

**CHC Resources Corporation and  
Subsidiaries**

**Consolidated Financial Statements for the  
Nine Months Ended September 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 September 30, 2024 and 2023, the consolidated statements of comprehensive income for the three months and nine months ended September 30, 2024 and 2023, and the consolidated statements of changes in equity and cash flows for the nine months ended September 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 September 30, 2024 and 2023, its consolidated financial performance for the three months and nine months ended September 30, 2024 and 2023, and its consolidated cash flows for the nine months ended September 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

October 29, 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	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 448,344	4	\$ 302,321	2	\$ 338,420	3
Financial assets at fair value through profit or loss - current (Notes 7 and 29)	-	-	-	-	50,014	-
Financial assets at fair value through other comprehensive income - current (Notes 8 and 29)	250,614	2	292,293	2	248,098	2
Financial assets for hedging - current (Notes 23 and 29)	-	-	4,279	-	4,259	-
Contract assets - current (Notes 24 and 30)	1,576	-	1,682	-	5,268	-
Notes receivable (Note 9)	203,646	3	270,597	2	240,839	2
Notes receivable - related parties (Notes 9 and 30)	146	-	-	-	-	-
Accounts receivable (Note 9)	231,695	2	227,045	2	171,439	1
Accounts receivable - related parties (Notes 9 and 30)	1,001,076	8	851,298	8	820,879	7
Other receivables	5,155	-	22,572	-	3,947	-
Other receivables - related parties (Note 30)	35,441	-	20,845	-	42,854	-
Current tax assets	-	-	71	-	77	-
Inventories (Note 10)	431,141	4	440,505	4	427,821	4
Prepayments (Notes 11 and 30)	132,494	1	120,863	1	87,876	1
Other financial assets - current (Notes 12 and 31)	113,502	1	102,631	1	72,596	1
Refundable deposits - current (Note 16)	32,062	-	35,635	-	34,511	-
Costs to fulfil a contract (Note 24)	25,448	-	12,066	-	20,396	-
Other current assets	31,858	-	47,526	-	43,100	-
Total current assets	2,944,198	25	2,752,229	22	2,612,394	21
<b>NONCURRENT ASSETS</b>						
Financial assets at fair value through other comprehensive income - noncurrent (Notes 8 and 29)	34,418	-	33,564	-	32,862	-
Investments accounted for using the equity method (Note 14)	285,678	2	299,179	2	288,845	2
Property, plant and equipment (Notes 15, 30 and 31)	4,594,294	38	4,842,613	40	4,952,078	42
Right-of-use assets (Notes 16, 30 and 31)	1,404,595	12	1,652,561	13	1,611,467	13
Investment properties (Note 17)	2,326,530	20	2,328,773	20	2,322,908	19
Intangible assets (Note 18)	6,787	-	7,980	-	7,761	-
Deferred tax assets	107,477	1	105,330	1	93,958	1
Prepayments for equipment	878	-	476	-	1,038	-
Refundable deposits - noncurrent (Note 16)	232,051	2	240,188	2	243,507	2
Other financial assets - noncurrent (Notes 12 and 31)	3,850	-	4,005	-	7,205	-
Other noncurrent assets	3,908	-	4,438	-	3,108	-
Total noncurrent assets	9,000,466	75	9,519,107	78	9,564,737	79
<b>TOTAL</b>	<b>\$ 11,944,664</b>	<b>100</b>	<b>\$ 12,271,336</b>	<b>100</b>	<b>\$ 12,177,131</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Note 19)	\$ 572,543	5	\$ 593,895	5	\$ 340,768	3
Contract liabilities - current (Notes 24 and 30)	68,223	1	56,801	-	139,215	1
Notes payable	7,616	-	16,208	-	8,423	-
Accounts payable	138,676	1	145,610	1	125,298	1
Accounts payable - related parties (Note 30)	69,677	1	101,638	1	72,577	1
Payables on equipment	25,717	-	47,571	-	25,786	-
Payable for dividends	410	-	804	-	804	-
Other payables (Note 20)	852,348	7	982,727	9	923,654	8
Other payables - related parties (Notes 20 and 30)	156,222	1	79,597	1	104,641	1
Current tax liabilities	99,613	1	216,082	2	157,133	1
Lease liabilities - current (Notes 16 and 30)	346,744	3	356,934	3	357,912	3
Guarantee deposits received - current	40,446	-	55,034	-	50,093	-
Current portion of long-term borrowings (Note 19)	64,862	1	142,670	1	224,580	2
Other current liabilities	13,293	-	6,277	-	13,061	-
Total current liabilities	2,456,390	21	2,801,848	23	2,543,945	21
<b>NONCURRENT LIABILITIES</b>						
Long-term borrowings (Note 19)	1,609,724	13	1,491,510	13	1,970,739	17
Provisions - noncurrent (Note 21)	332,746	3	306,146	2	251,872	2
Deferred tax liabilities	139,118	1	129,412	1	125,672	1
Lease liabilities - noncurrent (Notes 16 and 30)	979,295	8	1,201,508	10	1,156,721	9
Net defined benefit liabilities	42,185	-	49,409	-	40,982	-
Guarantee deposits received - noncurrent	9,241	-	6,400	-	3,733	-
Total noncurrent liabilities	3,112,309	25	3,184,385	26	3,549,719	29
Total liabilities	5,568,699	46	5,986,233	49	6,093,664	50
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 23)</b>						
Ordinary shares	2,485,404	21	2,485,404	20	2,485,404	20
Capital surplus	162,398	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	1,876,417	16	1,854,078	15	1,646,846	14
Total retained earnings	3,551,669	30	3,428,592	28	3,221,360	27
Other equity	(58,120)	-	(17,532)	-	(11,451)	-
Total equity attributable to owners of the Corporation	6,141,351	52	6,058,488	49	5,857,337	48
<b>NON-CONTROLLING INTERESTS (Note 23)</b>	234,614	2	226,615	2	226,130	2
Total equity	6,375,965	54	6,285,103	51	6,083,467	50
<b>TOTAL</b>	<b>\$ 11,944,664</b>	<b>100</b>	<b>\$ 12,271,336</b>	<b>100</b>	<b>\$ 12,177,131</b>	<b>100</b>

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 September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 24 and 30)								
Sales	\$ 1,961,991	57	\$ 1,656,399	55	\$ 5,693,527	59	\$ 5,015,110	54
Construction revenue	856	-	5,315	-	8,585	-	7,520	-
Service revenue	1,457,180	43	1,372,816	45	4,037,546	41	4,294,530	46
Total operating revenue	3,420,027	100	3,034,530	100	9,739,658	100	9,317,160	100
OPERATING COSTS (Notes 10, 25 and 30)								
Cost of goods sold	1,530,547	45	1,309,178	43	4,416,929	45	3,985,154	43
Construction costs	816	-	5,062	-	8,177	-	7,162	-
Service costs	1,403,175	41	1,342,948	44	3,831,703	39	4,181,690	45
Total operating costs	2,934,538	86	2,657,188	87	8,256,809	84	8,174,006	88
GROSS PROFIT	485,489	14	377,342	13	1,482,849	16	1,143,154	12
OPERATING EXPENSES (Notes 25 and 30)								
Selling and marketing expenses	54,841	2	44,365	1	164,087	2	135,039	1
General and administrative expenses	70,443	2	71,392	2	201,507	2	200,253	2
Research and development expenses	6,394	-	6,124	-	19,278	-	17,259	-
Total operating expenses	131,678	4	121,881	3	384,872	4	352,551	3
PROFIT FROM OPERATIONS	353,811	10	255,461	10	1,097,977	12	790,603	9
NON-OPERATING INCOME AND EXPENSES (Notes 25 and 30)								
Interest income	1,354	-	1,352	-	4,796	-	4,456	-
Other income	18,733	1	20,640	-	40,140	-	45,067	-
Other gains and losses	(2,312)	-	(236)	-	(2,376)	-	(899)	-
Finance costs	(19,087)	(1)	(20,280)	-	(51,923)	(1)	(66,156)	-
Share of profit or loss of associates	3,431	-	7,255	-	5,930	-	10,693	-
Total non-operating income and expenses	2,119	-	8,731	-	(3,433)	(1)	(6,839)	-
PROFIT BEFORE INCOME TAX	355,930	10	264,192	10	1,094,544	11	783,764	9
INCOME TAX EXPENSE (Notes 4 and 26)	69,214	2	46,868	3	210,816	2	147,660	2
NET PROFIT FOR THE PERIOD	286,716	8	217,324	7	883,728	9	636,104	7

(Continued)

# 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 September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Note 23)								
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	\$ (1,915)	-	\$ (41,508)	(1)	\$ (40,826)	-	\$ (43,614)	-
Gain (loss) on hedging instruments subject to basis adjustment	-	-	996	-	42	-	(2,094)	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	931	-	(14,231)	-	(6,958)	-	(10,238)	-
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translation of the financial statements of foreign operations	6,433	-	66	-	12,554	-	12,066	-
Share of the other comprehensive income of associates accounted for using the equity method	23	-	817	-	3	-	775	-
Other comprehensive income (loss) for the period, net of income tax	5,472	-	(53,860)	(1)	(35,185)	-	(43,105)	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>\$ 292,188</b>	<b>8</b>	<b>\$ 163,464</b>	<b>6</b>	<b>\$ 848,543</b>	<b>9</b>	<b>\$ 592,999</b>	<b>7</b>
<b>NET PROFIT ATTRIBUTABLE TO:</b>								
Owners of the Corporation	\$ 280,018	8	\$ 213,535	7	\$ 865,148	9	\$ 623,832	7
Non-controlling interests	6,698	-	3,789	-	18,580	-	12,272	-
	<b>\$ 286,716</b>	<b>8</b>	<b>\$ 217,324</b>	<b>7</b>	<b>\$ 883,728</b>	<b>9</b>	<b>\$ 636,104</b>	<b>7</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>								
Owners of the Corporation	\$ 284,493	8	\$ 159,742	6	\$ 828,110	9	\$ 579,040	7
Non-controlling interests	7,695	-	3,722	-	20,433	-	13,959	-
	<b>\$ 292,188</b>	<b>8</b>	<b>\$ 163,464</b>	<b>6</b>	<b>\$ 848,543</b>	<b>9</b>	<b>\$ 592,999</b>	<b>7</b>
<b>EARNINGS PER SHARE (Note 27)</b>								
Basic	\$ 1.13		\$ 0.86		\$ 3.48		\$ 2.51	
Diluted	\$ 1.12		\$ 0.86		\$ 3.47		\$ 2.50	

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											Non-controlling Interests	Total Equity
	Ordinary Shares	Capital Surplus	Retained Earnings				Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity			Total Equity Attributable to Owners of the Corporation		
			Legal Reserve	Special Reserve	Unappropriated Earnings	Total		Unrealized Valuation Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Total			
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 23)	-	-	83,206	-	(83,206)	-	-	-	-	-	-	-	-
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 nine months ended September 30, 2024	-	-	-	-	865,148	865,148	-	-	-	-	865,148	18,580	883,728
Other comprehensive income (loss) for the nine months ended September 30, 2024, net of income tax	-	-	-	-	-	-	10,674	(47,754)	42	(37,038)	(37,038)	1,853	(35,185)
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	865,148	865,148	10,674	(47,754)	42	(37,038)	828,110	20,433	848,543
Adjustment of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(12,476)	(12,476)
Changes in ownership interests in subsidiaries	-	374	-	-	-	-	-	-	-	-	374	42	416
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	3,550	3,550	-	(3,550)	-	(3,550)	-	-	-
BALANCE AT SEPTEMBER 30, 2024	\$ 2,485,404	\$ 162,398	\$ 1,657,720	\$ 17,532	\$ 1,876,417	\$ 3,551,669	\$ (25,789)	\$ (32,331)	\$ -	\$ (58,120)	\$ 6,141,351	\$ 234,614	\$ 6,375,965
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 23)	-	-	78,165	-	(78,165)	-	-	-	-	-	-	-	-
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 nine months ended September 30, 2023	-	-	-	-	623,832	623,832	-	-	-	-	623,832	12,272	636,104
Other comprehensive income (loss) for the nine months ended September 30, 2023, net of income tax	-	-	-	-	2	2	11,031	(53,731)	(2,094)	(44,794)	(44,792)	1,687	(43,105)
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	623,834	623,834	11,031	(53,731)	(2,094)	(44,794)	579,040	13,959	592,999
Adjustment of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(6,490)	(6,490)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	993	993	-	(993)	-	(993)	-	-	-
BALANCE AT SEPTEMBER 30, 2023	\$ 2,485,404	\$ 162,024	\$ 1,574,514	\$ -	\$ 1,646,846	\$ 3,221,360	\$ (5,032)	\$ (6,357)	\$ (62)	\$ (11,451)	\$ 5,857,337	\$ 226,130	\$ 6,083,467

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 Nine Months Ended September 30	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 1,094,544	\$ 783,764
Adjustments for:		
Depreciation expense	649,826	694,117
Amortization expense	19,578	16,218
Net gain on financial assets at fair value through profit or loss	(160)	(433)
Finance costs	51,923	66,156
Interest income	(4,796)	(4,456)
Dividend income	(7,704)	(12,888)
Share of profit of associates	(5,930)	(10,693)
Gain on disposal of property, plant and equipment	(157)	(395)
Impairment loss on property, plant and equipment	49,541	-
Write-down (reversal) of inventories	(802)	493
Recognition of provisions	26,600	88,489
Others	(177)	(78)
Changes in operating assets and liabilities		
Contract assets - current	106	14,144
Notes receivable	66,951	5,978
Notes receivable - related parties	(146)	-
Accounts receivable	(4,650)	6,910
Accounts receivable - related parties	(149,778)	(295,805)
Other receivables	21,399	10,539
Other receivables - related parties	(14,596)	(444)
Inventories	10,166	(52,455)
Prepayments	(11,631)	69,860
Other current assets	15,668	(4,039)
Other financial assets	(10,716)	16,990
Costs to fulfil a contract	(13,382)	(11,146)
Contract liabilities - current	11,422	101,018
Notes payable	(8,592)	(16,468)
Accounts payable	(6,934)	(16,582)
Accounts payable - related parties	(31,961)	(31,736)
Other payables	(130,204)	(52,339)
Other payables - related parties	76,625	8,786
Provisions	-	(1,151)
Other current liabilities	7,016	(147)
Net defined benefit liabilities	(7,224)	(15,233)
Cash generated from operations	1,691,825	1,356,974
Income taxes paid	(319,655)	(180,429)
Net cash generated from operating activities	<u>1,372,170</u>	<u>1,176,545</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	-	(5,027)

(Continued)

# CHC RESOURCES CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2024	2023
Acquisition of financial assets at fair value through profit or loss	\$ (150,000)	\$ (850,000)
Proceeds from disposal of financial assets at fair value through profit or loss	150,160	800,419
Acquisition of financial assets for hedging	-	(8,864)
Proceeds of financial assets for hedging	4,321	40,113
Proceeds from the capital reduction on investments accounted for using the equity method	-	4,852
Acquisition of property, plant and equipment	(196,616)	(172,836)
Proceeds from disposal of property, plant and equipment	381	395
Decrease in refundable deposits	11,710	6,255
Payments for intangible assets	(2,344)	(3,151)
Increase in other noncurrent assets	(15,504)	(13,005)
Interest received	4,729	5,241
Dividends received from others	3,789	9,626
Dividends received from associates	<u>12,478</u>	<u>16,926</u>
Net cash used in investing activities	<u>(176,896)</u>	<u>(169,056)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	4,316,463	3,958,191
Repayments of short-term borrowings	(4,340,092)	(4,037,856)
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	3,530,000	3,000,000
Repayments of long-term borrowings	(3,493,542)	(2,844,875)
Refund of guarantee deposits received	(11,747)	(11,828)
Repayments of principal portion of lease liabilities	(243,599)	(264,987)
Dividends paid to owner of the Company	(745,621)	(621,351)
Interest paid	(53,063)	(69,241)
Dividends paid to non-controlling interest	<u>(12,476)</u>	<u>(6,490)</u>
Net cash used in financing activities	<u>(1,053,677)</u>	<u>(898,437)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS</b>		
	<u>4,426</u>	<u>3,683</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	146,023	112,735
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		
	<u>302,321</u>	<u>225,685</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>\$ 448,344</u>	<u>\$ 338,420</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 NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

---

### 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 September 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 October 29, 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 other impacts of the above amended 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 13 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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Cash on hand	\$ 274	\$ 228	\$ 220
Checking accounts and demand deposits	373,470	254,093	245,900

(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
Cash equivalents (time deposits with original maturities of 3 months or less)	\$ 74,600	\$ 48,000	\$ 92,300
	<u>\$ 448,344</u>	<u>\$ 302,321</u>	<u>\$ 338,420</u> (Concluded)

#### 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

	September 30, 2024	December 31, 2023	September 30, 2023
Non-derivative financial assets			
Mutual funds	\$ _____	\$ _____	\$ 50,014

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

	September 30, 2024	December 31, 2023	September 30, 2023
Domestic and foreign investments (investments in equity instruments)			
Listed shares	\$ 250,614	\$ 292,293	\$ 248,098
Unlisted shares	<u>34,418</u>	<u>33,564</u>	<u>32,862</u>
	<u>\$ 285,032</u>	<u>\$ 325,857</u>	<u>\$ 280,960</u>
Current	\$ 250,614	\$ 292,293	\$ 248,098
Noncurrent	<u>34,418</u>	<u>33,564</u>	<u>32,862</u>
	<u>\$ 285,032</u>	<u>\$ 325,857</u>	<u>\$ 280,960</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.

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

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Notes receivable (including related parties)</u>			
At amortized cost			
Operating	<u>\$ 203,792</u>	<u>\$ 270,597</u>	<u>\$ 240,839</u>

(Continued)

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
<u>Accounts receivable (including related parties)</u>			
At amortized cost			
Gross carrying amount	\$ 1,232,771	\$ 1,078,343	\$ 992,318
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,232,771</u>	<u>\$ 1,078,343</u>	<u>\$ 992,318</u>
			(Concluded)

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.

September, 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	\$ 1,400,281	\$ 28,211	\$ 5,871	\$ 2,200	\$ -	\$ 1,436,563
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 1,400,281</u>	<u>\$ 28,211</u>	<u>\$ 5,871</u>	<u>\$ 2,200</u>	<u>\$ -</u>	<u>\$ 1,436,563</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>

September, 30 2023

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 180 Days	Over 180 Days	Total
Gross carrying amount	\$ 1,128,985	\$ 99,712	\$ 2,267	\$ 2,193	\$ -	\$ 1,233,157
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 1,128,985</u>	<u>\$ 99,712</u>	<u>\$ 2,267</u>	<u>\$ 2,193</u>	<u>\$ -</u>	<u>\$ 1,233,157</u>

**10. INVENTORIES**

	September 30, 2024	December 31, 2023	September 30, 2023
Raw materials	\$ 118,836	\$ 101,894	\$ 130,549
Supplies	192,954	184,613	182,473
Finished goods	107,459	113,526	110,680
Merchandise	4,666	4,022	4,119
Materials and supplies in transit	<u>7,226</u>	<u>36,450</u>	<u>-</u>
	<u>\$ 431,141</u>	<u>\$ 440,505</u>	<u>\$ 427,821</u>

The cost of inventories recognized as cost of goods sold for the three months and nine months ended September 30, 2024 and 2023 was NT\$1,530,547 thousand, NT\$1,309,178 thousand, NT\$4,416,929 thousand and NT\$3,985,154 thousand, respectively, which included loss on inventories NT\$245 thousand, reversal of loss on inventories of NT\$433 thousand, reversal of loss on inventories NT\$802 thousand, and loss on inventories of NT\$493 thousand, respectively. The reversal of loss on inventory was mainly due to the impact of price fluctuations in the market.

**11. PREPAYMENTS**

	September 30, 2024	December 31, 2023	September 30, 2023
Prepayment for purchases	\$ 83,903	\$ 85,256	\$ 38,140
Others	<u>48,591</u>	<u>35,607</u>	<u>49,736</u>
	<u>\$ 132,494</u>	<u>\$ 120,863</u>	<u>\$ 87,876</u>

**12. OTHER FINANCIAL ASSETS**

	September 30, 2024	December 31, 2023	September 30, 2023
Time deposits with original maturities of more than 3 months	\$ 106,250	\$ 94,325	\$ 64,290
Pledged time deposits - performance bond (Note 31)	<u>11,102</u>	<u>12,311</u>	<u>15,511</u>
	<u>\$ 117,352</u>	<u>\$ 106,636</u>	<u>\$ 79,801</u>

(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
Current	\$ 113,502	\$ 102,631	\$ 72,596
Noncurrent	<u>3,850</u>	<u>4,005</u>	<u>7,205</u>
	<u>\$ 117,352</u>	<u>\$ 106,636</u>	<u>\$ 79,801</u> (Concluded)

### 13. SUBSIDIARIES

#### Subsidiaries included in the consolidated financial statements

The consolidated entities were as follows:

Investor	Investee	Nature of Activities	Percentage of Ownership (%)		
			September 30, 2024	December 31, 2023	September 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

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

### 14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

#### Investments in associates

	September 30, 2024	December 31, 2023	September 30, 2023
Associates that are not individually material	<u>\$ 285,678</u>	<u>\$ 299,179</u>	<u>\$ 288,845</u>
		<b>For the Nine Months Ended September 30</b>	
		<b>2024</b>	<b>2023</b>

The Corporation and its subsidiaries' share of:

Net profit for the period	\$ 5,930	\$ 10,693
Other comprehensive loss	<u>(6,955)</u>	<u>(9,463)</u>
Total comprehensive income (loss)	<u>\$ (1,025)</u>	<u>\$ 1,230</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 nine months ended September 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.

## 15. PROPERTY, PLANT AND EQUIPMENT

Refer to Table 7 for the movements in property, plant and equipment for the nine months ended September 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 31.

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 nine months ended September 30, 2024.

For the nine months ended September 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 Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Affect both cash and non-cash items from investing activities		
Increase in property, plant and equipment	\$ 175,347	\$ 185,065
Increase (decrease) in prepayments for equipment	402	(14,920)
Decrease in payables on equipment	21,854	3,416
Capitalized interest	<u>(987)</u>	<u>(725)</u>
 Paid in cash	 <u>\$ 196,616</u>	 <u>\$ 172,836</u>

## 16. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
<u>Carrying amount</u>			
Land	\$ 1,109,306	\$ 1,319,658	\$ 1,268,355
Buildings	279,251	312,923	324,119
Machinery and equipment	-	118	147
Transportation equipment	<u>16,038</u>	<u>19,862</u>	<u>18,846</u>
	<u>\$ 1,404,595</u>	<u>\$ 1,652,561</u>	<u>\$ 1,611,467</u>
	<b>For the Three Months Ended September 30</b>	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>
			<b>2023</b>
Additions to right-of-use assets			<u>\$ 23,229</u>
Depreciation charge for right-of-use assets			<u>\$ 108,903</u>
Land	\$ 68,165	\$ 82,868	\$ 220,604
Buildings	11,730	9,949	34,969
Machinery and equipment	-	89	30
Transportation equipment	<u>2,205</u>	<u>1,808</u>	<u>5,918</u>
	<u>\$ 82,100</u>	<u>\$ 94,714</u>	<u>\$ 261,521</u>
			<u>\$ 280,049</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 nine months ended September 30, 2024 and 2023.

### b. Lease liabilities

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
<u>Carrying amount</u>			
Current	<u>\$ 346,744</u>	<u>\$ 356,934</u>	<u>\$ 357,912</u>
Noncurrent	<u>\$ 979,295</u>	<u>\$ 1,201,508</u>	<u>\$ 1,156,721</u>

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 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	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 September 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\$49,940 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 September 30, 2024, the Corporation had paid performance bonds amounted to NT\$208,500 thousand, and classified it as current and noncurrent refundable deposits according to its liquidity.

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 31.

d. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Expenses relating to short-term leases and low-value asset leases	\$ 2,946	\$ 3,161	\$ 10,090	\$ 9,907
Total cash outflow for leases			\$ 273,283	\$ 292,760

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.

## 17. INVESTMENT PROPERTIES

For the nine months ended September 30, 2024

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2024 and September 30, 2024	\$ 2,308,845	\$ 51,865	\$ 2,360,710
<u>Accumulated depreciation</u>			
Balance at January 1, 2024	\$ -	\$ 31,937	\$ 31,937
Depreciation expenses	-	2,243	2,243
Balance at September 30, 2024	\$ -	\$ 34,180	\$ 34,180
Carrying amount at December 31, 2023	\$ 2,308,845	\$ 19,928	\$ 2,328,773
Carrying amount at September 30, 2024	\$ 2,308,845	\$ 17,685	\$ 2,326,530

For the nine months ended September 30, 2023

	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2023	\$ 1,092,767	\$ 24,702	\$ 1,117,469
Reclassification from property, plant and equipment	<u>1,216,078</u>	<u>-</u>	<u>1,216,078</u>
Balance at September 30, 2023	<u>\$ 2,308,845</u>	<u>\$ 24,702</u>	<u>\$ 2,333,547</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2023	\$ -	\$ 9,495	\$ 9,495
Depreciation expenses	<u>-</u>	<u>1,144</u>	<u>1,144</u>
Balance at September 30, 2023	<u>\$ -</u>	<u>\$ 10,639</u>	<u>\$ 10,639</u>
Carrying amount at September 30, 2023	<u>\$ 2,308,845</u>	<u>\$ 14,063</u>	<u>\$ 2,322,908</u>

For the nine months ended September 30, 2023, the reclassified investment properties of the Corporation were leased to the parent company CSC with lease tenor of 5 years. The rentals are under mutual agreement and received semiannually. The lessee has bargain renewed options at the expiry of the lease periods.

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Year 1	\$ 29,014	\$ 29,014	\$ 29,014
Year 2	29,014	29,014	29,014
Year 3	21,531	29,014	29,014
Year 4	7,013	21,531	21,531
Year 5	-	7,034	7,034
Year 6 onwards	-	-	-

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

As of September 30, 2024, December 31, 2023 and September 30, 2023, the fair values of investment properties were NT\$2,483,935 thousand, NT\$2,483,935 thousand and NT\$2,410,410 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.

## 18. INTANGIBLE ASSETS

For the nine months ended September 30, 2024

	<b>Computer Software</b>
<u>Cost</u>	
Balance at January 1, 2024	\$ 15,780
Additions	2,344
Disposals	(2,736)
Effects of foreign currency exchange difference	<u>17</u>
Balance at September 30, 2024	<u>15,405</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2024	7,800
Amortization expenses	3,544
Disposals	(2,736)
Effects of foreign currency exchange difference	<u>10</u>
Balance at September 30, 2024	<u>8,618</u>
Carrying amount at December 31, 2023	<u>\$ 7,980</u>
Carrying amount at September 30, 2024	<u>\$ 6,787</u>

For the nine months ended September 30, 2023

	<b>Computer Software</b>
<u>Cost</u>	
Balance at January 1, 2023	\$ 11,241
Additions	3,151
Effects of foreign currency exchange difference	<u>18</u>
Balance at September 30, 2023	<u>14,410</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2023	3,569
Amortization expenses	3,071
Effects of foreign currency exchange difference	<u>9</u>
Balance at September 30, 2023	<u>6,649</u>
Carrying amount at September 30, 2023	<u>\$ 7,761</u>

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

## 19. BORROWINGS

### a. Short-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured bank loans - annual interest rates range was 1.75%-6.04%, 1.64%-3.8% and 1.63%-3.80% as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively	\$ 522,720	\$ 545,429	\$ 298,027
Letters of credit - annual interest rates range was 1.83%-1.90%, 1.71%-1.78% and 1.71%-1.78% as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively	<u>49,823</u>	<u>48,466</u>	<u>42,741</u>
	<u>\$ 572,543</u>	<u>\$ 593,895</u>	<u>\$ 340,768</u>

### b. Long-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured bank loans - due in January 2027, annual interest rates range was 1.75%-1.80%, 1.60%-1.83% and 1.57%-1.96% as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively	\$ 1,480,000	\$ 1,378,834	\$ 1,927,667
Secured bank loans - due in July 2027, annual interest rates range was 5.26%-6.12%, 4.10%-4.43% and 3.92%-5.73% as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively	<u>194,586</u>	<u>255,346</u>	<u>267,652</u>
	1,674,586	1,634,180	2,195,319
Less: Current portion	<u>64,862</u>	<u>142,670</u>	<u>224,580</u>
	<u>\$ 1,609,724</u>	<u>\$ 1,491,510</u>	<u>\$ 1,970,739</u>

## 20. OTHER PAYABLES (INCLUDING RELATED PARTIES)

	September 30, 2024	December 31, 2023	September 30, 2023
Freight	\$ 320,235	\$ 244,884	\$ 279,850
Salaries and bonus	164,947	200,837	158,658
Outsourced salaries	140,794	147,274	152,816
Utility bill	47,995	39,487	38,564
Compensation of employees and remuneration of directors and supervisors	44,910	46,537	34,746
Professional service payable	10,457	12,369	14,314

(Continued)

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Taxes payable	\$ 8,641	\$ 9,132	\$ 9,758
Others	<u>270,591</u>	<u>361,804</u>	<u>339,589</u>
	<u>\$ 1,008,570</u>	<u>\$ 1,062,324</u>	<u>\$ 1,028,295</u> (Concluded)

The estimated expenses of cleanup plan stated in Note 33 were NT\$293,811 thousand, NT\$316,355 thousand and NT270,444 thousand as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively. The amounts were recognized as other payables-others and provisions.

## 21. PROVISIONS - NONCURRENT

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Cost of resource reutilization	<u>\$ 332,746</u>	<u>\$ 306,146</u>	<u>\$ 251,872</u>
		<b>For the Nine Months Ended September 30</b>	
		<b>2024</b>	<b>2023</b>
Balance, beginning of the period		\$ 306,146	\$ 164,534
Additions		26,600	88,489
Amount used		<u>-</u>	<u>(1,151)</u>
Balance, end of the period		<u>\$ 332,746</u>	<u>\$ 251,872</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.

## 22. RETIREMENT BENEFIT PLANS

For the three months and nine months ended September 30, 2024 and 2023, the pension expense of defined benefit plans were NT\$1,322 thousand, NT\$1,449 thousand, NT\$3,965 thousand and NT\$5,540 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2023 and 2022, respectively.

## 23. EQUITY

### a. Ordinary shares

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 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> (Continued)

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
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>

(Concluded)

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

b. Capital surplus

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
May be used to offset deficits, distribute as cash dividends, or transfer to share capital (Note 1)			
Additional paid-in capital	\$ 4,419	\$ 4,419	\$ 4,419
Consolidation excess	157,497	157,497	157,497
Donations	108	108	108
May only be used to offset deficits			
Changes in ownership interests in subsidiaries (Note 2)	<u>374</u>	<u>-</u>	<u>-</u>
	<u>\$ 162,398</u>	<u>\$ 162,024</u>	<u>\$ 162,024</u>

Note 1: 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).

Note 2: Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

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 Nine Months Ended September 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	10,671	10,256
Share from associates accounted for using the equity method	<u>3</u>	<u>775</u>
Balance, end of the period	<u>\$ (25,789)</u>	<u>\$ (5,032)</u>

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

	<b>For the Nine Months Ended September 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	(40,796)	(43,491)
Share from associates accounted for using the equity method	(6,958)	(10,240)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>(3,550)</u>	<u>(993)</u>
Balance, end of the period	<u>\$ (32,331)</u>	<u>\$ (6,357)</u>

3) Gain (loss) on hedging instruments

Cash flow hedges

	<b>For the Nine Months Ended September 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>(2,094)</u>
Balance, end of the period	<u>\$ -</u>	<u>\$ (62)</u>

e. Non-controlling interests

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance, beginning of the period	\$ 226,615	\$ 218,661
Share of profit for the period	18,580	12,272
Other comprehensive income (loss) for the period		
Exchange differences on translating of the financial statements of foreign operations	1,883	1,810
Unrealized loss on financial assets at fair value through other comprehensive income	(30)	(123)
Dividend distribution	(12,476)	(6,490)
Others	<u>42</u>	<u>-</u>
Balance, end of the period	<u>\$ 234,614</u>	<u>\$ 226,130</u>

**24. REVENUE**

a. Contract balances

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>	<b>January 1, 2023</b>
Notes receivable and accounts receivable (Note 9)	<u>\$ 1,436,563</u>	<u>\$ 1,348,940</u>	<u>\$ 1,233,157</u>	<u>\$ 950,240</u>
Contract assets - current				
Construction contracts	\$ 1,347	\$ 1,348	\$ 4,903	\$ 19,007
Sales receivable and retention receivables	229	334	365	405
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,576</u>	<u>\$ 1,682</u>	<u>\$ 5,268</u>	<u>\$ 19,412</u>

(Continued)

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>	<b>January 1, 2023</b>
Contract liabilities - current				
Sale received in advance	\$ 64,718	\$ 55,846	\$ 30,607	\$ 29,150
Services received in advance	3,028	478	105,716	6,353
Construction contracts	<u>477</u>	<u>477</u>	<u>2,892</u>	<u>2,694</u>
	<u>\$ 68,223</u>	<u>\$ 56,801</u>	<u>\$ 139,215</u>	<u>\$ 38,197</u>
				(Concluded)

b. Assets related to contract costs

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
<u>Current</u>			
Cost to fulfil a contract			
Executing cost	<u>\$ 25,448</u>	<u>\$ 12,066</u>	<u>\$ 20,396</u>

c. Disaggregation of revenue

Refer to Note 36 for information on the disaggregation of revenue.

## 25. PROFIT BEFORE INCOME TAX

a. Other income

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Rental income	\$ 7,631	\$ 7,647	\$ 22,545	\$ 26,059
Dividend income	7,704	12,888	7,704	12,888
Others	<u>3,398</u>	<u>105</u>	<u>9,891</u>	<u>6,120</u>
	<u>\$ 18,733</u>	<u>\$ 20,640</u>	<u>\$ 40,140</u>	<u>\$ 45,067</u>

b. Other gains and losses

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 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	\$ -	\$ 171	\$ 160	\$ 433
Net gain on disposal of property, plant and equipment	-	90	157	395

(Continued)

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Net foreign exchange gain (loss)	\$ (1,017)	\$ 425	\$ 1,108	\$ 1,074
Others	<u>(1,295)</u>	<u>(922)</u>	<u>(3,801)</u>	<u>(2,801)</u>
	<u>\$ (2,312)</u>	<u>\$ (236)</u>	<u>\$ (2,376)</u>	<u>\$ (899)</u> (Concluded)

The components of net foreign exchange gain (loss) were as follows:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Foreign exchange gain	\$ 121	\$ 546	\$ 2,456	\$ 1,974
Foreign exchange loss	<u>(1,138)</u>	<u>(121)</u>	<u>(1,348)</u>	<u>(900)</u>
Net exchange gain (loss)	<u>\$ (1,017)</u>	<u>\$ 425</u>	<u>\$ 1,108</u>	<u>\$ 1,074</u>

c. Finance costs

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest on borrowings	\$ 12,861	\$ 14,448	\$ 33,316	\$ 49,015
Interest on lease liabilities	<u>6,577</u>	<u>5,969</u>	<u>19,594</u>	<u>17,866</u>
	19,438	20,417	52,910	66,881
Less: Amounts included in the cost of qualifying assets	<u>351</u>	<u>137</u>	<u>987</u>	<u>725</u>
	<u>\$ 19,087</u>	<u>\$ 20,280</u>	<u>\$ 51,923</u>	<u>\$ 66,156</u>

Information on capitalized interest was as follows:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Capitalized interest amounts	\$ 351	\$ 137	\$ 987	\$ 725
Capitalization rates (%)	1.77-1.78	1.64-1.69	1.55-1.78	1.48-1.69

d. Depreciation and amortization

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Property, plant and equipment	\$ 127,469	\$ 136,229	\$ 386,062	\$ 412,924
Right-of-use assets	82,100	94,714	261,521	280,049
Investment properties	726	381	2,243	1,144
Intangible assets	1,235	1,160	3,544	3,071
Other noncurrent assets	5,311	4,979	16,034	13,147
	<b>\$ 216,841</b>	<b>\$ 237,463</b>	<b>\$ 669,404</b>	<b>\$ 710,335</b>
An analysis of depreciation by function				
Operating costs	\$ 198,978	\$ 220,005	\$ 615,333	\$ 660,237
Operating expenses	10,547	10,916	32,183	32,669
Others	770	403	2,310	1,211
	<b>\$ 210,295</b>	<b>\$ 231,324</b>	<b>\$ 649,826</b>	<b>\$ 694,117</b>
An analysis of amortization by function				
Operating costs	\$ 5,372	\$ 4,979	\$ 16,126	\$ 13,119
Operating expenses	1,174	1,160	3,452	3,099
	<b>\$ 6,546</b>	<b>\$ 6,139</b>	<b>\$ 19,578</b>	<b>\$ 16,218</b>

e. Employee benefits expense

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Short-term employee benefits				
Salaries	\$ 170,761	\$ 157,962	\$ 490,856	\$ 457,329
Labor and health insurance	11,895	11,534	36,451	35,409
Others	8,308	7,232	23,934	22,299
	<b>190,964</b>	<b>176,728</b>	<b>551,241</b>	<b>515,037</b>
Post-employment benefits				
Defined contribution plans	3,629	3,534	11,087	10,835
Defined benefit plans (Note 22)	1,322	1,449	3,965	5,540
	<b>4,951</b>	<b>4,983</b>	<b>15,052</b>	<b>16,375</b>
	<b>\$ 195,915</b>	<b>\$ 181,711</b>	<b>\$ 566,293</b>	<b>\$ 531,412</b>
Analysis of employee benefits expense by function				
Operating costs	\$ 122,404	\$ 112,762	\$ 356,181	\$ 329,185
Operating expenses	73,511	68,949	210,112	202,227
	<b>\$ 195,915</b>	<b>\$ 181,711</b>	<b>\$ 566,293</b>	<b>\$ 531,412</b>

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 nine months ended September 30, 2024 and 2023, are as follows:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Compensation of employees	\$ 12,192	\$ 9,578	\$ 36,103	\$ 27,661
Remuneration of directors	2,439	1,765	7,221	5,382

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.

## 26. 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 September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Current tax				
In respect of the period	\$ 66,514	\$ 46,483	\$ 208,802	\$ 157,217
Adjustment for prior year	-	-	(4,702)	(2,411)
Deferred tax	<u>2,700</u>	<u>385</u>	<u>6,716</u>	<u>(7,146)</u>
	<u>\$ 69,214</u>	<u>\$ 46,868</u>	<u>\$ 210,816</u>	<u>\$ 147,660</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.

## 27. 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 September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Net profit attributable to owners of the Corporation	<u>\$ 280,018</u>	<u>\$ 213,535</u>	<u>\$ 865,148</u>	<u>\$ 623,832</u>

### Number of ordinary shares (in thousands of shares)

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 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>545</u>	<u>479</u>	<u>676</u>	<u>619</u>
Weighted average number of ordinary shares used in computation of diluted earnings per share	<u>249,085</u>	<u>249,019</u>	<u>249,216</u>	<u>249,159</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.

## 28. 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.

## 29. 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>September 30, 2024</u>				
Financial assets at fair value through other comprehensive income				
Equity instruments				
Domestic listed shares	\$ 250,614	\$ -	\$ -	\$ 250,614
Domestic and foreign unlisted shares	<u>-</u>	<u>-</u>	<u>34,418</u>	<u>34,418</u>
	<u>\$ 250,614</u>	<u>\$ -</u>	<u>\$ 34,418</u>	<u>\$ 285,032</u>
<u>December 31, 2023</u>				
Financial assets at fair value through other comprehensive income				
Equity instruments				
Domestic listed shares	\$ 292,293	\$ -	\$ -	\$ 292,293

(Continued)

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
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>
<hr/> <u>September 30, 2023</u>				
Financial assets at fair value through profit or loss				
Mutual funds	\$ <u>  50,014</u>	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>  50,014</u>
Financial assets at fair value through other comprehensive income				
Equity instruments				
Domestic listed shares	\$ 248,098	\$           -	\$           -	\$ 248,098
Domestic and foreign unlisted shares	<u>          -</u>	<u>          -</u>	<u>  32,862</u>	<u>  32,862</u>
	\$ <u> 248,098</u>	\$ <u>          -</u>	\$ <u>  32,862</u>	\$ <u> 280,960</u>
				(Concluded)

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

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

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
<hr/> <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>      854</u>	<u>      160</u>
Balance, end of the period	\$ <u> 34,418</u>	\$ <u> 32,862</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

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets</u>			
Financial assets at fair value through profit or loss	\$ -	\$ -	\$ 50,014
Financial assets at fair value through other comprehensive income - equity instruments	285,032	325,857	280,960
Financial assets for hedging	-	4,279	4,259
Financial assets at amortized cost 1)	2,306,968	2,077,137	1,976,197
<u>Financial liabilities</u>			
Financial liabilities at amortized cost 2)	3,547,140	3,663,010	3,850,621

- 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 34.

## 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 nine months ended September 30, 2024 and 2023 would have increased/decreased by NT\$239 thousand and NT\$314 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>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Fair value interest rate risk			
Financial liabilities	\$ 1,326,039	\$ 1,558,442	\$ 1,514,633
Cash flow interest rate risk			
Financial assets	499,676	383,528	401,056
Financial liabilities	2,247,129	2,228,075	2,536,087

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 nine months ended September 30, 2024 and 2023 would have increased/decreased by NT\$16,853 thousand and NT\$19,021 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 mutual fund and 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 and mutual fund.

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, profit before income tax for the nine months ended September 30, 2023 would have increased/decreased by NT\$500 thousand, as a result of the fair value changes of financial assets at fair value through profit or loss, and other comprehensive income for the nine months ended September 30, 2024 and 2023 would have increased/decreased by NT\$2,506 thousand and NT\$2,481 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 counterparties 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>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Cement industry	\$ 562,317	\$ 794,356	\$ 648,476
Steel industry	<u>677,065</u>	<u>379,365</u>	<u>428,571</u>
	<u>\$ 1,239,382</u>	<u>\$ 1,173,721</u>	<u>\$ 1,077,047</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.

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>September 30, 2024</u>			
Non-interest bearing liabilities	\$ 1,290,770	\$ 9,241	\$ 1,300,011
Variable interest rate instruments	650,926	1,668,366	2,319,292
Lease liabilities	<u>334,052</u>	<u>1,098,114</u>	<u>1,432,166</u>
	<u>\$ 2,275,748</u>	<u>\$ 2,775,721</u>	<u>\$ 5,051,469</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>\$ 334,052</u>	<u>\$ 805,866</u>	<u>\$ 292,248</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>September 30, 2023</u>			
Non-interest bearing liabilities	\$ 1,310,801	\$ 3,733	\$ 1,314,534
Variable interest rate instruments	585,374	2,030,443	2,615,817
Lease liabilities	<u>347,242</u>	<u>1,286,167</u>	<u>1,633,409</u>
	<u>\$ 2,243,417</u>	<u>\$ 3,320,343</u>	<u>\$ 5,563,760</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>\$ 347,242</u>	<u>\$ 935,831</u>	<u>\$ 350,336</u>





### 30. 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

<u>Related Party Name</u>	<u>Related Party Category</u>
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
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 Industry 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
Ya Sing Ready - Mixed Concrete Corp.	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

b. Operating revenue

Account Items	Related Parties Category/Names	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
Sales	Parent entity - CSC	\$ 47,219	\$ 36,012	\$ 128,782	\$ 151,732
	Fellow subsidiaries	13,088	9,077	35,649	46,551
	Directors and its subsidiaries				
	TCC	212,896	194,785	649,049	592,271
	Others	<u>275,653</u>	<u>212,515</u>	<u>740,986</u>	<u>630,917</u>
		<u>\$ 548,856</u>	<u>\$ 452,389</u>	<u>\$ 1,554,466</u>	<u>\$ 1,421,471</u>
Service revenue	Parent entity - CSC	\$ 707,866	\$ 688,971	\$ 1,983,387	\$ 2,365,580
	Fellow subsidiaries				
	DSC	443,264	440,881	1,144,447	1,097,690
	CSRC	176,429	149,703	521,680	471,287
	Others	392	4,460	1,583	22,121
	Directors and its subsidiaries	40,704	39,435	125,920	122,603
	Other related parties	<u>52,113</u>	<u>33,715</u>	<u>150,548</u>	<u>129,336</u>
		<u>\$ 1,420,768</u>	<u>\$ 1,357,165</u>	<u>\$ 3,927,565</u>	<u>\$ 4,208,617</u>
Construction contract revenue	Fellow subsidiaries - CSRC	<u>\$ 856</u>	<u>\$ 5,315</u>	<u>\$ 8,585</u>	<u>\$ 7,520</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 September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Parent entity - CSC	\$ 212,363	\$ 183,891	\$ 609,231	\$ 536,063
Fellow subsidiaries				
DSC	95,384	78,094	284,738	242,750
CHSC	77,543	85,736	243,616	294,816
Others	75,505	19,124	173,172	94,187
Directors and its subsidiaries	107,134	92,119	329,760	310,594
Others - FHSC	<u>119,305</u>	<u>83,297</u>	<u>361,668</u>	<u>331,427</u>
	<u>\$ 687,234</u>	<u>\$ 542,261</u>	<u>\$ 2,002,185</u>	<u>\$ 1,809,837</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

<b>Related Parties Category/Names</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Parent entity - CSC	\$ -	\$ 137	\$ -
Fellow subsidiaries	<u>-</u>	<u>-</u>	<u>4,903</u>
	<u>\$ -</u>	<u>\$ 137</u>	<u>\$ 4,903</u>

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

e. Contract liabilities - current

<b>Related Parties Category/Names</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Parent entity - CSC	\$ -	\$ -	\$ 105,181
Fellow subsidiaries	-	-	198
Directors and its subsidiaries	<u>1,340</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,340</u>	<u>\$ -</u>	<u>\$ 105,379</u>

f. Other material transactions with related parties

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
1) Operating lease				
Rental income				
Parent entity - CSC	\$ 7,248	\$ 7,248	\$ 21,745	\$ 25,222
2) Security expense				
Fellow subsidiary - CSSC	11,940	11,242	35,670	33,732
3) Outsourced manufacturing expense				
Subsidiary of director - NHCC	24,341	26,372	74,943	75,650
4) Charges for handling service and freight				
Fellow subsidiary				
CSEC	208,046	156,306	444,905	590,160
USECC	12,612	-	38,659	-
Subsidiary of director				
YL	53,206	61,624	163,431	185,835
TTSC	9,826	9,107	37,661	33,482

(Continued)

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
5) Other professional service expense				
Director - ACC	\$ 28,198	\$ 36,564	\$ 89,215	\$ 96,452
Director - TCC	1,165	1,448	6,292	8,162
6) Renewable energy expense				
Fellow subsidiary - CSC				
SOLAR	4,906	4,526	11,371	9,905
				(Concluded)

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

g. Notes receivable - related parties and accounts receivable - related parties

<b>Related Parties Category/Names</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Parent entity - CSC	\$ 368,130	\$ 180,617	\$ 206,232
Fellow subsidiaries			
DSC	285,495	154,996	206,211
Others	63,241	64,119	53,138
Directors and its subsidiaries			
TCC	170,352	283,493	239,504
Others	96,553	125,179	100,394
Others related parties	<u>17,451</u>	<u>42,894</u>	<u>15,400</u>
	<u>\$ 1,001,222</u>	<u>\$ 851,298</u>	<u>\$ 820,879</u>

The outstanding receivables from related parties are unsecured. For the nine months ended September 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>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Parent entity - CSC	\$ 35,441	\$ 20,495	\$ 42,854
Directors and its subsidiaries	-	3	-
Other related parties	<u>-</u>	<u>347</u>	<u>-</u>
	<u>\$ 35,441</u>	<u>\$ 20,845</u>	<u>\$ 42,854</u>

i. Accounts payable - related parties

<b>Related Parties Category/Names</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Parent entity - CSC	\$ 13,166	\$ 12,225	\$ 8,176
Fellow subsidiaries			
CHSC	8,371	36,530	28,983
Others	12,851	4,388	3,583
Directors and its subsidiaries	<u>35,289</u>	<u>48,495</u>	<u>31,835</u>
	<u>\$ 69,677</u>	<u>\$ 101,638</u>	<u>\$ 72,577</u>

The outstanding accounts payable to related parties are unsecured.

j. Other payables - related parties

<b>Related Parties Category/Names</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Parent entity - CSC	\$ 2,535	\$ 2,863	\$ 1,899
Fellow subsidiaries	101,900	5,910	41,004
Directors and its subsidiaries	51,421	70,451	61,361
Other related parties	<u>366</u>	<u>373</u>	<u>377</u>
	<u>\$ 156,222</u>	<u>\$ 79,597</u>	<u>\$ 104,641</u>

k. Prepayments

<b>Related Parties Category/Names</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Parent entity-CSC	\$ 1,769	\$ 1,328	\$ 1,328
Fellow subsidiaries	3,679	-	241
Directors and its subsidiaries	-	2	1,524
Other related parties - FHSC	<u>14,344</u>	<u>8,492</u>	<u>18,427</u>
	<u>\$ 19,792</u>	<u>\$ 9,822</u>	<u>\$ 21,520</u>

l. Acquisition of property, plant and equipment

<b>Related Parties Category/Name</b>	<b>Purchase Price</b>	
	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Parent entity - CSC	\$ 2,982	\$ -
Fellow subsidiaries	<u>258</u>	<u>-</u>
	<u>\$ 3,240</u>	<u>\$ -</u>

m. Lease arrangements

Related Parties Category/Names	For the Nine Months Ended September 30	
	2024	2023
Acquisition of right-of-use assets		
Parent entity - CSC	\$ -	\$ 16,888
Fellow subsidiary - C.S. Aluminium Corporation	-	237
	<u>\$ -</u>	<u>\$ 17,125</u>

Account Item	Related Parties Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Lease liabilities	Parent entity - CSC	\$ 35,155	\$ 53,282	\$ 52,989
	Fellow subsidiaries	-	119	245
		<u>\$ 35,155</u>	<u>\$ 53,401</u>	<u>\$ 53,234</u>

Related Parties Category/Names	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Interest expense				
Parent entity - CSC	\$ 159	\$ 241	\$ 543	\$ 789
Fellow subsidiaries	-	2	-	2
	<u>\$ 159</u>	<u>\$ 243</u>	<u>\$ 543</u>	<u>\$ 791</u>
Lease expense				
Parent entity - CSC	\$ 451	\$ 387	\$ 1,200	\$ 1,444
Fellow subsidiaries	82	(4)	95	19
Other related parties	147	162	436	478
	<u>\$ 680</u>	<u>\$ 545</u>	<u>\$ 1,731</u>	<u>\$ 1,941</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 Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Short-term employee benefits (including salaries, remuneration and bonus)	\$ 10,281	\$ 11,077	\$ 28,515	\$ 26,684
Post-employment benefits	167	104	498	1,552
	<u>\$ 10,448</u>	<u>\$ 11,181</u>	<u>\$ 29,013</u>	<u>\$ 28,236</u>

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

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

	September 30, 2024	December 31, 2023	September 30, 2023
Pledged time deposits (under other financial assets)	\$ 11,102	\$ 12,311	\$ 15,511
Property, plant and equipment			
Land	40,172	40,172	40,172
Buildings	226,853	230,883	244,583
Machinery and equipment	442,709	454,654	483,184
Right-of-use assets			
Land	<u>134,713</u>	<u>136,313</u>	<u>144,185</u>
	<u>\$ 855,549</u>	<u>\$ 874,333</u>	<u>\$ 927,635</u>

### 32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

- a. Unused letters of credit for importation of materials amounted to NT\$452,736 thousand.
- b. The Corporation provided performance bond of NT\$49,940 thousand guaranteed by financial institutions (Note 16(c))
- c. To expand the production line, the Corporation entered into the construction contracts amounted to NT\$759,872 thousand, which have not been recorded yet.

### 33. 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.

### 34. 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:

	<b>Foreign Currencies (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount (In Thousands of New Taiwan Dollars)</b>
<u>September 30, 2024</u>			
Monetary financial assets			
USD	\$ 1,220	31.65	\$ 38,607
Non-monetary assets			
Financial assets at fair value through other comprehensive income			
CNY	4,034	4.523	18,246
Investments accounted for using the equity method			
VND	566,233,202	0.001265	716,285
Monetary financial liabilities			
USD	464	31.65	14,695
<u>December 31, 2023</u>			
Monetary financial assets			
USD	501	30.705	15,380
JPY	19,700	0.2172	4,279
Non-monetary 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>September 30, 2023</u>			
Monetary financial assets			
USD	888	32.27	28,657
JPY	35,853	0.2162	7,751

(Continued)

	<b>Foreign Currencies (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount (In Thousands of New Taiwan Dollars)</b>
Non-monetary assets			
Financial assets at fair value through other comprehensive income			
CNY	\$ 3,937	4.415	\$ 17,382
Investments accounted for using the equity method			
VND	513,845,977	0.001305	670,569
Monetary financial liabilities			
USD	156	32.27	5,034 (Concluded)

### 35. 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

### **36. 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 nine months September 30, 2024				
Revenue from external customers	\$ 5,332,234	\$ 4,099,158	\$ 308,266	\$ 9,739,658
Inter segment revenue	<u>181,320</u>	<u>16,926</u>	<u>260,326</u>	<u>458,572</u>
Segment revenue	<u>\$ 5,513,554</u>	<u>\$ 4,116,084</u>	<u>\$ 568,592</u>	10,198,230
Eliminations				<u>(458,572)</u>
Consolidated revenue				<u>\$ 9,739,658</u>
Segment income	<u>\$ 1,178,727</u>	<u>\$ 216,598</u>	<u>\$ 87,524</u>	\$ 1,482,849
Operating expense				(384,872)
Share of profit of associates accounted for using the equity method				5,930
Other non-operating gains and losses				<u>(9,363)</u>
Profit before income tax				<u>\$ 1,094,544</u>
For the nine months September 30, 2023				
Revenue from external customers	\$ 4,671,799	\$ 4,354,294	\$ 291,067	\$ 9,317,160
Inter segment revenue	<u>131,838</u>	<u>15,845</u>	<u>250,140</u>	<u>397,823</u>
Segment revenue	<u>\$ 4,803,637</u>	<u>\$ 4,370,139</u>	<u>\$ 541,207</u>	9,714,983
Eliminations				<u>(397,823)</u>
Consolidated revenue				<u>\$ 9,317,160</u>
Segment income	<u>\$ 984,408</u>	<u>\$ 74,692</u>	<u>\$ 84,054</u>	\$ 1,143,154
Operating expense				(352,551)
Share of profit of associates accounted for using the equity method				10,693
Other non-operating gains and losses				<u>(17,532)</u>
Profit before income tax				<u>\$ 783,764</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.

**TABLE 1****CHC RESOURCES CORPORATION AND SUBSIDIARIES****MARKETABLE SECURITIES HELD****SEPTEMBER 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	September 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	<u>\$ 240,802</u>	-	<u>\$ 240,802</u>	
CHC Resources Corporation	Ordinary shares	Feng Sheng Enterprise Corporation	No relationship	Financial assets at fair value through other comprehensive income - noncurrent	932,053	<u>\$ 16,172</u>	2	<u>\$ 16,172</u>	
Union Steel Development Corporation	Ordinary shares	China Steel Corporation	Ultimate parent company	Financial assets at fair value through other comprehensive income - current	423,849	<u>\$ 9,812</u>	-	<u>\$ 9,812</u>	
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	<u>\$ 18,246</u>	19	<u>\$ 18,246</u>	

**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 NINE MONTHS ENDED SEPTEMBER 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	\$ (648,985)	(7)	Open account 60 days	Note	Note	\$ 170,352	13
CHC Resources Corporation	Ya Tung Ready Mixed Concrete Co., Ltd.	Subsidiary of director of the Corporation	Sales	(440,381)	(5)	Open account 60 days	Note	Note	73,117	6
CHC Resources Corporation	Universal Cement Corporation	Director of the Corporation	Sales	(205,085)	(2)	Open account 60 days	Note	Note	9,468	1
CHC Resources Corporation	China Steel Corporation	Parent company	Service revenue	(1,983,387)	(23)	Payment after final acceptance	Note	Note	350,906	27
CHC Resources Corporation	Dragon Steel Corporation	Fellow subsidiary	Service revenue	(1,144,447)	(13)	Payment after final acceptance	Note	Note	281,468	22
CHC Resources Corporation	China Steel Resources Corporation	Fellow subsidiary	Service revenue	(521,680)	(6)	Payment after final acceptance	Note	Note	62,658	5
CHC Resources Corporation	Taiwan Cement Corporation	Director of the Corporation	Service revenue	(102,210)	(1)	Open account 60 days	Note	Note	170,352	13
CHC Resources Corporation	China Steel Corporation	Parent company	Purchases	609,231	23	Letter of credit	Note	Note	(13,166)	(7)
CHC Resources Corporation	Dragon Steel Corporation	Fellow subsidiary	Purchases	284,738	11	Letter of credit	Note	Note	(6,148)	(3)
CHC Resources Corporation	Chung Hung Steel Corporation	Fellow subsidiary	Purchases	243,616	9	Letter of credit	Note	Note	(8,371)	(5)
CHC Resources Corporation	CHC Resources Vietnam Co., Ltd.	subsidary	Purchases	166,552	6	Prepaid before shipping	Note	Note	(487)	-
CHC Resources Corporation	Asia Cement Corporation	Director of the Corporation	Purchases	127,975	5	Net 45 days from B/L	Note	Note	(13,039)	(7)
CHC Resources Corporation	China Steel Express Corporation	Fellow subsidiary	Purchases	107,969	4	Prepaid before shipping	Note	Note	-	-
Union Steel Development Corporation	CHC Resources Corporation	Parent company	Service revenue	(244,325)	(68)	According to the contract	Note	Note	38,396	67
CHC Resources Vietnam Co., Ltd.	CHC Resources Corporation	Parent company	Sales	(166,552)	(18)	Received before shipping	Note	Note	487	1
CHC Resources Vietnam Co., Ltd.	Formosa Ha Tinh Steel Corporation	Other related party	Service revenue	(150,548)	(17)	10 days from invoice date	Note	Note	17,452	25
CHC Resources Vietnam Co., Ltd.	Formosa Ha Tinh Steel Corporation	Other related party	Purchases	361,668	98	Prepaid before shipping	Note	Note	-	-

Note: Refer to Note 30.

**CHC RESOURCES CORPORATION AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
 SEPTEMBER 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	China Steel Corporation	Parent company	\$ 350,906	11	\$ -	-	\$ -	\$ -
CHC Resources Corporation	Dragon Steel Corporation	Fellow subsidiary	281,468	7	10,410	Continuously received after period	6,628	-
CHC Resources Corporation	Taiwan Cement Corporation	Director of the Corporation	170,352	4	13	Expected to be received before the end of October	-	-

**CHC RESOURCES CORPORATION AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE NINE MONTHS ENDED SEPTEMBER 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	\$ 244,325	According to the contract	3
2	CHC Resources Vietnam Co., Ltd.	CHC Resources Corporation	Subsidiary to parent Company	Sales	166,552	Received before shipping	2

**TABLE 5**

**CHC RESOURCES CORPORATION AND SUBSIDIARIES**

**INFORMATION ON INVESTEEES  
FOR THE NINE MONTHS ENDED SEPTEMBER 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 September 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 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	\$ 716,285	\$ 57,094	\$ 48,529	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	141,099	2,096	1,892	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	102,674	30,512	28,502	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	90,723	15,881	8,100	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	121,667	44,296	5,914	Note 2
CHC Resources Corporation	Pro-Ascentek Investment Corporation	Republic of China	General investment	30,000	30,000	3,000,000	3	35,233	19,067	477	
CHC Resources Corporation	Gau Ruei Investment Corporation	Republic of China	General investment	12,306	12,306	1,046,500	35	24,045	1,004	351	
CHC Resources Corporation	Sheng Lih Dar Investment Corporation	Republic of China	General investment	12,516	12,516	1,196,000	40	21,678	2,463	985	
CHC Resources Corporation	Ding Da Investment Corporation	Republic of China	General investment	30,000	30,000	3,000,000	2	20,177	(46,674)	(773)	
CHC Resources Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	9,600	9,600	960,000	40	19,641	2,228	891	
CHC Resources Corporation	Shin Mau Investment Corporation	Republic of China	General investment	10,316	10,316	897,000	30	17,832	2,904	871	
CHC Resources Corporation	Jiing-Cheng-Fa Investment Corporation	Republic of China	General investment	9,200	9,200	920,000	40	17,208	1,424	569	
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	8,197	(180,216)	(3,355)	

Note 1: The amount was eliminated in the consolidated financial statements.

Note 2: 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  
SEPTEMBER 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 NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)**

For the nine months ended September 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	-	3,785	34,530	112,208	-	859	1,953	-	22,012	175,347
Disposals	-	-	-	(16,430)	-	-	-	-	-	(16,430)
Effects of foreign currency exchange differences	-	1,164	4,037	9,043	29	93	-	-	-	14,366
Balance at September 30, 2024	<u>\$ 1,136,268</u>	<u>\$ 223,090</u>	<u>\$ 2,846,350</u>	<u>\$ 6,418,627</u>	<u>\$ 18,686</u>	<u>\$ 69,615</u>	<u>\$ 1,139,421</u>	<u>\$ 360</u>	<u>\$ 86,281</u>	<u>\$ 11,938,698</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	-	14,760	71,222	192,458	488	6,466	100,668	-	-	386,062
Disposals	-	-	-	(16,206)	-	-	-	-	-	(16,206)
Impairment loss	-	-	20,730	28,811	-	-	-	-	-	49,541
Effects of foreign currency exchange differences	-	682	372	1,076	21	54	-	-	-	2,205
Balance at September 30, 2024	<u>\$ 6,370</u>	<u>\$ 155,504</u>	<u>\$ 1,275,396</u>	<u>\$ 5,093,022</u>	<u>\$ 18,063</u>	<u>\$ 48,107</u>	<u>\$ 747,582</u>	<u>\$ 360</u>	<u>\$ -</u>	<u>\$ 7,344,404</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 September 30, 2024	<u>\$ 1,129,898</u>	<u>\$ 67,586</u>	<u>\$ 1,570,954</u>	<u>\$ 1,325,605</u>	<u>\$ 623</u>	<u>\$ 21,508</u>	<u>\$ 391,839</u>	<u>\$ -</u>	<u>\$ 86,281</u>	<u>\$ 4,594,294</u>

For the nine months ended September 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	15,827	182,766	-	4,274	897	-	(21,510)	185,065
Disposals	-	-	-	(11,378)	-	-	-	-	-	(11,378)
Reclassification	(1,216,078)	-	-	-	-	-	-	-	-	(1,216,078)
Effects of foreign currency exchange differences	-	1,016	4,038	8,955	29	176	17	-	90	14,321
Balance at September 30, 2023	<u>\$ 1,136,268</u>	<u>\$ 212,010</u>	<u>\$ 2,845,951</u>	<u>\$ 6,308,075</u>	<u>\$ 18,744</u>	<u>\$ 74,250</u>	<u>\$ 1,138,539</u>	<u>\$ 360</u>	<u>\$ 40,211</u>	<u>\$ 11,774,408</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	-	14,229	71,541	212,865	714	7,543	106,032	-	-	412,924
Disposals	-	-	-	(11,378)	-	-	-	-	-	(11,378)
Effects of foreign currency exchange differences	-	653	295	881	19	105	17	-	-	1,970
Balance at September 30, 2023	<u>\$ 6,370</u>	<u>\$ 139,175</u>	<u>\$ 1,183,768</u>	<u>\$ 4,818,284</u>	<u>\$ 17,404</u>	<u>\$ 43,530</u>	<u>\$ 613,439</u>	<u>\$ 360</u>	<u>\$ -</u>	<u>\$ 6,822,330</u>
Carrying amount at September 30, 2023	<u>\$ 1,129,898</u>	<u>\$ 72,835</u>	<u>\$ 1,662,183</u>	<u>\$ 1,489,791</u>	<u>\$ 1,340</u>	<u>\$ 30,720</u>	<u>\$ 525,100</u>	<u>\$ -</u>	<u>\$ 40,211</u>	<u>\$ 4,952,078</u> (Concluded)