CHC Resources Corporation and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2026 and 2025 and Independent Auditors' Review Report

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INDEPENDENT AUDITORS' REVIEW REPORT

CHC Resources Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of CHC Resources Corporation (the "Corporation") and its subsidiaries as of March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Corporation and its subsidiaries as of March 31, 2026 and 2025, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 7, 2026

<u>*Notice to Readers*</u>

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

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

CHC RESOURCES CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2026		December 31, 2025		March 31, 2025	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 529,317	5	$ 352,883	3	$ 409,879	4
Financial assets at fair value through other comprehensive income - current (Notes 7 and 28)	204,605	2	205,687	2	242,494	2
Contract assets - current (Note 23)	139	-	109	-	333	-
Notes receivable (Note 8)	200,665	2	224,355	2	279,689	2
Accounts receivable (Note 8)	226,854	2	250,673	2	259,392	2
Accounts receivable - related parties (Notes 8 and 29)	933,256	8	1,020,128	9	914,416	8
Other receivables	1,718	-	5,436	-	15,026	-
Other receivables - related parties (Note 29)	33,482	-	34,086	-	33,034	-
Current tax assets	592	-	592	-	-	-
Inventories (Note 9)	547,884	5	468,684	4	444,102	4
Prepayments (Notes 10 and 29)	151,270	1	161,732	2	98,865	1
Other financial assets - current (Notes 11 and 30)	143,403	1	162,383	2	99,612	1
Refundable deposits - current (Note 15)	26,354	-	22,797	-	13,703	-
Costs to fulfil a contract (Note 23)	9,419	-	12,793	-	14,325	-
Other current assets	16,997	-	20,231	-	21,380	-
Total current assets	3,025,955	26	2,942,569	26	2,846,250	24
NONCURRENT ASSETS						
Financial assets at fair value through other comprehensive income - noncurrent (Notes 7 and 28)	58,037	1	36,922	-	37,347	-
Investments accounted for using the equity method (Note 13)	298,420	3	287,225	2	287,611	2
Property, plant and equipment (Notes 14, 30 and 32)	4,428,156	38	4,428,558	39	4,494,033	39
Right-of-use assets (Notes 15, 29 and 30)	1,037,677	9	1,092,980	10	1,271,731	11
Investment properties (Note 16)	2,322,044	20	2,322,792	20	2,325,035	20
Intangible assets (Note 17)	5,038	-	5,294	-	4,913	-
Deferred tax assets	79,606	1	86,915	1	100,238	1
Prepayments for equipment	57,528	-	59,920	-	60,786	1
Refundable deposits - noncurrent (Note 15)	213,934	2	219,725	2	228,273	2
Net defined benefit assets	12,025	-	9,153	-	-	-
Other financial assets - noncurrent (Notes 11 and 30)	3,850	-	3,850	-	3,850	-
Other noncurrent assets	545	-	467	-	4,249	-
Total noncurrent assets	8,516,860	74	8,553,801	74	8,818,066	76
TOTAL	$ 11,542,815	100	$ 11,496,370	100	$ 11,664,316	100

	March 31, 2026		December 31, 2025		March 31, 2025	
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 18)	$ 112,440	1	$ 303,836	3	$ 369,415	3
Contract liabilities - current (Notes 23 and 29)	126,784	1	56,390	-	55,066	-
Notes payable	12,098	-	7,848	-	6,340	-
Accounts payable	184,876	2	178,882	2	189,062	2
Accounts payable - related parties (Note 29)	102,864	1	100,880	1	111,212	1
Payables on equipment	77,810	1	23,355	-	6,334	-
Payables for dividends	413	-	413	-	-	-
Other payables (Note 19)	830,309	7	785,522	7	790,451	7
Other payables - related parties (Notes 19 and 29)	152,260	1	191,171	2	178,911	2
Current tax liabilities	193,317	2	138,114	1	246,632	2
Lease liabilities - current (Notes 15 and 29)	361,083	3	370,716	3	339,642	3
Current portion of long-term borrowings (Notes 18 and 30)	61,273	1	60,247	1	65,375	1
Guarantee deposits received - current	29,959	-	38,172	-	41,231	-
Other current liabilities (Note 29)	14,402	-	6,940	-	15,430	-
Total current liabilities	2,259,888	20	2,262,486	20	2,415,101	21
NONCURRENT LIABILITIES						
Long-term borrowings (Notes 18 and 30)	1,000,105	9	1,178,267	10	830,750	7
Provisions - noncurrent (Note 20)	357,285	3	393,760	3	374,705	4
Deferred tax liabilities	156,736	1	152,032	2	147,795	1
Lease liabilities - noncurrent (Notes 15 and 29)	613,972	5	675,822	6	850,760	7
Net defined benefit liabilities	-	-	-	-	5,302	-
Guarantee deposits received - noncurrent	5,735	-	7,025	-	5,305	-
Total noncurrent liabilities	2,133,833	18	2,406,906	21	2,214,617	19
Total liabilities	4,393,721	38	4,669,392	41	4,629,718	40
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 22)						
Ordinary shares	2,485,404	22	2,485,404	22	2,485,404	21
Capital surplus	162,398	1	162,398	1	162,398	1
Retained earnings						
Legal reserve	1,776,482	15	1,776,482	15	1,657,720	14
Special reserve	104,464	1	104,464	1	17,532	-
Unappropriated earnings	2,502,311	22	2,227,243	19	2,526,601	23
Total retained earnings	4,383,257	38	4,108,189	35	4,201,853	37
Other equity	(124,275)	(1)	(161,784)	(1)	(61,435)	(1)
Total equity attributable to owners of the Corporation	6,906,784	60	6,594,207	57	6,788,220	58
NON-CONTROLLING INTERESTS (Note 22)	242,310	2	232,771	2	246,378	2
Total equity	7,149,094	62	6,826,978	59	7,034,598	60
TOTAL	$ 11,542,815	100	$ 11,496,370	100	$ 11,664,316	100

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

CHC RESOURCES CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 29)				
Sales	$ 1,955,085	60	$ 2,012,606	58
Construction revenue	1,313	-	3,164	-
Service revenue	1,330,212	40	1,445,881	42
Total operating revenue	3,286,610	100	3,461,651	100
OPERATING COSTS (Notes 9, 24 and 29)				
Cost of goods sold	1,520,838	47	1,542,533	45
Construction costs	1,250	-	3,014	-
Service costs	1,271,075	39	1,364,235	39
Total operating costs	2,793,163	86	2,909,782	84
GROSS PROFIT	493,447	14	551,869	16
OPERATING EXPENSES (Notes 24 and 29)				
Selling and marketing expenses	67,385	2	48,588	2
General and administrative expenses	70,180	2	70,173	2
Research and development expenses	7,636	-	6,678	-
Total operating expenses	145,201	4	125,439	4
PROFIT FROM OPERATIONS	348,246	10	426,430	12
NON-OPERATING INCOME AND EXPENSES (Notes 24 and 29)				
Interest income	2,441	-	1,735	-
Other income	9,295	-	9,355	-
Other gains and losses	(612)	-	(4,336)	-
Finance costs	(13,073)	-	(14,847)	-
Share of profit or loss of associates accounted for using the equity method	2,532	-	1,395	-
Total non-operating income and expenses	583	-	(6,698)	-
PROFIT BEFORE INCOME TAX	348,829	10	419,732	12
INCOME TAX EXPENSE (Note 25)	70,022	2	84,489	2
NET PROFIT FOR THE PERIOD	278,807	8	335,243	10

(Continued)

CHC RESOURCES CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Note 22)				
Items that will not be reclassified subsequently to profit or loss				
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	$ 20,033	1	$ 31,797	1
Share of the other comprehensive income of associates accounted for using the equity method	8,561	-	6,634	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of the financial statements of foreign operations	14,614	-	6,881	-
Share of the other comprehensive income of associates accounted for using the equity method	101	-	13	-
Other comprehensive income for the period, net of income tax	43,309	1	45,325	1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 322,116	9	$ 380,568	11
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	$ 272,804	8	$ 330,112	10
Non-controlling interests	6,003	-	5,131	-
	$ 278,807	8	$ 335,243	10
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	$ 312,577	9	$ 374,293	11
Non-controlling interests	9,539	-	6,275	-
	$ 322,116	9	$ 380,568	11
EARNINGS PER SHARE (Note 26)				
Basic	$ 1.10		$ 1.33	
Diluted	$ 1.09		$ 1.32	

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

CHC RESOURCES CORPORATION AND SUBSIDIARIES

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

	Total Equity Attributable to Owners of the Corporation											
			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 Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Total Equity Attributable to Owners of the Corporation	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2026	$ 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	$ 232,771	$ 6,826,978
Net profit for the three months ended March 31, 2026	-	-	-	-	272,804	272,804	-	-	-	272,804	6,003	278,807
Other comprehensive income for the three months ended March 31, 2026, net of income tax	-	-	-	-	1	1	12,523	27,249	39,772	39,773	3,536	43,309
Total comprehensive income for the three months ended March 31, 2026	-	-	-	-	272,805	272,805	12,523	27,249	39,772	312,577	9,539	322,116
Disposal of investments in equity instruments at fair value through other comprehensive income (loss)	-	-	-	-	2,263	2,263	-	(2,263)	(2,263)	-	-	-
BALANCE AT MARCH 31, 2026	$ 2,485,404	$ 162,398	$ 1,776,482	$ 104,464	$ 2,502,311	$ 4,383,257	$ (64,329)	$ (59,946)	$ (124,275)	$ 6,906,784	$ 242,310	$ 7,149,094
BALANCE AT JANUARY 1, 2025	$ 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	$ 240,103	$ 6,654,043
Changes in capital surplus from investments in associates accounted for using the equity method	-	(13)	-	-	-	-	-	-	-	(13)	-	(13)
Net profit for the three months ended March 31, 2025	-	-	-	-	330,112	330,112	-	-	-	330,112	5,131	335,243
Other comprehensive income for the three months ended March 31, 2025, net of income tax	-	-	-	-	5	5	5,862	38,314	44,176	44,181	1,144	45,325
Total comprehensive income for the three months ended March 31, 2025	-	-	-	-	330,117	330,117	5,862	38,314	44,176	374,293	6,275	380,568
Disposal of investments in equity instruments at fair value through other comprehensive income (loss)	-	-	-	-	1,146	1,146	-	(1,146)	(1,146)	-	-	-
BALANCE AT MARCH 31, 2025	$ 2,485,404	$ 162,398	$ 1,657,720	$ 17,532	$ 2,526,601	$ 4,201,853	$ (19,860)	$ (41,575)	$ (61,435)	$ 6,788,220	$ 246,378	$ 7,034,598

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

CHC RESOURCES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 348,829	$ 419,732
Adjustments for:		
Depreciation expense	210,479	214,912
Amortization expense	6,302	6,278
Net gain on financial assets at fair value through profit or loss	(226)	(224)
Finance costs	13,073	14,847
Interest income	(2,441)	(1,735)
Share of profit of associates accounted for using the equity method	(2,532)	(1,395)
Gain on disposal of property, plant and equipment	-	(127)
Write-down of inventories	873	436
Recognition (reversal) of provisions	14,434	(2,402)
Changes in operating assets and liabilities		
Contract assets - current	(30)	(25)
Notes receivable	23,690	31,378
Accounts receivable	23,819	(55,852)
Accounts receivable - related parties	86,872	11,900
Other receivables	3,816	9,648
Other receivables - related parties	604	5,020
Inventories	(80,073)	(41,591)
Prepayments	10,462	(1,435)
Other current assets	3,234	(3,748)
Other financial assets	18,980	(8,035)
Costs to fulfil a contract	3,374	366
Contract liabilities - current	70,394	8,836
Notes payable	4,250	(8,746)
Accounts payable	5,994	30,177
Accounts payable - related parties	1,984	8,053
Other payables	44,682	(63,479)
Other payables - related parties	(38,911)	314
Provisions	(50,909)	-
Other current liabilities	7,462	10,298
Net defined benefit liabilities	(2,872)	(2,969)
Cash generated from operations	725,613	580,432
Income tax paid	(2,863)	(1,321)
Net cash generated from operating activities	722,750	579,111
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through profit or loss	(500,000)	(340,000)
Proceeds from disposal of financial assets at fair value through profit or loss	500,226	340,224

(Continued)

CHC RESOURCES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2026	2025
Acquisition of property, plant and equipment	$ (54,720)	$ (68,806)
Proceeds from disposal of property, plant and equipment	-	127
Decrease in refundable deposits	2,234	2,889
Payments for intangible assets	(679)	-
Increase in other noncurrent assets	(5,430)	(5,190)
Interest received	2,343	1,970
Net cash used in investing activities	(56,026)	(68,786)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	952,549	580,660
Repayments of short-term borrowings	(1,145,278)	(567,059)
Proceeds from long-term borrowings	420,812	400,000
Repayments of long-term borrowings	(600,000)	(900,000)
Proceeds from guarantee deposits received	-	3,718
Refund of guarantee deposits received	(9,503)	-
Repayments of principal portion of lease liabilities	(99,621)	(93,881)
Interest paid	(14,379)	(16,454)
Net cash used in financing activities	(495,420)	(593,016)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	5,130	2,128
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	176,434	(80,563)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	352,883	490,442
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 529,317	$ 409,879

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

(Concluded)

(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 March 31, 2026, CSC and its subsidiaries owned 35.6% of the Corporation's issued ordinary shares. The Corporation mainly engages in the production, processing and sales of Ground-Granulated Blast-Furnace Slag (GGBFS), Portland Blast-Furnace Slag Cement and reutilization of resources.

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation's board of directors and authorized for issue on May 7, 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 and its subsidiaries' accounting policies.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by International Accounting Standards Board (IASB) (Note 1)
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 and its subsidiaries 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 and its subsidiaries shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Corporation and its subsidiaries shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Corporation and its subsidiaries label items as "other" only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Corporation and its subsidiaries as a whole, the Corporation and its subsidiaries shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

- The Corporation and its subsidiaries 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 and its subsidiaries shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Corporation and its subsidiaries have 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 consolidated financial statements were authorized for issue, the Corporation and its subsidiaries are continuously assessing the impacts of the above amended standards and interpretations on the Corporation and its subsidiaries' financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments, 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.

c. Basis of consolidation

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

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

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

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

See Note 12 and Table 4 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2025.

1) Derecognition of financial liabilities

Financial liabilities are derecognized on the settlement date, which is the date on which the liability is extinguished because the obligations are discharged, cancelled or have expired, or the liability is substantially modified or exchanged for a debt instrument with substantially different terms. The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

2) Retirement benefits

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

3) Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same material accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as those applied in the preparation of the consolidated financial statements for the year ended December 31, 2025.

6. CASH AND CASH EQUIVALENTS

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	$ 280	$ 270	$ 217
Checking accounts and demand deposits	500,237	323,813	310,312
Cash equivalents (time deposits with original maturities of 3 months or less)	28,800	28,800	99,350
	$ 529,317	$ 352,883	$ 409,879

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2026	December 31, 2025	March 31, 2025
Domestic and foreign investments (investments in equity instruments)			
Listed shares	$ 204,605	$ 205,687	$ 242,494
Unlisted shares	58,037	36,922	37,347
	$ 262,642	$ 242,609	$ 279,841

(Continued)

	March 31, 2026	December 31, 2025	March 31, 2025
Current	$ 204,605	$ 205,687	$ 242,494
Noncurrent	58,037	36,922	37,347
	$ 262,642	$ 242,609	$ 279,841

(Concluded)

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

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

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable			
At amortized cost			
Operating	$ 200,665	$ 224,355	$ 279,689
Accounts receivable (including related parties)			
At amortized cost			
Gross carrying amount	$ 1,160,110	$ 1,270,801	$ 1,173,808
Less: Allowance for impairment loss	-	-	-
	$ 1,160,110	$ 1,270,801	$ 1,173,808

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

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

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

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

March 31, 2026

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 90 Days	91 to 365 Days	Total
Gross carrying amount	$1,313,985	$ 43,236	$ 3,554	$ -	$ -	$1,360,775
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$1,313,985	$ 43,236	$ 3,554	$ -	$ -	$1,360,775

December 31, 2025

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 90 Days	91 to 365 Days	Total
Gross carrying amount	$1,485,760	$ 8,125	$ 855	$ 379	$ 37	$1,495,156
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$1,485,760	$ 8,125	$ 855	$ 379	$ 37	$1,495,156

March 31, 2025

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 90 Days	91 to 365 Days	Total
Gross carrying amount	$1,425,821	$ 19,795	$ 5,006	$ 2,135	$ 740	$1,453,497
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$1,425,821	$ 19,795	$ 5,006	$ 2,135	$ 740	$1,453,497

9. INVENTORIES

	March 31, 2026	December 31, 2025	March 31, 2025
Raw materials	$ 186,659	$ 140,537	$ 86,615
Supplies	207,034	201,676	200,446
Finished goods	138,215	119,392	138,853
Merchandise	3,916	3,261	4,442
Materials and supplies in transit	12,060	3,818	13,746
	$ 547,884	$ 468,684	$ 444,102

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2026 and 2025 was NT$1,520,838 thousand and NT$1,542,533 thousand, respectively, which included loss on inventories of NT$873 thousand and NT$436 thousand, respectively.

10. PREPAYMENTS

	March 31, 2026	December 31, 2025	March 31, 2025
Prepayments for purchases	$ 94,992	$ 122,151	$ 69,627
Others	56,278	39,581	29,238
	$ 151,270	$ 161,732	$ 98,865

11. OTHER FINANCIAL ASSETS

	March 31, 2026	December 31, 2025	March 31, 2025
Time deposits with original maturities of more than 3 months	$ 113,898	$ 129,275	$ 84,400
Pledged time deposits - performance bond (Note 30)	33,355	36,958	19,062
	$ 147,253	$ 166,233	$ 103,462
Current	$ 143,403	$ 162,383	$ 99,612
Noncurrent	3,850	3,850	3,850
	$ 147,253	$ 166,233	$ 103,462

12. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

The consolidated entities were as follows:

			Percentage of Ownership (%)		
Investor	Investee	Nature of Activities	March 31, 2026	December 31, 2025	March 31, 2025
CHC Resources Corporation	Union Steel Development Corporation	a.	93	93	93
CHC Resources Corporation	Pao Good Industrial Co., Ltd.	b.	51	51	51
CHC Resources Corporation	Yu Cheng Lime Corporation	c.	90	90	90
CHC Resources Corporation	CHC Resources Vietnam Co., Ltd.	d.	85	85	85

a. The company mainly engages in the manufacture and sales of iron powder, OEM and sales of refractory, trading, and labor dispatch.

b. The company mainly engages in sales of fly ash, manufacture and sales of dry-mix mortar, and trading.

c. The company mainly engages in real estate leasing and management of raw materials.

d. The company mainly engages in the manufacture and sales of GGBFS, sales of Granulated Blast - Furnace Slag (GBFS).

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in associates

	March 31, 2026	December 31, 2025	March 31, 2025
Associates that are not individually material	$ 298,420	$ 287,225	$ 287,611

	For the Three Months Ended March 31	
	2026	2025
The Corporation and its subsidiaries' share of:		
Net profit for the period	$ 2,532	$ 1,395
Other comprehensive income	8,662	6,647
Total comprehensive income	$ 11,194	$ 8,042

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

For the three months ended March 31, 2026 and 2025, the share of profit and other comprehensive income of associates accounted for using the equity method is partly recognized based on the financial statements of the same period that have not been reviewed by accountants. However, the management of the Corporation and its subsidiaries believe there is no material impact on the above-mentioned financial statements that have not been reviewed.

14. PROPERTY, PLANT AND EQUIPMENT

Refer to Table 5 for the movements in property, plant and equipment for the three months ended March 31, 2026 and 2025.

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

Land improvements	
Drainage system	30 years
Others	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	2-21 years
Transportation equipment	5-10 years
Office equipment	1-13 years
Leasehold improvement	2-35 years
Other equipment	10 years

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

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 32.

For the three months ended March 31, 2026 and 2025, the Corporation and its subsidiaries entered into the following non-cash investing activities which were not reflected in the statements of cash flows:

	For the Three Months Ended March 31	
	2026	2025
Affect both cash and non-cash items from investing activities		
Increase in property, plant and equipment	$ 112,978	$ 57,490
Increase (decrease) in prepayments for equipment	(2,392)	1,639
Decrease (increase) in payables on equipment	(54,455)	10,190
Capitalized interest	(1,411)	(513)
Paid in cash	$ 54,720	$ 68,806

15. LEASE ARRANGEMENTS

a. Right-of-use assets

Carrying amount	March 31, 2026	December 31, 2025	March 31, 2025
Land	$ 750,329	$ 815,206	$ 998,941
Buildings	274,775	264,347	257,568
Transportation equipment	12,573	13,427	15,222
	$ 1,037,677	$ 1,092,980	$ 1,271,731

	For the Three Months Ended March 31	
	2026	2025
Additions to right-of-use assets	$ 24,152	$ 3,147
Depreciation charge for right-of-use assets		
Land	$ 70,886	$ 69,000
Buildings	12,651	11,760
Transportation equipment	1,928	1,878
	$ 85,465	$ 82,638

Except for the addition and recognition of depreciation expenses listed above, the Corporation and its subsidiaries did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2026 and 2025.

b. Lease liabilities

Carrying amount	March 31, 2026	December 31, 2025	March 31, 2025
Current	$ 361,083	$ 370,716	$ 339,642
Noncurrent	$ 613,972	$ 675,822	$ 850,760

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

	March 31, 2026	December 31, 2025	March 31, 2025
Land	0.59-2.05	0.59-2.05	0.59-1.97
Buildings	1.67-3.45	1.67-3.45	1.67-3.45
Transportation equipment	0.59-1.92	0.59-1.92	0.59-1.92

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 March 31, 2026, 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 current 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 March 31, 2026, the Corporation had paid performance bonds amounted to NT$193,500 thousand, and classified it as current and noncurrent refundable deposits according to its liquidity.

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

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

3) Other resource reutilization business

The Corporation leases land and plants from non-related parties as a premise for resource reutilization business. The leases will successively expire through October 2037.

4) Land use right

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

d. Other lease information

	For the Three Months Ended March 31	
	2026	**2025**
Expenses relating to short-term leases and low-value asset leases	$ 3,361	$ 3,321
Total cash outflow for leases	$ 108,364	$ 103,485

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

16. INVESTMENT PROPERTIES

For the three months ended March 31, 2026

	Land	Buildings	Total
Cost			
Balance at January 1, 2026 and March 31, 2026	$ 2,308,845	$ 51,865	$ 2,360,710
Accumulated depreciation and impairment			
Balance at January 1, 2026	-	37,918	37,918
Depreciation expenses	-	748	748
Balance at March 31, 2026	-	38,666	38,666
Carrying amount at December 31, 2025	$ 2,308,845	$ 13,947	$ 2,322,792
Carrying amount at March 31, 2026	$ 2,308,845	$ 13,199	$ 2,322,044

For the three months ended March 31, 2025

	Land	Buildings	Total
Cost			
Balance at January 1, 2025 and March 31, 2025	$ 2,308,845	$ 51,865	$ 2,360,710
Accumulated depreciation and impairment			
Balance at January 1, 2025	-	34,927	34,927
Depreciation expenses	-	748	748
Balance at March 31, 2025	-	35,675	35,675
Carrying amount at March 31, 2025	$ 2,308,845	$ 16,190	$ 2,325,035

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

	March 31, 2026	December 31, 2025	March 31, 2025
Year 1	$ 29,638	$ 29,638	$ 29,014
Year 2	14,439	22,055	29,014
Year 3	-	7,219	14,026

Buildings are depreciated over 3-26 years on a straight-line basis.

As of March 31, 2026, December 31, 2025, and March 31, 2025, the fair values of investment properties at the Corporation and its subsidiaries were NT$2,523,260 thousand, NT$2,484,004 thousand, and NT$2,484,004 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 and its subsidiaries applied valuation models commonly used by market participants, and the fair values were determined using Level 3 inputs.

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

17. INTANGIBLE ASSETS

For the three months ended March 31, 2026

	Computer Software
Cost	
Balance at January 1, 2026	$ 12,644
Additions	679
Derecognition	(1,261)
Effects of foreign currency exchange differences	32
Balance at March 31, 2026	12,094
Accumulated amortization	
Balance at January 1, 2026	7,350
Amortization expenses	950
Derecognition	(1,261)
Effects of foreign currency exchange differences	17
Balance at March 31, 2026	7,056
Carrying amount at December 31, 2025	$ 5,294
Carrying amount at March 31, 2026	$ 5,038

For the three months ended March 31, 2025

	Computer Software
Cost	
Balance at January 1, 2025	$ 15,449
Derecognition	(1,610)
Effects of foreign currency exchange differences	8
Balance at March 31, 2025	13,847
Accumulated amortization	
Balance at January 1, 2025	9,350
Amortization expenses	1,188
Derecognition	(1,610)
Effects of foreign currency exchange differences	6
Balance at March 31, 2025	8,934
Carrying amount at March 31, 2025	$ 4,913

Intangible assets are computer software, which are amortized over 1-5 years on a straight-line basis.

18. BORROWINGS

a. Short-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured bank loans - annual interest rates range were 5.10%-8.00%, 1.75%-5.55% and 1.80%-5.45% as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively	$ 75,050	$ 280,223	$ 368,490
Letters of credit - annual interest rates range were 1.84%, 1.84% and 1.85% as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively	37,390	23,613	925
	$ 112,440	$ 303,836	$ 369,415

b. Long-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured bank loans - due in May 2030, annual interest rates range were 1.72%-1.81%, 1.72%-1.80% and 1.80%-1.83% as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively	$ 938,832	$ 1,118,020	$ 700,000
Secured bank loans - due in July 2027, annual interest rates range were 8.30%-9.20%, 6.44%-9.20% and 5.52%-6.28% as of March 31, 2026, December 31, 2025, and March 31, 2025, respectively	122,546	120,494	196,125
	1,061,378	1,238,514	896,125
Less: Current portion	61,273	60,247	65,375
	$ 1,000,105	$ 1,178,267	$ 830,750

19. OTHER PAYABLES (INCLUDING RELATED PARTIES)

	March 31, 2026	December 31, 2025	March 31, 2025
Freight	$ 277,009	$ 292,856	$ 273,822
Salaries and bonus	177,837	212,610	172,452
Outsourced salaries	144,130	120,926	122,001
Compensation of employees and remuneration of directors and supervisors	80,396	64,252	79,002
Utility bill	43,986	48,586	48,249
Subcontracting expenses	11,226	13,894	15,668

(Continued)

	March 31, 2026	December 31, 2025	March 31, 2025
Professional service payable	$ 17,047	$ 17,642	$ 13,563
Taxes payable	9,607	11,040	14,658
Others	221,331	194,887	229,947
	$ 982,569	$ 976,693	$ 969,362

(Concluded)

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$199,083 thousand, NT$235,036 thousand, and NT$299,790 thousand, as of March 31, 2026, December 31, 2025, and March 31, 2025, respectively. The amounts were recognized as other payables-others and provisions.

20. PROVISIONS - NONCURRENT

	March 31, 2026	December 31, 2025	March 31, 2025
Cost of resource reutilization	$ 357,285	$ 393,760	$ 374,705

	For the Three Months Ended March 31	
	2026	2025
Balance, beginning of the period	$ 393,760	$ 377,107
Recognized (reversal) during the period	14,434	(2,402)
Provisions used during the period	(50,909)	-
Balance, end of the period	$ 357,285	$ 374,705

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

21. RETIREMENT BENEFIT PLANS

For the three months ended 2026 and 2025, the pension expense of defined benefit plans were NT$791 thousand and NT$756 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2025 and 2024, respectively.

22. EQUITY

a. Ordinary shares

	March 31, 2026	December 31, 2025	March 31, 2025
Number of shares authorized (in thousands of shares)	300,000	300,000	300,000
Shares authorized	$ 3,000,000	$ 3,000,000	$ 3,000,000
Number of shares issued and fully paid (in thousands of shares)	248,540	248,540	248,540
Shares issued	$ 2,485,404	$ 2,485,404	$ 2,485,404

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

b. Capital surplus

	March 31, 2026	December 31, 2025	March 31, 2025
May be used to offset deficits, distribute as cash dividends, or transfer to share capital (Note 1)			
Additional paid-in capital	$ 4,419	$ 4,419	$ 4,419
Consolidation excess	157,497	157,497	157,497
Donations	108	108	108
May only be used to offset deficits			
Changes in ownership interests in subsidiaries (Note 2)	374	374	374
	$ 162,398	$ 162,398	$ 162,398

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 2025 and 2024, which were proposed by the Board of Directors in February 2026 and resolved by the shareholders in June 2025, respectively, were as follows:

	For the Year Ended December 31	
	2025	**2024**
Legal reserve	$ 123,176	$ 118,762
Special reserve	57,319	86,932
Cash dividends	994,161	994,161
Cash dividends per share (NT$)	4.0	4.0

The appropriation of earnings for 2025 is subject to the resolution of the shareholders in the shareholders' meeting to be held on May 2026.

d. Other equity items

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

	For the Three Months Ended March 31	
	2026	**2025**
Balance, beginning of the period	$ (76,852)	$ (25,722)
Recognized for the period		
Exchange differences on translating of the financial statements of foreign operations	12,422	5,849
Share from associates accounted for using the equity method	101	13
Balance, end of the period	$ (64,329)	$ (19,860)

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

	For the Three Months Ended March 31	
	2026	**2025**
Balance, beginning of the period	$ (84,932)	$ (78,743)
Recognized for the period		
Unrealized gain - equity instruments	18,689	31,685

(Continued)

	For the Three Months Ended March 31	
	2026	2025
Share from associates accounted for using the equity method	$ 8,560	$ 6,629
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	(2,263)	(1,146)
Balance, end of the period	$ (59,946)	$ (41,575)

(Concluded)

e. Non-controlling interests

	For the Three Months Ended March 31	
	2026	2025
Balance, beginning of the period	$ 232,771	$ 240,103
Share of profit for the period	6,003	5,131
Other comprehensive income for the period		
Exchange differences on translating of the financial statements of foreign operations	2,192	1,032
Unrealized gain on financial assets at fair value through other comprehensive income	1,344	112
Balance, end of the period	$ 242,310	$ 246,378

23. REVENUE

a. Contract balances

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Notes receivable and accounts receivable (Note 8)	$ 1,360,775	$ 1,495,156	$ 1,453,497	$ 1,440,923
Contract assets - current				
Sales retention receivables	$ 139	$ 109	$ 333	$ 308
Less: Allowance for impairment loss	-	-	-	-
	$ 139	$ 109	$ 333	$ 308
Contract liabilities - current				
Sale received in advance	$ 82,473	$ 54,780	$ 53,273	$ 44,052
Services received in advance	44,311	1,610	1,793	2,178
	$ 126,784	$ 56,390	$ 55,066	$ 46,230

b. Assets related to contract costs

	March 31, 2026	December 31, 2025	March 31, 2025
Current			
Cost to fulfil a contract			
Executing cost	$ 9,419	$ 12,793	$ 14,325

c. Disaggregation of revenue

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

24. PROFIT BEFORE INCOME TAX

a. Other income

	For the Three Months Ended March 31	
	2026	2025
Rental income	$ 7,641	$ 7,390
Others	1,654	1,965
	$ 9,295	$ 9,355

b. Other gains and losses

	For the Three Months Ended March 31	
	2026	2025
Gain on disposal of property, plant and equipment	$ -	$ 127
Net gain on financial assets at fair value through profit or loss	226	224
Net foreign exchange gain	457	617
Others	(1,295)	(5,304)
	$ (612)	$ (4,336)

c. Finance costs

	For the Three Months Ended March 31	
	2026	2025
Interest on borrowings	$ 9,102	$ 9,077
Interest on lease liabilities	5,382	6,283
	14,484	15,360
Less: Amounts included in the cost of qualifying assets	1,411	513
	$ 13,073	$ 14,847

Information on capitalized interest was as follows:

	For the Three Months Ended March 31	
	2026	2025
Capitalized interest amounts	$ 1,411	$ 513
Capitalization rates (%)	1.76-1.78	1.81

d. Depreciation and amortization

	For the Three Months Ended March 31	
	2026	2025
Property, plant and equipment	$ 124,266	$ 131,526
Right-of-use assets	85,465	82,638
Investment properties	748	748
Intangible assets	950	1,188
Other noncurrent assets	5,352	5,090
	$ 216,781	$ 221,190
An analysis of depreciation by function		
Operating costs	$ 194,825	$ 203,008
Operating expenses	14,884	11,134
Others	770	770
	$ 210,479	$ 214,912
An analysis of amortization by function		
Operating costs	$ 5,463	$ 5,140
Operating expenses	839	1,138
	$ 6,302	$ 6,278

e. Employee benefits expense

	For the Three Months Ended March 31	
	2026	2025
Short-term employee benefits		
Salaries	$ 174,490	$ 169,754
Labor and health insurance	14,004	13,432
Others	8,643	8,615
	197,137	191,801
Post-employment benefits		
Defined contribution plans	4,012	3,785
Defined benefit plans (Note 21)	791	756
	4,803	4,541

(Continued)

	For the Three Months Ended March 31	
	2026	2025
Termination benefits	$ -	$ 11
	$ 201,940	$ 196,353
Analysis of employee benefits expense by function		
Operating costs	$ 126,877	$ 124,941
Operating expenses	75,063	71,412
	$ 201,940	$ 196,353

(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 (including non-executive employees) and remuneration of directors for the three months ended March 31, 2026 and 2025, are as follows:

	For the Three Months Ended March 31	
	2026	2025
Compensation of employees	$ 13,209	$ 16,283
Remuneration of directors	2,642	3,257

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

The 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

There is no difference between the amount recognized and approved in the consolidated financial statements for the year ended December 31, 2025 and 2024.

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

25. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	For the Three Months Ended March 31	
	2026	2025
Current tax		
In respect of the period	$ 58,009	$ 74,280
Deferred tax	12,013	10,209
	$ 70,022	$ 84,489

b. Income tax assessments

The Corporation and its domestic subsidiaries' income tax returns through 2024 have been assessed by the tax authorities. The foreign subsidiary calculated the tax in accordance with the local laws.

26. EARNINGS PER SHARE

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

Net profit for the period

	For the Three Months Ended March 31	
	2026	2025
Net profit attributable to owners of the Corporation	$ 272,804	$ 330,112

Number of ordinary shares (in thousands of shares)

	For the Three Months Ended March 31	
	2026	2025
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	643	655
Weighted average number of ordinary shares used in computation of diluted earnings per share	249,183	249,195

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

27. CAPITAL MANAGEMENT

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

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

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

28. FINANCIAL INSTRUMENTS

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

   The management considers the carrying amounts of financial instruments that are not measured at fair value approximate their fair 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
March 31, 2026				
Financial assets at fair value through other comprehensive income				
Equity instruments				
Domestic listed shares	$ 204,605	$ -	$ -	$ 204,605
Domestic and foreign unlisted shares	-	-	58,037	58,037
	$ 204,605	$ -	$ 58,037	$ 262,642
December 31, 2025				
Financial assets at fair value through other comprehensive income				
Equity instruments				
Domestic listed shares	$ 205,687	$ -	$ -	$ 205,687
Domestic and foreign unlisted shares	-	-	36,922	36,922
	$ 205,687	$ -	$ 36,922	$ 242,609

(Continued)

March 31, 2025	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Equity instruments				
Domestic listed shares	$ 242,494	$ -	$ -	$ 242,494
Domestic and foreign unlisted shares	-	-	37,347	37,347
	$ 242,494	$ -	$ 37,347	$ 279,841

(Concluded)

There was no transfer between Level 1 and Level 2 for the three months ended March 31, 2026 and 2025.

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

Financial assets at fair value through other comprehensive income (equity instruments)	For the Three Months Ended March 31 2026	2025
Balance, beginning of the period	$ 36,922	$ 35,320
Recognized in other comprehensive income	21,115	2,027
Balance, end of the period	$ 58,037	$ 37,347

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

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
Financial assets at fair value through other comprehensive income - equity instruments	$ 262,642	$ 242,609	$ 279,841
Financial assets at amortized cost (Note 1)	2,312,833	2,296,316	2,256,874
Financial liabilities			
Financial liabilities at amortized cost (Note 2)	2,572,018	2,877,576	2,597,414

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

d. Financial risk management objectives and policies

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

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

1) Market risk

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

a) Foreign currency risk

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

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

<u>Sensitivity analysis</u>

The Corporation and its subsidiaries are 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 includes cash and cash equivalents, other receivables, accounts payables and other payables. If the U.S. dollars had appreciated/depreciated by 1% against the New Taiwan dollar, profit before income tax for the three months ended March 31, 2026 and 2025 would have increased/decreased by NT$517 thousand and NT$731 thousand, respectively.

b) Interest rate risk

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

	March 31, 2026	December 31, 2025	March 31, 2025
Fair value interest rate risk			
Financial liabilities	$ 975,055	$ 1,046,538	$ 1,190,402
Cash flow interest rate risk			
Financial assets	618,323	463,473	442,166
Financial liabilities	1,173,818	1,542,350	1,265,540

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

If interest rates had been 1% higher/lower and all other variables were held constant, the Corporation and its subsidiaries' cash flows for the three months ended March 31, 2026 and 2025 would have increased/decreased by NT$2,935 thousand and NT$3,164 thousand, respectively, which were mainly a result of variable-rate borrowings.

c) Other price risk

The Corporation and its subsidiaries were exposed to equity price risk through their investments in listed and unlisted equity securities, which are held for strategic rather than trading purposes, the Corporation and its subsidiaries do not actively trade these investments. The Corporation and its subsidiaries' equity price risk is mainly concentrated in equity instruments of listed and unlisted 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 three months ended March 31, 2026 and 2025 would have increased/decreased by NT$2,626 thousand and NT$2,798 thousand, respectively, as a result of the changes in fair value of financial assets at fair value through other comprehensive income.

2) Credit risk

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

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

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

	March 31, 2026	December 31, 2025	March 31, 2025
Cement industry	$ 346,805	$ 459,250	$ 385,084
Steel industry	635,754	676,829	650,903
	$ 982,559	$ 1,136,079	$ 1,035,987

3) Liquidity risk

The management of the Corporation and its subsidiaries continuously monitor the movement of cash flows, net cash position, significant capital expenditures and the utilization of bank loan commitments to ensure compliance with loan covenants.

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

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

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

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

	Less Than 1 Year	1-5 Years	Over 5 Years	Total
March 31, 2026				
Non-interest bearing liabilities	$ 1,392,465	$ 5,735	$ -	$ 1,398,200
Variable interest rate instruments	181,312	1,046,230	-	1,227,542
Lease liabilities	371,563	447,427	258,672	1,077,662
	$ 1,945,340	$ 1,499,392	$ 258,672	$ 3,703,404

	Less Than 1 Year	1-5 Years	Over 5 Years	Total
December 31, 2025				
Non-interest bearing liabilities	$ 1,328,201	$ 7,025	$ -	$ 1,335,226
Variable interest rate instruments	372,719	1,220,920	-	1,593,639
Lease liabilities	380,200	510,407	263,696	1,154,303
	$ 2,081,120	$ 1,738,352	$ 263,696	$ 4,083,168

March 31, 2025	Less Than 1 Year	1-5 Years	Over 5 Years	Total
Non-interest bearing liabilities	$ 1,326,569	$ 5,305	$ -	$ 1,331,874
Variable interest rate instruments	450,398	856,003	-	1,306,401
Lease liabilities	351,998	680,090	280,974	1,313,062
	$ 2,128,965	$ 1,541,398	$ 280,974	$ 3,951,337

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

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured bank facilities			
Amount used	$ 1,551,103	$ 2,059,695	$ 1,474,081
Amount unused	7,825,627	6,624,445	7,104,379
	$ 9,376,730	$ 8,684,140	$ 8,578,460
Secured bank facilities			
Amount used	$ 122,546	$ 120,495	$ 196,124
Amount unused	20,000	20,000	20,000
	$ 142,546	$ 140,495	$ 216,124

29. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party name and category

Related Party Name	Related Party Category
China Steel Corporation (CSC)	Parent of the Corporation
Chung Hung Steel Corporation	Fellow subsidiary
Dragon Steel Corporation (DSC)	Fellow subsidiary
United Steel Engineering & Construction Corporation (USECC)	Fellow subsidiary
China Steel Resources Corporation (CSRC)	Fellow subsidiary
China Steel Security Corporation (CSSC)	Fellow subsidiary
China Steel Express Corporation (CSEC)	Fellow subsidiary
Universal Exchange Inc.	Fellow subsidiary
Steel Castle Technology Corporation	Fellow subsidiary
China Steel Chemical Corporation	Fellow subsidiary
China Ecotek Corporation	Fellow subsidiary
Infochamp Systems Corporation	Fellow subsidiary
China Steel Structure Co., Ltd.	Fellow subsidiary

(Continued)

Related Party Name	Related Party Category
C.S.Aluminium Corporation	Fellow subsidiary
CSC Solar Corporation	Fellow subsidiary
Betacera Inc.	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	Subsidiary of director of the Corporation
Nan-Hwa Cement Corporation (NHCC)	Subsidiary of director of the Corporation
Ta-Ho Maritime Corporation	Subsidiary of director of the Corporation
Ya Tung Ready Mixed Concrete Co., Ltd.	Subsidiary of director of the Corporation
Universal Cement Concrete Corporation	Subsidiary of director of the Corporation
Kuan-Ho Refractories Industry Corporation	Subsidiary of director of the Corporation
Ya Li Transportation Corporation (YL)	Subsidiary of director of the Corporation
Ya Sing Ready Mixed Concrete Corp.	Subsidiary of director of the Corporation
Southeast Topgood Resources Recycling Co., Ltd.	Subsidiary of director of the Corporation
Formosa Ha Tinh Steel Corporation (FHSC)	Other related party

(Concluded)

b. Operating revenue

Account Items	Related Party Category/Name	For the Three Months Ended March 31 2026	2025
Sales	Parent entity - CSC	$ 40,775	$ 38,794
	Fellow subsidiaries	60,025	27,403
	Directors and its subsidiaries		
	TCC	204,156	203,822
	Others	228,936	205,176
		$ 533,892	$ 475,195
Service revenue	Parent entity - CSC	$ 683,631	$ 689,522
	Fellow subsidiaries		
	DSC	352,330	425,850
	CSRC	164,047	180,251
	Others	283	302

(Continued)

Account Items	Related Party Category/Name	For the Three Months Ended March 31 2026	2025
	Directors and its subsidiaries	$ 41,152	$ 42,233
	Other related parties	42,487	61,732
		$ 1,283,930	$ 1,399,890
Construction revenue	Fellow subsidiaries - CSRC	$ 1,313	$ 3,164

(Concluded)

The prices at which the Corporation and its subsidiaries sell goods, provide services, and perform 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 with related and non-related parties were determined by mutual agreement.

c. Purchase of goods

Related Party Category/Name	For the Three Months Ended March 31 2026	2025
Parent entity - CSC	$ 202,958	$ 199,531
Fellow subsidiaries		
DSC	115,358	89,015
Others	124,140	102,680
Directors and its subsidiaries	119,510	147,367
Others - FHSC	89,412	121,128
	$ 651,378	$ 659,721

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 with related and non-related parties were determined by mutual agreement.

d. Contract liabilities - current

Related Party Category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Parent entity - CSC	$ 42,072	$ -	$ -
Directors and its subsidiaries	153	797	569
	$ 42,225	$ 797	$ 569

e. Other material transactions with related parties

	For the Three Months Ended March 31	
	2026	2025
1) Security expense		
Fellow subsidiary - CSSC	$ 13,350	$ 12,388
2) Outsourced manufacturing expense		
Subsidiary of director - NHCC	33,673	38,660
3) Charges for handling service and freight		
Fellow subsidiary		
CSEC	157,189	201,166
USECC	22,883	12,671
Subsidiary of director - YL	46,918	60,288
4) Other professional service expense		
Director - ACC	18,660	21,930

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

f. Accounts receivable - related parties

Related Party Category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Parent entity - CSC	$ 452,016	$ 504,164	$ 365,356
Fellow subsidiaries			
DSC	147,788	120,610	191,284
Others	73,243	79,287	73,114
Directors and its subsidiaries			
TCC	146,059	187,707	165,444
Others	88,572	106,308	95,466
Others related parties	25,578	22,052	23,752
	$ 933,256	$ 1,020,128	$ 914,416

The outstanding receivables from related parties are unsecured. For the three months ended March 31, 2026 and 2025, no impairment losses were recognized for trade receivables from related parties.

g. Other receivables - related parties

Related Party Category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Parent entity - CSC	$ 33,482	$ 34,086	$ 32,863
Directors and its subsidiaries	-	-	171
	$ 33,482	$ 34,086	$ 33,034

h. Accounts payable - related parties

Related Party Category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Parent entity - CSC	$ 18,068	$ 23,301	$ 14,375
Fellow subsidiaries	38,041	33,436	32,783
Directors and its subsidiaries			
ACC	15,664	14,060	38,203
Others	31,091	30,083	25,851
	$ 102,864	$ 100,880	$ 111,212

The outstanding accounts payable to related parties are unsecured.

i. Other payables - related parties

Related Party Category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Parent entity - CSC	$ 5,484	$ 5,515	$ 4,317
Fellow subsidiaries	90,564	119,638	100,395
Directors and its subsidiaries	55,109	65,167	73,936
Other related parties	1,103	851	263
	$ 152,260	$ 191,171	$ 178,911

j. Prepayments

Related Party Category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Parent entity - CSC	$ 1,971	$ 1,971	$ 1,328
Fellow subsidiaries			
CSEC	-	-	10,916
Others	1,229	10,854	352
Other related parties - FHSC	15,070	20,982	19,823
	$ 18,270	$ 33,807	$ 32,419

k. Unearned revenue (recognized in other current liabilities)

Related Party Category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Parent entity - CSC	$ 9,979	$ 2,495	$ 9,745
Fellow subsidiaries	151	248	151
	$ 10,130	$ 2,743	$ 9,896

l. Lease arrangements

Related Party Category/Name	For the Three Months Ended March 31 2026	2025
Additions to right-of-use assets		
Parent entity - CSC	$ 23,079	$ -

Account Item	Related Party Category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Lease liabilities	Parent entity - CSC	$ 30,866	$ 33,971	$ 26,209

Related Party Category/Name	For the Three Months Ended March 31 2026	2025
Interest expense		
Parent entity - CSC	$ 135	$ 137
Lease expense		
Parent entity - CSC	$ 446	$ 422
Other related parties	137	146
	$ 583	$ 568

m. Remuneration of key management personnel

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

	For the Three Months Ended March 31 2026	2025
Short-term employee benefits (including salaries, remuneration and bonus)	$ 9,450	$ 10,260
Post-employment benefits	181	67
	$ 9,631	$ 10,327

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	March 31, 2026	December 31, 2025	March 31, 2025
Pledged time deposits (under other financial assets)	$ 33,355	$ 36,958	$ 19,062
Property, plant and equipment			
Land	40,172	40,172	40,172
Buildings	200,234	199,317	223,949

(Continued)

	March 31, 2026	December 31, 2025	March 31, 2025
Machinery and equipment	$ 381,845	$ 381,414	$ 433,275
Right-of-use assets			
Land	120,101	119,264	133,233
	$ 775,707	$ 777,125	$ 849,691

(Concluded)

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant contingencies of the Corporation and its subsidiaries as of March 31, 2026 were as follows:

a. Unused letters of credit for importation of materials amounted to NT$434,291 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$2,012,476 thousand, which have not been recorded yet.

32. 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.

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands of New Taiwan Dollars)
March 31, 2026			
Monetary financial assets			
USD	$ 2,179	31.995	$ 69,727
Non-monetary financial assets			
Financial assets at fair value through other comprehensive income			
CNY	8,408	4.629	38,923
Investments accounted for using the equity method			
VND	633,082,845	0.001195	756,534
Monetary financial liabilities			
USD	563	31.995	18,025
December 31, 2025			
Monetary financial assets			
USD	1,574	31.43	49,460
Non-monetary financial assets			
Financial assets at fair value through other comprehensive income			
CNY	4,141	4.496	18,619
Investments accounted for using the equity method			
VND	615,982,128	0.001175	723,779
Monetary financial liabilities			
USD	230	31.43	7,231
March 31, 2025			
Monetary financial assets			
USD	2,529	33.205	83,978
Non-monetary financial assets			
Financial assets at fair value through other comprehensive income			
CNY	4,100	4.573	18,749
Investments accounted for using the equity method			
VND	600,007,059	0.001275	765,009
Monetary financial liabilities			
USD	327	33.205	10,867

34. 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

6) Intercompany relationships and significant intercompany transactions: Not material

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

35. SEGMENT INFORMATION

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

- Blast-Furnace Slag Cement Division - production and marketing of Blast-Furnace Slag Cement products from the Corporation and CHC Resources Vietnam Co., Ltd.

- Resource Reutilization Division - disposal of waste, reutilization of resources and remediation, etc.

- Others - Union Steel Development Corporation (manufacture and sales of iron powder, OEM and sales of refractory, trading, labor dispatch), Pao Good Industrial Co., Ltd. (sales of fly ash, manufacture and sales of dry-mix mortar, trading) and Yu Cheng Lime Corporation (real estate leasing and management of raw materials).

Segment revenue and results

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

	Blast-Furnace Slag Cement Division	Resource Reutilization Division	Others	Total
For the Three Months Ended March 31, 2026				
Revenue from external customers	$ 1,841,631	$ 1,326,453	$ 118,526	$ 3,286,610
Inter segment revenue	16,314	5,881	72,322	94,517
Segment revenue	$ 1,857,945	$ 1,332,334	$ 190,848	3,381,127
Eliminations				(94,517)
Consolidated revenue				$ 3,286,610
Segment income	$ 395,033	$ 129,226	$ (30,812)	$ 493,447
Operating expense				(145,201)
Share of profit of associates accounted for using the equity method				2,532
Other non-operating gains and losses				(1,949)
Profit before income tax				$ 348,829
For the Three Months Ended March 31, 2025				
Revenue from external customers	$ 1,948,167	$ 1,437,657	$ 75,827	$ 3,461,651
Inter segment revenue	25,429	5,694	76,849	107,972
Segment revenue	$ 1,973,596	$ 1,443,351	$ 152,676	3,569,623
Eliminations				(107,972)
Consolidated revenue				$ 3,461,651
Segment income	$ 440,599	$ 93,725	$ 17,545	$ 551,869
Operating expense				(125,439)
Share of profit of associates accounted for using the equity method				1,395
Other non-operating gains and losses				(8,093)
Profit before income tax				$ 419,732

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

TABLE 1

CHC RESOURCES CORPORATION AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD
MARCH 31, 2026
(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	MARCH 31, 2026				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	$ 196,594	-	$ 196,594	
CHC Resources Corporation	Ordinary shares	Feng Sheng Enterprise Corporation	No relationship	Financial assets at fair value through other comprehensive income - noncurrent	932,053	$ 19,114	2	$ 19,114	
Union Steel Development Corporation	Ordinary shares	China Steel Corporation	Ultimate parent company	Financial assets at fair value through other comprehensive income - current	423,849	$ 8,011	-	$ 8,011	
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	$ 38,923	19	$ 38,923	

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 THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
CHC Resources Corporation	TCC Group Holdings CO., LTD.	Director of the Corporation	Sales	$ (204,156)	(7)	Open account 60 days	Note	Note	$ 146,059	12	
CHC Resources Corporation	Ya Tung Ready Mixed Concrete Corporation	Subsidiary of director of the Corporation	Sales	(131,640)	(4)	Open account 60 days	Note	Note	62,931	5	
CHC Resources Corporation	China Steel Corporation	Parent company	Service revenue	(683,631)	(23)	Payment after final acceptance	Note	Note	432,798	35	
CHC Resources Corporation	Dragon Steel Corporation	Fellow subsidiary	Service revenue	(352,330)	(12)	Payment after final acceptance	Note	Note	143,365	12	
CHC Resources Corporation	China Steel Resources Corporation	Fellow subsidiary	Service revenue	(164,047)	(6)	Payment after final acceptance	Note	Note	57,468	5	
CHC Resources Corporation	China Steel Corporation	Parent company	Purchases	202,958	21	Letter of credit	Note	Note	(18,068)	(7)	
CHC Resources Corporation	Dragon Steel Corporation	Fellow subsidiary	Purchases	115,358	12	Letter of credit	Note	Note	(8,725)	(3)	

Note: Refer to Note 29.

TABLE 3

CHC RESOURCES CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2026
(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	$ 432,798	6	$ 19,385	Expected to be received before the end of May	$ 14,441	$ -
CHC Resources Corporation	Dragon Steel Corporation	Fellow subsidiary	143,365	11	-	-	16,991	-
CHC Resources Corporation	TCC Group Holdings CO., LTD.	Director of the Corporation	146,059	6	-	-	-	-

TABLE 4

CHC RESOURCES CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2026			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2026	December 31, 2025	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	$ 756,534	$ 23,920	$ 20,332	Subsidiary (Note 1)
CHC Resources Corporation	Yu Cheng Lime Corporation	Republic of China	Real estate leasing, management of raw materials	126,010	126,010	108,000	90	142,853	759	659	Subsidiary (Note 1)
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	120,007	4,473	4,177	Subsidiary (Note 1)
CHC Resources Corporation	Pao Good Industrial Co., Ltd.	Republic of China	Sales of fly ash, manufacture and sales of dry-mix mortar, trading	50,937	50,937	5,408,550	51	89,848	4,168	2,126	Subsidiary (Note 1)
CHC Resources Corporation	Hsin Hsin Cement Enterprise Corporation	Republic of China	Cement manufacturing, nonmetallic mining, cement and concrete mixing manufacturing	73,269	73,269	9,298,583	10	134,539	9,884	1,347	Note 2
CHC Resources Corporation	Pro-Ascentek Investment Corporation	Republic of China	General investment	30,000	30,000	3,000,000	3	36,577	(3,066)	(77)	
CHC Resources Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	30,000	30,000	3,000,000	2	27,694	(18,513)	(307)	
CHC Resources Corporation	Gau Ruei Investment Corporation	Republic of China	General investment	12,306	12,306	1,046,500	35	21,236	(99)	(35)	
CHC Resources Corporation	Ding Da Investment Corporation	Republic of China	General investment	12,516	12,516	1,196,000	40	18,932	356	142	
CHC Resources Corporation	Sheng Lih Dar Investment Corporation	Republic of China	General investment	9,600	9,600	960,000	40	17,653	600	240	
CHC Resources Corporation	Shin Mau Investment Corporation	Republic of China	General investment	10,316	10,316	897,000	30	16,512	900	270	
CHC Resources Corporation	Jiing-Cherng-Fa Investment Corporation	Republic of China	General investment	9,200	9,200	920,000	40	14,941	232	93	
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	10,336	47,999	859	

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

Note 2: The share of profit included amortization of the difference between equity and carrying amounts of the investment.

TABLE 5

CHC RESOURCES CORPORATION AND SUBSIDIARIES

STATEMENT OF PROPERTY, PLANT AND EQUIPMENT
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(In Thousands of New Taiwan Dollars)

For the three months ended March 31, 2026

	Land	Land Improvements	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Leasehold Improvements	Other Equipment	Property under Construction and Equipment under Acceptance	Total
Cost										
Balance at January 1, 2026	$ 1,136,268	$ 220,887	$ 2,837,994	$ 6,554,744	$ 18,944	$ 74,086	$ 1,175,555	$ 360	$ 264,072	$ 12,282,910
Additions	-	-	27,988	41,098	-	1,348	9,201	-	33,343	112,978
Disposals	-	-	(2,385)	(1,112)	(475)	(464)	-	-	-	(4,436)
Effects of foreign currency exchange differences	-	1,166	4,038	9,233	29	113	-	-	-	14,579
Balance at March 31, 2026	$ 1,136,268	$ 222,053	$ 2,867,635	$ 6,603,963	$ 18,498	$ 75,083	$ 1,184,756	$ 360	$ 297,415	$ 12,406,031
Accumulated depreciation and impairment										
Balance at January 1, 2026	$ 6,370	$ 174,425	$ 1,382,668	$ 5,301,944	$ 17,462	$ 56,993	$ 914,130	$ 360	$ -	$ 7,854,352
Depreciation expense	-	4,290	24,612	58,793	116	1,595	34,860	-	-	124,266
Disposals	-	-	(2,385)	(1,112)	(475)	(464)	-	-	-	(4,436)
Effects of foreign currency exchange differences	-	962	687	1,949	16	79	-	-	-	3,693
Balance at March 31, 2026	$ 6,370	$ 179,677	$ 1,405,582	$ 5,361,574	$ 17,119	$ 58,203	$ 948,990	$ 360	$ -	$ 7,977,875
Carrying amount at December 31, 2025	$ 1,129,898	$ 46,462	$ 1,455,326	$ 1,252,800	$ 1,482	$ 17,093	$ 261,425	$ -	$ 264,072	$ 4,428,558
Carrying amount at March 31, 2026	$ 1,129,898	$ 42,376	$ 1,462,053	$ 1,242,389	$ 1,379	$ 16,880	$ 235,766	$ -	$ 297,415	$ 4,428,156

For the three months ended March 31, 2025

	Land	Land Improvements	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Leasehold Improvements	Other Equipment	Property under Construction and Equipment under Acceptance	Total
Cost										
Balance at January 1, 2025	$ 1,136,268	$ 224,453	$ 2,850,572	$ 6,445,801	$ 18,645	$ 71,043	$ 1,163,839	$ 360	$ 113,340	$ 12,024,321
Additions	-	-	7,168	61,729	1,701	300	4,504	-	(17,912)	57,490
Disposals	-	-	-	(9,896)	(768)	(200)	-	-	-	(10,864)
Effects of foreign currency exchange differences	-	583	2,019	4,610	14	47	-	-	-	7,273
Balance at March 31, 2025	$ 1,136,268	$ 225,036	$ 2,859,759	$ 6,502,244	$ 19,592	$ 71,190	$ 1,168,343	$ 360	$ 95,428	$ 12,078,220
Accumulated depreciation and impairment										
Balance at January 1, 2025	$ 6,370	$ 160,198	$ 1,299,903	$ 5,149,443	$ 18,146	$ 50,189	$ 777,461	$ 360	$ -	$ 7,462,070
Depreciation expense	-	4,729	25,009	65,759	176	2,042	33,811	-	-	131,526
Disposals	-	-	-	(9,896)	(768)	(200)	-	-	-	(10,864)
Effects of foreign currency exchange differences	-	408	261	742	11	33	-	-	-	1,455
Balance at March 31, 2025	$ 6,370	$ 165,335	$ 1,325,173	$ 5,206,048	$ 17,565	$ 52,064	$ 811,272	$ 360	$ -	$ 7,584,187
Carrying amount at March 31, 2025	$ 1,129,898	$ 59,701	$ 1,534,586	$ 1,296,196	$ 2,027	$ 19,126	$ 357,071	$ -	$ 95,428	$ 4,494,033