	\$ 282,994
Unlisted shares	<u>36,874</u>	<u>33,564</u>	<u>34,447</u>
	<u>\$ 286,947</u>	<u>\$ 325,857</u>	<u>\$ 317,441</u>
Current	\$ 250,073	\$ 292,293	\$ 282,994
Noncurrent	<u>36,874</u>	<u>33,564</u>	<u>34,447</u>
	<u>\$ 286,947</u>	<u>\$ 325,857</u>	<u>\$ 317,441</u>

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at fair value through other comprehensive income as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Corporation and its subsidiaries' strategy of holding these investments for long-term purposes.

## 8. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE (INCLUDING RELATED PARTIES)

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Notes receivable</u>			
At amortized cost			
Operating	<u>\$ 227,499</u>	<u>\$ 270,597</u>	<u>\$ 204,122</u>
<u>Accounts receivable (including related parties)</u>			
At amortized cost			
Gross carrying amount	\$ 1,294,582	\$ 1,078,343	\$ 1,062,815
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,294,582</u>	<u>\$ 1,078,343</u>	<u>\$ 1,062,815</u>

The Corporation and its subsidiaries make prudent assessment of their customers. The counterparties are creditworthy companies; as a result, the significant credit risk is unexpected. The Corporation and its subsidiaries continue to manage the financial condition and entire credit risk of their customers, and obtain sufficient collateral if needed to mitigate the risk of financial loss from late payment.

The expected credit losses on notes receivable and accounts receivable are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date.

The Corporation and its subsidiaries continue to monitor the collection of receivables to ensure that proper actions are made to collect past due receivables. Additionally, the Corporation and its subsidiaries review the recoverable amount of receivables one by one on the balance sheet date to ensure that proper allowances are recognized for unrecoverable receivables.

The Corporation and its subsidiaries write off receivables when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For receivables that have been written off, the Corporation and its subsidiaries continue attempt to recover the receivables due. The recovery of the receivables recognized in profit or loss.

The following table details the loss allowance of notes receivable and accounts receivable based on the Corporation and its subsidiaries' provision matrix.

June 30, 2024

	<b>Not Past Due</b>	<b>1 to 30 Days</b>	<b>31 to 60 Days</b>	<b>61 to 180 Days</b>	<b>Over 180 Days</b>	<b>Total</b>
Gross carrying amount	\$1,365,329	\$ 142,611	\$ 12,165	\$ 1,976	\$ -	\$1,522,081
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$1,365,329</u>	<u>\$ 142,611</u>	<u>\$ 12,165</u>	<u>\$ 1,976</u>	<u>\$ -</u>	<u>\$1,522,081</u>

December 31, 2023

	<b>Not Past Due</b>	<b>1 to 30 Days</b>	<b>31 to 60 Days</b>	<b>61 to 180 Days</b>	<b>Over 180 Days</b>	<b>Total</b>
Gross carrying amount	\$1,215,571	\$ 132,181	\$ 1,188	\$ -	\$ -	\$1,348,940
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$1,215,571</u>	<u>\$ 132,181</u>	<u>\$ 1,188</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,348,940</u>

June 30, 2023

	<b>Not Past Due</b>	<b>1 to 30 Days</b>	<b>31 to 60 Days</b>	<b>61 to 180 Days</b>	<b>Over 180 Days</b>	<b>Total</b>
Gross carrying amount	\$1,246,983	\$ 17,314	\$ 2,483	\$ 157	\$ -	\$1,266,937
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$1,246,983</u>	<u>\$ 17,314</u>	<u>\$ 2,483</u>	<u>\$ 157</u>	<u>\$ -</u>	<u>\$1,266,937</u>

## 9. INVENTORIES

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Raw materials	\$ 143,058	\$ 101,894	\$ 105,599
Supplies	182,187	184,613	180,190
Finished goods	120,024	113,526	105,776
Merchandise	6,643	4,022	4,064
Materials and supplies in transit	<u>7,917</u>	<u>36,450</u>	<u>22,326</u>
	<u>\$ 459,829</u>	<u>\$ 440,505</u>	<u>\$ 417,955</u>

The cost of inventories recognized as cost of goods sold for the three months and six months ended June 30, 2024 and 2023 was NT\$1,481,043 thousand, NT\$1,357,249 thousand, NT\$2,886,382 thousand and NT\$2,675,976 thousand, respectively, which included reversal of loss on inventories NT\$705 thousand, loss on inventories of NT\$1,066 thousand, reversal of loss on inventories NT\$1,047 thousand, and loss on inventories of NT\$926 thousand, respectively. The reversal of loss on inventory was mainly due to the continuous consumption of inventory.

## 10. PREPAYMENT

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Prepayment for purchases	\$ 59,497	\$ 85,256	\$ 101,943
Others	<u>41,810</u>	<u>35,607</u>	<u>33,235</u>
	<u>\$ 101,307</u>	<u>\$ 120,863</u>	<u>\$ 135,178</u>

## 11. OTHER FINANCIAL ASSETS

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Time deposits with original maturities of more than 3 months	\$ 96,275	\$ 94,325	\$ 51,213
Pledged time deposits - performance bond (Note 30)	<u>11,102</u>	<u>12,311</u>	<u>8,427</u>
	<u>\$ 107,377</u>	<u>\$ 106,636</u>	<u>\$ 59,640</u>
Current	\$ 103,527	\$ 102,631	\$ 56,285
Noncurrent	<u>3,850</u>	<u>4,005</u>	<u>3,355</u>
	<u>\$ 107,377</u>	<u>\$ 106,636</u>	<u>\$ 59,640</u>

## 12. SUBSIDIARIES

### Subsidiaries included in the consolidated financial statements

The consolidated entities were as follows:

Investor	Investee	Nature of Activities	Percentage of Ownership (%)		
			June 30, 2024	December 31, 2023	June 30, 2023
CHC Resources Corporation	Union Steel Development Corporation	a.	93.37	93.37	93.37
CHC Resources Corporation	Pao Good Industrial Co., Ltd.	b.	51.00	51.00	51.00
CHC Resources Corporation	Yu Cheng Lime Corporation	c.	90.00	90.00	90.00
CHC Resources Corporation	CHC Resources Vietnam Co., Ltd.	d.	85.00	85.00	85.00

- The company mainly engages in the manufacture and sale of iron powder, OEM and sales of refractory, trading, and human dispatch.
- The company mainly engages in sales of fly ash, manufacture and sales of dry-mix mortar, and trading.
- The company mainly engages in real estate lease and management of raw materials.
- The company mainly engages in the manufacture and sale of GGBFS, sales of Granulated Blast - Furnace Slag (GBFS).

## 13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

### Investments in associates

	June 30, 2024	December 31, 2023	June 30, 2023
Associates that are not individually material	<u>\$ 286,271</u>	<u>\$ 299,179</u>	<u>\$ 302,358</u>
		<b>For the Six Months Ended June 30</b>	
		<b>2024</b>	<b>2023</b>
The Corporation and its subsidiaries' share of:			
Net profit for the period		\$ 2,499	\$ 3,438
Other comprehensive income (loss)		<u>(7,909)</u>	<u>3,951</u>
Total comprehensive income (loss)		<u>\$ (5,410)</u>	<u>\$ 7,389</u>

The Corporation and its subsidiaries held more than 20% of the shares of CSC and fellow subsidiaries; thus, the subsidiaries were accounted for using the equity method.

For the three months and six months ended June 30, 2024 and 2023, the share of profit and other comprehensive profit of associates accounted for using the equity method is partly recognized based on the financial statements of the same period that have not been reviewed by accountants. However, the management of the Corporation and its subsidiaries believe there is no material impact on the above-mentioned financial statements that have not been reviewed.

#### 14. PROPERTY, PLANT AND EQUIPMENT

Refer to Table 7 for the movements in property, plant and equipment for the six months ended June 30, 2024 and 2023.

The property, plant and equipment of the Corporation and its subsidiaries are depreciated on a straight-line basis over their estimated useful lives as follows:

Land improvements	
Drainage system	30 years
Others	3-15 years
Buildings	
Main buildings	5-55 years
Rain shelters and container houses	3-35 years
Pipelines and other facilities	2-20 years
Machinery and equipment	1-28 years
Transportation equipment	5-10 years
Office equipment	1-10 years
Leasehold improvement	2-35 years
Other equipment	2-35 years

The carrying amounts of property, plant and equipment that were pledged by the Corporation and its subsidiaries for bank financing credit line are set out in Note 30.

Due to the replacement of plant's coal-fired equipment form natural gas equipment and buildings, the Corporation assessed the coal-fired equipment will not generate probable future economic benefits. The Corporation carried out a review of the carrying amount that exceeded the recoverable amount and recognized an impairment loss of NT\$49,541 thousand for the six months ended June 30, 2024.

For the six months ended June 30, 2024 and 2023, the Corporation and its subsidiaries entered into the following non-cash investing activities which were not reflected in the statements of cash flows:

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Affect both cash and non-cash items from investing activities		
Increase in property, plant and equipment	\$ 112,273	\$ 96,488
Increase (decrease) in prepayments for equipment	3,737	(13,114)
Decrease in payables on equipment	23,330	17,553
Capitalized interest	<u>(636)</u>	<u>(588)</u>
 Paid in cash	 <u>\$ 138,704</u>	 <u>\$ 100,339</u>

#### 15. LEASE ARRANGEMENTS

##### a. Right-of-use assets

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
<u>Carrying amount</u>			
Land	\$ 1,156,378	\$ 1,319,658	\$ 1,355,139
Buildings	290,757	312,923	294,566

(Continued)

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Machinery and equipment	\$ -	\$ 118	\$ -
Transportation equipment	<u>17,648</u>	<u>19,862</u>	<u>17,081</u>
	<u>\$ 1,464,783</u>	<u>\$ 1,652,561</u>	<u>\$ 1,666,786</u> (Concluded)

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Additions to right-of-use assets			<u>\$ 2,397</u>	<u>\$ 65,592</u>
Depreciation charge for right-of-use assets				
Land	\$ 74,758	\$ 83,798	\$ 152,439	\$ 168,281
Buildings	11,639	6,702	23,239	13,427
Machinery and equipment	-	-	30	-
Transportation equipment	<u>1,864</u>	<u>1,829</u>	<u>3,713</u>	<u>3,627</u>
	<u>\$ 88,261</u>	<u>\$ 92,329</u>	<u>\$ 179,421</u>	<u>\$ 185,335</u>

Except for the addition and recognition of depreciation expenses listed above, the Corporation and its subsidiaries did not have significant sublease or impairment of right-of-use assets during the six months ended June 30, 2024 and 2023.

b. Lease liabilities

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
<u>Carrying amount</u>			
Current	<u>\$ 325,505</u>	<u>\$ 356,934</u>	<u>\$ 342,197</u>
Noncurrent	<u>\$ 1,045,163</u>	<u>\$ 1,201,508</u>	<u>\$ 1,216,490</u>

Range of discount rates (%) for lease liabilities was as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Land	0.59-1.97	0.59-1.97	0.59-1.97
Buildings	0.63-3.45	0.59-3.45	0.59-3.45
Machinery and equipment	-	1.74	-
Transportation equipment	0.59-1.74	0.59-1.74	0.59-1.74

c. Material leasing activities and terms

1) Blast-Furnace Slag Cement and resource reutilization business of Taichung Factory

In order to expand business in Taichung, the Corporation signed the investment permission “The Contract Investment, Construction and Operating of Slag Grinding and Processing Plant in the Special Zone for Industry (IV) of Taichung Port” (the “Taichung Factory”) with Port of Taichung

Taiwan International Ports Corporation, Ltd (the “Ports Corporation”) in December 2006. The Corporation entered operation in the 2nd quarter of 2009 and 1st quarter of 2016.

For one year beginning from operation date of the first period, the Corporation has committed that the quantities of import and export goods at Taichung Port should be at least the minimum of annual guaranteed traffic volume, which is settled once a year. If the traffic volume is not reached, the Corporation should pay punitive damage to the Ports Corporation for unreached quantities according to the agreed calculation method. As of June 30, 2024, the Corporation had no outstanding punitive damage.

The Taichung Factory investment permission described above is for a period of 50 years, commencing from January 1, 2007 to December 31, 2056. Additionally, the lease term of land associated with the Taichung Factory investment permission is for a period of 20 years, commencing from January 1, 2007 to December 31, 2026. The lease cost of land includes rent, fixed operating royalty and variable operating royalty. The Corporation could apply for renewal before the contract expires. The period is limited to 20 years each time, until the permission period expires. The terms of renewal are to be arranged.

The rents for land of the Taichung Factory and the fixed operating royalty described above are paid every three months; the variable operating royalty paid is according to operating gross profit of the Taichung Factory audited by accountant every year multiplies by the agreed contribution rate.

In addition, for the expansion of stacking volume of slag and the Corporation’s long-term policy regarding the land in Taichung Factory, the Corporation has continued to rent land in the Special Zone for industry of Taichung Port from the Ports Corporation. The lease will expire successively in 2036 and the Corporation could apply for renewal before the contract expires. The terms of renewal are to be arranged.

The Corporation had provided performance bond amounted to NT\$3,040 thousand, and classified it as noncurrent refundable deposits according to its liquidity. The bank also provided performance bond amounted to NT\$51,240 thousand.

## 2) Blast-Furnace Slag Cement business in Taipei Port

The Corporation signed an agreement with Chia Hsin Cement Corp. in 2010 to acquire the exclusive right of GGBFS storage facility in Taipei Port. The period is up to 30 years from the beginning operation date of the storage facility (from May 2014 to May 2045). As of June 30, 2024, the Corporation had paid performance bonds amounted to NT\$211,000 thousand, and classified it as current and noncurrent refundable deposits according to its liquidity, so as to operate in coordination with the time schedule for construction of storage facility of Chia Hsin Cement Corp.

The Corporation is committed to pay Chia Hsin Cement Corp. for storage and delivery expenses from the beginning operation date of the storage facility to the date of termination of the contract (from January 2015 to May 2045) on the basis of the agreed rates and minimum capacity agreed with Chia Hsin Cement Corp.

Additionally, the Corporation has to pay NT\$13,834 thousand for site management expenses arising from storage and delivery every year from May 2014 to May 2045, and the amount is paid on a pro-rata basis if the operating period is less than one year.

## 3) Other resource reutilization business

The Corporation leases land and plants from non-related parties as a premise for resource reutilization business. The leases will successively expire through February 2036.

4) Land use right

CHC Resources Vietnam Co. Ltd. acquired the land use rights in July 2019 from the government of Vietnam, and the lease will expire in May 2051. The carrying amounts of right-of-use assets that had been pledged by the subsidiary for bank borrowing are set out in Note 30.

d. Other lease information

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Expenses relating to short-term leases and low-value asset leases	<u>\$ 3,816</u>	<u>\$ 3,127</u>	<u>\$ 7,144</u>	<u>\$ 6,746</u>
Total cash outflow for leases			<u>\$ 198,299</u>	<u>\$ 200,181</u>

The Corporation and its subsidiaries have elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities as short-term and low-value asset leases.

**16. INVESTMENT PROPERTIES**

For the six months ended June 30, 2024

	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2024 and June 30, 2024	<u>\$ 2,308,845</u>	<u>\$ 51,865</u>	<u>\$ 2,360,710</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2024	\$ -	\$ 31,937	\$ 31,937
Depreciation expenses	<u>-</u>	<u>1,517</u>	<u>1,517</u>
Balance at June 30, 2024	<u>\$ -</u>	<u>\$ 33,454</u>	<u>\$ 33,454</u>
Carrying amount at December 31, 2023	<u>\$ 2,308,845</u>	<u>\$ 19,928</u>	<u>\$ 2,328,773</u>
Carrying amount at June 30, 2024	<u>\$ 2,308,845</u>	<u>\$ 18,411</u>	<u>\$ 2,327,256</u>

For the six months ended June 30, 2023

	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2023 and June 30, 2023	<u>\$ 1,092,767</u>	<u>\$ 24,702</u>	<u>\$ 1,117,469</u>

(Continued)

	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
<u>Accumulated depreciation</u>			
Balance at January 1, 2023	\$ -	\$ 9,495	\$ 9,495
Depreciation expenses	<u>-</u>	<u>763</u>	<u>763</u>
Balance at June 30, 2023	<u>\$ -</u>	<u>\$ 10,258</u>	<u>\$ 10,258</u>
Carrying amount at June 30, 2023	<u>\$ 1,092,767</u>	<u>\$ 14,444</u>	<u>\$ 1,107,211</u> (Concluded)

The maturity analysis of lease receivables under operating leases of investment properties was as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Year 1	\$ 29,014	\$ 29,014	\$ 14,988
Year 2	29,014	29,014	14,988
Year 3	29,014	29,014	14,988
Year 4	14,026	21,531	14,988
Year 5	-	7,034	-
Year 6 onwards	-	-	-

The Corporation and its subsidiaries had no significant addition, disposal and impairment on investment properties for the six months ended June 30, 2024 and 2023. Buildings are depreciated through 3 to 26 years on a straight-line basis.

As of June 30, 2024, December 31, 2023 and June 30, 2023, the fair values of investment properties were NT\$2,483,935 thousand, NT\$2,483,935 thousand and NT\$1,194,332 thousand, respectively, and part of the lands' fair values was measured at level 3 inputs based on the real estate appraisers. The appraisal was based on the actual transaction price of land in the same section and the significant unobservable input included the related expense ratio. Others were not evaluated by independent qualified professional evaluators. The management of the Corporation used the valuation model applied by market participants to determine the fair value, and the fair value was measured using level 3 inputs.

All investment properties of the Corporation and its subsidiaries are from self-owned equity.

## 17. INTANGIBLE ASSETS

For the six months ended June 30, 2024

<u>Cost</u>	<b>Computer Software</b>
Balance at January 1, 2024	\$ 15,780
Additions	1,416
Disposals	(1,692)
Effects of foreign currency exchange difference	<u>9</u>
Balance at June 30, 2024	<u>15,513</u>

(Continued)

<u>Accumulated amortization</u>		<b>Computer Software</b>
Balance at January 1, 2024		\$ 7,800
Amortization expenses		2,309
Disposals		(1,692)
Effects of foreign currency exchange difference		<u>5</u>
Balance at June 30, 2024		<u>8,422</u>
Carrying amount at December 31, 2023		<u>\$ 7,980</u>
Carrying amount at June 30, 2024		<u>\$ 7,091</u>

(Concluded)

For the six months ended June 30, 2023

<u>Cost</u>		<b>Computer Software</b>
Balance at January 1, 2023		\$ 11,241
Additions		2,050
Effects of foreign currency exchange difference		<u>19</u>
Balance at June 30, 2023		<u>13,310</u>
<u>Accumulated amortization</u>		
Balance at January 1, 2023		3,569
Amortization expenses		1,911
Effects of foreign currency exchange difference		<u>9</u>
Balance at June 30, 2023		<u>5,489</u>
Carrying amount at June 30, 2023		<u>\$ 7,821</u>

Intangible assets are computer software, which are amortized over 3-5 years on a straight-line basis.

## 18. BORROWINGS

### a. Short-term borrowings

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Unsecured bank loans - annual interest rates range was 5.17%-6.65%, 1.64%-3.8% and 1.62%-5.96% as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively	\$ 125,103	\$ 545,429	\$ 391,398

(Continued)

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Letters of credit - annual interest rates range was 1.83%-1.92%, 1.71%-1.78% and 1.87% as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively	<u>\$ 28,714</u>	<u>\$ 48,466</u>	<u>\$ 41,895</u>
	<u>\$ 153,817</u>	<u>\$ 593,895</u>	<u>\$ 433,293</u> (Concluded)
<b>b. Long-term borrowings</b>			
	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Unsecured bank loans - due in January 2027, annual interest rates range was 1.72%-1.93%, 1.60%-1.83% and 1.57%-1.95% as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively	\$ 1,380,000	\$ 1,378,834	\$ 1,787,667
Secured bank loans - due in July 2027, annual interest rates range was 4.88%-6.38%, 4.10%-4.43% and 5.73%-7.53% as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively	<u>257,397</u> 1,637,397	<u>255,346</u> 1,634,180	<u>334,565</u> 2,122,232
Less: Current portion	<u>264,349</u>	<u>142,670</u>	<u>224,580</u>
	<u>\$ 1,373,048</u>	<u>\$ 1,491,510</u>	<u>\$ 1,897,652</u>

#### 19. OTHER PAYABLES (INCLUDING RELATED PARTIES)

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Freight	\$ 380,295	\$ 244,884	\$ 322,981
Outsourced salaries	165,599	147,274	131,329
Salaries and bonus	125,820	200,837	119,780
Compensation of employees and remuneration of directors and supervisors	76,180	46,537	65,194
Utility bill	44,132	39,487	38,393
Professional service payable	9,814	12,369	15,335
Taxes payable	7,017	9,132	7,526
Others	<u>340,597</u>	<u>361,804</u>	<u>331,918</u>
	<u>\$ 1,149,454</u>	<u>\$ 1,062,324</u>	<u>\$ 1,032,456</u>

The estimated expenses of cleanup plan stated in Note 32 were NT\$286,552 thousand, NT\$316,355 thousand and NT\$252,130 thousand as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively. The amounts were recognized as other payables-others and provisions.

## 20. PROVISIONS - NONCURRENT

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Cost of resource reutilization	<u>\$ 308,618</u>	<u>\$ 306,146</u>	<u>\$ 231,019</u>
		<b>For the Six Months Ended June 30</b>	
		<b>2024</b>	<b>2023</b>
Balance, beginning of the period		\$ 306,146	\$ 164,534
Additions		<u>2,472</u>	<u>66,485</u>
Balance, end of the period		<u>\$ 308,618</u>	<u>\$ 231,019</u>

The provision for resource reutilization represents the amount of the best estimate for product promotion based on recent experience because the Corporation is required to settle obligations on the balance sheet date, which would be adjusted in accordance with relevant laws and regulations.

## 21. RETIREMENT BENEFIT PLANS

For the three months and six months ended June 30, 2024 and 2023, the pension expense of defined benefit plans were NT\$1,321 thousand, NT\$1,448 thousand, NT\$2,643 thousand and NT\$4,091 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2023 and 2022, respectively.

## 22. EQUITY

### a. Ordinary shares

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Number of shares authorized (in thousands of shares)	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Shares authorized	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
Number of shares issued and fully paid (in thousands of shares)	<u>248,540</u>	<u>248,540</u>	<u>248,540</u>
Shares issued	<u>\$ 2,485,404</u>	<u>\$ 2,485,404</u>	<u>\$ 2,485,404</u>

Issued ordinary shares with par value of NT\$10, carry one vote per share and the right to dividends.

b. Capital surplus

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
May be used to offset deficits, distribute as cash dividends, or transfer to share capital (Note)			
Additional paid-in capital	\$ 4,419	\$ 4,419	\$ 4,419
Consolidation excess	157,497	157,497	157,497
Donations	<u>108</u>	<u>108</u>	<u>108</u>
	<u>\$ 162,024</u>	<u>\$ 162,024</u>	<u>\$ 162,024</u>

Note: Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and to once a year).

c. Retained earnings and dividend policy

Under the dividend policy, where the Corporation made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonuses to shareholders.

The Corporation is currently in a growing industry environment and the Corporation intends to take advantage of the economic environment to seek for a sustainable operation. The Corporation's dividend policy is to focus on dividend stability and growth by referring to future operating conditions; also, the Corporation should distribute not less than 50% of distributable earnings, and cash dividend may not be less than 50% of the amount distributed.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Corporation's paid-in capital. The legal reserve may be used to offset deficit. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2023 and 2022, which were approved in the shareholders' meeting in June 2024 and 2023, respectively, were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Legal reserve	\$ 83,206	\$ 78,165
Special reserve	17,532	-
Cash dividends	745,621	621,351
Cash dividends per share (NT\$)	3.0	2.5

d. Other equity items

1) Exchange differences on translation of the financial statements of foreign operations

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Balance, beginning of the period	\$ (36,463)	\$ (16,063)
Recognized for the period		
Exchange differences on translating of the financial statements of foreign operations	5,203	10,200
Share from associates accounted for using the equity method	<u>(20)</u>	<u>(42)</u>
Balance, end of the period	<u>\$ (31,280)</u>	<u>\$ (5,905)</u>

2) Unrealized valuation gains and losses on financial assets at fair value through other comprehensive income

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Balance, beginning of the period	\$ 18,973	\$ 48,367
Recognized for the period		
Unrealized loss - equity instruments	(38,849)	(2,060)
Share from associates accounted for using the equity method	(7,889)	3,991
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>(2,430)</u>	<u>(1,133)</u>
Balance, end of the period	<u>\$ (30,195)</u>	<u>\$ 49,165</u>

3) Gain (loss) on hedging instruments

Cash flow hedges

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Balance, beginning of the period	\$ (42)	\$ 2,032
Recognized for the period		
Change in fair value of hedging instruments - other comprehensive income		
Foreign currency risk- foreign deposits	<u>42</u>	<u>(3,090)</u>
Balance, end of the period	<u>\$ -</u>	<u>\$ (1,058)</u>

e. Non-controlling interests

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Balance, beginning of the period	\$ 226,615	\$ 218,661
Share of profit for the period	11,882	8,483
Other comprehensive income (loss) for the period		
Exchange differences on translating of the financial statements of foreign operations	918	1,800
Unrealized loss on financial assets at fair value through other comprehensive income	(62)	(46)
Dividend distribution	<u>(12,476)</u>	<u>(6,490)</u>
Balance, end of the period	<u>\$ 226,877</u>	<u>\$ 222,408</u>

**23. REVENUE**

a. Contract balances

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>	<b>January 1, 2023</b>
Notes receivable and accounts receivable (Note 8)	<u>\$ 1,522,081</u>	<u>\$ 1,348,940</u>	<u>\$ 1,266,937</u>	<u>\$ 950,240</u>
Contract assets - current				
Construction contracts	\$ 1,484	\$ 1,348	\$ -	\$ 19,007
Sales receivable and retention receivables	331	334	341	405
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,815</u>	<u>\$ 1,682</u>	<u>\$ 341</u>	<u>\$ 19,412</u>
Contract liabilities - current				
Sale received in advance	\$ 64,102	\$ 55,846	\$ 36,746	\$ 29,150
Services received in advance	1,521	478	76,901	6,353
Construction contracts	<u>477</u>	<u>477</u>	<u>2,694</u>	<u>2,694</u>
	<u>\$ 66,100</u>	<u>\$ 56,801</u>	<u>\$ 116,341</u>	<u>\$ 38,197</u>

b. Assets related to contract costs

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
<u>Current</u>			
Cost to fulfil a contract			
Executing cost	<u>\$ 16,828</u>	<u>\$ 12,066</u>	<u>\$ 41,742</u>

c. Disaggregation of revenue

Refer to Note 35 for information on the disaggregation of revenue.

**24. PROFIT BEFORE INCOME TAX**

a. Other income

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Rental income	\$ 7,393	\$ 9,201	\$ 14,914	\$ 18,412
Others	<u>3,481</u>	<u>765</u>	<u>6,493</u>	<u>6,015</u>
	<u>\$ 10,874</u>	<u>\$ 9,966</u>	<u>\$ 21,407</u>	<u>\$ 24,427</u>

b. Other gains and losses

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Net gain on financial assets at fair value through profit or loss	\$ 125	\$ 68	\$ 160	\$ 262
Net gain (loss) on disposal of property, plant and equipment	(195)	305	157	305
Net foreign exchange gain	1,421	291	2,125	649
Others	<u>(1,106)</u>	<u>(993)</u>	<u>(2,506)</u>	<u>(1,879)</u>
	<u>\$ 245</u>	<u>\$ (329)</u>	<u>\$ (64)</u>	<u>\$ (663)</u>

c. Finance costs

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest on borrowings	\$ 10,283	\$ 17,103	\$ 20,455	\$ 34,567
Interest on lease liabilities	<u>6,558</u>	<u>6,000</u>	<u>13,017</u>	<u>11,897</u>
	16,841	23,103	33,472	46,464
Less: Amounts included in the cost of qualifying assets	<u>329</u>	<u>292</u>	<u>636</u>	<u>588</u>
	<u>\$ 16,512</u>	<u>\$ 22,811</u>	<u>\$ 32,836</u>	<u>\$ 45,876</u>

Information on capitalized interest was as follows:

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Capitalized interest amounts	\$ 329	\$ 292	\$ 636	\$ 588
Capitalization rates (%)	1.55-1.70	1.48-1.62	1.55-1.70	1.48-1.62

d. Depreciation and amortization

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Property, plant and equipment	\$ 128,168	\$ 138,690	\$ 258,593	\$ 276,695
Right-of-use assets	88,261	92,329	179,421	185,335
Investment properties	770	382	1,517	763
Intangible assets	1,156	985	2,309	1,911
Other noncurrent assets	<u>4,999</u>	<u>4,025</u>	<u>10,723</u>	<u>8,168</u>
	<u>\$ 223,354</u>	<u>\$ 236,411</u>	<u>\$ 452,563</u>	<u>\$ 472,872</u>
An analysis of depreciation by function				
Operating costs	\$ 205,658	\$ 220,092	\$ 416,355	\$ 440,232
Operating expenses	10,771	10,905	21,636	21,753
Others	<u>770</u>	<u>404</u>	<u>1,540</u>	<u>808</u>
	<u>\$ 217,199</u>	<u>\$ 231,401</u>	<u>\$ 439,531</u>	<u>\$ 462,793</u>
An analysis of amortization by function				
Operating costs	\$ 5,012	\$ 4,011	\$ 10,754	\$ 8,140
Operating expenses	<u>1,143</u>	<u>999</u>	<u>2,278</u>	<u>1,939</u>
	<u>\$ 6,155</u>	<u>\$ 5,010</u>	<u>\$ 13,032</u>	<u>\$ 10,079</u>

e. Employee benefits expense

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Short-term employee benefits				
Salaries	\$ 157,795	\$ 148,661	\$ 320,095	\$ 299,367
Labor and health insurance	11,387	11,283	24,556	23,875
Others	<u>7,916</u>	<u>8,015</u>	<u>15,626</u>	<u>15,067</u>
	<u>177,098</u>	<u>167,959</u>	<u>360,277</u>	<u>338,309</u>

(Continued)

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Post-employment benefits				
Defined contribution plans	\$ 3,756	\$ 3,754	\$ 7,458	\$ 7,301
Defined benefit plans (Note 21)	<u>1,321</u>	<u>1,448</u>	<u>2,643</u>	<u>4,091</u>
	<u>5,077</u>	<u>5,202</u>	<u>10,101</u>	<u>11,392</u>
	<u>\$ 182,175</u>	<u>\$ 173,161</u>	<u>\$ 370,378</u>	<u>\$ 349,701</u>
Analysis of employee benefits expense by function				
Operating costs	\$ 114,580	\$ 107,291	\$ 233,777	\$ 216,423
Operating expenses	<u>67,595</u>	<u>65,870</u>	<u>136,601</u>	<u>133,278</u>
	<u>\$ 182,175</u>	<u>\$ 173,161</u>	<u>\$ 370,378</u>	<u>\$ 349,701</u>

(Concluded)

f. Compensation of employees and remuneration of directors

The Corporation accrues compensation of employees and remuneration of directors at rates of no less than 0.1% and no higher than 1%, respectively, of net profit before income tax, compensation of employees and remuneration of directors.

The compensation of employees and remuneration of directors for the three months and six months ended June 30, 2024 and 2023, are as follows:

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Compensation of employees	\$ 12,292	\$ 10,178	\$ 23,911	\$ 18,083
Remuneration of directors	2,458	2,036	4,782	3,617

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate in the next year.

The appropriations of compensation of employees and remuneration of directors in cash for 2023 and 2022 which have been approved by the Corporation's board of directors in February 2024 and 2023, respectively, were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Compensation of employees	\$ 36,941	\$ 33,862
Remuneration of directors	7,388	6,772

The actual amounts of the compensation of employees and remuneration of directors paid for 2023 and 2022 differ from the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022, as follows:

	<b>For the Year Ended December 31</b>			
	<b>2023</b>		<b>2022</b>	
	<b>Compensation of Employees</b>	<b>Remuneration of Directors</b>	<b>Compensation of Employees</b>	<b>Remuneration of Directors</b>
Amounts approved in the board of directors' meeting	<u>\$ 36,941</u>	<u>\$ 7,388</u>	<u>\$ 33,862</u>	<u>\$ 6,772</u>
Amounts recognized in the annual consolidated financial statements	<u>\$ 36,941</u>	<u>\$ 7,388</u>	<u>\$ 33,861</u>	<u>\$ 6,772</u>

There is no difference between the amount recognized and approved in the consolidated financial statements for the year ended December 31, 2023. The differences for the year ended December 31, 2022 were adjusted to profit or loss for the year ended December 31, 2023.

Information on the compensation of employees and remuneration of directors resolved by the Corporation's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 25. INCOME TAX

### a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	Current tax			
In respect of the period	\$ 69,999	\$ 59,180	\$ 142,288	\$ 110,734
Adjustment for prior year	(4,702)	(2,411)	(4,702)	(2,411)
Deferred tax	<u>3,304</u>	<u>(2,266)</u>	<u>4,016</u>	<u>(7,531)</u>
	<u>\$ 68,601</u>	<u>\$ 54,503</u>	<u>\$ 141,602</u>	<u>\$ 100,792</u>

### b. Income tax assessments

The Corporation and its domestic subsidiaries' income tax returns through 2022, have been assessed by the tax authorities. The foreign subsidiary calculated the tax in accordance with the local laws.

## 26. EARNINGS PER SHARE

The net profit and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

Net profit for the period

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Net profit attributable to owners of the Corporation	<u>\$ 292,398</u>	<u>\$ 227,133</u>	<u>\$ 585,130</u>	<u>\$ 410,297</u>

Number of ordinary shares (in thousands of shares)

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Weighted average number of ordinary shares used in computation of basic earnings per share	248,540	248,540	248,540	248,540
Effects of potential dilutive ordinary shares:				
Compensation of employees	<u>363</u>	<u>328</u>	<u>560</u>	<u>539</u>
Weighted average number of ordinary shares used in computation of diluted earnings per share	<u>248,903</u>	<u>248,868</u>	<u>249,100</u>	<u>249,079</u>

The Corporation may settle the compensation of employees in cash or shares; therefore, the Corporation assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

## 27. CAPITAL MANAGEMENT

The Corporation and its subsidiaries manage its capital to ensure that entities in the Corporation and its subsidiaries will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Corporation and its subsidiaries consist of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Corporation (comprising issued capital, reserves, retained earnings, other equity).

The Corporation and its subsidiaries are not subject to any externally imposed capital requirements.

## 28. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

The management considers the carrying amounts of financial instruments that are not measured at fair value approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
<u>June 30, 2024</u>				
Financial assets at fair value through other comprehensive income				
Equity instruments				
Domestic listed shares	\$ 250,073	\$ -	\$ -	\$ 250,073
Domestic and foreign unlisted shares	<u>-</u>	<u>-</u>	<u>36,874</u>	<u>36,874</u>
	<u>\$ 250,073</u>	<u>\$ -</u>	<u>\$ 36,874</u>	<u>\$ 286,947</u>
<u>December 31, 2023</u>				
Financial assets at fair value through other comprehensive income				
Equity instruments				
Domestic listed shares	\$ 292,293	\$ -	\$ -	\$ 292,293
Domestic and foreign unlisted shares	<u>-</u>	<u>-</u>	<u>33,564</u>	<u>33,564</u>
	<u>\$ 292,293</u>	<u>\$ -</u>	<u>\$ 33,564</u>	<u>\$ 325,857</u>
<u>June 30, 2023</u>				
Financial assets at fair value through other comprehensive income				
Equity instruments				
Domestic listed shares	\$ 282,994	\$ -	\$ -	\$ 282,994
Domestic and foreign unlisted shares	<u>-</u>	<u>-</u>	<u>34,447</u>	<u>34,447</u>
	<u>\$ 282,994</u>	<u>\$ -</u>	<u>\$ 34,447</u>	<u>\$ 317,441</u>

There was no transfer between Level 1 and Level 2 for the six months ended June 30, 2024 and 2023.

2) Reconciliation of Level 3 fair value measurements of financial assets

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
<u>Financial assets at fair value through other comprehensive income (equity instruments)</u>		
Balance, beginning of the period	\$ 33,564	\$ 32,702
Recognized in other comprehensive income	<u>3,310</u>	<u>1,745</u>
Balance, end of the period	<u>\$ 36,874</u>	<u>\$ 34,447</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair value of unlisted equity securities were determined based on industry types, valuations of similar companies and operations.

c. Categories of financial instruments

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
<u>Financial assets</u>			
Financial assets at fair value through other comprehensive income - equity instruments	\$ 286,947	\$ 325,857	\$ 317,441
Financial assets for hedging	-	4,279	31,568
Financial assets at amortized cost 1)	2,400,924	2,077,137	2,192,240
<u>Financial liabilities</u>			
Financial liabilities at amortized cost 2)	3,232,740	3,663,010	3,837,549

1) The balances included financial assets at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable (including related parties), other receivables (including to related parties), other financial assets and refundable deposits.

2) The balances included financial liabilities at amortized cost, which comprise short-term borrowings, notes and accounts payable (including related parties), payables on equipment, other payables (including related parties), guarantee deposits received, refund liabilities (under other current liabilities) and long-term borrowings (including current portion).

d. Financial risk management objectives and policies

The Corporation and its subsidiaries place great emphasis on financial risk management. By tracking and managing the market risk, credit risk, and liquidity risk efficiently, the management ensured that the Corporation and its subsidiaries were equipped with sufficient and cost - efficient working capital, which reduced financial uncertainty that may have adverse effects on the operations.

The significant financial activities of the Corporation and its subsidiaries are reviewed by the board of directors in accordance with relevant regulations and internal controls. The finance department follows the accountability and related financial risk control procedures required by the Corporation and its subsidiaries for executing financial projects. Compliance with policies and exposure limits is continually reviewed by the internal auditors. The Corporation and its subsidiaries did not enter into or

trade financial instruments for speculative purposes.

1) Market risk

The Corporation and its subsidiaries' activities exposed them primarily to financial risks as follows:

a) Foreign currency risk

The Corporation and its subsidiaries had sales in foreign currencies, which were exposed to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing were mitigated by future receivables and payables denominated in the same foreign currency.

The carrying amounts of the Corporation and its subsidiaries' foreign currency denominated monetary assets and monetary liabilities at the end of the year are set out in Note 33.

Sensitivity analysis

The Corporation and its subsidiaries are mainly exposed to the USD and the JPY.

The 1% sensitivity rate is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included cash and cash equivalents, accounts receivable, other receivables, financial assets for hedging, accounts payable and other payables. If the foreign exchange rates of the New Taiwan dollar against the relevant currency had been 1% higher/lower, the amount of profit before income tax and equity for the six months ended June 30, 2024 and 2023 would have increased/decreased by NT\$321 thousand and NT\$421 thousand, respectively.

b) Interest rate risk

The carrying amounts of the Corporation and its subsidiaries' financial assets and financial liabilities with exposure to interest rates at the balance sheet date were as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Fair value interest rate risk			
Financial liabilities	\$ 1,370,668	\$ 1,558,442	\$ 1,558,687
Cash flow interest rate risk			
Financial assets	550,570	383,528	534,617
Financial liabilities	1,791,214	2,228,075	2,555,525

The sensitivity analysis below was determined based on the Corporation and its subsidiaries' exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year. 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Corporation and its subsidiaries' cash flows for the six months ended June 30, 2024 and 2023 would have increased/decreased by NT\$8,956 thousand and NT\$12,778 thousand, respectively, which were mainly a result of variable-rate borrowings.

c) Other price risk

The Corporation and its subsidiaries were exposed to equity price risk through its investments in listed equity securities, which are held for strategic rather than trading purposes, the Corporation and its subsidiaries do not actively trade these investments. The Corporation and its subsidiaries' equity price risk is mainly concentrated in instruments of listed steel industry.

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 1% higher/lower, the pre-tax other comprehensive income for the six months ended June 30, 2024 and 2023 would have increased/decreased by NT\$2,501 thousand and NT\$2,830 thousand, respectively, as a result of the changes in fair value of financial assets at fair value through other comprehensive income.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Corporation and its subsidiaries. At the end of the reporting period, the Corporation and its subsidiaries' maximum exposure to credit risk, which would cause a financial loss to the Corporation and its subsidiaries due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Corporation and its subsidiaries, could be equal mainly to the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

The adopted policies are only for transactions with creditworthy counterparty to obtain sufficient guarantees to mitigate the risk of financial losses arising from defaults. The Corporation and its subsidiaries use other publicly available financial information and mutual transaction records to evaluate major customers, and also continuously monitor credit risk and credit rating of counterparties, and distribute the total transaction amount to qualified customers. The Corporation and its subsidiaries also control credit risk insurance by credit limit every year.

The Corporation and its subsidiaries' concentrations of credit risk in the industries were as follows :

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Cement industry	\$ 718,945	\$ 794,356	\$ 554,740
Steel industry	<u>540,315</u>	<u>379,365</u>	<u>576,549</u>
	<u>\$ 1,259,260</u>	<u>\$ 1,173,721</u>	<u>\$ 1,131,289</u>

3) Liquidity risk

The management of the Corporation and its subsidiaries continuously monitor the movement of cash flows, net cash position, significant capital expenditures and the utilization of bank loan commitments to ensure compliance with loan covenants. As of June 30, 2024, the current liabilities of the Corporation and its subsidiaries exceeded current assets by NT\$128,768 thousand. However, the Corporation and its subsidiaries' operating profits were normal and had sufficient unutilized short-term and long-term bank financing lines; therefore, there was no liquidity risk.

The Corporation and its subsidiaries rely on bank borrowings as a significant source of liquidity. As of the balance sheet date, the Corporation and subsidiaries had available unutilized short-term and long-term bank loan facilities as set out in (b) below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Corporation and its subsidiaries' remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Corporation and subsidiaries can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates of other non-derivative financial liabilities were based on the agreed upon repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

	<b>Less Than 1 Year</b>	<b>Over 1 Years</b>	<b>Total</b>
<u>June 30, 2024</u>			
Non-interest bearing liabilities	\$ 1,432,415	\$ 9,111	\$ 1,441,526
Variable interest rate instruments	429,976	1,432,824	1,862,800
Lease liabilities	<u>336,792</u>	<u>1,168,709</u>	<u>1,505,501</u>
	<u>\$ 2,199,183</u>	<u>\$ 2,610,644</u>	<u>\$ 4,809,827</u>

Additional information on the maturity analysis for lease liabilities was as follows:

	<b>Less Than 1 Year</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>
Lease liabilities	<u>\$ 336,792</u>	<u>\$ 871,436</u>	<u>\$ 297,273</u>

	<b>Less Than 1 Year</b>	<b>Over 1 Years</b>	<b>Total</b>
<u>December 31, 2023</u>			
Non-interest bearing liabilities	\$ 1,428,535	\$ 6,400	\$ 1,434,935
Variable interest rate instruments	753,397	1,532,112	2,285,509
Lease liabilities	<u>362,496</u>	<u>1,331,128</u>	<u>1,693,624</u>
	<u>\$ 2,544,428</u>	<u>\$ 2,869,640</u>	<u>\$ 5,414,068</u>

Additional information on the maturity analysis for lease liabilities was as follows:

	<b>Less Than 1 Year</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>
Lease liabilities	<u>\$ 362,496</u>	<u>\$ 1,001,631</u>	<u>\$ 329,497</u>

	<b>Less Than 1 Year</b>	<b>Over 1 Years</b>	<b>Total</b>
<u>June 30, 2023</u>			
Non-interest bearing liabilities	\$ 1,278,291	\$ 3,733	\$ 1,282,024
Variable interest rate instruments	678,074	1,979,391	2,657,465
Lease liabilities	<u>352,439</u>	<u>1,350,509</u>	<u>1,702,948</u>
	<u>\$ 2,308,804</u>	<u>\$ 3,333,633</u>	<u>\$ 5,642,437</u>

Additional information on the maturity analysis for lease liabilities was as follows:

	<b>Less Than 1 Year</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>
Lease liabilities	<u>\$ 352,439</u>	<u>\$ 962,863</u>	<u>\$ 387,646</u>

The amount included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

b) Financing facilities

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Unsecured bank facilities			
Amount used	\$ 1,972,735	\$ 2,340,850	\$ 2,666,331
Amount unused	<u>7,196,665</u>	<u>6,678,054</u>	<u>7,110,455</u>
	<u>\$ 9,169,400</u>	<u>\$ 9,018,904</u>	<u>\$ 9,776,786</u>
Secured bank facilities			
Amount used	\$ 257,397	\$ 255,346	\$ 334,565
Amount unused	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
	<u>\$ 277,397</u>	<u>\$ 275,346</u>	<u>\$ 354,565</u>

4) Cash flow hedges

June 30, 2024

<b>Hedging Instrument</b>	<b>Currency</b>	<b>Amount</b>	<b>Line Items on the Balance Sheet</b>	<b>Carrying Amount</b>	
				<b>Asset</b>	<b>Liability</b>
Cash flow hedges hedging deposits	JPY	\$ -	Financial assets for hedging	<u>\$ -</u>	<u>\$ -</u>

Hedged Item	Change in Fair Value of Hedged Items Used for Calculating Hedge Ineffectiveness	Balance in Other Equity	
		Continuing Hedges	Discontinuing Hedges
Cash flow hedge			
Forecast purchases for equipment	\$ 42	\$ -	\$ -

For the six months Ended June 30, 2024

Effect on Comprehensive Income	Hedging Gains (Losses) recognized in OCI	Amount of Hedge Ineffectiveness Recognized in P/L	Line Item in Which Hedge Ineffectiveness Is Included	Amount reclassified to P/L and the Adjusted Line Item	
				Due to Hedged Item Affecting P/L	Due to Hedged Future Cash Flows No Longer Expected to Occur
Cash flow hedges hedging deposits	\$ 42	\$ -	-	\$ -	\$ -

December 31, 2023

Hedging Instrument	Currency	Amount	Line Items on the Balance Sheet	Carrying Amount	
				Asset	Liability
Cash flow hedges hedging deposits	JPY	\$ 19,700	Financial assets for hedging	\$ 4,279	\$ -

Hedged Item	Change in Fair Value of Hedged Items Used for Calculating Hedge Ineffectiveness	Balance in Other Equity	
		Continuing Hedges	Discontinuing Hedges
Cash flow hedge			
Forecast purchases for equipment	\$ (2,074)	\$ (42)	\$ -

June 30, 2023

Hedging Instrument	Currency	Amount	Line Items on the Balance Sheet	Carrying Amount	
				Asset	Liability
Cash flow hedges hedging deposits	JPY	\$ 146,830	Financial assets for hedging	\$ 31,568	\$ -

Hedged Item	Change in Fair Value of Hedged Items Used for Calculating Hedge Ineffectiveness	Balance in Other Equity	
		Continuing Hedges	Discontinuing Hedges
Cash flow hedge			
Forecast purchases for equipment	\$ (3,090)	\$ (1,058)	\$ -
<u>For the six months Ended June 30, 2023</u>			

Effect on Comprehensive Income	Hedging Gains (Losses) recognized in OCI	Amount of Hedge Ineffectiveness Recognized in P/L	Line Item in Which Hedge Ineffectiveness Is Included	Amount reclassified to P/L and the Adjusted Line Item	
				Due to Hedged Item Affecting P/L	Due to Hedged Future Cash Flows No Longer Expected to Occur
Cash flow hedges hedging deposits	\$ (3,090)	\$ -	-	\$ -	\$ -

## 29. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Corporation and its subsidiaries and other related parties are disclosed as follows:

### a. Related party name and category

Related Party Name	Related Party Category
China Steel Corporation (CSC)	Parent of the Corporation
Chung Hung Steel Corporation (CHSC)	Fellow subsidiary
Dragon Steel Corporation (DSC)	Fellow subsidiary
United Steel Engineering & Construction Corporation (USECC)	Fellow subsidiary
China Steel Resources Corporation (CSRC)	Fellow subsidiary
China Steel Security Corporation (CSSC)	Fellow subsidiary
China Steel Express Corporation (CSEC)	Fellow subsidiary
Universal Exchange Inc.	Fellow subsidiary
Steel Castle Technology Corporation	Fellow subsidiary
China Steel Chemical Corporation	Fellow subsidiary
China Ecotek Corporation	Fellow subsidiary
Infochamp Systems Corporation	Fellow subsidiary
China Steel Structure Co., Ltd.	Fellow subsidiary
C.S.Aluminium Corporation	Fellow subsidiary
CSC Solar Corporation (CSC SOLAR)	Fellow subsidiary
Betacera Inc.	Fellow subsidiary
China Steel Global Trading Corporation	Fellow subsidiary
Taiwan Cement Corporation (TCC)	Director of the Corporation
Asia Cement Corporation (ACC)	Director of the Corporation

(Continued)

<u>Related Party Name</u>	<u>Related Party Category</u>
Universal Cement Corporation	Director of the Corporation
Southeast Cement Corporation	Director of the Corporation
Taiwan Transport & Storage Corporation (TTSC)	Subsidiary of director of the Corporation
Nan-Hwa Cement Corporation (NHCC)	Subsidiary of director of the Corporation
Ta-Ho Maritime Corporation	Subsidiary of director of the Corporation
Ya Tung Ready Mixed Concrete Co., Ltd.	Subsidiary of director of the Corporation
Universal Cement Concrete Corporation	Subsidiary of director of the Corporation
Kuan-Ho Refractories Industrial Corporation	Subsidiary of director of the Corporation
Ya Li Transportation Corporation (YL)	Subsidiary of director of the Corporation
Fu-Ming Transport Corporation	Subsidiary of director of the Corporation
Southeast Topgood Resources Recycling Co., Ltd.	Subsidiary of director of the Corporation
Formosa Ha Tinh Steel Corporation (FHSC)	Other related party

(Concluded)

b. Operating revenue

Account Items	Related Parties Category/Names	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2024	2023	2024	2023
Sales	Parent entity - CSC	\$ 41,947	\$ 60,289	\$ 81,563	\$ 115,720
	Fellow subsidiaries	11,622	20,838	22,561	37,474
	Directors and its subsidiaries				
	TCC	226,395	203,309	436,153	397,486
	Others	<u>241,796</u>	<u>212,278</u>	<u>465,333</u>	<u>418,402</u>
		<u>\$ 521,760</u>	<u>\$ 496,714</u>	<u>\$ 1,005,610</u>	<u>\$ 969,082</u>
Service revenue	Parent entity - CSC	\$ 752,484	\$ 861,611	\$ 1,275,521	\$ 1,676,609
	Fellow subsidiaries				
	DSC	402,661	351,047	701,183	656,809
	CSRC	187,328	168,751	345,251	321,584
	Others	623	8,600	1,191	17,661
	Directors and its subsidiaries	43,856	43,420	85,216	83,168
	Other related parties	<u>52,810</u>	<u>53,762</u>	<u>98,435</u>	<u>95,621</u>
		<u>\$ 1,439,762</u>	<u>\$ 1,487,191</u>	<u>\$ 2,506,797</u>	<u>\$ 2,851,452</u>
Construction contract revenue	Fellow subsidiaries - CSRC	<u>\$ 2,723</u>	<u>\$ -</u>	<u>\$ 7,729</u>	<u>\$ 2,205</u>

The selling price of GGBFS to directors and its subsidiaries were made at arm's length and applied to similar transactions in the market. Other transactions did not have non-related parties for comparison. The payment terms between the Corporation and its subsidiaries and related parties and between the Corporation and its subsidiaries and non-related parties are agreed upon by both parties.

c. Purchase of goods

Related Parties Category/Names	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
	Parent entity - CSC	\$ 213,901	\$ 179,109	\$ 396,868
Fellow subsidiaries				
DSC	98,960	81,988	189,354	164,656
CHSC	76,335	110,969	166,073	209,080
Others	75,074	29,703	97,667	75,063
Directors and its subsidiaries	111,707	92,251	222,626	218,475
Others - FHSC	<u>130,011</u>	<u>135,395</u>	<u>242,363</u>	<u>248,130</u>
	<u>\$ 705,988</u>	<u>\$ 629,415</u>	<u>\$ 1,314,951</u>	<u>\$ 1,267,576</u>

Purchases of cement from directors and its subsidiaries were made at arm's length and applied to similar transactions in the market. Other transactions did not have non-related parties for comparison. The payment terms between the Corporation and its subsidiaries and related parties and between the Corporation and its subsidiaries and non-related parties are agreed upon by both parties.

d. Contract assets - current

Related Parties Category/Names	June 30, 2024	December 31, 2023	June 30, 2023
Parent entity - CSC	<u>\$ 137</u>	<u>\$ 137</u>	<u>\$ -</u>

For the six months ended June 30, 2024 and 2023, no impairment loss was recognized for contract assets from related parties.

e. Contract liabilities - current

Related Parties Category/Names	June 30, 2024	December 31, 2023	June 30, 2023
Parent entity - CSC	\$ -	\$ -	\$ 91,302
Directors and its subsidiaries	<u>-</u>	<u>-</u>	<u>172</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,474</u>

f. Other material transactions with related parties

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
	1) Operating lease			
Rental income				
Parent entity - CSC	\$ 7,249	\$ 8,987	\$ 14,497	\$ 17,974

(Continued)

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
2) Security expense Fellow subsidiary - CSSC	\$ 11,790	\$ 11,126	\$ 23,730	\$ 22,490
3) Outsourced manufacturing expense Subsidiary of director - NHCC	26,355	25,250	50,602	49,278
4) Charges for handling service and freight Fellow subsidiary CSEC	224,986	231,331	236,859	433,854
USECC	13,920	-	26,047	-
Subsidiary of director YL	51,573	61,733	110,225	124,211
TTSC	14,364	12,489	27,835	24,375
5) Other professional service expense Director ACC	26,854	30,615	61,017	59,888
TCC	3,186	3,728	5,127	6,714
6) Renewable energy expense Fellow subsidiary - CSC SOLAR	3,640	4,156	6,465	5,379 (Concluded)

The above transaction prices, collection and payment term are agreed upon by both parties.

g. Accounts receivable - related parties

<b>Related Parties Category/Names</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Parent entity - CSC	\$ 272,476	\$ 180,617	\$ 386,712
Fellow subsidiaries			
DSC	241,694	154,996	171,749
Others	134,404	64,119	56,873
Directors and its subsidiaries			
TCC	278,348	283,493	165,036
Others	111,955	125,179	102,342
Others related parties	<u>24,858</u>	<u>42,894</u>	<u>17,956</u>
	<u>\$1,063,735</u>	<u>\$ 851,298</u>	<u>\$ 900,668</u>

The outstanding receivables from related parties are unsecured. For the six months ended June 30, 2024 and 2023, no impairment losses were recognized for trade receivables from related parties.

h. Other receivables - related parties

<b>Related Parties Category/Names</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Parent entity - CSC	\$ 35,477	\$ 20,495	\$ 49,446
Directors and its subsidiaries	-	3	-
Other related parties	<u>787</u>	<u>347</u>	<u>2,312</u>
	<u>\$ 36,264</u>	<u>\$ 20,845</u>	<u>\$ 51,758</u>

i. Accounts payable - related parties

<b>Related Parties Category/Names</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Parent entity - CSC	\$ 8,745	\$ 12,225	\$ 3,758
Fellow subsidiaries			
CHSC	24,588	36,530	32,712
Others	8,446	4,388	2,952
Directors and its subsidiaries	<u>37,294</u>	<u>48,495</u>	<u>31,715</u>
	<u>\$ 79,073</u>	<u>\$ 101,638</u>	<u>\$ 71,137</u>

The outstanding accounts payable to related parties are unsecured.

j. Other payables - related parties

<b>Related Parties Category/Names</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Parent entity - CSC	\$ 4,057	\$ 2,863	\$ 5,758
Fellow subsidiaries			
CSEC	80,197	-	103,610
Others	12,978	5,910	7,242
Directors and its subsidiaries	64,679	70,451	46,893
Other related parties	<u>1,085</u>	<u>373</u>	<u>143</u>
	<u>\$ 162,996</u>	<u>\$ 79,597</u>	<u>\$ 163,646</u>

k. Prepayments

<b>Related Parties Category/Names</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Parent entity - CSC	\$ 1,328	\$ 1,328	\$ 1,328
Fellow subsidiaries	2,040	-	10,842
Directors and its subsidiaries	2,244	2	1,543
Other related parties - FHSC	<u>7,502</u>	<u>8,492</u>	<u>13,828</u>
	<u>\$ 13,114</u>	<u>\$ 9,822</u>	<u>\$ 27,541</u>

l. Acquisition of property, plant and equipment

Related Parties Category/Name	Purchase Price	
	For the Six Months	
	Ended June 30	
	2024	2023
Fellow subsidiaries	\$ 258	\$ -

m. Lease arrangements

Related Parties Category/Names	For the Six Months	
	Ended June 30	
	2024	2023
Acquisition of right-of-use assets		
Parent entity - CSC	\$ -	\$ 16,888

Account Item	Related Parties Category/Name	June 30, 2024	December 31, 2023	June 30, 2023
Lease liabilities	Parent entity - CSC	\$ 43,599	\$ 53,282	\$ 62,537
	Fellow subsidiaries	-	119	-
		<u>\$ 43,599</u>	<u>\$ 53,401</u>	<u>\$ 62,537</u>

Related Parties Category/Names	For the Three Months		For the Six Months	
	Ended June 30		Ended June 30	
	2024	2023	2024	2023
Interest expense				
Parent entity - CSC	\$ 185	\$ 267	\$ 384	\$ 548
Lease expense				
Parent entity - CSC	\$ 385	\$ 390	\$ 749	\$ 1,057
Fellow subsidiaries	7	7	13	23
Other related parties	144	158	289	316
	<u>\$ 536</u>	<u>\$ 555</u>	<u>\$ 1,051</u>	<u>\$ 1,396</u>

n. Remuneration of key management personnel

The remuneration of directors and other members of key management personnel was as follows:

	For the Three Months		For the Six Months	
	Ended June 30		Ended June 30	
	2024	2023	2024	2023
Short-term employee benefits (including salaries, remuneration and bonus)	\$ 7,892	\$ 5,503	\$ 15,486	\$ 13,510
Post-employment benefits	166	123	331	1,448
	<u>\$ 8,058</u>	<u>\$ 5,626</u>	<u>\$ 15,817</u>	<u>\$ 14,958</u>

### 30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for performance guarantees, bank overdrafts and bank borrowing as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Pledged time deposits (under other financial assets)	\$ 11,102	\$ 12,311	\$ 8,427
Property, plant and equipment			
Land	40,172	40,172	40,172
Buildings	227,623	230,883	247,234
Machinery and equipment	445,575	454,654	489,803
Right-of-use assets			
Land	<u>134,901</u>	<u>136,313</u>	<u>145,488</u>
	<u>\$ 859,373</u>	<u>\$ 874,333</u>	<u>\$ 931,124</u>

### 31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant contingencies of the Corporation and its subsidiaries as of June 30, 2024 were as follows:

- a. Unused letters of credit for importation of materials amounted to NT\$387,678 thousand.
- b. The Corporation provided performance bond of NT\$51,240 thousand guaranteed by financial institutions (Note 15(c))
- c. To expand the production line, the Corporation entered into the construction contracts amounted to NT\$181,116 thousand, which have not been recorded yet.

### 32. Others

The Corporation received an official letter from the Environmental Protection Bureau of Kaohsiung City Government (the "Environmental Bureau") in 2018, which stated that the Corporation shall be liable jointly and severally with other obligors for the cleanup of the Basic Oxygen Furnace Slag aggregates used in Chien Fa's landfill located in Qishan District of Dalin Section. In this regard, the Corporation filed an administrative litigation, which was dismissed by the Supreme Administrative Court, then the Corporation initiated a rehearing of the case. Supreme Administrative Court ruled that theory of case "Where a party discovers a piece of evidence which has not been considered, or which becomes available" and "Where the original judgement failed to take into consideration important evidence which will affect the judgment" to be transferred Kaohsiung High Administrative Court for trial. After the theory was dismissed by the Kaohsiung High Administrative Court, the Corporation filed an appeal. In October 2020, the Corporation received another letter from the Environmental Bureau requesting the Corporation and other joint obligors to submit a cleanup plan for the abovementioned land located in Qishan District of Dalin Section for review. In this regard, the Corporation filed an administrative litigation, which was dismissed by the Supreme Administrative Court.

### 33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Corporation and its subsidiaries' significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Corporation and its subsidiaries and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands of New Taiwan Dollars)
<u>June 30, 2024</u>			
Monetary financial assets			
USD	\$ 1,051	32.45	\$ 34,113
JPY	8,739	0.2017	1,763
Non-monetary financial assets			
Financial assets at fair value through other comprehensive income			
CNY	4,000	4.445	17,778
Investments accounted for using the equity method			
VND	552,638,247	0.001255	693,561
Monetary financial liabilities			
USD	115	32.45	3,739
<u>December 31, 2023</u>			
Monetary financial assets			
USD	501	30.705	15,380
JPY	19,700	0.2172	4,279
Non-monetary financial assets			
Financial assets at fair value through other comprehensive income			
CNY	3,944	4.327	17,064
Investments accounted for using the equity method			
VND	527,779,116	0.001245	657,085
Monetary financial liabilities			
USD	194	30.705	5,691
<u>June 30, 2023</u>			
Monetary financial assets			
USD	469	31.14	14,590
JPY	146,833	0.2150	31,569

(Continued)

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands of New Taiwan Dollars)
Non-monetary financial assets			
Financial assets at fair value through other comprehensive income			
CNY	\$ 3,922	4.282	\$ 16,795
Investments accounted for using the equity method			
VND	509,373,180	0.001305	664,732
Monetary financial liabilities			
USD	131	31.14	4,085 (Concluded)

### 34. SEPARATELY DISCLOSED ITEMS

- a. Information on significant transactions
  - 1) Financing provided to others: None
  - 2) Endorsements/guarantees provided: None
  - 3) Marketable securities held (excluding investments in subsidiaries and associates): Table 1
  - 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None
  - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None
  - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None
  - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 2
  - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 3
  - 9) Trading in derivative instruments: None
  - 10) Intercompany relationships and significant intercompany transactions: Table 4
- b. Information on investees: Table 5
- c. Information on investments in mainland China
  - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income (loss) of the investees, investment gain (loss), carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount

of investment in the mainland China areas: None

- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices and payment terms, and unrealized gains or losses:
- a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: None
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: None
  - c) The amount of property transactions and the amount of the resultant gains or losses: None
  - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None
  - e) The highest balance, the end of period balance and the interest rate range with respect to financing of funds: None
  - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None
- d. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 6

### 35. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Reported segments of the Corporation and its subsidiaries were as follows:

- Blast-Furnace Slag Cement Division - production and marketing of Blast-Furnace Slag Cement products from the Corporation and CHC Resources Vietnam Co., Ltd.
- Resource Reutilization Division - disposal of waste, reutilization of resources and remediation, etc.
- Others - Union Steel Development Corporation (manufacture and sale of iron powder, OEM and sales of refractory, trading, human dispatch), Pao Good Industrial Co., Ltd. (sales of fly ash, manufacture and sales of dry-mix mortar, trading) and Yu Cheng Lime Corporation (real estate lease and management of raw materials).

#### Segment revenue and results

The details of the Corporation and its subsidiaries' reporting segments were as follows:

	<b>Blast-Furnace Slag Cement Division</b>	<b>Resource Reutilization Division</b>	<b>Others</b>	<b>Total</b>
For the Six months June 30, 2024				
Revenue from external customers	\$ 3,514,322	\$ 2,617,871	\$ 187,438	\$ 6,319,631
Inter segment revenue	<u>138,043</u>	<u>11,696</u>	<u>182,649</u>	<u>332,388</u>
Segment revenue	<u>\$ 3,652,365</u>	<u>\$ 2,629,567</u>	<u>\$ 370,087</u>	6,652,019
Eliminations				<u>(332,388)</u>
Consolidated revenue				<u>\$ 6,319,631</u>
Segment income	<u>\$ 782,643</u>	<u>\$ 154,018</u>	<u>\$ 60,699</u>	\$ 997,360
Operating expense				(253,194)
Share of profit of associates accounted for using the equity method				2,499
Other non-operating gains and losses				<u>(8,051)</u>
Profit before income tax				<u>\$ 738,614</u>
For the Six months June 30, 2023				
Revenue from external customers	\$ 3,112,564	\$ 2,958,283	\$ 211,783	\$ 6,282,630
Inter segment revenue	<u>115,057</u>	<u>11,183</u>	<u>164,233</u>	<u>290,473</u>
Segment revenue	<u>\$ 3,227,621</u>	<u>\$ 2,969,466</u>	<u>\$ 376,016</u>	6,573,103
Eliminations				<u>(290,473)</u>
Consolidated revenue				<u>\$ 6,282,630</u>
Segment income	<u>\$ 654,541</u>	<u>\$ 50,899</u>	<u>\$ 60,372</u>	\$ 765,812
Operating expense				(230,670)
Share of profit of associates accounted for using the equity method				3,438
Other non-operating gains and losses				<u>(19,008)</u>
Profit before income tax				<u>\$ 519,572</u>

Segment income represented the profit before tax earned by each segment without administration costs and directors' salaries, share of profit of associates, rental revenue, interest income, gains or losses on disposal of property, plant and equipment, exchange gains or losses, valuation gains or losses on financial instruments, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

**CHC RESOURCES CORPORATION AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD**

**JUNE 30, 2024**

**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Holding Company Name	Type and Name of Marketable Securities		Relationship with The Holding Company	Financial Statement Account	JUNE 30, 2024			Note	
					Shares/Units	Carrying Value	Percentage of Ownership (%)		Fair Value
CHC Resources Corporation	Ordinary shares	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	10,401,806	\$ 240,282	-	\$ 240,282	
CHC Resources Corporation	Ordinary shares	Feng Sheng Enterprise Corporation	No relationship	Financial assets at fair value through other comprehensive income - noncurrent	932,053	\$ 19,096	2	\$ 19,096	
Union Steel Development Corporation	Ordinary shares	China Steel Corporation	Ultimate parent company	Financial assets at fair value through other comprehensive income - current	423,849	\$ 9,791	-	\$ 9,791	
Union Steel Development Corporation	Ordinary shares	Shanghai Bao Shun Steel Corporation	The holding company as its director	Financial assets at fair value through other comprehensive income - noncurrent	Certificate of rights	\$ 17,778	19	\$ 17,778	

**TABLE 2**

**CHC RESOURCES CORPORATION AND SUBSIDIARIES**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE SIX MONTHS ENDED JUNE 30, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Related Party	Relationship	Relationship			Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	
CHC Resources Corporation	Taiwan Cement Corporation	Director of the Corporation	Sales	\$ (436,090 )	( 8 )	Open account 60 days	Note	Note	\$ 278,241	20
CHC Resources Corporation	Ya Tung Ready Mixed Concrete Co., Ltd.	Subsidiary of director of the Corporation	Sales	(282,378 )	( 5 )	Open account 60 days	Note	Note	76,222	6
CHC Resources Corporation	Universal Cement Corporation	Director of the Corporation	Sales	(139,699 )	( 2 )	Open account 60 days	Note	Note	21,156	2
CHC Resources Corporation	China Steel Corporation	Parent company	Service revenue	(1,275,521 )	(22 )	Payment after final acceptance	Note	Note	269,087	19
CHC Resources Corporation	Dragon Steel Corporation	Fellow subsidiary	Service revenue	(701,183 )	(12 )	Payment after final acceptance	Note	Note	236,440	17
CHC Resources Corporation	China Steel Resources Corporation	Fellow subsidiary	Service revenue	(345,251 )	( 6 )	Payment after final acceptance	Note	Note	134,144	10
CHC Resources Corporation	China Steel Corporation	Parent company	Purchases	396,868	22	Letter of credit	Note	Note	(8,745 )	( 4 )
CHC Resources Corporation	Dragon Steel Corporation	Fellow subsidiary	Purchases	189,354	11	Letter of credit	Note	Note	(3,134 )	( 2 )
CHC Resources Corporation	Chung Hung Steel Corporation	Fellow subsidiary	Purchases	166,073	9	Letter of credit	Note	Note	(24,588 )	(12 )
CHC Resources Corporation	CHC Resources Vietnam Co., Ltd.	Subsidiary	Purchases	128,553	7	Prepaid before shipping	Note	Note	-	-
Union Steel Development Corporation	CHC Resources Corporation	Parent company	Service revenue	(173,010 )	(69 )	According to the contract	Note	Note	41,257	72
CHC Resources Vietnam Co., Ltd.	CHC Resources Corporation	Parent company	Sales	(128,553 )	(21 )	Received before shipping	Note	Note	-	-
	Formosa Ha Tinh Steel Corporation	Other related party	Purchases	242,363	98	Prepaid before shipping	Note	Note	-	-

Note: Refer to Note 29.

**CHC RESOURCES CORPORATION AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
 JUNE 30, 2024  
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
CHC Resources Corporation	Taiwan Cement Corporation	Director of the Corporation	\$ 278,241	4	\$ 91,994	Received after period	\$ 92,389	\$ -
CHC Resources Corporation	China Steel Corporation	Parent company	269,087	12	22,088	Received after period	26,477	-
CHC Resources Corporation	Dragon Steel Corporation	Fellow subsidiary	236,440	7	-	-	5,597	-
CHC Resources Corporation	China Steel Resources Corporation	Fellow subsidiary	134,144	7	-	-	-	-

**CHC RESOURCES CORPORATION AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE SIX MONTHS ENDED JUNE 30, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Investee Company	Counterparty	Relationship	Transaction Details			% of Total Operating Revenue or Assets
				Financial Statement Accounts	Amount	Payment Terms	
1	Union Steel Development Corporation	CHC Resources Corporation	Subsidiary to parent Company	Service revenue	\$ 173,010	According to the contract	3
2	CHC Resources Vietnam CO.,LTD	CHC Resources Corporation	Subsidiary to parent Company	Sales	128,553	Received before shipping	2

**TABLE 5**

**CHC RESOURCES CORPORATION AND SUBSIDIARIES**

**INFORMATION ON INVESTEEES  
FOR THE SIX MONTHS ENDED JUNE 30, 2024**

**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2024	December 31, 2023	Number of Shares	%	Carrying Amount			
CHC Resources Corporation	CHC Resources Vietnam Co., Ltd	Vietnam	Manufacture and sale of Ground-Granulated Blast-Furnace Slag, Sales of Granulated Blast-Furnace Slag	\$ 647,338	\$ 647,338	-	85	\$ 693,561	\$ 36,792	\$ 31,274	Subsidiary (Note 1)
CHC Resources Corporation	Yu Cheng Lime Corporation	Republic of China	Real estate lease, management of raw materials	126,010	126,010	108,000	90	139,878	1,154	1,046	Subsidiary (Note 1)
CHC Resources Corporation	Union Steel Development Corporation	Republic of China	Manufacture and sale of iron powder, OEM and sales of refractory, trading, human dispatch	53,345	53,345	4,668,333	93	93,404	21,077	19,688	Subsidiary (Note 1)
CHC Resources Corporation	Pao Good Industrial Co., Ltd.	Republic of China	Sales of fly ash, manufacture and sales of dry-mix mortar, trading	50,937	50,937	5,408,550	51	87,670	9,896	5,047	Subsidiary (Note 1)
CHC Resources Corporation	Hsin Hsin Cement Enterprise Corporation	Republic of China	Cement manufacturing, nonmetallic mining, cement and concrete mixing manufacturing	73,269	73,269	9,298,583	10	125,317	34,342	4,558	Subsidiary (Note 1)
CHC Resources Corporation	Pro-Ascentek Investment Corporation	Republic of China	General investment	30,000	30,000	3,000,000	3	35,029	5,909	148	Note 2
CHC Resources Corporation	Gau Ruei Investment Corporation	Republic of China	General investment	12,306	12,306	1,046,500	35	23,806	308	108	
CHC Resources Corporation	Ding Da Investment Corporation	Republic of China	General investment	12,516	12,516	1,196,000	40	21,154	1,139	456	
CHC Resources Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	30,000	30,000	3,000,000	2	19,447	(32,372)	(370)	
CHC Resources Corporation	Sheng Lih Dar Investment Corporation	Republic of China	General investment	9,600	9,600	960,000	40	19,165	1,089	436	
CHC Resources Corporation	Shin Mau Investment Corporation	Republic of China	General investment	10,316	10,316	897,000	30	17,411	1,501	450	
CHC Resources Corporation	Jiing-Cheng-Fa Investment Corporation	Republic of China	General investment	9,200	9,200	920,000	40	16,852	632	253	
CHC Resources Corporation	HIMAG Magnetic Corporation	Republic of China	Production and sale of industrial magnetic, chemical, and iron oxides	10,970	10,970	494,440	2	8,090	(190,572)	(3,540)	

Note1: The amount was eliminated in the consolidated financial statements.

Note2: The share of profit included amortization of the difference between equity and carrying amounts of the investment.

**TABLE 6****CHC RESOURCES CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS  
JUNE 30, 2024**

Name of The Shareholder	Shares	
	Number of Shares Owned	Percentage of Ownership (%)
China Steel Corporation	49,289,597	19.83
Taiwan Cement Corporation	30,196,163	12.14
China Steel Structure Corporation	23,182,738	9.32
Asia Cement Corporation	22,801,185	9.17
Universal Cement Corporation	17,020,254	6.84
China Steel Chemical Corporation	15,019,341	6.04
Southeast Cement Corporation	13,083,801	5.26

Note 1: Major shareholders in the table above are shareholders owning 5% or more of the Corporation's ordinary shares (only ones that have completed dematerialized registration and delivery) based on calculations performed by the Taiwan Depository & Clearing Corporation using data as of the last business date at the end of each quarter. The amount of capital in the consolidated financial statements may differ from the Corporation's actual number of shares that have completed dematerialized registration and delivery due to different calculation bases.

Note 2: Where the shares are entrusted by shareholders, information is disclosed by the individual account of settlor who has segregated trust accounts opened by trustees. As for shareholders filing shareholdings of insiders with 10% or more of the Corporation's shares pursuant to the securities and exchange laws and regulations, the number of shares owned includes those held in trust where the shareholders have the power to decide how to utilize the trust property. Refer to the Market Observation Post System website for information on insiders' shareholding filings.

**TABLE 7**

**CHC RESOURCES CORPORATION AND SUBSIDIARIES**

**STATEMENT OF PROPERTY, PLANT AND EQUIPMENT  
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)**

For the six months ended June 30, 2024

	Land	Land Improvement	Building	Machinery and Equipment	Transportation Equipment	Office Equipment	Leasehold Improvement	Other Equipment	Property under Construction	Total
<u>Cost</u>										
Balance at January 1, 2024	\$ 1,136,268	\$ 218,141	\$ 2,807,783	\$ 6,313,806	\$ 18,657	\$ 68,663	\$ 1,137,468	\$ 360	\$ 64,269	\$ 11,765,415
Additions	-	2,490	22,483	66,989	-	626	1,953	-	17,732	112,273
Disposals	-	-	-	(16,249)	-	-	-	-	-	(16,249)
Effects of foreign currency exchange differences	-	582	2,019	4,508	15	47	-	-	-	7,171
Balance at June 30, 2024	<u>\$ 1,136,268</u>	<u>\$ 221,213</u>	<u>\$ 2,832,285</u>	<u>\$ 6,369,054</u>	<u>\$ 18,672</u>	<u>\$ 69,336</u>	<u>\$ 1,139,421</u>	<u>\$ 360</u>	<u>\$ 82,001</u>	<u>\$ 11,868,610</u>
<u>Accumulated depreciation and impairment</u>										
Balance at January 1, 2024	\$ 6,370	\$ 140,062	\$ 1,183,072	\$ 4,886,883	\$ 17,554	\$ 41,587	\$ 646,914	\$ 360	\$ -	\$ 6,922,802
Depreciation expense	-	10,064	46,722	129,118	340	4,360	67,989	-	-	258,593
Disposals	-	-	-	(16,025)	-	-	-	-	-	(16,025)
Impairment loss	-	-	20,730	28,811	-	-	-	-	-	49,541
Effects of foreign currency exchange differences	-	322	165	481	11	25	-	-	-	1,004
Balance at June 30, 2024	<u>\$ 6,370</u>	<u>\$ 150,448</u>	<u>\$ 1,250,689</u>	<u>\$ 5,029,268</u>	<u>\$ 17,905</u>	<u>\$ 45,972</u>	<u>\$ 714,903</u>	<u>\$ 360</u>	<u>\$ -</u>	<u>\$ 7,215,915</u>
Carrying amount at December 31, 2023	<u>\$ 1,129,898</u>	<u>\$ 78,079</u>	<u>\$ 1,624,711</u>	<u>\$ 1,426,923</u>	<u>\$ 1,103</u>	<u>\$ 27,076</u>	<u>\$ 490,554</u>	<u>\$ -</u>	<u>\$ 64,269</u>	<u>\$ 4,842,613</u>
Carrying amount at June 30, 2024	<u>\$ 1,129,898</u>	<u>\$ 70,765</u>	<u>\$ 1,581,596</u>	<u>\$ 1,339,786</u>	<u>\$ 767</u>	<u>\$ 23,364</u>	<u>\$ 424,518</u>	<u>\$ -</u>	<u>\$ 82,001</u>	<u>\$ 4,652,695</u>

For the six months ended June 30, 2023

	Land	Land Improvement	Building	Machinery and Equipment	Transportation Equipment	Office Equipment	Leasehold Improvement	Other Equipment	Property under Construction	Total
<u>Cost</u>										
Balance at January 1, 2023	\$ 2,352,346	\$ 208,183	\$ 2,826,086	\$ 6,127,732	\$ 18,715	\$ 69,800	\$ 1,137,625	\$ 360	\$ 61,631	\$ 12,802,478
Additions	-	2,811	5,079	120,814	-	2,083	897	-	(35,196)	96,488
Disposals	-	-	-	(8,485)	-	-	-	-	-	(8,485)
Effects of foreign currency exchange differences	-	1,016	4,038	8,969	29	179	16	-	-	14,247
Balance at June 30, 2023	<u>\$ 2,352,346</u>	<u>\$ 212,010</u>	<u>\$ 2,835,203</u>	<u>\$ 6,249,030</u>	<u>\$ 18,744</u>	<u>\$ 72,062</u>	<u>\$ 1,138,538</u>	<u>\$ 360</u>	<u>\$ 26,435</u>	<u>\$ 12,904,728</u>

(Continued)

	<b>Land</b>	<b>Land Improvement</b>	<b>Building</b>	<b>Machinery and Equipment</b>	<b>Transportation Equipment</b>	<b>Office Equipment</b>	<b>Leasehold Improvement</b>	<b>Other Equipment</b>	<b>Property under Construction</b>	<b>Total</b>
<u>Accumulated depreciation and impairment</u>										
Balance at January 1, 2023	\$ 6,370	\$ 124,293	\$ 1,111,932	\$ 4,615,916	\$ 16,671	\$ 35,882	\$ 507,390	\$ 360	\$ -	\$ 6,418,814
Depreciation expense	-	9,497	47,633	143,375	493	5,018	70,679	-	-	276,695
Disposals	-	-	-	(8,485)	-	-	-	-	-	(8,485)
Effects of foreign currency exchange differences	-	654	298	890	19	105	16	-	-	1,982
Balance at June 30, 2023	<u>\$ 6,370</u>	<u>\$ 134,444</u>	<u>\$ 1,159,863</u>	<u>\$ 4,751,696</u>	<u>\$ 17,183</u>	<u>\$ 41,005</u>	<u>\$ 578,085</u>	<u>\$ 360</u>	<u>\$ -</u>	<u>\$ 6,689,006</u>
Carrying amount at June 30, 2023	<u>\$ 2,345,976</u>	<u>\$ 77,566</u>	<u>\$ 1,675,340</u>	<u>\$ 1,497,334</u>	<u>\$ 1,561</u>	<u>\$ 31,057</u>	<u>\$ 560,453</u>	<u>\$ -</u>	<u>\$ 26,435</u>	<u>\$ 6,215,722</u> (Concluded)