

CHC Resources Corporation

**Parent Company Only Financial Statements for the
Years Ended December 31, 2025 and 2024 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
CHC Resources Corporation

Opinion

We have audited the accompanying parent company only financial statements of CHC Resources Corporation (the "Corporation"), which comprise the parent company only balance sheets as of December 31, 2025 and 2024, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Corporation as of December 31, 2025 and 2024, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent company only financial statements section of our report. We are independent of the Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter of the Corporation's parent company only financial statements for the year ended December 31, 2025 is stated as follows:

Revenue Recognition

The Corporation mainly engages in the sale of Ground-Granulated Blast-Furnace Slag (GGBFS), accounting for the largest proportion of total sales revenue. Since revenue is a presumed risk in the Statement of Auditing Standards and it is mainly the focus of users of financial statements. Thus, we considered the occurrence of the sales revenue of GGBFS as a key audit matter. For the accounting policy of sales revenue, please refer to Note 4 of the financial statements.

Our audit procedures performed included the following:

1. We obtained an understanding of and evaluated design and implementation of internal control of sales of GGBFS and tested its operating effectiveness.
2. We selected samples and verified the occurrence and validity of the sales revenue of GGBFS and confirmed the correctness of the shipping documents and cash collection receipts.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future

events or conditions may cause the Corporation to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2025, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 25, 2026

Notice to Readers

The accompanying parent company only financial statements are intended only to present the 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 audit such parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only 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' report and parent company only financial statements shall prevail.

CHC RESOURCES CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash (Note 6)	\$ 177,163	2	\$ 222,690	2
Financial assets at fair value through other comprehensive income - current (Notes 7 and 26)	197,634	2	204,395	2
Notes receivable (Note 8)	219,712	2	302,923	3
Accounts receivable (Note 8)	193,364	2	115,940	1
Accounts receivable - related parties (Notes 8 and 27)	980,646	9	893,467	8
Other receivables	51	-	167	-
Other receivables - related parties (Note 27)	37,898	-	42,111	-
Inventories (Notes 5 and 9)	430,311	4	362,413	4
Prepayments (Note 27)	48,411	-	37,869	-
Refundable deposits - current (Note 13)	11,955	-	12,550	-
Costs to fulfil a contract (Note 21)	9,419	-	12,324	-
Other current assets	10,380	-	9,867	-
Total current assets	<u>2,316,944</u>	<u>21</u>	<u>2,216,716</u>	<u>20</u>
NONCURRENT ASSETS				
Financial assets at fair value through other comprehensive income - noncurrent (Notes 7 and 26)	18,303	-	17,102	-
Investments accounted for using the equity method (Note 11)	1,337,831	12	1,357,965	12
Property, plant and equipment (Notes 12, 27 and 28)	3,550,269	33	3,591,747	32
Right-of-use assets (Notes 13 and 27)	928,292	9	1,190,725	11
Investment properties (Note 14)	2,332,558	21	2,335,638	21
Intangible assets (Note 15)	4,341	-	5,875	-
Deferred tax assets (Note 23)	86,007	1	104,952	1
Prepayments for equipment	58,842	1	58,615	1
Refundable deposits - noncurrent (Note 13)	217,061	2	226,903	2
Net defined benefit assets (Note 19)	5,532	-	-	-
Other financial assets - noncurrent (Notes 10 and 28)	3,850	-	3,850	-
Other noncurrent assets	227	-	233	-
Total noncurrent assets	<u>8,543,113</u>	<u>79</u>	<u>8,893,605</u>	<u>80</u>
TOTAL	<u>\$ 10,860,057</u>	<u>100</u>	<u>\$ 11,110,321</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	\$ 223,613	2	\$ 280,625	3
Contract liabilities - current (Notes 21 and 27)	45,576	-	41,091	-
Notes payable	3,025	-	10,521	-
Accounts payable	157,778	1	144,556	1
Accounts payable - related parties (Note 27)	101,436	1	103,807	1
Payables on equipment	18,545	-	15,820	-
Other payables (Notes 17 and 30)	687,331	7	742,669	8
Other payables - related parties (Notes 17 and 27)	237,140	2	220,879	2
Current tax liabilities (Note 23)	133,909	1	163,960	1
Lease liabilities - current (Notes 13 and 27)	355,418	4	338,338	3
Guarantee deposits received - current	21,607	-	21,526	-
Other current liabilities	6,753	-	4,622	-
Total current liabilities	<u>1,992,131</u>	<u>18</u>	<u>2,088,414</u>	<u>19</u>
NONCURRENT LIABILITIES				
Long-term borrowings (Note 16)	1,118,020	10	1,200,000	11
Provisions - noncurrent (Notes 18 and 30)	393,760	4	377,107	3
Deferred tax liabilities (Note 23)	105,323	1	96,288	1
Lease liabilities - noncurrent (Notes 13 and 27)	650,179	6	921,093	8
Net defined benefit liabilities (Note 19)	-	-	8,262	-
Guarantee deposits received - noncurrent	6,437	-	5,217	-
Total noncurrent liabilities	<u>2,273,719</u>	<u>21</u>	<u>2,607,967</u>	<u>23</u>
Total liabilities	<u>4,265,850</u>	<u>39</u>	<u>4,696,381</u>	<u>42</u>
EQUITY (Note 20)				
Ordinary shares	2,485,404	23	2,485,404	22
Capital surplus	162,398	1	162,411	1
Retained earnings				
Legal reserve	1,776,482	16	1,657,720	15
Special reserve	104,464	1	17,532	-
Unappropriated earnings	2,227,243	21	2,195,338	21
Total retained earnings	4,108,189	38	3,870,590	36
Other equity	(161,784)	(1)	(104,465)	(1)
Total equity	<u>6,594,207</u>	<u>61</u>	<u>6,413,940</u>	<u>58</u>
TOTAL	<u>\$ 10,860,057</u>	<u>100</u>	<u>\$ 11,110,321</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.

CHC RESOURCES CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 21 and 27)				
Sales	\$ 6,992,619	56	\$ 6,650,261	56
Construction revenue	7,889	-	14,203	-
Service revenue	<u>5,540,010</u>	<u>44</u>	<u>5,224,913</u>	<u>44</u>
Total operating revenue	<u>12,540,518</u>	<u>100</u>	<u>11,889,377</u>	<u>100</u>
OPERATING COSTS (Notes 9, 22 and 27)				
Cost of goods sold	5,402,794	43	5,131,066	43
Construction costs	7,514	-	13,527	-
Service costs	<u>5,233,608</u>	<u>42</u>	<u>4,964,574</u>	<u>42</u>
Total operating costs	<u>10,643,916</u>	<u>85</u>	<u>10,109,167</u>	<u>85</u>
GROSS PROFIT	<u>1,896,602</u>	<u>15</u>	<u>1,780,210</u>	<u>15</u>
OPERATING EXPENSES (Notes 22 and 27)				
Selling and marketing expenses	236,232	2	219,234	2
General and administrative expenses	231,443	2	221,790	2
Research and development expenses	<u>29,118</u>	<u>-</u>	<u>27,655</u>	<u>-</u>
Total operating expenses	<u>496,793</u>	<u>4</u>	<u>468,679</u>	<u>4</u>
PROFIT FROM OPERATIONS	<u>1,399,809</u>	<u>11</u>	<u>1,311,531</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES (Notes 22 and 27)				
Interest income	1,586	-	1,651	-
Other income	42,388	-	43,312	-
Other gains and losses	(10,560)	-	(4,485)	-
Finance costs	(42,235)	-	(52,022)	-
Share of profit or loss of subsidiaries and associates accounted for using the equity method	<u>138,130</u>	<u>1</u>	<u>125,585</u>	<u>1</u>
Total non-operating income and expenses	<u>129,309</u>	<u>1</u>	<u>114,041</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	1,529,118	12	1,425,572	12
INCOME TAX EXPENSE (Note 23)	<u>296,013</u>	<u>2</u>	<u>266,438</u>	<u>2</u>
NET PROFIT FOR THE YEAR	<u>1,233,105</u>	<u>10</u>	<u>1,159,134</u>	<u>10</u>

(Continued)

CHC RESOURCES CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2025		2024	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
(Notes 19, 20 and 23)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	\$ (5,734)	-	\$ 31,504	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(5,561)	-	(75,853)	(1)
Gain on hedging instruments	-	-	42	-
Share of the other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	2,614	-	(18,452)	-
Income tax related to items that will not be reclassified subsequently to profit or loss	1,147	-	(6,301)	-
Items that may be reclassified subsequently to profit or loss				
Share of the other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	<u>(51,130)</u>	<u>-</u>	<u>10,741</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(58,664)</u>	<u>-</u>	<u>(58,319)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,174,441</u>	<u>10</u>	<u>\$ 1,100,815</u>	<u>9</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 4.96</u>		<u>\$ 4.66</u>	
Diluted	<u>\$ 4.94</u>		<u>\$ 4.65</u>	

The accompanying notes are an integral part of the parent company only financial statements.

(Concluded)

CHC RESOURCES CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	Retained Earnings						Other Equity				
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Total	Total Equity
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
Appropriation of 2023 earnings (Note 20)											
Legal reserve	-	-	83,206	-	(83,206)	-	-	-	-	-	-
Special reserve	-	-	-	17,532	(17,532)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(745,621)	(745,621)	-	-	-	-	(745,621)
	-	-	83,206	17,532	(846,359)	(745,621)	-	-	-	-	(745,621)
Changes in capital surplus from investments in associates accounted for using the equity method	-	13	-	-	(129)	(129)	-	-	-	-	(116)
Net profit for the year ended December 31, 2024	-	-	-	-	1,159,134	1,159,134	-	-	-	-	1,159,134
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	25,463	25,463	10,741	(94,565)	42	(83,782)	(58,319)
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	1,184,597	1,184,597	10,741	(94,565)	42	(83,782)	1,100,815
Changes in ownership interests in subsidiaries	-	374	-	-	-	-	-	-	-	-	374
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	3,151	3,151	-	(3,151)	-	(3,151)	-
BALANCE AT DECEMBER 31, 2024	2,485,404	162,411	1,657,720	17,532	2,195,338	3,870,590	(25,722)	(78,743)	-	(104,465)	6,413,940
Appropriation of 2024 earnings (Note 20)											
Legal reserve	-	-	118,762	-	(118,762)	-	-	-	-	-	-
Special reserve	-	-	-	86,932	(86,932)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(994,161)	(994,161)	-	-	-	-	(994,161)
	-	-	118,762	86,932	(1,199,855)	(994,161)	-	-	-	-	(994,161)
Changes in capital surplus from investments in associates accounted for using the equity method	-	(13)	-	-	-	-	-	-	-	-	(13)
Net profit for the year ended December 31, 2025	-	-	-	-	1,233,105	1,233,105	-	-	-	-	1,233,105
Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	(4,383)	(4,383)	(51,130)	(3,151)	-	(54,281)	(58,664)
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	1,228,722	1,228,722	(51,130)	(3,151)	-	(54,281)	1,174,441
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	3,038	3,038	-	(3,038)	-	(3,038)	-
BALANCE AT DECEMBER 31, 2025	\$ 2,485,404	\$ 162,398	\$ 1,776,482	\$ 104,464	\$ 2,227,243	\$ 4,108,189	\$ (76,852)	\$ (84,932)	\$ -	\$ (161,784)	\$ 6,594,207

The accompanying notes are an integral part of the parent company only financial statements.

CHC RESOURCES CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 1,529,118	\$ 1,425,572
Adjustments for:		
Depreciation expense	791,306	802,180
Amortization expense	25,886	26,717
Net gain on financial assets at fair value through profit or loss	(590)	(415)
Finance costs	42,235	52,022
Interest income	(1,586)	(1,651)
Dividend income	(7,440)	(7,555)
Share of profit of subsidiaries and associates accounted for using the equity method	(138,130)	(125,585)
Gain on disposal of property, plant and equipment	(15)	(158)
Write-down (reversal) of inventories	16,127	(960)
Impairment loss on property, plant and equipment	16,292	49,541
Recognition of provisions	49,141	70,961
Others	(4)	(177)
Changes in operating assets and liabilities		
Contract assets - current	-	1,485
Notes receivable	83,211	(42,924)
Accounts receivable	(77,424)	14,403
Accounts receivable - related parties	(87,179)	(101,942)
Other receivables	116	83
Other receivables - related parties	4,213	(17,439)
Inventories	(84,025)	31,147
Prepayments	(10,542)	(2,434)
Other current assets	(513)	(7,021)
Costs to fulfil a contract	2,905	(1,565)
Contract liabilities - current	4,485	11,289
Notes payable	(7,496)	(1,122)
Accounts payable	13,222	16,665
Accounts payable - related parties	(2,371)	2,006
Other payables	(54,949)	(124,265)
Other payables - related parties	16,261	101,180
Provisions	(32,488)	-
Other current liabilities	2,131	(1,233)
Net defined benefit liabilities	(19,528)	(15,944)
Cash generated from operations	<u>2,072,369</u>	<u>2,152,861</u>
Income tax paid	<u>(296,937)</u>	<u>(291,254)</u>
Net cash generated from operating activities	<u>1,775,432</u>	<u>1,861,607</u>

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CHC RESOURCES CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through profit or loss	\$ (990,000)	\$ (530,000)
Proceeds from disposal of financial assets at fair value through profit or loss	990,590	530,415
Proceeds of financial assets for hedging	-	4,321
Acquisition of property, plant and equipment	(434,386)	(343,117)
Proceeds from disposal of property, plant and equipment	15	381
Decrease in refundable deposits	10,437	17,348
Payments for intangible assets	(2,410)	(2,880)
Increase in other noncurrent assets	(21,936)	(22,164)
Interest received	1,586	1,651
Dividends received from others	7,440	7,555
Dividends received from subsidiaries and associates	<u>109,733</u>	<u>59,090</u>
Net cash used in investing activities	<u>(328,931)</u>	<u>(277,400)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	4,245,526	5,686,940
Repayments of short-term borrowings	(4,302,538)	(5,854,781)
Proceeds from long-term borrowings	2,118,020	4,680,000
Repayments of long-term borrowings	(2,200,000)	(4,858,833)
Proceeds from guarantee deposits received	1,301	-
Refund of guarantee deposits received	-	(14,191)
Repayments of principal portion of lease liabilities	(314,994)	(312,332)
Dividends paid	(994,161)	(745,621)
Interest paid	<u>(45,182)</u>	<u>(53,174)</u>
Net cash used in financing activities	<u>(1,492,028)</u>	<u>(1,471,992)</u>
NET INCREASE (DECREASE) IN CASH	(45,527)	112,215
CASH AT THE BEGINNING OF THE YEAR	<u>222,690</u>	<u>110,475</u>
CASH AT THE END OF THE YEAR	<u>\$ 177,163</u>	<u>\$ 222,690</u>

The accompanying notes are an integral part of the parent company only financial statements.

(Concluded)

CHC RESOURCES CORPORATION

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (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), TCC Group Holdings Co., LTD. (TCC) and other shareholders in May 1991. CSC is the parent company that has substantive control over the Corporation. As of December 31, 2025, 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 parent company only financial statements are presented in the Corporation’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Corporation’s board of directors and authorized for issue on February 25, 2026.

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 material impact on the Corporation’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (International Accounting Standards Board)
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts” (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

As of the date the parent company only financial statements were authorized for issue, the Corporation is continuously assessing the possible impact of the application of the amendments on the Corporation’s

financial position and financial performance and will disclose the relevant impact when the assessment is completed.

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments

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

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Corporation shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- 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 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 shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Corporation 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 as a whole, the Corporation 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.

In addition, the following consequential amendments have been made to IAS 7 “Statement of Cash Flows”:

- The Corporation shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

- Interest and dividends received by the Corporation shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Corporation has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

Except for the above impact, as of the date the parent company only financial statements were authorized for issue, the Corporation is continuously assessing the other impacts of the above amended standards and interpretations on the Corporation's 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 parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments, and net defined benefit assets or 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.

When preparing these parent company only financial statements, the Corporation used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Corporation in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in these parent company only financial statements.

c. Classification of current and noncurrent assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and

- 3) Cash 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:

- 1) Liabilities held primarily for the purpose of trading;
- 2) 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 parent company only financial statements are authorized for issue; and
- 3) Liabilities for which the Corporation does 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 noncurrent.

d. Foreign currencies

In preparing the Corporation's parent company only financial statements, transactions in currencies other than the Corporation's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the year.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

e. Inventories

Inventories consist of raw materials, supplies, finished goods and merchandise and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

f. Investments in subsidiaries

The Corporation uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Corporation.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the subsidiary. The Corporation also recognizes the changes in the Corporation's share of equity of subsidiaries attributable to the Corporation.

Changes in the Corporation's ownership interest in a subsidiary that do not result in the Corporation losing control of the subsidiary are accounted for as equity transactions. The Corporation recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Corporation.

g. Investment in associates

An associate is an entity over which the Corporation has significant influence and which is not a subsidiary.

The Corporation uses the equity method to account for its investments in associates. Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the associate. The Corporation also recognizes the changes in the Corporation's share of the equity of associates attributable to the Corporation.

Any excess of the cost of acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Corporation subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Corporation's proportionate interest in the associate. The Corporation records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Corporation's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Corporation discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on the associate. The Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are initially measured at cost. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, and some equipment of Blast-Furnace Slag Cement Division which are recognized using the depreciation method of working hours, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties include properties under construction that meet the definition of investment properties. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

For a transfer of classification from property, plant and equipment to investment properties, the deemed cost of an item of property for subsequent accounting is its carrying amount at the end of owner-occupation.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Assets related to contract costs

The expenditures that relate directly to a contract and that generate or enhance resources to be used in satisfying performance obligations are recognized as assets (costs to fulfil a contract) to the extent of

the expected recoverable costs and are amortized on a straight-line basis over the contract term.

l. Impairment of property, plant and equipment, right-of-use assets, investment properties, intangible assets and assets related to contract fulfilment costs

At the end of each reporting period, the Corporation reviews the carrying amounts of its property, plant and equipment, right-of-use assets, investment properties, intangible assets and assets related to contract fulfilment costs to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units or the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

Before the Corporation recognizes an impairment loss from assets related to contract fulfilment costs, any impairment loss on inventories related to the contract shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to contract fulfilment costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Corporation expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to contract fulfilment costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract fulfilment costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract fulfilment costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

m. Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL. Financial assets at FVTPL are subsequently measured at fair value, and the remeasurement gains or losses (excluding any dividends or interest earned on such financial assets) on such financial assets are recognized in gains or losses.

ii Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash, notes receivable, accounts receivable, other receivables, other financial assets and refundable deposits at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred: significant financial difficulty of the issuer or the borrower; breach of contract, such as a default; it is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or the disappearance of an active market for that financial asset because of financial difficulties.

iii Investments in equity instruments at FVTOCI

On initial recognition, the Corporation may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Corporation's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets and contract assets

The Corporation recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including notes receivable and accounts receivable), as well as contract assets.

The Corporation always recognizes lifetime expected credit losses (ECLs) for notes receivable, accounts receivable and contract assets. For all other financial instruments, the Corporation recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Corporation measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Corporation considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Corporation):

- i Internal or external information shows that the debtor is unlikely to pay its creditors.
- ii. Financial asset is more than 180 days past due unless the Corporation has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets and contract assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Equity instruments issued by the Corporation is recognized at the proceeds received, net of direct issue costs.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

n. Hedge accounting

The Corporation designates certain hedging instruments (non-derivatives in respect of foreign currency risk) as cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

Cash flow hedges

The effective portion of gains and losses on derivatives that are designated and qualified as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as reclassification adjustments in the line items relating to the hedged item in the same period in which the hedged item affects profit or loss. If a hedge of a forecasted transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and included in the initial cost of the non-financial asset or non-financial liability.

The Corporation discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that was previously recognized in other comprehensive income from the period in which the hedge was effective remains separately in equity until the forecasted transaction occurs. When a forecasted transaction is no longer expected to occur, the gains or losses accumulated in equity are recognized immediately in profit or loss.

o. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

p. Carbon fee provision

In accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC, the carbon fee provision is recognized and measured on the basis of the best estimate of the expenditure required to settle the obligation for the current year.

q. Revenue recognition

The Corporation identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Merchandise sales revenue

Merchandise sales revenue comes from the sale of products such as GGBFS. According to the contract, when GGBFS and other products are delivered to the customer, the customer has set the price and the right to use the product, bears the responsibility for resale, obsolescence of the product risks, the Corporation recognizes revenue and accounts receivable at that point in time, and prepayments are recognized as contract liabilities.

2) Service revenue

Service revenue comes from services such as slag processing. For services such as processing, the customer obtains and consumes the performance benefits at the same time. The revenue is recognized when the service is provided by the Corporation. Specifically, the actual calculation is performed and the advance payment for the service is recognized as a contract liability.

3) Construction revenue

Contracts such as land and water remediation that are under the control of the customer during the implementation process, the Corporation gradually recognizes income over time. Since the cost of implementation is directly related to the degree of completion of the performance obligation, the Corporation measures the progress of completion based on the actual input cost as a percentage of the expected total cost. The Corporation gradually recognizes contract assets during the implementation process and converts them to accounts receivable when billing. If the received construction payment exceeds the amount of recognized revenue, the difference is recognized as a contract liability.

r. Leases

At the inception of a contract, the Corporation assesses whether the contract is, or contains, a lease.

For a contract that contains a lease component and non-lease components, the Corporation allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

1) The Corporation as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

When a lease includes both land and building elements, the Corporation assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated to the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably to the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Corporation as lessee

The Corporation recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date. Right-of-use assets are subsequently measured at cost less accumulated depreciation and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the parent company only balance sheet.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, and variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Corporation remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Corporation accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the parent company only balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the year in which they are incurred.

s. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale, all other borrowing costs are recognized in profit or loss in the year in which they are incurred.

t. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Current service cost and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Corporation's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Corporation can no longer withdraw the offer of the termination benefit, and when the Corporation recognizes any related restructuring costs.

u. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable is based on taxable profit for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current period's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the parent company only financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Corporation is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination or the acquisition of a subsidiary, the tax effect is included in the accounting for the business combination or investments in a subsidiary.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Corporation’s accounting policies, management is required to make judgments, estimations, and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Corporation considers the possible impact of volatility in markets on the relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key sources of estimation uncertainty - write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience in the sale of product of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

6. CASH

	December 31	
	2025	2024
Checking accounts and demand deposits	<u>\$ 177,163</u>	<u>\$ 222,690</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Domestic investments (investments in equity instruments)		
Listed shares	\$ 197,634	\$ 204,395
Unlisted shares	<u>18,303</u>	<u>17,102</u>
	<u>\$ 215,937</u>	<u>\$ 221,497</u>
Current	\$ 197,634	\$ 204,395
Noncurrent	<u>18,303</u>	<u>17,102</u>
	<u>\$ 215,937</u>	<u>\$ 221,497</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's strategy of holding these investments for long-term purposes.

Dividends income of NT\$7,440 thousand and NT\$7,555 thousand were recognized for the years ended December 31, 2025 and 2024, respectively.

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

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Notes receivable</u>		
At amortized cost		
Operating	<u>\$ 219,712</u>	<u>\$ 302,923</u>
<u>Accounts receivable (including related parties)</u>		
At amortized cost		
Gross carrying amount	\$ 1,174,010	\$ 1,009,407
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 1,174,010</u>	<u>\$ 1,009,407</u>

The Corporation makes prudent assessment of their customers. The counterparties are creditworthy companies; as a result, the significant credit risk is unexpected. The Corporation continues to manage the financial condition and entire credit risk of their customers and obtains 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 continues to monitor the collection of receivables to ensure that proper actions are made to collect past due receivables. Additionally, the Corporation reviews 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 writes 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 continues attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

December 31, 2025

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 365 Days	Total
Gross carrying amount	\$ 1,388,672	\$ 5,050	\$ -	\$ -	\$ 1,393,722
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 1,388,672</u>	<u>\$ 5,050</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,393,722</u>

December 31, 2024

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 365 Days	Total
Gross carrying amount	\$ 1,175,787	\$ 136,543	\$ -	\$ -	\$ 1,312,330
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 1,175,787</u>	<u>\$ 136,543</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,312,330</u>

There was no change to the loss allowance of notes receivable and accounts receivable in 2025 and 2024.

9. INVENTORIES

	December 31	
	2025	2024
Raw materials	\$ 119,879	\$ 104,330
Supplies	198,487	191,511
Finished goods	109,935	62,688
Merchandise	2,010	2,039
Materials and supplies in transit	<u>-</u>	<u>1,845</u>
	<u>\$ 430,311</u>	<u>\$ 362,413</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2025 and 2024 was NT\$5,402,794 thousand and NT\$5,131,066 thousand, respectively, which included loss on inventories NT\$16,127 thousand and reversal of loss on inventories of NT\$960 thousand, respectively. The reversal of loss on inventory was mainly due to the continuous consumption of inventory.

10. OTHER FINANCIAL ASSETS - NONCURRENT

	December 31	
	2025	2024
Pledged time deposits - performance bond (Note 28)	<u>\$ 3,850</u>	<u>\$ 3,850</u>

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Investments in subsidiaries	\$ 1,050,606	\$ 1,078,383
Investments in associates	<u>287,225</u>	<u>279,582</u>
	<u>\$ 1,337,831</u>	<u>\$ 1,357,965</u>

a. Investments in subsidiaries

	<u>December 31</u>				Note
	<u>2025</u>		<u>2024</u>		
	Amount	% of Owner - ship	Amount	% of Owner - ship	
Name of subsidiaries					
CHC Resources Vietnam Co., Ltd.	\$ 723,779	85	\$ 735,053	85	
Yu Cheng Lime Corporation	142,193	90	141,956	90	
Union Steel Development Corporation	96,912	93	108,949	93	
Pao Good Industrial Co., Ltd.	<u>87,722</u>	51	<u>92,425</u>	51	
	<u>\$ 1,050,606</u>		<u>\$ 1,078,383</u>		

b. Investments in associates

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Associates that are not individually material	<u>\$ 287,225</u>	<u>\$ 279,582</u>
	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
The Corporation's share of		
Net profit for the year	\$ 18,425	\$ 9,797
Other comprehensive income (loss)	<u>2,077</u>	<u>(16,799)</u>
Total comprehensive income (loss)	<u>\$ 20,502</u>	<u>\$ (7,002)</u>

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

12. PROPERTY, PLANT AND EQUIPMENT

Refer to Table 5 for the movements in property, plant and equipment for the year ended December 31, 2025 and 2024.

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

Land improvements	
Drainage system	30 years
Others	2-15 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	2-28 years
Transportation equipment	5-10 years
Office equipment	3-10 years
Leasehold improvement	2-35 years

The carrying amounts of property, plant and equipment that were pledged by the Corporation for bank financing credit line are set out in Note 28.

Due to the expansion of the Taichung grinding Plant, the equipment at the Nanti Plant will be relocated in the near future, and certain facilities of the plant will subsequently be demolished. The Corporation assessed that the facilities and equipment scheduled for disposal 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\$16,292 thousand for the year ended December 31, 2025 as operating costs.

Due to the replacement of the plant's coal-fired equipment with natural gas equipment and buildings, the Corporation assessed that 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 year ended December 31, 2024 as operating costs.

In February 2025, the Corporation received a ruling from the Kaohsiung District Court for a criminal provisional attachment, ordering the seizure of the Corporation's land located at Lot No. 1310, Erqiao Section, Xiaogang District, Kaohsiung City, up to an amount of NT\$128,104 thousand. For further details, please refer to Note 30.

For the years ended December 31, 2025 and 2024, the Corporation entered into the following non-cash investing activities which were not reflected in the statements of cash flows:

	<u>For the Year Ended December 31</u>	
	2025	2024
Affect both cash and non-cash items from investing activities		
Increase in property, plant and equipment	\$ 439,443	\$ 254,777
Increase in prepayments for equipment	227	58,615
Decrease (increase) in payables on equipment	(2,725)	31,133
Capitalized interest	<u>(2,559)</u>	<u>(1,408)</u>
 Paid in cash	 <u>\$ 434,386</u>	 <u>\$ 343,117</u>

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2025	2024
<u>Carrying amount</u>		
Land	\$ 665,782	\$ 923,729
Buildings	251,345	252,926
Transportation equipment	<u>11,165</u>	<u>14,070</u>
	<u>\$ 928,292</u>	<u>\$ 1,190,725</u>
	For the Year Ended December 31	
	2025	2024
Additions to right-of-use assets	<u>\$ 45,846</u>	<u>\$ 45,742</u>
Depreciation charge for right-of-use assets		
Land	\$ 273,390	\$ 284,808
Buildings	43,803	43,108
Machinery and equipment	-	30
Transportation equipment	<u>6,404</u>	<u>6,620</u>
	<u>\$ 323,597</u>	<u>\$ 334,566</u>

Except for the addition and recognition of depreciation expenses listed above, the Corporation did not have significant sublease or impairment of right-of-use assets during the years ended December 31, 2025 and 2024.

b. Lease liabilities

	December 31	
	2025	2024
<u>Carrying amount</u>		
Current	<u>\$ 355,418</u>	<u>\$ 338,338</u>
Noncurrent	<u>\$ 650,179</u>	<u>\$ 921,093</u>

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

	December 31	
	2025	2024
Land	0.59-2.05	0.59-1.97
Buildings	1.67-3.45	1.67-3.45
Transportation equipment	0.59-1.92	0.59-1.91

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 December 31, 2025, the Corporation had no punitive damages payable.

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 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 31 years from the beginning operation date of the storage facility (from May 2014 to May 2045). As of December 31, 2025, the Corporation had paid performance bonds amounted to NT\$196,000 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.

d. Other lease information

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Expenses relating to short-term leases and low-value asset leases	\$ <u>6,540</u>	\$ <u>6,239</u>
Total cash outflow for leases	\$ <u>344,738</u>	\$ <u>344,002</u>

The Corporation has 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.

14. INVESTMENT PROPERTIES

For the year ended December 31, 2025

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2025 and December 31, 2025	\$ <u>2,323,140</u>	\$ <u>57,959</u>	\$ <u>2,381,099</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2025	\$ 6,370	\$ 39,091	\$ 45,461
Depreciation expenses	<u>-</u>	<u>3,080</u>	<u>3,080</u>
Balance at December 31, 2025	\$ <u>6,370</u>	\$ <u>42,171</u>	\$ <u>48,541</u>
Carrying amount at December 31, 2025	\$ <u>2,316,770</u>	\$ <u>15,788</u>	\$ <u>2,332,558</u>

For the year ended December 31, 2024

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2024 and December 31, 2024	\$ <u>2,323,140</u>	\$ <u>57,959</u>	\$ <u>2,381,099</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2024	\$ 6,370	\$ 36,010	\$ 42,380
Depreciation expenses	<u>-</u>	<u>3,081</u>	<u>3,081</u>
Balance at December 31, 2024	\$ <u>6,370</u>	\$ <u>39,091</u>	\$ <u>45,461</u>
Carrying amount at December 31, 2024	\$ <u>2,316,770</u>	\$ <u>18,868</u>	\$ <u>2,335,638</u>

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

	<u>December 31</u>	
	2025	2024
Year 1	\$ 30,196	\$ 29,572
Year 2	22,613	29,572
Year 3	7,778	22,089
Year 4	-	7,571

Buildings are depreciated over 3 to 55 years on a straight-line basis.

As of December 31, 2025 and 2024, the fair values of investment properties were NT\$2,508,804 thousand and NT\$2,499,578 thousand, respectively. Part of the land fair values were measured using Level 3 inputs based on appraisals by real estate professionals. These appraisals were based on the actual transaction prices of comparable land in the same area with significant unobservable inputs including the related expense ratio. Other properties were not evaluated by independent qualified professional valuers. The management of the Corporation applied valuation models commonly used by market participants, and the fair values were determined using Level 3 inputs.

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

15. INTANGIBLE ASSETS

For the year ended December 31, 2025

Cost	Computer Software
<hr/>	
Balance at January 1, 2025	\$ 14,333
Additions	2,410
Derecognition	<u>(6,048)</u>
Balance at December 31, 2025	<u>10,695</u>
<hr/>	
Accumulated amortization	
Balance at January 1, 2025	8,458
Amortization expenses	3,944
Derecognition	<u>(6,048)</u>
Balance at December 31, 2025	<u>6,354</u>
Carrying amount at December 31, 2025	<u>\$ 4,341</u>

For the year ended December 31, 2024

Cost	Computer Software
<hr/>	
Balance at January 1, 2024	\$ 14,682
Additions	2,880
	(Continued)

	Computer Software
Derecognition	\$ <u>(3,229)</u>
Balance at December 31, 2024	<u>14,333</u>
<hr/> Accumulated amortization <hr/>	
Balance at January 1, 2024	7,184
Amortization expenses	4,503
Derecognition	<u>(3,229)</u>
Balance at December 31, 2024	<u>8,458</u>
Carrying amount at December 31, 2024	\$ <u>5,875</u> (Concluded)

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

16. BORROWINGS

a. Short-term borrowings

	December 31	
	2025	2024
Unsecured bank loans - annual interest rates range was 1.75% and 1.80% as of December 31, 2025 and 2024, respectively	\$ 200,000	\$ 250,000
Letters of credit - annual interest rates range was 1.84% and 1.83%-1.92% as of December 31, 2025 and 2024, respectively	<u>23,613</u>	<u>30,625</u>
	<u>\$ 223,613</u>	<u>\$ 280,625</u>

b. Long-term borrowings

	December 31	
	2025	2024
Unsecured bank loans - due in May 2030, annual interest rates range was 1.72%-1.80% and 1.78%-1.82% as of December 31, 2025 and 2024, respectively	<u>\$ 1,118,020</u>	<u>\$ 1,200,000</u>

17. OTHER PAYABLES (INCLUDING RELATED PARTIES)

	December 31	
	2025	2024
Freight	\$ 259,681	\$ 272,235
Salaries and bonus	178,370	174,490
Outsourced salaries	159,516	163,720
Compensation of employees and remuneration of directors and supervisors	63,307	57,356
Utility bill	46,964	47,282
Others	<u>216,633</u>	<u>248,465</u>
	<u>\$ 924,471</u>	<u>\$ 963,548</u>

In October 2020, the Environmental Protection Bureau of Kaohsiung City issued a letter requesting the Corporation and other jointly liable parties to submit a cleanup plan for the Basic Oxygen Furnace Slag Aggregate backfilled on certain land parcels in the Dalin Section, Qishan District. In response to this letter, the Corporation submitted a cleanup plan, and the estimated expenses were NT\$235,036 thousand and NT\$318,886 thousand, as of December 31, 2025 and 2024, respectively. The amounts were recognized as other payables-others and provisions.

18. PROVISIONS - NONCURRENT

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Cost of resource reutilization	<u>\$ 393,760</u>	<u>\$ 377,107</u>
	<u>For the Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Balance, beginning of the year	\$ 377,107	\$ 306,146
Recognized	49,141	70,961
Provisions used during the year	<u>(32,488)</u>	<u>-</u>
Balance, end of the year	<u>\$ 393,760</u>	<u>\$ 377,107</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.

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Corporation makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plans adopted by the Corporation in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Corporation contributes amounts equal to certain percentage of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Corporation assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Corporation is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Corporation has no right to influence the investment policy and strategy.

The amounts included in the parent company only balance sheets in respect of the Corporation's defined benefit plans are as follows:

	December 31	
	2025	2024
Present value of defined benefit obligation	\$ 390,515	\$ 369,663
Fair value of plan assets	<u>(396,047)</u>	<u>(361,401)</u>
Net defined benefit liabilities (assets)	<u>\$ (5,532)</u>	<u>\$ 8,262</u>

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2024	\$ 378,195	\$ (328,786)	\$ 49,409
Service cost			
Current service cost	4,713	-	4,713
Interest expense (income)	<u>4,674</u>	<u>(4,147)</u>	<u>527</u>
Recognized in profit or loss	<u>9,387</u>	<u>(4,147)</u>	<u>5,240</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(28,826)	(28,826)
Actuarial gain - changes in financial assumptions	(7,505)	-	(7,505)
Actuarial loss - experience adjustments	<u>4,827</u>	<u>-</u>	<u>4,827</u>
Recognized in other comprehensive income (loss)	<u>(2,678)</u>	<u>(28,826)</u>	<u>(31,504)</u>
Contributions from the employer	<u>-</u>	<u>(14,842)</u>	<u>(14,842)</u>
Benefits paid	<u>(15,241)</u>	<u>15,200</u>	<u>(41)</u>
Balance at December 31, 2024	<u>369,663</u>	<u>(361,401)</u>	<u>8,262</u>
Service cost			
Current service cost	2,971	-	2,971
Interest expense (income)	<u>5,496</u>	<u>(5,493)</u>	<u>3</u>
Recognized in profit or loss	<u>8,467</u>	<u>(5,493)</u>	<u>2,974</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(25,747)	(25,747)
Actuarial loss - changes in financial assumptions	7,420	-	7,420
Actuarial loss - experience adjustments	<u>24,061</u>	<u>-</u>	<u>24,061</u>
Recognized in other comprehensive income (loss)	<u>31,481</u>	<u>(25,747)</u>	<u>5,734</u>
Contributions from the employer	<u>-</u>	<u>(14,728)</u>	<u>(14,728)</u>
Benefits paid	<u>(19,096)</u>	<u>11,322</u>	<u>(7,774)</u>
Balance at December 31, 2025	<u>\$ 390,515</u>	<u>\$ (396,047)</u>	<u>\$ (5,532)</u>

Through the defined benefit plans under the Labor Standards Act, the Corporation is exposed to the following risks:

1) Investment risk

The plan assets are invested in domestic and foreign equity, debt securities, and bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposits with local banks.

2) Interest risk

A decrease in the government and corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk

The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligations were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31	
	2025	2024
Discount rate (%)	1.25	1.38-1.50
Expected rate of salary increase (%)	2.5	2.5

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2025	2024
Discount rate		
0.25% increase	<u>\$ (7,518)</u>	<u>\$ (7,361)</u>
0.25% decrease	<u>\$ 7,717</u>	<u>\$ 7,565</u>
Expected rate of salary increase		
0.25% increase	<u>\$ 7,498</u>	<u>\$ 7,363</u>
0.25% decrease	<u>\$ (7,343)</u>	<u>\$ (7,202)</u>

The sensitivity analysis may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2025	2024
Expected contributions to the plan for the next year	<u>\$ 14,500</u>	<u>\$ 14,640</u>
Average duration of the defined benefit obligation		
Managers	7.0 years	5.1 years
Employees	7.8 years	8.2 years

20. EQUITY

a. Ordinary shares

	December 31	
	2025	2024
Number of shares authorized (in thousands of shares)	<u>300,000</u>	<u>300,000</u>
Shares authorized	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
Number of shares issued and fully paid (in thousands of shares)	<u>248,540</u>	<u>248,540</u>
Shares issued	<u>\$ 2,485,404</u>	<u>\$ 2,485,404</u>

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

b. Capital surplus

	December 31	
	2025	2024
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
Consolidation excess	157,497	157,497
Donations	108	108
May only be used to offset deficits		
Changes in ownership interests in subsidiaries (Note 2)	374	374
Changes in capital surplus from investments in associates accounted for using the equity method	<u>-</u>	<u>13</u>
	<u>\$ 162,398</u>	<u>\$ 162,411</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 2024 and 2023, which were approved in the shareholders' meeting in June 2025 and 2024, respectively, were as follows:

	For the Year Ended December 31	
	2024	2023
Legal reserve	\$ 118,762	\$ 83,206
Special reserve	86,932	17,532
Cash dividends	994,161	745,621
Cash dividends per share (NT\$)	4.0	3.0

The appropriations of earnings for 2025 were proposed by the Corporation's board of directors in February 2026 as follows:

	For the Year Ended December 31, 2025
Legal reserve	\$ 123,176
Special reserve	57,319
Cash dividends	994,161
Cash dividend per share (NT\$)	4.0

The appropriations of earnings for 2025 will be resolved by the shareholders in their meeting to be held in May 2026.

d. Other equity items

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

	For the Year Ended December 31	
	2025	2024
Balance, beginning of the year	\$ (25,722)	\$ (36,463)
Recognized for the year		
Share from subsidiaries and associates accounted for using the equity method	<u>(51,130)</u>	<u>10,741</u>
Balance, end of the year	<u>\$ (76,852)</u>	<u>\$ (25,722)</u>

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

	For the Year Ended December 31	
	2025	2024
Balance, beginning of the year	\$ (78,743)	\$ 18,973
Recognized for the year		
Unrealized loss - equity instruments	(5,561)	(75,853)
Share from subsidiaries and associates accounted for using the equity method	2,410	(18,712)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>(3,038)</u>	<u>(3,151)</u>
Balance, end of the year	<u>\$ (84,932)</u>	<u>\$ (78,743)</u>

3) Gain (loss) on Hedging Instruments

Cash flow hedges

	For the Year Ended December 31	
	2025	2024
Balance, beginning of the year	\$ -	\$ (42)
Recognized for the year		
Changes in fair value of hedging instruments - other comprehensive income		
Foreign currency risk - foreign currency deposits	<u>-</u>	<u>42</u>
Balance, end of the year	<u>\$ -</u>	<u>\$ -</u>

21. REVENUE

a. Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Notes receivable and accounts receivable (Note 8)	<u>\$ 1,393,722</u>	<u>\$ 1,312,330</u>	<u>\$ 1,181,867</u>
Contract assets - current			
Construction contracts	\$ -	\$ -	\$ 1,485
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,485</u>
Contract liabilities - current			
Sale received in advance	\$ 43,966	\$ 38,913	\$ 28,847
Services received in advance	1,610	2,178	478
Construction contracts	<u>-</u>	<u>-</u>	<u>477</u>
	<u>\$ 45,576</u>	<u>\$ 41,091</u>	<u>\$ 29,802</u>

The changes in the balance of contract assets and contract liabilities primarily result from the timing difference between the Corporation's performance and the respective customer's payment. There was no significant change in the balance of contract assets and contract liabilities of the Corporation for the years ended December 31, 2025 and 2024.

Revenue in the current year that was recognized from the contract liability balance at the beginning of the year and from the performance obligations satisfied in the previous period was NT\$41,091 thousand and NT\$29,802 thousand, respectively.

b. Assets related to contract costs

	<u>December 31</u>	
	2025	2024
<u>Current</u>		
Cost to fulfil a contract		
Executing cost	<u>\$ 9,419</u>	<u>\$ 12,324</u>

c. Disaggregation of revenue

For the year ended December 31, 2025

<u>Type of goods or services</u>	Blast-Furnace Slag Cement Division	Resource Reutilization Division	Others	Total
Sales	\$ 6,533,799	\$ 458,820	\$ -	\$ 6,992,619
Services revenue	267,986	5,272,024	-	5,540,010
Construction revenue	<u>-</u>	<u>-</u>	<u>7,889</u>	<u>7,889</u>
	<u>\$ 6,801,785</u>	<u>\$ 5,730,844</u>	<u>\$ 7,889</u>	<u>\$ 12,540,518</u>

For the year ended December 31, 2024

Type of goods or services	Blast-Furnace Slag Cement Division	Resource Reutilization Division	Others	Total
Sales	\$ 6,108,317	\$ 541,944	\$ -	\$ 6,650,261
Services revenue	228,314	4,996,599	-	5,224,913
Construction revenue	<u>-</u>	<u>-</u>	<u>14,203</u>	<u>14,203</u>
	<u>\$ 6,336,631</u>	<u>\$ 5,538,543</u>	<u>\$ 14,203</u>	<u>\$ 11,889,377</u>

22. PROFIT BEFORE INCOME TAX

a. Other income

	For the Year Ended December 31	
	2025	2024
Rental income	\$ 30,805	\$ 30,638
Dividend income	7,440	7,555
Others	<u>4,143</u>	<u>5,119</u>
	<u>\$ 42,388</u>	<u>\$ 43,312</u>

b. Other gains and losses

	For the Year Ended December 31	
	2025	2024
Net gain on financial assets and financial liabilities at fair value through profit or loss	\$ 590	\$ 415
Net gain on disposal of property, plant and equipment	15	158
Net foreign exchange loss	(338)	(66)
Depreciation	(3,080)	(3,081)
Others	<u>(7,747)</u>	<u>(1,911)</u>
	<u>\$ (10,560)</u>	<u>\$ (4,485)</u>

c. Finance costs

	For the Year Ended December 31	
	2025	2024
Interest on borrowings	\$ 21,590	\$ 27,999
Interest on lease liabilities	<u>23,204</u>	<u>25,431</u>
	44,794	53,430
Less: Amounts included in the cost of qualifying assets	<u>2,559</u>	<u>1,408</u>
	<u>\$ 42,235</u>	<u>\$ 52,022</u>

Information on capitalized interest was as follows:

	<u>For the Year Ended December 31</u>	
	2025	2024
Capitalized interest amounts	<u>\$ 2,559</u>	<u>\$ 1,408</u>
Capitalization rates (%)	1.78-1.81	1.55-1.81
 d. Depreciation and amortization		
	<u>For the Year Ended December 31</u>	
	2025	2024
Property, plant and equipment	\$ 464,629	\$ 464,533
Right-of-use assets	323,597	334,566
Investment properties	3,080	3,081
Intangible assets	3,944	4,503
Other noncurrent assets	<u>21,942</u>	<u>22,214</u>
	<u>\$ 817,192</u>	<u>\$ 828,897</u>
 An analysis of depreciation by function		
Operating costs	\$ 746,455	\$ 762,822
Operating expenses	41,771	36,277
Others	<u>3,080</u>	<u>3,081</u>
	<u>\$ 791,306</u>	<u>\$ 802,180</u>
 An analysis of amortization by function		
Operating costs	\$ 22,090	\$ 22,304
Operating expenses	<u>3,796</u>	<u>4,413</u>
	<u>\$ 25,886</u>	<u>\$ 26,717</u>
 e. Employee benefits expense		
	<u>For the Year Ended December 31</u>	
	2025	2024
Short-term employee benefits		
Salaries	\$ 494,809	\$ 471,424
Labor and health insurance	29,175	27,955
Others	<u>32,424</u>	<u>29,558</u>
	<u>556,408</u>	<u>528,937</u>
 Post-employment benefits		
Defined contribution plans	7,523	7,289
Defined benefit plans (Note 19)	<u>2,974</u>	<u>5,240</u>
	<u>10,497</u>	<u>12,529</u>
 Termination benefits	<u>11</u>	<u>25</u>
	<u>\$ 566,916</u>	<u>\$ 541,491</u>

(Continued)

	For the Year Ended December 31	
	2025	2024
Analysis of employee benefits expense by function		
Operating costs	\$ 317,796	\$ 305,576
Operating expenses	<u>249,120</u>	<u>235,915</u>
	<u>\$ 566,916</u>	<u>\$ 541,491</u> (Concluded)

f. Compensation of employees and remuneration of directors

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

In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Corporation had resolved the amendments to the Corporation's Articles at their 2025 regular meeting, stipulating that no less than 30% of the total employee compensation shall be distributed to non-executive employees.

The compensation of employees and remuneration of directors for the years ended December 31, 2025 and 2024, which were approved by the Corporation's board of directors in February 2026 and 2025, respectively, are as follows:

	For the Year Ended December 31	
	2025	2024
Compensation of employees	\$ 52,630	\$ 47,672
Remuneration of directors	10,526	9,534

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

There is no difference between the amount recognized and approved in the parent company only financial statements for the year ended December 31, 2024 and 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.

23. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	For the Year Ended December 31	
	2025	2024
Current tax		
In respect of the current year	\$ 266,455	\$ 264,863
Adjustment for prior year	431	(5,549)
		(Continued)

	For the Year Ended December 31	
	2025	2024
Deferred tax	\$ 29,127	\$ 7,124
	<u>\$ 296,013</u>	<u>\$ 266,438</u>
		(Concluded)

A reconciliation of accounting profit and income tax expense was as follows:

	For the Year Ended December 31	
	2025	2024
Profit before income tax	\$ 1,529,118	\$ 1,425,572
Income tax expense calculated at the statutory rate	\$ 305,824	\$ 285,114
Tax-exempt income and deductible income tax difference	(10,242)	(13,127)
Adjustments for prior year	<u>431</u>	<u>(5,549)</u>
	<u>\$ 296,013</u>	<u>\$ 266,438</u>

- b. Income tax benefit (expense) recognized in other comprehensive income

	For the Year Ended December 31	
	2025	2024
<u>Deferred tax</u>		
Remeasurement of defined benefit plans	<u>\$ 1,147</u>	<u>\$ (6,301)</u>

- c. Current income tax liabilities

	December 31	
	2025	2024
Income tax payable	<u>\$ 133,909</u>	<u>\$ 163,960</u>

- d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2025

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Balance, End of Year
<u>Deferred tax assets</u>				
Temporary differences				
Defined benefit liabilities	\$ 1,652	\$ (2,799)	\$ 1,147	\$ -
Cleanup costs	18,188	(18,188)	-	-
				(Continued)

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Balance, End of Year
Provision	\$ 75,422	\$ 3,330	\$ -	\$ 78,752
Others	<u>9,690</u>	<u>(2,435)</u>	<u>-</u>	<u>7,255</u>
	<u>\$ 104,952</u>	<u>\$ (20,092)</u>	<u>\$ 1,147</u>	<u>\$ 86,007</u>
<hr/> Deferred tax liabilities <hr/>				
Temporary differences				
Defined benefit assets	\$ -	\$ 1,106	\$ -	\$ 1,106
Land value increment tax	74,463	-	-	74,463
Investment income	21,825	7,927	-	29,752
Others	<u>-</u>	<u>2</u>	<u>-</u>	<u>2</u>
	<u>\$ 96,288</u>	<u>\$ 9,035</u>	<u>\$ -</u>	<u>\$ 105,323</u> (Concluded)

For the year ended December 31, 2024

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Balance, End of Year
<hr/> Deferred tax assets <hr/>				
Temporary differences				
Defined benefit liabilities	\$ 9,882	\$ (1,929)	\$ (6,301)	\$ 1,652
Cleanup costs	32,399	(14,211)	-	18,188
Provision	61,229	14,193	-	75,422
Others	<u>1,416</u>	<u>8,274</u>	<u>-</u>	<u>9,690</u>
	<u>\$ 104,926</u>	<u>\$ 6,327</u>	<u>\$ (6,301)</u>	<u>\$ 104,952</u>
<hr/> Deferred tax liabilities <hr/>				
Temporary differences				
Land value increment tax	\$ 74,463	\$ -	\$ -	\$ 74,463
Investment income	<u>8,374</u>	<u>13,451</u>	<u>-</u>	<u>21,825</u>
	<u>\$ 82,837</u>	<u>\$ 13,451</u>	<u>\$ -</u>	<u>\$ 96,288</u>

e. Income tax assessments

The Corporation's income tax returns through 2023 have been assessed by the tax authorities.

24. EARNINGS PER SHARE

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

	For the Year Ended December 31	
	2025	2024
Net profit for the year	<u>\$ 1,233,105</u>	<u>\$ 1,159,134</u>
<u>Number of ordinary shares (in thousands of shares)</u>		
	For the Year Ended December 31	
	2025	2024
Weighted average number of ordinary shares used in computation of basic earnings per share	248,540	248,540
Effect of potential dilutive ordinary shares:		
Compensation of employees	<u>853</u>	<u>808</u>
Weighted average number of ordinary shares used in computation of diluted earnings per share	<u>249,393</u>	<u>249,348</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.

25. CAPITAL MANAGEMENT

The Corporation manages its capital to ensure that entities in the Corporation 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 consists of net debt (borrowings offset by cash) and equity of the Corporation (comprising issued capital, reserves, retained earnings, other equity).

The Corporation is not subject to any externally imposed capital requirements.

26. 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 value.

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>December 31, 2025</u>				
Financial assets at fair value through other comprehensive income				
Equity instruments				
Domestic listed shares	\$ 197,634	\$ -	\$ -	\$ 197,634
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>18,303</u>	<u>18,303</u>
	<u>\$ 197,634</u>	<u>\$ -</u>	<u>\$ 18,303</u>	<u>\$ 215,937</u>
<u>December 31, 2024</u>				
Financial assets at fair value through other comprehensive income				
Equity instruments				
Domestic listed shares	\$ 204,395	\$ -	\$ -	\$ 204,395
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>17,102</u>	<u>17,102</u>
	<u>\$ 204,395</u>	<u>\$ -</u>	<u>\$ 17,102</u>	<u>\$ 221,497</u>

There was no transfer between Level 1 and Level 2 for the years ended December 31, 2025 and 2024.

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

	<u>For the Year Ended December 31</u>	
	2025	2024
<u>Financial assets at fair value through other comprehensive income (equity instruments)</u>		
Balance, beginning of the year	\$ 17,102	\$ 16,501
Recognized in other comprehensive income	<u>1,201</u>	<u>601</u>
Balance, end of the year	<u>\$ 18,303</u>	<u>\$ 17,102</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

	<u>December 31</u>	
	2025	2024
<u>Financial assets</u>		
Financial assets at fair value through other comprehensive income - equity instruments	\$ 215,937	\$ 221,497
Financial assets at amortized cost (Note 1)	1,841,700	1,820,601
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (Note 2)	2,577,303	2,745,765

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

Note 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.

d. Financial risk management objectives and policies

The Corporation places 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 was 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 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 for executing financial projects. Compliance with policies and exposure limits is continually reviewed by the internal auditors. The Corporation did not enter into or trade financial instruments for speculative purposes.

1) Market risk

The Corporation activities exposed it primarily to financial risks as follows:

a) Foreign currency risk

The Corporation 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's foreign currency-denominated monetary assets and monetary liabilities at the end of the year are set out in Note 31.

Sensitivity analysis

The Corporation is mainly exposed to the USD.

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 bank deposits, accounts

receivable, other receivables, accounts payables 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 for the years ended December 31, 2025 and 2024, would have decreased by NT\$8 thousand and increased by NT\$34 thousand, respectively.

b) Interest rate risk

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

	December 31	
	2025	2024
Fair value interest rate risk		
Financial liabilities	\$ 1,005,597	\$ 1,259,431
Cash flow interest rate risk		
Financial assets	126,713	185,835
Financial liabilities	1,341,633	1,480,625

The sensitivity analysis below was determined based on the Corporation's 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's cash flows for the years ended December 31, 2025 and 2024 would have increased/decreased by NT\$13,416 thousand and NT\$14,806 thousand, respectively, which were mainly a result of variable-rate borrowings.

c) Other price risk

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

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

If equity prices had been 1% higher/lower, the pre-tax other comprehensive income for the years ended December 31, 2025 and 2024 would have increased/decreased by NT\$2,159 thousand and NT\$2,215 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. At the end of the reporting period, the Corporation maximum exposure to credit risk, which would cause a financial loss to the Corporation due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Corporation, could be equal mainly to the carrying amount of the respective recognized financial assets as stated in the parent company only balance sheets.

The adopted policies are only for transactions with creditworthy counterparty to obtain sufficient guarantees to mitigate the risk of financial losses arising from defaults. The Corporation uses 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 also control credit risk insurance by credit limit every year.

The Corporation's concentrations of credit risk in the industries were as follows:

	December 31	
	2025	2024
Cement industry	\$ 409,682	\$ 308,475
Steel industry	<u>635,256</u>	<u>556,149</u>
	<u>\$ 1,044,938</u>	<u>\$ 864,624</u>

3) Liquidity risk

The management of the Corporation 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 relies on bank borrowings as a significant source of liquidity. As of the balance sheet date, the Corporation 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's 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 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.

	Less Than 1 Year	Over 1 Years	Total
<u>December 31, 2025</u>			
Non-interest bearing liabilities	\$ 1,229,233	\$ 6,437	\$ 1,235,670
Variable interest rate instruments	223,895	1,158,332	1,382,227
Lease liabilities	<u>373,642</u>	<u>737,976</u>	<u>1,111,618</u>
	<u>\$ 1,826,770</u>	<u>\$ 1,902,745</u>	<u>\$ 3,729,515</u>

Additional information on the maturity analysis was as follows:

	Less Than 1 Year	1-5 Years	Over 5 Years
Lease liabilities	\$ 373,642	\$ 474,280	\$ 263,696
Variable interest rate instruments	<u>223,895</u>	<u>1,158,332</u>	<u>-</u>
	<u>\$ 597,537</u>	<u>\$1,632,612</u>	<u>\$ 263,696</u>
	Less Than 1 Year	Over 1 Years	Total
<u>December 31, 2024</u>			
Non-interest bearing liabilities	\$ 1,259,923	\$ 5,217	\$ 1,265,140
Variable interest rate instruments	285,124	1,238,700	1,523,824
Lease liabilities	<u>360,201</u>	<u>1,025,038</u>	<u>1,385,239</u>
	<u>\$ 1,905,248</u>	<u>\$ 2,268,955</u>	<u>\$ 4,174,203</u>

Additional information on the maturity analysis was as follows:

	Less Than 1 Year	1-5 Years	Over 5 Years
Lease liabilities	\$ 360,201	\$ 739,040	\$ 285,998
Variable interest rate instruments	<u>285,124</u>	<u>1,238,700</u>	<u>-</u>
	<u>\$ 645,325</u>	<u>\$1,977,740</u>	<u>\$ 285,998</u>

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

b) Financing facilities

	December 31	
	2025	2024
Unsecured bank facilities		
Amount used	\$ 1,979,472	\$ 1,941,356
Amount unused	<u>6,259,328</u>	<u>6,038,644</u>
	<u>\$ 8,238,800</u>	<u>\$ 7,980,000</u>
Secured bank facilities		
Amount used	\$ -	\$ -
Amount unused	<u>20,000</u>	<u>20,000</u>
	<u>\$ 20,000</u>	<u>\$ 20,000</u>

4) Cash flow hedges

December 31, 2024

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

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

For the year ended December 31, 2024

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

27. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in the other notes, details of transactions between the Corporation and other related parties were disclosed as follows:

a. Related party name and category

Related Party Name	Related Party Category
China Steel Corporation (CSC)	Parent of the Corporation
Union Steel Development Corporation (USDC)	Subsidiary
Yu Cheng Lime Corporation	Subsidiary
Pao Good Industrial Co., Ltd.	Subsidiary
CHC Resources Vietnam Co., Ltd	Subsidiary
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

(Continued)

<u>Related Party Name</u>	<u>Related Party Category</u>
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
China Steel Global Trading Corporation	Fellow subsidiary
Thintech Materials Technology Co., Ltd.	Fellow subsidiary
TCC Group Holdings Co., Ltd. (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
Ya Li Transportation Corporation (YL)	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

(Concluded)

b. Operating revenue

Account Items	Related Party Category/Name	For the Year Ended	
		December 31	
		2025	2024
Sales	Parent entity - CSC	\$ 30,457	\$ 95,216
	Subsidiaries	24,120	23,834
	Fellow subsidiaries	136,160	8,190
	Directors and its subsidiaries		
	TCC	867,410	886,005
	Others	<u>929,647</u>	<u>964,632</u>
			<u>\$ 1,987,794</u>

(Continued)

Account Items	Related Party Category/Name	For the Year Ended December 31	
		2025	2024
Service revenue	Parent entity - CSC	\$ 3,012,593	\$ 2,701,367
	Subsidiaries	19,369	18,002
	Fellow subsidiaries		
	DSC	1,469,394	1,532,707
	CSRC	712,808	701,306
	Others	620	210
	Directors and its subsidiaries	<u>161,060</u>	<u>157,249</u>
		<u>\$ 5,375,844</u>	<u>\$ 5,110,841</u>
Construction revenue	Fellow subsidiaries - CSRC	<u>\$ 7,889</u>	<u>\$ 14,203</u> (Concluded)

The prices at which the Corporation sells goods, provides services, and performs engineering work to related parties are generally not comparable to those with non-related parties due to the lack of similar transactions. However, the sales prices of GGBFS to directors and their subsidiaries did not differ materially from those with non-related parties. The collection terms for both related and non-related parties are mutually agreed upon by the Corporation.

c. Purchase of goods

Related Party Category/Name	For the Year Ended December 31	
	2025	2024
Parent entity - CSC	\$ 804,436	\$ 830,780
Subsidiaries	68,032	204,170
Fellow subsidiaries		
DSC	354,311	397,195
Others	539,431	542,927
Directors and its subsidiaries	<u>536,407</u>	<u>445,540</u>
	<u>\$ 2,302,617</u>	<u>\$ 2,420,612</u>

Purchases of cement from directors and their subsidiaries were made at arm's length and were consistent with similar market transactions. Other transactions did not involve non-related parties for comparison. The payment terms for both related and non-related parties are mutually agreed upon by the Corporation.

d. Contract liabilities - current

Related Party Category	December 31	
	2025	2024
Subsidiaries	\$ 93	\$ 966
Directors and its subsidiaries	<u>796</u>	<u>1,255</u>
	<u>\$ 889</u>	<u>\$ 2,221</u>

e. Other material transactions with related parties

	For the Year Ended December 31	
	2025	2024
1) Operating lease Rental income Parent entity - CSC	\$ 29,002	\$ 28,994
2) Security expense Fellow subsidiary - CSSC	48,999	47,088
3) Outsourced service expense Subsidiary - USDC	149,309	154,963
4) Outsourced manufacturing expense Subsidiary - USDC Subsidiary of director - NHCC	100,627 135,894	137,349 111,161
5) Charges for handling service and freight Subsidiaries - USDC Fellow subsidiary CSEC USECC Subsidiary of director YL TTSC	4,941 742,134 40,409 231,818 27,280	14,732 638,057 53,076 225,005 43,970
6) Other professional service expense Director - ACC	113,405	118,617
7) Renewable energy expense Fellow subsidiary - CSC SOLAR	14,185	14,191

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

f. Accounts receivable - related parties

	December 31	
Related Party Category/Name	2025	2024
Parent entity - CSC	\$ 487,124	\$ 339,651
Subsidiaries	8,516	7,700
Fellow subsidiaries		
DSC	118,129	205,359
Others	79,118	67,578
Directors and its subsidiaries		
TCC	187,707	190,025
Others	<u>100,052</u>	<u>83,154</u>
	<u>\$ 980,646</u>	<u>\$ 893,467</u>

The outstanding receivables from related parties are unsecured. For the years ended December 31, 2025 and 2024, no impairment losses were recognized for trade receivables from related parties.

g. Other receivables - related parties

Related Party Category/Name	December 31	
	2025	2024
Parent entity - CSC	\$ 34,086	\$ 38,053
Subsidiaries	3,812	4,057
Fellow subsidiaries	<u>-</u>	<u>1</u>
	<u>\$ 37,898</u>	<u>\$ 42,111</u>

h. Accounts payable - related parties

Related Party Category/Name	December 31	
	2025	2024
Parent entity - CSC	\$ 23,301	\$ 12,803
Subsidiaries	652	648
Fellow subsidiaries	33,436	39,367
Directors and its subsidiaries	<u>44,047</u>	<u>50,989</u>
	<u>\$ 101,436</u>	<u>\$ 103,807</u>

The outstanding accounts payable to related parties are unsecured.

i. Other payables - related parties

Related Party Category/Name	December 31	
	2025	2024
Parent entity - CSC	\$ 5,515	\$ 3,338
Subsidiaries	46,896	43,059
Fellow subsidiaries	119,638	107,168
Directors and its subsidiaries	<u>65,091</u>	<u>67,314</u>
	<u>\$ 237,140</u>	<u>\$ 220,879</u>

j. Prepayment

Related Party Category/Name	December 31	
	2025	2024
Parent entity - CSC	\$ 1,971	\$ 1,328
Fellow subsidiaries - CSGT	<u>10,854</u>	<u>-</u>
	<u>\$ 12,825</u>	<u>\$ 1,328</u>

k. Acquisition of property, plant and equipment

Related Party Category/Name	Purchase Price For the Year Ended December 31	
	2025	2024
Parent entity - CSC	\$ 250	\$ 2,982
Fellow subsidiaries	<u>-</u>	<u>258</u>
	<u>\$ 250</u>	<u>\$ 3,240</u>

l. Lease arrangements

Account Item	Related Party Category/Name	December 31	
		2025	2024
Lease liabilities	Parent entity - CSC	\$ 17,044	\$ 33,971
	Subsidiaries	<u>9,573</u>	<u>19,085</u>
		<u>\$ 26,617</u>	<u>\$ 53,056</u>
		For the Year Ended December 31	
	Related Party Category/Name	2025	2024
Interest expense			
Parent entity - CSC		\$ 422	\$ 687
Subsidiaries		<u>87</u>	<u>146</u>
		<u>\$ 509</u>	<u>\$ 833</u>
Lease expense			
Parent entity - CSC		\$ 2,610	\$ 1,593
Fellow subsidiaries		<u>-</u>	<u>15</u>
		<u>\$ 2,610</u>	<u>\$ 1,608</u>

m. Remuneration of key management personnel

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

	For the Year Ended December 31	
	2025	2024
Short-term employee benefits (including salaries, remuneration, and bonus)	\$ 39,136	\$ 37,965
Post-employment benefits	<u>264</u>	<u>646</u>
	<u>\$ 39,400</u>	<u>\$ 38,611</u>

28. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	December 31	
	2025	2024
Pledged time deposits (under other financial assets - noncurrent)	\$ 3,850	\$ 3,850
Property, plant and equipment		
Land	40,172	40,172
Buildings	<u>1,749</u>	<u>1,963</u>
	<u>\$ 45,771</u>	<u>\$ 45,985</u>

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant contingencies of the Corporation as of December 31, 2025 were as follows:

- a. Unused letters of credit for importation of materials amounted to NT\$572,299 thousand.
- b. The Corporation provided performance bond of NT\$65,540 thousand guaranteed by financial institutions
- c. To expand the production line, the Corporation entered into the construction contracts amounted to NT\$540,946 thousand, which have not been recorded yet.

30. Others

In February 2025, the Corporation received an indictment from the Kaohsiung District Prosecutors Office, accusing that relevant personnel of the Corporation's Transportation Department breached the Water Pollution Control Act and others, enabling the Corporation to obtain benefits such as underpayment of sewage treatment fees amounting to approximately NT\$116 million. The Kaohsiung District Prosecutors Office filed a public prosecution, and the case is currently being tried by the Kaohsiung District Court. The Corporation has doubts about the alleged amount of underpayment of sewage treatment fees and has filed an appeal.

Regarding the aforementioned case, the Kaohsiung District Court ordered a provisional attachment on the Corporation's land located at No. 1310, Erciao Section, Xiaogang District, Kaohsiung City, within the value of approximately NT\$128 million. The Corporation filed an appeal against the attachment order, which was dismissed by the court in March 2025.

The Corporation assesses that the above matters have no significant impact on its operations and finances.

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Corporation's 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 the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands of New Taiwan Dollars)
<u>December 31, 2025</u>			
Monetary financial assets			
USD	\$ 130	31.43	\$ 4,091
Monetary financial liabilities			
USD	106	31.43	3,320
Non-monetary financial assets			
Investments accounted for using the equity method			
VND	615,982,128	0.001175	723,779

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands of New Taiwan Dollars)
<u>December 31, 2024</u>			
Monetary financial assets			
USD	\$ 118	32.785	\$ 3,877
JPY	22,244	0.2099	4,669
Monetary financial liabilities			
USD	221	32.785	7,240
Non-monetary financial assets			
Investments accounted for using the equity method			
VND	581,069,565	0.001265	735,053 (Concluded)

32. SEPARATELY DISCLOSED ITEMS

- a. Information on significant transactions:
 - 1) Financing provided to others: None
 - 2) Endorsements/guarantees provided: None
 - 3) Significant marketable securities held (excluding investments in subsidiaries and associates): Table 1
 - 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 2
 - 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 3
- b. Information on investees: Table 4
- 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

CHC RESOURCES CORPORATION AND SUBSIDIARIES

**SIGNIFICANT MARKETABLE SECURITIES HELD
DECEMBER 31, 2025**

(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	DECEMBER 31, 2025			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>\$ 197,634</u>	-	<u>\$ 197,634</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>\$ 18,303</u>	2	<u>\$ 18,303</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>\$ 8,053</u>	-	<u>\$ 8,053</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>\$ 18,619</u>	19	<u>\$ 18,619</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 YEAR ENDED DECEMBER 31, 2025
(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	TCC Group Holdings Co., Ltd.	Director of the Corporation	Sales	\$ (867,410)	(7)	Open account 60 days	Note	Note	\$ 187,707	13
CHC Resources Corporation	Ya Tung Ready Mixed Concrete Co., Ltd.	Subsidiary of director of the Corporation	Sales	(571,399)	(5)	Open account 60 days	Note	Note	76,655	6
CHC Resources Corporation	Universal Cement Corporation	Director of the Corporation	Sales	(251,004)	(2)	Open account 60 days	Note	Note	14,974	1
CHC Resources Corporation	C.S.Aluminium Corporation	Fellow subsidiary	Sales	(126,807)	(1)	Open account 30 days	Note	Note	17,586	1
CHC Resources Corporation	China Steel Corporation	Parent company	Service revenue	(3,012,593)	(24)	Payment after final acceptance	Note	Note	487,124	35
CHC Resources Corporation	Dragon Steel Corporation	Fellow subsidiary	Service revenue	(1,469,394)	(12)	Payment after final acceptance	Note	Note	118,129	8
CHC Resources Corporation	China Steel Resources Corporation	Fellow subsidiary	Service revenue	(712,808)	(6)	Payment after final acceptance	Note	Note	61,480	4
CHC Resources Corporation	TCC Group Holdings Co., Ltd.	Director of the Corporation	Service revenue	(136,544)	(1)	Open account 60 days	Note	Note	187,707	13
CHC Resources Corporation	China Steel Corporation	Parent company	Purchases	804,436	21	Letter of credit	Note	Note	(23,301)	(9)
CHC Resources Corporation	Dragon Steel Corporation	Fellow subsidiary	Purchases	354,311	9	Letter of credit	Note	Note	(10,308)	(4)
CHC Resources Corporation	Asia Cement Corporation	Director of the Corporation	Purchases	201,149	5	Net 45 days from B/L	Note	Note	(14,060)	(5)
CHC Resources Corporation	Chung Hung Steel Corporation	Fellow subsidiary	Purchases	177,488	5	Letter of credit	Note	Note	(12,945)	(5)
CHC Resources Corporation	TCC Group Holdings Co., Ltd.	Director of the Corporation	Purchases	143,871	4	Net 45 days from B/L	Note	Note	(17,340)	(7)
CHC Resources Corporation	China Steel Express Corporation	Fellow subsidiary	Purchases	138,415	4	According to the shipping date, pay after shipment	Note	Note	-	-
CHC Resources Corporation	China Steel Global Trading Corporation	Fellow subsidiary	Purchases	131,631	3	Prepaid before shipping	Note	Note	-	-
Union Steel Development Corporation	CHC Resources Corporation	Parent company	Service revenue	(260,421)	(65)	According to the contract	Note	Note	46,804	80
CHC Resources Vietnam Co., Ltd.	Formosa Ha Tinh Steel Corporation	Other related party	Service revenue	(193,243)	(15)	Net 10 days from invoice date	Note	Note	22,052	34
CHC Resources Vietnam Co., Ltd.	Formosa Ha Tinh Steel Corporation	Other related party	Purchases	379,277	89	Prepaid before shipping	Note	Note	-	-

Note: Refer to Note 27.

CHC RESOURCES CORPORATION AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2025**

(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	\$ 487,124	7	\$ -		\$ 320,221	\$ -
CHC Resources Corporation	Dragon Steel Corporation	Fellow subsidiary	118,129	9	-		70,630	-
CHC Resources Corporation	TCC Group Holdings Co., Ltd.	Director of the Corporation	187,707	5	4,205	Expected to be received before the end of February	4,199	-

TABLE 4

CHC RESOURCES CORPORATION AND SUBSIDIARIES

**INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2025**

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2025	December 31, 2024	Number of Shares	%	Carrying Amount			
CHC Resources Corporation	CHC Resources Vietnam Co., Ltd	Vietnam	Manufacture and sales of GGBFS, sales of Granulated Blast-Furnace Slag	\$ 647,338	\$ 647,338	-	85	\$ 723,779	\$ 107,376	\$ 92,281	Subsidiary
CHC Resources Corporation	Yu Cheng Lime Corporation	Republic of China	Real estate leasing, management of raw materials	126,010	126,010	108,000	90	142,193	3,089	2,722	Subsidiary
CHC Resources Corporation	Union Steel Development Corporation	Republic of China	Manufacture and sales of iron powder, OEM and sales of refractory, trading, labor dispatch	53,345	53,345	4,668,333	93	96,912	21,802	20,365	Subsidiary
CHC Resources Corporation	Pao Good Industrial Co., Ltd.	Republic of China	Sales of fly ash, manufacture and sales of dry-mix mortar, trading	50,937	50,937	5,408,550	51	87,722	8,504	4,337	Subsidiary
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	133,196	130,861	14,624	Note
CHC Resources Corporation	Pro-Ascentek Investment Corporation	Republic of China	General investment	30,000	30,000	3,000,000	3	33,086	22,315	558	
CHC Resources Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	30,000	30,000	3,000,000	2	22,789	(62,293)	(1,032)	
CHC Resources Corporation	Gau Ruei Investment Corporation	Republic of China	General investment	12,306	12,306	1,046,500	35	21,289	113	40	
CHC Resources Corporation	Ding Da Investment Corporation	Republic of China	General investment	12,516	12,516	1,196,000	40	18,808	1,872	749	
CHC Resources Corporation	Sheng Lih Dar Investment Corporation	Republic of China	General investment	9,600	9,600	960,000	40	17,445	3,079	1,232	
CHC Resources Corporation	Shin Mau Investment Corporation	Republic of China	General investment	10,316	10,316	897,000	30	16,234	4,232	1,270	
CHC Resources Corporation	Jiing-Cheng-Fa Investment Corporation	Republic of China	General investment	9,200	9,200	920,000	40	14,900	1,703	681	
CHC Resources Corporation	HIMAG Magnetic Corporation	Republic of China	Production and sale of industrial magnetic, chemical, and iron oxides	10,970	10,970	716,938	2	9,478	16,916	303	

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

TABLE 5

CHC RESOURCES CORPORATION

**STATEMENT OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)**

For the year ended December 31, 2025

	Land	Land Improvement	Building	Machinery and Equipment	Transportation Equipment	Office Equipment	Leasehold Improvement	Property under Construction and Equipment under Acceptance	Total
Cost									
Balance at January 1, 2025	\$ 909,403	\$ 150,688	\$ 2,576,943	\$ 5,816,334	\$ 15,594	\$ 61,668	\$ 1,152,924	\$ 113,342	\$ 10,796,896
Additions	-	1,682	34,072	238,019	910	2,314	11,716	150,730	439,443
Disposals	-	-	(28,692)	(91,855)	(505)	(460)	-	-	(121,512)
Reclassification	-	-	(138)	138	-	-	-	-	-
Balance at December 31, 2025	<u>\$ 909,403</u>	<u>\$ 152,370</u>	<u>\$ 2,582,185</u>	<u>\$ 5,962,636</u>	<u>\$ 15,999</u>	<u>\$ 63,522</u>	<u>\$ 1,164,640</u>	<u>\$ 264,072</u>	<u>\$ 11,114,827</u>
Accumulated depreciation and impairment									
Balance at January 1, 2025	\$ -	\$ 109,040	\$ 1,251,265	\$ 5,014,256	\$ 15,406	\$ 43,148	\$ 772,034	\$ -	\$ 7,205,149
Depreciation expense	-	9,477	88,646	223,271	355	6,516	136,364	-	464,629
Disposals	-	-	(28,692)	(91,855)	(505)	(460)	-	-	(121,512)
Impairment loss	-	-	15,634	658	-	-	-	-	16,292
Reclassification	-	-	(101)	101	-	-	-	-	-
Balance at December 31, 2025	<u>\$ -</u>	<u>\$ 118,517</u>	<u>\$ 1,326,752</u>	<u>\$ 5,146,431</u>	<u>\$ 15,256</u>	<u>\$ 49,204</u>	<u>\$ 908,398</u>	<u>\$ -</u>	<u>\$ 7,564,558</u>
Carrying amount at December 31, 2025	<u>\$ 909,403</u>	<u>\$ 33,853</u>	<u>\$ 1,255,433</u>	<u>\$ 816,205</u>	<u>\$ 743</u>	<u>\$ 14,318</u>	<u>\$ 256,242</u>	<u>\$ 264,072</u>	<u>\$ 3,550,269</u>

For the year ended December 31, 2024

	Land	Land Improvement	Building	Machinery and Equipment	Transportation Equipment	Office Equipment	Leasehold Improvement	Property under Construction and Equipment under Acceptance	Total
Cost									
Balance at January 1, 2024	\$ 909,403	\$ 145,662	\$ 2,538,178	\$ 5,709,566	\$ 15,594	\$ 59,672	\$ 1,126,553	\$ 64,269	\$ 10,568,897
Additions	-	5,026	38,765	130,241	-	1,996	29,676	49,073	254,777
Disposals	-	-	-	(23,473)	-	-	(3,305)	-	(26,778)
Balance at December 31, 2024	<u>\$ 909,403</u>	<u>\$ 150,688</u>	<u>\$ 2,576,943</u>	<u>\$ 5,816,334</u>	<u>\$ 15,594</u>	<u>\$ 61,668</u>	<u>\$ 1,152,924</u>	<u>\$ 113,342</u>	<u>\$ 10,796,896</u>

(Continued)

	Land	Land Improvement	Building	Machinery and Equipment	Transportation Equipment	Office Equipment	Leasehold Improvement	Property under Construction and Equipment under Acceptance	Total
<u>Accumulated depreciation and impairment</u>									
Balance at January 1, 2024	\$ -	\$ 98,584	\$ 1,144,921	\$ 4,781,193	\$ 15,006	\$ 35,591	\$ 642,335	\$ -	\$ 6,717,630
Depreciation expense	-	10,456	85,614	227,502	400	7,557	133,004	-	464,533
Disposals	-	-	-	(23,250)	-	-	(3,305)	-	(26,555)
Impairment loss	-	-	20,730	28,811	-	-	-	-	49,541
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 109,040</u>	<u>\$ 1,251,265</u>	<u>\$ 5,014,256</u>	<u>\$ 15,406</u>	<u>\$ 43,148</u>	<u>\$ 772,034</u>	<u>\$ -</u>	<u>\$ 7,205,149</u>
Carrying amount at December 31, 2024	<u>\$ 909,403</u>	<u>\$ 41,648</u>	<u>\$ 1,325,678</u>	<u>\$ 802,078</u>	<u>\$ 188</u>	<u>\$ 18,520</u>	<u>\$ 380,890</u>	<u>\$ 113,342</u>	<u>\$ 3,591,747</u> (Concluded)

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

ITEM	STATEMENT INDEX
MAJOR ACCOUNTING ITEMS IN ASSETS, LIABILITIES AND EQUITY	
STATEMENT OF CASH	1
STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - CURRENT	2
STATEMENT OF NOTES RECEIVABLE	3
STATEMENT OF ACCOUNTS RECEIVABLE	4
STATEMENT OF INVENTORIES	5
STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NONCURRENT	6
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	7
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT	Table 6
STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	Table 6
STATEMENT OF CHANGES IN ACCUMULATED IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT	Table 6
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS	8
STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF RIGHT-OF-USE ASSETS	8
STATEMENT OF CHANGES IN INVESTMENT PROPERTIES	Note 14
STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF INVESTMENT PROPERTIES	Note 14
STATEMENT OF CHANGES IN ACCUMULATED IMPAIRMENT OF INVESTMENT PROPERTIES	Note 14
STATEMENT OF DEFERRED TAX ASSETS	Note 23
STATEMENT OF SHORT-TERM BORROWINGS	9
STATEMENT OF NOTES PAYABLE	10
STATEMENT OF ACCOUNTS PAYABLE	11
STATEMENT OF OTHER PAYABLES	Note 17
STATEMENT OF LONG-TERM BORROWINGS	12
STATEMENT OF PROVISIONS- NONCURRENT	Note 18
STATEMENT OF LEASE LIABILITIES	13
STATEMENT OF NET DEFINED BENEFIT LIABILITIES	Note 19
STATEMENT OF DEFERRED TAX LIABILITIES	Note 23
MAJOR ACCOUNTING ITEMS IN PROFIT OR LOSS	
STATEMENT OF OPERATING REVENUE	14
STATEMENT OF OPERATING COSTS	15
STATEMENT OF SELLING AND MARKETING EXPENSES	16
STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES	16
STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES	16
STATEMENT OF OTHER GAINS AND LOSSES	Note 22
STATEMENT OF FINANCE COSTS	Note 22
STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION	17

STATEMENT 1

CHC RESOURCES CORPORATION

STATEMENT OF CASH

DECEMBER 31, 2025

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

Item	Amount
Checking accounts	\$ 54,300
Demand deposits	122,456
Foreign currency deposits - including US\$12,965.02 (Note)	<u>407</u>
	<u>\$ 177,163</u>

Note: US\$1=NT\$31.43

CHC RESOURCES CORPORATION

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - CURRENT
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Name	Shares	Par Value	Amount	Cost	Fair Value	
					Unit Price	Amount
Ordinary shares						
China Steel Corporation	10,401,806	\$ 10	\$ 104,018	\$ 333,029	\$ 19.00	\$ 197,634

CHC RESOURCES CORPORATION

STATEMENT OF NOTES RECEIVABLE

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Customer Name	Description	Amount
Non-related parties		
Fu Tsu Construction Co., Ltd.	Sales	\$ 27,977
Guang Hui Building Materials Co., Ltd.	Sales	24,116
Li Tai Constructional Co., Ltd.	Sales	14,860
Others (Note)		<u>152,759</u>
		<u>\$ 219,712</u>

Note: The amount of individual customer included in others does not exceed 5% of the account balance.

STATEMENT 4**CHC RESOURCES CORPORATION****STATEMENT OF ACCOUNTS RECEIVABLE****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars)**

Customer Name	Description	Amount
Non-related parties		
Goldsun Building Materials Co., Ltd.	Sales	\$ 43,513
Fu Tsu Construction Co., Ltd.	Sales	23,278
Guang Hui Building Materials Co., Ltd.	Sales	10,906
Wei Sheng Steel Co., Ltd.	Sales	10,207
TASA Construction Corporation	Sales	9,732
Others (Note)		<u>95,728</u>
		<u>193,364</u>
Related parties		
China Steel Corporation	Sales and service	487,124
TCC Group Holdings Co., Ltd.	Sales	187,707
Dragon Steel Corporation	Sales and service	118,129
Ya Tung Ready Mixed Concrete Co., Ltd.	Sales and service	76,655
China Steel Resources Corporation	Construction and service	61,480
Others (Note)		<u>49,551</u>
		<u>980,646</u>
		<u>\$ 1,174,010</u>

Note: The amount of individual customer included in others does not exceed 5% of the account balance.

CHC RESOURCES CORPORATION**STATEMENT OF INVENTORIES
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)**

Item	Amount	
	Cost	Net Realizable Value (Note)
Raw materials	\$ 119,879	\$ 181,041
Supplies	198,487	222,694
Finished goods	109,935	134,390
Merchandise	<u>2,010</u>	<u>2,449</u>
	<u>\$ 430,311</u>	<u>\$ 540,574</u>

Note: Refer to Note 4 for details.

CHC RESOURCES CORPORATION

STATEMENT OF CHANGES FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPERHENSIVE INCOME - NONCURRENT
FOR THE YEAR ENDED DECEMBER 31, 2025

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

Investees	Balance, January 1, 2025		Additions		Decrease		Balance, December 31, 2025		Collateral
	Shares	Carrying Value	Shares	Amount	Shares	Amount	Shares	Carrying Value	
Ordinary shares									
Feng Sheng Enterprise Corporation	932,053	<u>\$ 17,102</u>	-	<u>\$ 1,201</u>	-	<u>\$ -</u>	932,053	<u>\$ 18,303</u>	None

CHC RESOURCES CORPORATION

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investees	Balance, January 1, 2025		Additions		Decrease		Balance, December 31, 2025			Market Value or Net Assets Value (Note 2)	Collateral
	Shares	Amount	Shares	Amount(Note1)	Shares	Amount(Note1)	Shares	% of Ownership	Amount		
Unlisted companies											
Yu Chen Lime Corporation (Investment in subsidiary)	108,000	\$ 141,956	-	\$ 2,722	-	\$ 2,485	108,000	90	\$ 142,193	\$ 124,960	None
CHC Resources Vietnam Co., Ltd. (Investment in subsidiary)	-	735,053	-	92,281	-	103,555	-	85	723,779	723,779	None
Union Steel Development Corporation (Investment in subsidiary)	4,668,333	108,949	-	20,525	-	32,562	4,668,333	93	96,912	96,884	None
Pao Good Industrial Co., Ltd. (Investment in subsidiary)	5,408,550	92,425	-	4,492	-	9,195	5,408,550	51	87,722	87,722	None
Hsin Hsin Cement Enterprise Corp. (Investment in associate)	9,298,583	123,747	-	15,428	-	5,979	9,298,583	10	133,196	140,957	None
Gau Ruei Investment Corporation (Investment in associate)	1,046,500	22,030	-	40	-	781	1,046,500	35	21,289	21,289	None
Ding Da Investment Corporation (Investment in associate)	1,196,000	19,622	-	749	-	1,563	1,196,000	40	18,808	18,808	None
Sheng Lih Dar Investment Corporation (Investment in associate)	960,000	17,729	-	1,232	-	1,516	960,000	40	17,445	17,445	None
Jiing-Cherng-Fa Investment Corporation (Investment in associate)	920,000	15,289	-	681	-	1,070	920,000	40	14,900	14,900	None
Shin Mao Investment Corporation (Investment in associate)	897,000	16,399	-	1,270	-	1,435	897,000	30	16,234	16,234	None
Eminent III Venture Capital Corporation (Investment in associate)	3,000,000	19,531	-	4,290	-	1,032	3,000,000	2	22,789	22,789	None
Pro-Ascetek Investment Corporation (Investment in associate)	3,000,000	36,059	-	2,417	-	5,390	3,000,000	3	33,086	33,086	None
HIMAG Magnetic Corporation (Investment in associate)	716,938	9,176	-	306	-	4	716,938	2	9,478	9,478	None
		<u>\$ 1,357,965</u>		<u>\$ 146,433</u>		<u>\$ 166,567</u>			<u>\$ 1,337,831</u>	<u>\$ 1,328,331</u>	

Note 1: The change in the current year was mainly due to gain or loss, adjustments recognized in equity and received cash and stock dividends.

Note 2: Net asset value of unlisted companies is calculated based on the investees' financial statements and the Corporation's ownership percentage.

CHC RESOURCES CORPORATION**STATEMENT OF RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)**

Item	Land	Building	Transportation Equipment	Total
Cost				
Balance at January 1, 2025	\$ 2,194,165	\$ 413,900	\$ 26,550	\$ 2,634,615
Additions	-	42,347	3,499	45,846
Revision and termination	<u>15,443</u>	<u>(56,183)</u>	<u>(3,579)</u>	<u>(44,319)</u>
Balance at December 31, 2025	<u>2,209,608</u>	<u>400,064</u>	<u>26,470</u>	<u>2,636,142</u>
Accumulated depreciation				
Balance at January 1, 2025	1,270,436	160,974	12,480	1,443,890
Depreciation expense	273,390	43,803	6,404	323,597
Revision and termination	<u>-</u>	<u>(56,058)</u>	<u>(3,579)</u>	<u>(59,637)</u>
Balance at December 31, 2025	<u>1,543,826</u>	<u>148,719</u>	<u>15,305</u>	<u>1,707,850</u>
Carrying amount at December 31, 2025	<u>\$ 665,782</u>	<u>\$ 251,345</u>	<u>\$ 11,165</u>	<u>\$ 928,292</u>

CHC RESOURCES CORPORATION

STATEMENT OF SHORT-TERM BORROWINGS

DECEMBER 31, 2025

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

Type	Balance, End of The Year	Contract Period	Range of Interest Rates (%)	Loan Commitments	Collateral
Unsecured loans					
Hua Nan Bank	\$ 200,000	2025.11.22 - 2026.11.22	1.75	\$ 500,000	None
Letters of credit					
Bank of Taiwan	<u>23,613</u>	2025.01.10 - 2026.01.10	1.84	280,000	None
	<u>\$ 223,613</u>				

CHC RESOURCES CORPORATION

STATEMENT OF NOTES PAYABLE

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Supplier Name	Description	Amount
Non-related parties		
Hurwil Trading Corp.	supplies	\$ 584
Minyu Machinery Corp.	supplies	470
Accuro lab Co., Ltd.	inspection	280
Quality Machinery Co., Ltd.	supplies	252
Fenn-May International Co., Ltd.	supplies	202
Jian Bo Co., Ltd.	supplies	191
Jin Yu Engineering Firm	equipment operation	158
Others (Note)		<u>888</u>
		<u>\$ 3,025</u>

Note: The amount of individual vendor in others does not exceed 5% of the account balance.

CHC RESOURCES CORPORATION**STATEMENT OF ACCOUNTS PAYABLE****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars)**

Vendor Name	Amount
Non-related parties	
Goldsun Building Materials Co., Ltd.	\$ 44,649
Da Bond Transportation Co., Ltd.	19,318
Tai Ming Transportation Co., Ltd.	15,209
Others (Note)	<u>78,602</u>
	<u>157,778</u>
Related parties	
China Steel Corporation	23,301
TCC Group Holdings Co., Ltd.	17,340
Asia Cement Corporation	14,060
Chung Hung Steel Corporation	12,945
Dragon Steel Corporation	10,308
C.S.Aluminium Corporation	10,182
Southeast Cement Corporation	8,854
Others (Note)	<u>4,446</u>
	<u>101,436</u>
	<u>\$ 259,214</u>

Note: The amount of individual vendor in others does not exceed 5% of the account balance.

CHC RESOURCES CORPORATION

STATEMENT OF LONG-TERM BANK BORROWINGS

DECEMBER 31, 2025

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

Bank Name	Balance, December 31, 2025	Amount, Contract Period and Repayment Method	Interest Rates (%)	Collateral
Unsecured Loans				
Bank of Taiwan	\$ 200,000	2024.01.05-2027.01.05	1.75	None
Hua Nan Bank	300,000	2025.11.22-2027.11.22	1.75	None
Taipei Fubon Bank	118,020	2025.05.08-2030.05.08	1.72	None
Yuanta Bank	<u>500,000</u>	2025.08.11-2028.08.10	1.75-1.80	None
	<u>\$ 1,118,020</u>			

CHC RESOURCES CORPORATION

STATEMENT OF LEASE LIABILITIES

DECEMBER 31, 2025

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

Item	Period	Discount Rates (%)	Amount
Land	2007.01.01-2036.01.31	0.59-2.05	\$ 700,167
Buildings	2014.12.01-2045.06.30	1.67-3.45	293,219
Transportation equipment	2021.12.15-2029.11.24	0.59-1.92	12,211
			<hr/>
			<u>\$ 1,005,597</u>
Current			\$ 355,418
Noncurrent			<hr/>
			650,179
			<hr/>
			<u>\$ 1,005,597</u>

CHC RESOURCES CORPORATION**STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Item	Quantities (Metric Tons)	Amount
Sale of goods		
GGBFS	3,172,274	\$ 4,978,674
Blast-Furnace Slag Cement	116,835	318,988
Special-Purpose Materials	456,224	1,151,349
Scrap recycling	20,285	191,110
Others (Note)		<u>352,498</u>
		6,992,619
Construction revenue		<u>7,889</u>
Service revenue		
Process revenue		5,267,321
Transportation revenue		245,019
Others (Note)		<u>27,670</u>
		<u>5,540,010</u>
		<u>\$ 12,540,518</u>

Note: The amount of each item included in others does not exceed 10% of the account balance.

CHC RESOURCES CORPORATION

**STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)**

Item	Amount
Cost of goods sold	
1. Cost of finished goods sold	
Direct materials	
Raw materials, beginning of the year	\$ 104,330
Raw material purchased	3,236,546
Add: Others	716,746
Less: Raw materials, end of the year	<u>119,879</u>
	<u>3,937,743</u>
Supplies	
Supplies, beginning of the year (Note)	193,356
Supplies purchased	151,409
Less: Others	1,113
Less: Supplies, end of the year	<u>198,487</u>
	<u>145,165</u>
Direct labor	130,961
Manufacturing overhead	<u>1,465,436</u>
Manufacturing cost	5,679,305
Add: Finished goods, beginning of the year	62,688
Finished goods purchased	446,085
Less: Finished goods, end of the year	109,935
Others	<u>675,477</u>
Cost of finished goods	5,402,666
Non-allocation of fixed manufacturing costs	3,779
Impairment loss on property, plant and equipment	16,292
Others	14,624
Less: Offset against the production and marketing costs	<u>45,499</u>
	<u>5,391,862</u>
2. Cost of merchandise sold	
Merchandise, beginning of the year	2,039
Merchandise purchased	11,028
Less: Others	125
Less: Merchandise, end of the year	<u>2,010</u>
	<u>10,932</u>
	<u>5,402,794</u>
Construction cost	<u>7,514</u>
Service cost	
Process cost	5,017,441
Transportation	<u>216,167</u>
	<u>5,233,608</u>
	<u>\$ 10,643,916</u>

Note: Including supplies in transit.

CHC RESOURCES CORPORATION

STATEMENT OF OPERATING EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2025
 (In Thousands of New Taiwan Dollars)

Item	Selling Expenses	General and Administrative Expenses	Research and Development Expenses	Total
Payroll expense (including remuneration of directors)	\$ 62,342	\$ 126,754	\$ 14,472	\$ 203,568
Outsourced service	45,402	10,665	1,831	57,898
Depreciation	28,121	9,504	4,146	41,771
Other professional service	33,059	8,270	4,735	46,064
Employee benefits	158	30,552	32	30,742
Freight	13,500	29	122	13,651
Repair and maintenance	18,396	635	963	19,994
Others	<u>35,254</u>	<u>45,034</u>	<u>2,817</u>	<u>83,105</u>
Total	<u>\$ 236,232</u>	<u>\$ 231,443</u>	<u>\$ 29,118</u>	<u>\$ 496,793</u>

CHC RESOURCES CORPORATION

STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	Year Ended December 31, 2025				Year Ended December 31, 2024			
	Classified as Operating Costs	Classified as Operating Expenses	Classified as Others	Total	Classified as Operating Costs	Classified as Operating Expenses	Classified as Others	Total
Employee benefits								
Salaries	\$ 291,241	\$ 186,601	\$ -	\$ 477,842	\$ 279,136	\$ 178,735	\$ -	\$ 457,871
Labor and health insurance	18,432	10,743	-	29,175	17,658	10,297	-	27,955
Post-employment benefits	6,616	3,881	-	10,497	7,561	4,968	-	12,529
Remuneration of directors	-	16,967	-	16,967	-	13,553	-	13,553
Termination benefits	11	-	-	11	15	10	-	25
Others	1,496	30,928	-	32,424	1,206	28,352	-	29,558
	<u>\$ 317,796</u>	<u>\$ 249,120</u>	<u>\$ -</u>	<u>\$ 566,916</u>	<u>\$ 305,576</u>	<u>\$ 235,915</u>	<u>\$ -</u>	<u>\$ 541,491</u>
Depreciation	\$ 746,455	\$ 41,771	\$ 3,080	\$ 791,306	\$ 762,822	\$ 36,277	\$ 3,081	\$ 802,180
Amortization	22,090	3,796	-	25,886	22,304	4,413	-	26,717

Note 1: As of December 31, 2025 and 2024, the Corporation both had 295 and 294 employees, respectively. Among them, 13 directors did not serve concurrently as employees in 2025 and 2024, respectively.

Note 2: Additional disclosures are as follows:

- 1) Average employee benefit for the year ended December 31, 2025 was NT\$1,950 thousand (amounts of employee benefits for the year ended December 31, 2025 less amounts of remuneration of directors for the year ended December 31, 2025 divided by number of employees for the year ended December 31, 2025 less number of directors not serving concurrently as employees for the year ended December 31, 2025)

Average employee benefit for the year ended December 31, 2024 was NT\$1,879 thousand (amounts of employee benefits for the year ended December 31, 2024 less amounts of remuneration of directors for the year ended December 31, 2024 divided by number of employees for the year ended December 31, 2024 less number of directors not serving concurrently as employees for the year ended December 31, 2024)

- 2) Average salary for the year ended December 31, 2025 was NT\$1,694 thousand (amounts of salaries for the year ended December 31, 2025 divided by number of employees for the year ended December 31, 2025 less number of directors not serving concurrently as employees for the year ended December 31, 2025)

Average salary for the year ended December 31, 2024 was NT\$1,629 thousand (amounts of salaries for the year ended December 31, 2024 divided by number of employees for the year ended December 31, 2024 less number of directors not serving concurrently as employees for the year ended December 31, 2024)

- 3) Change of adjustments of average salaries was 4.0% (average salaries for the year ended December 31, 2025 less average salaries for the year ended December 31, 2024 divided by average salaries for the year ended December 31, 2024)

- 4) The Corporation does not have any supervisor.

Note 3: The Corporation's salary is based on a salary scale system. It adopts a position and responsibility system and refers to the salary market and the Corporation's financial status. Each position is arranged according to the complexity of work, the degree of responsibility, and the position and relationship in the organization. The salary standards for employees have been set and implemented after being reported to the board of directors for approval. The employees all work hard together, so when the Corporation has a surplus, the bonus is calculated based on the amount of surplus. The principle is that when the Corporation makes more, it shares more, and when the Corporation makes less, it shares less, which also combined the results of personal performance. Relevant measures have been established as the basis for bonus distribution.