Stock Code No.: 4739

Coremax Corporation

2023

Annual Report

Prepared by Coremax Corporation
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Annual Report Inquiry Link: http: //mops.twse.com.tw
Website of the Company: http: //www.coremaxcorp.com

I. Names, positions, contact numbers, and e-mail addresses of spokesperson and deputy spokesperson:

Item	Spokesperson	Deputy Spokesperson
Name:	Lu, Poju	Hsu, Weilun
Title:	Director, Finance Division	Director, Business & Marketing Division
Telephone No.:	(03) 598-3101	(03) 598-3101
Email:	lupo.lu@coremaxcorp.com	allen.hsu@coremaxcorp.com

II. Addresses and Telephone Numbers of Headquarters, Subsidiary and Factory Plant:

Unit	Address	Telephone
Headquarters	No. 11, Wenhua Road, Hsinchu Industrial Park, Hsinchu County	(03)598-3101
Plant	No. 11, Wenhua Road, Hsinchu Industrial Park, Hsinchu County	(03)598-3101
Plant	No. 440, Zhonghua Road, Toufen City, Miaoli County	(037)631-018

III. Name, Address, Website and Telephone Number of Stock Transfer Agent & Registrar:

Name: Stock Affair Agency Department, Grand Fortune Securities Co., Ltd.

Address: 6F, No. 6, Zhongxiao W. Rd., Sec. 1, Zhongzheng District, Taipei City 10041

Telephone No.: (02)2383-6888

Website: http: //www.gfortune.com.tw

IV. Name of the CPAs who duly audited the annual financial report for the most recent fiscal year, and the name, address and telephone number of said person's accounting firm:

Name of CPA Chi-Lung Yu, Pei-Chi Chen

Accounting Firm: KPMG Taiwan

Address: 68F, No. 7, Xinyi Rd., Sec. 5, Taipei City

Telephone No.: (02)8101-6666

Website: http: //www.kpmg.com.tw

V. Name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities: None.

VI. Company website: http: //www.coremaxcorp.com

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One Letter to Shareholders

Dear Shareholders,

Coremax Corporation leads the business strategy and planning for the entire Coremax Group. The main companies within the Group include Heng I Chemical Company Ltd., Uranus Chemicals Co., Ltd, and subsidiaries in China and Thailand. To expand its overseas plants and enhance its competitiveness, Coremax Corporation established VinaCoreMax Company Limited, a wholly owned subsidiary in Vietnam, in October 2023. The subsidiary in Vietnam mainly focuses on the production and sales of electric vehicle power battery materials for export to battery manufacturers in Japan, South Korea, and Europe. Each company adheres to the division of labor by profession in its production operations, cultivates its respective markets, strengthens its core competencies, and actively expands its markets.

In its early days, Coremax Corporation invested in producing oxidation catalysts. It built a catalyst recovery production process system to provide customers with catalyst regeneration services to reduce customer costs and realize sustainable cycles. In 1999, Coremax Corporation entered into battery materials and produced the materials required for lithium batteries. In 2010, the Company established a production line to produce nickel sulfate, mainly used for ternary cathode materials of electric vehicles. In response to the rapid growth of electric vehicles in recent years, the Company continued to expand its production lines for power battery materials.

Established in 1961, Heng I Chemical was a private enterprise that produced chemical fertilizers in the early days and participated in Taiwan's agricultural development, upgrade, and transformation. Heng I Chemical has collaborated with Japanese companies in recent years to produce and supply electronic-grade sulfuric acid for semiconductors. It is a chemical supplier that has become crucial to Taiwan's semiconductor industry.

Uranus Chemicals was founded in 1975. In the early days, it mainly produced oxalic acid products and has retained key extraction technologies. Uranus Chemicals has been engaged in extracting raw materials, cobalt, related to power batteries and producing cobalt-related products since 2018. It established a new cobalt extraction plant and a processing production line in Toufen, Miaoli and Hukou, Hsinchu in 2022, respectively. Uranus Chemicals is responsible for the Group's production and sales of professional cobalt-based power battery products and provides the Group's customers with excellent and competitive products with advanced process equipment and flexible pairing of various material characteristics. It will continue to develop high-purity cobalt products for alloys, semiconductor processes, and precision industry applications.

As the pandemic subsided, borders opened, and demand gradually recovered, consumption momentum rose in 2023. However, the world's political and economic environment faced many uncertainties and there were drastic changes in the materials market. It is obvious that supply chains are facing inventory loading challenges.

Looking to the future, the Company is stabilizing the existing product lines, continuing to pursue new business opportunities, and expanding its scale of operations to provide customers with good service and product quality. Production capacity and inventory of materials will be flexibly adjusted according to market demand to boost efficiency. Supplemented by a sound management system, the Company will lay a good foundation for the future development of the Group to reserve growth momentum.

Coremax Group has announced the five core values and 25 key behavior indicators while conducting the Core Value Key Behavior Index Evaluation Form. It seeks that all Group employees observe the same philosophy, demonstrate the expected behaviors in their daily work attitudes and working methods to form loyalty among employees, work towards a common goal, and finally form a corporate culture. All employees will strive to contribute to their positions for greater shareholder benefits. Coremax Group will strengthen its influence in social responsibility and the development of a sustainable environment and business operations.

II. Achievements of each plan of operation or business

The Company's operating results for 2023 have been audited by KPMG accountants, Chi-Lung Yu and Pei-Chi Chen. The audited operating results are follows:

Unit: NT$ (thousand)

Year / Item	2022	2023
Operating revenue	9,081,621	5,231,731
Operating margin	1,024,526	176,121
Net operating profit (loss)	582,835	(93,485)
Net income (loss) before tax	733,696	(64,952)
Profit (loss) after tax	530,100	(74,426)
After-tax earnings (losses) per share (NT$)	4.72	(0.93)

III. Budget Execution

Unit: NT$ (thousand)

Item \ Year	2023		
	Actual figure	Budget figure	Achievement rate
Operating revenue	5,231,731	7,413,527	71%
Operating cost	(5,055,610)	(6,377,573)	79%
Operating margin	176,121	1,035,954	17%
Operating expenses	(269,606)	(335,291)	80%
Net operating profit (loss)	(93,485)	700,663	(13%)

IV. Financial Income, Costs and Profitability Analysis

1. Financial Income

The cash inflow from operating activities can be mainly attributed to well-controlled inventory. The Company's turnover and inventory were stable. The increase in cash outflow from investment activities compared with the previous period was chiefly due to plant construction and equipment purchases. The cash outflow from financing activities was mainly due to the repayment of borrowings.

Unit: NT$ (thousand)

Item \ Year	2022	2023
Net profit (loss) before tax of the period	733,696	(64,952)
Net cash (out) inflow from operating activities	1,565,970	1,123,847
Net cash (out) inflow from investing activities	(524,079)	(607,989)
Net cash (out) inflow from financing activities	130,612	(775,566)
Cash and cash equivalents increase (decrease)	1,189,542	(290,635)
Balance of cash and cash equivalents at the beginning of the period	1,882,198	3,071,740
Balance of cash and cash balance at the end of the period	3,071,740	2,781,105

2. Profitability Analysis

Unit: NT$ (thousand)

Item \ Year	2022	2023
ROA (%)	5.30	(0.03)
ROE (%)	9.32	(1.21)
Ratio of operating income to paid-up capital (%)	54.46	(7.85)
Ratio of net income before tax to paid-in capital (%)	68.55	(5.46)
Net profit margin (%)	5.84	(1.42)
After-tax earnings (losses) per share (NT$)	4.72	(0.93)

V. Research and Development

In 2023, the Company invested NT$13,410 thousand in research and development (R&D). The R&D will continue to optimize the production process and improve quality, further enhance the production efficiency of each product to prevent the waste of raw materials, reinforce the recycling technology of raw materials, and strengthen the competitive advantage. The planning focuses for the current R&D direction:

1. Short-term plan:
   (1) Improve the quality of existing products to meet customers' needs.
   (2) Improve the Company's current manufacturing process to produce products with different physical specifications.
   (3) Enhance the processing efficiency of waste recycling business.
   (4) Improve the quality of the fertilizer product lines.
2. Medium and long-term plan:
   (1) The development of hydroxide compounds with different ratios of nickel, cobalt and manganese in line with market development needs.
   (2) Diversify nickel and cobalt metal material recovery technology and develop new processes to improve recovery yield, efficiency, and quality.
   (3) Support market applications and develop high-purity metal materials and products.

VI. Expected Sales Volume and Basis

In 2024, with the cooperation of R&D, manufacturing, and management, the Company's products will be more diversified and in line with markets. The sales department will continue to actively develop domestic and foreign markets to increase market share and maintain the Company’s leading position and competitiveness after expanding overseas capacity.

Chairman: Ho, Chi-Cheng President: Ho, Eugene Lawrence Supervisor of Accounting Division: Lu, Poju

Two. Company Overview

I. Date of establishment

The Company was established on June 16, 1992.

II. Company History

(I) Key milestones of the Company

Year	Month	Key milestone
1961	May	Heng I Chemical was established in Taipei with a capital of NT$100 thousand.
1975	July	Uranus Chemicals was established with a capital of NT$3,000 thousand.
1976		The Uranus Chemicals Chunghwa Plant was established. The first oxalic acid plant was completed with proprietary technologies developed in house.
1984	April	Uranus Chemicals invested in establishing Hsinhai Rare Earth Industry Co., Ltd. in Hsinchu Industrial Park to produce rare earth metal compounds. The second oxalic acid plant was established in Taichung Industrial Park. The capital increase by cash for NT$27,000 thousand was conducted, and the paid-in capital increased to NT$30,000 thousand.
1990	November	Uranus Chemicals established a zirconia crystal (cubic zirconia refinement) plant to extend the rare earth oxide product line. The capital increase by cash for NT$160,000 thousand was conducted, and the paid-in capital increased to NT$190,000 thousand.
1992	June	The Company was established with a capital of NT$5,000 thousand.
	September	The Company completed the construction of the plant and conducted a capital increase by cash for NT$20,000 thousand. The paid-in capital increased to NT$25,000 thousand.
	October	First oxidation catalysts production line began operation.
1992		Uranus Chemicals and Swiss Coremax partnered to establish the Uranus Coremax Material Technology Co., Ltd, to produce cobalt acetate catalysts.
1993	January	SMC AG (a Swiss company) invested in the Company. The capital increase by cash for NT$25,000 thousand was conducted, and the paid-in capital increased to NT$50,000 thousand.
		Uranus Chemicals established a production plant to develop tin compounds (stannous chloride).
1994	December	The Company completed the construction of the first waste catalyst recovery production line to provide customers with waste catalyst regeneration services.
1995	February	The Company conducted a capital increase by cash for NT$30,000 thousand. The paid-in capital increased to NT$80,000 thousand.
1996		Heng I Chemical established a zirconium silicate plant.
	September	The Company changed its name to CoreMax Taiwan Corporation.
	October	The Company was awarded ISO 9002 certification.

Year	Month	Key milestone
1997	March	The Company completed the construction of the second waste catalyst recovery production line.
1998	January	The Company obtained a waste catalyst recovery permit from the Environmental Protection Administration, Executive Yuan.
1999	July	The Company added advanced materials and battery materials production lines.
2000		Heng I Chemical established an automated compound fertilizer packaging plant.
	July	The Company signed a contract with the Industrial Materials Research Department of the Industrial Technology Research Institute to develop high-performance lithium-ion battery cathode materials.
	December	The Industrial Development Bureau, MOEA, subsidized the Company under the Leading Product Development Program to implement the High-Performance Lithium-Ion Battery Cathode Materials Development Project.
		The Company's Taiwanese shareholders bought all the shares held by SMC AG and changed the Company name to CoreMax Corporation.
		The Company conducted a capital increase by cash for NT$30,000 thousand. The paid-in capital increased to NT$110,000 thousand.
2001	April	The Company established CoreMax Malaysia Sdn. Bhd. in Kuantan, Malaysia, as the first overseas oxidation catalysts production line.
	October	The Company conducted a capital increase by cash for NT$16,800 thousand a capital increase by transferring surplus for NT$13,200 thousand. The paid-in capital increased to NT$140,000 thousand.
	November	The Company established CoreMax Zhuhai Chemical Co., Ltd. in Zhuhai, Guangdong Province, China, as the second overseas oxidation catalysts production line.
2002	March	The plant in Kuantan, Malaysia, began mass production and deliveries.
	October	The plant in Zhuhai, China, began mass production and deliveries.
2003	May	The Company conducted a capital increase by transferring surplus for NT$28,000 thousand. The paid-in capital increased to NT$168,000 thousand.
	October	The Company added a battery materials production line.
2004	June	The Company conducted a capital increase by transferring surplus for NT$50,400 thousand. The paid-in capital increased to NT$218,400 thousand.
	September	The Company established Coremax Ningbo Chemical Co., Ltd. in Ningbo City, Zhejiang Province, China, as the third overseas oxidation catalysts production line.
	December	The Company conducted a capital increase by cash for NT$50,000 thousand. The paid-in capital increased to NT$268,400 thousand.
2005	July	The Company conducted a capital increase by transferring surplus and employee bonuses for NT$56,180 thousand. The paid-in capital increased to NT$324,580 thousand.

Year	Month	Key milestone
2007	July	The Company conducted a capital increase by transferring surplus for NT$16,229 thousand. The paid-in capital increased to NT$340,809 thousand.
	October	Uranus Chemicals conducted a capital increase by cash for NT$38,000 thousand. The paid-in-capital increased to NT$228,000 thousand.
2008	July	The Company conducted a capital increase by transferring surplus and employee bonuses for NT$25,857 thousand. The paid-in capital increased to NT$366,666 thousand.
2009	March	The Company established Coremax (Thailand) Co., Ltd. in Thailand as the fourth overseas oxidation catalysts production line.
	August	The Company was awarded ISO 14001 certification.
	August	The Company conducted a capital increase by transferring surplus for NT$18,333 thousand. The paid-in capital increased to NT$384,999 thousand.
	November	The Company’s Taiwan plant added a power battery production line.
2010	March	The Company's fourth overseas oxidation catalysts production line, the Thailand plant, began mass production.
	April	The Company conducted a capital increase by cash for NT$30,000 thousand. The paid-in capital increased to NT$414,999 thousand.
	June	The Company's Toufen plant added a battery materials production line.
	October	The Company's Toufen plant's battery materials production line began mass production.
	November	The Company was registered on the Emerging Stock Market.
2011	July	The Company conducted a capital increase by cash via private placement for NT$30,000 thousand to introduce the strategic investor, ITOCHU Corporation. The paid-in capital increased to NT$444,999 thousand. The Company established Coremax (Zhangzhou) Chemical Co., Ltd. in Gulei Peninsula, Zhangzhou City, Fujian Province, as the fifth overseas oxidation catalysts production line.
	December	The Company's shares began trading on TPEx (OTC). The Company conducted a capital increase by cash for NT$41,300 thousand. The paid-in capital increased to NT$486,299 thousand.
2012	August	The Company issued the first five-year domestic secured zero-coupon convertible bonds for NT$400,000 thousand. The par value of each bond was NT$100 thousand. The purpose was to reinvest in subsidiaries and repay loans. Uranus Chemicals conducted a capital increase by transferring surplus for NT$22,800 thousand. The paid-in-capital increased to NT$250,800 thousand.
	September	The paid-in capital of the Company's subsidiary, Heng I Chemical, increased to NT$275,000 thousand.
2013	March	The Company's subsidiary, Heng I Chemical, established the eighth sulfuric acid plant.

Year	Month	Key milestone
	October	The Company conducted a capital increase by transferring additional paid-in capital for NT$24,315 thousand. The paid-in capital increased to NT$510,614 thousand.
2014	May	The Company conducted a capital increase by converting bonds to share capital for NT$3,557 thousand. The paid-in capital increased to NT$514,171 thousand.
	August	The Company conducted a capital increase by converting bonds to share capital for NT$412 thousand. The paid-in capital increased to NT$514,583 thousand.
	October	The Company's subsidiary, Heng I Chemical, conducted a capital increase by cash for NT$25,000 thousand. The paid-in capital increased to NT$300,000 thousand.
	December	The Company conducted a capital increase by converting bonds to share capital for NT$69,634 thousand. The paid-in capital increased to NT$584,217 thousand.
2015	April	The Company conducted a capital increase by converting bonds to share capital for NT$32,146 thousand. The paid-in capital increased to NT$616,363 thousand.
	May	The Company conducted a capital increase by converting bonds to share capital for NT$68,010 thousand. The paid-in capital increased to NT$684,373 thousand.
	June	The Company issued the second five-year domestic secured zero-coupon convertible bonds for NT$600,000 thousand. The par value of each bond was NT$100 thousand. The purpose was to reinvest in subsidiaries and repay loans.
	August	The Company conducted a capital increase by converting bonds to share capital for NT$18,273 thousand. The paid-in capital increased to NT$702,646 thousand.
	October	The Company's subsidiary, Heng I Chemical, conducted a capital increase by cash for NT$98,000 thousand. The paid-in capital increased to NT$398,000 thousand.
2016	February	The Company conducted a capital increase by converting bonds to share capital for NT$36,998 thousand. The paid-in capital increased to NT$739,644 thousand.
	May	The Company conducted a capital increase by converting bonds to share capital for NT$6,809 thousand. The paid-in capital increased to NT$746,453 thousand.
	September	The Company conducted a capital increase by converting bonds to share capital for NT$10,691 thousand. The paid-in capital increased to NT$757,144 thousand.
	November	The Company conducted a capital increase by converting bonds to share capital for NT$110 thousand. The paid-in capital increased to NT$757,254 thousand.

Year	Month	Key milestone
	December	The Company planned to add a third battery materials production line to its Taiwan Toufen plant.
2017	August	The Company conducted a capital increase by converting bonds to share capital for NT$723 thousand. The paid-in capital increased to NT$757,977 thousand.
	June	The Company applied to be listed on the Taiwan Stock Exchange.
	August	The Company's application to be listed on the Taiwan Stock Exchange was approved by its Board of Directors. The Company was listed in September.
	September	The Company's subsidiary, Uranus Chemicals, conducted a capital increase by cash for NT$49,200 thousand. The paid-in capital increased to NT$300,000 thousand.
	October	The Company's newly established third battery materials production line began mass production.
	November	The Company conducted a capital increase by converting bonds to share capital for NT$103,257 thousand. The paid-in capital increased to NT$861,234 thousand.
2018	April	The Company's subsidiary, Uranus Chemicals, conducted a capital increase by cash for NT$100,000 thousand. The paid-in capital increased to NT$400,000 thousand.
	April	The Company conducted a capital increase by converting bonds to share capital for NT$3,503 thousand. The paid-in capital increased to NT$864,737 thousand.
	May	The Company’s subsidiary, Uranus Chemicals, bought land and buildings in Hsinchu Industrial Park to expand its operations. The area of the land and buildings is 3,880 pings and 3,900 pings, respectively. The transaction amount is NT$558,000 thousand.
	May	The Company conducted a capital increase by converting bonds to share capital for NT$1,525 thousand. The paid-in capital increased to NT$866,262 thousand.
	August	The Company conducted a capital increase by converting bonds to share capital for NT$1,205 thousand. The paid-in capital increased to NT$867,467 thousand.
	November	The Company conducted a capital increase by converting bonds to share capital for NT$985 thousand. The paid-in capital increased to NT$868,452 thousand.
	December	The Company conducted a capital increase by cash for NT$60,000 thousand. The paid-in capital increased to NT$928,452 thousand.
2019	April	The Company's subsidiary, Uranus Chemicals, conducted a capital increase by cash for NT$100,000 thousand. The paid-in capital increased to NT$500,000 thousand.
	April	The Company conducted a capital increase by converting bonds to share capital for NT$965 thousand. The paid-in capital increased to NT$929,417 thousand.

Year	Month	Key milestone
	May	The Company conducted a capital increase by converting bonds to share capital for NT$876 thousand. The paid-in capital increased to NT$930,293 thousand.
2020	September	The Company's subsidiary, Uranus Chemicals, conducted a capital increase by transferring additional paid-in capital for NT$20,000 thousand. The paid-in capital increased to NT$520,000 thousand.
2021	January	The Company conducted a capital increase by cash for NT$10,000 thousand. The paid-in capital increased to NT$1,030,293 thousand.
	February	The Company's subsidiary, Heng I Chemical, conducted a capital increase by cash for NT$100,000 thousand. The paid-in capital increased to NT$498,000 thousand.
	June	The Company's subsidiary, Uranus Chemicals, conducted a capital increase by cash for NT$40,000 thousand. The paid-in capital increased to NT$560,000 thousand.
	November	The Company conducted a capital increase by cash for NT$40,000 thousand. The paid-in capital increased to NT$1,070,293 thousand.
2022	September	The Company's subsidiary, Uranus Chemicals, conducted a capital increase by cash for NT$62,500 thousand. The paid-in capital increased to NT$622,500 thousand.
2023	September	The Company conducted a capital increase by cash for NT$120,000 thousand. The paid-in capital increased to NT$1,190,293 thousand.
	October	The Company established VinaCoreMax Company Ltd. in Vietnam as the first overseas power battery material production line.

(II) Concerning the most recent fiscal year as well as the current fiscal year up to the date of publication of the annual report, information on the following: merger and acquisition activities; reinvestments in affiliated enterprises; corporate reorganization; instances in which a major quantity of shares belonging to directors, supervisors, or shareholders holding more than a 10 percent stake in the Company is transferred or otherwise changes hands; any change in managerial control; any material change in operating methods or type of business; and any other matters of material significance that could affect shareholders' equity and how the matters will impact the Company:

To support the Group's future development, implement professional division of labor, improve overall operating performance, and increase market competitiveness, the Company's Board of Directors resolved on November 8, 2023 to divide the relevant operating assets and liabilities of the independently operated cobalt sulfate business unit for transfer to Uranus Chemicals Co., Ltd. (hereinafter referred to as "Uranus Chemicals"), for which Uranus Chemicals shall issue new shares to the Company as the consideration.

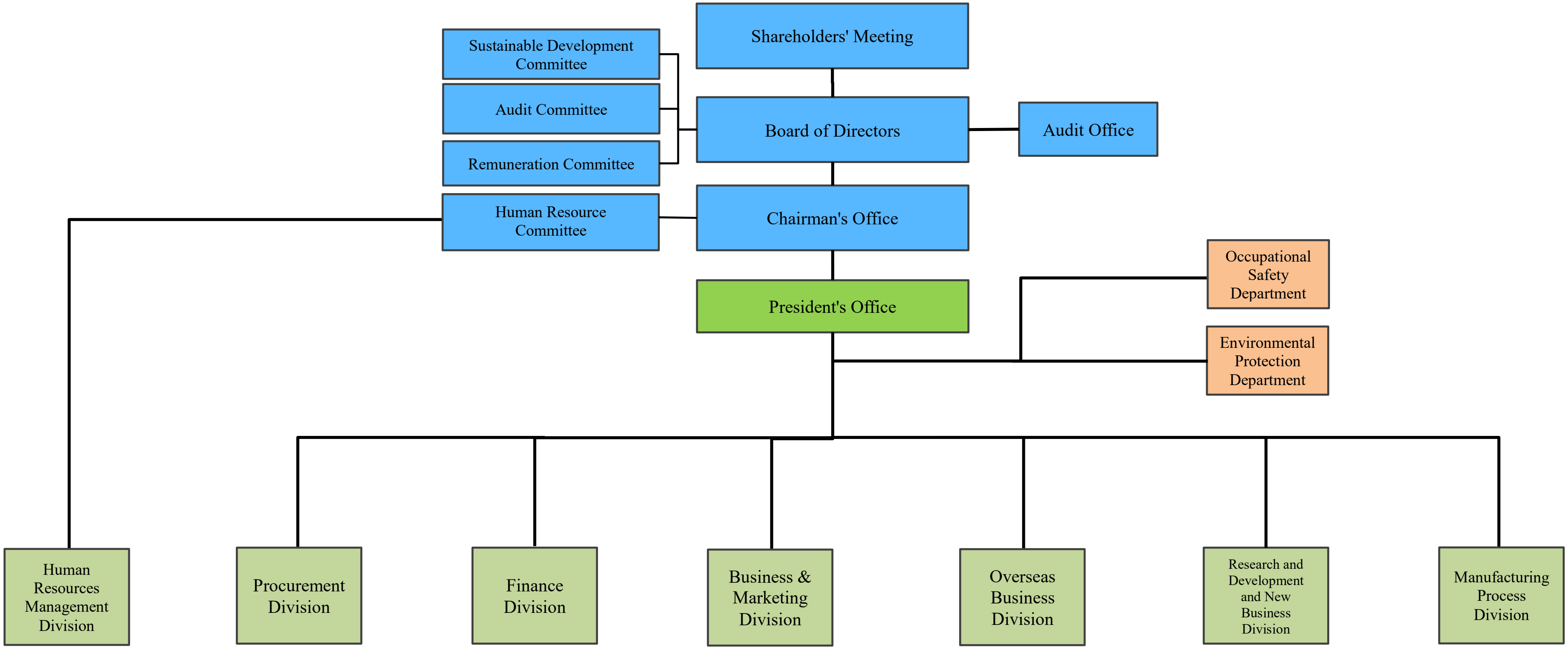
The split business value in this division is NT$123,515 thousand. Uranus Chemicals issued new shares at NT$32 per share, totaling 4,125 ordinary shares, to the Company. The baseline date of the split is December 31, 2023, and the split has no material impact on the stockholders' equity of the Company.

Three. Report on Corporate Governance

I. Organizational system

(I) Organizational Chart

March 01, 2024



(II) Business and Responsibilities of Each Department

Unit	Business operated
Audit Office	1. Planning, implementation and amendment of the internal control system. 2. The formulation and implementation of the annual audit plan. 3. Drafting and implementing the self-inspection operation plan of each unit and subsidiary. 4. Other matters to be implemented pursuant to laws and regulations.
Finance Division	1. Planning and management related to finance, accounting, and stock affairs departments. 2. Legal and IT related planning and management.
Human Resources Management Division	1. General administration related planning and management. 2. Human resources related planning and management.
Business & Marketing Division	1. Assist in the collection of market intelligence and provide dynamic sales information. 2. Preparation of business plans, business forecast evaluation, and analysis. 3. Strengthen and deepen customer relationship, accept customer complaints, and provide technical solutions for clients. 4. Organize and maintain domestic and foreign import and export customs information. 5. Responsible for managing and evaluating external information subscription services.
Research and Development and New Business Division	1. Plan productivity improvement programs and assist in the establishment of standard manufacturing process TQM. 2. Planning and design, cost, quality, construction, and commissioning of new processes and production lines. 3. Experimental design and mass production with new types of manufacturing processes. 4. Improvement projects for energy saving, carbon reduction and waste reduction in factories and processes. 5. Assist in the proofreading of technical documents, HAZOP risk assessment and industrial safety and environmental protection documents. 6. Research on the introduction of new technologies and materials, feasibility study, and development.
Overseas Business Division	1. Manage administrative personnel such as sales, human resources, procurement, accounting personnel of overseas plants and coordinate and implement decisions made by headquarters. 2. Production and business operations of overseas plants.

Unit	Business operated
Manufacturing Process Division	1. Inventory control of raw materials, production scheduling and management. 2. Optimal productivity configuration and planning. 3. Control and improve production quality. 4. Preventive maintenance, repairs, and troubleshooting of production equipment. 5. Evaluate, plan, and implement engineering projects.
Procurement Division	1. Implement the annual procurement plan. 2. Inquire, compare, and negotiate the pricing of items to procure and formulate and execute procurement procedures. 3. Evaluate and manage suppliers; develop qualified suppliers. 4. Collect information about main raw material markets and submit analysis reports. 5. Manage, implement, and manage transportation risks of the raw material import business.
Environmental Protection Department	1. Set up operations in compliance with environmental protection laws and regulations, and implement supervision in compliance with laws and regulations. 2. Application for new or changed environmental protection permits (water pollution prevention measures/stationary pollution sources/waste disposal documents/toxic chemicals) and regular reporting operations. 3. Application, reporting and management of new chemical substances. 4. Implement certification operations such as ISO 14001 system related affairs and on-site pollution prevention (control) equipment. 5. Planning and execution of drills related to environmental protection for toxic chemicals (disaster emergency response). 6. Coordinate and cooperate with environmental protection authorities in their inspections.
Occupational Safety Department	1. Responsible for the collection and identification of safety and health-related regulations. 2. Review, confirmation, and recommendations for occupational safety and health hazard identification and risk assessments. 3. Consultation and communication on internal and external safety and health issues (including inspection center inspections). 4. Plan and supervise occupational safety and health management matters of all departments, and implement ISO 45001 management system-related affairs and plant inspections. 5. Accident and disaster investigation, cause analysis, and research recommendations on preventive measures. 6. Planning, handling, and implementation of occupational safety and health training.

II. Information on the company's directors, supervisors, general manager, assistant general managers, deputy assistant general managers, and the supervisors of all the company's divisions and branch units

(I) Director

1. Information on Directors

Date: March 29, 2024

Title	Nationality or place of incorporation	Name	Gender Age	Date elected	Term of office	Date of initial election	Shares held at the time of election		Number of shares held now		Shareholdings of spouse and minor child(ren)		Shareholding under other person(s)		Educational and professional experience	Concurrent Position(s) in the Company or other companies	Spouse or Relative within the Second Degree of Kinship Holding Other Managerial, Director or Supervisor Position			Remarks
							Number of Shares	Shareholding %	Number of Shares	Shareholding %	Number of Shares	Shareholding %	Number of Shares	Shareholding %			Title	Name	Relationship	
Chairman	R.O.C.	Cheng Jade Enterprise Co., Ltd.	-	2023.06.30	3 years	2011.06.02	13,233,929	12.36	14,455,940	12.14	-	-	-	-	-	-	-	-	-	-
		Representative: Ho, Chi-Cheng (Note 2)	Male 61-70 years	2023.06.30	3 years	2004.02.02	933,000	0.87	978,000	0.82	-	-	-	-	Education: Department of History, Soochow University MBA, University of Missouri Experience: Vice President of RTA	Chairman, Chang Sing Investment Co., Ltd. Chairman, Cheng Jade Enterprise Co., Ltd. Chairman, Heng I Chemical Company Ltd. Director, Cheng De Investment Co., Ltd. Director, Heng Mien Investment Co., Ltd. Chairman, Uranus Chemicals Co., Ltd Chairman, Coremax (BVI) Corp. Chairman, Coremax Ningbo Chemical Co., Ltd. Chairman, Coremax (Thailand) Co., Ltd. Chairman, Coremax (Zhangzhou) Chemical Co., Ltd. Chairman, Jiangxi Tianjiang Material Co., Ltd. Chairman of VinaCoreMax Company Limited	Director Director	Ho, Eugene Lawrence Ho, Chi-Chou	1st degree of kinship 2nd degree of kinship	Note 1 -
Director	R.O.C.	Chang Sing Investment Co., Ltd.	-	2023.06.30	3 years	2011.06.02	13,691,032	12.79	14,943,609	12.55	-	-	-	-	-	-	-	-	-	-
		Representative: Lai, Ching-Yuan (Note 3)	Male 61-70 years	2023.06.30	3 years	2018.06.01	21,000	0.02	41,000	0.03	-	-	-	-	Education: Department of Chemical Engineering, National Cheng Kung University Experience: Executive Vice President, Heng I Chemical Company Ltd. Plant Director, Taiwan Prosperity Chemical Corp. Assistant Vice President, China American Petrochemical Co., Ltd.	Director, Heng I Chemical Company Ltd. Director and General Manager, Uranus Chemicals Co., Ltd.	None	None	None	-
Director	U.S.A	Ho, Eugene Lawrence	Male 31-40 years	2023.06.30	3 years	2020.07.14	237,416	0.22	275,136	0.23	11,460	0.01	-	-	Education: Bachelor in Economics, University of California, Santa Barbara Experience: Business Specialist, Chemicals Department, ITOCHU Corporation Business Specialist,	General Manager, Coremax Corporation Director, Heng I Chemical Company Ltd. Director, Cheng De Investment Co., Ltd. Director, Heng Mien Investment Co., Ltd. Director, Uranus Chemicals Co., Ltd	Chairman	Ho, Chi-Cheng	1st degree of kinship	-

Title	Nationality or place of incorporation	Name	Gender Age	Date elected	Term of office	Date of initial election	Shares held at the time of election		Number of shares held now		Shareholdings of spouse and minor child(ren)		Shareholding under other person(s)		Educational and professional experience	Concurrent Position(s) in the Company or other companies	Spouse or Relative within the Second Degree of Kinship Holding Other Managerial, Director or Supervisor Position			Remarks
							Number of Shares	Shareholding %	Number of Shares	Shareholding %	Number of Shares	Shareholding %	Number of Shares	Shareholding %			Title	Name	Relationship	
															Chemicals Department, ITOCHU CHEMICAL FRONTIER Corporation Vice President, Uranus Chemicals Co., Ltd					
Director	R.O.C.	Ho, Chi-Chou	Male 51-60 years	2023.06.30	3 years	2018.06.01	394,179	0.37	430,241	0.36	5	0.00	-	-	Education: EMBA, National Chiao Tung University Experience: Vice President of Sales, Coremax Corporation Executive Assistant to the President, Shih Her Technologies Inc.	Director, Cheng Jade Enterprise Co., Ltd. Director, Uranus Chemicals Co., Ltd Director, Heng I Chemical Company Ltd. Director, Tafong Flour Mill Co., Ltd. Supervisor, Chang Sing Investment Co., Ltd.	Chairman	Ho, Chi-Cheng	2nd degree of kinship	-
Director	R.O.C.	Cheng, Chih-Fa	Male 61-70 years	2023.06.30	3 years	2017.05.26	-	-	-	-	-	-	-	-	Education: Department of Accounting, National Chung Hsing University Experience: Accountant, Moore Stephens	Accountant, Ching Hsing United Certified Public Accountants Chairman, Yu Hsing Management Consulting Co., Ltd. Director, Golden Point Management Ltd. Director, Yuan Fu Tai Development Ltd. Chairman, Sen Po Ko Investment Co., Ltd. Director, Uranus Chemicals Co., Ltd Independent Director, Hong Yi Fiber Ind. Co., Ltd. Independent Director, Shin Zu Shing Co., Ltd. Director, Shih Her Technologies Inc. Representative of institutional director, Ezfly International Travel Agent Co., Ltd. Director, GSD TECHNOLOGIES CO., LTD (Cayman)	None	None	None	-
Independent director	R.O.C.	Serena Huang	Female 41-50 years	2023.06.30	3 years	2023.06.30	-	-	-	-	-	-	-	-	Education: College of Nuclear Science, National Tsing Hua University Experience: Vice President, Celxpert Energy Corporation	Director, PT. Celxpert Energy Indonesia Director, Celxpert (Changchun) Energy Co., Ltd. Director, Keelgo Energy Co., Ltd.	None	None	None	-
Independent director	R.O.C.	Tai, Ai-Fen	Female 41-50 years	2023.06.30	3 years	2023.06.30	-	-	-	-	-	-	-	-	Education: Bachelor of Law, Department of Law, Fu Jen Catholic University Master's of Law in Business Administration, National Taiwan University Experience: Managing Partner, Tai Ai-Fen Law Firm	Managing Partner, Tai Ai-Fen Law Firm	None	None	None	-
Independent director	R.O.C.	Rick Liu	Male 61-70 years	2023.06.30	3 years	2023.06.30	-	-	-	-	-	-	-	-	Education: Department of Accountancy, National Cheng Kung University MBA, University of Central Missouri Experience: Assistant Vice President; Human Resources, IT, and PR; China American	Executive Consultant, Chinese Human Resource Management Association consultants Perennial Consultant, 104 Corporation	None	None	None	-

Title	Nationality or place of incorporation	Name	Gender Age	Date elected	Term of office	Date of initial election	Shares held at the time of election		Number of shares held now		Shareholdings of spouse and minor child(ren)		Shareholding under other person(s)		Educational and professional experience	Concurrent Position(s) in the Company or other companies	Spouse or Relative within the Second Degree of Kinship Holding Other Managerial, Director or Supervisor Position			Remarks
							Number of Shares	Shareholding %	Number of Shares	Shareholding %	Number of Shares	Shareholding %	Number of Shares	Shareholding %			Title	Name	Relationship	
															Petrochemical Co., Ltd. Executive Consultant and President, Chinese Human Resource Management Association Perennial Consultant, 104 Corporation					
Independent director	R.O.C.	Chang, Yuan-Lung	Male 61-70 years	2023.06.30	3 years	2017.05.26	-	-	-	-	-	-	-	-	Education: Department of Accounting, Tamkang University Experience: Accountant, Chin Cheng United Certified Public Accountants	Accountant, Chin Cheng United Certified Public Accountants Independent Director, GSD Technologies Co., Ltd. Independent Director, Shin Zu Shing Co., Ltd.	None	None	None	-
Independent director	R.O.C.	Hsu, I-Ping (Note 4)	Male 61-70 years	2020.06.12	3 years	2008.12.24	-	-	-	-	-	-	-	-	Education: Department of Aerospace Engineering, Tamkang University Doctorate Program of Mechanical Engineering, University of Wisconsin, Milwaukee Experience: General Manager, Hsinchu Bus Company, Ltd.	Chairman, Hsinchu Bus Company, Ltd. Chairman, HCT Logistics Director, Digiwell Technology Inc. Chairman, Yi-Meng Co., Ltd.	None	None	None	-
Independent director	R.O.C.	Wang, Wen-Tsung (Note 4)	Male 51-60 years	2020.06.12	3 years	2008.12.24	-	-	-	-	-	-	-	-	Education: Department of Accounting, Feng Chia University EMBA, Tsinghua University Experience: Partner CPA, Biing-Cherng CPAS Partner CPA, Huei-Ming Accounting Firm	Partner CPA, Biing-Cherng CPAS Independent Director, Metaage Corporation Independent Director, CHYI DING TECHNOLOGIES CO., LTD. Supervisor, Emax Tech Co., LTD. Supervisor, Chung Hua University Director, Tian Ai Artistic Hall Co., Ltd.	None	None	None	-

Note 1: If the Chairman of the Board of Directors and the General Manager or equivalent (top executive) are the same person, spouses or first degree relatives of each other, the reasons, reasonableness, necessity, and relevant information on measures to be taken should be stated.
The Chairman of the Board of Directors and the General Manager of the Company are first-degree relatives, which enhances operational efficiency and decision execution. The Chairman of the Board of Directors also closely communicates with the Directors on the recent status of the Company's operations and planning guidelines in order to implement corporate governance, and the Company's specific measures are as follows:
(1) The four existing independent Directors possess expertise in financial accounting and respective industry fields, which enables them to effectively perform their supervisory functions.
(2) Each year, we arrange for each director to attend professional director courses from outside organizations, such as the Chinese Corporate Governance Association, to enhance the effectiveness of the Board of Directors' roles and responsibilities.
(3) Independent directors can fully discuss and make recommendations to the Board of Directors for reference in each functional committee to implement corporate governance.

Note 2: The representative of the institutional director, Ho, Eugene Lawrence, was replaced by Ho, Chi-Cheng on June 30, 2023.
Note 3: The representative of the institutional director, Chiu, Hsien Tung, was replaced by Lai, Ching-Yuan on June 30, 2023.
Note 4: Stepped down after election at the shareholders' meeting on June 30, 2023.

2. Major Shareholders of Institutional Shareholders

Name of Institutional Shareholder	Major Shareholders of Institutional Shareholders
Chang Sing Investment Co., Ltd.	Cheng Jade Enterprise Co., Ltd. (80.17%); Huang, Jin-Yun (4.36%); Huang, Tsan-Hui (2.94%); Dai, Ming-Hsun (2.18%); He, Yi-Hsuan (1.89%); Huang, Chao-Hui (1.45%); He, Jin-Ming (1.45%); Chen, Yi-Ru (1.45%); Liang, Pei-Tsun (0.58%); Liu, Pei-Hao (0.58%).
Cheng Jade Enterprise Co., Ltd.	Heng Mien Investment (19.69%); Cheng De Investment (19.65%); He, Mei-Fang (14.80%); Ho, Chi-Chao (13.32%); Ho, Chi-Chou (13.32%); He Lai, Rui-Jen (8.88%); Ho, Chi-Cheng (2.96%); Chen, Yi-Ru (2.96%); Kuo, Shi-Wei (1.48%); He, Wen-Ding (1.48%); He, Wen-Hsiang (1.48%).

3. Major shareholders of the Company's institutional shareholders whose major shareholders are also institutional shareholders

Name of institutional shareholder	Major Shareholders of the Company's Institutional Shareholders
Heng Mien Investment Co., Ltd.	Cheng De Investment Co., Ltd. (74.18%); Ho, Eugene Lawrence (12.91%), Ho, Yi-Hsuan (12.91%)
Cheng De Investment Co., Ltd.	Ho, Chi-Cheng (52.21%), Ho, Eugene Lawrence (27.31%), Ho, Yi-Hsuan (20.48%)

4. Disclosure of Professional Qualifications of Directors and Independence of Independent Directors:

Qualifications / Name	Professional qualifications and experience	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
Cheng Jade Enterprise Co., Ltd. Representative: Ho, Chi-Cheng	Business experience in the chemical industry. Current positions: Chairman, Coremax Corporation Main experience: Vice President of RTA	1. Chairman of the Board of Directors of the Company's affiliated companies. 2. A top ten natural person shareholder of the Company. 3. and Cheng Jade Enterprise Co., Ltd, corporate shareholders that each hold more than 10% of the Company's issued shares. 4. are the first and second largest shareholders of the Company, holding more than 10% of the issued shares of the Company. 5. The directors are related to each other within the 2nd degree of kinship. 6. Does not meet any of the criteria described in Article 30 of the Company Act.	None

Qualifications / Name	Professional qualifications and experience	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
Chang Sing Investment Co., Ltd. Representative: Lai, Ching-Yuan	<u>Business experience in the chemical industry.</u> <u>Current positions:</u> Director, Heng I Chemical Company Ltd. Director and General Manager, Uranus Chemicals Co., Ltd. <u>Main experience:</u> Executive Vice President, Heng I Chemical Company Ltd. Plant Director, Taiwan Prosperity Chemical Corp. Assistant Vice President, China American Petrochemical Co., Ltd.	1. Concurrently also an employee of the Company's subsidiaries. 2. holds more than 10% of the issued shares of the Company and is the largest shareholder of the Company. 3. Mr. Lai, Ching-Yuan was elected as a Director as the designated representative of Chang Sing Investment Co., Ltd. 4. Director of the Company's affiliated companies 5. Does not meet any of the criteria described in Article 30 of the Company Act.	None
Ho, Eugene Lawrence	<u>Business experience in the chemical industry.</u> <u>Current positions:</u> General Manager, Coremax Corporation Director, Heng I Chemical Company Ltd. Director, Uranus Chemicals Co., Ltd <u>Main experience:</u> Business Specialist, Chemicals Department, ITOCHU Corporation Business Specialist, Chemicals Department, ITOCHU CHEMICAL FRONTIER Corporation Vice President, Uranus Chemicals Co., Ltd	1. Concurrently an employee of the Company. 2. The Company's Chairman and General Manager are first degree relatives. 3. Ho, Eugene Lawrence is a director of the Company's affiliated companies. 4. Does not meet any of the criteria described in Article 30 of the Company Act.	None

Qualifications / Name	Professional qualifications and experience	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
Ho, Chi-Chou	Business experience in the chemical industry. Current positions: Director, Uranus Chemicals Co., Ltd Director, Heng I Chemical Company Ltd. Main experience: Vice President of Sales, Coremax Corporation Executive Assistant to the President, Shih Her Technologies Inc.	1. is related to the Chairman Ho, Chi-Cheng within the 2nd degree of kinship. 2. Ho, Eugene Lawrence is a director of the Company's affiliated companies. 3. Does not meet any of the criteria described in Article 30 of the Company Act.	None
Cheng, Chih-Fa	Have work experience in commerce, law, finance, or accounting or a profession necessary for the business of the Company; Certified Public Accountant (R.O.C.). Current positions: Accountant, Ching Hsing United Certified Public Accountants Chairman, Yu Hsing Management Consulting Co., Ltd. Director, Uranus Chemicals Co., Ltd Independent Director, Hong Yi Fiber Ind. Co., Ltd. Independent Director, Shin Zu Shing Co., Ltd. Main experience: Accountant, Moore Stephens	1. Ho, Eugene Lawrence is a director of the Company's affiliated companies. 2. Does not meet any of the criteria described in Article 30 of the Company Act.	2 companies

<table>
<tr><th>Qualifications
Name</th><th>Professional qualifications and experience</th><th>Independence</th><th>Number of other public companies in which the individual is concurrently serving as an independent director</th></tr>
<tr><td>Serena Huang</td><td>Have work experience in commerce, law, finance, or accounting or a profession necessary for the business of the Company.

Current positions:
Director, PT. Celxpert Energy Indonesia
Director, Celxpert (Changchun) Energy Co., Ltd.
Director, Keelgo Energy Co., Ltd.
Main experience:
Vice President, Celxpert Energy Corporation
Chairman, Kai Hsuan Investment Co., Ltd.</td><td rowspan="2">Independent director who has met the following independence assessment criteria for the two years prior to his or her election and during his or her term of office.
1. Not an employee of the Company or any of its affiliates.
2. Not be a director or supervisor of the Company or its affiliates (except in the case of an independent director of the Company or its parent company, or a subsidiary in which the Company directly or indirectly holds more than 50% of the voting shares).
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names,</td><td>None</td></tr>
<tr><td>Tai, Ai-Fen</td><td>Have work experience in commerce, law, finance, or accounting or a profession necessary for the business of the Company; Certified Attorney (R.O.C.).
Current positions:
Managing Partner, Tai Ai-Fen Law Firm</td><td>None</td></tr>
</table>

<table>
<tr><th>Qualifications
Name</th><th>Professional qualifications and experience</th><th>Independence</th><th>Number of other public companies in which the individual is concurrently serving as an independent director</th></tr>
<tr><td>Rick Liu</td><td>Have work experience in commerce, law, finance, or accounting or a profession necessary for the business of the Company.

Current positions:
Executive Consultant, Chinese Human Resource Management Association consultants
Perennial Consultant, 104 Corporation
Main experience:
Assistant Vice President; Human Resources, IT, and PR; China American Petrochemical Co., Ltd.
President, Chinese Human Resource Management Association</td><td rowspan="2">in an aggregate amount of 1% or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders.
4. Not a spouse or a relative within the second degree of kinship or a relative within the third degree of kinship of a person listed in the preceding three paragraphs.
5. Not a director, supervisor or employee who directly holds more than 5% of the total issued shares of the Company, or a director, supervisor or employee of the top five shareholders of the Company.
6. Not a director, supervisor, manager, managerial officer or shareholder holding 5% or more of the shares of a specific company or organization with which the Company has financial or business dealings.
7. Not a professional individual who, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that provides auditing</td><td>None</td></tr>
<tr><td>Chang, Yuan-Lung</td><td>Have work experience in commerce, law, finance, or accounting or a profession necessary for the business of the Company; Certified Public Accountant (R.O.C.).
Current positions:
Accountant, Chin Cheng United Certified Public Accountants
Independent Director, GSD Technologies Co., Ltd.
Independent Director, Shin Zu Shing Co., Ltd.</td><td>2 companies</td></tr>
</table>

Qualifications / Name	Professional qualifications and experience	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
Hsu, I-Ping (Note 1)	Business experience in the transportation industry. Current positions: Chairman, Hsinchu Bus Company, Ltd. Chairman, HCT Logistics Main experience: General Manager, Hsinchu Bus Company, Ltd.	services or for the past two years, has provided commercial, legal, financial, accounting services or consultation to the Company or any affiliate of the company, or a spouse thereof. 8. Not a spouse or a relative within two degrees of kinship to any director. 9. Does not meet any of the criteria described in Article 30 of the Company Act. 10. Not the proxy of any government agency, juridical person, or their representative that is a shareholder in the Company as outlined in Article 27 of the Company Act.	None
Wang, Wen-Tsung (Note 1)	Have work experience in commerce, law, finance, or accounting or a profession necessary for the business of the Company; Certified Public Accountant (R.O.C.). Current positions: Partner CPA, Biing-Cherng CPAS Independent Director, Metaage Corporation Independent Director, CHYI DING TECHNOLOGIES CO., LTD. Supervisor, Emax Tech Co., LTD. Supervisor, Chung Hua University Director, Tian Ai Artistic Hall Co., Ltd. Main experience: Partner CPA, Huei-Ming Accounting Firm		2 companies

Note 1: Stepped down after election at the shareholders' meeting on June 30, 2023.

5. Diversification and Independence of the Board of Directors:

The Company advocates and respects the policy of diversity of Directors to strengthen corporate governance and promotes the sound development of the composition and structure of the Board of Directors and believes that the diversity approach will contribute to the overall performance of the Company. Board members are selected based on merit and have the ability to complement each other in a wide variety of industries, including basic qualifications and values (e.g., gender, age, nationality, culture), professional knowledge and skills: professional background (e.g., legal, accounting, industry, finance, marketing, or technology), and professional skills and industry experience. To achieve the ideal objectives of corporate governance , clause 20 of the Company's Code of Corporate Governance addresses the capabilities that the Board as a whole shall possess, including: ability to make operational judgments, ability to perform accounting and financial analysis, ability to conduct management administration, ability to conduct crisis management, knowledge of the industry, an international market perspective, ability to lead, and ability to make policy decisions.

Qualifications / Name	Basic composition								Industry experience						Professional competence		
	Nationality	Gender	Employee of the Company	Age				Independent director office term		Chemistry	Transportation	Metals and machinery	Professional service and	Finance and management	Entrepreneurship and	Law	Accounting	Risk management
				30-40 years	41-50 years	51-60 years	61-70 years	Under 3 years	6-9 years									
Cheng Jade Enterprise Co., Ltd. Representative: Ho, Chi-Cheng	R.O.C.	Male	-	-	-	-	✓	-	-	✓	-	✓	✓	✓	✓	○	○	✓
Chang Sing Investment Co., Ltd. Representative: Lai, Ching-Yuan	R.O.C.	Male	✓	-	-	-	✓	-	-	✓	-	-	✓	✓	✓	-	-	✓
Ho, Eugene Lawrence	U.S.A	Male	✓	✓	-	-	-	-	-	✓	-	✓	✓	✓	✓	-	○	✓
Ho, Chi-Chou	R.O.C.	Male	-	-	-	✓	-	-	-	✓	-	✓	✓	✓	✓	-	-	✓
Cheng, Chih-Fa	R.O.C.	Male	-	-	-	-	✓	-	-	-	-	-	✓	✓	✓	○	✓	✓
Serena Huang	R.O.C.	Female	-	-	✓	-	-	✓	-	✓	-	-	-	✓	✓	-	-	✓
Tai, Ai-Fen	R.O.C.	Female	-	-	✓	-	-	✓	-	-	-	-	-	-	-	✓	-	-
Rick Liu	R.O.C.	Male	-	-	-	-	✓	✓	-	-	-	-	✓	✓	-	-	✓	✓
Chang, Yuan-Lung	R.O.C.	Male	-	-	-	-	✓	-	✓	-	-	-	○	✓	✓	○	✓	○
Hsu, I-Ping (Note 1)	R.O.C.	Male	-	-	-	-	✓	-	✓	-	✓	-	✓	✓	✓	-	-	✓
Wang, Wen-Tsung (Note 1)	R.O.C.	Male	-	-	-	✓	-	-	✓	-	-	-	○	✓	✓	○	✓	○

Note: ✓ means capable of, ○ means partially capable of.
Note 1: Stepped down after election at the shareholders' meeting on June 30, 2023

(II) Information on the General Manager, Deputy General Manager(s), Assistant Managers, and heads of Departments and Branches

Date: March 29, 2024; Unit: Share; %

Title (Note 1)	Nationality	Name	Gender	Date elected/ appointed	Spouse and child of minor age		Shareholdings of spouse and minor child(ren)		Shareholding under other person(s)		Educational and professional experience (Note 2)	Concurrent Position(s) in the Company or other companies	Spouse or relative within the second degree of kinship Holding Managerial Position			Remarks
					Number of Shares	Shareholding %	Number of Shares	Shareholding %	Number of Shares	Shareholding %			Title	Name	Relationship	
President	U.S.A	Ho, Eugene Lawrence	Male	2021.05.04	275,136	0.23	11,460	0.01	-	-	Bachelor in Economics, University of California, Santa Barbara Business Specialist, Chemicals Department, ITOCHU Corporation Business Specialist, Chemicals Department, ITOCHU CHEMICAL FRONTIER Corporation Vice President, Uranus Chemicals Co., Ltd	Director, Uranus Chemicals Co., Ltd Director, Heng I Chemical Company Ltd. Director, Cheng De Investment Co., Ltd. Director, Heng Mien Investment Co., Ltd.	None	None	None	Note 3
Vice President	R.O.C.	Chu, Yuh-Ren (Note 4)	Male	2021.05.04	-	-	-	-	-	-	Department of Chemical Engineering, Tunghai University EMBA, Xiamen University Vice President, Uranus Chemicals Co., Ltd	-	None	None	None	Note 4
Chief Technology Officer	R.O.C.	Huang, Chao-Hui	Male	2024.02.27	144,259	0.12	-	-	164,895	0.14	Department of Chemical Engineering, Ta Hwa University of Science and Technology General Manager, Coremax Corporation President, Uranus Chemicals Co., Ltd. Supervisor, Uranus Chemicals Co., Ltd.	Supervisor, Uranus Chemicals Co., Ltd. Chairman, Cheng De Investment Co., Ltd. Chairman, Heng Mian Investment Co., Ltd. Chairman, Fan Cheng Investment Co., Ltd.	None	None	None	-

Title (Note 1)	Nationality	Name	Gender	Date elected/ appointed	Spouse and child of minor age		Shareholdings of spouse and minor child(ren)		Shareholding under other person(s)		Educational and professional experience (Note 2)	Concurrent Position(s) in the Company or other companies	Spouse or relative within the second degree of kinship Holding Managerial Position			Remarks
					Number of Shares	Shareholding %	Number of Shares	Shareholding %	Number of Shares	Shareholding %			Title	Name	Relationship	
Financial Manager	R.O.C.	Lu, Poju	Male	2022.01.01	12,634	0.01	-	-	-	-	Graduate School of Information Management and Finance, National Chiao Tung University Manager, Darwin Precisions Corporation	Director, Uranus Chemicals Co., Ltd Supervisor, Heng I Chemical Company Ltd.	None	None	None	-

Note 1: It shall include information on the General Manager, Deputy General Managers, Assistant Managers, and heads of Departments and Branches, and any positions equivalent to the General Manager, Deputy General Managers, and Assistant Managers, regardless of the title, shall also be disclosed.

Note 2: If there is experience related to the current position, such as employment at an accounting firm or related company during the aforementioned disclosed period, the title and responsibilities shall be stated.

Note 3: Where the General Manager or equivalent (top executive) and the Chairman are the same person, spouses, or relatives within the first degree of kinship, the reasons, reasonableness, necessity, and relevant information on response measures (e.g., appointment of additional Independent Directors and requiring the appointment of more than half of the Directors to be individuals who do not concurrently serve as employees or managers) shall be stated.

The Chairman of the Board of Directors and the General Manager of the Company are first-degree relatives, which enhances operational efficiency and decision execution. The Chairman of the Board of Directors also closely communicates with the Directors on the recent status of the Company's operations and planning guidelines in order to implement corporate governance, and the Company's specific measures are as follows:

(1) The four existing independent Directors possess expertise in financial accounting and respective industry fields, which enables them to effectively perform their supervisory functions.
(2) Each year, we arrange for each director to attend professional director courses from outside organizations, such as the Chinese Corporate Governance Association, to enhance the effectiveness of the Board of Directors' roles and responsibilities.
(3) Independent directors can fully discuss and make recommendations to the Board of Directors for reference in each functional committee to implement corporate governance.

Note 4: Deputy General Manager Chu, Yuh-Ren retired on July 31, 2023.

III. Remuneration of Directors, Supervisors, General Manager and Deputy General Manager(s) in the most recent fiscal year

(I) Remuneration of Directors (including Independent Directors) (bracket table according to persons)

December 31, 2023 Unit: NT$ (thousand)

Title	Name	Remuneration to Directors								Sum of A, B, C and D as a percentage of after-tax profit (%)		Compensation to Directors Also Serving as Company Employees								Sum of A, B, C, D, E, F and G as a percentage of after-tax profit		Compensation from Affiliates Other than Subsidiaries
		Remuneration (A)		Retirement pension (B)		Directors' remuneration (C)		Fees for conducting business (D)				Salary, bonuses, and allowances (E)		Retirement pension (F)		Remuneration for employees (G)						
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
																Cash amount	Stock amount	Cash amount	Stock amount			
Chairman	Ho, Chi-Cheng (Note 1)	700	1,102	–	–	–	–	–	–	-0.69%	-1.09%	5,935	7,651	–	–	–	–	–	–	-6.62%	-8.74%	None
Director	Lai, Ching-Yuan (Note 2)	420	760	–	–	–	–	–	–	-0.42%	-0.76%	–	3,243	–	63	–	–	345	–	-0.42%	-4.40%	None
Director	Ho, Eugene Lawrence	420	822	–	–	–	–	–	–	-0.42%	-0.82%	6,341	7,412	–	–	580	–	580	–	-7.32%	-8.79%	None
Director	Cheng, Chih-Fa	420	570	–	–	–	–	21	21	-0.44%	-0.59%	–		–	–	–	–	–	–	-0.44%	-0.59%	None
Director	Ho, Chi-Chou	420	822	–	–	–	–	–	–	-0.42%	-0.82%	–		–	–	–	–	–	–	-0.42%	-0.82%	None
Director	Chiu, Hsien Tung (Note 2)	210	462	–	–	–	–	–	–	-0.21%	-0.46%	–	1,054	–	–	–	–	70	–	-0.21%	-1.58%	None
Independent director	Serena Huang	350	350	–	–	–	–	–	–	-0.35%	-0.35%	–	–	–	–	–	–	–	–	-0.35%	-0.35%	None
Independent director	Tai, Ai-Fen	350	350	–	–	–	–	–	–	-0.35%	-0.35%	–	–	–	–	–	–	–	–	-0.35%	-0.35%	None
Independent director	Rick Liu	410	410	–	–	–	–	18	18	-0.43%	-0.43%	–	–	–	–	–	–	–	–	-0.43%	-0.43%	None
Independent director	Chang, Yuan-Lung	700	700	–	–	–	–	24	24	-0.72%	-0.72%	–	–	–	–	–	–	–	–	-0.72%	-0.72%	None
Independent director	Hsu, I-Ping (Note 3)	350	350	–	–	–	–	–	–	-0.35%	-0.35%	–	–	–	–	–	–	–	–	-0.35%	-0.35%	None
Independent director	Wang, Wen-Tsung (Note 3)	350	350	–	–	–	–	–	–	-0.35%	-0.35%	–	–	–	–	–	–	–	–	-0.35%	-0.35%	None

1. The correlation between the policies, standards, and structure of the remuneration and the responsibilities, risk and time undertook by the Independent Director: The Company pays independent directors a monthly remuneration of NT$50,000, and no directors' remuneration will be distributed from the profit of a year.
2. In addition to the disclosure in the above table, in the most recent fiscal year, the compensation received by Directors from all companies included in the financial statements for service rendered (e.g. in the capacity of non-Employee consultant): None.

Note 1: The representative of the institutional director, Ho, Eugene Lawrence, was replaced by Ho, Chi-Cheng on June 30, 2023.
Note 2: The representative of the institutional director, Chiu, Hsien Tung, was replaced by Lai, Ching-Yuan on June 30, 2023.
Note 3: Stepped down after election at the shareholders' meeting on June 30, 2023.

(II) Supervisor's Remuneration: None (the supervisor is replaced by the Audit Committee in the Company).

(III) Remunerations of General Manager and Deputy General Manager

Unit: NT$ (thousand)

Title	Name	Salary (A)		Retirement pension (B) (Note 2)		Bonuses and allowances (C)		Employee remuneration (D)				Sum of A, B, C and D as a percentage of after-tax profit (%)		Compensation from investee companies other than subsidiaries or the parent company
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Ho, Eugene Lawrence	3,821	4,837	—	—	2,520	2,575	580	—	580	—	-6.91%	-7.97%	420
Vice President	Chu, Yuh-Ren (Note 1)	1,335	1,610	63	63	633	688	—	—	—	—	-2.03%	-2.36%	—

＊Regardless of job titles, positions that are equivalent to General Manager and Deputy General Manager (such as President, Chief Executive Officer, Director, etc.) shall be disclosed.

Note 1: Deputy General Manager Chu, Yuh-Ren retired on July 31, 2023.

Note 2: Pension funds set aside in accordance with the law in 2023.

(IV) Individual Remuneration Paid to the Company's Top Five Management Personnel

Unit: NT$ (thousand)

<table>
<tr><th rowspan="3">Title</th><th rowspan="3">Name</th><th colspan="2">Salary (A)
(Note 2)</th><th colspan="2">Retirement pension (B)
(Note 3)</th><th colspan="2">Bonuses and allowances (C)
(Note 4)</th><th colspan="4">Employee remuneration (D)
(Note 5)</th><th colspan="2">Sum of A, B, C and D as a percentage of after-tax profit (%)
(Note 6)</th><th rowspan="3">Compensation from investee companies other than subsidiaries or the parent company (Note 8)</th></tr>
<tr><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial statements (Note 7)</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial statements (Note 7)</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial statements (Note 7)</th><th colspan="2">The Company</th><th colspan="2">All companies included in the financial statements (Note 6)</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial statements (Note 7)</th></tr>
<tr><th>Cash amount</th><th>Stock amount</th><th>Cash amount</th><th>Stock amount</th></tr>
<tr><td>Chairman</td><td>Ho, Chi-Cheng</td><td>3,840</td><td>5,424</td><td>-</td><td>-</td><td>2,095</td><td>2,227</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-5.92%</td><td>-7.63%</td><td>700</td></tr>
<tr><td>President</td><td>Ho, Eugene Lawrence</td><td>3,821</td><td>4,837</td><td>-</td><td>-</td><td>2,520</td><td>2,575</td><td>580</td><td>-</td><td>580</td><td>-</td><td>-6.91%</td><td>-7.97%</td><td>420</td></tr>
<tr><td>Vice President</td><td>Chu, Yuh-Ren (Note 9)</td><td>1,335</td><td>1,610</td><td>63</td><td>63</td><td>633</td><td>688</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-2.03%</td><td>-2.36%</td><td>-</td></tr>
<tr><td>Financial Manager</td><td>Lu, Poju</td><td>1,264</td><td>1,264</td><td>71</td><td>71</td><td>398</td><td>398</td><td>190</td><td>-</td><td>190</td><td>-</td><td>-1.92%</td><td>-1.92%</td><td>-</td></tr>
<tr><td>None</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
</table>

Note 1: The "top five highest paid managers" refer to the Company's manager. The definitions of managers shall be based on the applicable scope for "managers" specified in the Tai-Cai-Zheng-3 No. 0920001301 Order issued by the former Securities and Futures Commission of the Ministry of Finance on March 27, 2003. The principles for the calculation and determination of the "top five highest paid managers" shall be based on the sum of the salary, severance pay and pension, bonuses, allowances, etc. received by the manager from all companies in the consolidated financial statements, and the employee remuneration (i.e., sum of A+B+C+D). The individuals with the top five highest remuneration shall be provided. The Company has four managers. It therefore discloses the remuneration information of the top four executives with the highest remuneration.

Note 2: Specify the salary, additional job bonuses, and severance pay received by the top five highest paid managers in the past year.

Note 3: Specify the pension set aside for the Company's top five highest paid managers.

Note 4: Specify the bonus, reward, transportation allowance, special allowance, stipends, dormitory, car and other payments received by the top five highest paid managers in the past year.

Note 5: Specify the amount of employee remuneration allocated to the top five highest paid managers as approved by the Board of Directors in the most recent year.

Note 6: Net profit after tax refers to the net loss after tax of NT$100,229 thousand from the most recent standalone financial report.

Note 7: Total pay to the top five highest paid managers from all companies in the consolidated statements (including the Company).

Note 8: Remuneration refers to pay, compensation, employee bonuses, and remuneration for conducting business received by the top five highest paid managers serving as a director, supervisor, or manager of an investee or parent company of the Company other than subsidiaries.

Note 9: Deputy General Manager Chu, Yuh-Ren retired on July 31, 2023.

*This list is provided for information disclosure and shall not be used for other purposes.

(V) Names of Managerial Officers Receiving Employee Remuneration and the Distribution

Unit: NT$ (thousand)

Item	Title	Name	Stock amount	Cash amount	Total	Total as a percentage of after-tax profit (%)
Managers	President	Ho, Eugene Lawrence	—	580	580	-0.58%
	Vice President	Chu, Yuh-Ren	—	—	—	—
	Director, Finance Division	Lu, Poju	—	190	190	-0.19%

Note 1: Deputy General Manager Chu, Yuh-Ren retired on July 31, 2023.

(VI) Compare and describe the percentage of the total remuneration paid by the Company and by all companies included in the consolidated or parent company-only or individual financial statements for the two most recent fiscal years to Directors, Supervisors, General Manager, and Deputy General Managers of the Company, relative to net profit after tax, and the correlation between policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and business performance and future risks.

1. The proportion of the total remuneration of Directors, Supervisors, General Manager and Deputy General Managers of the Company paid by the Company and all companies in the consolidated financial statement to net profit after tax in individual financial statements in the most recent two years:

Related item	2022		2023	
	The Company	Consolidated financial statement	The Company	Consolidated financial statement
Net income after tax	493,160	530,100	-100,229	-74,426
Percentage of directors' remunerations	3.5%	5.8%	-17.98%	-27.47%
Percentage of supervisors' remunerations	-	-	-	-
Percentage of remuneration to the General Manager and Deputy General Manager	2.2%	2.76%	-8.94%	-10.33%

Description: The gross profit margin of the Company and its subsidiaries in 2023 decreased compared with that in 2022 mainly due to the decline in revenue and sales, changes in the sales price to cost ratio, decline in sales unit price, and decrease in gross profit margin, resulting in a loss in after-tax net income in 2023.

2. The remuneration policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation of remuneration to business performance and future risks:
    (1) The policy for the paying directors (including independent directors) is specified in the Company's Articles of Incorporation and submitted to the shareholders' meeting for resolution and approval.
    (2) The salaries of the General Manager and Deputy General Manager shall be administered in accordance with the Company's Salary Management Regulations and shall be reasonably compensated by assessing their individual performance achievement rate and contribution to the Company's performance.
    (3) The Company has the Remuneration Committee in place, which formulates and regularly reviews directors', independent directors' and managerial officers' annual and long-term performance appraisals and remuneration policies, systems and structures.

IV. Implementation of Corporate Governance

(I) Operation of Board of Directors

In 2023 and 2024, up to the publication date of the annual report, the Board of Directors convened nine meetings, and the attendance of Directors was as follows:

Title	Name	Attendance in Person	By proxy	Actual attendance rate	Remarks
Chairman	Cheng Jade Enterprise Co., Ltd. Representative: Ho, Chi-Cheng (Note 1)	7	0	100.00%	Should attend 7 meetings
Director	Chang Sing Investment Co., Ltd. Representative: Lai, Ching-Yuan (Note 1)	7	0	100.00%	Should attend 7 meetings
Director	Ho, Eugene Lawrence (Note 1)	6	0	85.71%	Should attend 7 meetings
Director	Ho, Chi-Chou (Note 2)	9	0	100.00%	Should attend 9 meetings
Director	Cheng, Chih-Fa (Note 2)	9	0	100.00%	Should attend 9 meetings
Independent director	Chang, Yuan-Lung (Note 2)	9	0	100.00%	Should attend 9 meetings
Independent director	Tai, Ai-Fen (Note 1)	7	0	100.00%	Should attend 7 meetings
Independent director	Serena Huang (Note 1)	6	0	85.71%	Should attend 7 meetings
Independent director	Rick Liu (Note 1)	7	0	100.00%	Should attend 7 meetings
Chairman	Ho, Chi-Cheng	2	0	100.00%	Should attend 2 meetings
Director	Lai, Ching-Yuan	2	0	100.00%	Should attend 2 meetings
Director	Cheng Jade Enterprise Co., Ltd. Representative: Ho, Eugene Lawrence	2	0	100.00%	Should attend 2 meetings
Director	Chang Sing Investment Co., Ltd. Representative: Chiu, Hsien Tung	2	0	100.00%	Should attend 2 meetings
Independent director	Hsu, I-Ping	2	0	100.00%	Should attend 2 meetings

Title	Name	Attendance in Person	By proxy	Actual attendance rate	Remarks
Independent director	Wang, Wen-Tsung	2	0	100.00%	Should attend 2 meetings

Note 1: Newly elected on June 30, 2023.
Note 2: Re-elected on June 30, 2023.

Other notes:

1. For Board of Directors meetings that meet any of the following descriptions, state the date, session, the discussed topics, Independent Directors' opinions and how the company has responded to such opinions:
   (1) Conditions described in Article 14-3 of the Securities and Exchange Act:

Board of Directors	Date	Content of resolution	Response of the Company toward the opinion of Independent Directors
20th meeting of the 10th-term	2023.3.1	● Proposal of distributing employee remuneration and director remuneration for 2022. ● The Company's invested sub-subsidiary loaning of funds to a sub-subsidiary. ● The Company's invested sub-subsidiary loaning of funds to a sub-subsidiary. ● The audit fees for CPA appointment. ● Amendments to the Company's Rules of Procedure for Shareholders' Meetings.	Independent directors had no other opinions
21st meeting of the 10th-term	2023.5.5	● Amendment to the provisions of the Company's "Standard Operating Procedures for Handling the Requests of Directors". ● Amendment to the "Internal Control System". ● The Company's endorsements/guarantees to subsidiary COREMAX (BVI) CORPORATION.	
2nd meeting of the 11th-term	2023.7.10	● The proposed salary raises for the manager of the Company.	

Board of Directors	Date	Content of resolution	Response of the Company toward the opinion of Independent Directors
4th meeting of the 11th-term	2023.8.22	● Subscription list for managers and directors who also serve as employees in the Company's capital increase by cash in 2023. ● Proposal for 2022 employee bonuses for the Company's managers. ● Amendments to the "Regulations for Remuneration of Directors".	
5th meeting of the 11th-term	2023.11.8	● Amendments to the Company's "Regulations Governing the Organization of the Audit Committee". ● Amendments to the Company’s "Board of Directors Performance Evaluation Guidelines". ● Resolution on the separation of the Company’s cobalt sulfate business unit.	
6th meeting of the 11th-term	2023.12.27	● Formulation of the "Approval Authority Chart" for the company's subsidiary VinaCoreMax Company Limited. ● The Company's proposal for adjusting the separation of the independently operated cobalt sulfate business unit.	

(2) Any other documented objections or qualified opinions raised by independent directors against board resolutions in relation to matters other than those described above: None.

2. For the implementation and state of directors' recusal for conflicts of interests, the directors' name, the topic discussed, reasons for the required recusal, and participation in the voting process:

Board of Directors	Date	Content of resolution	Recused Director	Reason of recusal and voting status
20th meeting of the 10th-term	2023.3.1	Report FY2022 distribution of employees' bonus and remuneration to Directors.	Chairman, Ho, Chi-Cheng Director, Ho, Eugene Lawrence Director, Lai, Ching-Yuan	The Chairman, Ho, Chi-Cheng and the Directors Ho, Eugene Lawrence and Lai, Ching-Yuan concurrently serve as managerial officers, and they recused themselves from the discussion and voting. The independent director, Hsu, I-Ping, chaired the meeting.
2nd meeting of the 11th-term	2023.7.10	The proposed salary raises for the manager of the Company.	Chairman, Ho, Chi-Cheng Director, Ho, Eugene Lawrence Director, Lai, Ching-Yuan	The Chairman, Ho, Chi-Cheng and the Directors Ho, Eugene Lawrence and Lai, Ching-Yuan concurrently serve as managerial officers, and they recused themselves from the discussion and voting. The independent director, Rick Liu, chaired the meeting.
4th meeting of the 11th-term	2023.8.22	● Subscription list for managers and directors who also serve as employees in the Company's capital increase by cash in 2023. ● Proposal for 2022 employee bonuses for the Company's managers.	Chairman, Ho, Chi-Cheng Director, Ho, Eugene Lawrence Director, Lai, Ching-Yuan	The Chairman, Ho, Chi-Cheng and the Directors Ho, Eugene Lawrence and Lai, Ching-Yuan concurrently serve as managerial officers, and they recused themselves from the discussion and voting. The independent director, Rick Liu, chaired the meeting.

3. A TWSE/TPEx listed company shall disclose the assessment cycle and period, the scope of assessment, method and content of assessment for the self (or peer) appraisal of the Board of Directors, and list the following implementation of the Board of Director's appraisal:

(1) The state of implementing Board of Directors evaluations:

Frequency of assessment	Assessment period	Scope of assessment	Method of assessment	Content of assessment
Once a year	From January 01, 2023 to December 31, 2023	1. Overall Board of Directors 2. Individual Board member 3. Performance assessment of functional committees	1. Overall Board of Directors: internal self-assessment in the Board of Directors. 2. Individual board member: self-assessment by director. 3. Functional committee: internal self-assessment in the Board of Directors.	The assessment result was reported to the Board of Directors on February 27, 2024. Please refer to Explanation 2 for the execution result of performance assessment of Board of Directors.

(2) Execution result of performance assessment of Board of Directors:

Performance assessment of Board of Directors	Self-assessment of Board members' performances	Performance assessment of functional committees
• Level of involvement in the Company's operations • Improve the decision quality of Board of Directors • Composition and structure of Board of Directors • Appointment and continuing education of Directors • Internal control	• Grasp of the Company's goals and missions • Recognition of director's duties. • Level of involvement in the Company's operations • Internal relationships management and communication • Directors' professionalism and continuing education • Internal control	• Level of involvement in the Company's operations • Comprehension of the responsibilities of the functional committee • Improvement in the quality of decision making by the functional committee • Composition of functional committee and appointment of members • Internal control
45 assessment indicators	23 assessment indicators	26 assessment indicators

Assessment result:

Performance assessment of Board of Directors	Self-assessment of Board members' performances	Performance assessment of functional committees
4.80	4.74	4.65

The results of the performance assessment of the Board of Directors showed that the Board of Directors and functional committees performed well overall in compliance with corporate governance requirements, effectively strengthened the functions of the Board of Directors, and upheld the interests of shareholders.

(3) Outsourced assessment results

On November 8, 2023, the Company commissioned Chainye Management Consultancy Co., Ltd. to evaluate the effectiveness of the Board of Directors and functional committees in 2023. Chainye and the implementation experts are independent and have no business dealings with the Company. The appointed experts interviewed individual directors, conveners of functional committees, and independent directors, and conducted board effectiveness assessment work on 16 major aspects and 94 indicators including the composition, guidance, authorization, supervision, communication, and self-discipline of the Board of Directors, as well as internal control and risk management for the board performance evaluation. They submitted an evaluation report with "Excellent" results.

The Company reported the evaluation results and recommendations to the Board of Directors on February 27, 2024. The conclusions and recommendations of the assessment and the Company's improvement plans are summarized below:

Conclusion

The Company's Board of Directors currently has nine directors, and independent directors account for 44% of all directors. The four independent directors are professionals with extensive experience in the industry, law, finance, and accounting, which fully meets the requirement for diverse talents for the Company's operations and development.

The members of the Company's Board of Directors are actively engaged and perform their duties well. The Corporate Governance Officer plans the schedule and agenda of board meetings and functional committees in advance to fully support the Board of Directors in performing their duties.

In support of the Corporate Governance 3.0 -Sustainable Development Roadmap, the Company set up the "Sustainable Development Committee" in 2022 as the group's dedicated organization for promoting ESG. It shows that the Company proactively implements corporate governance requirements.

4. Objective of enhancing functions of the Board of Directors

(1) Establishment of Remuneration and Audit Committees

The Company established the Remuneration Committee in 2011 and the Audit Committee in the shareholders' meeting of 2017 to strengthen the Board of Directors to perform its duties.

(2) Report on Corporate Governance

For strengthening the functions of the Board of Directors and corporate governance, the Company has established the Regulations Governing Procedure for Board of Directors Meetings, Rules for Election of Directors, Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, Code of Ethical Conduct, Corporate Governance Best-Practice Principles, Procedures of Self- or Peer Evaluation of the Board of Directors, and Managerial Procedures for Prevention of Insider Trading as the basis of compliance.

(II) Operations of the audit committee or the state of participation in Board meetings:

In FY2023 and 2024, up to the date of publication of the annual report, the Audit Committee convened nine meetings, and the attendance of members was as follows:

Title	Name	Attendance in Person	By proxy	Actual attendance rate	Remarks
Independent director	Chang, Yuan-Lung (Note 2)	9	0	100.00%	Should attend 9 meetings
Independent director	Tai, Ai-Fen (Note 1)	7	0	100.00%	Should attend 7 meetings
Independent director	Serena Huang (Note 1)	7	0	100.00%	Should attend 7 meetings
Independent director	Rick Liu (Note 1)	7	0	100.00%	Should attend 7 meetings
Independent director	Wang, Wen-Tsung	2	0	100.00%	Should attend 2 meetings
Independent director	Hsu, I-Ping	2	0	100.00%	Should attend 2 meetings

Note 1: Newly elected on June 30, 2023.
Note 2: Re-elected on June 30, 2023.

Other notes:

1. The date of the Audit Committee meeting, the term, contents of the proposals, dissenting or qualified opinions given by independent directors or contents of major proposed items, resolutions of the Audit Committee, and the Company's handling of the resolutions of the Audit Committee shall be recorded under the following circumstances in the operations of the Audit Committee meeting.

(1) Conditions described in Article 14-5 of the Securities and Exchange Act:

Audit Committee	Date	Content of resolution	Opinions of Audit Committee members and responses of the Company
16th meeting of the 2nd-term	2023.3.1	● The Company’s 2022 Assessment of the Effectiveness of Internal Control and the Statement of Internal Control System ● The Company's 2022 business report, standalone financial statements, and consolidated financial statements ● The Company's proposed distribution of 2022 earnings ● Loaning of funds among sub-subsidiaries ● Loaning of funds among sub-subsidiaries ● The audit fees for CPA appointment ● The Company's 2023 capital increase by issuing new shares for cash ● The Company's establishment of a subsidiary in Vietnam	Independent director, Wang, Wen-Tsung's inquiry: Reasons for the decrease in gross profit margin and status of allowance for inventory devaluation. Company response: There were operating gross losses for some materials and sufficient inventory allowances were made. Independent director, Chang, Yuan-Lung's reminder: The construction cost of the new plant should take into account the impact of future climate changes, such as reduced carbon emissions, improved efficiency, and other internal and external requirements, and pass relevant

Audit Committee	Date	Content of resolution	Opinions of Audit Committee members and responses of the Company
			certifications. Company response: Since future customers are mainly international manufacturers, we will follow relevant ESG regulations for evaluation and implementation.
17th meeting of the 2nd-term	2023.5.5	● Consolidated financial reports for 2023 Q1 ● Amendment of the "Internal Control System" ● The Company's endorsements/guarantees to subsidiary COREMAX (BVI) CORPORATION ● The change of the use of funds raised from the Company's 2020 issuance of common stock for cash ● The Company's acquisition of land use rights on behalf of the subsidiary in Vietnam that was not yet established	Members of the Committee have no opinion.
1st meeting of the 3rd-term	2023.7.10	● The Company's 2023 capital increase by issuing new shares for cash	Members of the Committee have no opinion.
2nd meeting of the 3rd-term	2023.8.4	● The Company's 2023Q2 consolidated financial reports ● Proposal for the hedging limit for foreign exchange transactions	Members of the Committee have no opinion.
3rd meeting of the 3rd-term	2023.8.22	● Determined the Company's issuance price of cash capital increase for year 2023 and other related matters	Members of the Committee have no opinion.
4th meeting of the 3rd-term	2023.10.20	● Appointed an independent expert to issue an opinion on the reasonableness of the separation value and share exchange ratio in this separation case	Members of the Committee have no opinion.

Audit Committee	Date	Content of resolution	Opinions of Audit Committee members and responses of the Company
5th meeting of the 3rd-term	2023.11.8	● Consolidated financial reports for 2023 Q3 ● Resolution on the separation of the Company’s cobalt sulfate business unit	Members of the Committee have no opinion.
6th meeting of the 3rd-term	2023.12.27	● Evaluation of the independence and suitability of the appointed CPAs from KPMG ● Purchase of production equipment by the Company's subsidiary "VinaCoreMax Company Limited" ● Formulation of the "Approval Authority Chart" for the company's subsidiary VinaCoreMax Company Limited	Members of the Committee have no opinion.
7th meeting of the 3rd-term	2024.2.27	● The Company’s 2023 Assessment of the Effectiveness of the Internal Control System and the Statement of Internal Control System. ● The Company's 2023 business report, standalone financial statements, and consolidated financial statements. ● The Company's proposed distribution of 2023 earnings. ● Distribution of cash dividends from capital surplus. ● Cooperate with the change of attesting CPAs as required by the internal adjustment of KPMG. ● Evaluation of the independence and suitability of the appointed CPAs from KPMG. ● Amendments to the general principles of the Company's pre-approval policy of non-assurance services. ● The audit fees for CPA appointment.	Members of the Committee have no opinion.

Audit Committee	Date	Content of resolution	Opinions of Audit Committee members and responses of the Company
		● Proposal for the Company's new lease of an administrative building from Uranus Chemicals. ● Amendment to the Company's Procedures for Endorsement and Guarantees. ● The Company's invested sub-subsidiary loaning of funds to a sub-subsidiary. ● The Company's invested sub-subsidiary loaning of funds to a sub-subsidiary.	

(2) Other resolution that has not been passed by the Audit Committee but passed by two-thirds or more of all Directors: None.

2. Recusal of any independent director due to conflict of interest: None.
3. Method of communication between Independent Directors, the Internal Audit Supervisor, and CPA:
   (1) The audit officer of the Company participates in the Audit Committee meetings, regularly reports the implementation and improvement of the audit plan, and communicates on the effectiveness of the implementation of the Company's internal control system; the interaction is good.
   (2) The independent directors of the Company interacted well with CPAs, and communicate well with CPAs in terms of reviewing financial and business issues.

(III) Corporate Governance Implementation and Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
I. Has the company established and disclosed its corporate governance principles based on the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?”	✓		The Company has established the “Corporate Governance Best-Practice Principles” pursuant to the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.” The Company and subsidiaries all operate accordingly	No material deviation
II. Shareholding structure and shareholders' interests (I) Has the Company implemented a set of internal procedures to handle Shareholders' recommendations, queries, disputes, and litigations?	✓		The Company holds annual shareholders' meetings as a regular communication channel with shareholders, establishes the " Managerial Procedures for Stock Affairs Operation", appoints a spokesperson and a deputy spokesperson, and mandates the Stock Affair Agency Department of Grand Fortune Securities to handle shareholding operations and settle shareholder proposals, questions, disputes and litigation issues.	No material deviation
(II) Is the Company constantly informed of the identities of its major Shareholders and the ultimate controller?	✓		The Company and its stock affair agency, the Stock Affair Agency Department of Grand Fortune Securities, regularly maintain lists of major shareholders and their ultimate controllers.	No material deviation

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(III) Has the Company established and implemented risk management practices and firewalls for its affiliated companies?	✓		The company's affiliates are the subsidiaries. The related party transactions, endorsement/guarantees, and loaning of funds all comply with the operational procedures. In addition, the Company regularly supervises and manages subsidiaries to implement risk control and firewall mechanism.	No material deviation
(IV) Has the Company established internal policies that prevent insiders from trading securities against non-public information?	✓		The Company has established the "Managerial Procedures for Prevention of Insider Trading" and operates accordingly to prohibit internal personnel from trading marketable securities by leveraging undisclosed information in the market, and no material discrepancies have occurred.	No material deviation
III. Composition and responsibilities of the Board of Directors (I) Has the Board established and implemented policies to ensure the diversity of its members?	✓		(1) The Company's Board of Directors passed the "Corporate Governance Best Practice Principles" on March 10, 2015 and the diversity policy for members of the Board of Directors is established in Article 20. The Company adopts a candidate nomination mechanism for nominating and selecting members of the Board of Directors in accordance with the Articles of Incorporation. In addition to evaluating the academic records, experience, and qualifications of the candidates, it also references the opinions of stakeholders and complies with "Procedures for Election of Directors" and "Corporate Governance Best-Practice Principles" to	No material deviation

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			ensure the diversity and independence of the members of the Board of Directors. (2) All current members of the Company's Board of Directors are skilled in operational judgment, business management, crisis management, leadership, and decision making. Ho, Chi-Cheng, Lai, Ching-Yuan, Ho, Eugene Lawrence, and Ho, Chi-Chou have expertise in accounting and finance, knowledge of the industry, an international market perspective, and chemicals. Cheng, Chih-Fa, Chang, Yuan-Lung, and Tai, Ai-Fen have legal expertise. (3) The Company has four independent directors, accounting for 44%. Three independent directors have a term of less than three years and one independent director has a term of six to nine years. Five directors are between 61 and 70 years old, one is between 51 and 60 years old, two are between 41 and 50 years old, and one is between 31 and 40 years old. The Company places a great emphasis on gender parity on the board. Female directors account for 22%, and directors who also serve as employees account for 11%. (4) The board diversity policy is disclosed on the Company's	

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			website and the Market Observation Post System.	
(II) Apart from the Remuneration Committee and Audit Committee, has the Company assembled other functional committees at its own discretion?	✓		The Company has already set up the Remuneration Committee, Audit Committee, and Sustainable Development Committee.	No material deviation
(III) Has the Company established a set of policies and assessment methodology to evaluate the performance of the Board? Is regular performance evaluation conducted, at least once a year, and the evaluation result is submitted to the Board to serve as a reference in determining the remuneration of individual Directors and a nomination for re-election?	✓		On March 15, 2019, the Board of Directors authorized the creation of the Self- or Peer Evaluation Procedures for the Board of Directors. Every year, the Company assesses the performance of the Board of Directors, functional committees, and directors, individually and as a whole. The scope of the evaluation includes the performance evaluation of the Board of Directors as a whole, individual Board members, and functional committees. Evaluation methods include internal self-evaluation by the Board of Directors, self-evaluation by directors, peer evaluation, and the appointment of external professional evaluation institutions and experts, or other appropriate methods for performance evaluation. The measures for evaluating the overall performance of the Company's Board of Directors covers the following five aspects: I. Level of involvement in the Company's operations.	No material deviation

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			II. Decision quality of the Board of Directors. III. Composition and structure of the Board of Directors. IV. Appointment and continuing education of Directors. V. Internal control. The performance evaluation (self or peer) of Board members covers the following six aspects: I. Understanding of the Company's goals and missions. II. Recognition of director's duties. III. Level of involvement in the Company's operations. IV. Internal relationship management and communication. V. Directors' professionalism and continuing education. VI. Internal control. The performance evaluation of the Company's functional committees covers the following five aspects: I. Level of involvement in the Company's operations. II. Recognition of the responsibilities of the functional committee. III. Quality of functional committee's decisions. IV. Composition of functional committee and appointment of members. V. Internal control. The Company selects appropriate evaluation implementation	

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			units. Each unit collects information related to the activities of the Board of Directors and distributes related self-evaluation surveys. The coordination and implementation unit or the Secretariat of the Board of Directors will collect the information and surveys, compile a report with the results according to the aforementioned procedures, and submit the report to the Board of Directors for review and improvement. On November 8, 2023, the Company commissioned Chainye Management Consultancy Co., Ltd. to evaluate the effectiveness of the Board of Directors and functional committees in 2023. Chainye submitted an evaluation report with "Excellent" results on January 10, 2024.	
(IV) Does the Company assess the independence of external auditors regularly?	✓		The independence of attesting CPAs is assessed at least once per year. Based on the assessment, the CPA has no direct or material indirect financial interest in the Company, nor does he or she hold any position as a Director, Supervisor, or manager of the Company or have any significant influence on the audit or involved in the management function of the Company in formulating decisions. The Company also requested the attesting CPAs to provide an "Accountant's Independence Statement", which was reviewed and approved by the Board of Directors on February 27, 2024.	No material deviation

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
IV. Does the TWSE/TPEx listed company dedicate competent managers or a sufficient number of managers to take charge of corporate governance, and designate supervisors thereof to oversee the corporate governance affairs (including but not limited to providing information required for director/supervisor's operations, assisting the Board and Supervisors in legal compliance, convening Board/Shareholders' meetings in accordance with the law, applying for/changing company registry, and producing meeting minutes of Board/Shareholders' meetings)?	✓		The Company has established the Corporate Governance Best-Practice Principles and set up a corporate governance unit to perform corporate governance-related duties, which covers the formulation of the relevant code of conduct and the practices and procedures to be followed to comply with the corporate governance requirements. The Company established a corporate governance officer in 2022.	No material deviation
V. Has the Company established a means of communicating with its stakeholders (including but not limited to Shareholders, Employees, customers, suppliers, et cetera) or created a stakeholder section on the Company website? Does the Company respond to stakeholders' questions on corporate responsibilities?	✓		(1) The Company maintains open communication channels with banks and other creditors, employees, consumers, suppliers, communities, or company stakeholders, and respects and safeguards their legitimate rights and interests. (2) Stakeholders may instantly learn about the Company's operating information through MOPS. (3) The Company has appointed the spokesperson and	No material deviation

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			deputy spokesperson as communication channels with stakeholders.	
VI. Does the Company appoint a professional stock transfer agent to handle the affairs of the shareholders' meeting?	✓		The Company has mandated the Stock Affair Agency Department of Grand Fortune Securities as the stock affair agency.	No material deviation
VII. Information Disclosure (I) Has the company established a website that discloses financial, business, and corporate governance-related information?	✓		The Company has set up a company website to disclose finance and business and corporate governance information. In addition, it has also disclosed relevant information in MOPS pursuant to the law.	No material deviation
(II) Does the Company adopt other avenues for information disclosure (e.g., setting up an English website, designating specific personnel to collect and provide disclosure on the Company, implementing a spokesperson system, disclosing the process of institutional investor conferences on the Company website, etc.)?	✓		In order to ensure that information that may affect the decision-making of shareholders and stakeholders may be disclosed in a timely and fair manner, the responsible units collect and release various information. The relevant reporting operations are conducted at MOPS, and the implementation of the spokesperson system has been enhanced.	No material deviation
(III) Does the Company publicly announce and file the annual financial reports within two months after the accounting year-end, and publicly announce and file the first, second and third quarterly financial reports and	✓		The Company publicly announces and files the financial statements within three months after the fiscal year ends, according to the Required Business Matters of Issuers of Publicly Listed Securities. The Company publicly announces and files the first, second, and third quarterly financial reports	No material deviation

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
monthly operating status reports before the stipulated deadlines?			and monthly operating status reports before the stipulated deadlines. Although the Company did not meet the requirements of corporate governance recommendations for announcing and filing the reports within two months after the year ended, the Company still filed the reports by the deadline prescribed by the competent authority.	
VIII. Does the Company have other important information for better understanding the Company's corporate governance system (including but not limited to interests and rights of employees, care for employees, investor relations, relations with suppliers, relations with stakeholders, continuing education of directors and supervisors, execution of risk management policies and risk measuring standards, execution of customer policies, and liability insurance for the Company's directors and supervisors)?	✓		(I) Employee Rights and Employee Care: The Company follows the Labor Standards Act and related laws and regulations regarding employees' rights and benefits, establishes an Employee Welfare Committee, attributes allowances and pensions, provides health examinations for employees, and holds various welfare activities for employees to mingle. (II) Investor relations: The Company publishes financial and business information on the Market Observation Post System (MOPS) promptly to protect the rights and interests of investors and stakeholders as pursuant to the laws and regulations, appoints spokesperson and deputy spokesperson as communication channels, attending institutional investors' conference as invited by security firms to facilitate shareholders' understanding of the Company's	No material deviation

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			operations. (III) Supplier relations: The Company communicates smoothly with its suppliers and adheres to the principle of honesty and reciprocity in business relationships with them. (IV) Rights of stakeholders: The Company maintains fluent communication channels with its stakeholders and fully respects and protects their legitimate rights and interests. (V) Continuing Education Taken by the Directors and Independent Directors: The Board members of the Company has attended courses at designated institutions in accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies. Please refer to p.56 of the annual report for more details. (VI) The implementation of risk management policies and measure standards of risks: The Company has always been operating in a prudent manner and has established an internal control system to prevent various risks, which is regularly and irregularly inspected	

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			by internal audit units. The Company also carries property insurance and develops and continuously reviews various operational risk preparation plans. (VII) Implementation of client policies: The Company maintains close contact with its customers to ensure the reliability and quality of its products, and strictly abides by the contracts signed with customers to ensure their rights and interests. (VIII) Insurance bought for Directors and Supervisors by the Company: The Company purchases liability insurances for the Directors to strengthen the protection of shareholders' rights. The Company disclosed the information related to the operation on MOPS, and the various information is available on the website.	
IX. Please describe improvements that have been made about the results of the corporate governance evaluation as prescribed by the Taiwan Stock Exchange Corporate Governance Center, as well as priorities and measures for matters that have yet to be improved. (The companies not subject to the evaluation need to fill in this part) For the results of the 2023 Corporate Governance Evaluation, the Company's ranking was the first 21% - 35%. The Company will keep on advancing corporate governance.				

The Company arranges annual professional training for the Directors in accordance with the regulations. The course covers the functions and performance evaluation of the Board of Directors, as well as corporate ethics and various communication issues. To encourage directors to pursue further education, the Company provides directors with information on courses offered by TWSE or TPEx from time to time and arranges suitable courses for them. The Company arranges suitable courses on corporate governance, economy, environment, society, human rights, and other aspects of corporate social responsibility during the Directors' personal time. Information on the Directors' education in 2023 is as follows:

Title	Name	Course Date	Organizer	Course name	Course hours
Chairman	Ho, Chi-Cheng	11/8 12/27	Taiwan Corporate Governance Association Taiwan Corporate Governance Association	Framework and Actual Operations of the Company Act Management Right Disputes and Case Analysis	6
Director	Ho, Eugene Lawrence	11/8 12/27	Taiwan Corporate Governance Association Taiwan Corporate Governance Association	Framework and Actual Operations of the Company Act Management Right Disputes and Case Analysis	6
Director	Lai, Ching-Yuan	11/8 12/27	Taiwan Corporate Governance Association Taiwan Corporate Governance Association	Framework and Actual Operations of the Company Act Management Right Disputes and Case Analysis	6
Director	Ho, Chi-Chou	11/8 12/27	Taiwan Corporate Governance Association Taiwan Corporate Governance Association	Framework and Actual Operations of the Company Act Management Right Disputes and Case Analysis	6
Director	Cheng, Chih-Fa	8/22 8/22	Securities & Futures Institute Securities & Futures Institute	Measurement and management of the impact of Sustainable Development Goals Talent development and corporate sustainability	6
Independent director	Chang, Yuan-Lung	8/22 8/22	Securities & Futures Institute Securities & Futures Institute	Measurement and management of the impact of Sustainable Development Goals Talent development and corporate sustainability	6
Independent director	Tai, Ai-Fen	9/4 10/21 11/8	Financial Supervisory Commission Accounting Research and Development Foundation Taiwan Corporate Governance Association	14th Taipei Corporate Governance Forum Legal Responsibilities in Company Management Right Disputes and Case Analysis Framework and Actual Operations of the Company Act	12
Independent director	Serena Huang	3/14 9/8	Taiwan Corporate Governance Association Taiwan Corporate Governance Association	Risks and Opportunities for the Business Operation resulting from Climate Change Activation of Succession Plans - Employee Reward and Remuneration Plan and Equity Inheritance	6
Independent director	Rick Liu	10/11 11/8 11/29 12/27	Chinese National Association of Industry and Commerce, Taiwan Taiwan Corporate Governance Association Securities & Futures Institute Taiwan Corporate Governance Association	Corporate Governance, Corporate Fraud, and Major Case Analysis Framework and Actual Operations of the Company Act 2023 Seminar on Legal Compliance of Insider Equity Swaps Management Right Disputes and Case Analysis	12

(IV) If the Company has established the Remuneration Committee, its composition, responsibilities, and operation should be disclosed:

1. Information of Remuneration Committee members:

Identity Type (Note 1)	Name / Qualifications	Professional qualifications and experience	Independence	Number of Other Public Companies in which the Individual is Concurrently Serving as a Remuneration Committee Member	Remarks
Independent director	Chang, Yuan-Lung	Education: Department of Accounting, Tamkang University Experiences / Current positions: Accountant, Chin Cheng United Certified Public Accountants Independent Director, GSD Technologies Co., Ltd. Independent Director, Shin Zu Shing Co., Ltd. Certified Public Accountant of the Republic of China and at least five years' experience in business, legal, finance, accounting or corporate business. Does not meet any of the criteria described in Article 30 of the Company Act.	Note 2	None	None
Independent director	Rick Liu	Education: Department of Accountancy, National Cheng Kung University MBA, University of Central Missouri Experiences / Current positions: Assistant Vice President; Human Resources, IT, and PR; China American Petrochemical Co., Ltd. Executive Consultant and President, Chinese Human Resource Management Association Perennial Consultant, 104 Corporation At least five years' experience in business, legal, finance, accounting or corporate business. Does not meet any of the criteria described in Article 30 of the Company Act.		None	None
Independent director	Tai, Ai-Fen	Education: Bachelor of Law, Department of Law, Fu Jen Catholic University Master of Law in Business Administration, National Taiwan University Experiences / Current positions: Managing Partner, Tai Ai-Fen Law Firm Certified Attorney of the Republic of China and at least five years' experience in business, legal, finance, accounting or corporate business. Does not meet any of the criteria described in Article 30 of the Company Act.		None	None

Note 1: For the title, please indicate the position as Director, Independent Director, or others.

Note 2: Members who meet the following conditions two years before the appointment or during the term of appointment:

(1) Not an employee of the Company or any of its affiliates.

(2) Not a director or supervisor of the Company or any of its affiliates. (The same does not apply, however, in cases where the person is an independent director of the company, its parent company, or any subsidiary,

or subsidiary of the same parent company as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.)

(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders.

(4) Not a managerial officer mentioned in paragraph (1), or a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship mentioned in paragraphs (2) and (3).

(5) Not a director, supervisor, or employee of an institutional shareholder that directly holds 5% or more of the total number of issued shares of the Company, or ranks as its top five shareholders, or the designated representative pursuant to Article 27, Paragraph 1 or 2 in the Company as director/supervisor. (The same does not apply, however, in cases where the person is an independent director of the company, its parent company, or any subsidiary, or subsidiary of the same parent company as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.)

(6) Not a director, supervisor, or employee of other companies with the Board seats or more than half of the voting shares under the control of one person. (The same does not apply, however, in cases where the person is an independent director of the company, its parent company, or any subsidiary, or subsidiary of the same parent company as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.)

(7) Not a Director, General Manager or Employee of other company whose chairperson or general manager are the same person or spouse of the Company. (The same does not apply, however, in cases where the person is an independent director of the company, its parent company, or any subsidiary, or subsidiary of the same parent company as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.)

(8) Not a director, supervisor, managerial officer, or shareholder holding 5% or more of the shares of a specified company or institution with a financial or business relationship with the Company. (The same does not apply, however, if the specified company or institution holds more than 20% and less than 50% of the total number of issued shares of the Company, and in cases where the person is an independent director of the Company, its parent company, or any subsidiary, or subsidiary of the same parent company as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.)

(9) Not a professional who provides audit or received no more than NT$500,000 in cumulative compensation in the last two years for commercial, legal, financial, or accounting services to the Company or its affiliates, nor an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or organization that provides such services to the company or its affiliates; or the spouse of any of the above. However, exception applies to members of a remuneration committee, a take-over bid review committee, or a special committee for merger and acquisition exercising their authority pursuant to provisions of the Securities and Exchange Act or the Business Mergers and Acquisitions Act.

(10) Does not meet any of the criteria described in Article 30 of the Company Act.

2. Operation of Remuneration Committee

(1) The total number of members in the Remuneration Committee amounts to three persons.

(2) The term of the committee member: from June 30, 2023 to June 11, 2026. In 2023 and 2024, up to the date of publication of the annual report, the Remuneration Committee convened five meetings, and the attendance of members was as follows:

Title	Name	Attendance in Person	By proxy	Actual attendance rate (%)	Remarks
Committee member	Hsu, I-Ping	1	0	100.00%	Stepped down on June 30, 2023 Should attend 1 meeting
Committee member	Wang, Wen-Tsung	1	0	100.00%	Stepped down on June 30, 2023 Should attend 1 meeting
Committee member	Chang, Yuan-Lung	5	0	100.00%	Re-appointed on June 30, 2023 Should attend 5 meetings
Committee member	Rick Liu	4	0	100.00%	Newly appointed on June 30, 2023 Should attend 4 meetings
Committee member	Tai, Ai-Fen	4	0	100.00%	Newly appointed on June 30, 2023 Should attend 4 meetings

Note: After the term of office of directors expired on June 11, 2023, an election of all directors was organized on June 30, 2023 to elect members of the Remuneration Committee.

Other notes:

(1) If the Board of Directors declines to adopt or modify a recommendation of the remuneration committee, it should specify the date of the meeting, the session, the nature of motion, the resolution made by the Board of Directors, and the Company's response to the remuneration committee's opinion (e.g., if the amount of remuneration passed by the Board of Directors has a discrepancy with the recommended amount by the Remuneration Committee, the circumstances and cause for the difference shall be specified): None.

(2) If resolutions of the Remuneration Committee are objected to by members or become subjected to a qualified opinion, which has been recorded or declared in writing, then the date of the meeting, the session, the nature of the motion, all members' opinions, and the response to members' opinions should be specified: None.

(V) Implementation status of sustainable development and deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance BestPractice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
I. Has the Company established a governance structure to promote sustainable development and set up a special (part-time) unit to promote sustainable development, which is authorized by the Board of Directors to be handled by senior management and is supervised by the Board of Directors?	✓		The Company has noticed the development of global trends and responded to customers' requests by establishing a Sustainable Development Committee in 2022 to develop sustainability and plan strategies. This committee is dedicated to promoting ESG to further align with global sustainability trends. The ESG Committee will be chaired by the Chairman of the Board of Directors and comprised of the Group's General Manager and various operational and functional heads, with the Chairman assigning executives to implement ESG initiatives. The ESG Committee serves as a cross-departmental communication platform that integrates vertically and connects horizontally to implement the blueprint for sustainable development. Through semi-annual meetings, the ESG Committee identifies sustainability issues of concern to the company's operations and stakeholders, prepares corresponding strategies and working guidelines, prepares ESG-related budgets for each organization, coordinates resources, plans and implements annual programs, and tracks the effectiveness of implementation to ensure that ESG strategies are fully implemented in the company's daily operations. The ESG Committee reports to the Board at least annually on the current year's performance results and the following year's working plan.	No material deviation
II. Does the Company conduct risk assessment on environmental, social and corporate governance issues related to its operations and establish relevant risk management policies or strategies in accordance with the materiality principle?	✓		The Company established a Sustainable Development Committee, which is responsible for promoting various ESG programs and formulating sustainable development strategies for the Company.	No material deviation

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance BestPractice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
III. Environmental Issues (I) Does the company have an appropriate environmental management system established in accordance with its industrial character?	✓		In accordance with ISO 14001, ISO 14064-1, and ISO 50001 management systems, we effectively manage energy use and improve energy efficiency, and conduct annual PDCA effectiveness evaluations of energy and environmental management to ensure the implementation of environmental policies.	No material deviation
(II) Is the Company committed to improving resource efficiency and utilizing recycled materials that have a lower impact on the environment?	✓		The Company implements garbage classification and reduction and implements the policy of resource recycling and reuse. Sewage and waste liquid are processed in a centralized manner. After the metal components are extracted, they are treated to the discharging standard before discharging to the sewage treatment center of the industrial park to minimize the damage to the environment.	No material deviation
(III) Has the company assessed the potential risks and opportunities for business operations now and in the future regarding climate change and will it adopt response measures relating to climate issues?	✓		The Company has assessed the potential risks and opportunities of climate change to the Company in the present and the future by referring to relevant climate change information and the TCFD framework. Through the "CSR editorial team" at the meeting, the discussion and risk identifications are undertaken based on the Company's product characteristics, the transformation risks, and physical risks and opportunities, and the short-, medium- and long-term climate change risks and opportunities are identified based on the impact on the Company operations and likelihood. After assessment, the Company's potential climate-related risks and opportunities are: Physical risk: long-term Increase in extreme climate events: drought leading to water shortage risk:	No material deviation

<table>
<tr><th rowspan="2">Assessment criteria</th><th colspan="3">Actual governance</th><th rowspan="2">Deviation and causes of deviation from the Corporate Governance BestPractice Principles for TWSE/TPEX Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><th>Water shortage simulation</th><th>Financial impact</th><th>Responding strategy</th></tr>
<tr><td>Long drought without rain, water outage for a week</td><td>No impact</td><td>The Company currently has a water storage facility with a capacity of 500 m3, which is enough to supply the known water consumption for a week after the water is cut off.</td></tr>
<tr><td>Long drought without rain, water outage for one to two weeks</td><td>Manufacturing costs increase
Revenue declines</td><td>1. Arrange water trucks to send water
2. Revise down output</td></tr>
<tr><td>Water outage for more than three weeks</td><td>Fixed assets increase
Revenue declines</td><td>Build sewage recycling and treatment equipment to reduce the dependence on tap water.</td></tr>
</table></td><td></td></tr>
<tr><td>(IV) Has the company calculated the greenhouse gas emissions, water consumption, and total weight of waste in the past 2 years. It formulated policies on energy conservation and carbon reduction, greenhouse gas reduction, water consumption, or other waste management?</td><td>✓</td><td></td><td>◎ GHG emission volume
In order to fulfill global citizenship and corporate social responsibility, the Company is committed to promoting energy saving and carbon reduction. In order to enhance the management of greenhouse gases, the ISO 14064-1 greenhouse gas inventory standard was introduced in 2019, and the verification statement was obtained. The Company's main energy sources are gasoline, diesel, liquefied petroleum gas, purchased steam, natural gas, and electricity, of which electricity takes the highest proportion. The greenhouse gas emissions in the past two years are shown in the following table:</td><td>No material deviation</td></tr>
</table>

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance BestPractice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	

Category	Unit	2022	2023
Gasoline	Tons of CO_2e	12.45	13.38
Diesel	Tons of CO_2e	36.82	30.88
LPG	Tons of CO_2e	202.76	443.30
Purchased steam	Tons of CO_2e	1,142.23	601.83
Natural Gas	Tons of CO_2e	1,772.99	2,170.22
Electricity	Tons of CO_2e	5,363.33	4,094.09
Scope 1	Tons of CO_2e	2,025.02	2,657.78
Scope 2	Tons of CO_2e	6,505.56	4,695.92
Total emission=Scope 1 + Scope 2	Tons of CO_2e	8,530.58	7,353.70
Parent company only revenue	NT$ thousand	7,615,998	3,834,379
GHG emission intensity (total emission/parent company only revenue)	Tons of CO_2e / NT$ thousand	0.0011	0.0019

◎ Water usage

Water resource management plays a key role in the Company's sustainable operation. It promoted the ISO14046 water footprint of products in 2019, and passed the verification in October of the same year. The Company actively conducts water consumption surveys, improvement assessments and water-saving plans, and launch more water-saving measures.

In 2023, the Company withdrew 21.36 million liters of water in the Hsinchu Plant and 21.06 million liters of water in the Toufen Plant, totaling 42.42 million liters, with a water consumption intensity of 1.106 million liters per NT$ 100 million in 2023. The total water discharge in 2023 was 33.17 million liters, a 38.89% increase compared to 2022.

<table>
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<tr><td></td><td></td><td></td><td>
<table>
<tr><th>Item</th><th>Unit</th><th>2022</th><th>2023</th></tr>
<tr><td>Water withdrawal</td><td>Million liters</td><td>44.79</td><td>42.42</td></tr>
<tr><td>Water discharge</td><td>Million liters</td><td>23.88</td><td>33.17</td></tr>
<tr><td>Water consumption</td><td>Million liters</td><td>4.435</td><td>9.252</td></tr>
<tr><td>Parent company only revenue</td><td>NT$100 million</td><td>76.16</td><td>38.34</td></tr>
<tr><td>Water use intensity (total withdrawal/parent company only revenue)</td><td>Million liters/ NT$100 million</td><td>0.588</td><td>1.106</td></tr>
</table>
◎ Total weight of waste
The wastes in the Company's plants are general business wastes, including inorganic sludge waste, waste plastic mixture, waste wood mixture, household garbage, waste flame retardant materials, waste fiber or other mixtures e.g., cotton and cloth, and there is no harmful waste. The total volume of waste in 2023 was 746.02 tons, of which inorganic sludge waste accounted for the largest share, about 651.58 tons.
The Company complies with the environmental protection regulations of the competent authority for waste disposal, mainly through outsourcing transportation, and signs contracts with qualified waste removal and treatment companies meeting the requirements of relevant regulations as required by laws, while ensuring that outsourcing manufacturers properly handle each item pursuant to the laws.
</td><td></td></tr>
</table>

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<table>
<tr><th colspan="4">Waste Composition</th><th colspan="2">Waste Generated (tons)</th></tr>
<tr><th colspan="3">Processing Method</th><th>Item</th><th>2022</th><th>2023</th></tr>
<tr><td rowspan="9">Off-site Processing</td><td rowspan="9">Direct Processing</td><td>Thermal Treatment</td><td>Inorganic Sludge</td><td>182.84</td><td>0</td></tr>
<tr><td>Physical treatment</td><td>Inorganic Sludge</td><td>0</td><td>651.58</td></tr>
<tr><td>Landfill</td><td>Waste refractory materials</td><td>12</td><td>0</td></tr>
<tr><td rowspan="5">Incineration (Excluding energy recovery)</td><td>Waste plastic mixture</td><td>6.12</td><td>2.02</td></tr>
<tr><td>General waste from business operations</td><td>12.73</td><td>22.23</td></tr>
<tr><td>Waste wood mixtures</td><td>6.13</td><td>0.93</td></tr>
<tr><td>Waste fiber or other cotton, cloth and other mixtures</td><td>0</td><td>1.33</td></tr>
<tr><td>Non-hazardous mixed waste liquid</td><td>22.1</td><td>14.36</td></tr>
<tr><td colspan="2">Subtotal</td><td>241.92</td><td>692.45</td></tr>
</table>
</td><td></td></tr>
</table>

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance BestPractice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	

Waste Composition			Waste Generated (tons)	
Processing Method		Item	2022	2023
On-site Processing	On-site temporary storage	Inorganic Sludge	25.1	43.55
		Waste refractory materials	3.49	6.2
		Waste plastics	0	0.62
		Waste fibers	0	0.2
		Waste wood	0	0.3
		Non-hazardous mixed waste liquid	0	2.7
		Subtotal	28.59	53.57
Total			270.51	746.02

The Company mainly relies on purchased electricity and steam for energy. To lessen the environmental harm caused by greenhouse gases, the Company promotes energy management solutions for offices and public areas to build a culture of energy conservation among employees.

The Company presents objective data on its expenses for environmental hygiene, energy conservation, carbon reduction, and greening activities. These expenses are mainly focused on conducting operating environment inspections and operating and maintaining pollution control equipment operation. The total amount of environmental expenses for FY2023 is NT$8,095.44 thousand, an increase from the previous year.

<table>
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<tr><td></td><td></td><td></td><td>
<table>
<tr><th>Item</th><th>2022</th><th>2023</th></tr>
<tr><td>Air Pollution Control Expenses</td><td>65</td><td>1.67</td></tr>
<tr><td>Water Pollution Control Expenses</td><td>861.71</td><td>428.96</td></tr>
<tr><td>Waste treatment expenses</td><td>2,467.25</td><td>6,713.38</td></tr>
<tr><td>Soil and groundwater protection and remediation expenses</td><td>1,189.03</td><td>951.43</td></tr>
<tr><td>Total</td><td>4,582.99</td><td>8,095.44</td></tr>
</table>
</td><td></td></tr>
<tr><td>IV. Social Issues
(I) Does the company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?</td><td>✓</td><td></td><td>The Company values the opinions of employees, protects the rights and interests of employees, is committed to improving working conditions and working environment, provides employee channels for suggestions and complaints, and holds regular employee-employer meetings to strengthen employee-employer collaboration.</td><td>No material deviation</td></tr>
<tr><td>(II) Has the company established and implemented reasonable measures for employee benefits (including remuneration, holidays, and other benefits) and adequately reflect the business performance or achievements in employee remuneration?</td><td>✓</td><td></td><td>The salary assessment of the Company is based on educational qualifications and relevant experience, and is superior to the wage standard of the "Labor Standards Act." The salary per capita in December 2023 was higher than the average salary in Taiwan reported by the Directorate General of Budget, Accounting and Statistics (DGBAS). Currently, the starting salary of direct personnel is more than 1.33 times the average salary, and higher than the salary level of the industry. The employees are also entitled to monthly performance incentives, surplus distribution, and year-end bonuses. The average annual salary of 2023 is 14-16 months. The floating incentives, such as employee performance incentives, bonuses, and year-end bonuses are distributed be based on the employee's personal contribution, key performance indicator (KPI) achievement rate, and performance appraisal results</td><td>No material deviation</td></tr>
</table>

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance BestPractice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(III) Does the company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?	✓		The Company handles the safety and health tasks pursuant to the regulations related to organization and personnel in the Occupational Safety and Health Act.	No material deviation
(IV) Does the company establish effective training programs for employee's career development?	✓		The Company has an internal promotion system and training programs	No material deviation
(V) Has the company complied with laws and international standards with respect to customers' health, safety, and privacy, and marketing and labeling in all products and services offered, and implemented consumer protection policies and complaint procedures?	✓		The Company values customers' opinions, and provides product inquiry contact windows and an online customer service mailbox at the Stakeholders Section on the Company's website. In addition to visiting customers from time to time, it also conducts customer satisfaction surveys every year and understands customer needs through distributor conferences. The Company insists on the principle of good faith to handle and give feedback, to protect the interests of customers.	No material deviation
(VI) Has the company established supplier management policies demanding compliance with relevant regulations and their execution status regarding issues such as environmental, occupational safety, and health or labor rights?	✓		The Company has established "Supplier Management Procedures" and "Supplier Social Responsibility and Code of Conduct," disclosed on the Company's website, to enable suppliers to understand and comply with the Company's product safety and ethical requirements, and to enhance their social and environmental responsibility, including requirements for suppliers' ethical standards, respect for human rights, environmental sustainability, privacy and intellectual property rights, healthy and safe working environment; other than requiring suppliers to cooperate closely, the suppliers are also regularly evaluated. When the Company purchases goods, it also needs to comply with the environmental laws and regulations of the country where it is located, and industry regulations such as the source of conflict minerals.	No material deviation
V. Has the company taken reference from international reporting standards or guidelines	✓		The Company's corporate social responsibility report has been assured by attesting CPA Chi-Lung Yu from KPMG with the issuance of the assurance report.	No material deviation

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance BestPractice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
when compiling sustainability reports and other reports that disclose non-financial information? Does the Company obtain the confirmation or affirmation opinion from a third party for the aforementioned reports?				
VI. For companies who have established corporate responsibility code of conducts in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx-Listed Companies," please describe the current practice and any deviations from the code of conduct: There is no material deviation between the current operation and the Best Practice Principles.				
VII. Any other essential information that may help us to understand the performance of corporate social responsibility better: None				

(VI) The state of the Company's performance in the area of ethical corporate management, any variance from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance:

Assessment criteria	Actual governance			Nonconformity to the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof
	Yes	No	Summary description	
I. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures (I) Does the Company establish corporate conduct and ethics policy that is approved by the Board of Directors and document such policy and procedure and ensure the commitment of the Board and Management team in the implementation of the policy thereof, in the bylaws and publicly available documents?	✓		The Company has approved the Ethical Corporate Management Best Practice Principles and related operational procedures while presenting a CSR report to communicate that it takes ethical management as its philosophy in sustainable development. The Board of Directors and senior management actively implement ethical management commitments and thoroughly undertakes the commitments in internal management and business activities.	No material deviation
(II) Has the company established a risk assessment mechanism against unethical behavior, analyzed and assessed business activities within their business scope on a regular basis that are at a higher risk of being involved in unethical behavior, and established prevention programs at least covering the preventive measures specified in Paragraph 2 of Article 7 "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"?	✓		The Company has established the "Procedures for Ethical Management and Guidelines for Conduct" to formalize an effective accounting system and internal control system specifically preventing business activities with risk of unethical conduct. The auditing unit is responsible for formulating the ethical management policy and prevention programs, auditing compliance and supervising the implementation, and regularly analyzing and evaluating the risks of unethical conduct in the business scope for reporting to the Board of Directors.	No material deviation
(III) Does the Company establish relevant policies that are duly enforced to prevent unethical	✓		In order to implement the prevention of unethical conduct, the Board of Directors has passed the "Ethical Corporate Management Best Practice Principles" and "Code	No material deviation

Assessment criteria	Actual governance			Nonconformity to the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof
	Yes	No	Summary description	
conduct, provide and implement operating procedures, behavioral guidelines, the penalty for violation and appeal system in such policies, as well as evaluating and amending the aforementioned policies on a regular basis?			of Ethical Conduct," while specifying various operational procedures and conduct guidelines, to specifically regulate the matters that the Company's personnel should pay attention to when conducting business. For new employees, promotional courses are arranged. Meetings and training for employees are conducted from time to time every year. In addition, a reward and punishment system is established to provide internal and external complaints and whistle-blowing channels in order to prevent unethical conduct.	
II. Implementation of ethical management (I) Does the Company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?	✓		The rights and obligations of the Company and its counterparts are stipulated in the contract to be fully complied with.	No material deviation
(II) Does the Company task a unit that reports directly to the Board of Directors and with promoting ethical standards, making periodical updates (at least once a year) to the Board on business integrity management policy, as well as the supervision of measures for prevention of unethical conduct?	✓		The Company has established the “Ethical Corporate Management Best Practice Principles,” and the Audit Office is responsible for formulating and supervising the implementation of ethical management policy and prevention programs, with regular reports to the Board of Directors.	No material deviation
(III) Does the Company have any policy that prevents conflict of interest and channels that facilitate the report of conflicting interests?	✓		The Company has an "Employee's Code" specifying that all employees shall not receive benefits of more than NT$100. It prohibits the Company's to have transactions or business relations with employees and their relatives, to prevent employees from earning personal interests on the cost of the Company's interests.	No material deviation

Assessment criteria	Actual governance			Nonconformity to the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof
	Yes	No	Summary description	
(IV) Has the Company implemented effective accounting and internal control systems to maintain business integrity? Do internal or external auditors review these systems on a regular basis?	✓		In order to ensure the implementation of ethical management, the Company has established an effective accounting system and internal control system, and internal auditors regularly audit the compliance with the previous system.	No material deviation
(V) Does the Company conduct internal and external ethical training programs on a regular basis?	✓		The Company promotes the concept of ethical management and its importance from time to time.	No material deviation
III. Implementation of whistle-blowing system (I) Does the Company provide incentives and means for Employees to report malpractice? Does the Company dedicate personnel to investigate the reported malpractice?	✓		The Company has a responsibility unit to handle related affairs pursuant to the process set forth in the procedures.	No material deviation
(II) Has the Company implemented any standard procedures or confidentiality measures for handling reported malpractices?	✓		The Company has established the Corporate Governance Best-Practice Principles, and operates as required.	No material deviation
(III) Does the Company assure malpractice reporters that they will not be mistreated for making such reports?	✓		The Company encourage whistleblowing, and will protect the whistleblower.	No material deviation
IV. Enhanced information disclosure Has the company disclosed relevant CSR principles and implementation on its website and Market Observation Post System?	✓		The related corporate culture, operating guidelines, and implementation status are disclosed on the Company's website, MOPS, annual reports, and CSR reports.	No material deviation

<table>
<tr><td rowspan="2">Assessment criteria</td><td colspan="3">Actual governance</td><td rowspan="2">Nonconformity to the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof</td></tr>
<tr><td>Yes</td><td>No</td><td>Summary description</td></tr>
<tr><td colspan="5">V. If the Company has established business integrity policies in accordance with “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies,” please describe its current practices and any deviations from the Best Practice Principles
There is no material deviation between the current operation and the Best Practice Principles.</td></tr>
<tr><td colspan="5">VI. Other material information that helps to understand the practice of ethical management of the company: (e.g., the review and revision of the best-practice principles of the Company in ethical management) None.</td></tr>
</table>

1. The Company complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, regulations related to TWSE/TPEx listing companies, and other regulations related to business conducts, as the basis of implementation of ethical management.
2. The Company has a company website for the public to learn about the Company. Important financial and business information is disclosed on public information websites in a timely manner pursuant to laws and regulations for general investors to review. The implementation status of social responsibilities is disclosed in the prospectus.
3. The Company has formulated the internal control system, internal audit system, and various management procedures; auditors and external professionals (such as brokers or accountants) conduct random inspections to ensure they are being implemented effectively to mitigate business risks and protect the interest of investors.

(VII) For Corporate Governance Guidelines and Regulations and other relevant internal policies, the Company should disclose how to access these policies:

The Company has established the related rules pursuant to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies as follows and has implemented the operation and promotion of corporate governance. Investors may view them on the Company's website https://www.coremaxcorp.com/zh-tw/ and MOPS.

1. Code of Ethical Conduct;
2. Rules of Procedure for Shareholder Meetings;
3. Regulations Governing Procedure for Board of Directors Meetings;
4. Procedures for Election of Directors;
5. Ethical Corporate Management Best Practice Principles;
6. Remuneration Committee Charter;
7. Corporate Governance Best-Practice Principles

(VIII) Other important information that is sufficient to enhance the understanding of the operation of corporate governance

Related regulations are disclosed in the annual report and shareholders' meeting agenda book; both are available on the MOPS: http://mops.twse.com.tw.

(IX) Internal Control Systems Implementation:

1. Statement on Internal Control

Coremax Corporation

Statement on Internal Control

Date: February 27, 2024

This Statement on Internal Control System is issued based on the self-evaluation results of the Company for year 2023:

I. The Company takes recognizance of the fact that the establishment, execution, and maintenance of its internal control system are the responsibilities of the Company's Board of Directors and managers; such policies have been implemented throughout the Company. The purpose is to provide reasonable assurance to the effectiveness and efficiency of business operations (including profitability, performance, and security of assets), reliability, promptness, and transparency of reports, and compliance with relevant regulatory requirements in reaching compliance targets.

II. There are inherent limitations to even the most well-designed internal control system. As such, an effective internal control system can only reasonably ensure the achievement of the three aforementioned goals. Moreover, the operating environment and situation may change, impacting the effectiveness of the internal control system. However, self-supervision measures were implemented within the Company's internal control system to facilitate immediate rectification once procedural flaws have been identified.

III. The Company determines the effectiveness of the design and implementation of its internal control system in accordance with the items in Governing Regulations for Public Company's Establishment of Internal Control System (hereinafter called "Governing Regulations") that are related to the effectiveness of internal control systems. The measures based on which to evaluate the internal control system adopted under the Governing Regulations are its five underlying elements, namely: 1. control environment, 2. risk assessment and reaction, 3. control process, 4. information and communication, and 5. supervision. Each of the elements in turn contains certain audit items. Please refer to "Governing Regulations" for details.

IV. The Company has adopted the aforementioned measures for an evaluation of the effectiveness of the design and implementation of the internal control system.

V. Based on the evaluation result of the preceding paragraph, the Company believes that its internal control system (including the supervision and management of its subsidiaries) as of December 31, 2023, including understanding the achievement for the objectives of effectiveness and efficiency of its operations, reliability, timeliness and transparency of its reporting and compliance with the applicable law and regulations, was effective in design and execution, and can be reasonably assured of the achievement of the aforementioned objectives.

VI. This statement constitutes part of the Company’s annual report and prospectus, and shall be disclosed to the public. If the aforesaid public content has any illegal events, including falseness or concealment etc., it shall be liable to the legal liabilities stipulated in Article 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This Statement has been passed by the Board of Directors Meeting of the Company held on February 27, 2024, where none of the eight attending Directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

Coremax Corporation

Chairman: Ho, Chi-Cheng

President: Ho, Eugene Lawrence

2. Is any CPA entrusted to perform a special audit on the internal control audit report: None.

(X) For the most recent year until the publication date of the annual report, penalties imposed against the Company and its staff, or penalties imposed by the company against its staff for violations of internal control or regulations. State any corrective actions are taken in the most recent years up to the date of the annual report: None.

(XI) For 2023 and 2024 until the publication date of the annual report, major resolutions made in Shareholders' and Board meetings:

1. Key resolutions of 2023 AGM and implementation

Date of meeting	Major resolutions	Execution
2023.06.30	Proposals and Discussion: (1) 2022 Business Report and Financial Statements. (2) To approve the FY2022 earnings distribution (3) The change of the use of funds raised from the Company's 2020 issuance of common stock for cash. Discussion Matters: (1) Amendments to the Company's Articles of Incorporation. (2) Amendments to the Company’s Rules for Election of Directors. (3) Amendments to the Company's Rules of Procedure for Shareholders’ Meetings. Elections: (1) Re-election of Directors Other Proposals: (1) Removal of non-compete clause for the Company’s new directors and their representatives.	Passed as proposed.

2. Material resolutions in Board Meeting:

Date of meeting	Major resolutions
2023.3.1	● Proposal of distributing employee remuneration and director remuneration for 2022. ● The Company’s 2022 Assessment of the Effectiveness of the Internal Control System and the Statement of Internal Control System. ● The Company's 2022 business report, standalone financial statements, and consolidated financial statements. ● The Company's proposed distribution of 2022 earnings. ● Re-election of Directors ● Nomination of director and independent director candidates ● Removal of non-compete clause for the Company’s new directors and their representatives.

Date of meeting	Major resolutions
	● Discuss the date and venue, the period for accepting proposals from shareholders holding more than 1% of the shares, the acceptance location, and the discussion contents of the Company's 2023 annual shareholders' meeting. ● The Company's invested sub-subsidiary loaning of funds to a sub-subsidiary. ● The Company's invested sub-subsidiary loaning of funds to a sub-subsidiary. ● The audit fees for CPA appointment. ● The Company's 2023 capital increase by issuing new shares for cash. ● The Company's establishment of a subsidiary in Vietnam. ● Amendments to the Company's Rules of Procedure for Shareholders' Meetings.
2023.5.5	● Consolidated financial reports for 2023 Q1. ● Amendments to the Company's "Standard Operating Procedures for Handling the Requests of Directors". ● Amendment to the "Internal Control System". ● The extension of the Company's credit limits with banks. ● The extension of the bank limits of subsidiary COREMAX (BVI) CORPORATION. ● The Company's endorsements/guarantees to subsidiary COREMAX (BVI) CORPORATION. ● The change of the use of funds raised from the Company's 2020 issuance of common stock for cash. ● The Company's acquisition of land use rights on behalf of the subsidiary in Vietnam that was not yet established. ● Additional reasons for convening the Company's 2023 General Shareholders' Meeting.
2023.6.30	● Election of the 11th-term Chairman of the Company. ● Appointment of members of the "Remuneration Committee" under the jurisdiction of the Company's 11th-term Board of Directors. ● Appointment of members of the "Sustainable Development Committee" under the jurisdiction of the Company's 11th-term Board of Directors.
2023.7.10	● The proposed salary raises for the manager of the Company. ● The extension of the Company's limits with banks. ● The Company's 2023 capital increase by issuing new shares for cash.
2023.8.4	● The Company's 2022 Sustainability Report. ● Consolidated Report reports for 2023 Q2. ● Proposal for the hedging limit for foreign exchange transactions. ● The extension of the Company's limits with banks.
2023.8.22	● Subscription list for managers and directors who also serve as employees in the Company's capital increase by cash in 2023. ● Proposal for 2022 employee bonuses for the Company's managers. ● Amendments to the Company's "Regulations for Remuneration of Directors". ● Determined the Company's issuance price of cash capital increase for year 2023 and other related matters.

Date of meeting	Major resolutions
2023.11.8	● Proposal for establishing the Company's 2024 internal audit plan. ● Consolidated financial reports for 2023 Q3. ● Amendments to the Company's "Regulations Governing the Organization of the Audit Committee". ● Amendments to the Company’s "Board of Directors Performance Evaluation Guidelines". ● The extension of the Company’s limits with banks. ● The Company's proposal for the separation of the independently operated cobalt sulfate business unit.
2023.12.27	● The Company’s risk management policy. ● The Company’s 2024 sustainability schedule proposal. ● Evaluation of the independence and suitability of the appointed CPAs from KPMG. ● Purchase of production equipment by the Company's subsidiary "VinaCoreMax Company Limited". ● Formulation of the "Approval Authority Chart" for the company's subsidiary VinaCoreMax Company Limited. ● The Company's proposal for adjusting the separation of the independently operated cobalt sulfate business unit. ● The Company's operating plan (budget) for FY2024. ● Appointment changes of the Company's deputy spokesperson. ● The extension of the Company’s limits with banks.
2024.2.27	● Proposal for the appointment and remuneration of the Company's new manager. ● The Company's performance bonuses for managers in 2023. ● Proposal to relieve managerial officers from non-competition restriction. ● The Company’s 2023 Assessment of the Effectiveness of the Internal Control System and the Statement of Internal Control System. ● The Company's 2023 business report, standalone financial statements, and consolidated financial statements. ● The Company's proposed distribution of 2023 earnings. ● Distribution of cash dividends from capital surplus. ● Cooperate with the change of attesting CPAs as required by the internal adjustment of KPMG. ● Evaluation of the independence and suitability of the appointed CPAs from KPMG. ● Amendments to the general principles of the Company's pre-approval policy of non-assurance services. ● The audit fees for CPA appointment. ● Proposal for the Company's new lease of an administrative building from Uranus Chemicals. ● Amendment to the Company's Procedures for Endorsement and Guarantees. ● The Company's invested sub-subsidiary loaning of funds to a sub-subsidiary. ● The Company's invested sub-subsidiary loaning of funds to a sub-subsidiary.

Date of meeting	Major resolutions
	● Discuss the date and venue, the period for accepting proposals from shareholders holding more than 1% of the shares, the acceptance location, and the discussion contents of the Company's 2024 annual shareholders' meeting. ● The extension of the Company's limits with banks.

(XII) For the most recent year until the publication date of the annual report, major issues of record or written statements made by any Director or Supervisor dissenting to important resolutions passed by the Board of Directors: None.

(XIII) For the most recent year until the publication date of the annual report, resignation or dismissal of the Company's Chairperson, General Manager, and Supervisors of Accounting, Finance, Internal Audit, and R&D: None.

V. Information Regarding the Company's Professional Service Fees

(I) Information of CPAs

Accounting Firm	Name of CPA		Period covered by CPA's audit	Remarks
KPMG in Taiwan	Chi-Lung Yu	Pei-Chi Chen	2023	None

Unit: NT$ (thousand)

	Amount \ Professional service fee item	Audit fee	Non-audit fee	Total
1	Under NT$2,000,000		✓	700
2	NT$ 2,000,000 (inclusive) ~ NT$ 4,000,000	✓		3,650
3	NT$ 4,000,000 (inclusive) ~ NT$ 6,000,000			
4	NT$ 6,000,000 (inclusive) ~ NT$ 8,000,000			
5	NT$ 8,000,000 (inclusive) ~ NT$ 10,000,000			
6	Over NT$ 10,000,000 (inclusive)			

(II) CPA's professional service fees

Unit: NT$ (thousand)

Accounting Firm	Name of CPA	Audit fee	Non-audit fee					Period covered by the CPA's audit	Remarks
			System Design	Business Registration	Human Resources	Others	Subtotal		
KPMG in Taiwan	Chi-Lung Yu Pei-Chi Chen	3,620	-	-	-	1,370 (Note)	1,370	2023 Q1 to Q4	-

Note: The provisional corporate income tax declaration and assurance service was NT$250 thousand; the professional service fee for the cash capital increase was NT$80 thousand; the project service fee was NT$540 thousand, and the ESG assurance service fee was NT$500 thousand.

(III) For non-audit fees paid to CPAs, accounting firms, and affiliated companies thereof that amount to more than 1/4 of the audit fees, the disclosure should be made regarding the amount of audit and non-audit fees, and the service content of audit and non-audit fees: Refer to description in Note 1 for details.

(IV) Changes in the accounting firm that result in lesser audit fees paid in comparison to the previous year, and disclosure for the change in audit fee, and the reason for the change: None.

(V) Reduction of audit fees by more than 15% compared to the previous year, and disclosure for the amount and percentage reduced, and the reason for the reduction: None.

VI. Change in attesting CPA(s):

(I) About the former CPA

<table>
<tr><td>Date of Change</td><td colspan="4">Approved by the Board of Directors on February 27, 2024</td></tr>
<tr><td>Reason for Change</td><td colspan="4">In line with internal adjustments of KPMG Taiwan, Chi-Lung Yu and Pei-Chi Chen, the original attesting CPAs of the Company, were replaced. Since the first quarter of 2024, the attesting CPAs of the Company have changed our accountants to Pei-Chi Chen and Ming-Fang Hsu.</td></tr>
<tr><td rowspan="3">Indicate whether the appointment is terminated or not accepted by the appointor or CPA</td><td colspan="2">Counterparty / Reason</td><td>Certified Public Accountant</td><td>Appointor</td></tr>
<tr><td colspan="2">Voluntary termination of appointment</td><td colspan="2" rowspan="2">None.</td></tr>
<tr><td colspan="2">Does not accept the (extension of) appointment</td></tr>
<tr><td>Opinions on audit reports other than unqualified opinions issued within the last two years and the reasons hereof</td><td colspan="4">No such cases</td></tr>
<tr><td rowspan="6">Any disagreement with the issuer</td><td rowspan="4">Yes</td><td></td><td colspan="2">accounting principles or practices</td></tr>
<tr><td></td><td colspan="2">Disclosure of financial reports</td></tr>
<tr><td></td><td colspan="2">Scope or steps of verification</td></tr>
<tr><td></td><td colspan="2">Others</td></tr>
<tr><td>None</td><td colspan="3">V</td></tr>
<tr><td colspan="4">Description: None.</td></tr>
<tr><td>Other disclosures</td><td colspan="4">Items 1.4 to 1.7 of Subparagraph 6 of Article 10 of this Standard that should be disclosed: None.</td></tr>
</table>

(II) About the successor CPA

Accounting Firm	KPMG in Taiwan
Name of CPA	Pei-Chi Chen, CPA and Ming-Fang Hsu, CPA
Date of Appointment	Approved by the Board of Directors on February 27, 2024
Matters and results of consultation on the accounting treatment or accounting principles for specific transactions and on the possible issuance of financial statements prior to the appointment	None.
Written opinion of the successor auditor on matters on which he/ she disagreed with the predecessor accountant	None.

(III) The letter from the previous CPA to respond on 3 matters from Item 1 and 2 of Subparagraph 6 of Article 10: None.

VII. Names, Positions and Tenure of any of the Company's Chairman, General Manager, or managerial officers responsible for Financial or Accounting Affairs Being Employed by the Auditor's Firm or Any of Its Affiliated Company in the Most Recent Year Should Be Disclosed: None.

VIII.Evaluation of Auditor Independence

The Audit Committee of the Company evaluates the independence of the attesting CPA annually by the following criteria and reports the results of its evaluation to the Board of Directors:

(I) The Accountant's Independence Statement

(II) The audit services provided by the CPA are subject to prior review by the Audit Committee.

(III) The same CPA has not performed attesting services for more than five consecutive years.

(IV) Each year, the Company evaluates the attesting CPA's financial interests, business relationships, and employment relationships through the Accountant's Competency Questionnaire, and an evaluation report is compiled on the accountant's independence.

IX. For the Most Recent Year until the Publication Date of the Annual Report, the Transfer of Equity Interest and Change in Stock Pledge of Directors, Supervisors, managerial officers and Shareholders with Stake of 10% or More

(I) Changes of equity:

Unit: shares

Title	Name	2023		Jan 1 to Mar 29, 2024	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman / Major shareholder	Cheng Jade Enterprise Co., Ltd. Representative: Ho, Eugene Lawrence (Note 1) Representative: Ho, Chi-Cheng (Note 1)	1,222,011	-	-	-
Director / Major shareholder	Chang Sing Investment Co., Ltd. Representative: Chiu, Hsien Tung (Note 2) Representative: Lai, Ching-Yuan (Note 2)	1,252,577	-	-	-
Chairman / President	Ho, Eugene Lawrence	37,720	-	-	-
Director	Cheng, Chih-Fa	-	-	-	-

Title	Name	2023		Jan 1 to Mar 29, 2024	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Director	Ho, Chi-Chou	36,062	-	-	-
Independent director	Serena Huang	-	-	-	-
Independent director	Tai, Ai-Fen	-	-	-	-
Independent director	Rick Liu	-	-	-	-
Independent director	Chang, Yuan-Lung	-	-	-	-
Independent director	Hsu, I-Ping (Note 3)	-	-	-	-
Independent director	Wang, Wen-Tsung (Note 3)	-	-	-	-
Vice President	Chu, Yuh-Ren	-	-	-	-
Financial Manager	Lu, Poju	7,472	-	-	-

Note 1: The representative of the institutional director, Ho, Eugene Lawrence, was replaced by Ho, Chi-Cheng on June 30, 2023.
Note 2: The representative of the institutional director, Chiu, Hsien Tung, was replaced by Lai, Ching-Yuan on June 30, 2023.
Note 3: Stepped down after election at the shareholders' meeting on June 30, 2023.

(II) Share transfer where the counterparty is a related party: None.

(III) Share pledge where the counterparty is a related party: None.

X. Shareholding Ratio of Top 10 Shareholders and Their Affiliated Persons, Spouses, or Other Relatives within Two Degrees of Kinship

Date: March 29, 2024; Unit: Share; %

Name	Shareholding		Shareholdings of spouse and minor child(ren)		Shareholding under other person(s)		Top 10 Shareholders and Their Affiliated Persons, Spouses, or Other Relatives within Two Degrees of Kinship		Remarks
	Number of Shares	Percentage of shareholding	Number of Shares	Percentage of shareholding	Number of Shares	Percentage of shareholding	Name	Relationship	
Chang Sing Investment Co., Ltd.	14,943,609	12.55	-	-	-	-	-	-	None
Representative: Lai, Ching-Yuan	41,000	0.03	-	-	-	-	Uranus Chemicals	Director and President	None
Cheng Jade Enterprise Co., Ltd.	14,455,940	12.14	-	-	-	-	-	-	None
Representative: Ho, Chi-Cheng	978,000	0.82	-	-	-	-	Chang Sing Investment Co., Ltd.	Chairman being the same person	None
							Uranus Chemicals	Chairman being the same person	
							Ho, Chi-Cheng	Chairman	
Treasury Share-Specific Account, Coremax Corporation	1,425,000	1.20	-	-	-	-	-	-	None
Fu-Yu Private Equity Limited Partnership	1,000,000	0.84	-	-	-	-	-	-	None
Ho, Chi-Cheng	978,000	0.82	-	-	-	-	-	-	None
Ho, Mei-Fang	875,979	0.74	-	-	-	-	-	-	None
TransGlobe Life Insurance Inc.	753,584	0.63	-	-	-	-	-	-	None
Representative: Cheng, Tai-Ko	-	-	-	-	-	-	-	-	None
Liu, Jo-Wen	674,570	0.57	-	-	-	-	-	-	None
Uranus Chemicals Co., Ltd.	673,495	0.57	-	-	-	-	-	-	None
Representative: Ho, Chi-Cheng	978,000	0.82	-	-	-	-	Chang Sing Investment Co., Ltd.	Chairman being the same person	None
							Cheng Jade Enterprise Co., Ltd.	Chairman being the same person	
							Ho, Chi-Cheng	Chairman	
Hsu, I-Min	664,000	0.56	-	-	-	-	-	-	None

XI. Number of Shares and Consolidated Shareholding Percentage of Investee Company Held by the Company, Directors, Supervisors, and Managerial Officers of the Company, and Entities in which the Company has Direct or Indirect Controlling Interests

<u>Total Shareholding</u>

Date: March 29, 2024; Unit: thousand shares

Investees	Invested by the Company		Held by Directors, Supervisors, managerial officers, and directly/indirectly controlled entities		Aggregated investment	
	Number of Shares	Percentage of shareholding	Number of Shares	Percentage of shareholding	Number of Shares	Percentage of shareholding
Coremax (BVI) Corporation	9,658	100.00%	-	-	9,658	100.00%
Heng I Chemical Co., Ltd.	41,058	82.44%	618	1.24%	41,676	83.68%
Uranus Chemicals Co., Ltd.	43,966	66.24%	3,358	5.06%	47,324	71.30%
CoreMax Ningbo Chemical Co., Ltd.	(Note 1)	100.00%	-	-	(Note 1)	100.00%
Coremax (Thailand) Co., Ltd.	70	100.00%	-	-	70	100.00%
CoreMax (Zhangzhou) Chemical Co., Ltd.	(Note 1)	82.00%	-	-	(Note 1)	100.00%
Jiangxi Tianjiang Materials Limited	(Note 1)	100.00%	-	-	(Note 1)	100.00%
VinaCoreMax Company Ltd.	(Note 1)	100.00%	-	-	(Note 1)	100.00%

Note 1: That investee is a limited company and thus no shares issued, without face value

Four. Fundraising

I. Company Capital and Shares

(I) Source of Share Capital

1. Share capital formation

Unit: NT$ (thousand); thousand shares

Year/ Month	Issue price (NT$)	Authorized capital		Paid-in capital		Remarks		
		Number of Shares (thousand shares)	Amount (NT$ thousand)	Number of Shares (thousand shares)	Amount (NT$ thousand)	Source of Share Capital	Property other than cash provided as capital contributions	Others
1992/06	10	2,000	20,000	500	5,000	Capital increase by cash	None	Note 1
1992/09	10	2,500	25,000	2,500	25,000	Capital increase by cash	None	Note 2
1993/01	10	5,000	50,000	5,000	50,000	Capital increase by cash	None	Note 3
1995/02	10	8,000	80,000	8,000	80,000	Capital increase by cash	None	Note 4
2000/12	10	11,000	110,000	11,000	110,000	Capital increase by cash	None	Note 5
2001/10	10	15,000	150,000	12,680	126,800	Capital increase by cash	None	Note 6
2001/10	10	15,000	150,000	14,000	140,000	Surplus transferred to a capital increase	None	Note 6
2003/05	10	20,000	200,000	16,800	168,000	Surplus transferred to a capital increase	None	Note 7
2004/06	10	21,840	218,400	21,840	218,400	Surplus transferred to a capital increase	None	Note 8
2004/12	15	26,840	268,400	26,840	268,400	Capital increase by cash	None	Note 9
2005/07	10	48,000	480,000	32,458	324,580	Surplus and employees' bonus transferred to a capital increase	None	Note 10
2007/07	10	48,000	480,000	34,081	340,809	Surplus transferred to a capital increase	None	Note 11
2008/07	10	48,000	480,000	36,666	366,666	Surplus and employees' bonus transferred to a capital increase	None	Note 12
2009/09	10	48,000	480,000	38,499	384,999	Surplus transferred to a capital increase	None	Note 13
2010/05	25	48,000	480,000	41,499	414,999	Capital increase by cash	None	Note 14
2011/07	33.99	48,000	480,000	44,499	444,999	Capital increased by cash via private placement	None	Note 15
2011/12	23	60,000	600,000	48,629	486,299	Capital increase by cash	None	Note 16
2012/09	-	120,000	1,200,000	48,629	486,299	Corporate bonds	None	Note 17
2013/10	10	120,000	1,200,000	51,061	510,614	Capital surplus transferred to a capital increase	None	Note 18
2014/05	19.40	120,000	1,200,000	51,417	514,171	Shares converted from corporate bond	None	Note 19
2014/08	19.10	120,000	1,200,000	51,458	514,583	Shares converted from corporate bond	None	Note 20
2014/12	19.10	120,000	1,200,000	58,421	584,216	Shares converted from corporate bond	None	Note 21

Year/ Month	Issue price (NT$)	Authorized capital		Paid-in capital		Remarks		
		Number of Shares (thousand shares)	Amount (NT$ thousand)	Number of Shares (thousand shares)	Amount (NT$ thousand)	Source of Share Capital	Property other than cash provided as capital contributions	Others
2015/04	19.10	120,000	1,200,000	61,636	616,363	Shares converted from corporate bond	None	Note 22
2015/05	18.80	120,000	1,200,000	68,437	684,373	Shares converted from corporate bond	None	Note 23
2015/08	18.80	120,000	1,200,000	70,264	702,646	Shares converted from corporate bond	None	Note 24
2016/02	18.80	120,000	1,200,000	73,964	739,644	Issuance of new shares for conversion	None	Note 25
2016/05	18.20	120,000	1,200,000	74,645	746,453	Shares converted from corporate bond	None	Note 26
2016/09	18.20	120,000	1,200,000	75,714	757,144	Shares converted from corporate bond	None	Note 27
2016/11	18.20	120,000	1,200,000	75,725	757,254	Shares converted from corporate bond	None	Note 28
2017/08	53.10	120,000	1,200,000	75,797	757,977	Shares converted from corporate bond	None	Note 29
2017/11	53.10	120,000	1,200,000	86,123	861,234	Shares converted from corporate bond	None	Note 30
2018/04	53.10	120,000	1,200,000	86,473	864,737	Shares converted from corporate bond	None	Note 31
2018/05	53.10	120,000	1,200,000	86,626	866,262	Shares converted from corporate bond	None	Note 32
2018/08	53.10	120,000	1,200,000	86,747	867,467	Shares converted from corporate bond	None	Note 33
2018/11	51.80	120,000	1,200,000	86,845	868,452	Shares converted from corporate bond	None	Note 34
2018/12	75.00	120,000	1,200,000	92,845	928,452	Capital increase by cash	None	Note 35
2019/04	51.80	120,000	1,200,000	92,941	929,417	Shares converted from corporate bond	None	Note 36
2019/05	51.40	120,000	1,200,000	93,029	930,293	Shares converted from corporate bond	None	Note 37
2021/03	50.00	120,000	1,200,000	103,029	1,030,293	Capital increase by cash	None	Note 38
2021/12	90.00	150,000	1,500,000	107,029	1,070,293	Capital increase by cash	None	Note 39
2023/10	68.00	150,000	1,500,000	119,029	1,190,293	Capital increase by cash	None	Note 40

Note 1: The effective (approval) date of the capital increase and document no. is June 16, 1992, (81) Chien-San-Zi-Zhi No. 244737.

Note 2: The effective (approval) date of the capital increase and document no. is Sep 2, 1992, (81) Chien-San-Gen-Zhi No. 338667

Note 3: The effective (approval) date of the capital increase and document no. is Jan 5, 1993, Jing-Tou-Sheng (82) Gong-Shang No. 0025.

Note 4: The effective (approval) date of the capital increase and document no. is Feb 13, 1995, Jing (84) Shang No. 101390.

Note 5: The effective (approval) date of the capital increase and document no. is December 15, 2000, Jing (089) Shang No. 0147030.

Note 6: The effective (approval) date of the capital increase and document no. is Oct 22, 2001 Jing (090) 09001399690

Note 7: The effective (approval) date of the capital increase and document no. is May 22, 2003, Jin-Shou-Shang-Zhi No. 09201158570.

Note 8: The effective (approval) date of the capital increase and document no. is June 14, 2004, Jin-Shou-Zhong-Zhi No. 0933224775.

Note 9: The effective (approval) date of the capital increase and document no. is Dec 15, 2004, Jin-Shou-Zhong-Zhi No. 09333184740.

Note 10: The effective (approval) date of the capital increase and document no. is July 11, 2005, Jin-Shou-Zhong-Zhi No. 09432420780.

Note 11: The effective (approval) date of the capital increase and document no. is July 17, 2007, Jin-Shou-Zhong-Zhi No. 09632446760.

Note 12: The effective (approval) date of the capital increase and document no. is July 14, 2008, Jin-Shou-Zhong-Zhi No. 09732634900.

Note 13: The effective (approval) date of the capital increase and document no. is Sep 9, 2009, Jin-Shou-Zhong-Zhi No. 09832981650.

Note 14: The effective (approval) date of the capital increase and document no. is May 20, 2010, Jin-Shou-Zhong-Zhi No. 09932061900.

Note 15: The effective (approval) date of the capital increase and document no. is August 18, 2011, Jin-Shou-Zhong-Zhi No. 10032405170.

Note 16: The effective (approval) date of the capital increase and document no. is Dec 12, 2011, Jin-Shou-Zhong-Zhi No. 10032868730.

Note 17: The effective (approval) date of the capital increase and document no. is Sep 7, 2012, Jin-Shou-Zhong-Zhi No. 10132472950.

Note 18: The effective (approval) date of the capital increase and document no. is Oct 7, 2013, Jin-Shou-Shang-Zhi No. 10201207370.

Note 19: The effective (approval) date of the capital increase and document no. is May 29. 2014, Jin-Shou-Shang-Zhi No. 10301095770.

Note 20: The effective (approval) date of the capital increase and document no. is Aug 4, 2014, Jin-Shou-Shang-Zhi No. 10301161220.

Note 21: The effective (approval) date of the capital increase and document no. is Dec 12, 2014, Jin-Shou-Shang-Zhi No. 10301244740.

Note 22: The effective (approval) date of the capital increase and document no. is April 1, 2015, Jin-Shou-Shang-Zhi No. 10401047230.

Note 23: The effective (approval) date of the capital increase and document no. is May 21, 2015, Jin-Shou-Shang-Zhi No. 10401097270.

Note 24: The effective (approval) date of the capital increase and document no. is Aug 26, 2015, Jin-Shou-Shang-Zhi No. 10401176750.

Note 25: The effective (approval) date of the capital increase and document no. is Feb 1, 2016, Jin-Shou-Shang-Zhi No. 10501020130.

Note 26: The effective (approval) date of the capital increase and document no. is May 27, 2016, Jin-Shou-Shang-Zhi No. 10501112410.

Note 27: The effective (approval) date of the capital increase and document no. is Sep 7, 2016, Jin-Shou-Shang-Zhi No. 10501217590.

Note 28: The effective (approval) date of the capital increase and document no. is Nov 11, 2016, Jin-Shou-Shang-Zhi No. 10501271160.

Note 29: The effective (approval) date of the capital increase and document no. is Aug 15, 2017, Jin-Shou-Shang-Zhi No. 10601114860.

Note 30: The effective (approval) date of the capital increase and document no. is Nov 20, 2017, Jin-Shou-Shang-Zhi No. 10601157590.

Note 31: The effective (approval) date of the capital increase and document no. is April 11, 2018, Jin-Shou-Shang-Zhi No. 10701031380.

Note 32: The effective (approval) date of the capital increase and document no. is May 9, 2018, Jin-Shou-Shang-Zhi No. 10701049330.

Note 33: The effective (approval) date of the capital increase and document no. is Aug 15, 2018, Jin-Shou-Shang-Zhi No. 10701101270.

Note 34: The effective (approval) date of the capital increase and document no. is Nov 28, 2018, Jin-Shou-Shang-Zhi No. 10701143080.

Note 35: The effective (approval) date of the capital increase and document no. is Dec 25, 2018, Jin-Shou-Shang-Zhi No. 10701160470.

Note 36: The effective (approval) date of the capital increase and document no. is April 3, 2019, Jin-Shou-Shang-Zhi No. 10801033810.

Note 37: The effective (approval) date of the capital increase and document no. is May 21, 2019, Jin-Shou-Shang-Zhi No. 10801058870.

Note 38: The effective (approval) date of the capital increase and document no. is March 8, 2021, Jin-Shou-Shang-Zhi No. 11001026500.

Note 39: The effective (approval) date of the capital increase and document no. is December 7, 2021, Jin-Shou-Shang-Zhi No. 11001222570.

Note 40: The effective (approval) date of the capital increase and document no. is October 13, 2023, Jin-Shou-Shang-Zhi No. 11230192270.

2. Share type

Date: March 29, 2024; shares

Share type	Authorized capital					Remarks
	Outstanding shares		Treasury stock	Unissued shares	Total	
	Listed	Unlisted (Private placement of common stock)				
Common shares	114,454,269	3,150,000	1,425,000	30,970,731	150,000,000	Stock of publicly listed company

3. Information Related to Shelf Registration: None.

(II) Shareholder Structure

Date: March 29, 2024; shares

Shareholder Structure / Amount	Governmental agencies	Financial institutions	Other legal persons	Foreign institutions and foreigners	Individuals	Total
Number of people	-	4	212	86	43,925	44,227
shares held	-	1,072,193	36,240,902	2,336,785	79,379,389	119,029,269
Percentage of shareholding	0.00%	0.90%	30.45%	1.96%	66.69%	100.00%

(III) Share ownership distribution

1. Common shares

Date: March 29, 2024; shares

Range of Shareholding	Number of Shareholders	shares held	Percentage of shareholding
1 to 999	23,614	1,215,224	1.02%
1,000 to 5,000	17,802	32,542,266	27.34%
5,001 to 10,000	1,699	12,582,907	10.57%
10,001 to 15,000	474	5,821,271	4.89%
15,001 to 20,000	218	3,904,122	3.28%
20,001 to 30,000	174	4,282,560	3.60%
30,001 to 40,000	72	2,528,322	2.12%
40,001 to 50,000	51	2,311,278	1.94%
50,001 to 100,000	60	4,382,286	3.68%
100,001 to 200,000	29	3,906,935	3.28%
200,001 to 400,000	14	3,841,553	3.23%
400,001 to 600,000	8	3,958,147	3.33%
600,001 to 800,000	6	4,073,870	3.42%
800,001 to 1,000,000	3	2,853,979	2.40%
Over 1,000,001	3	30,824,549	25.90%
Total	44,227	119,029,269	100.00%

2. Preference share: None.

(IV) List of Major Shareholders

Date: March 29, 2024; shares

Shares / Name of Major Shareholder	shares held	Percentage of shareholding
Chang Sing Investment Co., Ltd.	14,943,609	12.55%
Cheng Jade Enterprise Co., Ltd.	14,455,940	12.14%
Treasury Share-Specific Account, Coremax Corporation	1,425,000	1.20%
Fu-Yu Private Equity Limited Partnership	1,000,000	0.84%
Ho, Chi-Cheng	978,000	0.82%
Ho, Mei-Fang	875,979	0.74%
TransGlobe Life Insurance Inc.	753,584	0.63%
Liu, Jo-Wen	674,570	0.57%
Uranus Chemicals Co., Ltd.	673,495	0.57%
Hsu, I-Min	664,000	0.56%

(V) Market share price, net worth, earnings, dividend and relevant information for the most recent two years

Unit: thousand shares; NT$

Item		Year	2022	2023
Stock price per share	Highest		168.50	108.00
	Lowest		81.80	71.50
	Average		123.33	86.87
Net value per share	Prior to distribution		47.33	46. 03
	After distribution		44.33	(Note 4)
Earnings (losses) per share (EPS)	Weighted average outstanding shares		104,391	108,158
	Earnings (losses) per share (EPS)		4.72	-0.93
Dividend per share	Cash dividends		3	(Note 4)
	Bonus shares	-	-	-
		-	-	-
	Cumulative unpaid dividends		-	-
ROI Analysis	PE ratio (Note 1)		26.13	-93.41
	Price-dividend ratio (Note 2)		41.11	(Note 4)
	Cash dividend yield (Note 3)		2.43	(Note 4)

Note 1: Price-earnings ratio = average closing price for the year / earnings per share.

Note 2: Price-dividend ratio = average closing price for the year / cash dividend per share.

Note 3: Dividend yield = cash dividend per share / average closing price for the year.

Note 4: The figures of earning distribution have been approved by the Board of Directors, and to be concluded upon the resolution of the shareholders' meeting.

(VI) The Company's Dividend Policy and Implementation Status:

1. Pursuant to the dividend policy set for in Article 28 of the Articles of Incorporation

If there is a surplus in the Company's annual settlement, tax shall be paid as required by laws. After offsetting the accumulated losses, another 10% shall be appropriated as the legal reserve. However, when the legal reserve has reached the Company's paid-in capital, the appropriation may be exempted; and the rest shall be appropriated or reversed as the special reserve pursuant to laws and regulations; if there is a balance, with the accumulated undistributed surplus, the Board of Directors shall propose a profit distribution and submit to the shareholders meeting to resolve the distribution of dividends to shareholders.

Because the Company is still in the growth stage, there will be capital needs for expansion of production lines and increased investment in the next few years. Based on capital expenditures, business expansion, and sound financial planning, the Company seeks stable development. Based on the distributable profit in the preceding paragraph, more than 10% of dividends may be distributed to shareholders, but when the distributable profit is less than 30% of the paid-up share capital, it may not be distributed; when the Company distributes stock dividends and cash dividends at the same time, the cash dividend distributions shall be no less than 20% of the total dividends distributable to the shareholders.

2. The proposed distribution of dividends

The proposed dividend includes NT$0.49 per share from earnings and NT$0.31 per share from capital surplus, totaling NT$94,083 thousand. The proposed dividend has been approved by the Board of Directors on February 27, 2024, and is proposed to be submitted to the shareholders' meeting for approval.

(VII) The impact on the operating performance of the Company and earnings per share by the proposal of the Shareholders' Meeting to issue bonus shares: Not applicable.

(VIII) Employees Bonus and Directors Remuneration

1. Employees' and directors' compensation policies as stated in the Articles of Incorporation:

If there is a profit in the year, the Company shall allocate no less than 1.5% of the profit as employees' remuneration. The remuneration to employees will be distributed in shares or cash by a resolution made by the board of directors. Employees in subordinate companies who meet certain criteria are entitled to receive remuneration. The Company may have the Board of Directors resolve to appropriate no more than 5% of the aforementioned amount as the directors' remuneration. The distribution of employees' and directors' remunerations shall be reported in the Shareholders' Meeting.

Where there is an accumulated loss, the profit shall be reserved to make up for the loss before appropriating the employees' and directors' remunerations.

2. The estimation basis of the remuneration for employees, and Directors for the current period, the computation basis for employees' remuneration distributed in shares, and accounting treatments for any discrepancies between the amounts estimated and the amounts disbursed:

In case that any difference occurs, it will be treated as the difference of accounting estimates of the year when the shareholders' meeting is resolved.

3. Remuneration proposals approved by the Board of Directors:

(1) The Company's sustained losses in the current period in 2023. According to Article 27 of the Articles of Incorporation, it will not distribute employee remuneration and director remuneration for 2023.

(2) The amount of employee remuneration distributed by shares and its proportion

to the sum of parent company-only or individual financial statement net profit after-tax and total employee remuneration for the current period: Not applicable.

4. Actual disbursement of employee bonus and remuneration to Directors for the preceding year (including employee stocks, cash disbursement and share prices). In circumstances where any differences between the actual distributed and recognized amount, the difference, reasons and handling of such matter shall be stated as follows:

   On March 1, 2023, the Board of Directors approved NT$10,500 thousand of employee remuneration for FY2022, which would be paid in cash and the remuneration of directors and supervisors would not be distributed. There is no difference between the actual distribution situation and the amount approved by the Board of Directors.

(IX) Share Repurchase by the Company

Count of share repurchase	First
Objective of repurchase	Transfer shares to employees
Buyback period:	March 19, 2020 to May 18, 2020
Price bracket of shares repurchased	NT$25.41-91.73 per share
Type and number of shares repurchased	2,025,000 common shares
Amount of shares repurchased	NT$115,747,975
Amount of shares repurchased to estimated number of shares repurchased (%)	50.63%
Shares written-off and transferred	600,000 shares (Note)
Cumulative shares of the Company held	1,425,000 shares
Ratio of the cumulative number of shares held by the Company to the total number of shares issued (%)	1.33%

Note: The transfer of treasury stock to employees in 2021 occurred on November 18, 2021.

II. Issuance of corporate bonds (offshore corporate bonds included):

(I) Corporate Debt of the Company

<table>
<tr><th colspan="2">Corporate bonds</th><th>Third secured corporate bonds</th></tr>
<tr><td colspan="2">Issue date</td><td>2021/10/28</td></tr>
<tr><td colspan="2">Nominal</td><td>NT$100,000</td></tr>
<tr><td colspan="2">Issuance and Trading Location</td><td>R.O.C.</td></tr>
<tr><td colspan="2">Issue price</td><td>Issued at nominal value</td></tr>
<tr><td colspan="2">Total</td><td>NT$700 million</td></tr>
<tr><td colspan="2">Interest rate</td><td>0%</td></tr>
<tr><td colspan="2">Maturity</td><td>5 years Maturity date: 2026/10/28</td></tr>
<tr><td colspan="2">Guarantor</td><td>Chang Hwa Commercial Bank, Ltd.</td></tr>
<tr><td colspan="2">Trustee</td><td>Mega International Commercial Bank Trust Department</td></tr>
<tr><td colspan="2">Underwriter</td><td>Fubon Securities Co., Ltd.</td></tr>
<tr><td colspan="2">Verification by legal counsel</td><td>Hwecker Law Firm Huang, Tai-Yuan, Attorney at Law</td></tr>
<tr><td colspan="2">CPA</td><td>KPMG in Taiwan
Accountants Yu, Wan-Yuan and Yu, Chi-Lung</td></tr>
<tr><td colspan="2">Repayment method</td><td>The bond of the Company may be converted into shares of our common stock at the conversion price in lieu of principal repayment from the day after the first month from the issue date until 10 days before the maturity date.</td></tr>
<tr><td colspan="2">Outstanding principal</td><td>NT$700 million</td></tr>
<tr><td colspan="2">Terms of Redemption or Early Settlement</td><td>Carried out according to Article 18 of the Company’s Regulations Governing the Issuance and Conversion of Corporate Bonds.</td></tr>
<tr><td colspan="2">Covenants</td><td>None</td></tr>
<tr><td colspan="2">Credit rating agency name, rating date, and Corporate Bond Rating Results</td><td>None</td></tr>
<tr><td rowspan="2">Other appended rights</td><td>Amount of ordinary shares, overseas depositary receipts or other marketable securities converted (exchanged or warrants) as of the date of printing of the annual report</td><td>As of March 29, 2024, bondholders applied for conversion of 0 shares of common stock with a nominal value of NT$10 per share.</td></tr>
<tr><td>Issuance and Conversion (Exchange or Stock Purchase)</td><td>Processed in accordance with the "Regulations Governing the Issuance and Conversion of Corporate Bonds" of the Company.</td></tr>
<tr><td colspan="2">The method of issuance and conversion, exchange or stock options, the possible dilution of shareholdings by the terms of issuance and the effect on the interests of existing shareholders</td><td>No material impact</td></tr>
<tr><td colspan="2">Name of the custodial institute for the exchange of the subject</td><td>None</td></tr>
</table>

(II) Conversion of Corporate Bonds

Corporate bonds		Third Secured Convertible Corporate Bonds		
Item / Year		2022	2023	Jan 1 to Mar 29, 2024
Market value of convertible corporate bonds	Highest	158.00	114.95	106.90
	Lowest	109.20	105.10	102.55
	Average	140.89	109.32	104.75
Conversion price		101.70		
Issue date		October 28, 2021		
Conversion price at issuance		110.00		
Method for exercising conversion obligations		Issuance of new shares		

III. Preferred shares: None.

IV. Global depository receipts: None.

V. Subscription of warrants for employee: None.

VI. New employee restricted shares: None.

VII. Issuance of new shares regarding acquisitions of the other companies: None.

VIII. Implementation of the company's capital allocation plans: None.

Five. Overview of Business Operations

I. Business Activities

(I) Business Activities

1. Business scope

(1) The Company's business scope:

A. Basic Chemical Industrial
B. Other Chemical Materials Manufacturing
C. Industrial and Additive Manufacturing
D. Wholesale of Industrial Catalyst
E. Wholesale of Chemical Feedstock
F. Wholesale of Other Chemical Products
G. Retail Sale of Industrial Catalyst
H. Retail Sale of Chemical Feedstock
I. Retail Sale of Other Chemical Products
J. Electronics Components Manufacturing
K. Manufacture of Batteries and Accumulators
L. Fertilizer Manufacturing
M. Environmental Agents Manufacturing
N. Cosmetics Manufacturing
O. International Trade
P. Precision Chemical Material Manufacturing
Q. Waste Disposing
R. Waste Treatment
S. Wholesale of Fertilizer
T. Wholesale of Environmental Agents
U. Wholesale of Cosmetics
V. Retail Sale of Fertilizer
W. Retail Sale of Environmental Agents
X. Retail Sale of Cosmetics
Y. Synthetic manufacturing and domestic and foreign sales of oxalic acid
Z. Manufacturing and trading of organic, inorganic acids and other salts
AA. Manufacturing and trading of rare earths compounds and their crystals (except metals)
AB. All business items that are not prohibited or restricted by law, except those subject to special approval.

(2) Business weight of major products:

Unit: NT$ (thousand)

Product \ Year	2023	
	Net operating revenue	Weight (%)
Oxidation catalysts	877,342	16.77%
Power battery materials	2,581,202	49.34%
Fertilizers	509,389	9.74%
Specialty chemical materials	873,604	16.70%
Others	390,194	7.45%
Total	5,231,731	100.00%

(3) Current product (service) range

The Company's major products are categorized by product and industry into the following five categories:

① Oxidation catalysts

A. Cobalt acetate crystal/solution

B. Manganese acetate crystal/solution

C. Cobalt manganese acetate solution

D. Cobalt manganese acetate (bromine) solution

E. Cobalt bromide solution

F. Manganese bromide solution

G. Recover the cobalt, manganese and bromine acetate solution

② Power battery materials

A. Nickel sulfate crystals

B. Cobalt sulfate crystallization

C. Electronic grade cobalt oxide

D. Battery grade cobalt oxide

E. Battery grade cobalt hydroxide

③ Fertilizers

A. Straight fertilizer

B. Compound fertilizer

C. Contains organic compound fertilizer

④ Specialty chemical materials

A. Ceramic grade cobalt manganese oxide

B. Ceramic grade cobalt oxide

C. 98% sulfuric acid

D. Electronic grade sulfuric acid

E. Oxalic acid aqueous solution

F. Chromium etching solution

G. Potassium hydroxide/sodium hydroxide

H. Cerium ammonium nitrate

I. Sodium carbonate

J. Stannous chloride

K. Oxalic acid

⑤ Other chemicals

A. Reclaimed waste sulfuric acid

(4) New products development (service)

① Help customers establish highly efficient catalyst recovery systems

② R&D of new products:

Develop new specifications to help customers improve their product characteristics and further expand the market.

③ Continue to develop cathode raw materials for secondary lithium batteries: The Company is already mass producing and shipping its raw materials for cathodes of electric vehicles' lithium batteries and is currently cooperating with manufacturers of lithium batteries for electric vehicles to develop next-generation cathode materials.

④ Reclaim waste sulfuric acid

⑤ Develop technologies for recycling graphite from discarded lithium batteries of electric vehicles and work with customers to recycle discarded lithium batteries to provide circular economy services and fulfill ESG responsibilities.

2. Industry overview

(1) Current and future industry prospects

The Company is mainly engaged in the research, development, manufacturing, and sales of oxidation catalysts and power battery materials. Its subsidiaries Heng I Chemical Co., Ltd. (hereinafter Heng I Chemical) and Uranus Chemicals Co., Ltd. (hereinafter Uranus Chemicals) focus on producing chemical fertilizers, chemical raw materials, and oxalic acid, respectively. The following describes the industry overview of the Company and its subsidiaries' main products, namely oxidation catalysts, power battery materials, fertilizers, and specialty chemical materials:

A. Oxidation catalysts

The Company's oxidation catalyst is used in the chemical fiber industry. The main products are cobalt manganese acetate (bromine) solution, crystalline cobalt acetate, and manganese acetate. Cobalt manganese acetate (bromine) solution is an important catalyst raw material for the production of purified terephthalic acid (PTA) and is the main catalyst material sold by the Company; crystalline cobalt acetate and manganese acetate may also be used alone as a whitening agent and catalyst in the polyester process and are indispensable upstream raw materials for the polyester chemical fiber industry.

PTA is a derivative product of aromatic hydrocarbons and an important monomer of petrochemical raw materials. It is a petrochemical intermediate, and para-xylene (PX) is the main raw material. The PTA is obtained from oxidizing the mixture of PX, acetic acid, and catalyst solvent under high temperature and appropriate pressure, catalyzing with pure water and catalyst to react with hydrogen, and then purifying and refining through a series of crystallization and separation processes. In the PTA process, the catalyst plays a role in speeding up the reaction and improving production quality; it is also an indispensable raw material for the PTA process. Therefore, the supply and demand situation of the PTA industry closely influences the market demand for oxidation catalysts.

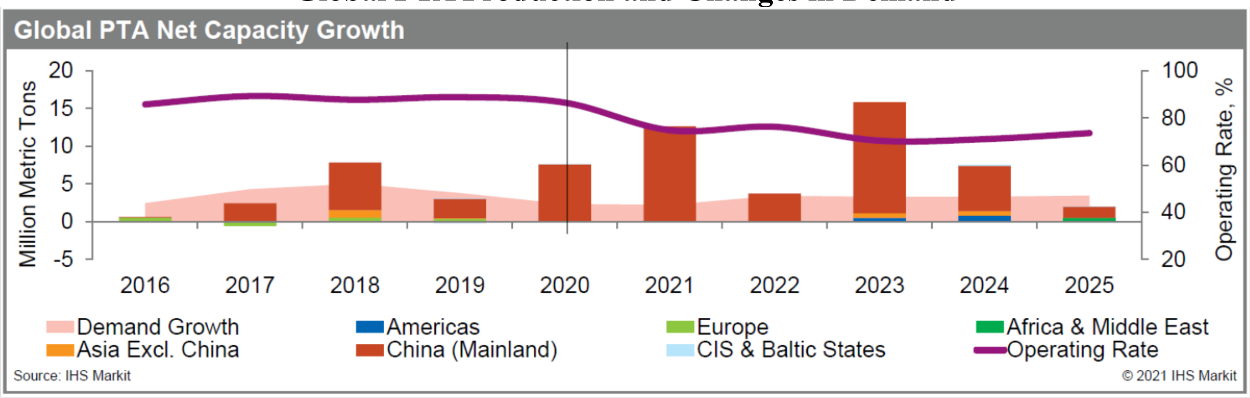
According to the IEK industry report, more than 90% of the world's PTA is used to produce polyethylene terephthalate (i.e., polyester; polyester or PET) materials, which is an important raw material for the synthetic fiber industry. Polyester is produced by the polymerization of PTA and ethylene glycol (EG). It is then processed to produce polyester fiber or polyester pellets. Currently, the PTA produced is mainly used to produce polyester fibers for manufacturing non-woven fabrics, ready-to-wear materials, tire cords, and car seat belts. In contrast, polyester pellets are used in PET bottles, polyester films, audio-video equipment, medical X-ray films, and packaging materials, among other things.

(A) Overview of the global PTA industry

Currently, the world's PTA supply sources are mainly located in China, Taiwan, South Korea, and other Southeast Asian countries; in particular, China is No.1 in the world in terms of capacity and consumption. With China's economic growth, the demand for PTA has risen sharply yearly. At that time, the high profits, high growth, and supply-demand gap attracted a massive investment and expansion boom, and thus the total capacity far exceeded that of other countries.

With the massive expansion of production in China in recent years, the global supply of PTA has increased dramatically, exceeding the total global demand, resulting in excess capacity. Still, PTA is an important raw material for polyester production and is widely used in textiles, packaging, electronics, construction, and other products for everyday life. The IEK research report published by ITRI pointed out that, due to the epidemic's impact in 2020, industrial packaging materials such as agricultural bags, bottles, and cans saw a surge in demand; the global demand for polyester grew, pushing up the market demand for PTA. The research institute 360 Research Reports predicted that the global PTA output value will grow at a compound annual growth rate of 2.8% up to 2025 and reach US$47.2 billion in 2025.

Global PTA Production and Changes in Demand



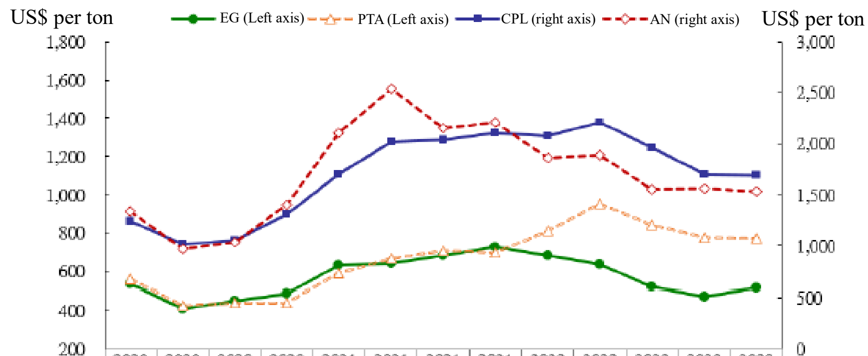
Source: WPC2021; collated by IEK (2021)

(B) Overview of the domestic PTA industry

The domestic PTA leaders are Formosa Chemicals & Fibre Corporation (stock code: 1326, FCFC), Oriental Petrochemical (Taiwan) Co., Ltd., and China American Petrochemical Co., Ltd. In recent years, due to the rapid increase in China's capacity and the slowdown in market demand for PTA, major domestic PTA manufacturers have responded to the market's excess supply by reducing production and closing plants.

According to the Taiwan Industry Economics Services, in terms of domestic bulk petrochemical raw materials as a whole, even though EG and PTA are both raw materials for producing polyester fiber and pellets, there is a significant gap in prices because the EG process is relatively easier and it costs less to make. On the other hand, the low exports and high-self sufficiency of PTA in Taiwan have lowered the global market impact on PTA prices. The price increase of the upstream raw material PX and the continuous reduction of PX production by Japanese and South Korean companies since 2022 have helped reduce the pressure of oversupply in the market, contributing to a 26.88% increase in PTA prices compared to 2021 and boosting the overall PTA output value. In the first quarter of 2023, due to the slowdown in the global economy and weak consumer demand for textile and garment, the industry's demand for goods has weakened. Therefore, the price of synthetic fiber raw materials has generally fallen. However, the reduced production due to maintenance of multiple PTA production equipment in China has supported the price of PTA. Compared with other synthetic fiber raw materials, it only fell slightly by 4.93% compared with the same period in the previous year.

Price Trends of Synthetic Fiber Raw Materials



	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1
EG (Left axis)	536	409	447	487	629	639	682	727	683	633	520	469	515
PTA (Left axis)	561	424	441	442	591	663	707	697	809	951	839	774	769
CPL (right axis)	1,236	1,009	1,052	1,309	1,703	2,022	2,042	2,104	2,079	2,207	1,966	1,695	1,687
AN (right axis)	1,332	968	1,032	1,396	2,107	2,532	2,155	2,209	1,863	1,885	1,548	1,557	1,532

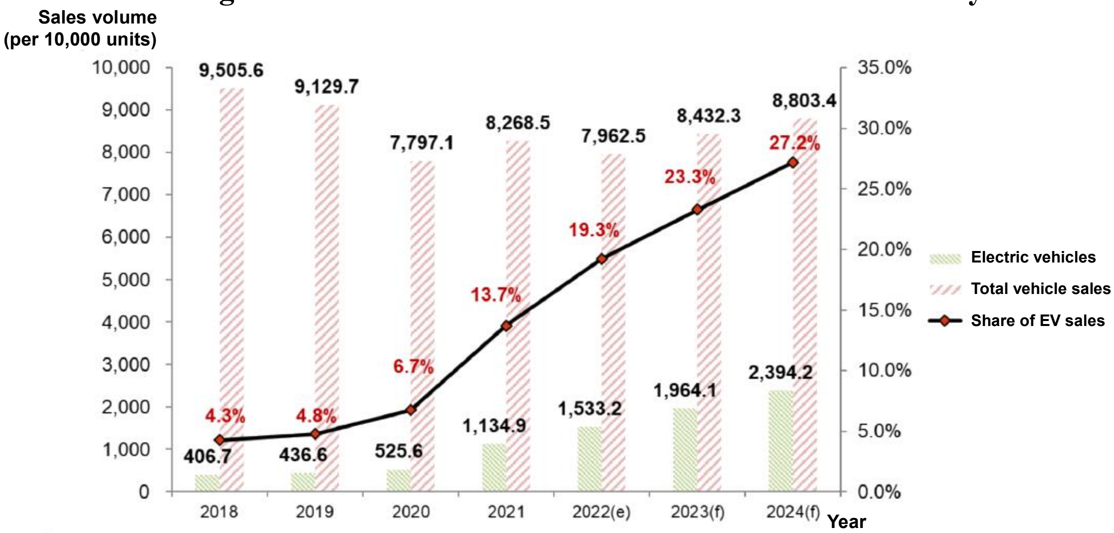
Note: 1. Oriental Union Chemical Corporation's export spot price is used for ethylene glycol (EG); The CFR Far East spot price is used for purified terephthalic acid (PTA); the CFR Far East spot price is used for caprolactam (CPL); the CFR Far East spot price is used for acrylonitrile (AN).
2. The average price from January 1 to March 28 is used for 2023 Q1.

Source: CTMoney, Taiwan Industry Economics Services, TIER (2023/3)

B. Power battery materials

In recent years, the world has paid increasing attention to environmental protection; 195 member states have signed the Paris Agreement, which aims to reduce emissions by 40% on average from 2015 to 2025, and attain net-zero emissions in the second half of this century. The goal will be challenging if fuel vehicles remain the main form of transport. Therefore, hybrid vehicles (HEV) or pure electric vehicles (EV) are the future trends of vehicle development. Countries are gradually implementing the target time frame and subsidy schemes for fully electrifying newly sold vehicles. From 2021, European rules provide that if a car manufacturer fails to meet the average of 95 grams of CO2 emissions per kilometer in Europe, a fine of 95 euros multiplied by the sales volume will be imposed for every gram over the standard. Under the pressure of fines, car manufacturers are actively developing and launching electric vehicles. According to statistics from the Industry, Science and Technology International Strategy Center (IEK) of the Industrial Technology Research Institute (ITRI), the global electric vehicle market exceeded 10 million vehicles in 2021, and was expected to approach 15 million vehicles in 2022, increasing the global share of electric vehicles to nearly 20%. It estimated that the global electric vehicle output value will reach 50 million vehicles totaling US$2.1 trillion by 2040.

Overview of global electric vehicle sales volume and share in recent years

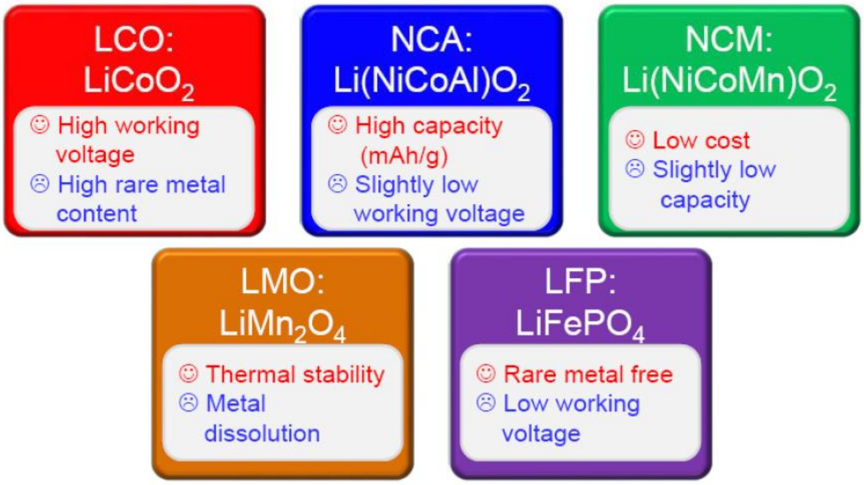


Source: collated by IEK (2022/11), collated by Grand Fortune Securities

The power battery is a battery specifically used for new energy vehicles. It still accounts for 35% to 40% of the total cost of an electric vehicle and is directly correlated to the full price of the vehicle. In addition, battery performance directly affects the range of the vehicle, and battery charging efficiency and the ability to withstand extreme environments are important factors for consumers to consider; higher energy and power density requirements make EV batteries a vital issue for vehicle manufacturers and more and more battery suppliers are involved in the development of better EV batteries. EVs require much more power from batteries than consumer electronics, which has driven exponential demand for lithium batteries.

At present, mainstream EV batteries generally adopt relatively mature lithium-ion technology. Conduction in lithium batteries is through lithium electrons. The key raw materials used in lithium-ion batteries are cathode materials, electrolytes, anodes, and separators. The mainstream cathode materials of lithium-ion batteries in the market can be divided into lithium cobalt batteries (LCO), lithium manganese batteries (LMO), ternary lithium nickel cobalt aluminum batteries (NCA), ternary nickel cobalt manganese batteries (NCM), and lithium iron phosphate batteries (LFP), of which ternary lithium-ion batteries occupy a dominant position in the EV battery market with a share of 6-7%. The EV battery materials produced by the Company are mainly used as cathode materials for ternary lithium batteries (NCA and NCM).

Comparison of the characteristics of lithium battery cathode materials



Source: Panasonic; Compiled by the Company

According to the Yano Research Institute, the xEV market for lithium batteries for vehicles in China and Europe (electric vehicles; including electric vehicles (EVs), hybrid vehicles (HVs), plug-in hybrid vehicles (PHV)) have shown significant growth. Coupled with the soaring prices of raw materials such as lithium, nickel, and cobalt, the prices of key battery materials such as cathode materials have increased significantly. The size of the cathode material market is expected to increase by 53.2% annually to US$39.169 billion in 2022, and will expand to US$54.998 billion in 2025 as industrial demand rises.

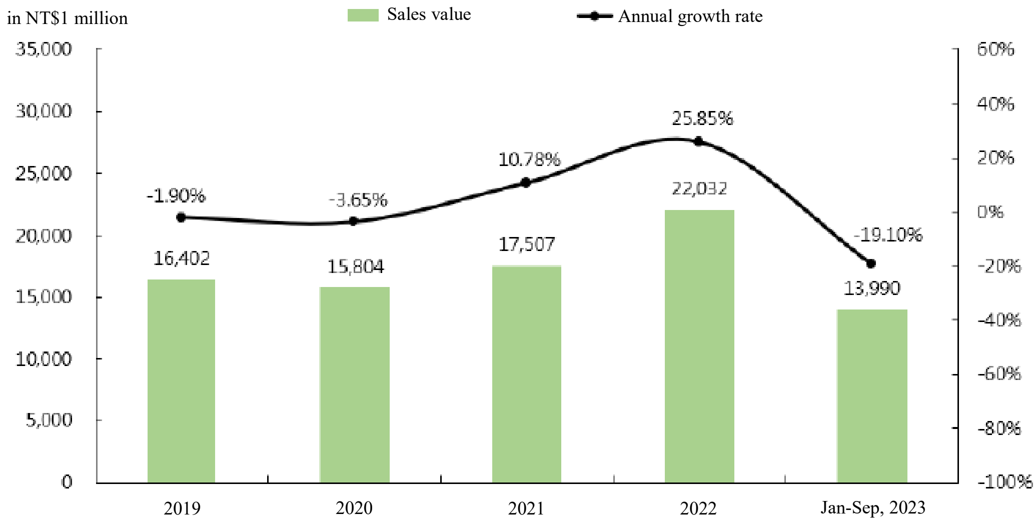
In addition, Counterpoint survey data show that global sales of electric vehicles grew by 65% in 2022, and will maintain a high CAGR (compound annual growth rate) of 17.3% until 2030. The global electric vehicle market size is expected to reach US$693.7 billion in 2030.

C. Fertilizers

Fertilizers are divided into straight fertilizers and compound fertilizers. Straight fertilizers are made from a single nitrogen, phosphorus, or potassium component, such as ammonium sulfate, potassium chloride, potassium sulfate, and calcium superphosphate. Compound fertilizers are made from a mixture of nitrogen, phosphorus, and potassium, and different compound fertilizers are used according to the needs of planting crops, soil, and nutrients.

Since 2023, the impact of the Ukraine-Russia war on fertilizer supply has gradually faded. Russia's fertilizer production, supply, and exports have expanded. Coupled with the decrease in international oil prices, natural gas, and other energy prices, the pressure of operating costs on global fertilizer manufacturers has been relieved and their willingness to engage in production has rebounded. However, the global demand for fertilizers has weakened, which freed up the global supply of fertilizers and reduced the average sales price of fertilizer products. In addition, domestic initiatives for eco-friendly farming has reduced the use of fertilizers, which has also affected the demand for fertilizers. Therefore, sales in this industry have declined in both value and volume. Tape data of the Industrial Production Statistics of the MOEA Department of Statistics (see the figure below for details) show that the annual growth rate of the industry's sales value declined significantly by 19.10% from January to

September 2023 as economic conditions deteriorated in the industry.



Source: Tape data of the Industrial Production Statistics of the MOEA Department of Statistics, collated by Taiwan Industry Economics Services; November 2023. Provided by Grand Fortune Securities.

In the first half of 2024, grain prices are expected to remain stable, which is unlikely to boost farmers' willingness to farm. In addition, the global fertilizer supply will continue to be abundant. However, China's tightening urea export quota controls are expected to support international urea prices. With the arrival of the peak season for spring plowing and fertilizer use, the demand for downstream fertilizer preparation has increased, and the overall shipments of the industry is expected to recover. With a low baseline of economic growth in the industry, the industry is expected to show signs of recovery in the first half of 2024.

D. Specialty chemical materials and others

The main specialty chemical materials produced by the Company include sulfuric acid, cobalt hydroxide, and oxalic acid.

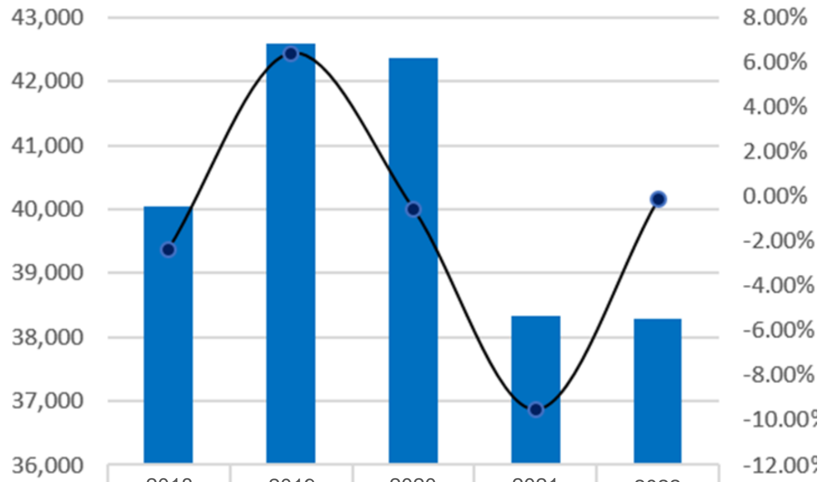
(A) Sulfuric acid

Heng I Chemical, a subsidiary of the Company, is engaged in the recovery of 98% sulfuric acid, electronic-grade sulfuric acid, and waste sulfuric acid and can self-produce and sell sulfuric acid. In recent years, the dumping of imported sulfuric acid has impacted the price of sulfuric acid in the domestic market. Because the price wars of imported sulfuric acid cannot be weathered, the Company has developed electronic-grade sulfuric acid to avoid the red ocean of aggressive price cutting. Compared with 98% sulfuric acid, electronic-grade sulfuric acid is mainly used for cleaning, exposure, and corrosion of silicon wafers, corrosion of printed circuit boards, and electroplating cleaning, which is more technically difficult to produce. Its advantages include higher production process safety, higher product purity, and lower impurity ion content, making it more suitable for producing semiconductor circuits.

(B) Cobalt hydroxide

The cobalt hydroxide products produced by the Company are not only used as raw materials for secondary lithium-ion battery cathode materials, but also are the main chemical materials of metal carboxylates, which are used as adhesion promoters for rubber and steel wire belts in the tire industry, so they are closely related to the production and sales of the tire market.

Taiwan's tire manufacturing industry sales value changes and trend



	2018	2019	2020	2021	2022
Sales value (in NT$1 million)	40,045	42,599	42,365	38,342	38,298
Annual growth rate	-2.36%	6.38%	-0.55%	-9.49%	-0.12%

Source: statistics of the Industrial Production, Shipment & Inventory Statistics Survey of the Department of Statistics of the Ministry of Economic Affairs; collated by Grand Fortune Securities

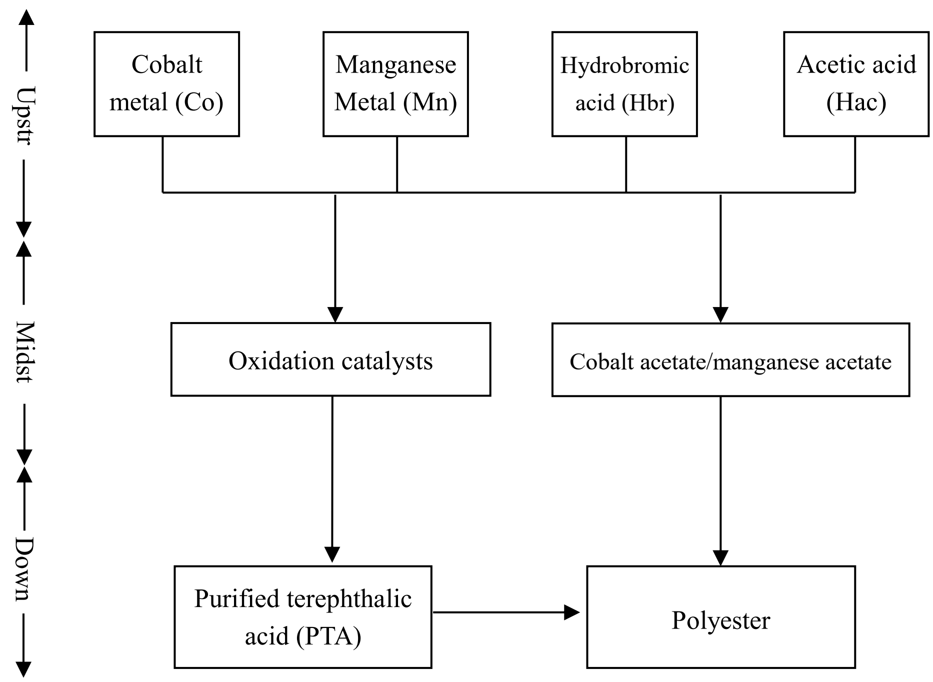
In recent years, the United States International Trade Commission (ITC) and U.S. Department of Commerce opened an investigation into the dumping of passenger car and light truck tires from Taiwan. The preliminary results were released at the end of December 2020. High tariffs were levied on Taiwan's tire industry unexpectedly, resulting in a significant decline in tire export to the U.S. from 2021 and a slight decline in the industry's overall sales volume. However, the successful development of overseas markets such as Japan, Australia, and Mexico in recent years, coupled with the resurgence of the car market and other favorable factors indicate that the tire industry will recover and stabilize.

(C) Oxalic acid

The oxalic acid produced by the Company's subsidiary, Uranus Chemicals, is divided into industrial and refined oxalic acid. Industrial oxalic acid is used in pharmaceuticals, separation and purification of rare earth elements, fine chemicals, and textile printing and dyeing. Refined oxalic acid and oxalic acid derivatives can be used in lithium battery cathode materials, electronic board cleaners, manufacturing of electronic ceramics, purification of new rare earth materials, and cleaning photovoltaic quartz. With continuous high-speed development of new downstream industries such as electronic ceramics, purification of new rare earth materials, new energy, and optoelectronics, the industrial demand for oxalic acid continues to grow. According to market forecasts, the oxalic acid market demand in Taiwan continues to grow. In 2023, the demand of the entire industry may exceed 960,000 tons, and the oxalic acid demand market is expected to exceed 1.1 million tons by 2025.

(1) Links between the upstream, midstream, and downstream segments of the industry

A. Oxidation catalysts



(A) Upstream industry

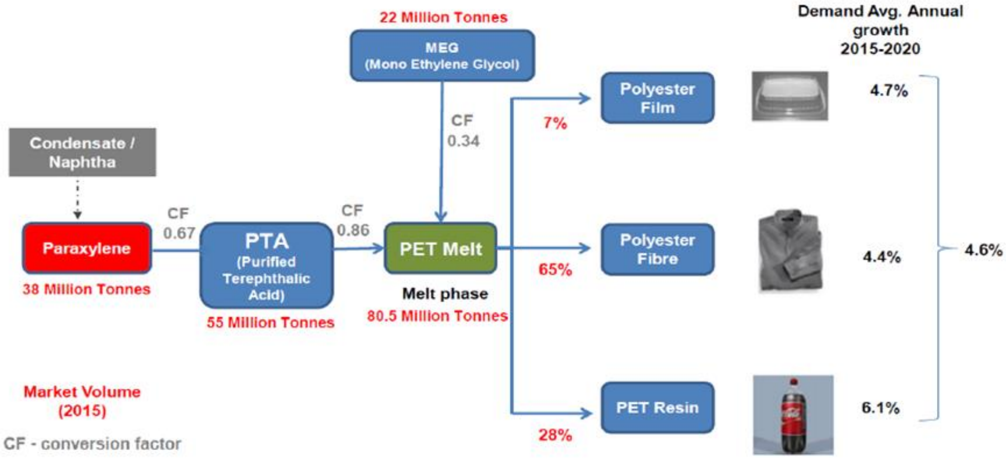
The raw materials for producing oxidation catalysts are mainly cobalt metal, manganese metal, hydrobromic acid, and acetic acid. The main products are cobalt manganese acetate (bromine) solution and crystalline cobalt acetate and manganese acetate. Since there are no domestic mineral resources of cobalt and manganese metal, the raw materials must be completely imported. The global cobalt metals are mainly distributed in Africa (Congo, Madagascar, and Morocco), Australia, and China. The cobalt metal is obtained through extracting from nickel ore and copper ore, with only about 2% content. The risk of this raw material is a supply issue. If the raw material is purchased from a single or minimal number of suppliers, the unexpected suspension and annual services of their plants may result in insufficient supply; the fluctuations in crude prices and petrochemical raw materials prices will also directly affect the price of PX, the upstream raw material of PTA, and therefore also affect the cost of PTA's raw materials.

(B) Midstream industry

90% of the global PTA is used in the production of PET. PET is processed into polyester fiber or pelletized into polyester pellets. The main operational risks of PTA are the supply and demand in the international market and foreign anti-dumping investigations. In recent years, China has released significant PTA capacity, which has caused a severe imbalance between supply and demand in the global market and squeezed out the output of Taiwan's PTA suppliers. The joint production reduction strategy implemented by large Chinese manufacturers in recent years and the suspension of work of certain PTA companies for unknown reasons in 2015 mitigated the problem of PTA supply imbalances that affected both upstream and downstream industries. In a nutshell, the PTA industry is deeply affected by the international market's supply and demand situation, and anti-dumping investigations by any country will directly affect the production and sales of Taiwan's PTA industry.

(C) Downstream industry

PTA downstream application



Source: ICIS; ITRI IEK (2016/09)

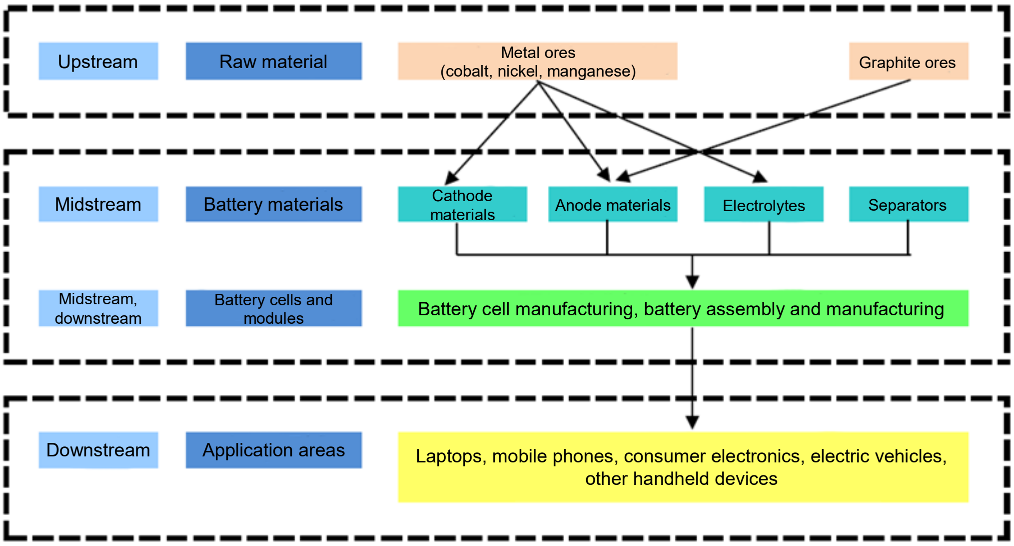
PET is divided into two categories: polyester fiber and polyester pellets. Polyester fibers are mainly used to produce civilian clothing, non-woven fabrics, ready-to-wear materials, tire cords, and car seat belts. In contrast, polyester pellets are used in PET bottles, polyester films, media audio-video equipment, medical X-ray films, and packaging materials.

Downstream products provide enormous demands for PTA raw materials. If the downstream industry expands production, the upstream and midstream demand for PTA will increase. For example, the recovery of the Vietnamese textile industry in 2016 drove the import demand for raw materials in the upstream and midstream. Still, if the domestic downstream processing industry moves abroad, it will also directly affect the demand for domestic raw materials.

Based on the research report of the Industrial Economics Database of the Taiwan Institute of Economic Research, it is expected that the orders from downstream apparel brands will show a slight increase, which will help to drive the demand of the textile industry. In addition, industry players are actively deploying high-value-added processed silk products, so the need for functionality and processed silk products with particular specifications is expected to grow optimistically. It will also help the demand for upstream and midstream raw materials.

B. Power battery materials

Battery Materials Industry Structure



Source: collated by Grand Fortune Securities

(A) Upstream industry

The raw materials required for cathode materials are mainly mineral resources such as cobalt metal, nickel metal, manganese metal, and iron metal, which are mainly concentrated in Africa, and Australia. Among them, the Company's primarily purchases cobalt metal and nickel metal raw materials. As all domestic raw materials must rely on imports, the operational risk is the price fluctuation in the international raw materials market. The Company maintains a good relationship with suppliers and signs supply contracts. Purchasing from the spot market will make up for insufficient quantities. There are currently no risks that could affect operations.

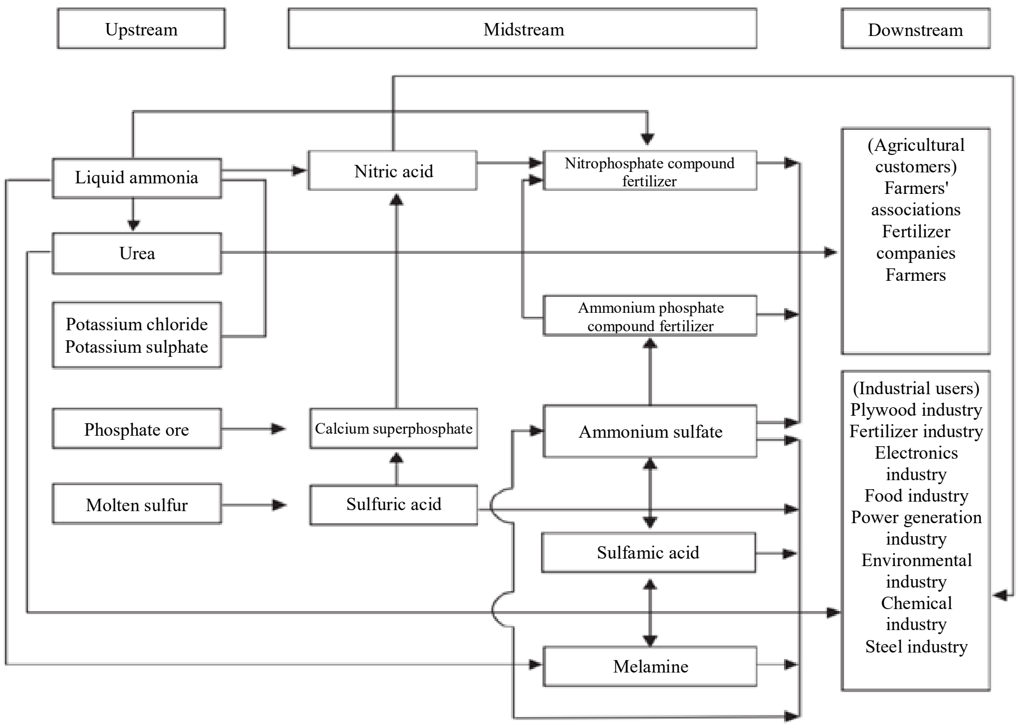
(B) Midstream industry

The midstream products of the battery materials include battery cell modules, power component modules, battery charging systems, power motor modules, vehicle electrical component modules, smart vehicle electrical systems and other components, battery systems, and power supply-related and other peripheral components. As lithium battery modules and battery management systems directly affect the overall battery operation efficiency and safety, global automakers mainly obtain core battery technologies through self-investment, mergers and acquisitions, and technical cooperation to expand battery capacity to meet electric vehicle production needs.

(C) Downstream industry

Lithium batteries are widely used, mainly in laptops, mobile phones, other handheld devices, consumer electronics, and electric vehicles. Downstream operational risks are mainly the rise of new business models and national policy factors. The global emergence of new business models, such as separation of vehicle and power, battery leasing, and car sharing, is favorable to expanding the penetration of the electric vehicle market and driving the demand for downstream products in Europe and China, including electric buses, electric vehicles, electric scooters, and golf carts. In terms of national policies, for example, advanced countries have successively launched electric vehicle subsidy programs, and China has also introduced vehicle purchase subsidies, tax reductions, R&D support, consumer incentives, and imposed the "Key Special Implementation Plan under the National Key R&D Program for New Energy Vehicle." The international forecasting agency, IHS Markit, predicts that the global pure electric vehicle will reach 10 million units in 2025, accounting for 9.7% of the global auto market. The downstream electric vehicle industry is booming, which will simultaneously drive the upstream and midstream demand for lithium batteries.

C. Fertilizers



Source: Industrial Economics Database, Taiwan Institute of Economic Research

The Company's subsidiary, Heng I Chemical, mainly purchases potassium chloride and urea. Due to the lack of fertilizer raw materials in Taiwan, almost all material purchases must rely on overseas imports. Therefore, price fluctuations in the international market will easily affect the cost of raw materials. The Company's subsidiary, Heng I Chemical, maintains a good cooperative relationship with its suppliers and signs supply contracts yearly to ensure sufficient supply.

Fertilizers are closely related to people's livelihood and farming. Due to the continuous growth of the global population, climate change, and the liberalization of agricultural product trade, the demand for food farming has increased. However, after the government joined the WTO, the opening of agricultural product importation affected Taiwan's agricultural development. And with the government's farmland fallow policy, the domestic arable land area has been gradually decreasing, decreasing fertilizer demand year by year. Due to the long-term government constraints on domestic fertilizer prices, lack of labor in rural areas, and rising wages, mechanized farming is replacing human resources, the demand for compound fertilizers is increasing year by year, and the demand for straight fertilizers is shrinking year by year. The domestic compound fertilizer industry is fiercely competitive.

The main downstream operational risk is the market demand factor. To promote domestic organic agriculture and maintain the production environment, improve the soil fertility of farmland, encourage farmers to apply organic compound fertilizers, and reduce the amount of chemical fertilizers used, the Council of Agriculture, Executive Yuan launched a new agricultural program to initiate several environmentally friendly farming fertilizer subsidy measures. Under the promotion of rational fertilization and organic fertilizer policies, the domestic application of chemical fertilizers has declined. However, because chemical fertilizers still have a good effect on planting crops, the impact on fertilizer demand should be limited in the short term.

D. Specialty chemicals and others

The upstream raw material of the cobalt hydroxide produced by the Company is cobalt metal. Because cobalt metal is a strategic metal, it is mainly distributed in Africa, America, Australia, and China. The Company signs contracts with suppliers to reduce the risk of price fluctuations when purchasing cobalt metal. The midstream is the production of metallic cobalt soap. The Company's downstream end application is mainly the adhesion promoters for rubber and steel wire belts. The operational risk is the impact of supply and demand of the downstream tire industry. In recent years, the Sino-US tire trade friction has been intensified, coupled with the temporary anti-dumping duties imposed by the European Union on China, to crack down on oversupply in the Chinese market, resulting in a slowdown in the supply in the Chinese market. However, Taiwanese companies have benefited from the relief of the crowding-out effect of Chinese supply, and the tire industry's export volume has begun to grow, which has also driven upstream demand for advanced materials.

For the Company's subsidiary Heng I Chemical's electronic-grade sulfuric acid, the primary operational risk is affected by the needs of end customers. Its end-users provide the electronic-grade sulfuric acid for the domestic semiconductor industry's advanced processes. Since the domestic semiconductors industry has successive plant expansion plans and capacity demands, electronic-grade sulfuric acid production demand is expected to increase further.

The Company's subsidiary, Uranus Chemicals, produces industrial oxalic acid, which is used to make various chemical products such as oxalate, oxalamide, and dyes and to separate and purify pharmaceuticals and rare earth elements. It is mainly used in the chemical engineering, textile, and electronics industries. As the rare earth separated by oxalic acid are widely used in energy, chemical materials, energy conservation and environmental protection, aviation, aerospace, and electronic information fields, when technologies continue to evolve, the demand for rare earth gradually increases; therefore, the application demand for oxalic acid will increase, too.

(3) Product development trends and competition

A. Oxidation catalysts

90% of PTA is used to produce PET. Its end industry is synthetic fiber raw material manufacturing. Its products include ready-to-wear materials, non-woven fabrics, tire cords, car seat belts, PET bottles, media audio-video equipment, medical X-ray films, and packaging materials. As the

PTA industry meets a massive demand for the downstream industry of synthetic fibers, demand for the upstream synthetic fiber raw materials industry will increase if the downstream industry expands the plants. The demand for PET is highly related to economic development. Since 2022, the Federal Reserve's firm interest rate hike policy has weakened the economic outlook. The economic conditions of the top countries by consumption have suffered from sluggish growth or even a slight recession. Thus, the pessimistic economic outlook is expected to cause the public to hold more conservative attitudes toward consumption. Although the textile industry may recover in the second half of 2023, the recovery of buying momentum in the global textile market is limited in the short term. Also, under the increasing pressure of Chinese manufacturers competing for orders, industry shipments will continue to be suppressed.

B. Power battery materials

(A) Cost and performance are extremely important

Lithium batteries are mainly composed of four categories, cathode materials, anode materials, electrolytes, and separators. The cathode materials account for about 30% to 40% of the product cost of lithium batteries. Since the selection of cathode materials requires taking into account energy density, power density, applicable voltage range, stabilizing effect of electrolytes, reversible electrochemical reaction, and other conditions, the cathode material is used as not only the battery material participating in the reaction of lithium battery but also the main source of lithium ions in the battery. Its activity and the distribution of lithium ions are the most critical factors affecting lithium battery performance.

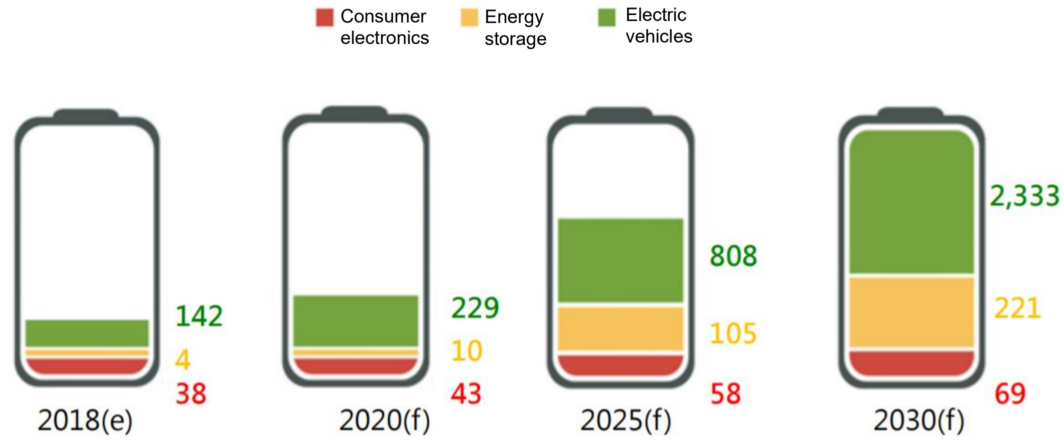
The cathode material of lithium battery may achieve further safety, capacity, and cost requirements by adding nickel and manganese. Depending on the added materials, it can be divided into ternary systems of NCA and NCM, and binary systems of lithium, cobalt, and nickel materials. NCA and NCM have the advantages of high safety, while the binary lithium-cobalt-nickel materials have the advantage of high electric capacity. The global cathode material industry is also actively developing and improving cathode materials with the advantages of safety and capacity, so the future development of cathode materials is expected to be optimistic.

(B) Increase in global market demand

Global lithium battery material plants have been deployed in the automotive market in recent years. They are mainly optimistic about the battery application and demand for hybrid electric vehicles (HEV) and electric vehicles (EV). In recent years, the world has paid increasing attention to environmental protection. HEV or EV vehicles are the future trends of automotive development, and advanced countries worldwide have made the development of electric vehicles and new energy vehicles a key policy. For example, the European Union set the goal of installing 1 million charging piles by 2025 and reached an agreement to completely ban the production and sale of fuel vehicles in 2035 to achieve 100% zero-emission vehicles. The U.S. passed an infrastructure bill in November 2021 to invest US$7.5 billion in EV charging stations and US$65 billion to upgrade the power grid facilities nationwide. The U.S. also signed an executive order in December of the same year. It is estimated that 50% of new cars produced in the U.S. will be electric, and EVs will be fully adopted by 2035. China plans for the sale of EVs to account for 20% of overall car sales by 2025 and for all new cars sold by 2035 to be environmentally friendly models, 50% EV and 50% HEV. Taiwan's National Development Council published Taiwan’s Pathway to Net-Zero Emissions in 2050 and explained the overall strategy in March 2022. Taiwan expects the EV market share to rise to 30% in 2030, 60% in 2035, and 100% in 2040, enabling domestic automakers to speed up the EV production schedule.

According to an analyst’s study of the Industrial Economics Database of the Taiwan Institute of Economic Research, electric vehicles have become the main application category and growth driver of batteries, mainly because one HEV uses more than 20 times as many batteries as a laptop, and one EV uses more than 1,000 times as many batteries as a laptop. Lithium battery is mainstream, and the global lithium battery production capacity is dominated by Asian countries such as China, Japan, and Korea. The Company's cathode materials are mainly sold to battery precursor and battery core manufacturers in Japan and Korea; both should grow with the growth of end applications in the future.

2018 to 2030 Global Battery Application Trends (Unit: GWh)



Source: World Economic Forum, McKinsey; Industrial Economics Database, Taiwan Institute of Economic Research (2021/05)

C. Fertilizers

Taiwan's fertilizer manufacturing industry is domestically oriented. As Taiwan's domestic fertilizer market has become saturated with little change, Taiwan's fertilizer companies are actively expanding overseas markets. The launch of a new agricultural program by the Council of Agriculture, Executive Yuan has led to a decline in the volume of chemical fertilizers used in Taiwan. However, as China has strengthened environmental inspections, the supply of nitrogen fertilizer in China has decreased, which will help reduce the export competition in this industry.

D. Specialty chemicals and others

(A) Cobalt hydroxide

a. Elevation of tire quality requirements

The global automotive industry is booming, and various automakers have introduced new models. Safety is one of the selling points of most models. As consumers pay more attention to driving safety, explosion-proof safety tires have gradually become popular. According to the National Highway Traffic Accident Statistics from 106 to 2021 released by Freeway Bureau, MOTC, tire blowout and peel-off accounted for 1.2% of the cause of traffic accidents, ranking seventh in the cause of accidents. Because the quality of metal cobalt soap affects the adhesion performance between natural rubber and steel wire belts, it also indirectly affects the safety and quality of tires. As the global tires develop towards high performance and high safety, the use of metallic cobalt soap becomes more important, which will also drive the quality and demand for advanced material applications.

b. Automotive supply chain stabilized

The willingness to pull in goods was boosted by the alleviation of worldwide port congestion in the post-pandemic era, the easing of a global automotive chip shortage, and the stabilization of downstream automaker sales. In addition, Taiwan's tire industry has been actively expanding overseas production capacity in Southeast Asia and India in recent years. As the production capacity and utilization rate of overseas tire plants increase, continued optimization of the production and sales structure is expected, which will help boost the operating performance of Taiwan companies and drive the demand for the Company's production of metal cobalt soap.

(B) Sulfuric acid

Electronic-grade sulfuric acid is a high-purity sulfuric acid widely used in semiconductors, large-scale integrated circuit assembly, and processing. It is mainly used for cleaning and etching wafers to remove impurity particles on the wafers effectively. The end customers of electronic-grade sulfuric acid of the Company's subsidiary, Heng I Chemical are semiconductor companies in Taiwan. With the rapid development of technology, their high-end manufacturing process has been researched, developed, and expanded. The expansion of capacity will drive the demand for the use of electronic-grade sulfuric acid. Therefore, the demand for this product is still expected to improve.

(C) Oxalic acid

Industrial oxalic acid is mainly used in the chemical, printing, dyeing, and textile industries. Refined oxalic acid is obtained from refining. Its end applications are extensive and include PTA catalyst recovery, cleaning circuits and electronic products, cobalt salts, electronic ceramics, magnetic materials, alloy powders, and cathode materials of lithium batteries. The demand for rare earth has gradually increased with the continuous advancement of technologies. As fewer oxalic acid and rare earth manufacturers exist in Taiwan, Uranus Chemicals, a Company subsidiary, can also benefit.

3. Overview of technology and R&D

(1) The technical level and R&D of the business

The Company's business is the research, development, production, and sales of chemical materials, focusing on oxidation catalysts, power battery materials, fertilizers, specialty chemicals, and other chemical materials. The Company started with the production of oxidation catalyst products. The products are cobalt manganese acetate (bromine) solutions and cobalt acetate/manganese crystals, the key raw materials for producing purified terephthalic acid (PTA), which plays a role in accelerating the reaction rate and improving the quality of production. PTA is processed to make polyester, which is mainly used for polyester fiber. It is one of the three major synthetic fibers and belongs to the chemical fiber industry. For power battery materials, the Company's nickel sulfate, cobalt oxide, and cobalt sulfate are raw materials for battery cathode materials, which are used in the lithium-ion battery industry. For fertilizers, the compound fertilizer products produced by the Company's subsidiary, Heng I Chemical, are made from processing a mixture of raw materials such as urea, potassium chloride, ammonium sulfate, ammonium phosphate, nitrogen, and phosphorus fertilizers and are used in the agricultural industry. The wide range of specialty chemical material products, including electronic grade sulfuric acid, cobalt hydroxide, oxalic acid, rare earth, and etching solutions, involve semiconductors, electronics, tires, biotechnology, and other industries and are used in a wide range of applications.

The Company's R&D department continues to improve the production process and recovery technology of PTA oxidation catalysts. With years of understanding of the characteristics of cobalt and nickel metals and production experience, it has developed power battery materials for electric vehicles, technologies for recycling graphite from discarded lithium batteries of electric vehicles, and products in the fields of power battery materials and specialty chemical materials, refined the production process while maintaining product quality, and made products that meet customer requirements, including controlling the weight of raw materials, completing the product particle structure, and consistent size and specifications. The product characteristics are fully controlled to provide customers with more diversified products to meet their needs.

(2) R&D personnel and their educational/professional background

Unit: person

Item/Year		2019	2020	2021	2022	2023
Number of personnel at the beginning of the period		9	8	9	8	7
New employees		2	3	4	4	6
Resigned employees		2	-	1	2	4
Severed and retired employees		1	-	1	0	1
Reassignment		-	2	3	4	1
Total R&D personnel at the end of the period		8	9	8	6	7
Average tenure (year)		5.95	2.99	1.5	2.83	2.86
Turnover rate (%) (Note)		22.00%	-	11.11%	16.67%	38.46%
Distribution of academic qualifications (%)	PhD	-	-	-	-	-
	Master's degree	8%	33.33%	62.5%	50%	57.14%
	College	92%	67.67%	37.5%	50%	42.86%
	Junior college	-	-	-	-	-
	Senior high school and lower	-	-	-	-	-

Note: Turnover rate = (resigned employees + laid-off and retired employees) / (number of employees at the beginning of the period + new employees of the period).

(3) Annual investment in research and development and successfully developed technologies and products in the most recent year

A. Research and development expenses for the most recent year and the most recent years

Unit: NT$ (thousand)

Year / Item	2020	2021	2022	2023	2024 (Estimated)
R&D expenses	29,438	8,971	20,558	13,410	18,578
Net operating revenue	5,285,365	7,338,783	9,081,621	5,231,731	4,635,464
Percentage to the net operating revenue (%)	0.56%	0.12%	0.23%	0.26%	0.40%

Source: Financial statements audited or reviewed by CPAs

(4) Successfully developed technologies and products

Item	R&D achievements	Effect description
Next-generation manufacturing process of cathode materials for electric vehicle batteries	The Company's laboratory has developed customer specifications and completed on-site pilot production verification, and is planning a next-generation process to reduce production costs.	By using the cobalt-nickel mixed hydroxide precipitate (MHP) ore from mines to manufacture the cathode materials required for electric vehicle batteries, this method reduces production costs and increases the Company's competitiveness.
Recycling graphite from lithium batteries of electric vehicles	The Company's laboratory has developed customer specifications and completed on-site pilot production verification.	The Company supports the ESG responsibilities of electric vehicle manufacturers and recycles the graphite from electric vehicles for production of compliant cathode materials. The Company thus becomes a part of the electric vehicle battery supply chain and supports electric vehicle manufacturers as a part of their ESG responsibilities.

4. Long- and short-term business development plans

(1) Short-term business development plans

① Marketing strategies

A. Strive for long-term orders from customers with reasonable prices and stable quality, and increase market share.

B. In addition to the domestic market, actively explore the international market and win orders from foreign manufacturers.

C. Fully communicate with customers, understand their needs for products, provide a full range of solutions, and perfect after-sales service to maintain long-term cooperative relations and meet the diverse needs of customers.

② Production strategy

A. To implement the Company's ISO quality policy, improve the quality concept and implement the quality system, the Company has set up a management system implementation team that has passed ISO 14064-1 greenhouse gas inventory, ISO 45001 and 14001 occupational health and safety management system, and ISO 50001 energy management system since July 2019, and IATF 16949 certification in October 2019; the entire Coremax Group passed ISO 9001 certification in November 2019.

B. Actively increase capacity and make every effort to improve the production process, seeking to achieve rationalization, institutionalization, and standardization of production, shorten the production cycle, increase the production yield, and strengthen training to improve the quality of employees.

C. Reduce production costs and eliminate possible waste, including human resource inventory, resource sharing, simplifying operations and processes, and using the ERP system to obtain the most economical feed and inventory costs.

D. To meet customers' needs, establish overseas production bases and expand capacity and provide rapid production, simple transportation, and timely delivery functions; meet the maximum satisfaction of customers to increase market share and maintain stable growth in performance.

③ Financial planning

A. Keep close and good relationships with each bank to strengthen the ability of capital deployment.

B. Seek low-interest loans, such as strategic low-interest loans, to reduce the Company's capital cost.

C. Strengthen capital management and risk control capabilities to reduce the Company's operational risks.

(2) Long-term business development plan

① Marketing strategies

A. Provide a full range of customer-oriented services, strive to improve customer satisfaction, and meet customers' different product needs.

B. Cope with the development of new recycling technologies, provide customized professional services, cultivate partnerships, and strive for long-term orders to increase the Company's profit.

C. Actively expand overseas markets to reduce the risk of market concentration.

D. Actively cultivate professional sales talents, enhance international marketing capabilities, and increase the Company's market share.

② Production strategy

A. Continuously improve the quality of products and services.

B. Seek strategic alliance partners, integrate upstream and downstream industries, and strengthen the quality and capabilities of the supply chain to reduce costs and improve operational efficiency and competitive advantages.

C. Actively seek cooperation with major international manufacturers, develop emerging markets in a planned manner, and strive for orders from well-known international manufacturers to increase market share.

D. Monitor the future development trends of the chemical fiber industry and the lithium battery market, focus on the research and development of upstream raw materials for related products, establish technical independence, and solidify the image as the market leader in professional and innovative products and technologies.

③ Financial planning

A. Push the Company's access into the capital market to increase the Company's funding channels and obtain diversified funding sources.

B. Enhance international fund-raising capabilities to adapt to the scaling of operations and the establishment of overseas bases.

II. Overview of Market, Production, and Sales

(I) Market analysis

1. Sales (Supply) Regions of the Company's Core Products (Services)

Unit: NT$ (thousand)

Item		2022		2023	
		Amount	Ratio	Amount	Ratio
Domestic sales		1,760,095	20%	1,454,072	28%
Export sales	Asia	5,932,970	65%	3,103,569	59%
	Europe and the Americas	1,388,556	15%	674,090	13%
Total operating revenues		9,081,621	100%	5,231,731	100%

Asia is the primary export market of the Company, and Japan accounts for a higher proportion of sales.

2. Market share, future market supply and demand, and growth

A. Oxidation catalysts

Production and Sales of Oxidation Catalysts in 2021 and 2022

Unit: tons

Company	Production volume		Sales volume	
	2021	2022	2021	2022
Coremax	12,362	10,450	12,113	10,493
Mechema Chemicals	27,698	24,805	27,203	25,837

Source: annual report of shareholders' meeting

The PTA oxidation catalyst products produced by the Company are not standardized products with a single specification. Each PTA manufacturer has different processes and technologies, with different requirements for oxidation catalyst formulations. Even though PTA oxidation catalyst accounts for less than 0.5% of the cost of PTA, the quality of oxidation catalyst products greatly affects the production speed and quality of PTA. Therefore, each PTA manufacturer's main considerations for the oxidation catalyst used are the applicability of its own process, the stability of the oxidation catalyst product quality, and the follow-up technical service. Therefore, oxidation catalyst suppliers are not easily replaced once chosen by a PTA manufacturer. Although the PTA oxidation catalyst industry is not capital- and labor-intensive, there is still a relative degree of technological threshold and market segmentation. The oxidation catalyst industry in Taiwan is an oligopolistic market. At present, domestic PTA oxidation catalyst products are mainly supplied by the Company and Mechema. The Company's oxidation catalyst production lines are located in Taiwan, Ningbo and Zhangzhou in China, and Rayong in Thailand, thus satisfying local customers' oxidation catalyst needs and providing good technical services nearby. The Company is also in the position of an oligopolistic domestic supplier of the material.

According to the annual reports of the shareholders' meetings of the Company and Mechema for the years 2021 and 2022, the Company produced 12,362 tons and 10,450 tons of oxidation catalysts in 2021 and 2022, with sales of 12,113 tons and 10,493 tons, respectively; Mechema produced 27,698 tons and 24,805 tons of oxidation catalysts in 2021 and 2022, with sales of 27,203 tons and 25,837 tons, respectively, which means that the Company's PTA oxidation catalyst products account for approximately 30% of the Taiwan market.

B. Power battery materials

Production and Sales of EV Battery Materials in 2021 and 2022

Unit: tons

Company	Production volume		Sales volume	
	2021	2022	2021	2022
Coremax	28,923	37,003	32,949	29,530
Mechema Chemicals (Note)	Note	Note	3,343	1,810

Source: annual report of shareholders' meeting

Note: this data is from Mechema Toda Corporation, a joint venture with Toda Kogyo Corp. of Japan; Mechema Toda is responsible for production and has not disclosed its production volume since 2019.

Since the secondary lithium battery materials industry is tech-intensive and hard to enter, only a few manufacturers worldwide have invested in this market. A few manufacturers currently dominate the global market, so price wars will not occur easily. Thus, the average unit price is slow to decline.

The battery materials produced by the Company are mainly nickel sulfate and cobalt sulfate, which are mainly provided to downstream customers as raw materials for NCM and NCA ternary lithium batteries. The Company and Mechema are main suppliers of cathode materials in Taiwan. Mechema also produces nickel sulfate and cobalt sulfate, and supplies raw materials for cathode materials to Sumitomo, a subsidiary of Panasonic.

According to the annual reports of the shareholders' meetings of the Company and Mechema for the years 2021 and 2022, the Company produced 28,923 and 37,003 tons of EV power battery materials and sold 32,949 and 29,530 tons of power battery materials in 2021 and 2022, respectively; Mechema did not disclose information about the production quantity and sold 3,343 and 1,810 tons of EV power battery materials, respectively. It is estimated that the Company’s EV battery material products account for approximately 90% of the market in Taiwan.

C. Fertilizers

Currently, the main domestic compound fertilizer producers are four major manufacturers. Except for Taiwan Fertilizer Co., Ltd., which has a market share of 90%, the remaining 10% is mainly shared by the Company’s subsidiary, Heng I Chemical, Hong Heng Chemical Co., Ltd., Grainking Enterprise Co., Ltd., and other small manufacturers and importers. Due to the sharp rise in fertilizer raw material prices in recent years, Taiwan Fertilizer Co., Ltd. has not adjusted fertilizer prices, which caused shifts in market shares and its market share rose sharply from 70% to 90%.

D. Specialty chemical materials and others

(A) Cobalt hydroxide

The main competitors are Umicore from Belgium, Jervois from Finland, Shepherd from the United States, and Huayou from Mainland China.

(B) Sulfuric acid

The main domestic sulphuric acid manufacturers are Heng I, Beaming, Kuang Ming, Chung Hwa Chemical, and Jiann Feng. Jiann Feng is in Kaohsiung, while the other four are in northern Taiwan. The sulfuric acid eighth plant invested by the Company was commissioned in December 2014 and started mass production in July 2015, with a daily output of 500 tons of sulfuric acid. Other than replacing old facilities, the expansion and increase in production in recent years were conducted with the collaboration of the customer to complement the customer's electronic-grade sulfuric acid plant expansion. Hence, the shipment volume and revenue of semiconductor electronic acid increased.

(C) Oxalic acid

The global oxalic acid industry was affected by the COVID-19 pandemic in 2020, valued at about US$595.2 million. It is expected to grow at 2.6% annually through 2027, driven by the pharmaceutical, chemical, textile, and leather industries. The main domestic supplier of oxalic acid is San Fu Chemical. The Company's subsidiary, Uranus Chemicals, specializes in producing oxalic acid with its proprietary technology, which is competitive for the Company's export to Japan.

3. Future market supply and demand, and growth

A. Oxidation catalysts (chemical fiber PTA industry)

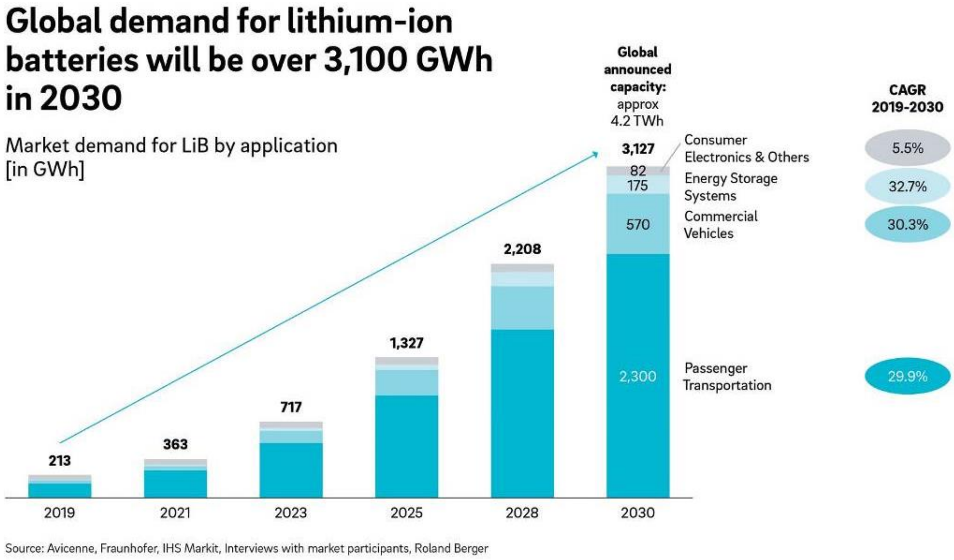
The growth rate of global capacity is rising, primarily due to new, large-scale PTA facilities continuously put into operation in China, causing supply to exceed demand in the global PTA market. The impact of the pandemic and inflation in 2021 has also led to a decline in end demand. However, as the effect of the pandemic gradually weakened and inflation slowly eased since 2022, the market has entered the restocking stage, driving the polyester operating rate to rebound, the demand for downstream materials to become more active, and more robust demand for PTA, which is expected to drive the demand for oxidation catalysts in the future.

B. Power battery materials (lithium battery industry)

In the future, the growing demand for battery materials for lithium batteries will mainly be in electric vehicles, plug-in hybrid electric vehicles, hybrid vehicles, and electric buses. According to the ITRI IEK's report of power lithium battery application in the electric vehicle, the demand for power lithium batteries for electric vehicles in 2030 will be 554 GWh. As the world's major countries implement policies to ban the sale of fuel vehicles by 2040, the demand for lithium batteries for electric vehicles will reach 1056 GWh by 2040, mainly due to the implementation of China's electric vehicle purchase subsidy policy, which has stimulated and driven the sales momentum of China’s EV market. With Europe, the U.S., and Japan enacting stricter requirements for emission reduction and specifying target dates for banning the sales of fuel vehicles, the electric vehicle market is set to grow steadily. The demand for battery electric vehicles and plug-in hybrid electric vehicles will continue to rise, and the need for lithium battery cathode materials will also become more robust. Therefore, major battery companies have announced their expansion plans one after another. The figure below shows the battery plant plans of different American automakers and battery manufacturers.

Source: CIC energiGUNE

Global market demand forecast for lithium batteries by industry



Source: Avicenne, Frauhofer, IHS Markit, Interviews with market participants, Roland Berger

C. Compound fertilizer (chemical fertilizer industry)

Since the fourth quarter of 2023, China has implemented controls on certain urea exports, which has affected China's urea export performance. According to China Customs import and export data, China's urea export volume has declined significantly since October 2023. China's tightening urea export quota controls are expected to suppress the export supply of urea from China in the first half of 2024 and support international urea prices. With the arrival of the peak season for spring plowing and fertilizer use, the demand for downstream fertilizer preparation has increased.

According to data from the Food and Agriculture Organization (FAO) of the United Nations, the international food and grain price index has fallen since the second half of 2023. However, as countries around the world actively increase food self-sufficiency and ensure stable food supply, food prices are expected to remain at a stable level in the first half of 2024. However, we must pay attention to the frequent occurrence of extreme weather events around the world, and uncertainties such as droughts and heavy rains, which affect harvests, food prices, and demand for fertilizers in major producing countries of agricultural commodities.

D. Specialty chemical materials (electronics, tires, textile printing and dyeing, ceramics, and other industries)

(A) Cobalt hydroxide

The Company is the only one with the key technology for mass production and production lines. According to statistics published by ICON Group Ltd, Taiwan's exports in this industry account for 3.76% of the world, ranking 6th globally. Therefore, it is inferred that the Company ranks 6th worldwide in producing and exporting this product. The main production countries of chemical materials are Belgium (Umicore), Finland (Jervois), China (Huayou), the United Kingdom (Shepherd), and Taiwan (Coremax), with a total global market share of approximately 84%. This industry is an oligopolistic market, and supply and demand are stable.

(B) Sulfuric acid

The Company put its newly built sulfuric acid equipment into operation in July 2015. However, the flood of imported acid affects Taiwan's sulfuric acid industry. The next important issue for Taiwan's sulfuric acid industry would be how to compete with imported acid.

(C) Oxalic acid

The Company utilizes its self-developed superfine ferrous oxalate development technology to improve the quality of our customers' finished products and reduce costs to meet their cost demands, thereby strengthening our competitive advantage and increasing our market share.

E. Recycling business

The Company has applied for waste sulfuric acid recycling and is currently working with leading semiconductor manufacturers in Taiwan.

4. Competitive niches

A Infusion of orders from major international companies

The demand for various lithium battery materials is increasing with the vigorous development of the electric vehicle industry. Power battery materials also account for a gradually rising share of the Company's product revenue. The Company's power battery materials, such as cobalt sulfate and nickel sulfate, have stable quality and thus have been recognized and purchased by leading international companies. Meanwhile, the Company has established a third production line to handle the surge in demand. Therefore, driven by the demand of the electric vehicle industry, the Company is actively expanding and developing to provide a promising profitable factor for the future.

B. Unique mass production capacity of oxidation catalysts and cobalt hydroxide

The Company is a domestic oligopolistic manufacturer of oxidation catalysts and specialty chemical materials such as cobalt hydroxide and cobalt oxide. The end applications of both are traditional necessities of daily life. The Company provides professional technology and complete after-sales service to customers of oxidation catalysts and cobalt hydroxide, helps them solve problems in the manufacturing process, and provides a full range of services.

The Company also built oxidation catalyst production lines in Ningbo, Zhejiang and Zhangzhou, Fujian in China, and Rayong in Thailand, to provide local customers with demand and technical support and to increase revenue growth strength through domestic and foreign product sales positioning.

C. End demand of leading companies

The electronic-grade sulfuric acid developed by the Company's subsidiary, Heng I Chemical, features high process safety, high product purity, and low impurity ion content and is more suitable for semiconductor circuit production and cleaning. The Company's subsidiary, Heng I Chemical, produces and sells electronic-grade sulfuric acid to meet the needs of Japanese customers. Its end customers include the leading semiconductor manufacturers in Taiwan. Electronic-grade sulfuric acid demand should grow in response to the demand for capacity expansion in the semiconductor industry. The Company's subsidiary, Heng I Chemical, actively accommodates plant expansion and production increase plans and continues to increase production and improve quality to enhance the business's profitability.

D. Professional production technology and stable product quality

Since its establishment in June 1992, the Company has been producing and selling oxidation catalysts and other chemical products. In addition to our many years of production experience, we have continued to refine our production technology and improve our production equipment. In October 1996, we introduced the ISO 9001 quality certification system; in August 2009, we introduced the ISO 14001 environmental certification system; and in December 2019, we obtained ISO 45001, ISO 14064-1, ISO 14046, ISO 50001, and IATF 16949 certifications, and remain committed to improving product quality. The Company's technical team has many years of experience and rich professional knowledge of industrial product trends and production technology.

E. Independent R&D capabilities

In light of the Company's growing scale of operations, other than the existing products, the Company is also extending the direction of R&D towards electronic materials, such as cathode materials for lithium batteries. The Company's R&D goals are not only to improve the existing process and increase the efficiency of waste catalyst recovery and regeneration but also plan to develop new products based on the current accumulated technologies and experience, expand product production lines and services, and enhance the content and quality of the business.

F. Senior talents with abundant professionalism

The Company's senior executives are all senior employees or practitioners in the industry. They have rich experience in the Company's industry, production technology, and marketing strategy and are familiar with industry trends. The Company's various development decisions may be made quickly and appropriately.

5. Favorable and unfavorable factors of long-term development and response measures

(1) Favorable factors

(A) Stable demand

The oxidation catalyst products produced by the Company are important catalyst raw materials for making PTA. The oxidation catalysts have high added value; currently, no other alternatives exist. PTA is mainly used for polyester, including polyester fiber, polyester pellets, and polyester film. Among the polyesters, the primary usage is to produce polyester fiber, providing ready-to-wear materials (such as Tetoron, Tedelon, Tairilin, Eastlon, Jinzhulon, and Hualon Silk), non-woven fabrics, tire cords, and car seat belts; secondly, it is used to produce polyester pellets, which may be used to make plastic containers, such as PET bottles for beverages; polyester film is used for videotapes, audio tapes, medical X-ray film, and packaging materials, among other things. PET can be used for many things and has an important influence on products related to daily life; the demand for PET has a considerable degree of stability.

(B) The concept of energy substitution and the rise of electric vehicles

In recent years, the concept of green and alternative energy has become increasingly popular. Europe and China are also actively developing the electric vehicle industry to improve energy problems and are committed to sustainable alternative energy. Benefiting from the development and growth of the electric vehicle industry, the demand for battery materials for electric vehicles is increasing. The Company's main products, such as nickel sulfate and cobalt sulfate, are used to produce cathode materials for lithium batteries. To welcome this boom of electric vehicles, various battery material manufacturers are striving to break through the limitations of battery materials, such as improving the safety, capacity, and charging speed of ternary battery materials and increasing the electrical capacity of binary battery materials. The future R&D of and breakthrough in battery materials will be more mature.

(C) Adoption trend of ternary battery materials

Compared with LFP, LCO, LNO, and LMO battery materials, ternary battery materials (NCM and NCA) have the characteristics of nickel, cobalt, and manganese or nickel, cobalt, and aluminum and have the advantage of high energy density. Many major manufacturers have adopted ternary battery materials including the U.S. manufacturer Tesla's use of NCM and NCA, European manufacturers Volkswagen, Volvo, BMW, and Mercedes Benz, and Chinese electric vehicle manufacturers such as Beijing Automotive, Geely Automobile, Zotye Automobile, and some European car makers have selected ternary battery materials. This demonstrates that the electric vehicle market accepts ternary battery materials. Therefore, the Company's nickel sulfate and cobalt sulfate products may leverage the growth of ternary battery materials and the trend of a majority of manufacturers' selection to reflect results in the

Company's revenue and profit growth.

(D) Fertilizer brand value deeply rooted in farmers' hearts

The Company's subsidiary, Heng I Chemical, has a history of more than 60 years in the fertilizer business. Its Gufeng branded products include straight fertilizers, chemical compound fertilizers, and organic compound fertilizers, which may be applied to crops such as rice, sweet potatoes, potatoes, teas, fruit trees, tomatoes and fruit, which almost cover all domestic farming. Gufeng is deeply favored by farmers and occupies a position in the domestic fertilizer market. Heng I Chemical, a subsidiary of the Company, is also the OEM of Sinon Corp. for compound fertilizers, black granular fertilizer, with various mixing proportions. It demonstrates that the quality of the compound fertilizer produced by Heng I Chemical is stable and good. With the long-time reputation of Sinon, farmers recognize the fertilizer quality of Heng I Chemical.

(E) Major manufacturers favor the quality of electronic-grade sulfuric acid

The Company's subsidiary, Heng I Chemical, develops electronic-grade sulfuric acid with high purity and relatively pure quality. It is mainly supplied to major Japanese manufacturers, and the primary sales targets are major domestic semiconductor manufacturers. Because high-end semiconductor manufacturing processes require higher-purity sulfuric acid to clean impurities, the electronic-grade sulfuric acid produced by Heng I Chemical can meet purity and quality requirements. Major manufacturers also favor the quality of the products. With the fierce competition and evolution of semiconductor manufacturing processes, the demand for high-purity sulfuric acid has increased significantly. Heng I Chemical's products can also fill the needs of major manufacturers.

(2) Unfavorable factors and countermeasures

(A) Cobalt and nickel metals are entirely dependent on imports

The Company is heavily dependent on imports for nickel and cobalt metals, so fluctuations in the market price of raw materials would easily affect the gross profit of the Company's product.

<u>Countermeasures:</u>

a. Sign supply contracts and constantly monitor the market conditions

The Company's metal raw materials procurement is done by signing supply contracts to ensure a sufficient supply. If there is a quantity that misses the demand, it will be purchased from the spot market. The Company also closely monitors the market conditions. Suppose the international market prices of nickel and cobalt metals are low. In that case, the Company will consider building the inventory and safety stock by flexibly adjusting the quantity and time of purchase to stock inventory to avoid the risk of fluctuating raw material prices.

b. Purchase from different suppliers

The Company regularly evaluates the quality of metal raw materials and supplier quotations and cooperation and selects high-quality suppliers for medium- and long-term cooperation. The Company also diversifies its suppliers to avoid excessive concentration or stockout risks.

(B) The number of domestic PTA manufacturers is limited, and the sales targets are relatively concentrated

The oxidation catalyst is an important catalyst of the PTA process. The main sales target is PTA manufacturers. Because the PTA industry is capital- and technology-intensive, the number of domestic PTA manufacturers is limited and sales are relatively concentrated.

Countermeasures:

a. Actively expand the global sales market by setting up overseas subsidiaries

The Company has a considerable market share in the domestic market. Our overseas markets are in Ningbo of Zhejiang Province and Zhangzhou of Fujian Province in China, and the Rayong area of Thailand. The Company has set up oxidation catalyst production lines in these areas to support local PTA manufacturers. The Company is committed to expanding overseas markets while reducing the risk of sales concentration.

b. Expand business diversification and step out of the chemical fiber product field

In addition to the oxidation catalyst business, the Company is also striving to expand its core business, such as merging a subsidiary operating compound fertilizers, developing the electronic-grade sulfuric acid business, and researching and developing products in the field of power battery materials. Through the Company’s active investments, certain products have won the favor of global manufacturers. Meanwhile, the Company's continues to sell the products to overseas markets. These products have successfully diversified the business, stepping out of the field of chemical fiber products to increase the Company's operating advantages.

(C) Working capital needs in response to business growth

Besides the existing oxidation catalyst products and the active exploration of overseas markets, Besides the existing oxidation catalyst products and the active exploration of overseas markets, main products, such as nickel sulfate and cobalt sulfate of power battery materials, after passing the certification of major international battery manufacturers, have met the increasing demand for lithium battery cathode materials in the future. As the business grows, the Company will need to use more working capital.

Countermeasures:

In addition to depending on its own earnings and bank borrowings, the Company's source of working capital has also come from funds with lower costs by accessing the capital market through listing shares on the stock exchange to meet the fund demands generated from business growth.

(D) High environmental awareness and strict standards

Amid the high awareness of global environmental protection, the raw materials used by and products produced by the Company, which operates in the chemical engineering industry, are all chemicals, and the Company assumes the obligation of environmental protection. For the products sold to European customers, the Company has also completed the relevant REACH registration requirements.

Countermeasures:

Since its establishment, the Company has placed great importance on handling environmental issues. In addition to successively investing capital to increase and improve pollution prevention equipment and recover and treat waste gas and wastewater, the Company has passed ISO

14000 certification to meet higher environmental protection standards. The Company also completed the carbon footprint inventory of cobalt sulfate and nickel sulfate in 2023, and will carry out carbon reduction plans for each product.

(II) Major applications and manufacturing processes of core products:

1. Major applications of core products

Product type		Main product	Important applications
Oxidation catalysts		Crystal form (cobalt acetate/manganese acetate)	Catalyst for PTA oxidation reaction Brightener for PET polyester Catalyst for PTA oxidation reaction
		Liquid form (cobalt acetate/manganese acetate)	
Power battery materials		Crystal form (cobalt sulfate, nickel sulfate)	Cathode materials for secondary lithium batteries
		Powder type (cobalt compound)	
Chemical fertilizer		Fertilizers	Plant nutrition
Others	Advanced materials	Powder type (cobalt compound)	Paint drier, tire adhesive
	Chemical raw materials	Sulfuric acid	Synthetic chemicals
	Oxalic acid	Oxalic acid	Food additives, electronic and chemical product additives
	Electronic chemicals	Cerium ammonium nitrate	Etching
	Others	Powder type (cobalt compound)	Ceramic glazes and pigments
		Raw material trading (cobalt, manganese metal, etc.)	Depending on customer usages

2. Production process of major products

(1) Crystal form products

Raw material → Reaction → Crystallization → Drying → Packaging → Finished product

(2) Liquid form products

Raw material → Reaction → Intermediate product → Formulation → Storage → Finished product

(3) Powder type products

Raw material → Reaction → Precipitation → Filtration → Drying → Calcining → Grinding → Packaging → Finished product

(4) Fertilizers

Raw material crushing → Mixing → Granulation → Drying → Sieving → Cooling → Coating → Finished products

(5) Sulfuric acid

Sulfur melting heating → $SO2$ → Conversion → $SO3$ → Adding water → H2SO4

(6) Oxalic acid

Raw material → Melting → Purification → Filtration → Cooling crystallization → Solid-liquid separation → Wet-based oxalic acid →Drying → Finished product

(III) Supply of main raw materials

The main raw materials of the Company are cobalt metal and nickel metal. The main raw materials of fertilizer and sulfuric acid are ammonium sulfate and urea. The main raw materials of oxalic acid and rare earth are oxalic acid and Indonesian tin ingot. The Company maintains a cooperative relationship with individual suppliers and signs supply contracts yearly to ensure a secure supply. If the contract volume is insufficient, materials can be obtained at the spot price in the spot market.

Main materials	Domestic suppliers	Foreign suppliers	Supply status
Cobalt (Co)	None	VCF, VAZ, VCY, etc.	Sufficient supply
Manganese (Mn)	None	VCX	Sufficient supply
Nickel (Ni)	None	VCB, VCC, VCD, etc.	Sufficient supply
Hydrobromic acid (Hbr)	None	VE, VU, VCW	Sufficient supply
Glacial acetic acid (HAc)	VH	None	Sufficient supply
Ammonium sulfate	VAW	None	Sufficient supply
Urea	VCU	VBU	Sufficient supply
Potassium chloride	VCR, VCS	VCV	Sufficient supply
Sulfur	VBA, VAX	None	Sufficient supply
Oxalic acid	None	VCN, VCO, VCP, etc.	Sufficient supply
Indonesia tin ingots	VBJ, VCQ	None	Sufficient supply

(IV) Names of customers who accounted for 10% or more of the Company's purchases (sales) in either of the last two years, the amounts purchased from (sold to) each, the percentage of total purchases (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures.

1. Major Suppliers in the Last Two Years

Unit: NT$ (thousand)

Item	2022				2023			
	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with issuer	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with issuer
1	VCB	1,143,228	15.49	None	VCB	1,146,729	40.58	None
2	VCD	928,915	12.59	None	VAU	342,912	12.13	None
3	-	-	-	-	-	-	-	-
4	Others	5,308,162	71.92	None	Others	1,336,302	47.29	None
	Net purchase	7,380,305	100.00	-	Net purchase	2,825,943	100.00	-

Reasons for increase or decrease:

(1) The decrease in net purchases in 2023 over 2022 was mainly due to the decreased end demand for electric vehicles.

(2) The Company selects suppliers based on considerations such as purchase unit price, delivery time, and supplier collaboration. The Company usually maintains about five metal suppliers and determines the purchase counterpart based on the purchase unit price provided by each supplier, which causes changes in ranking and proportion.

2. Major Customers in the Last Two Years

Unit: NT$ (thousand)

Item	2022				2023			
	Name	Amount	As a percentage of net sales for the year (%)	Relationship with issuer	Name	Amount	As a percentage of net sales for the year (%)	Relationship with issuer
1	CP	3,239,786	35.67	None	CP	1,733,699	33.14	None
2	Others	5,841,835	64.33	None	Others	3,498,032	66.86	None
	Net sales	9,081,621	100.00	-	Net sales	5,231,731	100.00	-

Reasons for increase or decrease:

(1) The decrease in net operating revenue in 2023 over 2022 was mainly due to the decreased end demand for electric vehicles.

(2) The increase or decrease of individual customers of the Company mainly depends on the needs of customers and the difference between contract and spot market pricing.

(V) Production in the Last Two Years

Unit: tons; NT$ (thousand)

Year / Production volume and value / Sales volume and value	2022			2023		
	Capacity	Production volume	Production value	Capacity	Production volume	Production value
Oxidation catalysts	25,141	10,413	792,474	21,570	8,713	834,113
Power battery materials	42,120	37,003	4,119,414	50,520	24,667	2,314,017
Chemical fertilizer	100,000	35,625	441,792	100,000	37,911	477,630
Others	(Note 1)	(Note 1)	1,437,036	(Note 1)	(Note 1)	890,683
Total	-	-	6,790,716	-	-	4,516,443

Note 1: The types of other products are different and the measurement units are inconsistent, so the production volume is not calculated.

Reasons for increase or decrease: Due to the decrease in production and demand for EV battery materials.

(VI) Sales in the Last Two Years

Unit: tons; NT$ (thousand)

Year / Sales volume and value / Main product	2022				2023			
	Domestic sales		Export sales		Domestic sales		Export sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Oxidation catalysts	3,715	447,321	6,778	1,002,614	3,026	278,665	5,767	598,677
Power battery materials	1,066	212,604	28,464	5,155,263	706	126,879	24,394	2,454,323
Chemical fertilizer	33,024	398,006	-	-	39,106	509,389	-	-
Others	(Note 1)	702,164	(Note 1)	1,163,649	(Note 1)	539,139	(Note 1)	724,659
Total	-	1,760,095	-	7,321,526	-	1,454,072	-	3,777,659

Note 1: The types of other products are different and the measurement units are inconsistent, so the sales volume is not calculated.

Reasons for increase or decrease: Mainly due to the decrease in production and demand for EV battery materials.

III. Employees Information for the Past Two Years Until the Publication Date of the Annual Report

Year		2022 (Consolidated)	2023 (Consolidated)	Up to March 29 2024
Number of employees	Direct employees	314	293	283
	Indirect employees	200	195	194
	Total	514	488	477
Average age		38.36	39.24	39.64
Average years of service		5.17	5.89	6.66
Distribution of educational level	PhD	-	-	-
	Master's degree	7%	7%	7%
	University/College	59%	58%	60%
	High school	28%	30%	28%
	Below high school	6%	5%	5%

IV. Expenditure on Environmental Protection

(I) Total losses (including compensation) and fines due to environmental pollution during the most recent year and up to the publication date of the annual report:

Date of fine/ No. of fine	Laws violated	Contents of penalties	Provisions and contents of law violated	Countermeasures	Possible expenses
2023.07.26 No. 40-112-070041	Waste Disposal Act	Fine of NT$60 thousand	The Environmental Protection Bureau of Miaoli County, in accordance with Huan-Shu-Xun Letter No. 1121066223 of the Environmental Protection Administration of the Executive Yuan on May 31, 2023, issued a letter to the Company's subsidiary Heng I Chemical Company Ltd. (hereinafter referred to as "Heng I") on July 24, 2023. for auditing. After checking Heng I's online declaration information, it found that the pH value of C-0202 waste liquid from September to November 2022 and February 2023 was less than (equal to) 2.0 and there were quality imbalances, which was a violation of Article 31, Paragraph 1, Subparagraph 2 of the Waste Disposal Act.	Heng I has completed and reported the correction and paid the fine pursuant to laws.	Heng I has paid the fine with no additional expenditure

(II) Countermeasures (including improvement measures) and possible expenditure due to pollution (including estimation of possible losses, fines, and compensation due to inaction):

The Company's Hsinchu Plant has established relevant water treatment procedures and applied for operating discharge permits according to the Water Pollution Control Act. The wastewater is uniformly treated through the industrial zone's sewerage system before it is discharged to the Jiadong River. The wastewater meets the water discharging standards and has no material impact on the local environment. The Company also actively reduces the use of raw materials and other resources from the beginning to reduce waste output and the impact on the environment. For the waste produced in the process, the Company has retained cleaning and disposal institutions approved by the Environmental Protection Administration for adequate cleaning. In terms of environmental protection laws and regulations, we effectively manage the risks of environmental protection laws and regulations by managing energy, emissions, and pollution prevention and continually improve in all aspects to comply with laws and regulations and reduce negative environmental impact.

In addition to coping with the international environmental protection trend, when the Toufen Plant manufactures products, it actively engages in reducing environmental pollution, saving resource consumption, promoting management measures such as reducing and recycling wastewater, waste gas, and waste, and prohibiting the use of illegal cleaning and disposal institutions. To avoid secondary pollutants, we retain cleaning and disposal institutions approved by the Environmental Protection Administration for proper cleanup and treatment to improve environmental sustainability and quality.

V. Labor Relations

(I) The Company's employee welfare measures, continuing education, training, and retirement regulations and their actual implementation, along with employer-employee agreements and measures for protecting employee rights:

1. Employee welfare measures

(1) Relaxing domestic and overseas employee travel

(2) Comprehensive insurance coverage (Labor Insurance, National Health Insurance, group insurance, cancer insurance, travel insurance, and commercial insurance)

(3) The Company allocates 6% of the employee's salary each month under the new labor pension system, and deposits the full amount for the labor pension reserve under the old system.

(4) Full subsidies for training programs

(5) Free regular health check-ups and free health check-up subsidies for supervisors

(6) Employee remuneration and employee stock subscription

(7) Hospitalization subsidies, hospitalization relief fund, and funeral subsidies for occupational accidents

(8) Wedding gifts

(9) Childbirth gift, NT$30,000 for the first child; NT$60,000 for second child; NT$100,000 for third child

(10) Gift vouchers for the three major festivals, gift vouchers for Labor Day, and gift vouchers for birthdays

(11) Club activities - badminton club and yoga club

(12) New and comfortable staff quarters

(13) Special parking spaces for pregnant employees

(14) Welcome package for new employees

2. Continuing education and training

In response to the rapid changes in the external environment, fierce industry competition, and international developments, CoreMax Group strives to create an internal learning atmosphere within the company and actively cultivates and retains talents with the training and development system. After new employees are hired, we immediately provide training regarding their rights, work safety, labor safety laws, Labor Standards Act, and other human rights-related training. In response to the development needs of different departments, we use internal and external training resources, plan for the industrial environment and future developments, and plan diversified training courses to strengthen the overall competitiveness of employees and the Company. We provide tiered training courses for employees and plan training courses for employees that meet their functional needs based on the future development requirements of the Company and the department. They include occupational safety and health training, professional courses, general courses, and management courses for supervisors. With training, we aim to enhance the knowledge and skills required for employees' personal career development and company development.

The following table shows the implementation of staff training and study programs in 2023:

Unit: NT$ (thousand)

Item	Number of sessions	Total attendees	Total hours	Total expenses
1. Orientation for new employees	13	16	192	-
2. Professional function training	26	1,297	3,260	464
3. Skill training for supervisors	3	19	114	-
4. General training	20	344	515	55
Total	62	1,676	4,081	519

3. Retirement system and its implementation status:

The Company formulated employee retirement procedures pursuant to the Labor Standards Act and formed the Labor Retirement Reserve Supervision Committee. Each month, 2% of the basic salary is contributed as a retirement reserve. At the same time, the reserve is deposited in a special account in the Central Trust of China under the committee's name. In addition, the Company provides each employee with a pension according to the statutory retirement system in each region. The employee participation rate in the retirement plan is 100%. For the Taiwan plant, according to the Labor Standards Act and the Labor Pension Act, employees who joined the Company before June 30, 2005 (inclusive) are entitled to the old pension system. However, they will be entitled to the new pension system after voluntarily choosing to be eligible for the new pension. The old pension system is based on 2% of each old pension system employee's monthly salary and is deposited into the designated Bank of Taiwan's old pension reserve account. The new pension system contributes 6% per month to the employee's personal pension account according to the labor pension level of each employee who is eligible for the new pension system. In addition to the employer's fixed pension contribution of 6%, employees can deposit a pension level ranging from 0% to 6% into their pension accounts to ensure their financial security in post-retirement life.

4. Agreement between employees and employer, and protective measures of various employees' interests:

   The Company respects the freedom of association and the rights of employees under the law. It is committed to providing smooth communication channels between employees and employers, including labor-management meetings and annual employee visits, to integrate all resources and work together toward a common goal. Although there is no labor union in our Company, the Company values our employees' opinions and holds regular meetings between employees and employers. In 2023, the Company held 4 labor-management meetings, with 50% of the representatives from the labor side and 50% from the employer side, in compliance with relevant regulations. The Company invited all employees to participate and encouraged them to provide valuable suggestions. At the same time, the Company can understand their opinions on the Company's management and welfare system, which can be used as a reference for future policy and system improvement. Therefore, up to the publication date of this annual report, the relationship between the employer and employees is harmonious, and there are no labor disputes and no need for mediation on the relationship between employers and employees.

5. Protective measures for the work environment and employee safety:

   The Company has been committed to environmental protection, energy conservation, and employee care for a long time. We seek to fulfill our social responsibilities and move towards sustainable operation while growing the Company. In addition to complying with relevant domestic laws and regulations, the following table shows the specific measures:

Item	Content
Maintenance and inspection of various equipment	1. Annual inspection is conducted in accordance with the regulations of the building public safety inspection certification and reporting. 2. Annual inspections are commissioned in accordance with the provisions of the Fire Services Act. 3. Fire extinguishing equipment is inspected monthly in accordance with the provisions of the Fire Services Act.

Item	Content
	4. Annual high- and low-voltage equipment inspections are commissioned in accordance with the Occupational Safety and Health Act. 5. Monthly lift maintenance and inspections are commissioned in accordance with the Occupational Safety and Health Act. 6. Monthly inspection and maintenance of electrical equipment is commissioned. 7. Regular inspection of specific high-pressure gas equipment is commissioned annually according to the Regulations for Safety Inspection of Hazardous Machines and Equipment. 8. Regular inspection of type 2 pressure vessels is commissioned annually according to the Regulations Governing Occupational Safety and Health.
Disaster prevention measures and response	1. Pursuant to the Occupational Safety and Health Act, the safety and health management program is established to prevent occupational disasters. 2. Conduct four-hour self-defense firefighting group training every six months pursuant to the Fire Services Act. 3. Pursuant to the Occupational Safety and Health Act and the Fire Services Act, the onsite safety and health personnel, various operational supervisors, operators, firefighting managerial personnel, and security supervisors are sent to external training. 4. By adopting ISO 14001 standards, the chemical emergency contingency program is conducted every year. 5. An emergency response team is set up to reduce the impact on personnel and property in an emergency.
Physiological health	1. Pursuant to the Occupational Safety and Health Act, new employees must undergo physical examinations, and incumbents have regular health examinations every year or every two years. 2. Drinking water is inspected quarterly according to the Drinking Water Management Act. 3. The work environment is measured for the operational environment every six months according to the Occupational Safety and Health Act. 4. Doctors engaged in labor health services are engaged by special arrangement and nurses are hired to provide labor health services and care for the physical and mental health of our employees according to the Occupational Safety and Health Act.
Informing contractors of operational hazardous factors	Pursuant to the Occupational Safety and Health Act, contractors shall be controlled for hazardous operations and informed of the hazards.
Continuous monitoring and auditing	For environmental safety operations in the plant area, other than the implementation of various environmental inspections and personnel working environment measurements pursuant to laws, a complete audit procedure has been established, as well as daily inspections, high-risk operation inspections, and supervisor patrols, to implement continuous improvement and enhance environmental safety performance.

(II) For the most recent year until the publication date of the annual report, actual or estimated losses arising as a result of labor disputes and any countermeasures taken:

Since its establishment, the Company has established a good communication channel between employers and employees to manage the relationship with each other sincerely. For employee welfare, employee relations, working conditions, and improving work efficiency, the Company has held quarterly employee-employer meetings to establish a harmonious working environment. As of the publication date of the annual report, there have been no other losses due to labor disputes.

(III) Cybersecurity management

1. State the cybersecurity risk management framework, cybersecurity policies, specific management plans, and the resources invested in cybersecurity management.

   The IT Department plans the cybersecurity policies, management plans, and the required resources and sends the plans to the President after coordinating with the departments with requirements.

2. List any losses suffered by the Company in the past two years and up to the publication date of the prospectus due to significant cybersecurity incidents, the possible impacts therefrom, and countermeasures. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

VI. Material Contracts

Nature of contract	Counterparty	Commencement date/ expiration date	Major contents	Covenants
Land lease	Heng I Chemical Company Ltd.	January 2015 to December 2024	For renting land	None
Land and plant lease	Heng I Chemical Company Ltd.	November 2020 to October 2030	For renting land and plants	None
Office building lease	Uranus Chemicals Co., Ltd.	January 2017 to December 2026	For renting office buildings	None
Medium-term borrowings	O-Bank	2019~2026	Credit loans, working capital for operations	Only applicable for the Program for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan
Medium-term borrowings	Mega Bank	2019~2026	Credit loans, working capital for operations	Only applicable for the Program for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan
Medium-term borrowings	Mega Bank	2020~2026	Credit loans and loans of machinery equipment	Only applicable for the Program for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan

Six. Financial Information

I. Condensed Balance Sheets, Comprehensive Income Statements, and CPAs' Audit Opinions of the Last Five Years

(I) Condensed Balance Sheets and Comprehensive Income Statements - International Financial Reporting Standards (IFRS)

1. The condensed consolidated balance sheet of the Company and its subsidiaries

Unit: NT$ (thousand)

Item \ Year		2019	2020	2021	2022	2023
Current assets		2,936,335	2,980,654	5,694,810	6,515,445	4,851,019
Property, plant, and equipment		3,842,821	3,977,135	4,051,496	4,477,377	4,790,690
Intangible assets		-	-	-	-	-
Other assets		189,700	259,760	459,147	311,788	287,517
Total assets		6,968,856	7,217,549	10,205,453	11,304,610	9,920,226
Current liabilities	Prior to distribution	1,891,288	2,105,457	2,614,524	3,314,228	2,391,269
	After distribution	2,002,923	2,226,662	2,931,337	3,631,041	(Note 2)
Non-current liabilities		1,024,629	1,141,663	2,124,338	2,078,035	1,164,226
Total liabilities	Prior to distribution	2,915,917	3,247,120	4,738,862	5,392,263	3,555,495
	After distribution	3,027,552	3,368,325	5,055,675	5,709,076	(Note 2)
Equity attributable to owners of the parent company		3,321,360	3,253,193	4,720,996	4,998,297	5,412,836
Share capital		930,293	930,293	1,070,293	1,070,293	1,190,293
Additional paid-in capital		1,599,457	1,603,253	2,585,667	2,673,415	3,400,289
Retained earnings	Prior to distribution	825,786	868,001	1,204,411	1,377,222	958,705
	After distribution	714,151	746,796	887,598	1,060,409	(Note 2)
Other equity		(20,128)	(18,558)	(46,536)	(35,403)	(51,793)
Treasury stock		(14,048)	(129,796)	(92,839)	(87,230)	(84,658)
Non-controlling interests		731,579	717,236	745,595	914,050	951,895
Total equity	Prior to distribution	4,052,939	3,970,429	5,466,591	5,912,347	6,364,731
	After distribution	3,941,304	3,849,224	5,149,778	5,595,534	(Note 2)

Note 1: The financial information for the most recent 5 fiscal years has been audited by CPAs. As of the publication date of the annual report, the financial information for the first quarter of 2024 reviewed by CPAs is not yet available.

Note 2: The distribution of earnings for FY2023 has not yet been resolved by the shareholders' meeting.

2. The condensed consolidated comprehensive income statement of the Company and its subsidiaries

Unit: NT$ (thousand)

Item \ Year	2019	2020	2021	2022	2023
Operating revenue	6,369,520	5,285,365	7,338,783	9,081,621	5,231,731
Gross operating profit (loss)	489,940	475,469	943,365	1,024,526	176,121
Operating income/loss	240,618	216,302	584,373	582,835	(93,485)
Non-operating income and expenses	(12,575)	(9,868)	21,223	150,861	28,533
Net income (loss) before tax	228,043	206,434	605,596	733,696	(64,952)
Net income (loss) from continuing operations	153,067	165,645	448,420	530,100	(74,426)
Loss from discontinued operations	-	-	-	-	-
Net income (loss)	153,067	165,645	448,420	530,100	(74,426)
Other comprehensive income (Net income after tax)	(15,646)	(921)	(28,759)	8,523	(6,709)
Total comprehensive income	137,421	164,724	419,661	538,623	(81,135)
Profit (loss) attributable to owners of the parent	128,016	155,164	462,930	493,160	(100,229)
Profit (loss) attributable to non-controlling interests	25,051	10,481	(14,510)	36,940	25,803
Total comprehensive income attributable to owners of the parent	112,997	155,420	432,299	506,366	(115,522)
Total comprehensive income attributable to non-controlling interests	24,424	9,304	(12,638)	32,257	34,387
Earnings (losses) per share (NT$) (Note 2)	1.40	1.73	4.67	4.72	(0.93)

Note 1: The financial information for the most recent 5 fiscal years has been audited by CPAs. As of the publication date of the annual report, the financial information for the first quarter of 2024 reviewed by CPAs is not yet available.

Note 2: The calculation is based on the weighted average number of outstanding shares in the current year.

3. The condensed balance sheet of the Company

Unit: NT$ (thousand)

Item \ Year		2019	2020	2021	2022	2023
Current assets		1,921,522	1,966,946	4,095,135	4,654,366	3,446,616
Investments accounted for using the equity method		2,382,463	2,424,592	2,943,326	3,247,617	3,540,819
Property, plant, and equipment		537,189	456,598	462,455	444,243	375,104
Intangible assets		-	-	-	-	-
Other assets		66,736	112,855	187,609	216,552	205,523
Total assets		4,907,910	4,960,991	7,688,525	8,562,778	7,568,062
Current liabilities	Prior to distribution	1,139,814	1,183,249	1,807,545	2,487,469	1,894,202
	After distribution	1,251,449	1,304,454	2,124,358	2,804,282	(Note 2)
Non-current liabilities		446,736	524,549	1,159,984	1,077,012	261,024
Total liabilities	Prior to distribution	1,586,550	1,707,798	2,967,529	3,564,481	2,155,226
	After distribution	1,698,185	1,829,003	3,284,342	3,881,294	(Note 2)
Equity attributable to owners of parent company		3,321,360	3,253,193	4,720,996	4,998,297	5,412,836
Share capital		930,293	930,293	1,070,293	1,070,293	1,190,293
Additional paid-in capital		1,599,457	1,603,253	2,585,667	2,673,415	3,400,289
Retained earnings	Prior to distribution	825,786	868,001	1,204,411	1,377,222	958,705
	After distribution	714,151	989,206	887,598	1,060,409	(Note 2)
Other equity		(20,128)	(18,558)	(46,536)	(35,403)	(51,793)
Treasury stock		(14,048)	(129,796)	(92,839)	(87,230)	(84,658)
Non-controlling interests		-	-	-	-	-
Total equity	Prior to distribution	3,321,360	3,253,193	4,720,996	4,998,297	5,412,836
	After distribution	3,209,725	3,374,398	4,404,183	4,681,484	(Note 2)

Note 1: The financial information for the most recent 5 fiscal years has been audited by CPAs. As of the publication date of the annual report, the financial information for the first quarter of 2024 reviewed by CPAs is not yet available.

Note 2: The distribution of earnings for FY2023 has not yet been resolved by the shareholders' meeting.

4. The condensed comprehensive income statement of the Company

Unit: NT$ (thousand)

Item \ Year	2019	2020	2021	2022	2023
Operating revenue	4,648,931	3,592,984	5,887,001	7,615,998	3,834,379
Gross operating profit (loss)	214,786	174,022	602,640	585,178	(10,880)
Operating income/loss	98,410	65,639	426,770	333,714	(155,056)
Non-operating income and expenses	68,813	100,699	146,522	303,999	48,857
Net income (loss) before tax	167,223	166,338	573,292	637,713	(106,199)
Net income (loss) from continuing operations	128,016	155,164	462,930	493,160	(100,229)
Loss from discontinued operations	-	-	-	-	-
Net income (loss)	128,016	155,164	462,930	493,160	(100,229)
Other comprehensive income (Net income after tax)	256	(15,019)	(17,771)	17,527	(18,752)
Total comprehensive income	112,997	155,420	432,299	506,366	(115,522)
Profit (loss) attributable to owners of the parent	128,016	155,164	462,930	493,160	(100,229)
Profit attributable to non-controlling interests	-	-	-	-	-
Total comprehensive income attributable to owners of the parent	112,997	155,420	432,299	506,366	(115,522)
Total comprehensive income attributable to non-controlling interests	-	-	-	-	-
Earnings (losses) per share (NT$) (Note 2)	1.40	1.73	4.67	4.72	(0.93)

Note 1: The financial information for the most recent 5 fiscal years has been audited by CPAs. As of the publication date of the annual report, the financial information for the first quarter of 2024 reviewed by CPAs is not yet available.

Note 2: The calculation is based on the weighted average number of outstanding shares in the current year.

(II) Names of auditing CPAs and their audit opinions of the last five years

Year	Accounting Firm	Name of CPA	Audit opinion
2019	KPMG in Taiwan	Wan-Yuan Yu; Chi-Lung Yu	Unqualified opinion
2020	KPMG in Taiwan	Wan-Yuan Yu; Chi-Lung Yu	Unqualified opinion
2021	KPMG in Taiwan	Chi-Lung Yu; Pei-Chi Chen	Unqualified opinion
2022	KPMG in Taiwan	Chi-Lung Yu; Pei-Chi Chen	Unqualified opinion
2023	KPMG in Taiwan	Chi-Lung Yu; Pei-Chi Chen	Unqualified opinion

II. Financial Analysis for the Last Five Years

(I) Consolidated Financial Analysis of the Company

Analysis item	Year	2019	2020	2021	2022	2023
Financial structure	Debt-to-asset ratio (%)	41.84	44.99	46.43	47.70	35.84
	Ratio of long-term capital to property, plant, and equipment (%)	132.13	128.54	187.36	178.46	157.16
Solvency	Current ratio (%)	155.26	141.57	217.81	196.59	202.86
	Quick ratio (%)	72.09	66.78	109.65	120.82	165.21
	Times interest earned	6.69	11.82	25.85	15.58	0.27
Operating capability	Receivables turnover ratio (times)	10.24	9.15	10.01	12.28	9.09
	Average collection days	36	40	36	30	40
	Inventory turnover (times)	3.63	3.58	4.08	3.58	2.82
	Payables turnover ratio (times)	32.17	26.31	42.36	78.50	60.77
	Days sales of inventory	101	102	89	102	129
	Property, plant, and equipment turnover (times)	1.71	1.35	1.83	2.13	1.13
	Total assets turnover (times)	0.89	0.75	0.84	0.84	0.49
Profitability	ROA (%)	2.60	2.55	5.37	5.30	(0.03)
	Return on equity (%)	3.73	4.13	9.5	9.32	(1.21)
	Ratio of net income before tax to paid-in capital (%)	24.51	22.19	56.58	68.55	(5.46)
	Net profit margin (%)	2.40	3.13	6.11	5.84	(1.42)
	Earnings per share (NT$)	1.40	1.73	4.67	4.72	(0.93)
Cash Flow	Cash flow ratio (%)	63.97	16.27	-24.45	47.25	47.00
	Cash flow adequacy ratio (%)	40.79	41.96	16.67	41.02	69.98
	Cash reinvestment ratio (%)	13.56	3.11	-	12.32	8.03
Leverage	Operating leverage	1.98	2.27	1.50	1.50	Note 2
	Financial leverage	1.20	1.10	1.04	1.09	Note 2

Please explain the reasons for changes in financial ratios in the past two years. (Analysis may be waived when changes are less than 20%)

1. Decrease in debt-to-asset ratio: Mainly due to the repayment of bank loans.
2. Increase in quick ratio: Mainly due to the repayment of short-term borrowings.
3. Decrease in times interest earned: Mainly due to the decrease in profits.
4. Decrease in the receivable turnover and increase in average collection days: The merged company continued to collect receivables, but due to the decline in consolidated revenue, the turnover rate of receivables decreased and the collection days increased.
5. Decrease in inventory turnover ratio and increase in average inventory turnover days: The merged company actively strengthened inventory control. However, the decline in consolidated revenue reduced the cost of goods sold, resulting in a decrease in inventory turnover ratio and an increase in inventory turnover days.
6. Decrease in payables turnover ratio: Mainly due to the decrease in cost of goods sold.
7. Decrease of property, plant, and equipment turnover and total assets turnover: Mainly due to the decrease in consolidated revenue.
8. Decrease in profitability ratios: Mainly due to losses this year.
9. Increase in cash flow adequacy ratio: Mainly due to the decrease in inventory.
10. Decrease in cash reinvestment ratio: This is mainly due to losses this year which reduced the net cash flow from operating activities.

Note 1: The financial information for the most recent 5 fiscal years has been audited by CPAs. As of the publication date of the annual report, the financial information for the first quarter of 2024 reviewed by CPAs is not yet available.

Note 2: Operating losses incurred during the year is not calculated.

Note 3: Please refer to the description of table (II) below for the calculation formula of this table.

(II) Standalone Financial Analysis of the Company

Item	Year	2019	2020	2021	2022	2023
Financial structure	Debt-to-asset ratio (%)	32.33	34.42	38.6	41.63	28.48
	Ratio of long-term capital to property, plant, and equipment (%)	701.45	827.37	1,271.69	1,367.57	1,512.61
Solvency	Current ratio (%)	168.58	166.23	226.56	187.11	173.7
	Quick ratio (%)	66.85	62.05	91.64	108.78	151.26
	Times interest earned	8.09	18.74	39.11	17.59	(0.39)
Operating capability	Receivables turnover ratio (times)	13.26	12.02	12.74	14.70	11.26
	Average collection days	28	30	28	25	32
	Inventory turnover (times)	3.81	3.67	4.55	4.03	3.05
	Payables turnover ratio (times)	43.07	26.2	56.58	128.35	40.18
	Days sales of inventory	96	99	80	91	120
	Property, plant, and equipment turnover (times)	8.84	7.23	12.81	16.80	9.36
	Total assets turnover (times)	0.92	0.73	0.93	0.94	0.48
Profitability	ROA (%)	2.91	3.3	7.51	6.45	(0.49)
	Return on equity (%)	3.75	4.72	11.61	10.15	(1.93)
	Ratio of net income before tax to paid-in capital (%)	17.98	17.88	53.56	59.58	(8.92)
	Net profit margin (%)	2.75	4.32	7.86	6.48	(2.61)
	Earnings per share (NT$)	1.4	1.73	4.67	4.72	(0.93)
Cash Flow	Cash flow ratio (%)	-	-	-	49.71	38.99
	Cash flow adequacy ratio (%)	-	-	-	20.96	75.01
	Cash reinvestment ratio (%)	14.27	-	-	14.17	7.75
Leverage	Operating leverage	1.69	2.21	1.19	1.19	Note 2
	Financial leverage	1.32	1.17	1.04	1.13	Note 2

Please explain the reasons for changes in financial ratios in the past two years. (Analysis may be waived when changes are less than 20%)

1. Decrease in debt-to-asset ratio: Mainly due to the repayment of bank loans.
2. Increase in quick ratio: Mainly due to the repayment of short-term borrowings.
3. Decrease in times interest earned: Mainly due to the decrease in profits.
4. Decrease in the receivable turnover and increase in average collection days: The Company continued to collect receivables, but due to the decline in consolidated revenue, the turnover rate of receivables decreased and the collection days increased.
5. Decrease in inventory turnover ratio and increase in average inventory turnover days: The Company actively strengthened inventory control. However, the decline in consolidated revenue reduced the cost of goods sold, resulting in a decrease in inventory turnover ratio and an increase in inventory turnover days.
6. Decrease in payables turnover ratio: Mainly due to the decrease in cost of goods sold.
7. Decrease of property, plant, and equipment turnover and total assets turnover: Mainly due to the decrease in revenue.
8. Decrease in profitability ratios: Mainly due to losses this year.
9. Increase in cash flow adequacy ratio: Mainly due to the decrease in inventory.
10. Decrease in cash reinvestment ratio: This is mainly due to losses this year which reduced the net cash flow from operating activities.

Note 1: The financial information for the most recent 5 fiscal years has been audited by CPAs. As of the publication date of the annual report, the financial information for the first quarter of 2024 reviewed by CPAs is not yet available.

Note 2: Operating losses incurred during the year is not calculated.

Note 3: Financial analysis formulas:

1. Financial structure
   (1) Debt-to-asset ratio = total liabilities / total assets.
   (2) Ratio of long-term capital to property, plant, and equipment = (total equity + non-current liabilities) / net

amount of property, plant, and equipment.

2. Solvency
   (1) Current ratio = current assets / current liabilities.
   (2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.
   (3) Times interest earned = net income before income tax and interest expenses / current interest expenses.
3. Operating capability
   (1) Receivables (including accounts receivable and business-related notes receivable) turnover ratio = net sales / average balance of receivables for each period (including accounts receivable and business-related notes receivable).
   (2) Average collection days = 365 / receivables turnover ratio.
   (3) Inventory turnover = cost of goods sold / average amount of inventory.
   (4) Payables (including accounts payable and business-related notes payable) turnover ratio = cost of goods sold / average balance of payables for each period (including accounts payable and business-related notes payable).
   (5) Days sales of inventory = 365 / inventory turnover.
   (6) Property, plant, and equipment turnover = net sales / average net of property, plant, and equipment.
   (7) Total assets turnover = net sales / average total assets.
4. Profitability
   (1) ROA = [net income + interest expenses x (1 tax rate)] / average total assets.–
   (2) ROE = net income / average total equity.
   (3) Net profit margin = net income / net sales.
   (4) EPS = (income attributable to owners of the parent - stock dividend of preferred stocks) / weighted average number of issued shares. (Note 4)
5. Cash Flow
   (1) Cash flow ratio = net cash flow from operating activities / current liabilities.
   (2) Net cash flow adequacy ratio = net cash flow from operating activities in the last five years / (capital expenditures + inventory increase + cash dividend) in the last five years.
   (3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividend) / (gross property, plant, and equipment + long-term investments + other non-current assets + working capital). (Note 5)
6. Leverage:
   (1) Operating leverage = (net operating revenue - variable operating costs and expenses) / operating profit. (Note 6)
   (2) Financial leverage = operating profit / (operating profit - interest expenses).

Note 3: Pay special attention to the following when calculating the earnings per share using the formula above:
1. Use the weighted average number of ordinary shares rather than the number of outstanding shares at the end of the year.
2. Where there is a cash replenishment or treasury stock transaction, its circulation period should be considered when calculating the weighted average number of shares.
3. Where there is capital increase by transfer of surplus or additional paid-in capital, the calculation of earnings per share of previous years and half years should be retroactively adjusted according to the proportion of capital increase rather than the period the capital increase is issued.
4. If the preferred shares are non-convertible accumulative preferred shares, its annual dividend (distributed or not) should be deducted from the net profit after tax, or added to the net loss after tax. If the preferred shares are non-cumulative preferred shares, when there is a net profit after tax, the dividend of the preferred shares should be deducted from the net profit after tax; if there is a net loss after tax, no adjustment is required.

Note 4: Pay special attention to the following when analyzing cash flow:
1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditure refers to the cash outflow for capital investments every year.
3. The increase in inventory is only included when the balance at the end of the period is greater than the balance at the beginning of the period. If the inventory is reduced at the end of the year, the amount should be treated as zero.
4. Cash dividends include the cash dividends of ordinary shares and preferred shares.
5. Gross property, plant, and equipment refers to the total value of property, plant, and equipment before accumulated depreciation is taken into account.

Note 5: The issuer should categorize operating costs and operating expenses as fixed or variable. When estimating or judging subjectively, consider its reasonableness and be consistent.

Note 6: If the Company's shares have no par value or are not in the denomination of NT$10, the calculation of ratios to paid-in capital should be based on the equity attributable to the owners of the parent company on the balance sheet.

III. Audit Committee's Review Report: Refer to Attachment 1

IV. Consolidated Financial Statements of the Most Recent Year Audited by CPAs: Refer to Attachment 2

V. Standalone Financial Statements of the Most Recent Year Audited by CPAs: Refer to Attachment 3

VI. If the Company and Its Affiliated Companies Experienced Instances of Financial Difficulties in the Most Recent Year and Up to the Publication Date of This Annual Report, State Their Impact on the Financial Position of the Company: None.

Seven. Review of Financial Position and Financial Performance, and Risks

I. Financial Position

(I) Comparative Analysis of Financial Position (Consolidated)

Unit: NT$ (thousand)

Item \ Year	December 31, 2023	December 31, 2022	Difference	
			Amount	%
Current assets	4,851,019	6,515,445	(1,664,426)	(25.55%)
Property, plant, and equipment	4,790,690	4,477,377	313,313	7.00%
Total assets	9,920,226	11,304,610	(1,384,384)	(12.25%)
Current liabilities	2,391,269	3,314,228	(922,959)	(27.85%)
Non-current liabilities	1,164,226	2,078,035	(913,809)	(43.97%)
Total liabilities	3,555,495	5,392,263	(1,836,768)	(34.06%)
Share capital	1,190,293	1,070,293	120,000	11.21%
Additional paid-in capital	3,400,289	2,673,415	726,874	27.19%
Retained earnings	958,705	1,377,222	(418,517)	(30.39%)
Other equity	(51,793)	(35,403)	(16,390)	46.30%
Treasury stock	(84,658)	(87,230)	2,572	(2.95%)
Non-controlling interests	951,895	914,050	37,845	4.14%
Total equity	6,364,731	5,912,347	452,384	7.65%

(II) Reasons of any material change in the Company's assets, liabilities, or equity (change is more than 20% over two consecutive periods, and the amount of change exceeds NT$10 million) during the past 2 fiscal years:

1. Decrease in current assets: Mainly due to the preparation of inventory in response to the decrease in orders, and active strengthening of inventory control to reduce ending inventory.
2. Decrease in current liabilities: Mainly due to the repayment of bank loans.
3. Decrease in non-current liabilities: Mainly due to the reclassification of corporate bonds payable to current liabilities in accordance with the convertible corporate bond issuance regulations.
4. Decrease in total liabilities: Mainly due to the repayment of bank loans.
5. Increase in capital surplus: Mainly due to the issuance of new shares at a premium for the cash capital increase.

6. Decrease in retained earnings: Mainly due to the distribution of cash dividends and the decrease in operating profits this year.
7. Decrease in other equity: Mainly due to exchange losses due to exchange rate fluctuations arising from the translation of the financial statements of foreign operations.

(III) Impact: No material impact.

(IV) Future response plan: Not applicable.

II. Financial Performance

(I) Comparative Analysis of Financial Performance (Consolidated)

Unit: NT$ (thousand)

Item \ Year	2023	2022	Increase/decrease amount	Variation (%)
Operating revenue	5,231,731	9,081,621	(3,849,890)	(42.39%)
Operating cost	5,055,610	8,057,095	(3,001,485)	(37.25%)
Operating margin	176,121	1,024,526	(848,405)	(82.81%)
Operating expenses	269,606	441,691	(172,085)	(38.96%)
Net operating (loss) profit	(93,485)	582,835	(676,320)	(116.04%)
Non-operating income and expenses	28,533	150,861	(122,328)	(81.09%)
Net profit (loss) before tax	(64,952)	733,696	(798,648)	(108.85%)
Income tax expense	9,474	203,596	(194,122)	(95.35%)
Net profit (loss) of the year	(74,426)	530,100	(604,526)	(114.04%)
Other comprehensive income	(6,709)	8,523	(15,232)	(178.72%)
Total comprehensive income of the year	(81,135)	538,623	(619,758)	(115.06%)
Net income of the term attributable to:				
owners of the parent	(100,229)	493,160	(593,389)	(120.32%)
Non-controlling interests	25,803	36,940	(11,137)	(30.15%)
Total comprehensive income attributable to:				
owners of the parent	(115,522)	506,366	(621,888)	(122.81%)
Non-controlling interests	34,387	32,257	2,130	6.60%

(II) Reasons of any material change in the Company's operating revenue, operating profit, and net income before tax (change is more than 20% over two consecutive periods, and the amount of change exceeds NT$10 million) during the past 2 fiscal years:

1. Decrease in operating income, costs, and gross profit: Mainly due to the decrease in unit prices and sales volume, which reduced the operating income, costs, and gross profit.
2. Decrease in operating expenses: Mainly due to the decrease in revenue which reduced related operating expenses.

3. Decrease in non-operating income and expenses: Mainly due to the decrease in foreign currency gains as a result of exchange rate fluctuations.
4. Decrease in income tax expense: Mainly due to the decrease in the Company's operating profits.

(III) Expected Sales Volume and Basis: Not applicable.

(IV) Possible Impact on the Company's Future Financial and Business Conditions: No material impact.

(V) Response Plan: Not applicable.

III. Cash Flow

(I) Analysis of Consolidated Cash Flow Changes of the Year (Consolidated)

Item / Year	2023	2022	Change (%)
Cash flow ratio (%)	47.00	47.25	(0.53%)
Cash flow adequacy ratio (%)	69.98	41.02	70.60%
Cash reinvestment ratio (%)	8.03	12.32	(34.82%)
Analysis and explanation of the changes: The decrease in cash flow adequacy ratio is mainly due to the decrease in inventory. The decrease in cash reinvestment ratio is mainly due to losses this year which reduced the net cash flow from operating activities.			

(II) Plans for Improving Liquidity: The Company does not have a cash deficit.

(III) Analysis of Consolidated Liquidity for the Coming Year

Unit: NT$ (thousand)

Cash balance, beginning	Expected annual net cash flow from operating activities	Expected annual cash outflow	Expected cash surplus (deficit)	Remedial measures for deficits in expected cash and cash equivalents	
				Investment plans	Financial plans
2,781,105	1,076,424	(1,170,176)	2,687,353	None	Bank loans

1. Analysis of cash flow changes for the coming year:
   The Company's business is expected to remain stable and cash dividends will be paid within the following year and construction of a factory in Vietnam subsidiary. Cash is expected to increase in the coming year compared to the beginning of the period.
2. Response to expected cash deficit: None.

IV. Impact of Major Capital Expenditures on Financial Operations in the Recent Year

To fill customer' orders and improve competitiveness and quality, the Company and its subsidiaries successfully inaugurated the second cobalt sulfate production line of Hsinchu Factory 2 of Uranus Chemicals Co., Ltd. in June 2024. It has made significant contributions to the overall supply volume and economies of scale of cobalt sulfate products.

To support sustainable development, the Company also set up heat and power cogeneration equipment in Toufen Plant in 2023 with guidance of the Industrial Technology Research Institute and subsidies from the Energy Administration of the Ministry of Economic Affairs. The equipment reduces the reliance on externally purchased power and carbon emissions. The Company also added sewage treatment equipment facilities to improve its ability to treat process wastewater and reduce the environmental impact of wastewater discharge during the production process.

To enhance the overall product competitiveness and expand overseas plants, the Company established a subsidiary in Vietnam. We have completed the establishment registration and obtained land use rights, and factory construction and equipment procurement operations are underway. We aim to disperse the production base and attain greater product efficiency and competitiveness.

The aforementioned investments were intended to enhance product competitiveness and disperse regional operational risks. They benefit the financial operations of the Company and its subsidiaries.

V. Reinvestment Policy in the Past Year, Profit/Loss Analysis, Improvement Plan, and Investment Plan for the Coming Year

(I) Policy for investments in other companies:

n the most recent year, the Company's reinvestment policy seeks to respond to business expansion needs and Company development.

(II) Analysis of reasons for profit/loss:

As the Company's domestic and foreign reinvestment operations have yet to reach economies of scale, a slight loss occurred for overseas operations such as CoreMax Ningbo, CoreMax Zhangzhou, VinaCoreMax, and Jiangxi Tianjiang in the recent year. The remaining investee companies, including overseas entities in Thailand and domestic Uranus Chemicals Heng I Chemical, continue to profit steadily.

(III) Investment plan for the following year: None.

VI. Risk Issues and Assessment for the Most Recent Year Up to the Publication Date of the Annual Report

(I) Impact of interest rate and exchange rate changes and inflation on the Company's profit and response measures:

1. Interest rate

Unit: NT$ (thousand)

Item	2023		2022	
	Amount	Share of net sales	Amount	Share of net sales
Interest expense	88,948	1.70%	50,323	0.55%

The Company's working capital was mainly financed. The interest expenses of 2023 and 2022 were NT$88,948 thousand and NT$50,323 thousand, respectively, accounting for 1.70% and 0.55% of net operating revenue. Overall, the interest expenses of 2023 and 2022 accounted for a very low proportion of the year's revenue, and the impact on profit was limited. Other than adequately increasing its working capital, the Company maintains a close relationship with its correspondent banks, monitors money market interest rates and financial information at all times, and selects the most favorable capital applications and response measures depending on the cost of funds and possible return and risks, reducing the interest rate risk arising from operations.

2. Exchange rate

Unit: NT$ (thousand)

Item	2023		2022	
	Amount	Share of net sales	Amount	Share of net sales
Exchange gains (losses)	12,919	0.25%	120,667	1.33%

The Company mainly uses USD as the denomination of receivables and payables. Nearly 80% of the receivables and payables are denominated in USD, resulting in a certain degree of natural hedging benefits. Since the portion of exchange gains and losses to net sales in 2023 and 2022 were not high, the exchange rate fluctuations did not significantly impact the Company's operations.

In addition to continuously managing foreign currency positions, the Company maintains close contact with correspondent banks to obtain more extensive foreign exchange information and preferential exchange rate quotations to reduce the chance of exchange rate fluctuations significantly impacting the Company.

3. Inflation changes:

The Company's purchases and sales are based on market price quotations. Currently, there is no significant impact due to inflation.

(II) Policies, main causes of gain or loss, and future response measures with respect to high-risk, highly-leveraged investments, lending, endorsements, guarantees, and derivative transactions:

1. The Company has established “Procedures for Acquisition or Disposal of Assets," "Procedures for Endorsement and Guarantees," and "Procedures for Lending Funds to Others," which were all approved by shareholders' meetings and are the basis for the Company to execute related transactions.
2. The Company has not engaged in high-risk, highly-leveraged investments in the most recent fiscal year and up to the publication date of the annual report.
3. The Company has endorsed and guaranteed the operations of its subsidiary Coremax (BVI) Corporation in the most recent year and up to the publication date of the annual report. The above transactions were implemented based on the Company’s Procedures for Endorsement and Guarantees.
4. In the most recent year and up to the publication date of the prospectus, the Company or its subsidiaries lent funds to subsidiaries in need to fill the operational needs of the Company's subsidiaries Coremax (Thailand) Co., Ltd., Coremax Ningbo Chemical Co., Ltd., and Coremax (Zhangzhou) Chemical Co., Ltd. The lending of funds and transactions were executed based on the Procedures for Lending Funds to Others of the Company and its subsidiaries.
5. The Company trades derivative products only for non-trading purposes. To mitigate risks arising from fluctuations in international metal prices for raw materials, the Company adopts futures trading for hedging with the aim of minimizing the impact of changes in international metal prices on the Company's profits and losses.

(III) Future R&D projects and expected R&D investment:

1. Future research plans
   (1) Short-term plans
      A. Improve the quality of existing products to meet customers' needs.
      B. Improve the Company's current manufacturing process to produce products with different physical specifications.
      C. Enhance the processing efficiency of waste recycling business.
      D. Improve the quality of the fertilizer product lines.
   (2) Medium- and long-term plans

A. The development of hydroxide compounds with different ratios of nickel, cobalt and manganese in line with market development needs.

B. Diversify nickel and cobalt metal material recovery technology and develop new processes to improve recovery yield, efficiency, and quality.

C. Monitor market applications and develop high-purity metal material products.

2. Expected R&D investment

The Company's R&D direction is to continue optimizing the production process and improving quality, enhancing production efficiency, reducing raw material consumption, strengthening recycling, and developing next-generation products with customers.

The Company's R&D component consists of process development and new product development. Costs are mainly composed of personnel expenses for R&D units and the purchase of R&D equipment. Therefore, the R&D investment for this part is expected to be approximately NT$18,578 thousand, accounting for about 6% of the total annual operating expenses.

(IV) Impact of major changes in government policies and laws at home and abroad on Company finance and business and response measures:

The Company handles its daily operations according to the relevant domestic and foreign laws and regulations. It also monitors domestic and foreign policy development trends and regulation changes to grasp and respond to market environment changes entirely. Therefore, up to the annual report's publication date, the changes in domestic and foreign policies have had no significant impact on the Company's finance and business.

(V) Impact of recent technological (including cybersecurity risks) and industry changes on the Company's finance and business and response measures:

The Company watches closely technological changes and the evolution of technological development related to the industry in which it operates and quickly grasps industry movements. In addition, it continuously strengthens and improves its R&D capabilities and actively expands future market applications. Therefore, technological and industry changes impact the Company positively.

(VI) Impact of corporate image change on crisis management and response measures:

The Company upholds the business philosophy of ethics and pragmatism. Up to the publication date of the annual report, no incidents that could affect the Company’s image have occurred, and the Company has issued a corporate social responsibility report.

(VII) Expected benefits and possible risks of mergers and acquisitions and response measures:

The Company had no plans to conduct mergers and acquisitions in the most recent year and up to the publication date of the annual report. In the future, shall the aforementioned related plans be evaluated and implemented, they will be handled according to relevant laws and regulations and various internal management procedures of the Company.

(VIII) Expected benefits and possible risks of factory expansions and response measures:

To expand overseas plants and enhance the overall product competitiveness, the Company established a subsidiary in Vietnam. We have completed the establishment registration and obtained land use rights, and factory construction and equipment procurement operations are underway.

The Company set up plants overseas to create dispersed production sites for supplying key raw materials close to target customers, reduce supply risks due to political and economic changes, and increase flexibility for international trade. To address the potential risks of insufficient utilization of production capacity after establishment, the Company actively negotiates with major international manufacturers on cooperation and capacity planning to reduce operational risks.

(IX) Risks associated with over-concentration in purchase or sale and response measures:

1. Risk assessment of over-concentrated purchases and response measures

   As an oligopoly currently supplies the world's metal, the Company conducts business with major manufacturers in the world for the Company’s metal raw materials. The Company usually allocates purchases based on cost considerations. The Company also monitors changes in the raw materials supply market. It purchases main raw materials from two or more suppliers and regularly surveys and evaluates suppliers to ensure a stable supply source. Therefore, the Company should be able to control the risk of concentrated purchasing reasonably.

   The Company actively evaluates market information and conditions for purchases. It continues to develop outstanding high-quality suppliers to diversify the risk of concentrated purchases from a single supplier. The Company is not being exposed to risks of over-concentrated purchases.

2. Risk assessment of over-concentrated sales and response measures

   The Company is mainly a manufacturer of oxidation catalysts, power battery materials, compound fertilizers, and specialty chemical materials. Its products are applied in the chemical fiber, secondary lithium battery, agriculture, and electronics industries, and customers are all well-known companies or agents in the industry.

The net revenue ratio to CP from 2021 to 2023 were 36.59%, 35.67%, and 33.14%, respectively, due to the continued growth in the sales amount of the Company to CP as a result of continued growth in the demand for electric vehicle batteries, decrease in metal prices, and increase in OEM prices in recent years.

Based on industry experience, the Company will continue to develop new customer sources and product application markets with its stable product quality to diversify sales risks. There should be no excessive reliance on a single customer or customer source. In terms of sales targets, in addition to stable and cooperative relationships with customers, the products and quality supplied by the Company can satisfy customer demand. The Company is a long-term partner of well-known domestic and overseas customers.

(X) Impact of and risks relating to mass transfer or change of equity of directors, supervisors, or shareholders with shareholdings of over 10% and response measures: None.

(XI) Impact and risks of changes in management on the Company and response measures: None.

(XII) Litigious and non-litigious matters. List major litigious, non-litigious, or administrative disputes that involve the Company and/or any company director, any company supervisor, the president, any person with actual responsibility for the firm, any major shareholder holding a stake of more than 10 percent, and any subordinate company and have been concluded through a final and unappealable judgment or are still under litigation: None.

(XIII) Other significant risks and response measures: None.

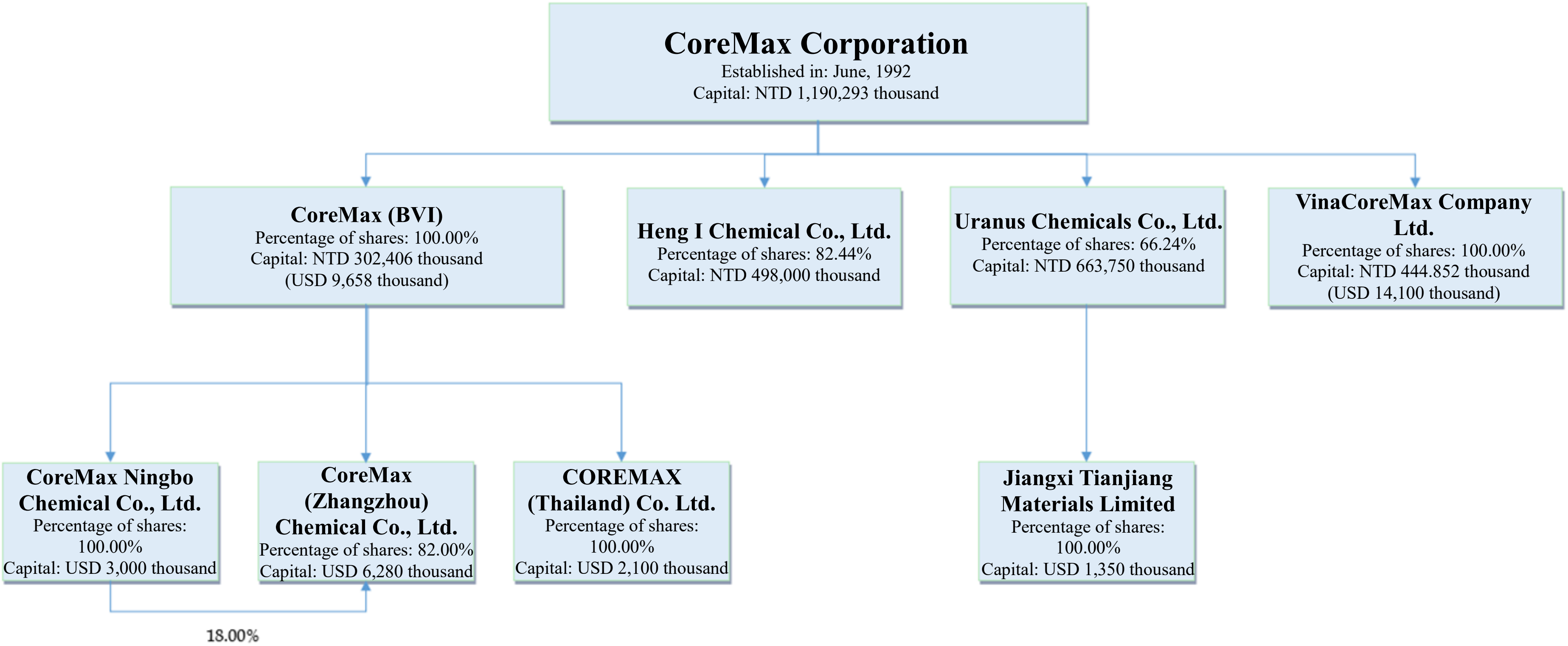
VII. Other important matters: None.

Eight. Special Disclosure

I. Profiles of Affiliated Companies

(I) Organization chart of affiliated companies

Date: March 29, 2024



(II) Basic information of affiliated companies

Date: March 29, 2024; NT$ thousand

Company name	Date of establishment	Address	Paid-in capital	Main business / products
Coremax (BVI) Corporation	November, 2001	British Virgin Islands	USD9,658	Invests in various businesses
CoreMax Ningbo Chemical Co., Ltd.	September, 2004	Ningbo, China	USD3,000	Oxidation catalysts
Coremax (Zhangzhou) Chemical Co., Ltd.	October, 2011	Zhangzhou, China	USD6,280	Oxidation catalysts
Coremax (Thailand) Co., Ltd.	March, 2009	Rayong, Thailand	USD2,100	Oxidation catalysts
Heng I Chemical Co., Ltd.	May, 1961	Miaoli, Taiwan	NTD498,000	Organic/chemical fertilizer
Uranus Chemicals Co., Ltd.	July, 1975	Hsinchu, Taiwan	NTD622,500	Oxalic acid, oxalate, etchant, rare earth chemicals
Jiangxi Tianjiang Materials Limited	January, 2001	Jiangxi, China	USD1,350	Oxalate
VinaCoreMax Company Ltd.	October, 2023	Quang Ninh, Vietnam	USD14,100	Inorganic salts

(III) Controlling and subordinate companies with identical shareholders: None.

(IV) Overall industries covered by affiliates and their interactions and division of work

Company name	Business operations	Relationship with the Company	Division of work
Coremax (BVI) Corporation	Investment company	A subsidiary of the Company	Invests in various businesses
CoreMax Ningbo Chemical Co., Ltd.	Manufacture and sale of oxidation process catalysts	A second-tier subsidiary of the Company through reinvestment through Coremax (BVI) Corporation	The main raw materials are purchased by headquarters and produced locally to serve customers in China
CoreMax (Zhangzhou) Chemical Co., Ltd.	Manufacture and sale of oxidation process catalysts	A second-tier subsidiary of the Company through reinvestment through Coremax (BVI) Corporation	The main raw materials are purchased by headquarters and produced locally to serve customers in China
Coremax (Thailand) Co., LTD.	Manufacture and sale of oxidation process catalysts	A second-tier subsidiary of the Company through reinvestment through Coremax (BVI) Corporation	The main raw materials are purchased by headquarters and produced locally to serve customers in Southeast Asia

Company name	Business operations	Relationship with the Company	Division of work
Heng I Chemical Co., Ltd.	Manufacture and sale of fertilizers and chemical raw materials	A subsidiary of the Company	None.
Uranus Chemicals Co., Ltd.	Manufacture and sale of oxalic acid (organic), inorganic salts, and their crystals	A subsidiary of the Company	None.
Jiangxi Tianjiang Materials Limited	Manufacture and sale of oxalic acid, etchant, oxalate, and rare earth chemicals	A second-tier subsidiary of the Company through reinvestment through Uranus Chemicals Co., Ltd	None.
VinaCoreMax Company Ltd.	Manufacture and sale of inorganic salts and their crystals	A subsidiary of the Company	None.

(V) Information on the directors of affiliates

Company name	Title	Name	Spouse and child of minor age	
			Number of Shares (thousand shares)	Percentage of shareholding
Coremax (BVI) Corporation	Chairman	Ho, Chi-Cheng	9,658	100.00%
CoreMax Ningbo Chemical Co., Ltd.	Chairman	Ho, Chi-Cheng	(Note)	100.00%
CoreMax (Zhangzhou) Chemical Co., Ltd.	Chairman	Ho, Chi-Cheng	(Note)	82.00%
Coremax (Thailand) Co., Ltd.	Chairman	Ho, Chi-Cheng	70	100.00%
Heng I Chemical Co., Ltd.	Chairman	Ho, Chi-Cheng	41,058	82.44%
Uranus Chemicals Co., Ltd.	Chairman	Ho, Chi-Cheng	43,966	66.24%
Jiangxi Tianjiang Materials Limited	Chairman	Ho, Chi-Cheng	(Note)	100.00%
VinaCoreMax Company Ltd.	Chairman	Ho, Chi-Cheng	(Note)	100.00%

Note 1: The company is a limited liability company, so there are no shares.

(VI) Business overview of affiliates

Date: December 31, 2023; Unit: NT$ (thousand)

Company name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating income	Income of the term (after tax)	Earnings per share (NT$) (after tax)
Coremax (BVI) Corporation	302,406	516,782	-	516,782	-	2,766	(38,927)	(4.03)
CoreMax Ningbo Chemical Co., Ltd.	98,482	191,895	28,359	163,536	197,123	(4,532)	(6,852)	(Note 2)
CoreMax (Zhangzhou) Chemical Co., Ltd.	185,654	261,839	24,065	237,774	210,379	(43,431)	(45,820)	(Note 2)
Coremax (Thailand) Co., Ltd.	67,047	185,992	100,545	85,117	118,582	5,035	3,518	50.27
Heng I Chemical Co., Ltd.	498,000	2,684,132	863,835	1,820,297	893,235	28,956	33,622	0.82
Uranus Chemicals Co., Ltd.	663,750	2,691,730	1,022,708	1,669,022	551,144	60,866	52,036	1.41
Jiangxi Tianjiang Materials Limited	43,947	16,453	2,905	13,548	-	(758)	(452)	(Note 2)
VinaCoreMax Company Ltd.	318,764	299,538	117	299,421	-	-	(602)	(Note 2)

Note 1: Coremax (Thailand) Co., Ltd.; 1,000 THB per share.
Note 2: The company is a limited liability company, so it is not calculated.

II. Progress of private placement of securities during the last year and up to the publication date of the annual report: None.

III. Holding or disposal of stocks of the Company by subsidiaries in the last year and up to the publication date of the annual report:

Date: December 31, 2023; Unit: NT$ (thousand)

<table>
<tr><th>Subsidiary name</th><th>Paid-in capital</th><th>Sources of funds</th><th>Ratio of shares held by the Company</th><th>Acquisition or disposition date</th><th>Number and amount of shares acquired</th><th>Number and amount of shares disposed of</th><th>Investment gain or loss</th><th>Number and amount of shares held at the end of the year or up to the publication date of the annual report</th><th>Pledge status</th><th>Amount of endorsement/ guarantee provided to the subsidiary by the Company</th><th>Amount loaned to the subsidiary by the Company</th></tr>
<tr><td rowspan="6">Uranus Chemicals Co., Ltd.</td><td rowspan="6">663,750</td><td rowspan="6">Self-funded</td><td rowspan="6">66.24%</td><td>Before the last two years</td><td>2,869,996 shares</td><td>-</td><td rowspan="6">3,167</td><td rowspan="6">673,495 shares
Cost 5,014
Fair value 52,667</td><td>None</td><td rowspan="6">-</td><td>None</td></tr>
<tr><td>2013/11/1</td><td>143,499 shares (Note 1)</td><td>-</td><td>None</td><td>None</td></tr>
<tr><td>2021</td><td>-</td><td>650,000 shares
91,782</td><td>None</td><td>None</td></tr>
<tr><td>2022</td><td>-</td><td>1,150,000 shares
152,768</td><td>None</td><td>None</td></tr>
<tr><td>2023</td><td>-</td><td>540,000 shares
55,177</td><td>None</td><td>None</td></tr>
<tr><td>This year up to the publication date of the annual report</td><td>-</td><td>-</td><td>None</td><td>None</td></tr>
</table>

Note 1: Income from the distribution of stock dividends.

IV. Other supplemental information: None.

V. Corporate events with material impact on shareholders' equity or stock prices set forth in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act in the last year and up to the publication date of the annual report: None.

Annex 1

Audit Committee's Review Report

Coremax Corporation
Audit Committee Report

It is agreed to and resolved by the Audit Committee and the Board of Directors that the Company's FY2023 Business Report, Financial Statement, Consolidated Financial Reports, and Proposal for Earning Distribution. Among them, Financial Statement and Consolidated Financial Reports were audited and certified by Chi-Lung Yu and Pei-Chi Chen, CPAs of KPMG in Taiwan, and an audit report which refers to the Financial Statement and Consolidated Financial Reports was issued.

The Business Report, Financial Statement, Consolidated Financial Reports, and Proposal for Earning Distribution have been reviewed and determined to be correct and accurate by the Audit Committee members of Coremax Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To

2024 Annual Meeting of Shareholders of Coremax Corporation

Chairman of the Audit Committee: Chang, Yuan-Lung

February 27, 2024

Annex 2

Consolidated Financial Statements of the Most Recent Year Audited by CPAs

Stock Code:4739

Coremax Corporation and Subsidiaries

Consolidated Financial Statements

With Independent Auditors’ Report
For the Years Ended December 31, 2023 and 2022

The independent auditors’ report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors’ report and consolidated financial statements, the Chinese version shall prevail.

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Representation Letter

The entities that are required to be included in the combined financial statements of Coremax Corporation as of and for the year ended December 31, 2023 under "the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements" of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the above-mentioned consolidated financial statements. Consequently, Coremax Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Coremax Corporation
Chairman: Chi-Cheng Ho
Date: February 27, 2024.

安侯建業聯合會計師事務所
KPMG
台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)
電 話 Tel + 886 2 8101 6666
傳 真 Fax + 886 2 8101 6667
網 址 Web kpmg.com/tw

Independent Auditors' Report

To the Board of Directors
Coremax Corporation:

Opinion

We have audited the consolidated financial statements of Coremax Corporation and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2023 and 2022, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretations as well as related guidance endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters should be reflected in our report are as follow:

1. Loss allowance assessment of Receivables

   Please refer to Note 4(7) "Financial instruments" for the accounting policies of loss allowance assessment of receivables, Note 5 " for the relevant accounting estimation, and major sources of assumption uncertainty" ; and Note 6(4) "Notes and accounts receivable, net" to the consolidated financial statements for the details of relevant disclosures.

Description of key audit matters:

The Group has a worldwide customer base. As such, the Group may encounter difficulty in obtaining financial information of the customers due to the rapid changes in the business environment which included the industry, technology, market, and economic, as well as legal matters. When assessing the expected credit loss of its receivables during its lifetime, the receivables are measured based on the factors such as aging analysis of accounts receivable, customers' financial status, historical collection experience, current market conditions, and consideration of forward-looking information. The assessment of allowance for loss on accounts receivables involved subjective judgment of management, which has been identified as one of our key audit matters.

How the matter was addressed in our audit:

Our main audit procedures included: Obtaining and checking the accuracy of the impairment loss calculation from the management of the accounts receivable ; Checking the completeness of the aging analysis of the receivables and accuracy of the aging bracket by sampling, and analyzing the receivables aging and historical receivables collection record and customer credit risk concentration in measuring the appropriateness of the expected credit loss rate in order to evaluate the reasonableness of the provision amount of the account receivable loss allowance of the Group, and evaluating the adequacy of the Group' s disclosures in the accounts.

2. Valuation of Inventories

Please refer to Note 4(8) "Inventories" for the accounting policies of inventories valuation, Note 5 "for the relevant accounting estimation, and major sources of assumption uncertainty", and Note 6(5) "Inventories" to the consolidated financial statements for the details of relevant disclosures.

Description of key audit matters:

The Group's inventories are measured at the lower of cost and net realizable value. The Group will exercise judgment in estimating the net realizable value of its inventories as at reporting date. Estimation of net realizable value might subject to significant changes due to the fluctuations of the market and rapid changes in technology. Therefore, estimation of devaluation loss that reduce inventory to market value is one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included: Understanding and evaluating the assessment performed by the management in calculating the net realizable value, as well as vouching to relevant documents for samples selected; evaluating the adequacy of the provisions policy；assessing whether the valuation of inventories did follow such policy; and considering the adequacy of the Group's disclosures in the accounts.

Other Matter

The Company has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for 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 with the IFRSs, IASs, interpretations as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yu, Chi-Lung and Chen, Pei-Chi.

KPMG

Taipei, Taiwan (Republic of China)
February 27, 2024

Notes to Readers

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

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Coremax Corporation and subsidiaries

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
Current assets:				
Cash and cash equivalents (note 6(1))	$ 2,781,105	28	3,071,740	27
Financial assets at fair value through profit or loss－current (note 6(2))	19,588	-	51,655	-
Notes receivable, net (note 6(4))	12,340	-	23,817	-
Accounts receivable, net (note 6(4))	472,992	5	586,332	5
Other receivable (note 6(8))	406,631	4	8,663	-
Inventories (note 6(5))	849,178	9	2,252,209	20
Prepayments to suppliers	51,245	1	259,068	2
Other financial assets－current (note 6(2), (10) and 8)	114,772	1	61,735	1
Other current assets, others (note 6(9))	143,168	2	200,226	2
	4,851,019	50	6,515,445	57
Non-current assets:				
Financial assets at fair value through other comprehensive income－non-current (note 6(3))	3,369	-	3,369	-
Property, plant and equipment (notes 6(11) and 8)	4,790,690	48	4,477,377	40
Right-of-use assets (note 6(12))	30,990	-	35,479	-
Deferred tax assets (note 6(18))	95,248	1	96,047	1
Net defined benefit asset－non-current (note 6(17))	16,282	-	15,156	-
Other financial assets-non current (notes 6(10) and 8)	111,418	1	111,626	1
Other non-current assets (note 6(9))	21,210	-	50,111	1
	5,069,207	50	4,789,165	43
Total assets	**$ 9,920,226**	**100**	**11,304,610**	**100**

Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
Current liabilities:				
Short-term borrowings (notes 6(13) and 8)	$ 1,070,154	11	2,247,855	20
Financial liabilities at fair value through profit or loss-current(notes 6(2), (15))	3,602	-	-	-
Notes payable	350	-	432	-
Accounts payable	92,387	1	73,221	1
Other payables (note 6(14))	167,449	2	347,574	3
Current tax liabilities	13,347	-	178,103	2
Current lease liabilities (note 6(16))	2,644	-	3,341	-
Bonds payable, current portion (notes 6(15) and 8)	687,380	7	-	-
Long-term borrowings, current portion (note 6(13) and 8)	181,096	2	106,785	1
Other current liabilities (note 6(14))	172,860	2	356,917	3
	2,391,269	25	3,314,228	30
Non-current liabilities:				
Financial liabilities at fair value through profit or loss－non-current (note 6(2) and (15))	-	-	2,482	-
Long-term borrowings (note 6(15))	-	-	682,940	6
Long-term borrowings (notes 6(13) and 8)	807,280	8	1,018,376	9
Deferred tax liabilities (note 6(18))	343,654	3	357,975	3
Non-current lease liabilities (note 6(16))	6,815	-	9,464	-
Net defined benefit liability－non-current (note 6(17))	6,351	-	6,691	-
Deposits received	126	-	107	-
	1,164,226	11	2,078,035	18
Total liabilities	3,555,495	36	5,392,263	48
Equity (notes 6(6), (15) and (19)):				
Equity attributable to parent company shareholders:				
Ordinary share capital	1,190,293	12	1,070,293	9
Capital surplus	3,400,289	34	2,673,415	24
Retained earnings	958,705	9	1,377,222	12
Other equity interest	(51,793)	(1)	(35,403)	-
Treasury shares	(84,658)	(1)	(87,230)	(1)
	5,412,836	53	4,998,297	44
Non-controlling interests	951,895	11	914,050	8
Total equity	6,364,731	64	5,912,347	52
Total liabilities and equity	**$ 9,920,226**	**100**	**11,304,610**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Coremax Corporation and subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, except for earnings per share)

	2023		2022	
	Amount	%	Amount	%
Net operating revenue (note 6(21))	$ 5,231,731	100	9,081,621	100
Operating costs (notes 6(5), (17) and (22))	5,055,610	97	8,057,095	89
Gross profit	176,121	3	1,024,526	11
Operating expenses (notes 6(17) and (22)):				
Selling expenses	81,400	2	134,621	1
General administrative expenses	177,699	3	286,512	3
Research and development expenses	13,410	-	20,558	-
Expected credit loss (notes 6(4))	(2,903)	-	-	-
Total operating expenses	269,606	5	441,691	4
Net operating income (loss)	(93,485)	(2)	582,835	7
Non-operating income and expenses:				
Other income (note 6(23))	15,731	-	18,350	-
Other gains and losses, net (note 6(23))	46,705	1	51,191	1
Finance costs (notes 6(15), (16), and (23))	(88,948)	(2)	(50,323)	(1)
Total interest income (note 6(23))	42,126	1	10,976	-
Total interest income (note 6(24))	12,919	-	120,667	1
	28,533	-	150,861	1
Income(loss) before income tax	(64,952)	(2)	733,696	8
Income tax expenses (note 6(18))	9,474	-	203,596	2
Net income (loss)	(74,426)	(2)	530,100	6
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurements of defined benefit plans	1,293	-	2,601	-
Unrealized gains (losses) of financial assets measured at fair value through other comprehensive income (note 6(3))	2,864	-	(7,756)	-
Income tax related to items that will not be reclassified to profit or loss	-	-	-	-
	4,157	-	(5,155)	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign financial statements	(15,554)	-	18,059	-
Income tax relating to item that may be reclassified subsequently (note 6(18))	(4,688)	-	4,381	-
Total items that may be reclassified subsequently to profit or loss	(10,866)	-	13,678	-
Other comprehensive income	(6,709)	-	8,523	-
Total comprehensive income	**$ (81,135)**	**(2)**	**538,623**	**6**
Net income(loss) attributable to:				
Shareholders of the parent	$ (100,229)	(2)	493,160	6
Non-controlling interests	25,803	-	36,940	-
	$ (74,426)	**(2)**	**530,100**	**6**
Total comprehensive income (loss) attributable to:				
Shareholders of the parent	$ (115,522)	(3)	506,366	6
Non-controlling interests	34,387	1	32,257	-
	$ (81,135)	**(2)**	**538,623**	**6**
Earnings(loss) per share (New Taiwan Dollars) (note 6(20)):				
Basic earnings(loss) per share	**$**	**(0.93)**		**4.72**
Diluted earnings(loss) per share	**$**	**(0.93)**		**4.47**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Coremax Corporation and subsidiaries
Consolidated Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings				Other equity interest						
	Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Treasury shares	Subtotal of equity attributable to the shareholders of the parent	Non-controlling interests	Total equity
Balance at January 1, 2022	$ 1,070,293	2,585,667	237,640	18,559	948,212	1,204,411	(31,182)	(15,354)	(46,536)	(92,839)	4,720,996	745,595	5,466,591
Net income for the period	-	-	-	-	493,160	493,160	-	-	-	-	493,160	36,940	530,100
Other comprehensive income (loss) for the period	-	-	-	-	2,073	2,073	17,526	(6,393)	11,133	-	13,206	(4,683)	8,523
Total comprehensive income (loss) for the period	-	-	-	-	495,233	495,233	17,526	(6,393)	11,133	-	506,366	32,257	538,623
Appropriation and distribution of retained earnings:													
Appropriated legal reserve	-	-	45,761	-	(45,761)	-	-	-	-	-	-	-	-
Appropriated special reserve	-	-	-	27,977	(27,977)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(316,813)	(316,813)	-	-	-	-	(316,813)	-	(316,813)
Subsidiary shareholder cash dividends	-	-	-	-	-	-	-	-	-	-	-	(24,740)	(24,740)
Subsidiary cash dividends	-	-	-	-	-	-	-	-	-	-	-	86,458	86,458
Share-based payment transactions	-	911	-	-	-	-	-	-	-	-	911	515	1,426
Disposal of company's share by subsidiaries recognized as treasury share transactions	-	78,367	-	-	(5,609)	(5,609)	-	-	-	5,609	78,367	74,400	152,767
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	5,740	-	-	-	-	-	-	-	-	5,740	-	5,740
Amounts affected by cash capital increase of subsidiaries not recognized in proportion to shareholding	-	2,730	-	-	-	-	-	-	-	-	2,730	-	2,730
Difference between consideration and carrying amounts of subsidiaries acquired or disposed of	-	-	-	-	-	-	-	-	-	-	-	(435)	(435)
Balance at December 31, 2022	1,070,293	2,673,415	283,401	46,536	1,047,285	1,377,222	(13,656)	(21,747)	(35,403)	(87,230)	4,998,297	914,050	5,912,347
Net loss for the period	-	-	-	-	(100,229)	(100,229)	-	-	-	-	(100,229)	25,803	(74,426)
Other comprehensive income (loss) for the period	-	-	-	-	1,097	1,097	(18,752)	2,362	(16,390)	-	(15,293)	8,584	(6,709)
Total comprehensive income	-	-	-	-	(99,132)	(99,132)	(18,752)	2,362	(16,390)	-	(115,522)	34,387	(81,135)
Appropriation and distribution of retained earnings:													
Appropriated legal reserve	-	-	48,961	-	(48,961)	-	-	-	-	-	-	-	-
Reversed special reserve	-	-	-	(11,133)	11,133	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(316,813)	(316,813)	-	-	-	-	(316,813)	-	(316,813)
capital increase by cash	120,000	693,960	-	-	-	-	-	-	-	-	813,960	-	813,960
Share-based payments transactions	-	6,720	-	-	-	-	-	-	-	-	6,720	-	6,720
Disposal of company's share by subsidiaries recognized as treasury share transactions	-	32,725	-	-	(2,572)	(2,572)	-	-	-	2,572	32,725	18,456	51,181
Subsidiary cash dividends	-	-	-	-	-	-	-	-	-	-	-	(23,550)	(23,550)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	2,021	-	-	-	-	-	-	-	-	2,021	-	2,021
Difference between consideration and carrying amount of subsidiaries acquired or disposed of	-	(8,552)	-	-	-	-	-	-	-	-	(8,552)	8,552	-
Balance at December 31, 2023	**$ 1,190,293**	**3,400,289**	**332,362**	**35,403**	**590,940**	**958,705**	**(32,408)**	**(19,385)**	**(51,793)**	**(84,658)**	**5,412,836**	**951,895**	**6,364,731**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Coremax Corporation and subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

		2023	2022
Cash flows from operating activities:			
Income (Loss) before income tax	$	(64,952)	733,696
Adjustments:			
Adjustments to reconcile profit:			
Depreciation		311,327	288,872
Share-based payments		6,720	1,426
Expected credit gain		(2,903)	-
Net profit on financial assets and liabilities at fair value through profit or loss		(52,762)	(53,787)
Interest expense		88,948	50,323
Interest income		(42,126)	(10,976)
Dividend income		-	(8,675)
Impairment loss on property, plant and equipment		1,869	-
Adjustment for other non-cash-related losses, net		1,945	530
Subtotal of gains or losses on non-cash activities		313,018	267,713
Changes in operating assets and liabilities:			
Notes receivable		11,477	(8,943)
Accounts receivable		116,205	209,316
Other receivable		(397,968)	-
Inventories		1,403,031	(344,582)
Prepayments to suppliers		207,823	661,321
Other current assets		57,058	(78,468)
Other financial assets		-	10,431
Notes payable		(82)	(26,376)
Accounts payable		19,166	(31,595)
Other payable		(134,613)	152,184
Other current liabilities		(228,686)	197,123
Net defined benefit asset		(1,126)	(797)
Net defined benefit liability		757	-
Total adjustments		1,366,060	1,007,327
Cash inflow generated from operations		1,301,108	1,741,023
Interest received		42,126	10,976
Interest paid		(39,751)	(40,731)
Income tax paid		(179,636)	(145,298)
Net cash from operating activities		1,123,847	1,565,970
Cash flows from investing activities:			
Proceeds from capital liquidation of financial assets at fair value through other comprehensive income		2,864	25,875
Acquisition of property, plant and equipment		(699,035)	(540,990)
Proceeds from disposal of property, plant and equipment		31,498	624
Decrease(increase) in other finacial assets		32,912	(19,849)
Decrease(increase) in refundable deposits		208	836
Increase in other non-current assets		24,751	1,185
Acquisition of non-controlling interests		(1,187)	(435)
Dividends received		-	8,675
Net cash used in investing activities		(607,989)	(524,079)
Cash flows from financing activities:			
(Decrease)increase in short-term borrowing		(1,166,178)	344,481
Decrease in short-term notes and bills payable		-	(80,000)
Proceeds from long-term borrowings		24,000	30,000
Repayments of long-term borrowings (including current portion)		(160,785)	(62,291)
Increase in guarantee deposits received		19	-
Payment of lease liabilities		(3,440)	(4,990)
Cash dividends paid		(314,792)	(311,073)
Capital increase by cash		813,960	86,458
Cash dividends paid for non-controlling interests		(23,550)	(24,740)
Disposal of company's share by subsidiaries		55,200	152,767
Net cash from financing activities		(775,566)	130,612
Effect of exchange rate changes on cash and cash equivalents		(30,927)	17,039
Net (decrease)increase in cash and cash equivalents		(290,635)	1,189,542
Cash and cash equivalents at beginning of period		3,071,740	1,882,198
Cash and cash equivalents at end of period	$	**2,781,105**	**3,071,740**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

COREMAX CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

(amounts expressed in Thousands of New Taiwan Dollars, except for per share information and unless otherwise noted)

1. Company history

Coremax Corporation (the "Company") was incorporated in Hsinchu, Republic of China (R.O.C.), on June 16, 1992. The registered address of the Company's office is 11 Wenhua Road, Hsinchu Industrial Park, Hsinchu County 30352, Taiwan R.O.C. The Company's ordinary shares were publicly listed on the Taiwan Stock Exchange on September 8, 2017 and the trading of Taipei Exchange stock was officially terminated on the same date.

The Company and subsidiaries (together referred to as the "Group") are mainly involved in the manufacturing, sales, import and export of oxidation catalyst, battery materials, chemical fertilizers and specialty chemicals.

As of December 31, 2023, the Company underwent an organizational restructuring, wherein it divided and transferred its cobalt sulfate business to its subsidiary, Uranus Chemicals Co., Ltd. (Uranus). Please refer to Note 7 and Note 12 for details.

2. Approval date and procedures of the consolidated financial statements

The consolidated financial statements were authorized for issue by the Board of Directors on February 27, 2024..

3. New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The Group has initially adopted the new amendment, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 "International Tax Reform—Pillar Two Model Rules"

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

4. Summary of material accounting policies

The significant accounting policies presented in the consolidated financial statements are summarized as follows. Except for those described individually, the significant accounting policies have been applied consistently to all the periods presented in the consolidated financial statements.

(1) Statement of compliance

The consolidated financial statements have been prepared in accordance with the “ Regulations Governing the Preparation of Financial Reports by Securities Issuers” (hereinafter referred to as the Regulations) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed by the FSC (hereinafter referred to as the IFRSs endorsed by the FSC).

(2) Basis of preparation

(i) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for the following material items in the consolidated balance sheets:

1) Financial assets at fair value through profit or loss are measured at fair value (include derivative instruments);

2) Financial assets at fair value through other comprehensive income are measured at fair value;

3) The defined benefit liabilities (assets) are measured fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note 4(14).

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollars (TWD), which is the Company's functional currency. Unless otherwise noted, all financial information presented in TWD has been rounded to the nearest thousand.

(iii) Organizational restructuring under common control

As of December 31, 2023, the Company, the ultimate parent of the Group, underwent an organizational restructuring, wherein it divided and transferred its cobalt sulfate business to its subsidiary, Uranus, in accordance with the IFRS Q&A "Doubts about the Retrospective Restatement of Comparative Financial Statements under Organizational Reorganization" issued by the Accounting Research and Development Foundation on January 30, 2019. The above transaction is an organizational restructuring under common control. Furthermore, the Company has elected not to deem the cobalt sulfate business owned by Uranus from the very beginning, and thus, did not restate its financial statements for the comparative period. The relevant transaction factsand impacts are explained in Note 7 and 12.

(3) Basis of consolidation

(i) Principle of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Company. The Company 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Losses attributable to the noncontrolling interests in a subsidiary are attributed to the noncontrolling interests even if doing so results in a deficit noncontrolling interests' balance.

The accounting policies in the subsidiary's financial statements has been adjusted properly to be consistent with the accounting policies used by the Group.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attributable it to the owners of the Company.

Intra group balances and transactions, and any unrealized income and expenses arising from intra group transactions are eliminated in preparing the consolidated financial statements.

(ii) List of subsidiaries in the consolidated financial statements

The consolidated entities were as follows:

Name of Investor	Name of Subsidiary	Business Nature	Percentage of Ownership (%) December 31, 2023	Percentage of Ownership (%) December 31, 2022	Note
The Company	COREMAX (BVI) CORPORATION	Investment company	100 %	100 %	
The Company	Uranus Chemicals Co., Ltd. (Uranus Chemicals)	Manufacturing and sales of oxalic acid、organic and inorganic acid、rare earth compounds and related products	66.24 %	63.94 %	Note 1
The Company	Hengi Chemical Co., Ltd. (Hengi)	Manufacturing and sales of chemical fertilizers, chemical raw materials, organic fertilizer and fertilizers with organic matter. Import and export of related business. Recycling and reproduce of solvent and pollutants.	82.44 %	82.44 %	
The Company	VINACOREMAX COMPANY LIMITED	Manufacturing and sales of organic and inorganic acid.	100 %	- %	Note 2
COREMAX (BVI) CORPORATION	Coremax Ningbo Chemical Co., Ltd.	Manufacturing and processing of pure terephthalic acid oxidation catalyst, sodium carbonate solutions, wastewater treatment solutions, exhaust gas absorbent and cobalt compound series products.	100 %	100 %	
COREMAX (BVI) CORPORATION	COREMAX (THAILAND) CO., LTD.	Manufacturing and processing of pure terephthalic acid oxidation catalyst, sodium carbonate solutions, wastewater treatment solutions, exhaust gas absorbent and cobalt compound series products.	100 %	100 %	

Name of Investor	Name of Subsidiary	Business Nature	Percentage of Ownership (%) December 31, 2023	Percentage of Ownership (%) December 31, 2022	Note
COREMAX (BVI) CORPORATION and Coremax Ningbo Chemical Co., Ltd	Coremax (Zhangzhou) Chemical Co., Ltd.	Manufacturing, processing and wholesale of pure terephthalic acid oxidation catalyst, sodium carbonate solutions, wastewater treatment solutions, waste gas absorbent and cobalt compound series products, and regeneration treatment of abort oxidation catalyst.	100 %	100 %	
Uranus Chemicals Co., Ltd. (Uranus Chemicals)	Jiangxi Tianjiang Materials Co., Ltd.	Manufacturing and sales of oxalic acid, organic and inorganic acid, rare earth compounds and related products	100 %	100 %	

Note 1: The changing in the percentage of its ownership for subsidiaries, please refer to Note 6(6).

Note2: The company investment VINACOREMAX COMPANY LIMITED on October, 2023, the registartion and increasing capital has been completed.

(iii) List of subsidiaries which are not included in the consolidated financial statements: None.

(4) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) an investment in equity securities designated as at fair value through other comprehensive income;

2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

(5) Classification of current and non-current assets and liabilities

The Group classifies an asset as current when any one of the following requirements is met. Assets that are not classified as current are non-current assets.

(i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;

(ii) It holds the asset primarily for the purpose of trading;

(iii) It expects to realize the asset within twelve months after the reporting date; or

(iv) The asset is cash or cash equivalent except for the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies a liability as current when any one of the following requirements is met. Liabilities that are not classified as current are non-current liabilities.

(i) It expects to settle the liability in its normal operating cycle;

(ii) It holds the liability primarily for the purpose of trading;

(iii) The liability is due to be settled within twelve months after the reporting date; or

(iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(6) Cash and cash equivalents

Cash comprises cash on hand, demand deposits and checking deposits. Cash equivalents are short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and held for the purpose of meeting short-term cash commitments rather than for investment or other purposes are classified as cash equivalents.

(7) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial asset. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivable and other financial assets).

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables is always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ' investment grade' " which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings".

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 180 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interests in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received less the direct cost of issuing.

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in gain or loss. On conversion, the financial liability is reclassified to equity, and no gain or loss is recognized.

4) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in gain or loss. On conversion, the financial liability is reclassified to equity, and no gain or loss is recognized.

5) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

6) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid is recognized in profit or loss.

7) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Derivative financial instruments

Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(8) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories is based on the weighted-average method and includes expenditure and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(9) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as major components of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives, for the current and comparative years, of significant items of property, plant and equipment are as follows:

1) Buildings: 4 to 50 years.

2) Machinery and equipment: 2 to 19 years.

3) Transportation Equipment: 3 to 6 years.

4) Other equipment: 3 to 31 years.

5) Buildings constitute mainly plant, buildings, mechanical and electrical power equipment, and related engineering, etc. Each constituent is depreciated based on its useful life, respectively.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(10) Leases

(i) Identifying a lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(ii) As a leasee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

– fixed payments, including in-substance fixed payments;

– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– amounts expected to be payable under a residual value guarantee; and

– payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

– there is a change in future lease payments arising from the change in an index or rate; or

– there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or

– there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

– there is a change of its assessment on whether it will exercise an extension or termination option; or

– there are any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, including printer and staff dormitory. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a practical expedient, the Group elects not to assess whether all the rent concessions for all leased land occurring as a direct consequence of the COVID-19 pandemic are lease modifications or not.

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

(iii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(11) Intangible assets

(i) Recognition and measurement

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(12) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For other non-financial assets (excluding goodwill), an impairment loss is reversed only to the extent that the asset' s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(13) Revenue from contracts with customers

(i) Sale of goods

The Group researches, develops, produces, manufactures and sells various chemical catalyst products, cobalt compound products, oxalic acid products and electronic components, as well as batteries. The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer' s acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

(ii) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(14) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(15) Share based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(16) Income tax

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets are recognized for the deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

(17) Earnings per share

The Group discloses the Company’s basic and diluted earnings per share attributable to ordinary shareholders of the Company. The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of the Company, divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, such as convertible bonds payable and employee remuneration that could be distributed in share.

(18) Operating segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and the IFRSs endorsed by the FSC requires management to make judgments, estimations and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimations.

Management continues to monitor the accounting estimations and assumptions. Management recognizes any changes in the accounting estimations during the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following:

(1) The loss allowance of notes and accounts receivables

The Group has estimated the loss allowance of notes and accounts receivable that is based on the risk of a default occurring and the rate of expected credit loss. The Group has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. Please refer to note 6(4) for the impairment evaluation of receivables.

(2) Valuation of Inventories

Inventories are stated at the lower of cost or net realizable value, and the Group uses judgments and estimates to determine the net realizable value of inventory for obsolescence and unmarketable items at the reporting date. It also writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on the assumptions of the estimated demands of the products within a specific time horizon in the future, therefore, the above estimation may have a significant change. Please refer to note 6(5) for further description of the valuation of inventories.

Accounting policies and disclosures of the Group include the fair value measurement for financial or non-financial assets and liabilities. The Group determines the fair value using the independent data sources which reflect the current market condition and confirming the data available are independent, reliable, in consistent with other sources and represent the exercisable price. The Group also periodically assesses the evaluation model, performs retrospective tests, and updates inputs with any other necessary fair value adjustment for the evaluation model in order to ensure the reasonableness of the valuation.

The Group evaluates its assets and liabilities using the observable market inputs. The hierarchy of the fair value depends on the valuation techniques used, and the different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs (other than quoted prices included within Level 1) that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

When there is a transfer between levels of the fair value hierarchy, the Group recognizes the transfer at the reporting date. For the assumptions used in fair value measurement, please refer to note 6(24) of the financial instruments.

6. Explanation of significant accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ 613	2,038
Demand deposits and checking accounts	1,965,082	2,586,694
Time deposits	815,410	483,008
	$ 2,781,105	**3,071,740**

Please refer to note 6(24) for the disclosure of currency risk of the financial assets and liabilities.

(2) Financial assets and liabilities measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss－current：

	December 31, 2023	December 31, 2022
Futures	**$ 19,588**	**51,655**

	December 31, 2023	December 31, 2022
Financial liabilities－current		
Call and put option-convertible bond payable	**$ 3,602**	**-**
Fincial liabilities－non current		
Call and put option－convertible bonds payable	**$ -**	**2,482**

(i) The Group uses derivative financial instruments to hedge the price fluctations risk of raw materials due to fluctuations in international metal market. As of December 31, 2023 and 2022, the following derivative instruments, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss:

	Open Position			
	Buyer/Seller	**Amount (ton)**	**Transaction Price**	**Fair Value**
December 31, 2023	Seller	187	USD 16,092/ton ~USD38,801/ton	$ 19,588
December 31, 2022	Seller	175	USD 26,000/ton ~USD 57,761/ton	$ 51,655

The futures trading day of the open position on December 31, 2023 is from July 2023 to December 31, 2023, and the settlement dates would be at the period from January 2024 to June 2024, with net cash settlement.

The futures trading day of the open position on December 31, 2022 is from September 2022 to December 2022, and the settlement dates would be at the period from January 2023 to June 2023, with net cash settlement.

Please refer to note 6(10) for details of the outstanding futures contract margin on December 31, 2023 and 2022.

(ii) Please refer to note 6(23) for The Group's net profit and loss (including realized and unrealized) generated from trading in derivative financial instruments in 2023 and 2022.

(3) Financial assets at fair value through other comprehensive income－non-current

	December 31, 2023	**September 30, 2023**
Non-current:		
Domestic unlisted stocks	$ 3,369	3,369

The purpose of these equity instruments is for long-term strategic investments and is not held for trading. As such, these instruments have been designated to be measured at fair value through other comprehensive income.

ORGCHEM TECHNOLOGIES, INC., which is held by the Group, has started liquidation from January, 2022. The Group has received $28,739 thousands of capital liquidation payments until December 31, 2023, and for the amounts below original value, the Group recognized loss amounted to $26,378 thousands until December 31, 2022. The Group Impairment losses reversal to $2,864 on 2023. The liquidation process was in progress at the balance sheet date, and the accumulated evaluation gain or loss would be transferred from other equities to retained earnings one the process is completed.

(4) Notes and accounts receivable, net

(i) Notes receivable, net:

	December 31, 2023	December 31, 2022
Notes receivable from operating activities	$ **12,340**	**23,817**

(ii) Accounts receivable, net:

	December 31, 2023	December 31, 2022
Accounts receivable	$ 499,239	615,444
Less: loss allowance	(26,247)	(29,112)
	$ **472,992**	**586,332**

The Group applies the simplified approach to provide for its loss allowance used for ECL, which permit the use of lifetime expected loss provision for all receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision was determined as follows:

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 425,783	0%	-
1 to 90 days past due	59,549	0%	-
91 to 180 days past due	-	0%	-
More than 181 days past due	-	100%	-
	$ **485,332**		**-**

	December 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 510,208	0%	-
1 to 90 days past due	97,490	0%	-
91 to 180 days past due	2,451	0%	-
More than 181 days past due	-	100%	-
	$ **610,149**		**-**

Note 1: As of December 31, 2023 and 2022, The accounts receivable amounting to $26,247 and $29,112 respectively from specific companies have been fully provided with impairment losses.

The movement in the loss allowance for notes and accounts receivable was as follows:

	2023	2022
Balance at beginning of period	$ 29,112	26,754
Impairment losses reversal	(2,903)	-
Effect of exchange rate changes	38	2,358
Balance at end of period	$ **26,247**	**29,112**

As of December 31, 2023 and 2022, the Group' s account receivables were not pledged as collaterals.

(5) Inventories

	December 31, 2023	December 31, 2022
Raw materials	$ 449,195	1,267,642
Work in process	257,358	504,261
Finished goods	142,625	480,306
	$ **849,178**	**2,252,209**

The components of operating costs were as follows:

	2023	2022
Cost of goods sold	$ 5,106,312	7,862,324
Inventory devaluation loss (reversal gain)	(46,698)	199,338
Gain from sale of scrap	(4,004)	(4,567)
	$ **5,055,610**	**8,057,095**

As of December 31, 2023 and 2022, the Group's inventories were not pledged as collaterals.

(6) Changes in the Company's ownership interest in a subsidiary

(i) Acquisitions of Non-controlling interests (NCI)

In 2023 and 2022, the Company acquired additional shares from those employees that resigned from Uranus Chemicals for $1,187 and $435 in cash, respectively.

The effects of the changes in shareholdings were as follows:

	2023	2022
Carrying amount of NCI on acquisition	$ 1,027	435
Consideration paid to NCI	(1,187)	(435)
Capital surplus differences between consideration and carrying amounts of subsidiaries shareholding acquired	**$ (160)**	**-**

(ii) Acquiring new shares issued by its subsidiary for transfer of the cobalt sulfate business

On December 31, 2023, the Company divided and transferred its cobalt sulfate business to its subsidiary, Uranus, wherein Uranus issued 4,125 thousand new shares, at the amount of $123,515 thousand, as the consideration.

(iii) Issuance of new shares for cash by subsidiaries, not subscribed to proportionately, did not lose control.

The Uranus Chemicals Co., Ltd. issued 6,250 thousand new shares in September, 2022, at a premium of $32 per share, amounting to $200,000, among which $86,458 were invested by non-controlling interests. The Company did not subscribe according to the shareholding ratio, resulting in an increase in capital surplus of $2,730. In addition, Uranus Chemicals Co., Ltd. recognized that the compensation cost of the above-mentioned cash capital increase reserved for employees' subscription for shares, was $1,426.

(iv) Changes of shareholding ratio

Due to the above-mentioned transactions, the Company's ownership of Uranus Chemicals and Hengi Chemical have been changed. As of December 31, 2023 and 2022, the Company's shareholding ratio of Uranus Chemicals were 66.24% and 63.94%, respectively; and Company's shareholding ratio of Hengi were both 82.44%.

(7) Material NCI of subsidiaries

The material NCI of subsidiaries were as follows:

		Percentage of non-controlling interests	
Subsidiaries	**Main operation place**	**December 31, 2023**	**December 31, 2022**
Uranus Chemicals	Taiwan	33.76 %	36.06 %

The following information of the aforementioned subsidiaries have been prepared in accordance with the IFRSs endorsed by the FSC. Included in this information is the fair value adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intragroup transactions were not eliminated in this information.

Uranus Chemicals' summarized financial information:

	December 31, 2023	December 31, 2022
Current assets	$ 954,702	513,681
Non-current assets	1,737,028	1,686,478
Current liabilities	(691,104)	(319,146)
Non-current liabilities	(331,604)	(356,262)
Net assets	**$ 1,669,022**	**1,524,751**
NCI	**$ 632,126**	**634,173**

	2023	2023
Sales revenue	**$ 551,144**	**451,145**
Net income(loss)	$ 52,036	(46,964)
Other comprehensive income	(156)	701
Comprehensive income	**$ 51,880**	**(46,263)**
Profit, attributable to NCI	**$ 18,709**	**13,848**
Comprehensive income, attributable to NCI	**$ 18,744**	**14,014**
Net cash flows from (used in) investing activities	$ 127,852	114,648
Net cash flows from (used in) financing activities	(126,742)	(71,328)
Net cash flows from financing activities	(46,993)	126,344
Net increase(decrease) in cash and cash equivalents	**$ (45,883)**	**169,664**
Pay to Uranus Chemicals' dividend	**$ 2,021**	**5,740**

(8) Other receivables

	December 31, 2023	December 31, 2022
Receivable material	$ 399,539	-
Other	7,092	8,663
	$ 406,631	**8,663**

(9) Other current assets and other non-current assets

Other current assets：

	December 31, 2023	December 31, 2022
Offset against business tax payable and business tax receivables	$ 125,668	147,327
Other	17,500	52,899
	$ 143,168	**200,226**

Other non-current assets：

		December 31, 2023	December 31, 2022
Other intangible assets	$	12,846	12,846
Prepaid equipment		3,085	28,726
Other		5,279	8,539
	$	**21,210**	**50,111**

(10) Other financial assets

Current:

		December 31, 2023	December 31, 2022
Margin on futures contracts	$	**114,772**	**61,735**

Non-current:

		December 31, 2023	December 31, 2022
Refundable deposits	$	8,078	8,286
Restricted deposits		103,340	103,340
	$	**111,418**	**111,626**

(11) Property, plant and equipment

		Land	Building	Machinery and equipment	Other equipment	Prepaid Equipment and Construction in process	Total
Cost:							
Balance at January 1, 2023	$	1,716,173	2,014,954	2,387,423	480,635	130,263	6,729,448
Additions		-	108,620	155,690	26,451	362,762	653,523
Disposals and scrap		-	(1,687)	(45,424)	(10,776)	(28,822)	(86,709)
Reclassification		-	27,531	94,603	8,539	(127,438)	3,235
Effect of exchange rate changes		50	(2,330)	(2,213)	(281)	(252)	(5,026)
Balance at December 31, 2023	$	**1,716,223**	**2,147,088**	**2,590,079**	**504,568**	**336,513**	**7,294,471**
Balance at January 1, 2022	$	1,673,735	1,444,407	2,100,653	387,425	430,349	6,036,569
Additions		15,422	237,640	95,629	51,272	159,861	559,824
Disposals and scrap		-	(319)	(21,931)	(4,256)	-	(26,506)
Reclassification		26,623	329,835	203,486	45,612	(460,187)	145,369
Effect of exchange rate changes		393	3,391	9,586	582	240	14,192
Balance at December 31, 2022	$	**1,716,173**	**2,014,954**	**2,387,423**	**480,635**	**130,263**	**6,729,448**

	Land	Building	Machinery and equipment	Other equipment	Prepaid Equipment and Construction in process	Total
Accumulated depreciation and impairment losses:						
Balance at January 1, 2023	$ -	742,460	1,273,236	236,375	-	2,252,071
Depreciation for the period	-	93,569	170,890	42,716	-	307,175
Impairment loss	-	-	1,869	-	-	1,869
Disposals and scrap	-	(1,687)	(41,330)	(10,722)	-	(53,739)
Reclassification	-	-	(357)	(85)	-	(442)
Effect of exchange rate changes	-	(1,053)	(1,840)	(260)	-	(3,153)
Balance at December 31, 2023	$ -	833,289	1,402,468	268,024	-	2,503,781
Balance at January 1, 2022	$ -	641,549	1,142,795	200,729	-	1,985,073
Depreciation for the period	-	100,247	145,663	37,135	-	283,045
Disposals and scrap	-	(241)	(21,130)	(3,981)	-	(25,352)
Reclassification	-	(717)	15	-	-	(702)
Effect of exchange rate changes	-	1,622	5,893	2,492	-	10,007
Balance at December 31, 2022	$ -	742,460	1,273,236	236,375	-	2,252,071
Carrying amounts:						
Balance at December 31, 2023	$ 1,716,223	1,313,799	1,187,611	236,544	336,513	4,790,690
Balance at December 31, 2022	$ 1,716,173	1,272,494	1,114,187	244,260	130,263	4,477,377
Balance at January 1, 2022	$ 1,673,735	802,858	957,858	186,696	430,349	4,051,496

Hengi Chemical conducted asset revaluation in years 1975, 1981 and 2001, and provided a land value appreciation reserve of $207,483 (accounted for deferred income tax liabilities). Uranus Chemicals conducted an asset revaluation in 2007 and the Company conducted land revaluation when it obtained Uranus Chemicals control in November 2014 and provided a land value appreciation reserve of $70,856 (accounted for deferred income tax liabilities).

The property, plant and equipment of the Group pledged as collateral, please refer to note 8.

(12) Right-of-use assets

The Group leases many assets including land, buildings and transportation equipment. Information about leases for which the Group as a lessee was presented below:

	Land use right	Buildings	Transportation equipment and others	Total
Cost:				
Balance at January 1, 2023	$ 34,891	2,175	13,177	50,243
Disposal/Write-off	(7)	(618)	(2,703)	(3,328)
Effect of exchange rate changes and others	(373)	-	-	(373)
Balance at December 31, 2023	$ 34,511	1,557	10,474	46,542

	Land use right	Buildings	Transportation equipment and others	Total
Balance at January 1, 2022	$ 34,589	2,175	21,536	58,300
Disposal/Write-off	-	-	(8,359)	(8,359)
Effect of exchange rate changes and others	302	-	-	302
Balance at December 31, 2022	**$ 34,891**	**2,175**	**13,177**	**50,243**
Accumulated depreciation and impairment losses:				
Balance at January 1, 2023	$ 6,876	849	7,039	14,764
Depreciation for the year	1,267	398	2,487	4,152
Disposal/Write-off	-	(592)	(2,703)	(3,295)
Effect of exchange rate changes and others	(69)	-	-	(69)
Balance at December 31, 2023	**$ 8,074**	**655**	**6,823**	**15,552**
Balance at January 1, 2022	$ 5,563	271	11,419	17,253
Depreciation for the year	1,270	578	3,979	5,827
Disposal/Write-off	-	-	(8,359)	(8,359)
Effect of exchange rate changes and others	43	-	-	43
Balance at December 31, 2022	**$ 6,876**	**849**	**7,039**	**14,764**
Carrying amount:				
Balance at December 31, 2023	**$ 26,437**	**902**	**3,651**	**30,990**
Balance at December 31, 2022	**$ 28,015**	**1,326**	**6,138**	**35,479**
Balance at January 1, 2022	**$ 29,026**	**1,904**	**10,117**	**41,047**

(13) Long-term/Short-term borrowings

(i) Short-term borrowings:

	December 31, 2023	December 31, 2022
Secured bank loans	$ 328,748	1,567,855
Unsecured bank loans	741,406	680,000
	$ 1,070,154	**2,247,855**
Unused short-term credit lines	**$ 6,576,049**	**6,019,563**
Range of interest rates	**0.5%~6.23%**	**1.40%~5.50%**

For the collateral for short-term borrowings, please refer to note 8.

Please refer to note 6(24) for the disclosure of interest risk, currency risk and liquidity risk.

(ii) Long-term borrowings:

Lender	Use	Maturity year and Repayment	December 31, 2023	December 31, 2022
Chang Hwa Commercial Bank	Long-term working capital	Effective from January 2024, repayable quarterly in 47 equal instalments.	80,000	80,000
Chang Hwa Commercial Bank	Machinery and equipment	Effective from January 2024, repayable monthly in 84 equal instalments.	41,310	41,310
Chang Hwa Commercial Bank	Building	Effective from February 2024, repayable monthly in 83 equal instalments	145,900	145,900
Chang Hwa Commercial Bank	Building	Effective from January 2024, repayable monthly in 84 equal instalments.	28,970	28,970
Chang Hwa Commercial Bank	Machinery and equipment	Effective from January 2024, repayable monthly in 84 equal instalments.	167,960	167,960
O-Bank	Working capital	From 2018 to 2033, repayable monthly in 101 equal instalments.	257,312	257,312
O-Bank	Working capital	From 2019 to 2026, effective from June 2022, repayable monthly in 49 equal instalments.	91,822	128,566
Mega Bank	Working capital	From 2019 to 2026, effective from June 2022, repayable monthly in 49 equal instalments.	153,061	214,286
Mega Bank	Machinery and equipment	From 2020 to 2026, effective from June 2022, repayable monthly in 49 equal instalments.	22,041	30,857
O-Bank	Machinery extension	From 2022 to 2025, effective from March 2025, repayable monthly in 101 equal instalments.	-	30,000
Less: Current portion of long-term borrowings			(181,096)	(106,785)
			$ 807,280	**1,018,376**
Unused long-term credit lines			**$ 31,860**	**31,860**
Range of interest rates at year end			**0.05%~ 2.42%**	**0.05%~ 2.15%**

The Group signed a loan agreement with bank.

As of December 31, 2023 and 2022 the Group were in compliance with the loan covenants.

The collateral of long-term borrowings, please refer to note 8.

(14) Other payables and other current liabilities

Other payables and other current liabilities mainly include salary payables, bonus payable, equipment payables, environment examination and rectification fee payables and others. The valuation of bonuses payable by the Group will be adjusted in accordance with changes in the overall ecoromic envirment and other factors.

(15) Convertible bonds

The Company issued the third domestic guaranteed convertible bond on October 28, 2021,by pledging $40,000 thousand ordinary shares of Hengi Chemical, $30,000 thousand ordinary shares of Uranus Chemicals Co., Ltd., and a demand deposit of $100,000 to Chang Hwa Commercial Bank Co., Ltd., and Chang Hwa Commercial Bank Co., Ltd. was the guarantor. The relevant information of the Company's convertible corporate bonds is as follows:

	December 31, 2023	**December 31, 2022**
Total proceeds from convertible corporate bonds issued	$ 700,000	700,000
Less: issued corporate bonds discount	(12,620)	(17,060)
Corporate bonds payable balance at year-end	$ 687,380	682,940
Reclass : convertaible coperate bonds could be sold by within one year	$ (687,380)	-
Covertible bonds payable-non current	**$ -**	**682,940**
Embedded derivative – call and put options(recorded in financial assets (liabilities) at FVTPL–current and non-current)	**$ (3,602)**	**(2,482)**

	December 31, 2023	**December 31, 2023**
Interest expense	**$ 4,440**	**4,412**

The Company’ s third domestic guaranteed convertible corporate bonds are five year guaranteed convertible bonds with zero coupon rate, each with value of $100, amounting to $700,000. The conversion price on December 31, 2023 and 2022 were $101.7 and $106.1, respectively.

The date on which the above mentioned convertible corporate bonds are issued for three years (October 28, 2024) shall be the base date for the holders of convertible corporate bonds to sell them back in advance.

The holders of the convertible corporate bonds issued by the Company may exercise their right to sell them back within the period specified in the issuance regulations. Hence, the Company classified the convertible corporate bonds under current liabilities as of December 31, 2023, whereas the Company may not necessarily be required by its bondholders to repay the bonds in the following year.

The Company has separately recognized its rights and liabilities of the above-mentioned convertible bonds upon issuance. The details are as follows:

Item	Amount
Total convertible corporate bonds issued	$ 808,056
Fair value of embedded non-equity derivatives upon issued	6,408
Issuing cost	(677,745)
Equity component-stock options (reported in capital surplus-stock options)	**$ 136,719**

After the separation of the above-mentioned embedded derivatives, the effective interest rate of the third domestic guaranteed convertible bond was 0.65%.

(16) Lease liabilities

The Group's lease liabilities were as follow:

	December 31, 2023	December 31, 2022
Current	**$ 2,644**	**3,341**
Non-current	**$ 6,815**	**9,464**

For the maturity analysis, please refer to note 6(24).

The amounts recognized in profit or loss were as follows:

	2023	2022
Interest on lease liabilities	**$ 127**	**177**
Expenses relating to short-term leases and leases of low-value assets	**$ 2,871**	**2,056**
COVID-19-related rent concessions (recognized as other income)	**$ -**	**31**

	2023	2022
Total cash outflow for leases	**$ 6,438**	**7,223**

(i) Land and buildings leases

As of December 31, 2023 and 2022, the Group leases land and buildings for a period of 4 to 20 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) Other leases

The Group leases vehicles and others, with lease terms of 1 to 6 years. In some cases, the Group has options to purchase the assets at the end of the contract term.

The Group also leases printers and staff dormitory with contract terms of 1 to 2 years. These leases are short-term and leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(17) Employee benefits

(i) Defined benefit plans

The present value of the defined benefit obligation and the fair value adjustments of the plan assets for the Company and domestic subsidiaries were as follow:

	December 31, 2023	December 31, 2022
Present value of the defined benefit obligation	$ 34,099	39,885
Fair value of plan assets	(44,030)	(48,350)
	$ (9,931)	**(8,465)**
Net defined benefit assets	**$ 16,282**	**15,156**
Net defined benefit obligations	**$ 6,351**	**6,691**

The Company and domestic subsidiaries established defined benefit plans by contributed to the pension fund account at Bank of Taiwan that provides pensions for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive an annual payment based on years of service and average salary for the six months prior to retirement.

1) Composition of plan assets

The Company and domestic subsidiaries allocate pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Fund, Ministry of Labor. Minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company and domestic subsidiaries' Bank of Taiwan labor pension reserve account balance amounting to $44,030 at December 31, 2023. For information on the utilization of the labor pension fund assets including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Fund.

2) Movements in present value of defined benefit obligation

The movements in present value of the defined benefit obligation of the Company and domestic subsidiaries were as follows:

	2023	2022
Defined benefit obligation at January 1	$ 39,885	45,138
Current service cost and interest	550	419
Benefits paid from plan assets	(5,501)	(7,554)
Remeasurements of the net defined benefit liabilities	(835)	1,882
Defined benefit obligation as of December 31	**$ 34,099**	**39,885**

3) Movements in the fair value of the defined benefit plan assets

The movements in the fair value of the defined benefit plan assets of the Company and domestic subsidiaries were as follows:

	2023	2022
Fair value of plan assets at January 1	$ 48,350	50,204
Contributions made	136	925
Benefit paid from plan assets	(5,501)	(7,554)
Interest income	587	293
Return on plan assets	458	4,482
Fair value of plan assets at December 31	**$ 44,030**	**48,350**

4) Expenses recognized in profit or loss

The expenses recognized in profit or losses for the Company and domestic subsidiaries were as follows:

	2023	2022
Current service cost	$ 62	153
Net interest on the net defined benefit liabilities	(99)	(26)
	$ (37)	**127**

5) Remeasurements of the net defined benefit liabilities recognized in other comprehensive income

The Company and domestic subsidiaries' remeasurements of the net defined benefit liabilities recognized as accumulated in other comprehensive income were as follows:

	2023	2022
Cumulative amount at January 1	$ (7,964)	(10,565)
Recognized in profit (losses) for the period	1,293	2,601
Cumulative amount as of December 31	**$ (6,671)**	**(7,964)**

6) Actuarial assumptions

The following are the Company and domestic subsidiaries' significant actuarial assumptions regarding the present value of the defined benefit obligation at the reporting date:

	December 31, 2023	December 31, 2022
Discount rate	1.20%~1.25%	1.20%~1.25%
Future salary increase rate	2.50%~3.50%	2.00%~3.50%

The Company and domestic subsidiaries are expecting a contribution of $0 to its defined benefit plans in the following year, beginning December 31, 2023.

The weighted average duration of the defined benefit plan is 5.7~11.1 years.

7) Sensitivity analysis

The carrying amount of the Company and domestic subsidiaries' net defined benefit assets was $9,931 as of December 31, 2023. When the employee's unpaid salary growth rate is changed by 1%, it is estimated that the accrued pension liabilities recognized by the Company and domestic subsidiaries would increase by $1,658 or decrease by $1,486, respectively.

(ii) Defined contribution plans

In accordance with the provisions of the Labor Pension Act, the Company and domestic subsidiaries should contribute 6% of its employees' monthly wages to their labor pension personal accounts of the Bureau of Labor Insurance, Ministry of Labor (hereinafter referred to as the Bureau of Labor Insurance). Under this defined contribution plan, the Company and domestic subsidiaries contribute a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The total pension costs of the Group's overseas subsidiaries under their respective defined contribution plan are recognized in accordance with their local regulations.

The Group's pension costs under the defined contribution plan were $14,833 and $14,255 for the years ended December 31, 2023 and 2022, respectively.

(18) Income tax

(i) Income tax expense

	2023	2022
Current tax expense		
Current period	$ 26,622	225,413
Adjustment for prior periods	(8,314)	(1,420)
	18,308	223,993
Deferred tax expense		
Origination and reversal of temporary differences	(8,834)	(20,397)
Income tax expense	**$ 9,474**	**203,596**

The amount of income tax expense (benefits) recognized in other comprehensive income were as follows:

	2023	2022
Exchange differences on translation of foreign financial statements	**$ (4,688)**	**4,381**

The reconciliation of income tax expenses (benefits) and income before income tax were as follows:

	2023	2022
Income (loss) before income tax	$ **(64,952)**	**733,696**
Income tax at the Company's domestic tax rate	(12,991)	146,739
Effect of different tax rates in foreign jurisdictions	(2,569)	2,454
Permanent difference and others	25,992	40,467
Undistributed earnings additional tax	7,356	9,415
Change in provision in prior periods	(8,314)	(1,420)
Amount of income basic tax more than general tax	-	5,941
Total	$ **9,474**	**203,596**

(ii) Unrecognized deferred tax asset

Unrecognized deferred tax asset was as below:

	December 31, 2023
Tax losses	$ **39,167**

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. Deferred tax assets have not been recognized because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

As of December 31 2023, the Group's unused tax losses for which no deferred tax assets were recognized are as follows:

Loss making years	Losses that have not yet been deducted	The last year in which the deduction is made
2023	$ **195,835**	2033

(iii) Recognized deferred tax assets and liabilities

Deferred tax assets	January 1, 2022	Recognized in income statement	Recognized in other comprehensive income	December 31, 2022	Recognized in income statement	Recognized in other comprehensive income	December 31, 2023
Exchange differences on translation of foreign financial statements	$ 9,489	-	(4,381)	5,108	-	4,688	9,796
Inventory devaluation loss	13,540	39,868	-	53,408	(10,197)	-	43,211
Pension not actually contributed	1,751	202	-	1,953	(18)	-	1,935
Impairment loss	8,039	(362)	-	7,677	(399)	-	7,278
Others	20,302	7,599	-	27,901	5,127	-	33,028
	$ **53,121**	**47,307**	**(4,381)**	**96,047**	**(5,487)**	**4,688**	**95,248**

Deferred tax liabilities		January 1, 2022	Recognized in income statement	Recognized in other comprehensive income	December 31, 2022	Recognized in income statement	Recognized in other comprehensive income	December 31, 2023
Land Value Increment Tax	$	278,339	-	-	278,339	-	-	278,339
Investment income recognized under equity method		51,039	10,998	-	62,037	(17,017)	-	45,020
Others		1,687	15,912	-	17,599	2,696	-	20,295
	$	**331,065**	**26,910**	**-**	**357,975**	**(14,321)**	**-**	**343,654**

(iv) The Company’s income tax returns for the years through 2021 were assessed by the tax authority.

(v) The combined company is closely monitoring the legislative progress of the introduction of a global minimum tax burden in the jurisdictions in which it operates.

The IASB has amended IAS 12 to provide a temporary mandatory exemption from the relevant deferred tax accounting treatment of supplementary tax and to require disclosure in annual financial reports. However, as of the date of issuance of the consolidated financial report for the fourth quarter of 2023, there is no tax law or substantive legislation on supplementary tax in any country where the consolidated company operates, so it has no impact on the consolidated financial report of the consolidated company for the fourth quarter of 2023.

In view of the exemption from deferred tax accounting, the merging company is focusing on assessing the potential current income tax impact of the supplementary tax. As of 31 December 2023, the combined company has not obtained sufficient information to determine the potential quantitative impact of the global minimum tax regime.

(19) Capital and other equity

In the third quarter of 2023, the Company’s Board of Directors resolved to issued 12,000 thousand new shares for cash at a premium price of $68 per share, totaling $816,000. The difference between the denomination and the issuance price after deducting the issuance cost of $2,040 thousand, amounted to $696,000, which is listed as Capital surplus－premium $693,960 thousand, and the relevant statutory registration procedures have been completed in 2023.

In 2023, the Company recognized the share-based cost of the above-mentioned cash capital increase reserved for employees to subscribe for shares amounting to $6,720 thousand.

As of December 31, 2023 and 2022, the authorized capital of the Company both amounted to $1,500,000 thousand; the issued capital amounted to $1,190,293 thousand and $1,070,293 thousand on December 31, 2023 and 2022, respectively. With par value at $10 per share.

Reconciliations of shares outstanding to the Company were as follows (in thousands of shares):

(i) Issuance and cancellation of ordinary shares

	Ordinary Shares	
	2023	**2022**
Balance at January 1	105,604	105,604
Issued for cash	12,000	-
Balance at December 31	**117,604**	**105,604**

(ii) Capital surplus

		December 31, 2023	**December 31, 2022**
Additional paid-in capital	$	2,681,998	1,981,318
Difference between consideration and carrying amount arising from acquisition or disposal of subsidiaries shareholdings		312,065	320,617
Treasury share transaction		204,049	171,324
Share options and others		202,177	200,156
	$	**3,400,289**	**2,673,415**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the ordinary share or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital share and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus should not exceed 10% of the total ordinary share outstanding.

The resolution decided by board of directors on February 27, 2024 to distribute the 2023 cash dividends from the capital surplus of $36,457 thousand, at $0.31 per share, is yet to be approved during the shareholders' meeting of the Company. The related information will be available on the Market Observation Post System on the website after the meeting.

(iii) Retained earnings

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

By choosing to apply exemptions granted under IFRS 1 during the Company's first-time adoption of the IFRSs endorsed by the FSC, cumulative translation adjustments under shareholders' equity shall be reclassified as retained earnings at the transition date. The increase in retained earnings occurring before the transition date due to the first-time adoption of the IFRSs endorsed by the FSC amounted to $20,277. The net increase in retained earnings resulting from the first application of IFRS1 on the transition date was $16,830. In accordance with rules issued by the FSC, a net increase in retained earnings due to the first-time adoption of the IFRSs endorsed by the FSC shall be reclassified as a special reserve during earnings distribution, and when the relevant asset is used, disposed of, or reclassified, this special reserve shall be reversed as distributable earnings proportionately. There was no carrying and reversing in 2023 and 2022.

In accordance with the guidelines of the above Ruling, a portion of current period earnings and undistributed prior period earnings shall be reclassified as a special reserve during earnings distribution. The amount to be reclassified should be equal to the difference between the total net current period reduction of special reserve resulting from the first-time adoption of the IFRSs endorsed by the FSC and the carrying amount of other shareholders' equity as stated above. Similarly, a portion of undistributed prior period earnings shall be reclassified as a special reserve (which does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods due to the first-time adoption of the IFRSs endorsed by the FSC. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

According to the Company's articles of incorporation, in years of earnings, pay income tax, offset any accumulated deficit. Thereafter, a 10% appropriation of the remaining amount shall be set aside for legal reserve, unless the amount in the legal reserve is already equal to or greater than the total paid in capital. Thereafter, an amount shall be set aside or reversed as a special reserve in accordance with related laws, regulations, or provisions of the competent authorities. Distribution of the remaining earnings after setting aside the abovementioned amounts, together with the balance of the unappropriated retained earnings of the previous year, shall be proposed by the Board of Directors to be approved at the shareholders' meeting.

As the Company is still in its growth stage, capital is needed to expand its production lines and to increase its investment in the coming years. Recently, the Company has been developing steadily based on its capital expenditure, business expansion, and appropriate financial planning. The Company will allot more than 10% of its distributable earnings above as dividends to its shareholders. However, if the distributable earnings are less than 30% of the paid-in capital, then no dividend shall be distributed. If the Company simultaneously distributes stock dividends and cash dividends, the cash dividends should not be less than 20% of the total dividend payout to its shareholders.

(iv) Retained eamings

The following are the appropriation of earnings in last two years which were proposed by the Board of Directors on February 27, 2024 and approved during the shareholders' meeting held on June 30, 2023, respectively:

	2023		2022	
	Amount per share (TWD)	**Total amount**	**Amount per share (TWD)**	**Total amount**
Dividends distributed to ordinary shareholders:				
Cash	**0.49**	**$ 57,626**	**3.0**	**316,813**

The appropriation of retained earnings for 2022 is consistent with the resolutions proposed by the Board of Directors. The appropriation of earnings distribution for 2023 will be presented for resolution in annual shareholders' meeting. The related information will be available on the Market Observation Post System on the website after the meeting.

(v) Treasury stock

The Company repurchased treasury shares, in accordance with the relevant provisions of the Securities and Exchange Law to transfer the shares to employees.

The relevant information is as follows:

	2023			
Reason for holding shares	**Number of shares at the beginning of the period**	**Increased in this period**	**Transferred in this period**	**Number of shares at the end of the period**
Transferred shares to employees	1,425	-	-	1,425

	2022			
Reason for holding shares	**Number of shares at the beginning of the period**	**Increased in this period**	**Transferred in this period**	**Number of shares at the end of the period**
Transferred shares to employees	1,425	-	-	1,425

In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Company should not be pledged, and do not hold any shareholder rights before the transfer. Shares of the Company held by its subsidiaries are accounted for as treasury shares, which are not allowed in participating in the Company's capital increase and without voting rights, except that, other right is the same as the general shareholders' rights.

Uranus Chemicals holds $673 thousand and $1,213 thousand ordinary shares of the Company, with the acquisition price of $5,014 thousand and $9,034 thousand, for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, the amount of deemed treasury shares the Company recognized was $3,024 thousand and $5,776 thousand, respectively, which was determined based on the Company’ s shareholding ratio in Uranus Chemicals of 66.24% and 63.94%, respectively.

Uranus Chemicals Co., Ltd. sold part of the Company's shares in 2023 and 2022, at a price totaling $55,200 thousand and $152,767 thousand, respectively. Because the deal was deemed as the treasury stock transaction, according to the Company's shareholding ratio, the difference between the sale price and the cost of the treasury stock was adjusted to the capital surplus amounting to $32,725 thousand and $78,367 thousand, respectively.

(20) Earnings (loss) per share

	2023	2022
Basic earnings (loss) per share:		
Net income (loss) attributable to ordinary shareholders of the company	$ **(100,229)**	**493,160**
Ordinary shares at January 1	107,029	107,029
Repurchase treasury shares	(1,425)	(1,425)
Shares held by subsidiaries	(504)	(1,213)
Issued for cash	3,058	-
Weighted-average number of ordinary shares outstanding during the year (in thousands of shares)	**108,158**	**104,391**
Basic earnings (loss) per share (TWD)	$ **(0.93)**	**4.72**

		2023	2022
Diluted earnings (loss) per share:			
Net income(loss) attributable to ordinary shareholders of the Company (basic)	$	(100,229)	493,160
Interest expense on convertible bonds, net of tax		-	3,530
Net income(loss) attributable to ordinary shareholders of the Company (diluted)	$	**(100,229)**	**496,690**
Weighted average number of ordinary shares outstanding (in thousands) (basic)		108,158	104,391
Potential ordinary shares with dilutive effect:			
Effect of employee remuneration in share		-	124
Effect of conversion of convertible bonds		-	6,598
Weighted average number of ordinary shares outstanding (in thousands) (diluted)	$	**108,158**	**111,113**
Diluted earnings(loss) per share (TWD)	$	**(0.93)**	**4.47**

When calculating earnings (loss) per share, if the potential ordinary shares of convertible corporate bonds and employee compensation that can be allotted by stocks have an anti-dilution effect, they will not be included in the calculation.

(21) Revenue from contracts with customers

Revenue from major markets region and products:

	2023					
	Oxidation catalyst department	**Battery material department**	**Chemical fertilizer department**	**Specialty chemical department**	**Other**	**Total**
Taiwan	$ 453,626	2,581,202	509,389	873,198	327,699	4,745,114
China and other	423,716	-	-	406	62,495	486,617
	$ 877,342	**2,581,202**	**509,389**	**873,604**	**390,194**	**5,231,731**

	2022					
	Oxidation catalyst department	**Battery material department**	**Chemical fertilizer department**	**Specialty chemical department**	**Other**	**Total**
Taiwan	$ 900,636	5,367,867	398,006	1,540,773	230,788	8,438,070
China and other	549,299	-	-	4,887	89,365	643,551
	$ 1,449,935	**5,367,867**	**398,006**	**1,545,660**	**320,153**	**9,081,621**

(22) Remuneration to employees, directors and supervisors

The Company's articles of incorporation require that earnings shall first be offset against any deficit, then, a minimum of 1.5% will be distributed as employee remuneration, and a maximum of 5% will be allocated as remuneration to directors and supervisors. Employees who are entitled to receive the above-mentioned employee remuneration, in share or cash, include the employees of the Company's subsidiaries who meet certain specific requirements.

For the years ended December 31, 2023 and 2022, the Company accrued and recognized its employee remuneration amounting to $0 and $10,500, respectively. These amounts were calculated by using the Company' s pre-tax net profit for the period before deducting the amounts of the remuneration to employees, multiplied by the distribution of ratio of the remuneration to employees based on the Company' s articles of incorporation, and expensed under operating costs or expenses. If there would be any changes after the reporting date, the changes shall be accounted for as changes in accounting estimates and recognized as profit or lost in the following year. If, however, the shareholders determine that the employee remuneration is to be distributed through share, the number of shares to be distributed shall be calculated using the stock price on the day before the shareholders' meeting.

For the year ended December 31, 2022, the Company estimated its employee remuneration and director's remuneration at $10,500 and $0 , respectively. There were no differences between the estimated and the actual amounts of employee and directors' remuneration. Related information would be available at the Market Observation Post System website.

(23) Non-operating income and expenses

(i) Other gains and losses, net

	2023	2022
Rental income	$ 9,761	7,563
Dividend income	-	8,675
Others	5,970	2,112
	$ 15,731	**18,350**

(ii) Other gains and losses, net

	2023	2022
Loss on disposal of property, plant and equipment	$ (1,472)	(530)
Gain on valuation of financial assets and liabilities at FVTPL	52,762	53,787
Others	(4,585)	(2,066)
	$ 46,705	**51,191**

(iii) Finance costs

	2023	2022
Interest expense – borrowings	$ 84,381	45,734
Interest expense – lease liabilities	127	177
Interest expense – convertible bonds payable	4,440	4,412
	$ 88,948	**50,323**

(iv) Interest income

	2023	2022
Interest income from bank deposits	$ 39,199	10,959
Other interest income	2,927	17
	$ 42,126	**10,976**

(24) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets and contract assets represent the maximum credit exposure.

2) Concentration of credit risk

The customers of the Group are concentrated on customer base of oxidation catalyst, power battery materials, chemical fertilizers and special chemicals. The Group limits its exposure to credit risk from accounts receivables by continuously evaluates the debt collectability and provides adequate reserves for loss allowance, if necessary. As of December 31, 2023 and 2022, there were 7 and 5 major customers, which represented 53% and 51% of the accounts receivable, respectively. Thus, credit risk is significantly concentrated.

3) Credit risk of receivables and debt securities

For credit risk exposure of note and trade receivables, please refer to note 6(4). Other financial assets at amortized cost include other receivables from related parties and other financial assets. There are no impairment losses recognized for the years ended December 31, 2023 and 2022.

All of these financial assets are considered to have low risk, and thus, the loss allowance recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(7).

(ii) Liquidity risk

The following are the contractual maturities of financial liabilities, (including interest payments):

		Carrying amount	Contractual cash flow	Within 6 months	6 to 12 months	1 to 2 years	Above 2 years
December 31, 2023							
Non-derivative financial liabilities							
Deposit received	$	126	126	-	-	-	126
Short-term borrowings		1,070,154	1,081,071	1,025,561	55,510	-	-
Notes and accounts payable		92,737	92,737	92,737	-	-	-
Other payable		59,183	59,183	59,183	-	-	-
Long-term borrowing (including current portion of long-term borrowings)		988,376	1,027,957	95,865	95,597	292,847	543,648
Lease liabilities (including current and non-current)		9,459	9,955	1,378	1,362	2,060	5,155
Convertible bonds payable (including current portion of convertible bonds payble)		687,380	700,000	-	700,000	-	-
	$	**2,907,415**	**2,971,029**	**1,274,724**	**852,469**	**294,907**	**548,929**

		Book value	Cash flow of contract	Within 6 months	6 to 12 months	1 to 2 years	Above 2 years
December 31, 2022							
Non-derivative financial liabilities							
Deposit received	$	107	107	-	-	-	107
Short-term borrowings		2,247,855	2,261,960	2,261,960	-	-	-
Notes and accounts payable		73,653	73,653	73,653	-	-	-
Other payables		100,628	100,628	100,628	-	-	-
Long-term borrowing (including current portion of long-term borrowings)		1,125,161	1,161,214	57,153	57,017	137,353	909,691
Lease liabilities (including current and non-current)		12,805	13,430	1,896	1,572	2,741	7,221
Convertible bonds payable		682,940	700,000	-	-	-	700,000
	$	**4,243,149**	**4,310,992**	**2,495,290**	**58,589**	**140,094**	**1,617,019**

The Group does not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to currency risk

The Group’ s financial assets and liabilities exposed to exchange rate risk were as follows:

	December 31, 2023		
	Foreign currency	**Exchange rate**	**TWD**
Financial Assets			
Monetary items			
USD	$ 53,938	30.705	1,656,146
Financial Liabilities			
Monetary items			
USD	26,809	30.705	823,170

	December 31, 2022		
	Foreign currency	**Exchange rate**	**TWD**
Financial Assets			
Monetary items			
USD	$ 72,860	30.71	2,237,531
Financial Liabilities			
Monetary items			
USD	33,442	30.71	1,027,004

2) Sensitivity analysis

The Group's exposure to foreign current risk arises from the translation of cash and cash equivalents, receivables, short-term borrowing, accounts payable, and other payables, that are denominated in USD. Assuming all other variable factors remain constant, a strengthening (weakening) of $1 of the TWD against USD as of December 31, 2023 and 2022, would have increased (decreased) the net income $21,703 and $31,534, respectively.

3) Exchange gains and losses of monetary items

Due to the variety of the functional currencies of the Group’ s entities, the Group’ s foreign exchange gains (losses) on monetary items amounted to $12,919 and $120,667 for the years ended December 31, 2023 and 2022, respectively.

(iv) Interest rate analysis

The Group’ s interest rate exposure regarding its financial assets and liabilities has been disclosed in the note of financial risk management.

The following sensitivity analysis is based on the exposure to interest rate risk of the derivative and non-derivative instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year on the reporting date. The exposure to changes in interest rates (assuming all other variables remain constant) would have influenced the comprehensive income for the years ended December 31, 2023 and 2022, as illustrated below:

	Range of the fluctuations	**2023**	**2022**
Annual interest rate	Increase of 1%	**$ (16,468)**	**(26,984)**
	Decrease of 1%	**$ 16,468**	**26,984**

(v) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss is measured on a recurring basis. The carrying amount and fair value of the Group’ s financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2023				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL	$ 19,588	19,588	-	-	19,588
Financial assets at FVOCI-current	$ 3,602	-	3,602	-	3,602
Financial assets at FVOCI	$ 3,369	-	-	3,369	3,369
Convertible bonds payable(recorded in coporate convertible bonds callable in 1 year)	$ 687,380	748,790	-	-	748,790

	December 31, 2022				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	$ 51,655	51,655	-	-	51,655
Financial liabilities at FVOCI-current	$ 2,482	-	2,482	-	2,482
Financial assets at FVOCI	$ 3,369	-	-	3,369	3,369
Bonds payable	$ 682,940	812,000	-	-	812,000

2) Valuation techniques for financial instruments not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

Financial assets and financial liabilities measured at amortized cost.If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Valuation techniques for financial instruments that are measured at fair value

The right-of-call or put option that embedded in derivative is measured by using the appropriate option pricing models.

There is no transfer between the levels for the years ended December 31, 2023 and 2022.

4) Quantitative information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include financial assets at FVOCI (equity instrument investments). Quantitative information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at FVOCI (equity instrument investments without an active market)	Asset-based approach	· Net asset · Liquidity discount (December 31, 2023 and December 31, 2022 were both 30%)	· The higher the net asset ratio multiplier, the higher fair value. · The higher of liquidity discount, the lower fair value.

5) Reconciliation of Level 3 fair values

		Equity instrument investment at FVOCI
December 31, 2023	$	3,369
January 1, 2022	$	37,000
Recognize through other comprehensive income		(7,756)
Receive capital liquation		(25,875)
December 31, 2022	$	3,369

The above-mentioned total gains or loss included " unrealized gains and losses from equity instrument investments measured at FVOCI gains and losses".

(25) Financial risk management

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and process for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

(i) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The financial management department provides services for each business, coordinating access to domestic and international financial markets operations, monitors and manages the financial risks associated with the operations of the Group by analyzing the internal risk report on risk based on the degree and extent of the risk. The risk including credit risk, liquidity risk and market risk. The market risk which including currency risk, interest rate risk, and other market price risk.

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group deposits its cash and cash equivalents with reputable banks; thus, the credit risk is low.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. The Group limits its exposure to credit risk by establishing a dedicated team that is responsible for customer's credit assessment and approval, limit and monitoring procedures. This is to ensure that appropriate actions are taken for the recoverability of overdue receivables. In addition, the Group will review the recoverable amount of the receivables individually at each reporting date so that impairment losses are appropriately provided for those irrecoverable receivables.

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries. There is no endorsement guarantee to entity other than subsidiary on December 31, 2023 and 2022.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages and maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group's management supervises the banking facilities and ensures compliance with the terms of loan agreements.

(iv) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the USD.

Interest in borrowing is denominated with the same currency of borrowing principal. Generally, the denominated currency of borrowing is the same with the Group's cash flow generated from operation, primarily in TWD, but also USD. Under these circumstances, the natural economic hedge exists without using derivative instrument.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

2) Interest rate risk

The Group's short-term and long-term borrowings are carried in variable interest rates. Therefore, the fluctuation of market rate will make the effective interest rate of short-term and long-term borrowings changed accordingly which resulted fluctuation in future cash flows.

(26) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximize shareholder's value.

The Group's industry is volatile, capital and technology-intensive industries, and the Group's life cycle is in a stable growth stage of operation. The remaining dividend policy must be adopted at this stage with funds to retain the surplus in response to operational growth and investment needs. The cash dividend distributed by the shareholder bonus shall not be less than 20% of the total distribution.

The top management of the Group re-examines the capital structure every six months, and its review includes consideration of the cost of each category of capital and related risks. Based on the recommendations of the top management, the Group will balance its overall capital structure by paying dividends, issuing new shares, buying back shares and issuing new debts or repaying old debts.

As of December 31, 2023, the way in which the Group's capital management was managed has not changed.

The debt-to-equity ratio at the reporting date is as follows:

	December 31, 2023	December 31, 2022
Total liabilities	$ 3,555,495	5,392,263
Less: cash and cash equivalents	(2,781,105)	(3,071,740)
Net debt	**$ 774,390**	**2,320,523**
Total equity	**$ 6,364,731**	**5,912,347**
Debt-to-equity ratio	**12.17%**	**39.25%**

(27) Financing activities not affecting current cash flow

Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes		
	January 1, 2023	Cash flows	Additions	Foreign exchange movement and others	December 31, 2023
Deposit received	$ 107	19	-	-	126
Short-term borrowings	$ 2,247,855	(1,166,178)	-	(11,523)	1,070,154
Long-term borrowing (including current portion)	$ 1,125,161	(136,785)	-	-	988,376
Lease liabilities (including current and non-current)	$ 12,805	(3,440)	-	94	9,459
Convertible bonds payable (including current portion)	$ 682,940	-	-	4,440	687,380

			Non-cash changes		
	January 1, 2022	Cash flows	Additions	Foreign exchange movement and others	December 31, 2022
Deposit received	$ 107	-	-	-	107
Short-term notes and bills payable	$ 80,000	(80,000)	-	-	-
Short-term borrowings	$ 1,906,362	344,481	-	(2,988)	2,247,855
Long-term borrowings (including currentportion)	$ 1,157,452	(32,291)	-	-	1,125,161
Lease liabilities (including current andnon-current)	$ 17,789	(4,990)	-	6	12,805
Convertible bonds payable	$ 678,528	-	-	4,412	682,940

7. Related-party transactions

(1) Transactions with key management personnel

Key management personnel remuneration comprised:

	2023	2022
Short-term employee benefits	$ 29,407	36,139
Post-employment benefits	135	265
	$ 29,542	**36,404**

(2) Division and transfer of business

(i) Division and transfer of business

As mentioned in Note 1, the Company divided and transferred its cobalt sulfate business to its subsidiary, Uranus on December 31, 2023 by acquiring 4,125 thousand new shares issued by Uranus. The carrying value of the relevant assets and liabilities was as follows:

Asset:	
Accounts receivable	$ 16,561
Other receivables	399,539
Other receivables - related parties	39,535
Inventories	67,112
Property, plant and equipment	24,375
subtotal	547,122
Liability:	
Other payables to related parties	(421,569)
Other payables	(1,803)
Other current liabilities	(235)
subtotal	(423,607)
Net asset	**$ 123,515**

8. Pledged assets

Except for note 6(15), the carrying amount of the Group's pledged assets are as follows:

Assets	Purpose of pledge	December 31, 2023	December 31, 2022
Land	Long- and short-term borrowings and obtaining credit limit for short-term borrowings	$ 1,361,049	1,340,105
Buildings	Long- and short-term borrowings and obtaining credit limit for short-term borrowings	716,180	356,190
Machinery and Equipment	Long- and short-term borrowings	193,840	207,849
Restricted deposits (recorded in other financial assets－non-current)	Long-term borrowings	1,840	1,840
Restricted deposits (recorded in other financial assets－non-current)	Guarantee deposit of natural gas	1,500	1,500
Restricted deposit (recorded in other financial assets－non-current)	Create a pledge of convertible bonds payable	100,000	100,000
		$ 2,374,409	2,007,484

9. Commitments and contingencies

Except for the note 6(13), as of December 31, 2023 and 2022 the remaining commitments and contingencies were as follow:

(1) The Group had acquired property, plant and equipment, with the remaining commitments of $321,380 thousand and $142,319 thousand, respectively.

(2) Coremax (BVI) Corporation, had applied for a borrowing facility with an amount of USD3,000 thousand (equivalent to $92,115 thousand and $92,130 thousand, respectively) from a bank, in which the Company holds the responsibility as its joint guarantor.

(3) As of December 31, 2022, Uranus Chemical applied for a financing amount from a bank, with the Company serving as the joint guarantor for the endorsement/guarantee amounting to $100,000 thousand. The Company stop gurantees and endorsements for Uranus Chemicals from the date of November 15, 2023.

(4) The company signed a purchasing contract with a supplier on October 23, 2023, and the purchase amount of the unpurchased goods as of December 31, 2023 was $32,167 thousand.

10. Losses Due to Major Disasters: None

11. Subsequent Events: None

12. Other

(1) A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By function / By item	2023			2022		
	Classified as operating cost	Classified as operating expenses	Total	Classified as operating cost	Classified as operating expenses	Total
Employee benefits						
Salaries	216,450	96,078	312,528	331,512	173,599	505,111
Labor and health insurance	25,897	13,331	39,228	23,727	13,434	37,161
Pension	10,778	4,018	14,796	10,037	4,345	14,382
Others	21,254	15,262	36,516	18,125	8,508	26,633
Depreciation	283,529	27,798	311,327	260,481	28,391	288,872

(2) Disclosure information on organizational reorganization - division and transfer of business

As mentioned in Note 1, the Company, the ultimate parent of the Group, underwent an organizational restructuring as of December 31 , 2023, wherein it divided and transferred its cobalt sulfate business to its subsidiary, Uranus. The Company has elected not to deem the cobalt sulfate business owned by Uranus from the very beginning, and thus, did not restate its financial statements for the comparative period. Assuming that the cobalt sulfate business has been owned by Uranus since January 1, 2022, the Company's pro forma concise balance sheets for the years 2023 and 2022 and its pro forma concise income statements for the periods from January 1 to December 30 2023 and 2022 are set out will be as follows:

	2023	2022
current asset	$ 3,446,616	4,446,733
Non-current assets	4,121,446	3,906,306
Total assets	**$ 7,568,062**	**$ 8,353,039**

	2023	2022
Current liabilities	$ 1,894,202	2,306,232
Non-current liabilities	261,024	1,077,012
Total assets	**$ 2,155,226**	**$ 3,383,244**

	2023	2022
Operating income	$ 3,513,840	6,609,854
Operating gross profit (loss)	(74,426)	455,101
Operating profit (loss)	(200,220)	278,518
Non-operating income and expenses	48,857	335,338
Income tax benefits (expenses)	(151,363)	613,856
Pre-tax net profit (loss)	15,003	(133,514)
Net profit (loss) for the period	$ (136,360)	480,342
Other comprehensive gains and losses for the period	(15,293)	13,206
Total comprehensive profit or loss for the period	**$ (151,653)**	**493,548**

		2023	2022
Net profit (loss) for the period attributable to:			
Owners of the Company	$	(136,360)	480,342
Non-Controlling Interests		-	-
Net profit (loss) for the period	**$**	**(136,360)**	**480,342**
Total comprehensive profit or loss attributable to:			
Owners of the Company	$	(151,653)	493,548
Non-Controlling Interests		-	-
Total comprehensive profit or loss for the period	**$**	**(151,653)**	**493,548**
Diluted earnings (loss) per share (in dollars).	**$**	**(1.26)**	**4.60**
Diluted earnings (loss) per share (in dollars).	**$**	**(1.26)**	**4.35**

In principle, the above-mentioned prepared financial information is prepared on the basis of those who are directly attributable or individually identifiable to those related to the business related to the cobalt sulfate business, but if it is difficult to identify or attribute them clearly, they will be prepared or allocated on other reasonable basis.

13. Other disclosures

(1) Information on significant transactions:

The following is the information on the Group's significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”:

(i) Loans to other parties: Please refer to Table 1.

(ii) Guarantees and endorsements for other parties: Please refer to Table 2.

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures): Please refer to Table 3.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to Table 4.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to Table 5.

(ix) Trading in derivative instruments:Note6(2).

(x) Business relationships and significant intercompany transactions: Please refer to Table 6.

(2) Information on investees: Please refer to Table 7.

(3) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information: Please refer to Table 8(1).

(ii) Limitation on investment in Mainland China: Please refer to Table 8(2).

(iii) Significant transactions:

The significant inter-company transactions with the subsidiaries in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in " Information on significant transactions".

(d) Major shareholders:

Shareholding Shareholder's Name	Shares	Percentage
CHANG XING INVESTMENT CO., LTD	14,943,609	12.55 %
CHEH JADE ENTERPRISE CO., LTD	14,455,940	12.14 %

Note 1: The information on major shareholders, which is provided by the Taiwan Depository &Clearing Corporation, summarized the shareholders who held over 5% of the total nonphysical ordinary shares and preference shares (including treasury shares) on the last business date of each quarter. The actual registered non-physical shares may be different from the capital shares disclosed in the consolidated financial statements due to the use of different calculation basis.

Note 2: In the case of the above information, if a shareholder delivers shares to the trust, the shares will be individually disclosed by the trustee who opened the trust account. As for shareholders' declarations of insider's equity holdings exceeding 10% in accordance with the Securities and Exchange Act, their shareholding include their own shareholding, plus the shares delivered to the trust, and the right to use the trust property. For further information on relevant insider shares, please refer to the Public Information Observatory.

14. Segment information

(1) General information and industrial information

The reportable segments are the Group's strategic divisions. They offer different products and services, and are managed separately because they require different technology and marketing strategies.

The Group did not allocate the head office management expenses, income tax expenses and non-recurring gains and losses to respective reportable segments. The amount presented is consistent with the report used by the chief operating decision maker. The accounting policies of the operating segments are consistent with the summary of the significant accounting policies described in note 4.

The Company's operating segment information and reconciliation are as follows:

	2023						
	Oxidation catalyst department	Battery material department	Chemical fertilizer department	Specialty chemical department	Other	Reconciliation and elimination	Total
External revenue	$ 877,342	2,581,202	509,389	873,604	390,194	-	5,231,731
Inter-segment revenue	6,849	217,720	-	20,084	328,391	(573,044)	-
Segment revenue	**$ 884,191**	**2,798,922**	**509,389**	**893,688**	**718,585**	**(573,044)**	**5,231,731**
Segment operating income							**$ 176,121**

	2022						
	Oxidation catalyst department	Battery material department	Chemical fertilizer department	Specialty chemical department	Other	Reconciliation and elimination	Total
External revenue	$ 1,449,935	5,367,867	398,006	1,545,660	320,153	-	9,081,621
Inter-segment revenue	1,460	139,590	-	22,307	452,473	(615,830)	-
Segment revenue	**$ 1,451,395**	**5,507,457**	**398,006**	**1,567,967**	**772,626**	**(615,830)**	**9,081,621**
Segment operating income							**$ 1,024,526**

(2) Information by product and service

Revenue from external customers:

	2023	2022
Battery materials	$ 2,581,202	5,367,867
Oxidation catalysts	877,342	1,449,935
Chemical fertilizers	509,389	398,006
Specialty chemicals	873,604	1,545,660
Others	390,194	320,153
	$ 5,231,731	**9,081,621**

(3) Geographic information

In presenting information on the basis of geography, segment revenue is recognized based on the location of the customer and non-current assets are recognized based on the location of the asset.

A. Revenue from external customers:

Area	2023	2022
Taiwan	$ 4,745,114	8,438,070
China and other	486,617	643,551
	$ 5,231,731	**9,081,621**

B. Non-current assets (note):

Area		December 31, 2023	December 31, 2022
Taiwan	$	4,340,241	4,350,403
China and other		484,524	191,179
	$	**4,824,765**	**4,541,582**

Note: It includes property, plant and equipment, right-of-use assets, prepayment for purchase equipment and so on.

(4) Information on major customers:

For the years ended December 31, 2023 and 2022, the revenue generated from customers with 5% or more of the Group's revenue were $2,457,252 and $5,310,053, respectively.

Coremax Corporation and Subsidiaries
Loans to other parties
For the year ended December 31, 2023

Table 1 (Amounts in Thousands)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 5)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (Note 3)	Maximum limit of fund financing (Note 2)
													Item	Value		
1	COREMAX (BVI) CORPORATION	Coremax Ningbo Chemical	Other receivables	Yes	25,940	24,564	-	4%	2	-	Operating demand	-	None	-	103,356	155,035
1	COREMAX (BVI) CORPORATION	Coremax (Thailand) Chemical Co., Ltd.	Other receivables	Yes	81,063	76,763	62,495	4%-5.5%	2	-	Operating demand	-	None	-	103,356	155,035
1	COREMAX (BVI) CORPORATION	Coremax (Zhangzhou) Chemical co., Ltd.	Other receivables	Yes	32,345	30,705	-	4%	2	-	Operating demand	-	None	-	103,356	155,035
2	Coremax Ningbo Chemical Co., Ltd.	Coremax (Zhangzhou) Chemical co., Ltd.	Other receivables	Yes	17,780	17,308	-	4%	2	-	Operating demand	-	None	-	32,707	49,061
3	Jiangxi Tianjiang Materials Co., Ltd.	Coremax (Zhangzhou) Chemical co., Ltd.	Other receivables	Yes	11,113	10,818	10,818	5%	2	-	Operating demand	-	None	-	12,312 (Note 4)	15,390 (Note 4)
4	Coremax (Zhangzhou Chemical co., Ltd	Coremax (Ningbo) Chemical co., Ltd.	Other receivables	Yes	17,780	17,308	-	4%	2	-	Operating demand	-	None	-	47,555	71,332

Note 1: The number denote the following：
(1)The issuer is number 0
(2)Interest are listed in accordance with names and sequential order starting with 1.
Note2: Limit of total financing amount shall not exceed 30% of latest financial statements of the lender's capital.
Note3: Limit of financing amount for individual counter-party shall not exceed 20% of the latest financial statements of the lender's capital.
Note4: Limit of total financing amount shall not exceed 100% of latest financial statements of the lender's capital. Limit of financing amount for individual counter-party shall not exceed 80% of the latest financial statements of the lender's capital.
Note5: (1) Parties which have business relationship with the Company
(2) The need for short-term financing

Coremax Corporation and Subsidiaries
Guarantees and endorsements for other parties
For the year ended December 31, 2023

Table 2 (Amounts in Thousands)

No.	Name of guarantor	Counter-party of guarantee and endorsement: Name	Counter-party of guarantee and endorsement: Relationship with the Company (Note 2)	Limitation on amount of guarantees and endorsements for a specific enterprise (Note 4)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 3)	Parent company endorsements / guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements / guarantees to third parties on behalf of companies in Mainland China
0	The company	Coremax (BVI) Corporation	2	1,082,567	97,275	92,115	-	-	1.70 %	2,706,418	Y	N	N
0	The company	Uranus Chemicals	2	1,082,567	100,000	Note5	-	-	-	2,706,418	Y	N	N

Note 1: The numbers denote the following:
(1) The issuer is number 0.
(2) Investees are listed in accordance with names and in sequential order starting with 1.

Note 2: The relation between guarantor and guarantee and their endorsement should be disclosed as one of the following:
(1) An entity that is with business relationship.
(2) Subsidiary which owned more than 50 percent by the guarantor.
(3) An investee owned more than 50 percent in total by both the guarantor and its subsidiary.
(4) An investee owned more than 90 percent by the guarantor or its subsidiary.
(5) Fulfillment of contractual obligations by providing mutual endorsements and guarantor for peer or joint builders in order to undertake a construction project.
(6) An entity that is guaranteed and endorsed by all capital contributing shareholders in proportion to their shareholding percentages.
(7) The companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for per-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The total amount for guarantees and endorsements provided by the Company to other entities shall not exceed 50% of latest financial statements of the Company's net worth audited.

Note 4: The total amount for guarantees and endorsements provided by the Company to any individual entity shall not exceed 20% of latest financial statements of the Company's net worth audited.

Note 5: The Company ceased to provide guarantee for Uranus Chemicals beginning on November 15, 2023.

Coremax Corporation and Subsidiaries

Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures)

December 31, 2023

Table 3 (Shares in Thousands /Amounts in Thousands)

Name of holder	Category and name of security	Relationship with company	Account title	Shares (thousands)	Ending balance			Highest percentage of ownership (%)	Note
					Carrying value	Percentage of ownership	Fair value		
Hengi Chemical	ORGCHEM TECHNOLOGIES, INC.	None	Non-current financial assets at fair value through other comprehensive income	2,873	-	5.00 %	-	5.00 %	Note 1
Uranus Chemicals Co., Ltd.	HSINCHU GOLF COUNTRY CLUB Co.,Ltd	None	Non-current financial assets at fair value through other comprehensive income	3	3,369	- %	3,369	- %	

Note 1: ORGCHEM TECHNOLOGIES, INC. has started liquidation process from January, 2022; the Company has received $28,739 thousands of capital liquidation payments until December 31, 2023, and the remaining carrying value of the investment has been adjusted to zero.

Coremax Corporation and Subsidiaries

Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock

For the year ended December 31, 2023

Table 4 (Amounts in Thousands)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Uranus Chemicals Co., Ltd.	66.24% owned subsidiary of the parent company	Purchase	230,185	10.78 %	Net 67 days from the end of the month of when invoice is issued	-	Not significantly different	(27,721)	26.65 %	Note

Note: The relevant transactions and ending balance are eliminated in consolidated financial statement.

Coremax Corporation and Subsidiaries

Receivables from Related Parties Amounting to at least NT$100 Million or 20% of the Paid-in Capital

December 31, 2023

Table 5 (Amounts in Thousands)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period(Note1)	Allowance for Bad Debts
					Amount	Action Taken		
The Company	Uranus Chemicals Co., Ltd.	Subsidiary	365,116	(Note 2)	-	-	6,347	-

Note 1: The amount recovered as of Februany 23, 2024.
Note 2: Includes other receivables arising from the division and transfer of the cobalt sulfate business by the Company to Uranus Chemicals.
Note 3: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Coremax Corporation and Subsidiaries

Business relationships and significant intercompany transactions

For the year ended December 31, 2023

Table 6 (In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	Uranus Chemicals Co., Ltd.	The parent company to the subsidiary.	Purchase	230,185	Net 67 days after delivery	4.40 %
0	The Company	Coremax Ningbo Chemical Co., Ltd.	The parent company to the subsidiary.	Sales	98,294	Net 150 days after delivery	1.88 %
0	The Company	Coremax (Zhangzhou) Chemical co., Ltd.	The parent company to the subsidiary	Sales	75,469	Net 180 days after delivery	1.44 %
0	The Company	COREMAX (THAILAND) CO., LTD.	The parent company to the subsidiary	Sales	68,540	Net 90 days after delivery	1.31 %

Coremax Corporation and Subsidiaries
Information on Investees (Excluding Information on Investees in Mainland China)
For the year ended December 31, 2023

Table 7 (Shares in Thousands /Amount in Thousands)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Highest percentage of ownership during the year (%)	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership	Carrying value				
The Company	COREMAX (BVI) CORPORATION	British Virgin Islands	Investment company	302,406	302,406	9,658	100 %	511,343	100 %	(38,927)	(38,927)	Note
The Company	Hengi Chemical Co., Ltd.	Taiwan	Manufacturing and sales of chemical fertilizers, chemical raw materials, organic fertilizer and fertilizers with organic matter. Import and export of related business. Recycling and reproduce of solvent and pollutants.	1,143,369	1,143,369	41,058	82.44 %	1,500,726	82.44 %	33,622	27,920	Note
The Company	Uranus Chemicals CO., Ltd.	Taiwan	Manufacturing and sales of oxalic acid (organic) and inorganic acid and related products	949,438	824,736	43,966	66.24 %	1,229,329	66.24 %	52,036	33,374	Note
The Company	VINACOREMAX COMPANY LIMITED	Vitnam	Manufacturing and sales of inorganic acid and related products	318,764	-	-	100 %	299,421	100 %	(602)	(602)	Note
COREMAX (BVI) CORPORATION	COREMAX (THAILAND) CO., LTD.	Thanland	Manufacturing and processing of pure terephthalic acid oxidation catalyst, sodium carbonate solutions, wastewater treatment solutions, exhaust gas absorbent and cobalt compound series products	67,047	67,047	70	100 %	85,117	100 %	3,518	3,518	Note

Note: The relevant transactions and ending balance are eliminated in consolidated financial statement.

Coremax Corporation and Subsidiaries

Information on Investment in Mainland China

For the year ended December 31, 2023

Table 8 (Amounts in Thousands)

(1) The names of investees in Mainland China, the main businesses and products, and other information

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (losses) of the investee	Percentage of ownership	Highest Percentage of ownership during the year	Investment income (losses) (Notes 4, 6)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow							
Coremax Zhuhai Chemical Co., Ltd.	Production and sales of oxidation catalysts, sodium carbonate solutions, wastewater treatment solutions, exhaust gas absorbents and cobalt compound series products.	38,775	Investment in companies in Mainland China through investment companies in the third regions.	38,775	-	38,775	-	- (Note 3)	-	-	-	- (Note 3)	-
Coremax Ningbo Chemical Co., Ltd.	Manufacturing and processing of pure terephthalic acid oxidation catalyst, sodium carbonate solutions, wastewater treatment solutions, exhaust gas absorbent and cobalt compound series products.	98,482	Investment in companies in Mainland China through investment companies in the third regions.(note 1)	81,240	-	-	81,240	(6,582)	100.00%	100%	(6,582)	163,536	-
Coremax (Zhangzhou) Chemical Co., Ltd.	Manufacturing, processing and wholesale of pure terephthalic acid oxidation catalyst, sodium carbonate solutions, wastewater treatment solutions, waste gas absorbent and cobalt compound series products, and regeneration treatment of abort oxidation catalyst.	185,654	Investment in companies in Mainland China through investment companies in the third regions.(note 2)	148,795	-	-	148,795	(45,820)	100.00%	100%	(45,820)	237,774	-
Jiangxi Tianjiang Materials Co., Ltd.	Manufacturing and sales of oxalic acid、organic and inorganic acid、rare earth compounds and related products	43,947	Uranus Chemical invest companies in Mainland China	43,947	-	-	43,947	(452)	100.00%	100%	(2,323)	13,548	-

(2) Limitation on investment in Mainland China

Cumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA (note 7)	Upper Limit on Investment (Note 5)
273,982 (USD 8,808)	438,713 (USD 14,288)	3,247,701

Note 1: The paid-up capital amount is NTD $98,482 thousand (USD3,000 thousand), which included the cash remitted by the Company through its subsidiary, COREMAX (BVI) CORPORATION amounting to NTD 81,240 thousand (USD2,470 thousand) and surplus from COREMAX (BVI) CORPORATION amounting to NTD17,242 thousand (USD530 thousand).

Note 2: The paid up capital amount is NTD185,654 thousand (USD6,280 thousand), which included the cash remitted by the Company through its subsidiary, COREMAX (BVI) CORPORATION, amounting to NTD124,097 thousand (USD4,200 thousand), surplus from COREMAX (BVI) CORPORATION amounting to NTD6,055 thousand (USD200 thousand), Coremax (BVI) Corporation acquired of shares from other external shareholders amounting to NTD24,698 thousand (USD788 thousand) in obtaining paid up capital of NTD21,890 thousand (USD750 thousand), cash remitted by Coremax Zhuhai Chemical Co., Ltd. is amounting to NTD20,720 thousand (USD700 thousand), and cash remitted by Coremax Ningbo Chemical Co., Ltd. Is amounting to NTD12,892 thousand (USD430 thousand).

Note 3: Coremax Zhuhai Chemical Co., Ltd., an indirectly invested subsidiary by the Company, had been sold to a third party in July 2021, which had been approved by the Investment Commission, MOEA in September 2021. For the year ended December 31, 2023, the transferred amount of NTD 94,725 thousand (USD 3,000 thousand) was remitted to the Company via its subsidiary, COREMAX (BVI) CORPORATION, with the approval of the MOEA.

Note 4: Amount was recognized based on the unaudited financial statement.

Note 5: The Company investment in Mainland China pursuant to "Principle of investment or Technical Cooperation in Mainland China" is not exceeding the investment amount or percentage limit.

Note 6: The relevent transactions and ending balance are eliminated in consolidated financial statment.

Note 7: Exchange rates at the dates of balance sheet date.

Annex 3

Standalone Financial Statements of the Most Recent Year Audited by CPAs

Stock Code:4739

Coremax Corporation

Parent-Company-Only Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022

The independent auditors' report and the accompanying parent-company-only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent-company-only financial statements, the Chinese version shall prevail.

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安侯建業聯合會計師事務所
KPMG
台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)
電話 Tel + 886 2 8101 6666
傳真 Fax + 886 2 8101 6667
網址 Web kpmg.com/tw

Independent Auditors' Report

To the Board of Directors
Coremax Corporation:

Opinion

We have audited the financial statements of Coremax Corporation("the Company"), which comprise the balance sheet as of December 31, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters should be reflected in our report are as follow:

1. Loss allowance assessment of Receivables

   Please refer to Note 4(6) "Financial instruments" for the accounting policies of loss allowance assessment of receivables, Note 5 " for the relevant accounting estimation, and major sources of assumption uncertainty" ; and Note 6(3) "Notes and accounts receivable, net" to the financial statements for the details of relevant disclosures.

Description of key audit matters:

The Company has a worldwide customer base. As such, the Company may encounter difficulty in obtaining financial information of the customers due to the rapid changes in the business environment which included the industry, technology, market, and economic, as well as legal matters. When assessing the expected credit loss of its receivables during its lifetime, the receivables are measured based on the factors such as aging analysis of accounts receivable, customers' financial status, historical collection experience, current market conditions, and consideration of forward-looking information. The assessment of allowance for loss on accounts receivables involved subjective judgment of management, which has been identified as one of our key audit matters.

How the matter was addressed in our audit:

Our main audit procedures included: Obtaining and checking the accuracy of the impairment loss calculation from the management of the accounts receivable ; checking the completeness of the aging analysis of the receivables and accuracy of the aging bracket by sampling, and analyzing the receivables aging and historical receivables collection record and customer credit risk concentration in measuring the appropriateness of the expected credit loss rate in order to evaluate the reasonableness of the provision amount of the account receivable loss allowance of the Company, and evaluating the adequacy of the Company's disclosures in the accounts.

2. Valuation of Inventories

Please refer to Note 4(7) "Inventories" for the accounting policies of inventories valuation, Note 5 "for the relevant accounting estimation, and major sources of assumption uncertainty", and Note 6(4) "Inventories" to the financial statements for the details of relevant disclosures.

Description of key audit matters:

The Company's inventories are measured at the lower of cost and net realizable value. The Company will exercise judgment in estimating the net realizable value of its inventories as at reporting date. Estimation of net realizable value might subject to significant changes due to the fluctuations of the market and rapid changes in technology. Therefore, estimation of devaluation loss that reduce inventory to market value is one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included: Understanding and evaluating the assessment performed by the management in calculating the net realizable value, as well as vouching to relevant documents for samples selected; evaluating the adequacy of the provisions policy；assessing whether the valuation of inventories did follow such policy; and considering the adequacy of the Company's disclosures in the accounts.

Responsibilities of Management and Those Charged with Governance for the Parent-company-only Financial Statements

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

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent-company-only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in thefinancial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yu, Chi-Lung and Chen, Pei-Chi .

KPMG

Taipei, Taiwan (Republic of China)
February 27, 2024

Notes to Readers

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

The independent auditors' report and the accompanying parent-company-only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent-company-only financial statements, the Chinese version shall prevail.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

Coremax Corporation

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
Current assets:				
Cash and cash equivalents (note 6(1))	$ 2,135,858	28	1,993,164	23
Financial assets at fair value through profit or loss－current (note 6(2))	19,588	-	51,655	-
Accounts receivable, net (note 6(3))	188,389	3	305,886	4
Accounts receivable due from related parties (notes 6(3) and 7)	56,437	1	130,538	2
Other receivables due from related parties (note 7)	372,950	5	933	-
Inventories (note 6(4))	398,147	5	1,696,617	20
Prepayments to suppliers	47,169	1	251,985	3
Other financial assets－current (notes 6(8))	114,919	2	61,820	-
Other current assets (note 6(7))	113,159	1	161,768	2
	3,446,616	46	4,654,366	54
Non-current assets:				
Investments accounted for using equity method (notes 6(5), (6) and 7)	3,540,819	47	3,247,617	38
Property, plant and equipment (notes 6(9) and 8)	375,104	5	444,243	6
Right-of-use assets (note 6(10))	36,814	-	46,467	-
Deferred tax assets (note 6(16))	65,115	1	61,978	1
Other financial assets－non-current (notes 6(8) and 8)	101,946	1	103,201	1
Other non-current assets (note 6(7))	1,648	-	4,906	-
	4,121,446	54	3,908,412	46
Total assets	**$ 7,568,062**	**100**	**8,562,778**	**100**

Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
Current liabilities:				
Short-term borrowings (note 6(11))	810,154	11	1,692,855	20
Financial liabilities at fair value through profit or loss-current (notes 6(2) and (13))	3,602	-	-	-
Notes payable	89	-	166	-
Accounts payable	30,245	-	33,072	-
Accounts payable to related parties (note 7)	73,695	1	54,126	-
Other payables (note 6(12))	36,235	-	167,316	2
Current tax liabilities	4,524	-	124,515	2
Current lease liabilities (note 6(14))	9,119	-	9,482	-
Bonds payable, current portion (note 6(13))	687,380	9	-	1
Long-term borrowings, current portion (note 6(11))	106,785	1	106,785	4
Other current liabilities (note 6(12))	132,374	2	299,152	-
	1,894,202	24	2,487,469	29
Non-current liabilities:				
Financial liabilities at fair value through profit or loss－non-current (notes 6(2) and (13))	-	-	2,482	-
Convertible bonds payable (note 6(13))	-	-	682,940	8
Long-term borrowings (notes 6(11) and 8)	160,139	2	266,924	4
Deferred tax liabilities (note 6(16))	65,315	1	79,636	1
Non-current lease liabilities (note 6(14))	29,219	-	38,339	-
Net defined benefit liability－non-current (note 6(15))	6,351	-	6,691	-
	261,024	3	1,077,012	13
Total liabilities	2,155,226	27	3,564,481	42
Equity (notes 6(5), (13) and (17)):				
Ordinary share capital	1,190,293	16	1,070,293	12
Capital surplus	3,400,289	45	2,673,415	31
Retained earnings	958,705	13	1,377,222	16
Other equity interest	(51,793)	-	(35,403)	-
Treasury shares	(84,658)	(1)	(87,230)	(1)
Total equity	5,412,836	73	4,998,297	58
Total liabilities and equity	**$ 7,568,062**	**100**	**8,562,778**	**100**

See accompanying notes to financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

Coremax Corporation

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, except for earnings per share)

	2023		2022	
	Amount	%	Amount	%
Net operating revenue (notes 6(19) and 7)	$ 3,834,379	100	7,615,998	100
Operating costs (notes 6(4), (15) and (20))	3,845,259	100	7,030,820	92
Gross profit (loss)	(10,880)	-	585,178	8
Realized (unrealized) profit (loss) from sales (note 7)	(5,438)	-	11,540	-
Realized gross profit (loss)	(16,318)	-	596,718	8
Operating expenses (notes 6(15) and (20)):				
Selling expenses	50,586	1	93,225	1
General administrative expenses	79,269	2	152,791	2
Research and development expenses	8,883	-	16,988	-
Total operating expenses	138,738	3	263,004	3
Net operating income (loss)	(155,056)	(3)	333,714	5
Non-operating income and expenses:				
Other income (note 6(21))	4,869	-	2,070	-
Other gains and losses, net (note 6(21))	52,017	1	53,830	1
Finance costs (notes 6(11), (13) and (21))	(76,357)	(2)	(38,445)	(1)
Interest income (note 6(21))	30,119	1	6,586	-
Share of profit of subsidiaries accounted for using equity method (note 6(6))	21,765	1	161,432	2
Foreign exchange gains (losses) (note 6(22))	16,444	-	118,526	2
Total non-operating income and expenses	48,857	1	303,999	4
Income (loss) before income tax	(106,199)	(2)	637,713	9
Income tax expenses (benefits) (note 6(16))	(5,970)	-	144,553	2
Net income (loss)	(100,229)	(2)	493,160	7
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurements of defined benefit plans	1,097	-	2,072	-
Unrealized gains (losses) of financial assets measured at fair value through other comprehensive income	2,362	-	(6,393)	-
Income tax related to items that will not be reclassified to profit or loss	-	-	-	-
Total items that will not be reclassified subsequently to profit or loss	3,459	-	(4,321)	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign financial statements	(23,440)	(1)	21,908	-
Income tax relating to item that may be reclassified subsequently (note 6(16))	(4,688)	-	4,381	-
Total items that may be reclassified subsequently to profit or loss	(18,752)	(1)	17,527	-
Other comprehensive income	(15,293)	(1)	13,206	-
Total comprehensive income	**$ (115,522)**	**(3)**	**506,366**	**7**
Earnings(loss) per share (New Taiwan Dollars) (note 6(18)):				
Basic earnings(loss) per share	**$**	**(0.93)**		**4.72**
Diluted earnings(loss) per share	**$**	**(0.93)**		**4.47**

See accompanying notes to financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)
Coremax Corporation
Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings				Other equity interest				
	Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income (Note)	Total	Treasury shares	Total equity
Balance at January 1, 2022	$ 1,070,293	2,585,667	237,640	18,559	948,212	1,204,411	(31,182)	(15,354)	(46,536)	(92,839)	4,720,996
Net income for the period	-	-	-	-	493,160	493,160	-	-	-	-	493,160
Other comprehensive income (loss) for the period (Note)	-	-	-	-	2,073	2,073	17,526	(6,393)	11,133	-	13,206
Total comprehensive income	-	-	-	-	495,233	495,233	17,526	(6,393)	11,133	-	506,366
Appropriation and distribution of retained earnings:											
Appropriated legal reserve	-	-	45,761	-	(45,761)	-	-	-	-	-	-
Appropriated special reserve	-	-	-	27,977	(27,977)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(316,813)	(316,813)	-	-	-	-	(316,813)
Share-based payment transactions	-	911	-	-	-	-	-	-	-	-	911
Disposal of company's share by subsidiaries recognized as treasury share transactions	-	78,367	-	-	(5,609)	(5,609)	-	-	-	5,609	78,367
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	5,740	-	-	-	-	-	-	-	-	5,740
Amounts affected by cash capital increase of subsidiaries not recognized in proportion to shareholding	-	2,730	-	-	-	-	-	-	-	-	2,730
Balance at December 31, 2022	1,070,293	2,673,415	283,401	46,536	1,047,285	1,377,222	(13,656)	(21,747)	(35,403)	(87,230)	4,998,297
Net loss for the period	-	-	-	-	(100,229)	(100,229)	-	-	-	-	(100,229)
Other comprehensive income (loss) for the period (Note)	-	-	-	-	1,097	1,097	(18,752)	2,362	(16,390)	-	(15,293)
Total comprehensive income	-	-	-	-	(99,132)	(99,132)	(18,752)	2,362	(16,390)	-	(115,522)
Appropriation and distribution of retained earnings:											
Appropriated legal reserve	-	-	48,961	-	(48,961)	-	-	-	-	-	-
Reversed special reserve	-	-	-	(11,133)	11,133	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(316,813)	(316,813)	-	-	-	-	(316,813)
Capital increase by cash	120,000	693,960	-	-	-	-	-	-	-	-	813,960
Share-based payment transactions	-	6,720	-	-	-	-	-	-	-	-	6,720
Disposal of company's share by subsidiaries recognized as treasury share transactions	-	32,725	-	-	(2,572)	(2,572)	-	-	-	2,572	32,725
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	2,021	-	-	-	-	-	-	-	-	2,021
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(8,552)	-	-	-	-	-	-	-	-	(8,552)
Balance at December 31, 2023	**$ 1,190,293**	**3,400,289**	**332,362**	**35,403**	**590,940**	**958,705**	**(32,408)**	**(19,385)**	**(51,793)**	**(84,658)**	**5,412,836**

Note: Include the Company's share of profit of subsidiaries accounted for using equity method.

See accompanying notes to financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

Coremax Corporation

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		2023	2022
Cash flows from operating activities:			
Income (loss) before income tax	$	(106,199)	637,713
Adjustments:			
Adjustments to reconcile profit :			
Depreciation		73,495	75,915
Net profit on financial assets and liabilities through profit or loss		(52,762)	(53,787)
Interest expense		76,357	38,445
Interest income		(30,119)	(6,586)
Share-based payments		6,720	-
Share of profit of subsidiaries accounted for using equity method		(21,765)	(161,432)
Unrealized (realized) gain from inter-affiliate accounts sale		5,438	(11,540)
Adjustment for other non-cash-related losses, net		(741)	(60)
Subtotal of gains or losses on non-cash activities		56,623	(119,045)
Changes in operating assets and liabilities:			
Notes and accounts receivable (including related parties)		175,037	163,613
Inventories		1,231,358	(168,994)
Prepayments to suppliers		204,816	659,083
Other current assets		(722,947)	(63,819)
Notes and accounts payable (including related parties)		400,502	(30,841)
Other current liabilities		(295,080)	307,100
Net defined benefit liability		(53)	91
Total adjustments		1,050,256	747,188
Cash inflow from operations		944,057	1,384,901
Interest received		30,119	6,586
Interest paid		(73,668)	(34,216)
Income taxes paid		(126,791)	(121,187)
Net cash from operating activities		773,717	1,236,084
Cash flows from investing activities:			
Acquisition of investments accounted for using equity method		(318,764)	(113,542)
Acquisition of non-controlling interests		(1,187)	(435)
Acquisition of property, plant and equipment		(50,871)	(56,638)
Proceeds from disposal of property, plant and equipment		31,740	60
Decrease (increase) other financial assets		32,850	(19,406)
Decrease in refundable deposits		1,255	595
Decrease (increase) in other non-current assets		3,258	(2,566)
Dividends received		172,518	87,919
Net cash used in investing activities		(129,201)	(104,013)
Cash flows from financing activities:			
Increase (decrease) in short-term borrowings		(871,178)	407,881
Decrease in short-term notes and bills payable		-	(80,000)
Repayments of long-term borrowings (including current portion)		(106,785)	(62,291)
Capital increase by cash		813,960	-
Decrease in guarantee deposits received		-	(524)
Payment of lease liabilities		(9,483)	(10,304)
Cash dividends paid		(316,813)	(316,813)
Net cash used in financing activities		(490,299)	(62,051)
Effect of exchange rate changes on cash and cash equivalents		(11,523)	(2,989)
Net increase in cash and cash equivalents		142,694	1,067,031
Cash and cash equivalents at beginning of period		1,993,164	926,133
Cash and cash equivalents at end of period	$	**2,135,858**	**1,993,164**

See accompanying notes to financial statements.

1. Company history

Coremax Corporation (the "Company") was incorporated in Hsinchu, Republic of China (R.O.C.), on June 16, 1992. The registered address of the Company's office is 11 Wenhua Road, Hsinchu Industrial Park, Hsinchu County 30352, Taiwan R.O.C. The Company's ordinary shares were publicly listed on the Taiwan Stock Exchange on September 8, 2017 and the trading of Taipei Exchange stock was officially terminated on the same date.

The Company are mainly involved in the manufacturing, sales, import and export of oxidation catalyst, battery materials and specialty chemicals.

As of December 31, 2023, the Company underwent an organizational restructuring, wherein it divided and transferred its cobalt sulfate business to its subsidiary, Uranus Chemicals Co., Ltd. (Uranus). Please refer to Note 7 and Note 12 for details.

2. Approval date and procedures of the financial statements

The financial statements were authorized for issue by the Board of Directors on February 27, 2024.

3. New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2023:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The Company has initially adopted the new amendment, which do not have a significant impact on its financial statements, from May 23, 2023:

- Amendments to IAS 12 "International Tax Reform—Pillar Two Model Rules"

(b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

4. Summary of material accounting policies

The significant accounting policies presented in the financial statements are summarized as follows. Except for those described individually, the significant accounting policies have been applied consistently to all the periods presented in the financial statements.

(1) Statement of compliance

The parent-company-only financial statements have been prepared in accordance with the “ Regulations Governing the Preparation of Financial Reports by Securities Issuers” (hereinafter referred to as the Regulations).

(2) Basis of preparation

(i) Basis of measurement

The parent-company-only financial statements have been prepared on a historical cost basis except for the following material items in the balance sheets:

1) Financial instruments at fair value through profit or loss are measured at fair value (include derivative instruments);

2) The defined benefit liabilities are measured fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note 4(13).

(ii) Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the entity operates. The financial statements are presented in New Taiwan Dollars (TWD), which is the Company's functional currency. Unless otherwise noted, all financial information presented in TWD has been rounded to the nearest thousand.

(iii) Organizational restructuring under common control

As of December 31, 2023, the Company, the ultimate parent of the Group, underwent an organizational restructuring, wherein it divided and transferred its cobalt sulfate business to its subsidiary, Uranus, in accordance with the IFRS Q&A "Doubts about the Retrospective Restatement of Comparative Financial Statements under Organizational Reorganization" issued by the Accounting Research and Development Foundation on January 30, 2019. The above transaction is an organizational restructuring under common control. Furthermore, the Company has elected not to deem the cobalt sulfate business owned by Uranus from the very beginning, and thus, did not restate its financial statements for the comparative period. The relevant transaction facts and impacts are explained in Note 7 and 12.

(3) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) an investment in equity securities designated as at fair value through other comprehensive income;

2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

(4) Classification of current and non-current assets and liabilities

The Company classifies an asset as current when any one of the following requirements is met. Assets that are not classified as current are non-current assets.

(i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;

(ii) It holds the asset primarily for the purpose of trading;

(iii) It expects to realize the asset within twelve months after the reporting date; or

(iv) The asset is cash or cash equivalent except for the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies a liability as current when any one of the following requirements is met. Liabilities that are not classified as current are non-current liabilities.

(i) It expects to settle the liability in its normal operating cycle;

(ii) It holds the liability primarily for the purpose of trading;

(iii) The liability is due to be settled within twelve months after the reporting date; or

(iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(5) Cash and cash equivalents

Cash comprises cash on hand, demand deposits and checking deposits. Cash equivalents are short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and held for the purpose of meeting short-term cash commitments rather than for investment or other purposes are classified as cash equivalents.

(6) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at amortized cost; FVOCI – equity investment, or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial asset. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

3) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables and other financial assets), debt investments measured at FVOCI and contract assets.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 180 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade' "which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings".

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

4) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interests in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received less the direct cost of issuing.

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible bonds that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in gain or loss. On conversion, the financial liability is reclassified to equity, and no gain or loss is recognized.

5) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

6) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid is recognized in profit or loss.

7) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Derivative financial instruments

Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(7) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories is based on the weighted-average method and includes expenditure and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(8) Investment in subsidiaries

The Company's subsidiaries are accounted for using the equity method when preparing its parent-company-only financial statements. Under the equity method, profit, other comprehensive income and equity in the parent-company-only financial statements are equivalent to the profit, other comprehensive income and equity which are contributed to the owners of the parent in the consolidated financial statements.

Changes in the Company's ownership interests in subsidiaries that do not result in a loss of control over the subsidiaries are accounted for as equity transactions.

(9) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as major components of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives, for the current and comparative years, of significant items of property, plant and equipment are as follows:

1) Buildings: 4 to 50 years.

2) Machinery and equipment: 2 to 11 years.

3) Transportation Equipment: 3 to 6 years.

4) Other equipment: 3 to 31 years.

5) Buildings constitute mainly plant, buildings, mechanical and electrical power equipment, and related engineering, etc. Each constituent is depreciated based on its useful life, respectively.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(10) Leases

(i) Identifying a lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(ii) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

– fixed payments, including in-substance fixed payments;

– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– amounts expected to be payable under a residual value guarantee; and

– payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

– there is a change in future lease payments arising from the change in an index or rate; or

– there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or

– there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

– there is a change of its assessment on whether it will exercise an extension or termination option; or

– there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, including printer and staff dormitory. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a practical expedient, the Company elects not to assess whether all the rent concessions for all leased land occurring as a direct consequence of the COVID 19 pandemic are lease modifications or not.

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

(iii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(11) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are companied together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For other non-financial assets (excluding goodwill), an impairment loss is reversed only to the extent that the asset' s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(12) Revenue from contracts with customers

(i) Sale of goods

The Company researches, develops, produces, manufactures and sells various chemical catalyst products, cobalt compound products and electronic components, as well as batteries. The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

(ii) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(13) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(14) Share based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(15) Income tax

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets are recognized for the deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

(16) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of the Company, divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, such as convertible bonds payable and employee remuneration that could be distributed in share.

(17) Operating segment information

The Company has disclosed operating segment information in consolidated financial statements.

Hence, this information is not required to be disclosed in these parent-company-only financial statements.

5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty

Management continues to monitor the accounting estimations and assumptions. Management recognizes any changes in the accounting estimations during the period in which the estimates are revised and in any future periods affected.

(1) The loss allowance of notes and accounts receivables

The Company has estimated the loss allowance of notes and accounts receivable that is based on the risk of a default occurring and the rate of expected credit loss. The Company has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. Please refer to note 6(3) for the impairment evaluation of receivables.

(2) Valuation of Inventories

Inventories are stated at the lower of cost or net realizable value, and the Company uses judgments and estimates to determine the net realizable value of inventory for obsolescence and unmarketable items at the reporting date. It also writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on the assumptions of the estimated demands of the products within a specific time horizon in the future, therefore, the above estimation may have a significant change. Please refer to note 6(4) for further description of the valuation of inventories.

Accounting policies and disclosures of the Company include the fair value measurement for financial or non-financial assets and liabilities. The Company determines the fair value using the independent data sources which reflect the current market condition and confirming the data available are independent, reliable, in consistent with other sources and represent the exercisable price. The Company also periodically assesses the evaluation model, performs retrospective tests, and updates inputs with any other necessary fair value adjustment for the evaluation model in order to ensure the reasonableness of the valuation.

The Company evaluates its assets and liabilities using the observable market inputs. The hierarchy of the fair value depends on the valuation techniques used, and the different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs (other than quoted prices included within Level 1) that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

When there is a transfer between levels of the fair value hierarchy, the Company recognizes the transfer at the reporting date. For the assumptions used in fair value measurement, please refer to note 6(22) of the financial instruments.

6. Explanation of significant accounts

(1) Cash and cash equivalents

		December 31, 2023	December 31, 2022
Cash on hand	$	35	35
Demand deposits and checking accounts		1,471,823	1,793,514
Time deposits		664,000	199,615
	$	**2,135,858**	**1,993,164**

Please refer to note 6(22) for the disclosure of currency risk of the financial assets and liabilities.

(2) Financial assets and liabilities at fair value through profit or loss

Financial assets measured at fair value through profit or loss－current：

		December 31, 2023	December 31, 2022
Futures	**$**	**19,588**	**51,655**

		December 31, 2023	December 31, 2022
Financial liabilities－current：			
Call and put option－convertible bonds payable	**$**	**3,602**	**-**
Financial liabilities－non current：			
Call and put option－convertible bonds payable	**$**	**-**	**2,482**

(i) The Company uses derivative financial instruments to hedge the price fluctuations risk of raw materials due to fluctuations in international metal market. As of December 31, 2023 and 2022, the following derivative instruments, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss:

	Open Position			
	Buyer/Seller	**Amount (ton)**	**Transaction Price**	**Fair Value**
December 31, 2023	Seller	187	USD 16,092/ton ~USD38,801/ton	**$ 19,588**
December 31, 2022	Seller	175	USD 26,000/ton ~USD57,761/ton	**51,655**

The futures trading day of the open position on December 31, 2023 is from July 2023 to December 31, 2023, and the settlement dates would be at the period from January 2024 to June 2024, with net cash settlement.

The futures trading day of the open position on December 31, 2022 is from September 2022 to December 2022, and the settlement dates would be at the period from January 2023 to June 2023, with net cash settlement.

Please refer to note 6(8) for details of the outstanding futures contract margin on December 31, 2023 and 2022.

(ii) Please refer to note 6(21) for The Group's net profit and loss (including realized and unrealized) generated from trading in derivative financial instruments in 2023 and 2022.

(3) Accounts receivable, net (including related parties)

(i) Accounts receivable, net (including related parties):

	December 31, 2023	December 31, 2022
Accounts receivable (including related parties)	$ 244,826	436,424

The Company applies the simplified approach to provide for its loss allowance used for ECL, which permit the use of lifetime expected loss provision for all receivables. To measure the ECL, trade receivables have been companied based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision was determined as follows:

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 232,411	0%	-
1 to 90 days past due	12,415	0%	-
91 to 180 days past due	-	0%	-
More than 181 days past due	-	100%	-
	$ 244,826		-

	December 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 359,684	0%	-
1 to 90 days past due	74,289	0%	-
91 to 180 days past due	2,451	0%	-
More than 181 days past due	-	100%	-
	$ 436,424		-

Other receivables – related parties are not included in the above receivables, please refer to note 7 for details.

The company's accounts receivable were not pledged as collaterals as of December 31, 2023 and 2022.

(4) Inventories

	December 31, 2023	December 31, 2022
Raw materials	$ 172,819	906,089
Work in process	183,067	402,634
Finished goods and commodities	42,261	387,894
	$ 398,147	**1,696,617**

The components of operating costs were as follows:

	2023	2022
Cost of goods sold	$ 3,880,142	6,814,917
Inventory devaluation loss (reversal gain)	(34,177)	216,235
Gain from sale of scrap	(706)	(332)
	$ 3,845,259	**7,030,820**

As of December 31, 2023 and 2022, the Company's inventories were not pledged as collaterals.

(5) Changes in the Company's ownership interest in a subsidiary

(i) Acquisitions of Non-controlling interests (NCI)

In 2023 and 2022, the Company acquired additional shares from those employees that resigned from Uranus Chemicals for $1,187 thousand and $435 thousand in cash, respectively.

The effects of the changes in shareholdings were as follows:

	2023	2022
Carrying amount of NCI on acquisition	$ 1,027	435
Consideration paid to NCI	(1,187)	(435)
Capital surplus differences between consideration and carrying amounts of subsidiaries shareholding acquired	**$ (160)**	**-**

(ii) Acquiring new shares issued by its subsidiary for transfer of the cobalt sulfate business

On December 31, 2023, the Company divided and transferred its cobalt sulfate business to its subsidiary, Uranus, wherein Uranus issued 4,125 thousand new shares, at the amount of $123,515 thousand, as the consideration.

(iii) Issuance of new shares for cash by subsidiaries, not subscribed to proportionately, did not lose control

The Uranus Chemicals Co., Ltd. issued 6,250 thousand new shares in September, 2022, at a premium of $32 per share, amounting to $200,000 thousand, among which $86,458 thaousand were invested by non-controlling interests. The Company did not subscribe according to the shareholding ratio, resulting in an increase in capital surplus of $2,730 thousand.

(iv) Change in shareholding ratio

Due to the above-mentioned transactions, the Company's ownership of Uranus Chemicals and Hengi Chemical were changed. As of December 31, 2023 and 2022, the Company's shareholding to Uranus Chemicals were 66.24% and 63.94%, respectively; and its shareholding to Hengi were both 82.44%.

(6) Investments accounted for using equity method

	December 31, 2023	December 31, 2022
Subsidiaries	$ 3,540,819	3,247,617

(i) Subsidiaries

Please refer to consolidated financial statements for the year ended December 31, 2023.

(ii) Share of profit of subsidiaries accounted for using equity method in 2023 and 2022 were as follows:

	2023	2022
Subsidiaries	$ 21,765	161,432

(iii) Information on major foreign currency equity investments on the reporting date were as follows:

	December 31, 2023				December 31, 2022		
	Foreign currency	Exchange rate	TWD		Foreign currency	Exchange rate	TWD
USD	$ 16,831	30.705	516,781	Note	21,327	30.71	654,965
VND	$ 239,538,475	0.00125	299,421		-	-	-

Note: The difference of $5,438 thousand from the net equity value in the end of period had been recognized as unrealized profit and loss between affiliates in the current period.

(7) Other current assets and other non-current assets

Other current assets:

	December 31, 2023	December 31, 2022
Offset against business tax payable and business tax receivables	$ 103,938	124,669
Others	9,221	37,099
	$ 113,159	**161,768**

Other non-current assets

	December 31, 2023	December 31, 2022
Prepaid equipment	**$ 1,648**	**4,906**

(8) Other financial assets

Current:

	December 31, 2023	December 31, 2022
Margin on futures contracts	$ 114,772	61,735
Others	147	85
	$ 114,919	**61,820**

Non-current:

	December 31, 2023	December 31, 2022
Refundable deposits	$ 1,946	3,201
Restricted deposits	100,000	100,000
	$ 101,946	**103,201**

(9) Property, plant and equipment

		Land	Building	Machinery and equipment	Other equipment	Equipment pending acceptance and Construction in progress	Total
Cost:							
Balance at January 1, 2023	$	157,605	271,549	396,103	140,630	2,862	968,749
Additions		-	-	15,071	4,416	30,592	50,079
Disposals and scrap		-	(1,687)	(90,627)	(7,878)	(28,822)	(129,014)
Reclassification		-	-	2,862	-	(2,862)	-
Balance at December 31, 2023	**$**	**157,605**	**269,862**	**323,409**	**137,168**	**1,770**	**889,814**
Balance at January 1, 2022	$	142,183	258,035	398,600	127,655	2,340	928,813
Additions		15,422	13,514	4,269	13,323	2,862	49,390
Disposals and scrap		-	-	(6,766)	(348)	-	(7,114)
Reclassification and others		-	-	-	-	(2,340)	(2,340)
Balance at December 31, 2022	**$**	**157,605**	**271,549**	**396,103**	**140,630**	**2,862**	**968,749**
Accumulated depreciation and impairment losses:							
Balance at January 1, 2023	$	-	151,652	283,329	89,525	-	524,506
Depreciation for the period		-	13,516	37,431	12,895	-	63,842
Disposals and scrap		-	(1,687)	(64,326)	(7,625)	-	(73,638)
Balance at December 31, 2023	**$**	**-**	**163,481**	**256,434**	**94,795**	**-**	**514,710**
Balance at January 1, 2022	$	-	137,892	251,270	77,196	-	466,358
Depreciation for the period		-	13,760	38,825	12,677	-	65,262
Disposals and scrap		-	-	(6,766)	(348)	-	(7,114)
Balance at December 31, 2022	**$**	**-**	**151,652**	**283,329**	**89,525**	**-**	**524,506**
Carrying amounts:							
Balance at December 31, 2023	**$**	**157,605**	**106,381**	**66,975**	**42,373**	**1,770**	**375,104**
Balance at December 31, 2022	**$**	**157,605**	**119,897**	**112,774**	**51,105**	**2,862**	**444,243**
Balance at January 1, 2022	**$**	**142,183**	**120,143**	**147,330**	**50,459**	**2,340**	**462,455**

The property, plant and equipment of the Company pledged as collateral, please refer to note 8.

(10) Right-of-use assets

The Company leases many assets including land, buildings and transportation equipment. Information about leases for which the Company as a lessee was presented below:

	Land use right	Buildings	Transportation equipment and others	Total
Cost:				
Balance at January 1, 2023	$ 46,533	17,402	7,999	71,934
Disposal/Write off	-	-	(2,703)	(2,703)
Balance at December 31, 2023	**$ 46,533**	**17,402**	**5,296**	**69,231**
Balance at January 1, 2022	$ 46,533	17,402	13,219	77,154
Disposal/Write off	-	-	(5,220)	(5,220)
Balance at December 31, 2022	**$ 46,533**	**17,402**	**7,999**	**71,934**
Accumulated depreciation:				
Balance at January 1, 2023	$ 12,554	8,700	4,213	25,467
Depreciation for the year	5,854	2,176	1,623	9,653
Disposal/Write off	-	-	(2,703)	(2,703)
Balance at December 31, 2023	**$ 18,408**	**10,876**	**3,133**	**32,417**
Balance at January 1, 2022	$ 6,700	6,525	6,809	20,034
Depreciation for the year	5,854	2,175	2,624	10,653
Disposal/Write off	-	-	(5,220)	(5,220)
Balance at December 31, 2022	**$ 12,554**	**8,700**	**4,213**	**25,467**
Carrying amount:				
Balance at December 31, 2023	**$ 28,125**	**6,526**	**2,163**	**36,814**
Balance at December 31, 2022	**$ 33,979**	**8,702**	**3,786**	**46,467**
Balance at January 1, 2022	**$ 39,833**	**10,877**	**6,410**	**57,120**

(11) Long-term/Short-term borrowings

(i) Short-term borrowings:

	December 31, 2023	December 31, 2022
Secured bank loans	$ 223,748	1,092,855
Unsecured bank loans	586,406	600,000
	$ 810,154	**1,692,855**
Unused short-term credit lines	**$ 4,546,246**	**4,549,745**
Range of interest rates	**5.97%~6.23%**	**1.49%~5.50%**

Please refer to note 6(22) for the disclosure of interest risk, currency risk and liquidity risk.

(ii) Long-term borrowings:

Lender	Use	Maturity year and Repayment	December 31, 2023	December 31, 2022
O-Bank	Working capital	From 2019 to 2026, repayable monthly in 49 equal instalments beginning in June, 2022.	91,822	128,566
Mega Bank	Working capital	From 2019 to 2026, repayable monthly in 49 equal instalments beginning in June, 2022.	153,061	214,286
Mega Bank	Loans for machinery and equipment	From 2020 to 2026, repayable monthly in 49 equal instalments beginning in June, 2022.	22,041	30,857
Less: Current portion of long-term borrowings			(106,785)	(106,785)
			$ **160,139**	**266,924**
Unused long-term credit lines			$ -	-
Range of interest rates at year end			**0.80%~ 0.92%**	**0.68%~ 0.79%**

The Company has signed a loan contract with the bank, and as of December 31, 2023 and 2022 the grade of the Republic of China, the Company has fulfilled the commitments in the loan contract.

The collateral of long-term borrowings, please refer to note 8.

(12) Other payables and other current liabilities

Other payables and other current liabilities mainly include salary payable, bonus payable, equipment payable, testing fee, environment examination and rectification fee payable and others. The estimate of the bonus payable by the company will be adjusted according to the overall environmental changes and other factors.

(13) Convertible bonds

The Company issued the third domestic guaranteed convertible bond on October 28, 2021, by pledging 40,000 thousand ordinary shares of Hengi Chemical, 30,000 thousand ordinary shares of Uranus Chemicals Co., Ltd., and a demand deposit amount of $100,000 thousand to Chang Hwa Commercial Bank Co., Ltd., and Chang Hwa Commercial Bank Co., Ltd. was the guarantor.

The relevant information of the Company's convertible corporate bonds is as follows:

		December 31, 2023	December 31, 2022
Total proceeds from convertible corporate bonds issued	$	700,000	700,000
Less: issued corporate bonds discount		(12,620)	(17,060)
Corporate bonds payable balance at year-end	$	687,380	682,940
Reclass : convertaible coperate bonds could be sold by within one year	$	(687,380)	-
Convertable corporate bonds－non current	**$**	**-**	**682,940**
Embedded derivative – call and put options(recorded in financial assets (liabilities) at FVTPL－current and non-current)	**$**	**(3,602)**	**(2,482)**

		2023	2022
Interest expense	**$**	**4,440**	**4,412**

The Company's third domestic guaranteed convertible corporate bonds are five year guaranteed convertible bonds with zero coupon rate, each with value of $100, amounting to $700,000 thousand. The conversion price on December 31, 2023 and 2022 were $101.7 and $106.1, respectively.

The date on which the above-mentioned convertible corporate bonds are issued for three years (October 28, 2024) shall be the base date for the holders of convertible corporate bonds to sell them back in advance.

The holders of the convertible corporate bonds issued by the Company may exercise their right to sell them back within the period specified in the issuance regulations. Hence, the Company classified the convertible corporate bonds under current liabilities as of December 31, 2023, whereas the Company may not necessarily be required by its bondholders to repay the bonds in the following year.

The Company has separately recognized its rights and liabilities of the above-mentioned convertible bonds upon issuance. The details are as follows:

Item		Amount
Total amounts of convertible corporate bonds issued (deducting cost of issuing)	$	808,056
Fair value of embedded non-equity derivative issued		6,408
Fair value of bonds payable issued		(677,745)
Equity component – conversion options	**$**	**136,719**

After the separation of the above-mentioned embedded derivatives, the effective interest rate of the third domestic guaranteed convertible bond was 0.65%.

(14) Lease liabilities

The Company's lease liabilities were as follow:

	December 31, 2023	December 31, 2022
Current	$ 9,119	9,482
Non-current	$ 29,219	38,339

For the maturity analysis, please refer to note 6(22).

The amounts recognized in profit or loss were as follows:

	2023	2022
Interest on lease liabilities	$ 1,024	1,241
Expenses relating to short-term leases and leases of low-value assets	$ 2,062	1,811

The amounts recognized in the statement of cash flows by the Company were as follows:

	2023	2022
Total cash outflow for leases	$ 12,569	13,356

(i) Leased land and buildings

As of December 31, 2023 and 2022, the Company has leased land and buildings for a period of 6 to 10, 2 to 10 years, respectively. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) Other leases

The Company leases vehicles and others, with lease terms of 1 to 5 years. In some cases, the Company has options to purchase the assets at the end of the contract term.

The Company also leases printers and staff dormitory with contract terms of 1 to 2 years. These leases are short-term and leases of low-value items. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(15) Employee benefits

(i) Defined benefit plans

The present value of the defined benefit obligation and the fair value adjustments of the plan assets for the Company were as follow:

	December 31, 2023	December 31, 2022
Present value of the defined benefit obligation	$ 10,827	12,800
Fair value of plan assets	(4,476)	(6,109)
Net defined benefit liability	**$ 6,351**	**6,691**

The Company established defined benefit plans by contributed to the pension fund account at Bank of Taiwan that provides pensions for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive an annual payment based on years of service and average salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocate pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Fund, Ministry of Labor. Minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company Bank of Taiwan labor pension reserve account balance amounting to $4,476 thousand at December 31, 2023. For information on the utilization of the labor pension fund assets including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Fund.

2) Movements in present value of defined benefit obligation

The movements in present value of the defined benefit obligation for the Company were as follows:

	2023	2022
Defined benefit obligation at January 1	$ 12,800	14,316
Current service cost and interest	160	138
Benefits paid from plan assets	(1,891)	(2,495)
Remeasurements of the net defined benefit liabilities	(242)	841
Defined benefit obligation as of December 31	**$ 10,827**	**12,800**

3) Movements in the fair value of the defined benefit plan assets

The movements in the fair value of the defined benefit plan assets of the Company were as follows:

		2023	2022
Fair value of plan assets at January 1	$	6,109	7,640
Contributions made		136	-
Interest income		77	50
Benefits paid from plan assets		(1,891)	(2,495)
Return on plan assets (loss)		45	914
Fair value of plan assets at December 31	**$**	**4,476**	**6,109**

4) Expenses recognized in profit or loss

The expenses recognized in profit or losses for the Company were as follows:

		2023	2022
Current service cost	$	-	45
Net interest on the net defined benefit liabilities		84	44
	$	**84**	**89**

5) Remeasurements of the net defined benefit liabilities recognized in other comprehensive income

The Company's remeasurements of the net defined benefit liabilities recognized as accumulated in other comprehensive income were as follows:

		2023	2022
Cumulative amount at January 1	$	(6,059)	(5,985)
Recognized in profit (losses) for the period		(287)	(74)
Cumulative amount as of December 31	**$**	**(6,346)**	**(6,059)**

6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follow:

	December 31, 2023	December 31, 2022
Discount rate	1.25%	1.25%
Future salary increase rate	3%	3%

The Company is expecting a contribution of $0 to its defined benefit plans in the following year, beginning December 31, 2023.

The weighted-average lifetime of the defined benefit plan is 11.1 years.

7) Sensitivity analysis

The carrying amount of the Company's net defined benefit assets was $6,351 as of December 31, 2023. When the employee's unpaid salary growth rate is changed by 1%, it is estimated that the accrued pension liabilities recognized by the Company would increase by $639 thousand or decrease by $575 thousand, respectively.

(ii) Defined contribution plans

In accordance with the provisions of the Labor Pension Act, the Company should contribute 6% of its employees' monthly wages to their labor pension personal accounts of the Bureau of Labor Insurance, Ministry of Labor (hereinafter referred to as the Bureau of Labor Insurance). Under this defined contribution plan, the Company contribute a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The Company's pension costs under the defined contribution plan were $6,102 thousand and $6,200 thousand for the years ended December 31, 2023 and 2022, respectively.

(16) Income tax

(i) Income tax expense(benefit)

		2023	2022
Current tax expense			
Current period	$	7,030	162,885
Adjustment for prior periods		(230)	832
		6,800	163,717
Deferred tax expense			
Origination and reversal of temporary differences		(12,770)	(19,164)
Income tax expense(benefit)	**$**	**(5,970)**	**144,553**

The amount of income tax expense (benefit) recognized in other comprehensive income were as follows:

		2023	2022
Exchange differences on translation of foreign financial statements	**$**	**(4,688)**	**4,381**

The reconciliation of income tax expenses (benefit) and income (loss) before income tax were as follows:

		2023	2022
Income(loss) before income tax	$	(106,199)	637,713
Income tax at the Company's domestic tax rate		(21,240)	127,543
Permanent difference and others		8,470	12,692
Undistributed earnings additional tax		7,030	3,486
Change in provision in prior periods		(230)	832
Total	**$**	**(5,970)**	**144,553**

(ii) Unrecognized deferred tax asset

Unrecognized deferred tax asset was as below:

	December 31, 2023
Tax losses	$ 39,167

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. Deferred tax assets have not been recognized because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

As of December 31 2023, the Company's unused tax losses for which no deferred tax assets were recognized are as follows:

Loss-making years	Losses that have not yet been deducted	The last year in which the deduction is made
2023	195,835	2033

(iii) Recognized deferred tax assets and liabilities

Deferred tax assets	January 1, 2022	Recognized in income statement	Recognized in other comprehensive income	December 31, 2022	Recognized in income statement	Recognized in other comprehensive income	December 31, 2023
Exchange differences on translation of foreign financial statements	$ 9,489	-	(4,381)	5,108	-	4,688	9,796
Inventory devaluation loss	4,662	43,248	-	47,910	(10,485)	-	37,425
Pension not actually contributed	727	18	-	745	-	-	745
Impairment loss	1,163	(287)	-	876	(285)	-	591
Others	4,244	3,095	-	7,339	9,219	-	16,558
	$ 20,285	**46,074**	**(4,381)**	**61,978**	**(1,551)**	**4,688**	**65,115**

Deferred tax liabilities	January 1, 2022	Recognized in income statement	Recognized in other comprehensive income	December 31, 2022	Recognized in income statement	Recognized in other comprehensive income	December 31, 2023
Investment income recognized under equity method	$ 51,038	10,998	-	62,036	(17,016)	-	45,020
Others	1,688	15,912	-	17,600	2,695	-	20,295
	$ 52,726	**26,910**	**-**	**79,636**	**(14,321)**	**-**	**65,315**

(iv) The Company's income tax returns for the years through 2021 were assessed by the tax authority.

(17) Capital and other equity

(i) Issuance of ordinary shares

In the third quarter of 2023, the Company's Board of Directors resolved to issued 12,000 thousand new shares for cash at a premium price of $68 per share, totaling $816,000. The difference between the denomination and the issuance price after deducting the issuance cost of $2,040 thousand, amounted to $696,000, which is listed as Capital surplus－premium 693,960 thousand, and the relevant statutory registration procedures have been completed in 2023.

In 2023, the Company recognized the share-based cost of the above-mentioned cash capital increase reserved for employees to subscribe for shares amounting to $6,720 thousand.

As of December 31, 2023 and 2022, the authorized capital of the Company both amounted to $1,500,000 thousand; the issued capital amounted to $1,190,293 thousand and $1,070,293 thousand on December 31, 2023 and 2022, respectively. With par value at $10 per share.

Reconciliations of shares outstanding to the Company were as follows (in thousands of shares):

	Ordinary Shares	
	2023	**2022**
Balance at January 1	105,604	105,604
Issued for cash	12,000	-
Balance at December 31	**117,604**	**105,604**

(ii) Capital surplus

	December 31, 2023	**December 31, 2022**
Additional paid-in capital	$ 2,681,998	1,981,318
Difference between consideration and carrying amount arising from acquisition or disposal of subsidiaries shareholdings	312,065	320,617
Treasury share transaction	204,049	171,324
Share options and others	202,177	200,156
	$ 3,400,289	**2,673,415**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the ordinary share or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital share and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus should not exceed 10% of the total ordinary share outstanding.

The resolution decided by board of directors on February 27, 2024 to distribute the 2023 cash dividends from the capital surplus of $36,457 thousand, at $0.31 per share, is yet to be approved during the shareholders' meeting of the Company. The related information will be available on the Market Observation Post System on the website after the meeting.

(iii) Retained earnings

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

By choosing to apply exemptions granted under IFRS 1 during the Company's first-time adoption of the IFRSs endorsed by the FSC, cumulative translation adjustments under shareholders' equity shall be reclassified as retained earnings at the transition date. The increase in retained earnings occurring before the transition date due to the first-time adoption of the IFRSs endorsed by the FSC amounted to $20,277. The net increase in retained earnings resulting from the first application of IFRS1 on the transition date was $16,830. In accordance with rules issued by the FSC, a net increase in retained earnings due to the first-time adoption of the IFRSs endorsed by the FSC shall be reclassified as a special reserve during earnings distribution, and when the relevant asset is used, disposed of, or reclassified, this special reserve shall be reversed as distributable earnings proportionately. There was no carrying and reversing in 2023 and 2022.

In accordance with the guidelines of the above Ruling, a portion of current period earnings and undistributed prior period earnings shall be reclassified as a special reserve during earnings distribution. The amount to be reclassified should be equal to the difference between the total net current period reduction of special reserve resulting from the first-time adoption of the IFRSs endorsed by the FSC and the carrying amount of other shareholders' equity as stated above. Similarly, a portion of undistributed prior period earnings shall be reclassified as a special reserve (which does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods due to the first-time adoption of the IFRSs endorsed by the FSC. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

According to the Company's articles of incorporation, in years of earnings, pay income tax, offset any accumulated deficit. Thereafter, a 10% appropriation of the remaining amount shall be set aside for legal reserve, unless the amount in the legal reserve is already equal to or greater than the total paid in capital. Thereafter, an amount shall be set aside or reversed as a special reserve in accordance with related laws, regulations, or provisions of the competent authorities. Distribution of the remaining earnings after setting aside the abovementioned amounts, together with the balance of the unappropriated retained earnings of the previous year, shall be proposed by the Board of Directors to be approved at the shareholders' meeting.

As the Company is still in its growth stage, capital is needed to expand its production lines and to increase its investment in the coming years. Recently, the Company has been developing steadily based on its capital expenditure, business expansion, and appropriate financial planning. The Company will allot more than 10% of its distributable earnings above as dividends to its shareholders. However, if the distributable earnings are less than 30% of the paid-in capital, then no dividend shall be distributed. If the Company simultaneously distributes stock dividends and cash dividends, the cash dividends should not be less than 20% of the total dividend payout to its shareholders.

The following are the appropriation of earnings in last two years which were proposed by the Board of Directors on Feburary 27, 2024 and approved during the shareholders' meeting held on June 30, 2023 respectively:

	2023		2022	
	Amount per share (TWD)	**Total amount**	**Amount per share (TWD)**	**Total amount**
Dividends distributed to ordinary shareholders:				
Cash	**0.49**	**$ 57,626**	**3.0**	**316,813**

The appropriation of retained earnings for 2022 is consistent with the resolutions proposed by the Board of Directors. The appropriation of earnings distribution for 2023 will be presented for resolution in annual shareholders' meeting. The related information will be available on the Market Observation Post System on the website after the meeting.

(iv) Treasury stock

The Company repurchased treasury shares in accordance with the relevant provisions of the Securities and Exchange Law to transfer the shares to employees. The relevant information is as follows:

2023

Reason for holding shares	**Number of shares at the beginning of the period**	**Increased in this period**	**Transferred in this period**	**Number of shares at the end of the period**
Transferred shares to employees	1,425	-	-	1,425

2022

Reason for holding shares	**Number of shares at the beginning of the period**	**Increased in this period**	**Transferred in this period**	**Number of shares at the end of the period**
Transferred shares to employees	1,425	-	-	1,425

In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Company should not be pledged, and do not hold any shareholder rights before the transfer. Shares of the Company held by its subsidiaries are accounted for as treasury shares, which are not allowed in participating in the Company's capital increase and without voting rights, except that, other right is the same as the general shareholders' rights.

Uranus Chemicals holds $673 thousand and $1,213 thousand ordinary shares of the Company, with the acquisition price of $5,014 thousand and $9,034 thousand, for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, the amount of deemed treasury shares the Company recognized was $3,024 thousand and $5,776 thousand, respectively, which was determined based on the Company's shareholding ratio in Uranus Chemicals of 66.24% and 63.94%, respectively.

Uranus Chemicals Co., Ltd. sold part of the Company's shares in 2023 and 2022, at a price totaling $55,200 thousand and $152,767 thousand, respectively. Because the deal was deemed as the treasury stock transaction, according to the Company's shareholding ratio, the difference between the sale price and the cost of the treasury stock was adjusted to the capital surplus amounting to $32,725 thousand and $78,367 thousand, respectively.

(18) Earnings(loss) per share

	2023	2022
Basic earnings (loss) per share:		
Net income (loss) attributable to ordinary shareholders of the Company	**$ (100,229)**	**493,160**
Ordinary shares at January 1	107,029	107,029
Repurchase treasury shares	(1,425)	(1,425)
Shares held by subsidiaries	(504)	(1,213)
Capital increase by cash	3,058	-
Weighted-average number of ordinary shares outstanding during the year (in thousands of shares)	**108,158**	**104,391**
Basic earnings (loss) per share (TWD)	**$ (0.93)**	**4.72**
Diluted earnings (loss) per share:		
Net income (loss) attributable to ordinary shareholders of the Company (basic)	$ (100,229)	493,160
Interest expense on convertible bonds, net of tax	-	3,530
Net income (loss) attributable to ordinary shareholders of the Company (diluted)	**$ (100,229)**	**496,690**
Weighted average number of ordinary shares outstanding (in thousands) (basic)	108,158	104,391
Potential ordinary shares with dilutive effect:		
Effect of employee remuneration in share	-	124
Effect of conversion of convertible bonds	-	6,598
Weighted average number of ordinary shares outstanding (in thousands) (diluted)	**108,158**	**111,113**
Diluted earnings (loss) per share (TWD)	**$ (0.93)**	**4.47**

When calculating earnings (loss) per share, if the potential ordinary shares of convertible corporate bonds and employee compensation that can be allotted by stocks have an anti-dilution effect, they will not be included in the calculation.

(19) Revenue from contracts with customers

Revenue from major markets region and products:

	2023				
	Oxidation catalyst department	**Battery material department**	**Specialty chemical department**	**Other**	**Total**
Taiwan	$ 460,475	2,455,395	338,304	580,205	3,834,379

	2022				
	Oxidation catalyst department	**Battery material department**	**Specialty chemical department**	**Other**	**Total**
Taiwan	$ 902,096	5,367,913	746,208	599,781	7,615,998

(20) Remuneration to employees, directors and supervisors

The Company's articles of incorporation require that earnings shall first be offset against any deficit, then, a minimum of 1.5% will be distributed as employee remuneration, and a maximum of 5% will be allocated as remuneration to directors and supervisors. Employees who are entitled to receive the above-mentioned employee remuneration, in share or cash, include the employees of the Company's subsidiaries who meet certain specific requirements.

For the years ended December 31, 2023 and 2022, the Company accrued and recognized its employee remuneration amounting to $0 and $10,500 thousand, respectively. These amounts were calculated by using the Company's pre-tax net profit for the period before deducting the amounts of the remuneration to employees, multiplied by the distribution of ratio of the remuneration to employees based on the Company's articles of incorporation, and expensed under operating costs or expenses. If there would be any changes after the reporting date, the changes shall be accounted for as changes in accounting estimates and recognized as profit or lost in the following year. If, however, the shareholders determine that the employee remuneration is to be distributed through share, the number of shares to be distributed shall be calculated using the stock price on the day before the shareholders' meeting.

For the year ended December 31, 2021, the Company estimated its employee remuneration and directors' remuneration at $10,500 thousand and $0, respectively. There were no differences between the estimated and the actual amounts of employee and directors' remuneration. Related information would be available at the Market Observation Post System website.

(21) Non-operating income and expenses

(i) Other gains and losses, net

	2023	2022
Rental income	722	667
Others	4,147	1,403
	$ **4,869**	**2,070**

(ii) Other gains and losses, net

	2023	2022
Gain (Loss) on valuation of financial assets and liabilities at FVTPL	$ 52,762	53,787
Others	(745)	43
	$ **52,017**	**53,830**

(iii) Finance costs

	2023	2022
Interest expense – borrowings	$ 70,893	32,792
Interest expense – lease liabilities	1,024	1,241
Interest expense – convertible bonds payable	4,440	4,412
	$ **76,357**	**38,445**

(iv) Interest income

	2023	2022
Interest income from bank deposits	$ 27,163	6,552
Interest income from others	2,956	34
	$ **30,119**	**6,586**

(22) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets and contract assets represent the maximum credit exposure.

2) Concentration of credit risk

The customers of the Company are concentrated on customer base of oxidation catalyst, power battery materials, chemical fertilizers and special chemicals. The Company limits its exposure to credit risk from accounts receivables by continuously evaluates the debt collectability and provides adequate reserves for loss allowance, if necessary. As of December 31, 2023 and 2022, there were both 6 major customers, which represented 63% and 58% of the accounts receivable, respectively. Thus, credit risk is significantly concentrated.

3) Credit risk of receivables and debt securities

For credit risk exposure of note and trade receivables, please refer to note 6(3). Other financial assets at amortized cost include other receivables from related parties and other financial assets. There are no impairment losses recognized for the years ended.

All of these financial assets are considered to have low risk, and thus, the loss allowance recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(6).

(ii) Liquidity risk

The following are the contractual maturities of financial liabilities, (including interest payments):

	Carrying amount	Contractual cash flow	Within 6 months	6 to 12 months	1 to 2 years	Above 2 years
December 31, 2023						
Non-derivative financial liabilities						
Short-term borrowings	$ 810,154	819,210	819,210	-	-	-
Notes and accounts payable (including related parties)	104,029	104,029	104,029	-	-	-
Other payables	3,081	3,081	3,081	-	-	-
Long-term borrowing (including current portion of long-term borrowings)	266,924	268,964	54,116	53,958	107,442	53,448
Lease liabilities (including current and non-current)	38,338	41,037	4,968	4,968	7,621	23,480
Convertible bonds payable (including current portion of convertible bonds payable)	687,380	700,000	-	700,000	-	-
	$ 1,909,906	1,936,321	985,404	758,926	115,063	76,928

	Book value	Cash flow of contract	Within 6 months	6 to 12 months	1 to 2 years	Above 2 years
December 31, 2022						
Non-derivative financial liabilities						
Short-term notes and bills payable	$ 1,692,855	1,703,807	1,703,807	-	-	-
Short-term borrowings	87,364	87,364	87,364	-	-	-
Other payables	3,873	3,873	3,873	-	-	-
Long-term borrowing(including current portion)	373,709	377,662	54,425	54,273	108,074	160,890
Lease liabilities (including current and non-current)	47,821	51,544	5,330	5,178	9,935	31,101
Convertible bonds payable	682,940	700,000	-	-	-	700,000
	$ 2,888,562	2,924,250	1,854,799	59,451	118,009	891,991

The Company does not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to currency risk

The Company’s financial assets and liabilities exposed to exchange rate risk were as follows:

	December 31, 2023			
	Foreign currency		Exchange rate	TWD
Financial Assets				
Monetary items				
USD	$	34,877	30.705	1,070,898
Financial Liabilities				
Monetary items				
USD		26,684	30.705	819,342

	December 31, 2022			
	Foreign currency		Exchange rate	TWD
Financial Assets				
Monetary items				
USD	$	72,689	30.71	2,232,279
Financial Liabilities				
Monetary items				
USD		33,438	30.71	1,026,881

2) Sensitivity analysis

The Company's exposure to foreign current risk arises from the translation of cash and cash equivalents, receivables, short-term borrowing, accounts payable, and other payables, that are primarily denominated in USD. Assuming all other variable factors remain constant, a strengthening (weakening) of $1 of the TWD against USD, would have increased (decreased) the net income $6,554 and $31,401, respectively for the years ended December 31, 2023 and 2022.

3) Exchange gains and losses of monetary items

The information on foreign exchange gain (loss) on monetary items. For years 2023 and 2022, foreign exchange gain (loss) (including realized and unrealized portions) amounted to $16,444 and $118,526, respectively.

(iv) Interest rate analysis

The Company’s interest rate exposure regarding its financial assets and liabilities has been disclosed in the note of financial risk management.

The following sensitivity analysis is based on the exposure to interest rate risk of the derivative and non-derivative instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year on the reporting date. The exposure to changes in interest rates (assuming all other variables remain constant) would have influenced the net income for the years ended December 31, 2023 and 2022, as illustrated below:

	Range of the fluctuations	2023	2022
Annual interest rate	Increase of 1%	$ (8,617)	(16,533)
	Decrease of 1%	$ 8,617	16,533

(v) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2023				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL－current	$ 19,588	19,588	-	-	19,588
Financial liabilities at FVTPL－current	$ 3,602	-	3,602	-	3,602
Convertible bonds payable(recorded in coporate convertible bonds callable in 1 year)	$ 687,380	748,790	-	-	748,790

	December 31, 2022				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL－current	$ 51,655	51,655	-	-	51,655
Financial liabilities at FVTPL－current	$ 2,482	-	2,482	-	2,482
Convertible bonds payable	$ 682,940	812,000	-	-	812,000

2) Valuation techniques for financial instruments not measured at fair value

The Company's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

Financial assets and financial liabilities measured at amortized cost. If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Valuation techniques for financial instruments that are measured at fair value

The right-of-call or put option that embedded in derivative is measured by using the appropriate option pricing models.

There is no transfer between the levels for the years ended 2023 and 2022.

(23) Financial risk management

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and process for measuring and managing risk. Further quantitative disclosures are included throughout the relevant footnotes of the parent-company-only financial statements.

(i) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The Company’s risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities.

The financial management department provides services for each business, coordinating access to domestic and international financial market operations, monitors and manages the financial risks associated with the operations of the Company by analyzing the internal risk report on risk based on the degree and extent of the risk. The risk including credit risk, liquidity risk and market risk. The market risk which including currency risk, rate risk, and other market price risk.

(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company deposits its cash and cash equivalents with reputable banks; thus, the credit risk is low.

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. The Company limits its exposure to credit risk by establishing a dedicated team that is responsible for customer’s credit assessment and approval, limit and monitoring procedures. This is to ensure that appropriate actions are taken for the recoverability of overdue receivables. In addition, the Company will review the recoverable amount of the receivables individually at each reporting date so that impairment losses are appropriately provided for those irrecoverable receivables.

The Company’s policy is to provide financial guarantees only to wholly owned subsidiaries. There is no endorsement guarantee to entity other than subsidiary on December 31, 2023 and 2022.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages and maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Company's management supervises the banking facilities and ensures compliance with the terms of loan agreements.

(iv) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Company's entities, primarily the USD.

Interest in borrowing is denominated with the same currency of borrowing principal. Generally, the denominated currency of borrowing is the same with the Company's cash flow generated from operation, primarily in TWD, but also USD. Under these circumstances, the natural economic hedge exists without using derivative instrument.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

2) Interest rate risk

The Company's short-term and long-term borrowings are carried in variable interest rates. Therefore, the fluctuation of market rate will make the effective interest rate of short-term and long-term borrowings changed accordingly which resulted fluctuation in future cash flows.

(24) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximize shareholder's value.

The Company's industry is volatile, capital and technology-intensive industries, and the Company's life cycle is in a stable growth stage of operation. The remaining dividend policy must be adopted at this stage with funds to retain the surplus in response to operational growth and investment needs. The cash dividend distributed by the shareholder bonus shall not be less than 20% of the total distribution.

The top management of the Company re-examines the capital structure every six months, and its review includes consideration of the cost of each category of capital and related risks. Based on the recommendations of the top management, the Company will balance its overall capital structure by paying dividends, issuing new shares, buying back shares and issuing new debts or repaying old debts.

As of December 31, 2023, the way in which the Company's capital management was managed has not changed.

The debt-to-equity ratio at the reporting date is as follows:

		December 31, 2023	**December 31, 2022**
Total liabilities	$	2,155,226	3,564,481
Less: cash and cash equivalents		(2,135,858)	(1,993,164)
Net debt	**$**	**19,368**	**1,571,317**
Total equity	**$**	**5,412,836**	**4,998,297**
Debt-to-equity ratio		**0.36%**	**31.44%**

(25) Financing activities not affecting current cash flow

Reconciliation of liabilities arising from financing activities were as follows:

				Non-cash changes		
		January 1, 2023	**Cash flows**	**Additions**	**Foreign exchange movement and others**	**December 31, 2023**
Short-term borrowings	**$**	**1,692,855**	**(871,178)**	**-**	**(11,523)**	**810,154**
Long-term borrowings (including current portion)	**$**	**373,709**	**(106,785)**	**-**	**-**	**266,924**
Lease liabilities (including current and non-current)	**$**	**47,821**	**(9,483)**	**-**	**-**	**38,338**
Convertible bonds payable (including current portion)	**$**	**682,940**	**-**	**-**	**4,440**	**687,380**

			Non-cash changes		
	January 1, 2022	Cash flows	Additions	Foreign exchange movement and others	December 31, 2022
Deposit received	$ 524	(524)	-	-	-
Short-term notes and bills payable	$ 80,000	(80,000)	-	-	-
Short-term borrowings	$ 1,287,962	407,881	-	(2,988)	1,692,855
Long-term borrowings (including current portion)	$ 436,000	(62,291)	-	-	373,709
Lease liabilities (including current and non-current)	$ 58,125	(10,304)	-	-	47,821
Convertible bonds payable	$ 678,528	-	-	4,412	682,940

7. Related-party transactions

(1) Names and relationship with related parties

Name of related party	Relationship with the Company
Coremax (BVI) Corporation	The subsidiary of the Company
Coremax (Thailand) Co., Ltd.	The subsidiary of the Company
Uranus Chemicals Co., Ltd.	The subsidiary of the Company
Hengi Chemical Co., Ltd.	The subsidiary of the Company
Coremax Ningbo Chemical Co., Ltd.	The subsidiary of the Company
Coremax (Zhangzhou) Chemical Co., Ltd.	The subsidiary of the Company
Jiangxi Tianjiang Materials Co., Ltd.	The subsidiary of the Company
Vinacoremax company limited	The subsidiary of the Company

(2) Significant related-party transactions

(i) Operating revenue

	2023	2022
Subsidiaries	$ 289,501	406,599

The selling prices for sales to related parties and collection period were similar to those for unrelated customers.

As of December 31, 2023 and 2022, the unrealized profit or loss from sales with the investees under equity method amounted to $5,438 and $0, respectively, which were deducted from the investments accounted for using the equity method.

(ii) Purchase

		2023	2022
Subsidiaries	$	8,669	43,718

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors.

(iii) Accounts receivable from related parties

The receivable from related party was as follows:

		December 31, 2022	December 31, 2022
Subsidiaries	$	56,437	130,538

(iv) Accounts payable to related parties

The payables to related parties were as follows:

Related Party Categories		December 31, 2023	December 31, 2022
Subsidiaries	$	828	2,005

(v) Processing charges

For the years 2023 and 2022, expenses of the Company incurred due to the processing by subsidiaries amounted to $228,874 thousand and $150,369 thousand, respectively.

(vi) Endorsement guarantee

As of December 31, 2023 and 2022, the Company's endorsement guarantee provided to subsidiaries amounted to $92,115 thousand and $192,130 thousand, respectively.

(vii) Rental

(a) Rental income and imputed interest

The Company enters into a lease agreement with its subsidiaries. The rental income recognized in years 2023 and 2022 were $162 thousand and $324 thousand, respectively. The imputed interest recognized in years 2023 and 2022 were $33 thousand and $18 thousand, respectively.

(b) Utilities, fuel fee and others

The Company rented land and factories, fuel fee and others from subsidiaries, the amount paid for related expenses in years 2023 and 2022 were $5,184 thousand and $15,478 thousand, respectively.

(c) The Company rented land and offices from subsidiaries. For the years 2023 and 2022, the Company recognized the amount of $1,000 thousand and $1,192 thousand as interest expense, respectively. As of December 31, 2023 and 2022, the balance of lease liabilities amounted to $36,149 thousand and $44,000 thousand, respectively.

(d) For the year ended December 31, 2023 and 2022, the amount paid by the Company to its subsidiaries for rent expenses incurred under the staff dormitory lease agreement were both $72 thousand.

The amount paid by the Company and its related parties for receivable (payable) due from (to) related parties incurred under the rent expenses, interest income, other transactions and Company divided and transfered, etc.. were as follows:

Other receivables due from related parties

	December 31, 2023	December 31, 2022
Subsidiaries	$ 8,525	933
Subsidiaries (note)	$ 364,425	-

Accounts payable due to related parties

	December 31, 2023	December 31, 2022
Subsidiaries	$ 33,332	52,121
Subsidiaries (note)	$ 39,535	-

Note: The receivable (payament) arising from the division of the company's cobalt sulfate business to the company please refer to note 7(4).

(viii) Purchasing machinery and equipment

The Company purchased machinery and equipment on behalf of its Thai subsidiary for the price of $29,314 thousand.

(3) Transactions with key management personnel

Key management personnel remuneration comprised:

	2023	2022
Short-term employee benefits	$ 18,100	21,791
Post-employment benefits	63	135
	$ 18,163	**21,926**

(4) Division and transfer of business

(i) Division and transfer of business

As mentioned in Note 1, the Company divided and transferred its cobalt sulfate business to its subsidiary, Uranus on December 31, 2023 by acquiring 4,125 thousand new shares issued by Uranus. The carrying value of the relevant assets and liabilities was as follows:

Asset:	
Accounts receivable	$ 16,561
Other receivables	399,539
Other receivables - related parties	39,535
Inventories	67,112
Property, plant and equipment	24,375
subtotal	547,122
Liability:	
Other payables to related parties	(421,569)
Other payables	(1,803)
Other current liabilities	(235)
subtotal	(423,607)
Net asset	**$ 123,515**

8. Pledged assets

Except for notes 6(13), the carrying amount of the Company's pledged assets are as follows:

Assets	Purpose of pledge	December 31, 2023	December 31, 2022
Land	Long-term borrowings and obtaining credit limit for short-term borrowings	$ 130,864	130,864
Buildings	Long-term borrowings and obtaining credit limit for short-term borrowings	28,517	33,562
Restricted deposit (recorded in other financial assets－non-current)	Create a pledge of convertible bonds payable	100,000	100,000
		$ 259,381	**264,426**

9. Commitments and contingencies

Except for the note 6(11), the remaining statements were as follow:

(1) As of December 31, 2023, and 2022, the Company had acquired property, plant and equipment, with the remaining commitments of $4,343 thousand and $10,014 thousand, respectively.

(2) As of December 31, 2023, and 2022, the subsidiary, Coremax (BVI) Corporation, had applied for a borrowing facility with an amount of USD3,000 thousand (equivalent to $92,115 thousand and $92,130 thousand, respectively) from a bank, in which the Company holds the responsibility as its joint guarantor.

(3) As of December 31 2022, Uranus Chemical applied for a financing amount from a bank, with the Company serving as the joint guarantor for the endorsement/guarantee amounting to $100,000 thousand.

(4) The company signed a purchasing contract with a supplier on October 23, 2023, and the purchase amount of the unpurchased goods as of December 31, 2023 was $32,167 thousand.

10. Losses due to major disasters: None

11. Subsequent events: None

12. Other

(1) A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By function / By item	2023 Classified as operating cost	2023 Classified as operating expenses	2023 Total	2022 Classified as operating cost	2022 Classified as operating expenses	2022 Total
Employee benefits						
Salaries	70,638	56,867	127,505	170,713	112,823	283,536
Labor and health insurance	8,819	5,282	14,101	8,637	5,396	14,033
Pension	3,816	2,370	6,186	3,732	2,557	6,289
Remuneration of directors	-	5,163	5,163	-	5,265	5,265
Others	8,348	2,843	11,191	7,336	3,716	11,052
Depreciation	65,788	7,707	73,495	67,566	8,349	75,915

The number of employees and employee benefits for the years ended December 31, 2023 and 2022, was follows:

	2023	2022
The number of employees	186	201
The number of directors who were not holding as a position of employee	7	7
The average of employee benefits	$ 888	1,623
The average of Salaries	$ 712	1,462
The average of salary adjust rate	(51%)	49%
Supervisor's remuneration	$ -	-

The Company' s salary and remuneration policy (including directors, managers and employees) is as follows:

(i) Directors' remuneration: The remuneration of each director shall be proposed by the Salary Remuneration Committee for implementation after being approved by the Board of Directors.

(ii) Salaries of employees and managers: Monthly salary will be determined with reference to the salary market conditions, job category, academic experience, professional knowledge and technology, seniority, practical experience, as well as personal performance, regardless of age, gender, race, etc.; and it will be adjusted in due course according to the Company's operating conditions, market wage dynamics, the overall economic and industrial climate changes, and the government laws and regulations.

(iii) Year-end bonus for employees and managers is allocated according to the Company's operating conditions, with reference to each employee's performance appraisal results.

(iv) Remuneration for employees and managers is based on the Company's employee remuneration distribution policy, with reference to the achievement of personal goals, job contribution and overall performance of the individual.

The remuneration policies of the above-mentioned general manager, deputy general managers and equivalent position manager, in addition to the company's business strategy, profit results, performance and job contribution etc. factors, and reference to the salary market level. The Salary Remuneration Committee puts forward a proposal and implement after approved by the Board of Directors.

(2) Disclosure information on organizational restructuring - division and transfer of business

As mentioned in Note 1, the Company, the ultimate parent of the Group, underwent an organizational restructuring as of December 31, 2023, wherein it divided and transferred its cobalt sulfate business to its subsidiary, Uranus. The Company has elected not to deem the cobalt sulfate business owned by Uranus from the very beginning, and thus, did not restate its financial statements for the comparative period. Assuming that the cobalt sulfate business has been owned by Uranus since January 1, 2022, the Company's pro forma concise balance sheets for the years 2023 and 2022 and its pro forma concise income statements for the periods from January 1 to December 30, 2023 and 2022 will be as follows:

	December 31, 2023	December 31, 2022
current asset	$ 3,446,616	4,446,733
Non-current asset	4,121,446	3,906,306
Total assets	**$ 7,568,062**	**8,353,039**

	December 31, 2023	December 31, 2022
Current liabilities	$ 1,894,202	2,306,232
Non-current liabilities	261,024	1,077,012
Total liabilities	**$ 2,155,226**	**3,383,244**

	2023	2022
Operating income	$ 3,513,840	6,609,854
Operating gross profit (loss)	(74,426)	455,101
Operating profit (loss)	(200,220)	278,518
Non-operating income and expenses	48,857	335,338
Pre-tax net profit (loss)	(151,363)	613,856
Income tax benefits (expenses)	15,003	(133,514)
Net profit (loss) for the period	$ (136,360)	480,342
Other comprehensive gains and losses for the period	(15,293)	13,206
Total comprehensive profit or loss for the period	**$ (151,653)**	**493,548**

	2023	2022
Net profit (loss) for the period attributable to		
Owners of the Company	$ (136,360)	480,342
Non-Controlling Interests	-	-
Net profit (loss) for the period	**$ (136,360)**	**480,342**
Total comprehensive profit or loss attributable to:		
Owners of the Company	$ (151,653)	493,548
Non-Controlling Interests	-	-
Total comprehensive profit or loss for the period	**$ (151,653)**	**493,548**
Basic earnings (loss) per share (in dollars)	**$ (1.26)**	**4.60**
Diluted earnings (loss) per share (in dollars)	**$ (1.26)**	**4.35**

In principle, the above financial information was prepared on the basis of those who are directly attributable or individually identifiable to business related to cobalt sulfate. However, in cases where it is difficult to clearly identify or attribute the above individuals, the information will be prepared or allocated on other reasonable basis.

13. Other disclosures:

(1) Information on significant transactions:

The following is the information on the Company' s significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" :

(i) Loans to other parties: Please refer to Table 1.

(ii) Guarantees and endorsements for other parties: Please refer to Table 2.

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures): None.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to Table 3.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to Table 4.

(ix) Trading in derivative instruments: Note 6(2).

(2) Information on investees: Please refer to Table 5.

(3) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information: Please refer to Table 6(1).

(ii) Limitation on investment in Mainland China: Please refer to Table 6(2).

(iii) Significant transactions:

The significant inter-company transactions with the subsidiaries in Mainland China, which were eliminated in the preparation of parent-company-only financial statements, are disclosed in "Information on significant transactions".

(4) Major shareholders:

Unit: Share

Shareholding / Shareholder's Name	Shares	Percentage
CHANG XING INVESTMENT CO., LTD	14,943,609	12.55 %
CHEH JADE ENTERPRISE CO., LTD	14,455,940	12.14 %

Note 1: The information on major shareholders, which is provided by the Taiwan Depository &Clearing Corporation, summarized the shareholders who held over 5% of the total nonphysical ordinary shares and preference shares (including treasury shares) on the last business date of each quarter. The actual registered non-physical shares may be different from the capital shares disclosed in the consolidated financial statements due to the use of different calculation basis.

Note 2: In the case of the above information, if a shareholder delivers shares to the trust, the shares will be individually disclosed by the trustee who opened the trust account. As for shareholders' declarations of insider's equity holdings exceeding 10% in accordance with the Securities and Exchange Act, their shareholding include their own shareholding, plus the shares delivered to the trust, and the right to use the trust property. For further information on relevant insider shares, please refer to the Public Information Observatory.

14. Segment information

Please refer to consolidated financial statements for the year ended December 31, 2023.

Coremax Corporation

Loans to other parties

For the year ended December 31, 2023

Table 1 (Amounts in Thousands)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 5)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad deb	Collateral		Individual funding loan limits (Note 3)	Maximum limit of fund financing (Note 2)
													Item	Value		
1	COREMAX (BVI) CORPORATION	Coremax Ningbo Chemical Co., Ltd.	Other receivables	Yes	25,940	24,564	-	4%	2	-	Operating demand	-	None	-	103,356	155,035
1	COREMAX (BVI) CORPORATION	Coremax (Thailand) Co., Ltd.	Other receivables	Yes	81,063	76,763	62,495	4%~5.5%	2	-	Operating demand	-	None	-	103,356	155,035
1	COREMAX (BVI) CORPORATION	Coremax (Zhangzhou) Chemical co., Ltd.	Other receivables	Yes	32,345	30,705	-	4%	2	-	Operating demand	-	None	-	103,356	155,035
2	Coremax Ningbo Chemical Co., Ltd.	Coremax (Zhangzhou) Chemical co., Ltd.	Other receivables	Yes	17,780	17,308	-	4%	2	-	Operating demand	-	None	-	32,707	49,061
3	Jiangxi Tianjiang Materials Co., Ltd.	Coremax (Zhangzhou) Chemical co., Ltd.	Other receivables	Yes	11,113	10,818	10,818	5%	2	-	Operating demand	-	None	-	12,312 (Note 4)	15,390 (Note 4)
4	Coremax (Zhangzhou) Chemical co., Ltd.	Coremax Ningbo Chemical Co., Ltd.	Other receivables	Yes	17,780	17,308	-	4%	2	-	Operating demand	-	None	-	47,555	71,332

Note 1: The number denote the following：
(1) The issue is number 0.
(2) Interest are listed in accordance with names and sequential order starting with 1.

Note 2: Limit of total financing amount shall not exceed 30% of latest financial statements of the lender's capital.

Note 3: Limit of financing amount for individual counter-party shall not exceed 20% of the latest financial statements of the lender's capital.

Note 4: Limit of total financing amount shall not exceed 100% of latest financial statements of the lender's capital. Limit of financing amount for individual counter-party shall not exceed 80% of the latest financial statements of the lender's capital.

Note 5: (1) Parties which have business relationship with the Company
(2) The need for short-term financing.

Coremax Corporation

Guarantees and endorsements for other parties

For the year ended December 31, 2023

Table 2 (Amounts in Thousands)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 4)	Highest balance of guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 3)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements / guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 2)										
0	The Company	Coremax (BVI) Corporation	2	1,082,567	97,275	92,115	-	-	1.70 %	2,706,418	Y	N	N
0	The Company	Uranus Chemicals Co., Ltd.	2	1,082,567	100,000	Note5	-	-	-	2,706,418	Y	N	N

Note 1: The numbers denote the following:
(1) The issuer is number 0.
(2) Investees are listed in accordance with names and in sequential order starting with 1.

Note 2: The relation between guarantor and guarantee and their endorsement should be disclosed as one of the following:
(1) An entity that is with business relationship.
(2) Subsidiary which owned more than 50 percent by the guarantor.
(3) An investee owned more than 50 percent in total by both the guarantor and its subsidiary.
(4) An investee owned more than 90 percent by the guarantor or its subsidiary.
(5) Fulfillment of contractual obligations by providing mutual endorsements and guarantor for peer or joint builders in order to undertake a construction project.
(6) An entity that is guaranteed and endorsed by all capital contributing shareholders in proportion to their shareholding percentages.
(7) The companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for per-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The total amount for guarantees and endorsements provided by the Company to other entities shall not exceed 50% of latest financial statements of the Company’s net worth audited.

Note 4: The total amount for guarantees and endorsements provided by the Company to any individual entity shall not exceed 20% of latest financial statements of the Company’s net worth audited.

Note 5: The Company ceased to provide guarantee for Uranus Chemicals beginning on November 15, 2023.

Coremax Corporation

Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock

For the year ended December 31, 2023

Table 3 (Amounts in Thousands)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/ Sale	Amount	Percentage of Total Purchases/Sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total Notes/Accounts Receivable (Payable)	
The Company	Uranus Chemicals Co., Ltd.	66.24% owned subsidiary of the parent company	Purchases	230,185	10.78 %	Net 67 days from the end of the month of when invoice is issued	-	Not significantly different	(27,721)	26.65 %	

Coremax Corporation

Receivables from Related Parties Amounting to at least NT$100 Million or 20% of the Paid-in Capital

For the year Ended December 31, 2023

Table 4 (Amounts in Thousands)

Name of Company	Counter-Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts received in Subsequent period (Note 1)	Allowance for bad debts
					Amount	Action Taken		
The Company	Uranus Chemicals	Subsidiary	365,116	(Note 2)	-		6,347	-

Note 1: The amount recovered as of February 23, 2024.
Note 2: Includes other receivables arising from the division and transfer of the cobalt sulfate business by the Company to Uranus Chemicals.

Coremax Corporation

Information on Investees (Excluding Information on Investees in Mainland China)

For the year ended December 31, 2023

Table 5 (Shares in Thousands /Amount in Thousands)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	Coremax (BVI) Corporation	British Virgin Islands	Investment company	302,406	302,406	9,658	100 %	511,343	(38,927)	(38,927)	
The Company	Hengi Chemical Co., Ltd.	Taiwan	Manufacturing and sales of chemical fertilizers, chemical raw materials, organic fertilizer and fertilizers with organic matter. Import and export of related business. Recycling and reproduce of solvent and pollutants.	1,143,369	1,143,369	41,058	82.44 %	1,500,726	33,622	27,920	
The Company	Uranus Chemicals Co., Ltd.	Taiwan	Manufacturing and sales of oxalic acid, organic and inorganic acid, rare earth compounds and related products	949,438	824,736	43,966	66.24 %	1,229,329	52,036	33,374	
The Company	Vinacoremax Company Limited	Vietnam	Manufacturing and sales of organic and inorganic acid	318,764	-	-	100 %	299,421	(602)	(602)	
Coremax (BVI) Corporation	Coremax (Thailand) Co., Ltd.	Thailand	Manufacturing and processing of pure terephthalic acid oxidation catalyst, sodium carbonate solutions, wastewater treatment solutions, exhaust gas absorbent and cobalt compound series products.	67,047	67,047	70	100 %	85,117	3,518	3,518	

Coremax Corporation
Information on Investment in Mainland China
For the year ended December 31, 2023

Table 6 (Amounts in Thousands)

(1) The names of investees in Mainland China, the main businesses and products, and other information

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Notes 4, 5)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Coremax Zhuhai Chemical Co., Ltd.	Production and sales of oxidation catalysts, sodium carbonate solutions, wastewater treatment solutions, exhaust gas absorbents and cobalt compound series products.	38,775	Investment in companies in Mainland China through investment companies in the third regions.	38,775	-	38,775	-	- (Note 3)	-	-	- (Note 3)	-
Coremax Ningbo Chemical Co., Ltd.	Manufacturing and processing of pure terephthalic acid oxidation catalyst, sodium carbonate solutions, wastewater treatment solutions, exhaust gas absorbent and cobalt compound series products.	98,482	Investment in companies in Mainland China through investment companies in the third regions. (note 1)	81,240	-	-	81,240	(6,582)	100.00%	(6,582)	163,536	-
Coremax (Zhangzhou) Chemical Co., Ltd.	Manufacturing, processing and wholesale of pure terephthalic acid oxidation catalyst, sodium carbonate solutions, wastewater treatment solutions, waste gas absorbent and cobalt compound series products, and regeneration treatment of abort oxidation catalyst.	185,654	Investment in companies in Mainland China through investment companies in the third regions. (note 2)	148,795	-	-	148,795	(45,820)	100.00%	(45,820)	237,774	-
Jiangxi Tianjiang Materials Co., Ltd.	Manufacturing and sales of oxalic acid、organic and inorganic acid、rare earth compounds and related products	43,947	Uranus Chemical invest companies in Mainland China	43,947	-	-	43,947	(452)	100.00%	(2,323)	13,548	-

(2) Limitation on investment in Mainland China

Cumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA (Note 6)	Upper Limit on Investment (Note 5)
273,982 (USD 8,808)	438,713 (USD 14,288)	3,247,701

Note 1: The paid-up capital amount is NTD 98,482 thousand (USD 3,000 thousand), which included the cash remitted by the Company through its subsidiary, Coremax (BVI) Corporation amounting to NTD 81,240 thousand (USD 2,470 thousand) and surplus from Coremax (BVI) Corporation amounting to NTD 17,242 thousand (USD 530 thousand).

Note 2: The paid up capital amount is NTD 185,654 thousand (USD 6,280 thousand), which included the cash remitted by the Company through its subsidiary, Coremax (BVI) Corporation, amounting to NTD 124,097 thousand (USD 4,200 thousand), surplus from Coremax (BVI) Corporation amounting to NTD 6,055 thousand (USD 200 thousand), Coremax (BVI) Corporation acquired of shares from other external shareholders amounting to NTD 24,698 thousand (USD 788 thousand) in obtaining paid up capital of NTD 21,890 thousand (USD 750 thousand), cash remitted by Coremax Zhuhai Chemical Co., Ltd. is amounting to NTD 20,720 thousand (USD 700 thousand), and cash remitted by Coremax Ningbo Chemical Co., Ltd. Is amounting to NTD 12,892 thousand (USD 430 thousand).

Note 3: Coremax Zhuhai Chemical Co., Ltd., an indirectly invested subsidiary by the Company, had been sold to a third party in July 2021, which had been approved by the Investment Commission, MOEA in September 2021. For the year ended December 31, 2023, the transferred amount of NTD 94,725 thousand (USD 3,000 thousand) was remitted to the Company via its subsidiary, COREMAX (BVI) CORPORATION, with the approval of the MOEA.

Note 4: Amount was recognized based on the audited financial statement.

Note 5: The Company investment in Mainland China pursuant to "Principle of investment or Technical Cooperation in Mainland China" is not exceeding the investment amount or percentage limit.

Note 6: Exchange rates at the dates of balance sheet date.

Coremax Corporation

Statement of cash and cash equivalents

December 31, 2023

**(In Thousands of New Taiwan Dollars;
Foreign currencies: U.S. Dollars, Canadian Dollars,
Euro and Chinese Yuan)**

Item	Description		Amount
Cash	Petty cash		$ 35
Deposits	Checking deposits		308
	Demand deposits		703,450
	Foreign currency deposits	(USD: 24,995,920.53)	768,065
		(CAD: 28.79)	
		(EUR: 285.10)	
		(RMB: 29,933.63)	
		(VND: 340,801,500)	1,471,823
	Time deposits		664,000
	Total		**$ 2,135,858**

Note: Foreign exchange rates on the balance sheet date are as follows:

USD exchange rates：30.705

CAD exchange rates：23.2

EUR exchange rates：33.98

RMB exchange rates：4.327

VND exchange rates：0.00125

Coremax Corporation

Statement of accounts receivable

December 31, 2023

(In thousands of New Taiwan Dollars)

Client Name	Amount
CP	$ 47,769
CD	30,055
CQ	21,028
CZ	14,663
Others (The amount of individual client included in others does not exceed 5% of the account balance.)	74,874
Notes and accounts receivables, net	**$ 188,389**

Note 1: The accounts receivables are resulting from the operating activities.

Note 2: Receivables from related parties are not included. Please refer to note 7 for further details.

Coremax Corporation

Statement of inventories

December 31, 2023

(In thousands of New Taiwan Dollars)

Item	Amount		Note
	Cost	NRV	
Commodities	$ 51	65	Note: Please refer to note 4(7) for further explanation of the net realizable value of inventories in the parent-company-only financial statements.
Finished goods	42,210	101,054	
Work-in progress	183,067	183,067	
Raw materials	172,819	255,431	
Total	**$ 398,147**	**539,617**	

Statement of other current assets

Please refer to note 6(7) for further explanation of the other current assets in the parent-company-only financial statements.

Statement of other financial assets－current

Please refer to note 6(8) for further explanation of the other financial assets－current in the parent-company-only financial statements.

Coremax Corporation

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2023

(In Thousands of New Taiwan Dollars and Shares)

Investees	Balance January 1, 2021		Addition		Investment Income /Loss	Cash dividends	Cumulative translation adjustment	Remeasurements of the net defined benefit of subsidiaries	Others (Note 2)	Increase in unearned-related unearned related-parties' transactions profits	Balance December 31, 2021			Market Value Or Net Assets Value	
	Shares	Amount	Shares	Amount							Shares	Amount	%	Unit Price	Total Amount
Investments accounted for using the equity method：															
Coremax(BVI) Corporation	9,658	$ 654,965	-	-	(38,927)	(94,725)	(4,532)	-	-	(5,438)	9,658	511,343	100.00%	-	511,343
Hengi Chemical Co., Ltd.	41,058	1,527,591	-	-	27,920	(57,891)	-	744	2,362	-	41,058	1,500,726	82.44%	-	1,500,726
Uranus Chemicals Co., Ltd.	39,804	1,065,061	4,162	124,702	33,374	(19,902)	(167)	66	26,195	-	43,966	1,229,329	66.24%	-	1,229,329
Vinacoremax Company Limited	-	-	-	318,764	(602)	-	(18,741)	-	-	-	-	299,421	100.00%		299,421
		$ 3,247,617	**4,162**	**443,466**	**21,765**	**(172,518)**	**(23,440)**	**810**	**28,557**	**(5,438)**		**3,540,819**			**3,540,819**

Note 1: Please refer to note 6(13) for further explanation of the equity investments were provided as guarantee or pledge.

Note 2: Including the Company did not subscribe to proportionately, share of subsidiary's fair value through other comprehensive income, adjustment of capital surplus for company's dividends received by subsidiaries, and transfer treasury shares to employees and disposal of company's share by subsidiaries recognized as treasury shares transactions .

Coremax Corporation

Statement of changes in property, plant and equipment

For the year ended December 31, 2023

Please refer to note 6(9) for further explanation of the property, plant and equipment in the parent-company-only financial statements.

Statement of changes in accumulated depreciation of property, plant and equipment

Please refer to note 6(9) for further explanation of the accumulated depreciation of property, plant and equipment in the parent-company-only financial statements.

Statement of changes in right-of-use assets

Please refer to note 6(10) for further explanation of the right-of-use assets in the parent-company-only financial statements.

Statement of changes in accumulated depreciation of right-of-use assets

Please refer to note 6(10) for further explanation of the accumulated depreciation of right-of-use assets in the parent-company-only financial statements.

Coremax Corporation

Statement of deferred tax assets

December 31, 2023

Please refer to note 6(16) for further explanation of the deferred assets in the parent-company-only financial statements.

Statements of other non-current assets

Please refer to note 6(7) for further explanation of the other non-current assets in the parent-company-only financial statements.

Statements of other financial assets－non-current

Please refer to note 6(8) for further explanation of the other financial assets－non-current in the parent-company-only financial statements.

Coremax Corporation

Statement of short-term borrowings

December 31, 2023

(In thousands of New Taiwan Dollars)

Type	Description	Balance, End of Year	Contract Period	Range of Interest Rates (%)	Unused Credit Facility	Collateral
Secured and purchase bank loans	Mega Bank	$ 148,451	2023.12~2024.06		1,693,849	Land and buildings
Secured and purchase bank loans	Hua Nan Bank	75,297	2023.12~2024.03		724,703	Land and buildings
Secured and purchase bank loans	Cathay United Bank	292,866	2023.07~2024.01		107,134	None
Secured and purchase bank loans	Far Eastern Bank	293,540	2023.09~2024.03		320,560	Land and buildings
Secured and purchase bank loans	Land Bank	-	2023.01~2024.01		400,000	None
Secured and purchase bank loans	Chang Hwa Bank	-	2023.03~2024.03		600,000	None
Secured and purchase bank loans	Fubon Bank	-	2023.08~2024.08		400,000	None
Secured and purchase bank loans	Shin Kong Bank	-	2023.04~2024.04		300,000	None
		$ 810,154		5.973%~6.23%	**$ 4,546,246**	

Coremax Corporation

Statements of long-term borrowings

December 31, 2023

Please refer to note 6(11) for further explanation of the long-term borrowings in the parent-company-only financial statements.

Statements of accounts payables

December 31, 2023

(In thousands of New Taiwan Dollars)

Vendor Name	Amount
VA	$ 8,622
VB	4,792
VCC	4,222
VD	1,823
VCL	1,788
VCM	1,623
Others (The amount of individual vendor in others does not exceed 5% of the account balance.)	7,464
Total	**$ 30,334**

Note 1: The accounts payable are resulting from the operating activities.

Note 2: Accounts payable to related parties are not included. Please refer to note 7 for further details.

Coremax Corporation

Statement of other current liabilities

December 31, 2023

(In thousands of New Taiwan Dollars)

Item		Amount
Environment examination and inspection fees	$	54,287
Loss Fee		16,230
Import and export shipping fee		8,134
Interest payable		7,640
Others (The amount of each item in others does not exceed 5% of the account balance.)		46,083
Total	**$**	**132,374**

Statement of deferred tax liabilities

Please refer to note 6(16) for further explanation of the deferred tax liabilities in the parent-company-only financial statements.

Coremax Corporation

Statement of lease liabilities

December 31, 2023

Please refer to note 6(14) for further explanation of the lease liabilities in the parent-company-only financial statements.

Statement of operating revenue

For the year ended December 31, 2023

Please refer to note 6(19) for revenue from contracts with customers in the parent-company-only financial statements.

Coremax Corporation

Statement of operating costs

For the year ended December 31, 2023

(In thousands of New Taiwan Dollars)

Item	Amount
Raw materials used:	
Balance, beginning of year	1,035,910
Plus: Raw materials purchased	2,118,540
Less: Raw materials sold	582,863
Less: Raw materials used by other department	91
Less: Raw materials, end of year	261,590
Raw materials used for the year	2,309,906
Materials used:	
Balance, beginning of year	4,782
Plus: Materials purchased	52,171
Less: Materials used by other department	20,530
Less: Materials sold	2,451
Less: Materials, end of year	5,418
Materials used for the year	28,554
Direct labor cost	58,306
Manufacturing expenses	460,728
Manufacturing cost	2,857,494
Plus: Work-in progress, beginning of year	464,820
Less: Work-in progress used by other department	278
Less: Work-in progress, end of year	225,827
Cost of finished goods	3,096,209
Plus: Finished goods beginning of yearr	430,307
Less: Finished goods used by other department	14
Less: Finished goods, end of year	92,387
Cost of goods sold for finished goods	3,434,115
Cost of sales	3,434,115
Goods, beginning of year	351
Plus: Inventory purchased	775
Less: Inventory, end of year	52
Cost of goods sold for inventory	3,435,189
Inventory devaluation loss	(34,177)
Revenue from sale of scrap	(706)
Other (Note)	444,953
Total	**$ 3,845,259**

Note： Consist of cost of raw materials sold, cost of materials sold, cost of work-in-progress, and others.

Coremax Corporation

Statements of manufacturing expenses

For the year ended December 31, 2023

(In thousands of New Taiwan Dollars)

Item	Amount
Original equipment manufacturer expense	$ 228,874
Payroll expense	70,638
Depreciation expense	65,788
Repair and maintenance fee	27,871
Utilities expense	27,197
Others (The amount of each item in others does not exceed 5% of the account balance.)	40,360
Total	**$ 460,728**

Statement of selling expenses

Item	Amount
Import and export expense	$ 35,330
Payroll expense	7,001
Shipping expense	2,759
Others (The amount of each item in others does not exceed 5% of the account balance.)	5,496
Total	**$ 50,586**

Coremax Corporation

Statement of administrative expenses

For the year ended December 31, 2023

(In thousands of New Taiwan Dollars)

Item	Amount
Payroll expense	$ 44,143
Professional service fees	14,793
Bank fees	7,524
Depreciation expense	6,826
Board of director fees	5,163
Others (The amount of each item in others does not exceed 5% of the account balance.)	820
Total	**$ 79,269**

Statement of research and development expenses

Item	Amount
Payroll expense	$ 5,723
Experiment fee	892
Repair and maintenance fee	724
Depreciation and deplepion expenses	706
Others (The amount of each item in others does not exceed 5% of the account balance.)	838
Total	**$ 8,883**

Coremax Corporation

Statement of other gains and losses, net

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Please refer to note 6(21) for further explanation of the net other gains and losses in the parent-company-only financial statements.

Statement of finance costs

Please refer to note 6(21) for further explanation of the finance cost in the parent-company-only financial statements.

Summary statement of current period employee benefits, depreciation, depletion and amortization expenses by function

Please refer to note 12 for further explanation of the current-period employee benefits and depreciation expense in the parent-company-only financial statement.

CoreMax Corporation

Chairman: Ho, Chi-Cheng