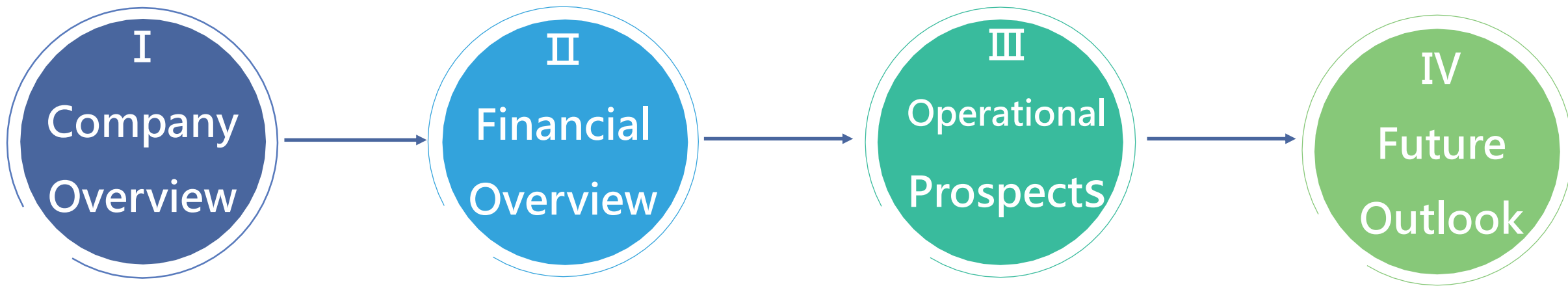




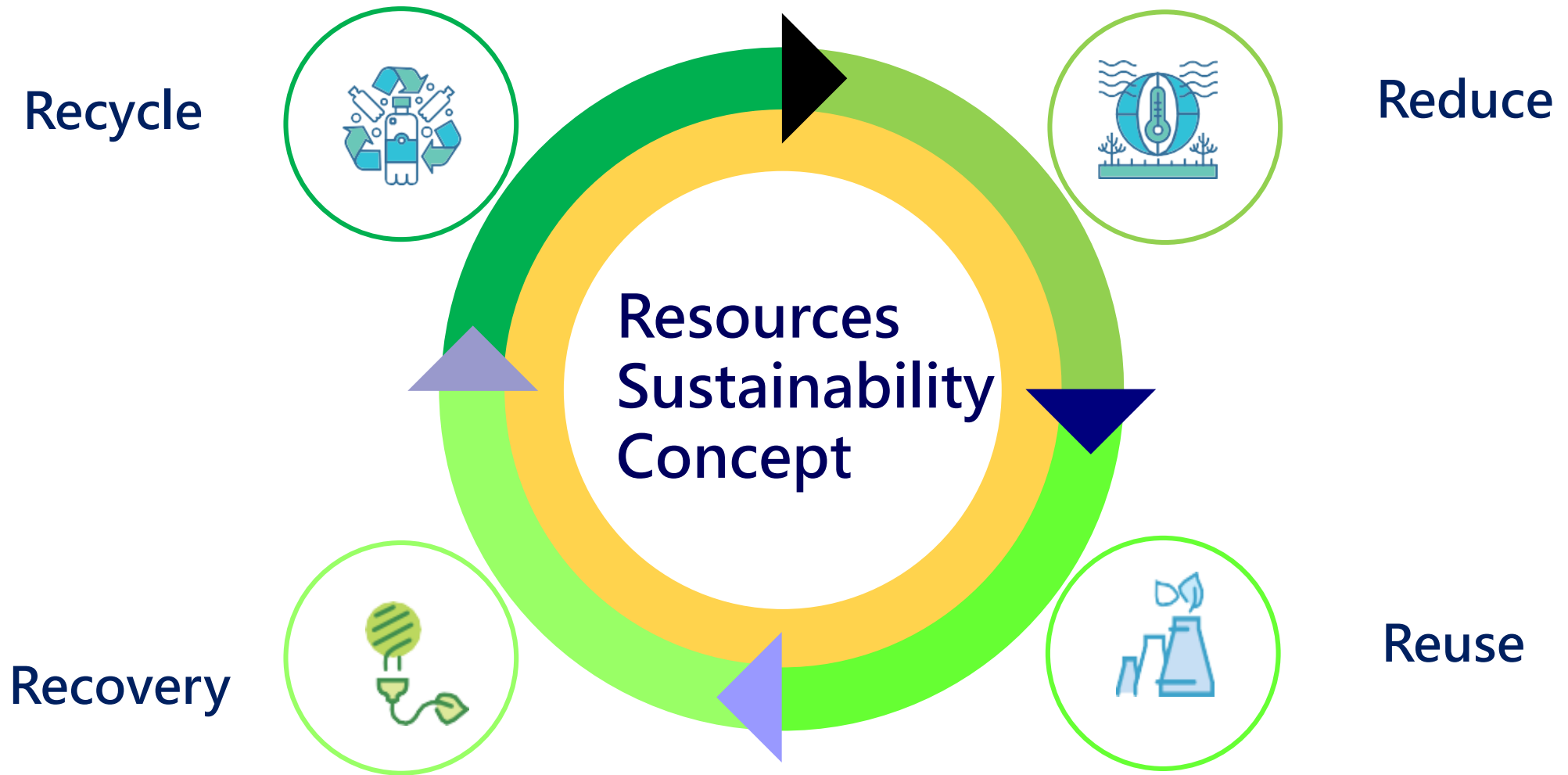
CHC Resources Corporation

Nov 22 2024

Outline



I. Company Overview



Main Business

GBFS Cement Business



Resources Reutilization Business

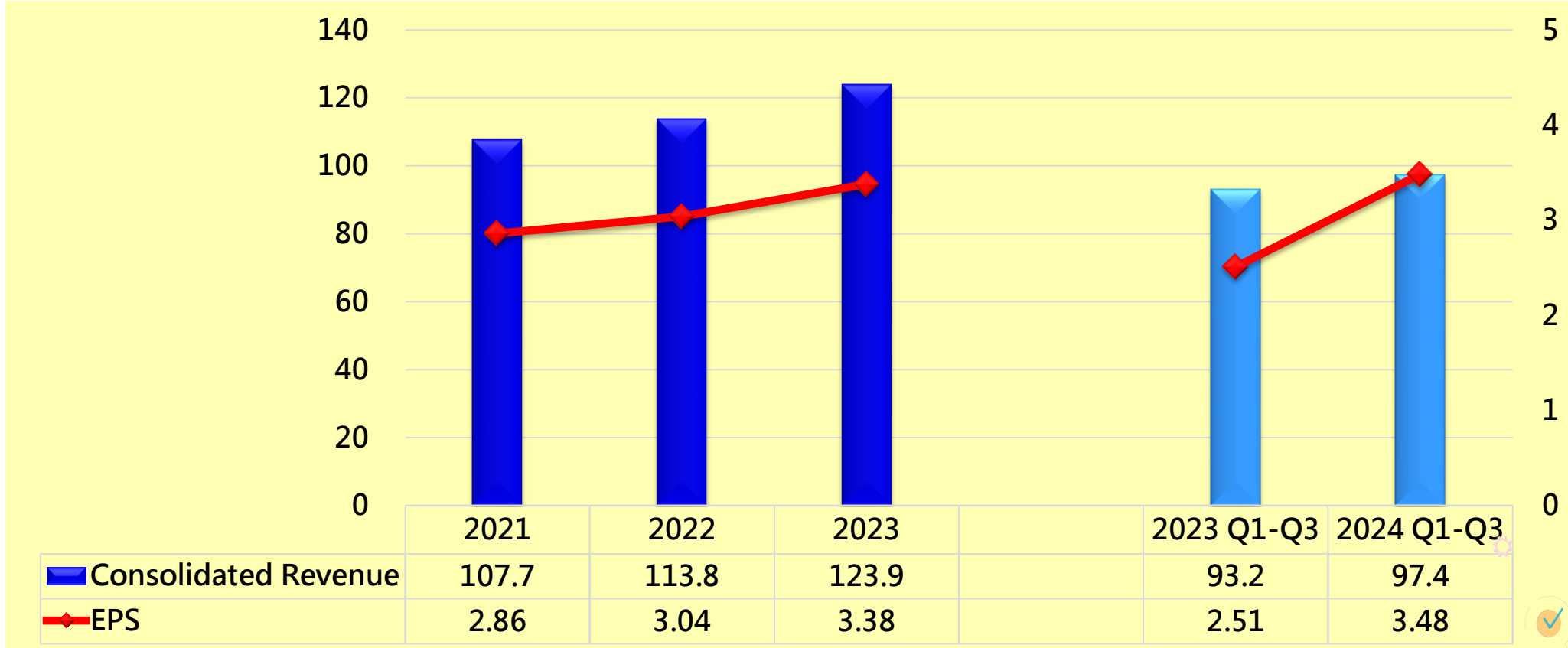


II. Financial Overview

Consolidated Revenue & EPS

NTD 100million

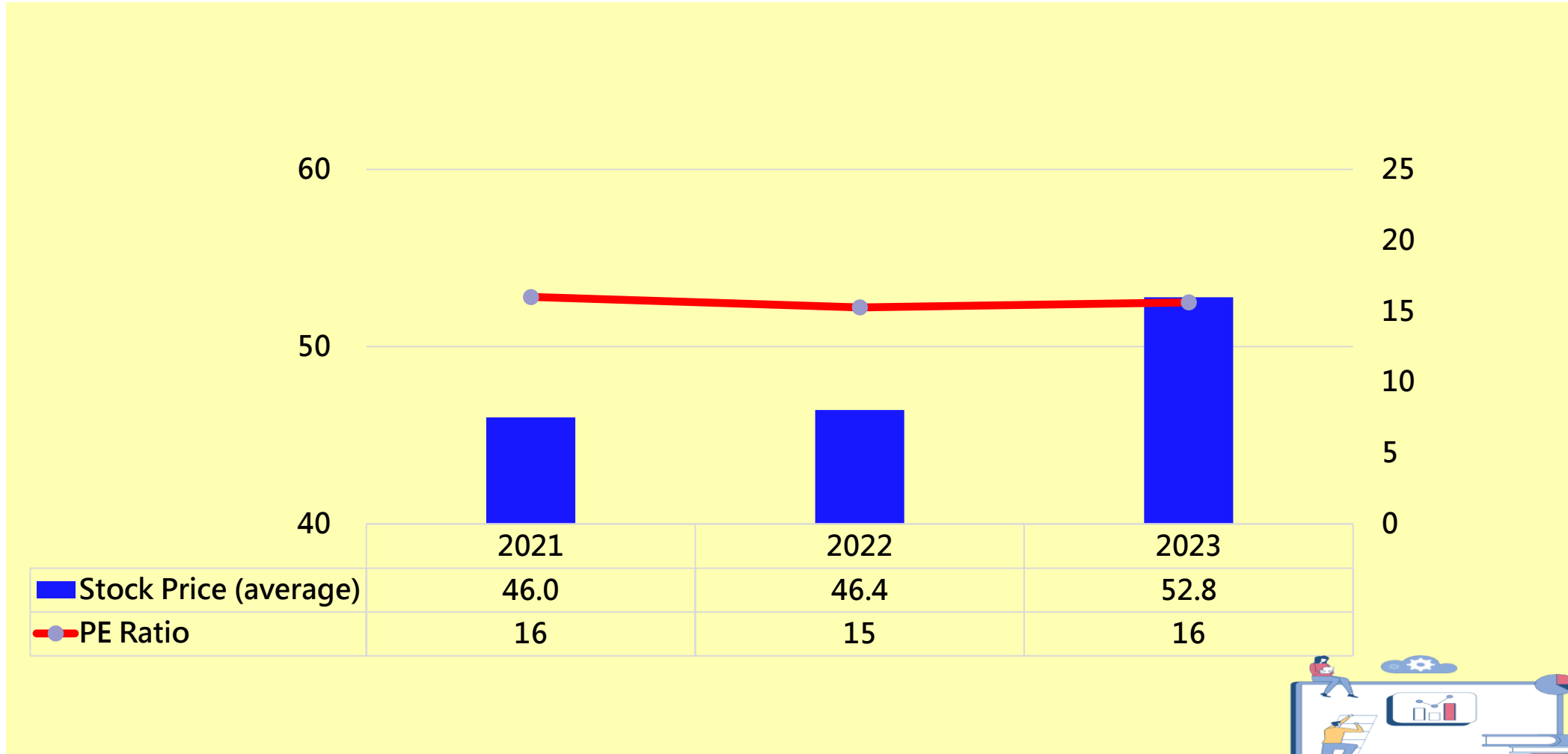
NTD per share



Stock Price & PE Ratio

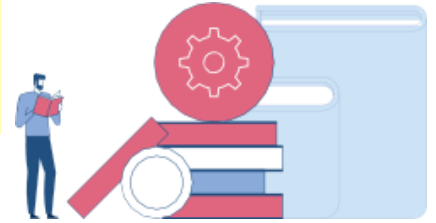
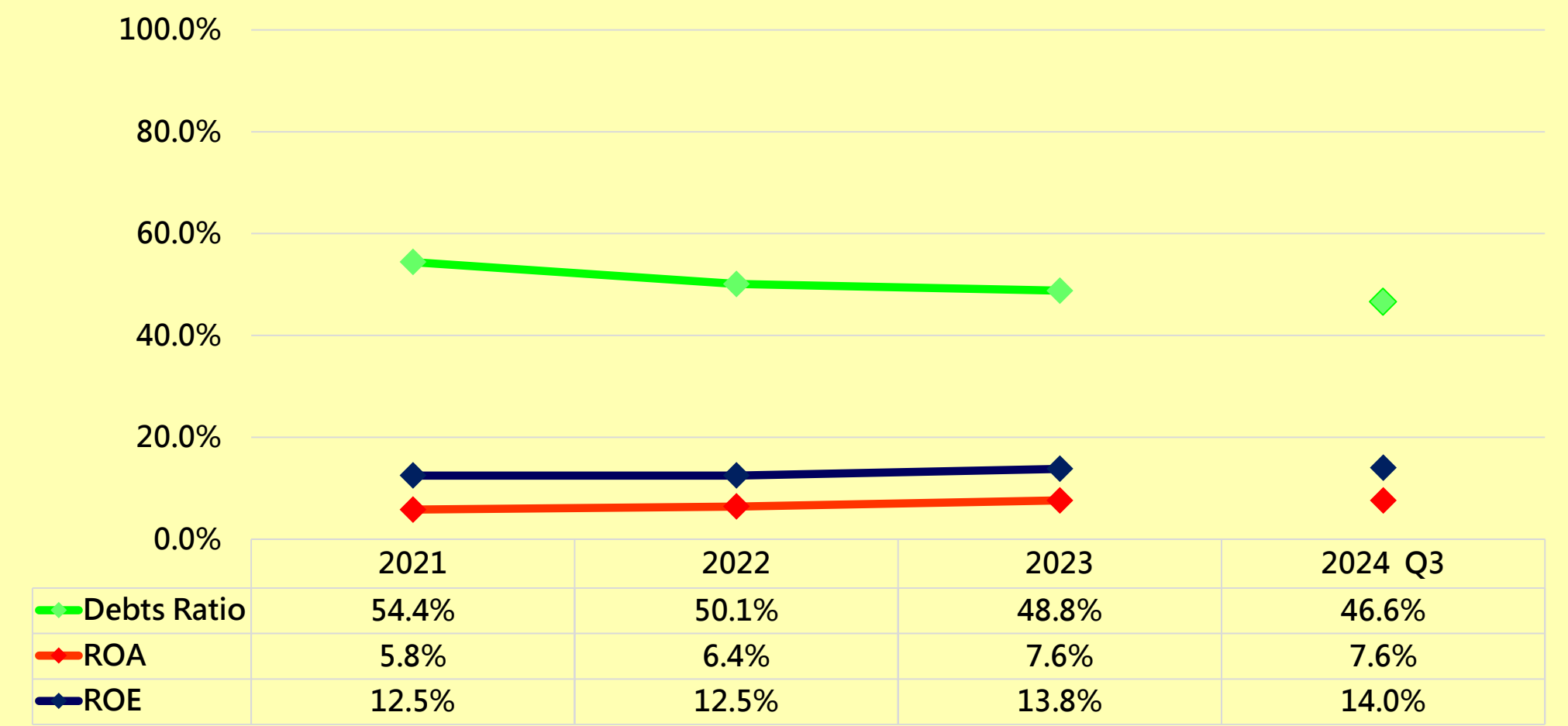
NTD per share

PE Ratio



Main Financial Index

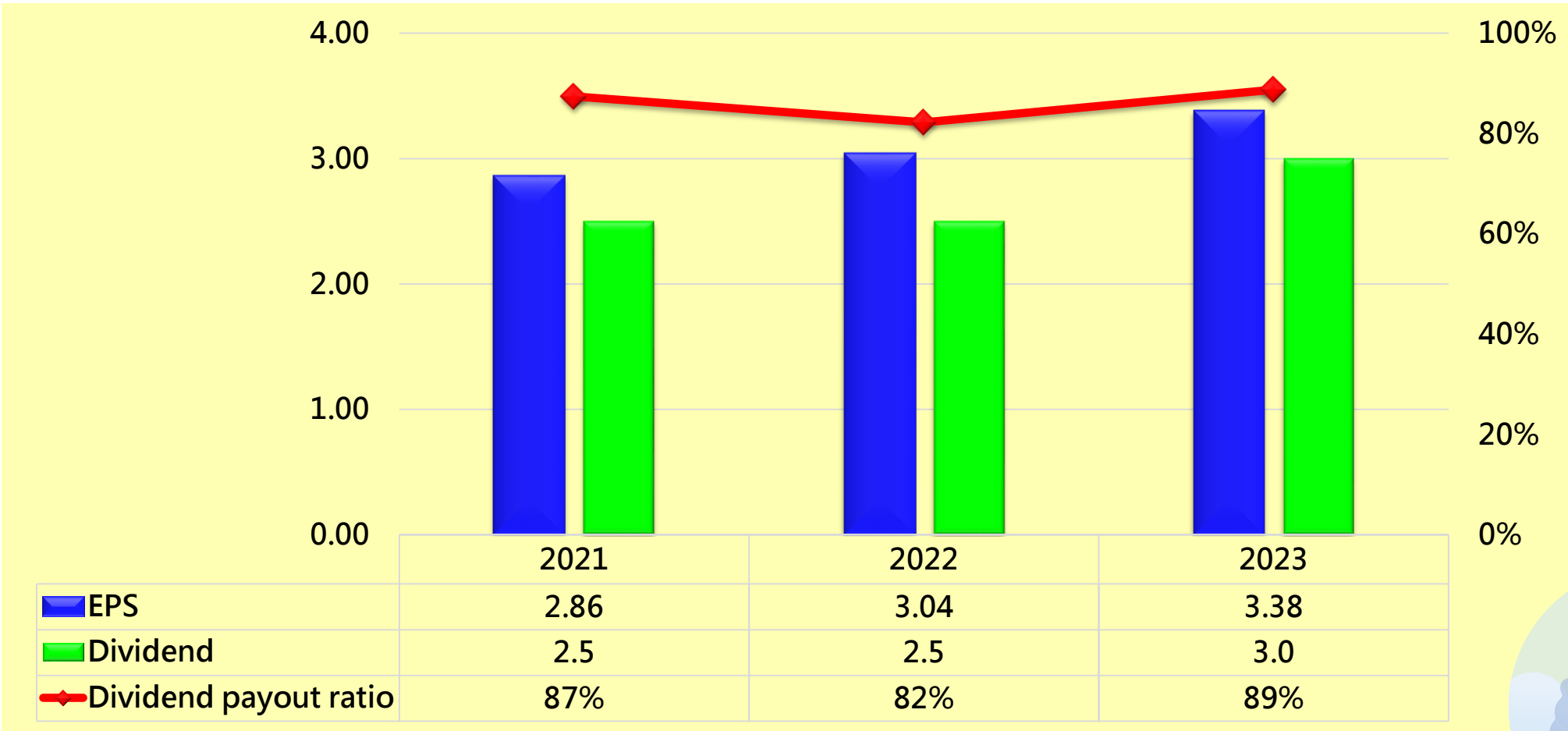
%



EPS & Dividend

NTD per share

Dividend payout ratio



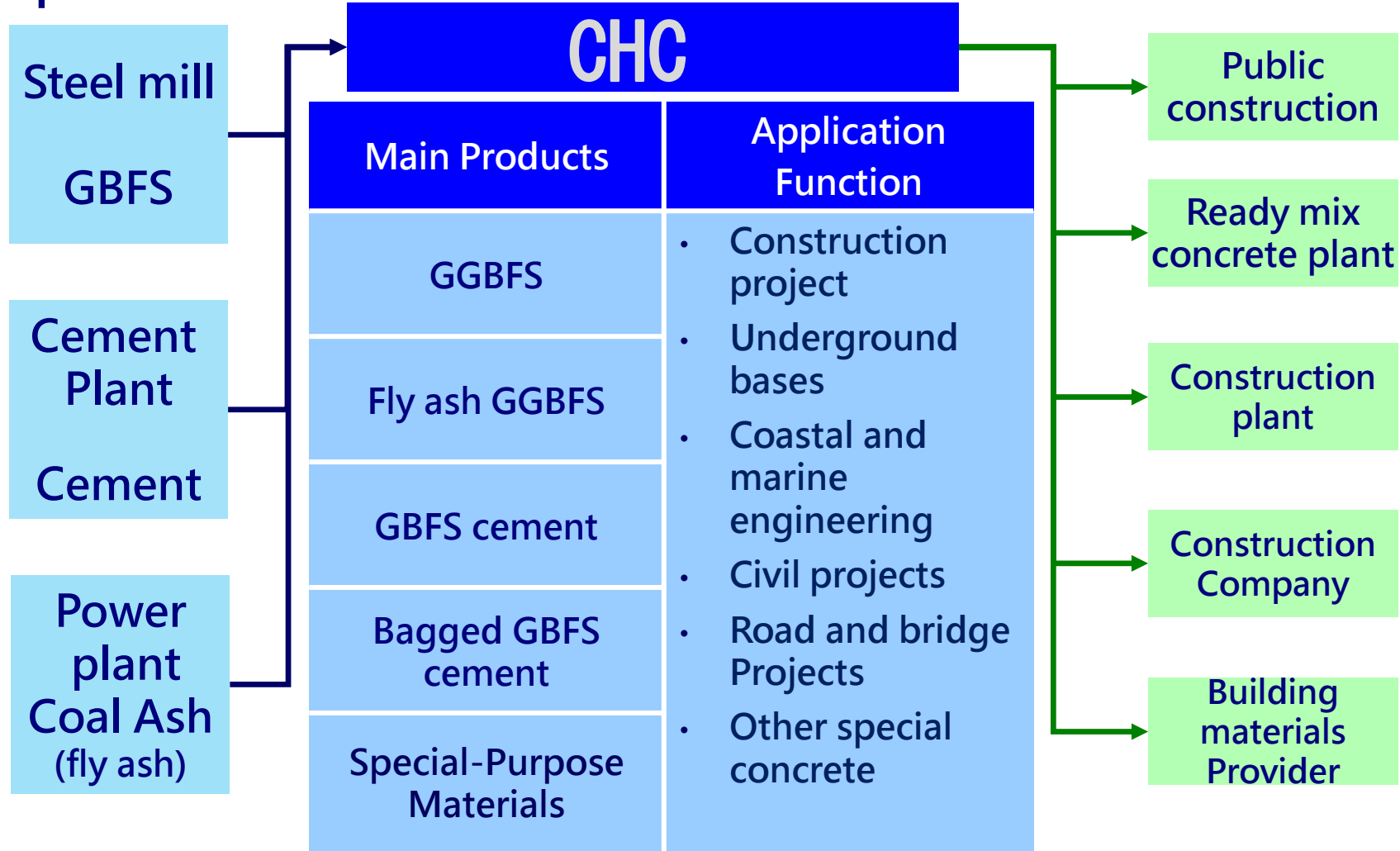
III. Operational Prospects

GBFS Cement Business

Upstream

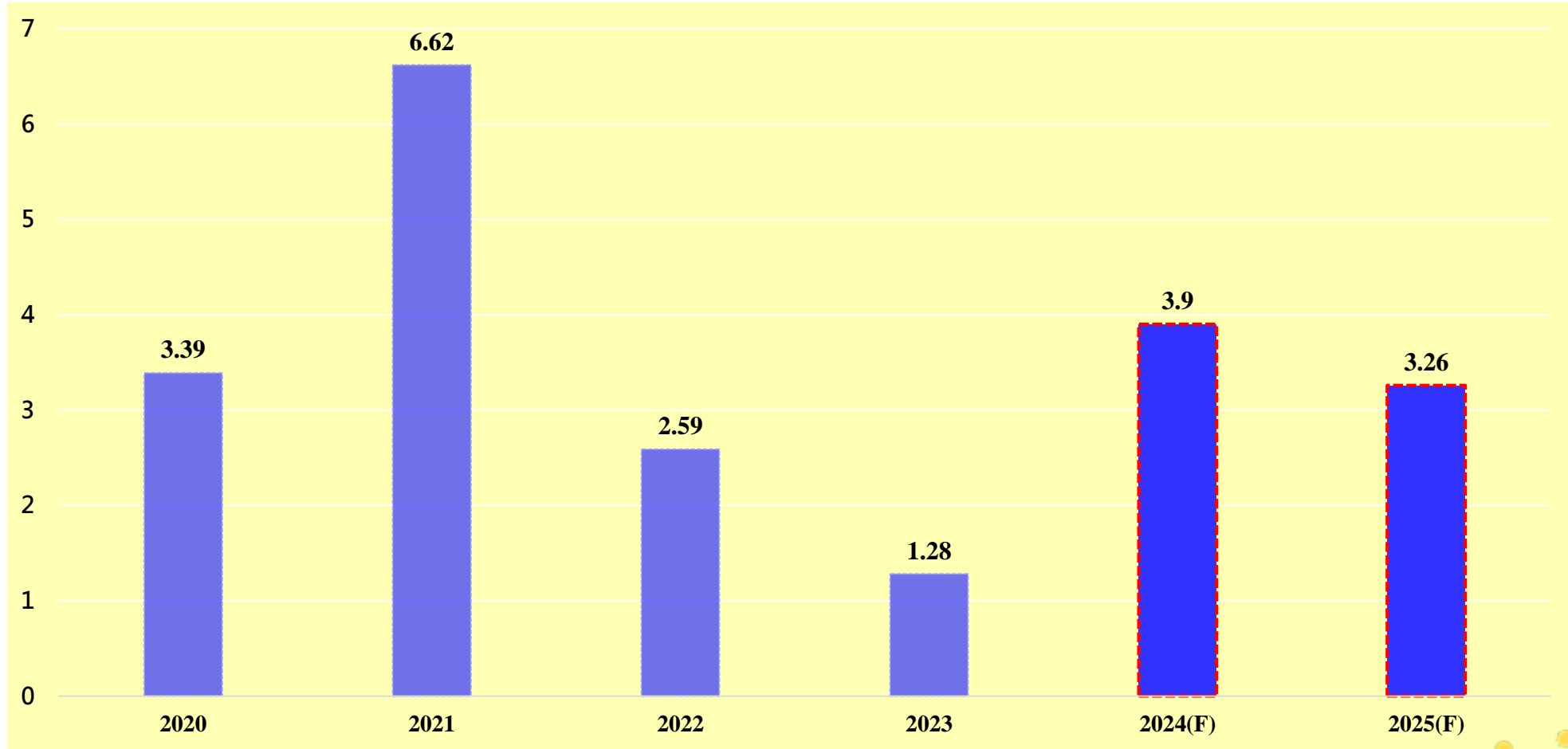
Midstream

Downstream



Domestic Market

2020-2025 Economic growth rate (%)

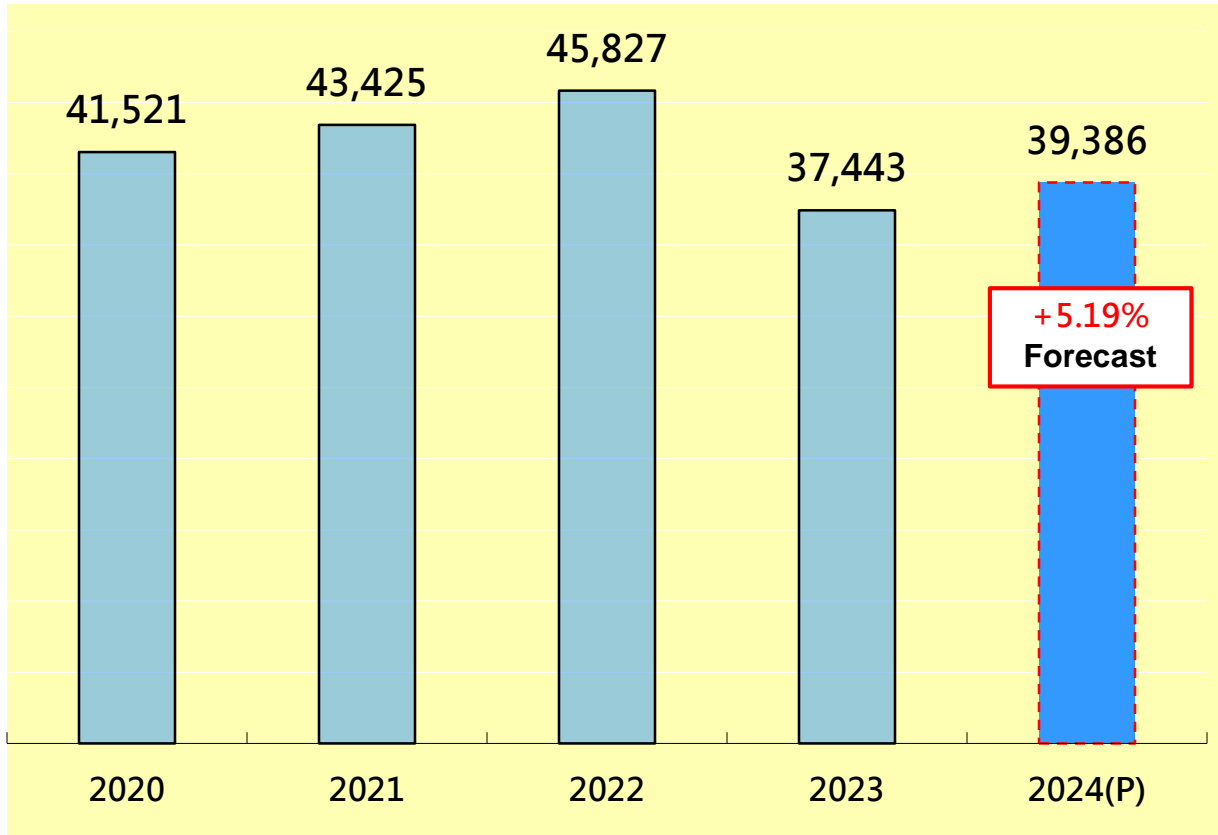


(Source: 2024.08.16 Directorate General of Budget, Accounting and Statistics)



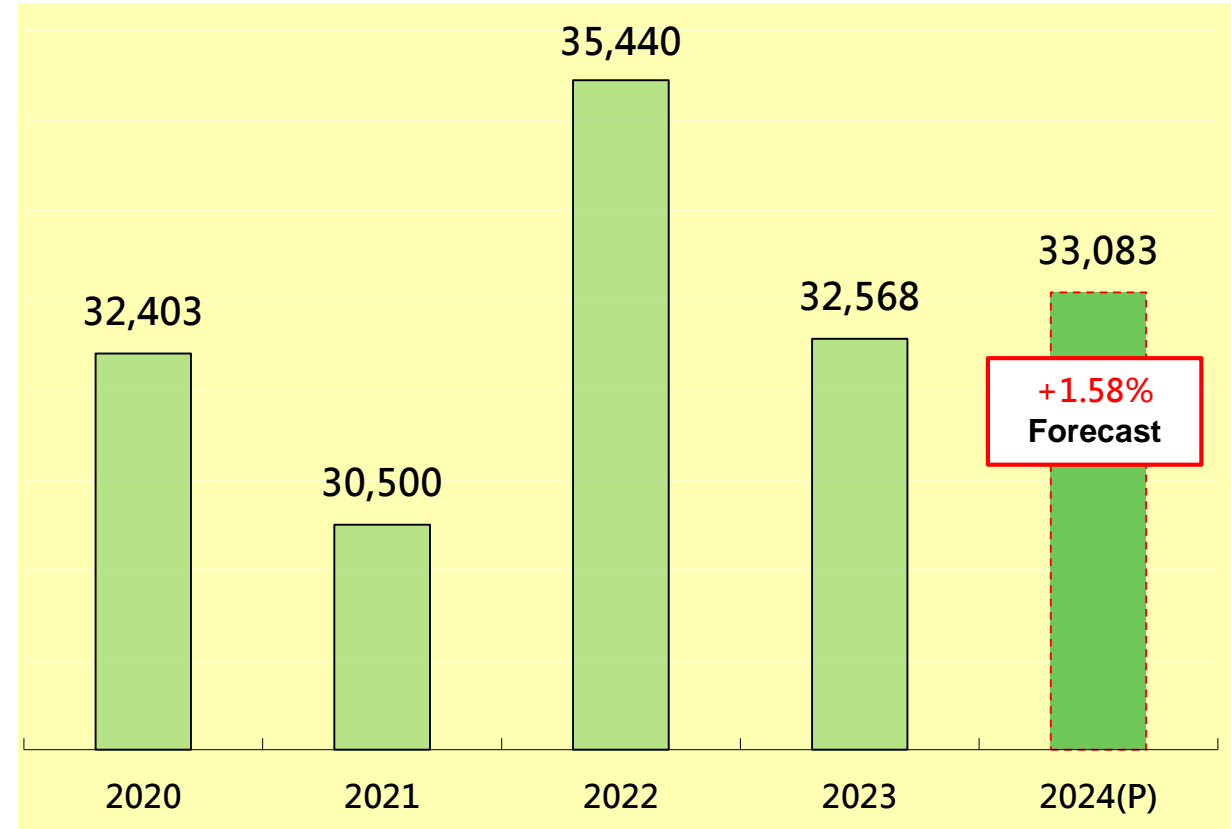
Domestic Market

Construction License Issued



Total floor area - thousand M²

Commencement of Construction



Total floor area - thousand M²

(2020-2024 source : National Land Management Agency, MOI)



Domestic Market Infrastructures Budget

NTD 100million

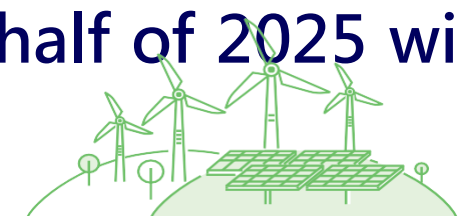
(Source: Directorate General of Budget, Accounting and Statistics)

| Item | 2024 | 2025 | Difference |
|--|--------------|--------------|---------------------|
| Public construction plan | 1,846 | 2,644 | +798(+43.2%) |
| The special budget for the Forward-Looking Infrastructure Project | 844 | 574 | -270(-32.0%) |
| Planned public construction by the budget of subsidiary units of operation and non-operation special funding | 3,114 | 3,265 | +151(+ 4.8%) |
| Total | 5,804 | 6,483 | +679(+11.7%) |

Domestic Market Prospects

■ Demand :

- According to the **aforementioned indicators**, it is estimated that the economy **will maintain growth** in 2025, and the public construction budget will also **grow** compared to 2024, which should help maintain **high demand** for concrete.
- Although the Issuance of Construction License and the Commencement of Construction have **both increased in 2024**, the government's introduction of various housing control, ongoing electricity price hikes, and the imposition of carbon fees have introduced uncertainties into the market. As a result, the construction industry is **adopting a wait-and-see attitude**. The extent to which these factors will impact the construction market in the first half of 2025 will need to be closely monitored.



Domestic Market Prospects

■ Supply

- Power plants are gradually replacing coal-fired generation with natural gas, leading to **a reduction in the supply of fly ash**. The ready-mixed concrete industry has **begun replacing fly ash with GGBFS**, resulting in **increased demand** for GGBFS. The company continues to **expand production capacity to meet customer demand**.
- In the future, steel mills will reduce GBFS to comply with carbon reduction policies. **The gap between supply and demand will need to be eased by imports**. Currently, imports are primarily sourced from Japan. Although the cost is higher, the quality and delivery schedules are stable.



Overseas Market- CHCV Operation

■ Operating Status

- In 2024, Vietnam's construction industry continues to face the problem of market recession. The situation of overcapacity in cement production is getting worse. Cement factories have significantly lowered prices to compete for market share, resulting in a nearly 20% price drop compared to 2023. This has consequently put pressure on both the price and demand for GGBFS. CHCV has successfully increased sales volume and gross profit by implementing strategies, such as **product differentiation, cost reduction in production, expanding into remote areas, and build partnerships with cement plants and batching plants.**
- As a result of improved capacity utilization and reduced unit production costs, the gross profit of GGBFS has gradually increased. This stability has allowed CHCV to achieve steady growth in operations and maintain profitability.



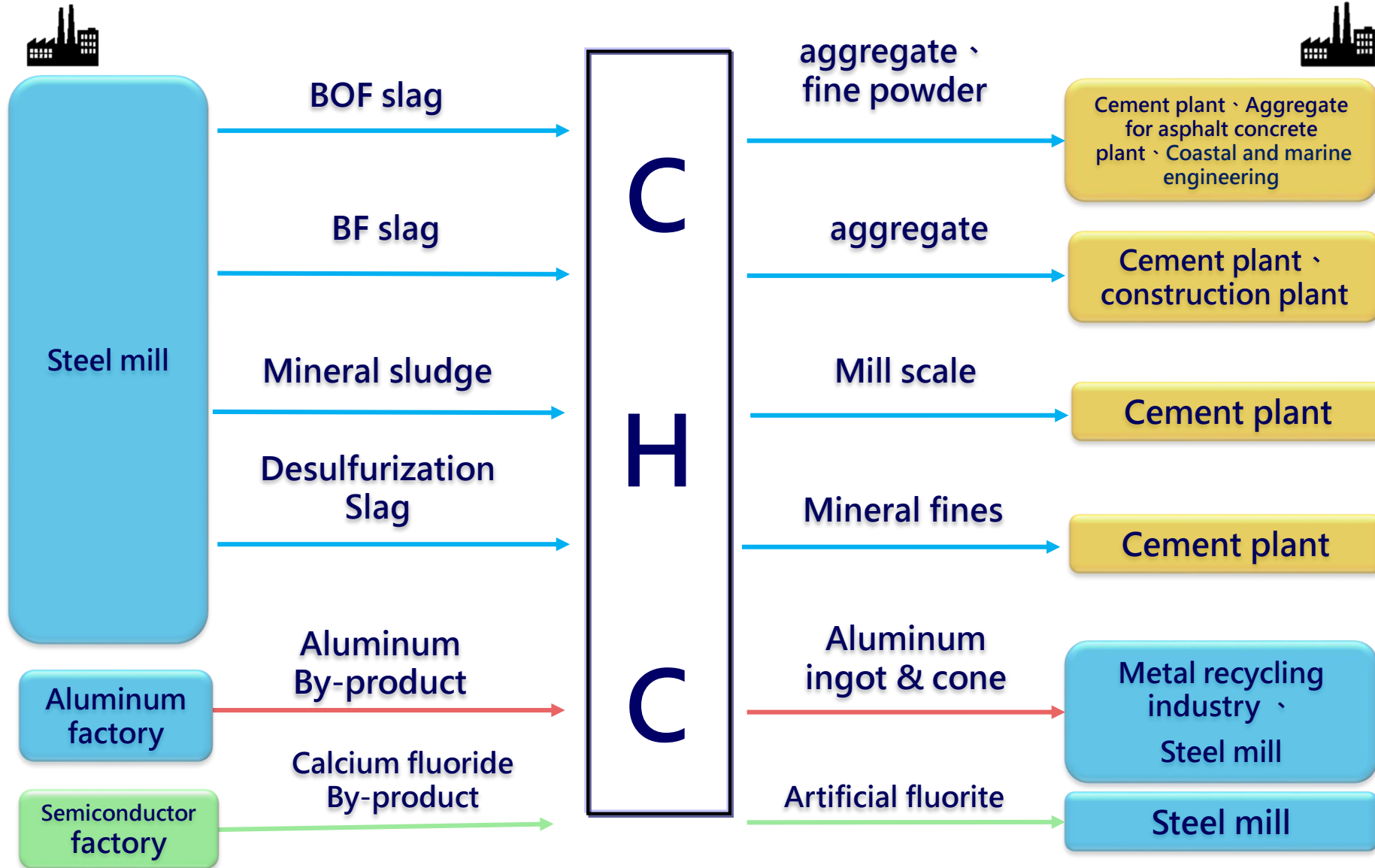
Overseas Market- CHCV Operation

■ Prospect

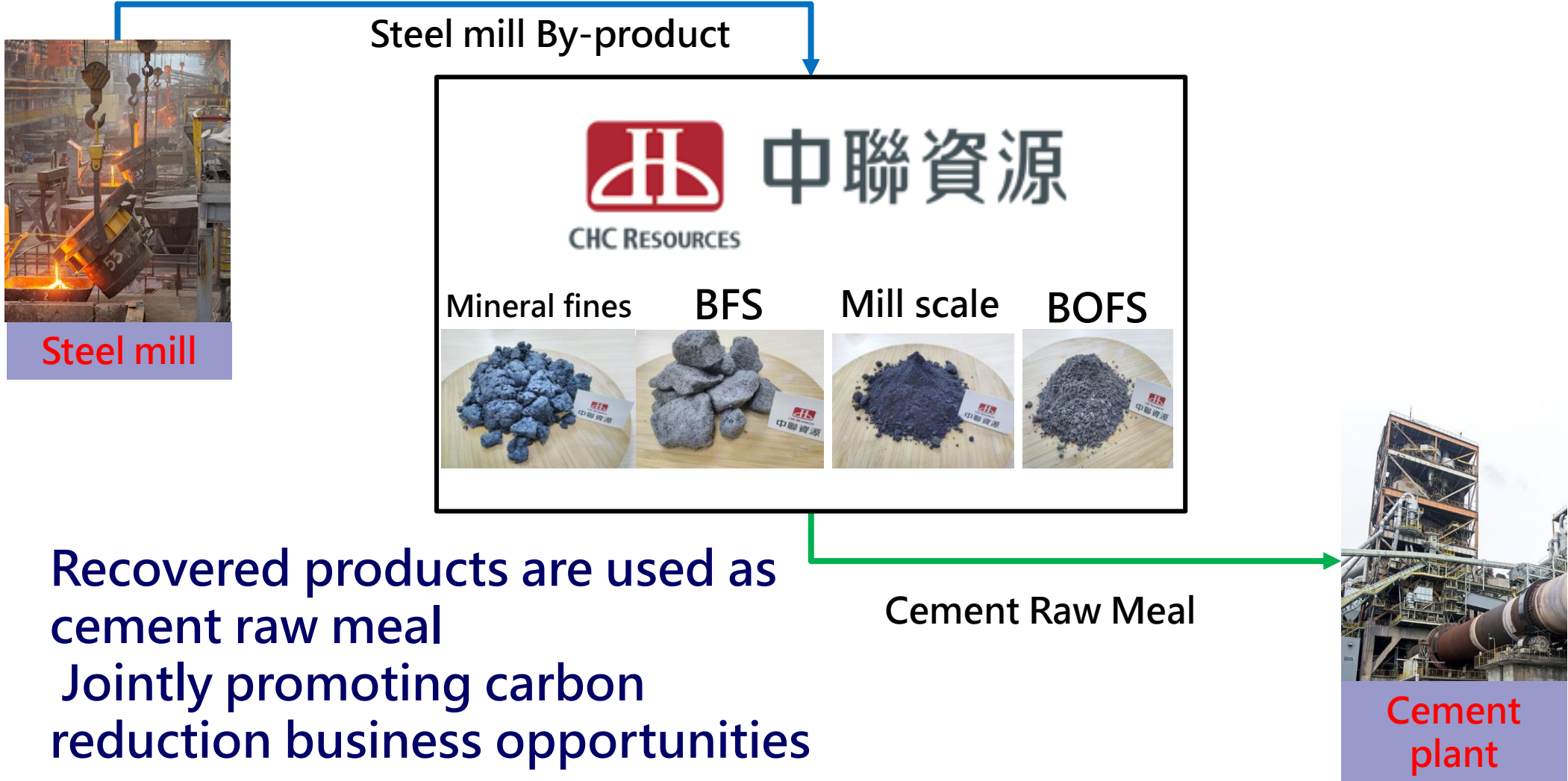
- Vietnam's Economic Outlook for 2025: The construction market in Vietnam remains sluggish, despite Vietnam government stimulate domestic demand through investments in public constructions. However, slow disbursement of government funds and insufficient cash flow in the construction sector have led to less effective stimulus than anticipated.
- CHCV will continue to develop ready-mix concrete plants and cement plants involved in public infrastructure projects. CHCV will implement a diversified sales channel strategy to address challenges from competitors and continuously enhance operational momentum.



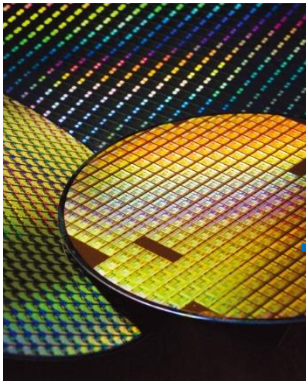
Resources Reutilization Business



Create Circular Economy Value Cross Industries



Create Circular Economy Value Cross Industries



Semiconductor factory

Calcium fluoride By-product

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Artificial fluorite Aluminum cone



Reduce natural raw material mining and promote circular economy



Aluminum factory

Aluminum By-product

Steelmaking raw materials



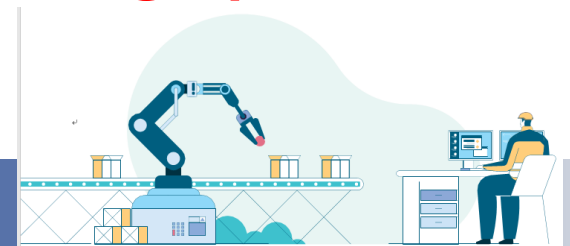
Steel mill

IV. Future Outlook



Future Outlook- expand a production line in Kaohsiung Grinding Plant.

- In response to the expected **rise in energy prices** and the government's **carbon reduction policies**, CHC will expand a production line with an annual capacity of 480,000 tons in Kaohsiung Grinding Plant, with **the expansion project scheduled for completion by the end of 2026**.
- The new production line can **reduce the production load on existing lines, enhance equipment stability**.
- By utilizing the excess capacity, we plan to increase the use of **off-peak electricity** for production, thereby **reducing production costs**.



Future Outlook - Opportunities in Carbon Reduction and Directions for Promotion

The Carbon Footprint Difference Of Products

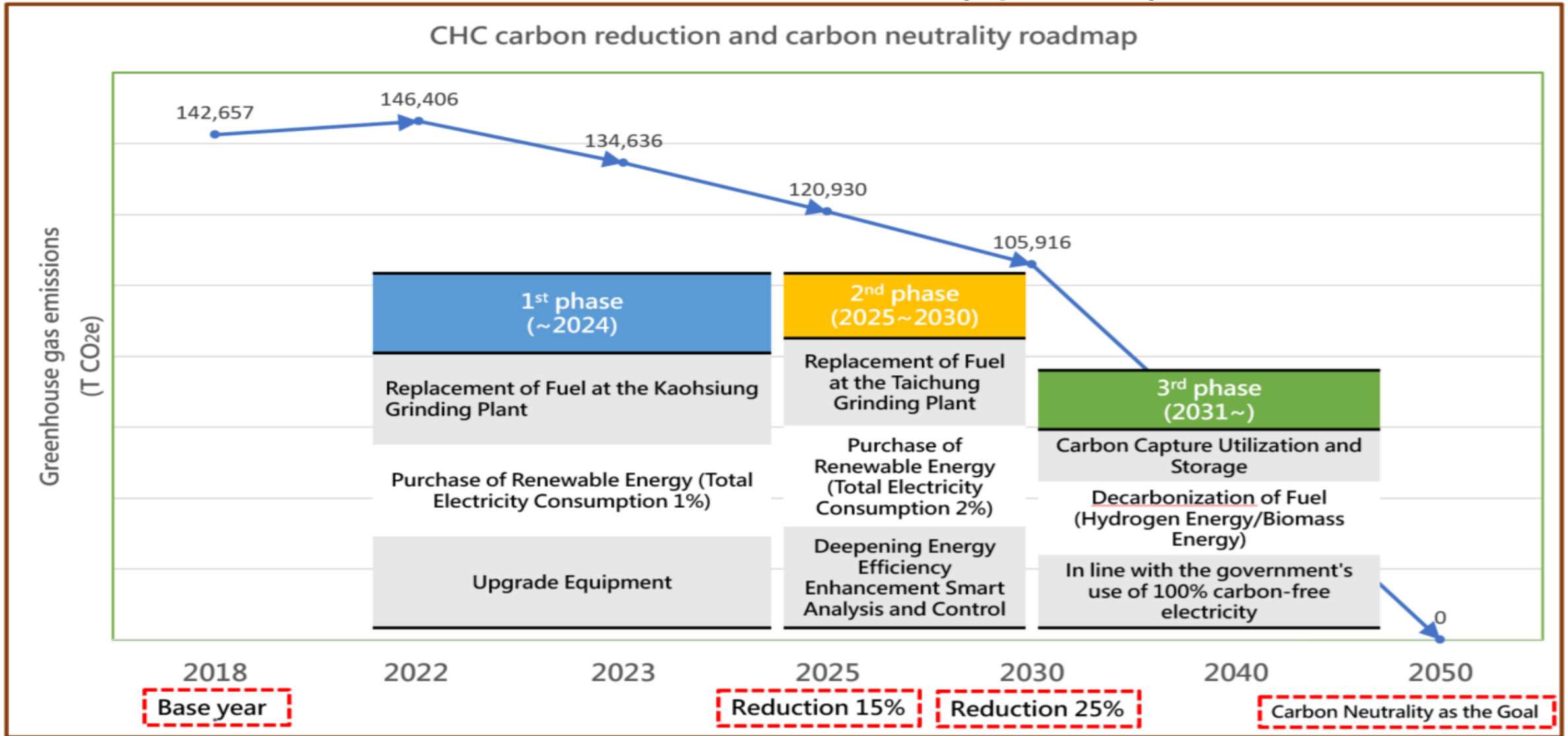
| Products | Emissions kgCO ₂ e/mt | Comparative Emissions and Benefits per Ton Compared to Cement kgCO ₂ e/mt |
|---------------------------------|-------------------------------------|--|
| GGBFS | 61 | -846 |
| Fly Ash GGBFS | 47 | -860 |
| New Type of GBFS Cement(H2F) | 512 | -395 |
| Portland GBFS Cement | 604 | -303 |
| Special-Purpose Materials | 359 | -548 |



Note: Ordinary cement emits approximately 907 kg CO₂e per ton. This information is based on data published by the MOENV's Product Carbon Footprint Information Platform.

GGBFS is a low-carbon product. CHC produces approximately 3 million tons annually, resulting in a carbon reduction of about 2.55 million tons. Using the CO₂ absorption rate of 389 tons per year for Da'an Forest Park, this is equivalent to the CO₂ absorption of approximately 6,500 Da'an Forest Parks in one year.

Future Outlook-2050 carbon neutrality pathway



Vision

Commit to Resources Sustainability and Value Innovation

Become an Excellent Enterprise of Circular Economy



CHC RESOURCES

中聯資源



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Q&A