

Coremax Corporation and Subsidiaries
Consolidated Financial Statements
With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2024 and 2023

The independent auditors' review 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' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors
Coremax Corporation:

Introduction

We have reviewed the accompanying consolidated balance sheets of Coremax Corporation and its subsidiaries (“the Group”) as of September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2024 and 2023, as well as the changes in equity and cash flows for the nine months ended September 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note 4(2), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$1,018,982 thousand and \$746,892 thousand, constituting 10.6% and 7.5% of consolidated total assets at September 30, 2024 and 2023, respectively, total liabilities amounting to \$39,302 thousand and \$10,874 thousand, constituting 1.3% and 0.3% of consolidated total liabilities at September 30, 2024 and 2023, respectively, and total comprehensive income (loss) amounting to \$38,119 thousand, \$(6,251) thousand, \$10,123 thousand and \$(38,462) thousand, constituting 56%, 240.7%, 4.5% and 91% of the absolute value of consolidated total comprehensive income (loss) for the three months and nine months ended September 30, 2024 and 2023, respectively.



Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Coremax Corporation and its subsidiaries as of September 30, 2024 and 2023, and of its consolidated financial performance for the three months and nine months ended September 30, 2024 and 2023, as well as its consolidated cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Chen, Pei-Chi and Hsu, Ming-Fang.

KPMG

Taipei, Taiwan (Republic of China)
November 8, 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 review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors’ review 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’ review 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

September 30, 2024, December 31, 2023, and September 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

Assets	September 30, 2024		December 31, 2023		September 30, 2023		Liabilities and Equity	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Current assets:							Current liabilities:						
Cash and cash equivalents (note 6(1))	\$ 2,605,876	27	2,781,105	28	2,426,306	25	Short-term borrowings (notes 6(13) and 8)	\$ 677,329	7	1,070,154	11	976,370	10
Financial assets at fair value through profit or loss—current							Financial liabilities at fair value through profit or loss-current						
(note 6(2))	12,786	-	19,588	-	8,643	-	(notes 6(2) and (15))	7,102	-	3,602	-	-	-
Notes receivable, net (note 6(4))	21,269	-	12,340	-	20,031	-	Notes payable	373	-	350	-	3,304	-
Accounts receivable, net (note 6(4))	545,552	6	472,992	5	605,803	6	Accounts payable	84,454	1	92,387	1	92,428	1
Other receivable (note 6(8))	196,319	2	406,631	4	424,731	4	Other payables (note 6(14))	180,723	2	167,449	2	148,849	1
Inventories (note 6(5))	836,420	9	849,178	9	1,254,314	13	Current tax liabilities	65,409	1	13,347	-	25,432	-
Prepayments to suppliers	55,651	-	51,245	1	36,067	-	Current lease liabilities (note 6(16))	2,196	-	2,644	-	2,688	-
Other financial assets—current (note 6(10) and 8)	102,078	1	114,772	1	109,424	1	Bonds payable, current portion (note 6(15) and 8)	690,733	7	687,380	7	-	-
Other current assets, others (note 6(9))	161,719	2	143,168	2	154,115	2	Long-term borrowings, current portion (notes 6(13) and 8)	200,089	2	181,096	2	162,229	2
	<u>4,537,670</u>	<u>47</u>	<u>4,851,019</u>	<u>50</u>	<u>5,039,434</u>	<u>51</u>	Other current liabilities (note 6(14))	187,758	2	172,860	2	187,937	2
								<u>2,096,166</u>	<u>22</u>	<u>2,391,269</u>	<u>25</u>	<u>1,599,237</u>	<u>16</u>
Non-current assets:							Non-current liabilities:						
Financial assets at fair value through other comprehensive							Financial liabilities at fair value through profit or loss—non-	-	-	-	-	2,482	-
income—non-current (note 6(3))	3,369	-	3,369	-	3,369	-	current (notes 6(2) and (15))						
Property, plant and equipment (notes 6(11) and 8)	4,447,684	46	4,790,690	48	4,535,929	46	Convertible bonds payable (note 6(15))	-	-	-	-	686,258	7
Right-of-use assets (note 6(12))	249,094	3	30,990	-	32,265	-	Long-term borrowings (notes 6(13) and 8)	652,754	7	807,280	8	852,843	9
Deferred tax assets	88,777	1	95,248	1	94,796	1	Deferred tax liabilities	343,654	4	343,654	3	357,975	3
Net defined benefit asset—non-current	16,282	-	16,282	-	15,156	-	Non-current lease liabilities (note 6(16))	5,305	-	6,815	-	7,508	-
Other financial assets—non-current (notes 6(10) and 8)	112,606	1	111,418	1	112,082	1	Net defined benefit liability—non-current	6,351	-	6,351	-	6,691	-
Other non-current assets (note 6(9))	159,722	2	21,210	-	85,629	1	Deposits received	149	-	126	-	127	-
	<u>5,077,534</u>	<u>53</u>	<u>5,069,207</u>	<u>50</u>	<u>4,879,226</u>	<u>49</u>		<u>1,008,213</u>	<u>11</u>	<u>1,164,226</u>	<u>11</u>	<u>1,913,884</u>	<u>19</u>
								<u>3,104,379</u>	<u>33</u>	<u>3,555,495</u>	<u>36</u>	<u>3,513,121</u>	<u>35</u>
							Total liabilities						
							Equity (notes 6(6), (15) and (19)):						
							Equity attributable to parent company shareholders:						
							Ordinary share capital	1,190,293	12	1,190,293	12	1,190,293	12
							Capital surplus	3,380,397	35	3,400,289	34	3,410,763	34
							Retained earnings	1,030,268	11	958,705	9	988,465	10
							Other equity interest	(6,604)	-	(51,793)	(1)	(30,399)	-
							Treasury shares	(84,658)	(1)	(84,658)	(1)	(84,658)	(1)
								<u>5,509,696</u>	<u>57</u>	<u>5,412,836</u>	<u>53</u>	<u>5,474,464</u>	<u>55</u>
							Non-controlling interests	<u>1,001,129</u>	<u>10</u>	<u>951,895</u>	<u>11</u>	<u>931,075</u>	<u>10</u>
							Total equity	<u>6,510,825</u>	<u>67</u>	<u>6,364,731</u>	<u>64</u>	<u>6,405,539</u>	<u>65</u>
Total assets	<u>\$ 9,615,204</u>	<u>100</u>	<u>9,920,226</u>	<u>100</u>	<u>9,918,660</u>	<u>100</u>	Total liabilities and equity	<u>\$ 9,615,204</u>	<u>100</u>	<u>9,920,226</u>	<u>100</u>	<u>9,918,660</u>	<u>100</u>

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 three months and nine months ended September 30, 2024 and 2023

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

	For the three months ended September 30,				For the nine months ended September 30,			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Net operating revenue (note 6(21))	\$ 997,040	100	1,150,713	100	3,191,091	100	4,150,512	100
Operating costs (notes 6(5), (17) and (22))	852,517	86	1,095,625	95	2,734,910	86	4,030,141	97
Gross profit	144,523	14	55,088	5	456,181	14	120,371	3
Operating expenses (notes 6(17) and (22)):								
Selling expenses	21,587	2	22,034	2	72,628	2	58,628	1
General administrative expenses	60,174	6	60,176	6	184,330	6	126,471	3
Research and development expenses	6,012	1	3,493	-	14,943	-	9,319	-
Expected credit loss (gain) (notes 6(4))	(613)	-	19	-	(613)	-	(2,882)	-
Total operating expenses	87,160	9	85,722	8	271,288	8	191,536	4
Net operating income (loss)	57,363	5	(30,634)	(3)	184,893	6	(71,165)	(1)
Non-operating income and expenses:								
Other income (note 6(23))	9,549	1	3,936	-	32,637	1	13,066	-
Other gains and losses, net (note 6(23))	8,959	1	14,136	1	10,897	-	32,922	1
Finance costs (notes 6(15), (16), and (23))	(10,490)	(1)	(24,543)	(2)	(38,438)	(1)	(68,943)	(2)
Total interest income (note 6(23))	8,943	1	6,636	1	30,812	1	23,894	1
Net foreign currency exchange benefit (note 6(24))	(2,594)	-	31,212	3	37,522	1	46,752	1
	14,367	2	31,377	3	73,430	2	47,691	1
Income (loss) before income tax	71,730	7	743	-	258,323	8	(23,474)	-
Income tax expenses (note 6(18))	21,186	2	11,283	1	58,307	2	26,068	1
Net income (loss)	50,544	5	(10,540)	(1)	200,016	6	(49,542)	(1)
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translation of foreign financial statements	21,204	2	17,510	1	31,478	1	9,294	-
Income tax relating to item that may be reclassified subsequently (note 6(18))	4,024	-	3,624	-	6,472	-	1,252	-
Total items that may be reclassified subsequently to profit or loss	17,180	2	13,886	1	25,006	1	8,042	-
Other comprehensive income	17,180	2	13,886	1	25,006	1	8,042	-
Total comprehensive income	\$ 67,724	7	3,346	-	225,022	7	(41,500)	(1)
Net income (loss) attributable to:								
Shareholders of the parent	\$ 39,334	4	(20,191)	(2)	148,574	4	(69,372)	(1)
Non-controlling interests	11,210	1	9,651	1	51,442	2	19,830	-
	\$ 50,544	5	(10,540)	(1)	200,016	6	(49,542)	(1)
Total comprehensive income (loss) attributable to:								
Shareholders of the parent	\$ 55,749	6	(5,696)	(1)	174,460	5	(64,368)	(2)
Non-controlling interests	11,975	1	9,042	1	50,562	2	22,868	1
	\$ 67,724	7	3,346	-	225,022	7	(41,500)	(1)
Earnings (loss) per share (New Taiwan Dollars) (note 6(20))								
Basic earnings (loss) per share	\$ 0.34		(0.19)		1.27		(0.66)	
Diluted earnings (loss) per share	\$ 0.32		(0.19)		1.22		(0.66)	

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 nine months ended September 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings						Other equity interest				Subtotal of equity attributable to the shareholders of the parent	Non-controlling interests	Total equity
	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			
Balance at January 1, 2023	\$ 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 income (loss) for the period	-	-	-	-	(69,372)	(69,372)	-	-	-	-	(69,372)	19,830	(49,542)
Other comprehensive income for the period	-	-	-	-	-	-	5,004	-	5,004	-	5,004	3,038	8,042
Total comprehensive income (loss) for the period	-	-	-	-	(69,372)	(69,372)	5,004	-	5,004	-	(64,368)	22,868	(41,500)
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	696,000	-	-	-	-	-	-	-	-	816,000	-	816,000
Share-based payment 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
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(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	-	(118)	-	-	-	-	-	-	-	-	(118)	(749)	(867)
Balance at September 30, 2023	\$ 1,190,293	3,410,763	332,362	35,403	620,700	988,465	(8,652)	(21,747)	(30,399)	(84,658)	5,474,464	931,075	6,405,539
Balance at January 1, 2024	\$ 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
Net income for the period	-	-	-	-	148,574	148,574	-	-	-	-	148,574	51,442	200,016
Other comprehensive income (loss) for the period	-	-	-	-	-	-	25,886	-	25,886	-	25,886	(880)	25,006
Total comprehensive income for the period	-	-	-	-	148,574	148,574	25,886	-	25,886	-	174,460	50,562	225,022
Appropriation and distribution of retained earnings:													
Appropriated legal reserve	-	-	-	16,390	(16,390)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(57,626)	(57,626)	-	-	-	-	(57,626)	-	(57,626)
Other changes in capital surplus:													
Cash distribution from capital surplus	-	(36,457)	-	-	-	-	-	-	-	-	(36,457)	-	(36,457)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	539	-	-	-	-	-	-	-	-	539	-	539
Difference between consideration and carrying amount of subsidiaries acquired or disposed of	-	15,205	-	-	-	-	(82)	-	(82)	-	15,123	-	15,123
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(19,385)	(19,385)	-	19,385	19,385	-	-	-	-
Changes in owning interests in subsidiaries	-	821	-	-	-	-	-	-	-	-	821	438	1,259
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(21,543)	(21,543)
Non-controlling interests increase	-	-	-	-	-	-	-	-	-	-	-	19,777	19,777
Balance at September 30, 2024	\$ 1,190,293	3,380,397	332,362	51,793	646,113	1,030,268	(6,604)	-	(6,604)	(84,658)	5,509,696	1,001,129	6,510,825

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 three months and nine months ended September 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2024	2023
Cash flows from operating activities:		
Income (loss) before income tax	\$ 258,323	(23,474)
Adjustments:		
Adjustments to reconcile profit:		
Depreciation	244,386	232,900
Share-based payments	-	6,720
Expected credit loss (gain)	(613)	(2,882)
Net profit on financial assets and liabilities at fair value through profit or loss	(21,560)	(31,654)
Interest expense	38,438	68,943
Interest income	(30,812)	(23,894)
Adjustment for other non-cash-related losses, net	(245)	(813)
Subtotal of gains or losses on non-cash activities	229,594	249,320
Changes in operating assets and liabilities:		
Notes receivable	(8,929)	3,786
Accounts receivable	(70,913)	(17,678)
Other receivable	212,315	(416,068)
Inventories	12,758	997,895
Prepayments to suppliers	(4,406)	223,001
Other current assets	(18,551)	46,719
Notes payable	23	2,872
Accounts payable	(7,933)	19,207
Other payable	7,722	(152,151)
Other current liabilities	21,100	(167,105)
Total adjustments	372,780	789,798
Cash inflow generated from operations	631,103	766,324
Interest received	28,809	23,286
Interest paid	(41,214)	(67,500)
Income taxes paid	(11,469)	(166,767)
Net cash from operating activities	607,229	555,343
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(136,203)	(368,250)
Proceeds from disposal of property, plant and equipment	2,272	30,548
Decrease in other financial assets	44,556	26,977
Increase in refundable deposits	(1,188)	(456)
Increase in other non-current assets	(98,324)	(32,445)
Acquisition of non-controlling interests	-	(867)
Net cash used in investing activities	(188,887)	(344,493)
Cash flows from financing activities:		
Decrease in short-term loans	(402,682)	(1,295,598)
Repayments of long-term borrowings (including current portion)	(135,533)	(110,089)
Increase in guarantee deposits received	23	20
Payment of lease liabilities	(2,031)	(2,576)
Cash dividends paid	(93,544)	(314,792)
Capital increase by cash	-	816,000
Cash dividends paid for non-controlling interests	(21,543)	(23,550)
Disposal of company's share by subsidiaries	-	51,181
Disposal of ownership interests in subsidiaries (without losing control)	33,499	-
Net cash used in financing activities	(621,811)	(879,404)
Effect of exchange rate changes on cash and cash equivalents	28,240	23,120
Net decrease in cash and cash equivalents	(175,229)	(645,434)
Cash and cash equivalents at beginning of period	2,781,105	3,071,740
Cash and cash equivalents at end of period	\$ 2,605,876	2,426,306

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

September 30, 2024 and 2023

(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 County 303035, 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 and entered into a joint venture agreement with its subsidiary, Uranus Chemicals Co., Ltd. (Uranus), wherein it divided and transferred its cobalt sulfate business to Uranus. Please refer to Note 7 and Note 12 of consolidated financial statements as of December 31, 2023 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 November 8, 2024.

3. New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards 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, 2024:

- 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”

- (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, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 “Lack of Exchangeability”

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

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027

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The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other 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”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11

4. Summary of material accounting policies

(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 guidelines of IAS 34 Interim Financial Reporting (hereinafter referred to as “IAS 34”) which are endorsed by the FSC, and do not include all of the information required by the Regulations and by the IFRS endorsed by the FSC for a complete set of the annual consolidated financial statements.

Except as described in the following paragraph, the Group's significant accounting policies are applied consistently for the consolidated financial statements for the year ended December 31, 2023. For related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2023.

(2) Basis of consolidation

(i) 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 (%)			Note
			September 30, 2024	December 31, 2023	September 30, 2023	
The Company	COREMAX (BVI) CORPORATION	Investment company	100 %	100 %	100 %	Note 1
The Company	Uranus Chemicals Co., Ltd. (Uranus Chemicals)	Manufacturing and sales of oxalic acid (organic) and inorganic acid 、 rare earth compounds 、 cobalt compound and related products	65.18 %	66.24 %	63.99 %	-
The Company	Heng I Chemical Co., Ltd. (Heng I)	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 %	82.44 %	-

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Name of Investor	Name of Subsidiary	Business Nature	Percentage of Ownership (%)			Note
			September 30, 2024	December 31, 2023	September 30, 2023	
The Company	VINACOREMAX COMPANY LIMITED	Manufacturing and sales of organic and inorganic acid.	100 %	100 %	-	Note 1 & 3
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 %	100 %	Note 1
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 %	100 %	Note 1
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 %	100 %	Notes 1 & 2
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 %	100 %	-

Note 1: The financial statements of non-significant subsidiary have not been reviewed.

Note 2: Coremax (Zhangzhou) Chemical Co., Ltd has been holding by COREMAX (BVI) CORPORATION (82%) and Coremax (Ningbo) Chemical Co., Ltd (18%) with total 100%.

Note 3: The company investment VINACOREMAX COMPANY LIMITED on October, 2023, the registration and increasing capital has been completed.

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

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

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

- (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 unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

- (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.

(d) Employee benefits

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

(e) Income tax

Income tax expense in the financial statements is measured and disclosed according to paragraph B12 of IAS 34 endorsed by the FSC.

Income tax expense for the period is best estimated by multiplying the pretax income for the reporting period by the effective annual tax rate as forecasted by the management. This is allocated to current and deferred taxes based on its proportionate size.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases are measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled and recognized directly in equity or other comprehensive income as income tax expense.

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 IFRS Accounting Standards (in accordance with IAS 34 "Interim Financial Reporting" and endorsed by the FSC) requires management to make judgments, estimates 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 estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2023.

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6. Explanation of significant accounts

Except as described below there no significant changes in the description of significant accounts mentioned in the consolidated financial statements for the year ended December 31, 2023. For other information about the description of significant accounts, please refer to note 6 of the consolidated financial statements for the year ended December 31, 2023

(1) Cash and cash equivalents

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	\$ 569	613	500
Demand deposits and checking accounts	1,255,307	1,965,082	1,964,849
Time deposits	1,350,000	815,410	460,957
	<u>\$ 2,605,876</u>	<u>2,781,105</u>	<u>2,426,306</u>

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:

	September 30, 2024	December 31, 2023	September 30, 2023
Futures	<u>\$ 12,786</u>	<u>19,588</u>	<u>8,643</u>

	September 30, 2024	December 31, 2023	September 30, 2023
Financial liabilities — current			
Call and put option — convertible bonds payable	<u>\$ 7,102</u>	<u>3,602</u>	<u>-</u>
Financial liabilities — non-current			
Call and put option — convertible bonds payable	<u>\$ -</u>	<u>-</u>	<u>2,482</u>

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- (i) The Group uses derivative financial instruments to hedge the price fluctuations risk of raw materials due to fluctuations in international metal market. As of September 30, 2024, December 31 and September 30, 2023, the following derivative instruments, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss:

	Open Position			Fair Value
	Buyer/Seller	Amount (ton)	Transaction Price	
September 30, 2024	Seller	260	USD 16,200/ton ~USD33,069/ton	\$ <u><u>12,786</u></u>
December 31, 2023	Seller	187	USD 16,092/ton ~USD 38,801/ton	\$ <u><u>19,588</u></u>
September 30, 2023	Seller	129	USD 20,085/ton ~USD 38,801/ton	\$ <u><u>8,643</u></u>

The futures trading day of the open position on September 30, 2024 is from March 2024 to September 2024 and the settlement dates would be at the period from September 2024 to July 2025, with net cash settlement.

The futures trading day of the open position on December 31, 2023 is from July 2023 to December 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 September 30, 2023 is from July 2023 to September 2023, and the settlement dates would be at the period from October 2023 to January 2024, with net cash settlement.

Please refer to note 6(10) for details of the outstanding futures contract margin on September 30, 2024, December 31 and September 30, 2023.

- (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 for the nine months ended September 30, 2024 and 2023.
- (3) Financial assets at fair value through other comprehensive income — non-current

	September 30, 2024	December 31, 2023	September 30, 2023
Non-current:			
Domestic unlisted stocks	\$ <u><u>3,369</u></u>	<u><u>3,369</u></u>	<u><u>3,369</u></u>

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.

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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. ORGCHEM TECHNOLOGIES, INC. has completed the liquidation on May 30, 2023, and obtained a liquidation completion letter from the court. The accumulated evaluation gain or loss \$23,514 thousands were be transferred from other equities to retained earnings June 2024.

(4) Notes and accounts receivable, net

(i) Notes receivable, net:

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable from operating activities	\$ <u>21,269</u>	<u>12,340</u>	<u>20,031</u>

(ii) Accounts receivable, net:

	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable	\$ 550,266	499,239	633,122
Less: loss allowance	<u>(4,714)</u>	<u>(26,247)</u>	<u>(27,319)</u>
	<u>\$ 545,552</u>	<u>472,992</u>	<u>605,803</u>

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:

	September 30, 2024		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 530,905	0%	-
1 to 90 days past due	25,792	0%	-
91 to 180 days past due	10,124	0%	-
More than 181 days past due	<u>-</u>	100%	<u>-</u>
	<u>\$ 566,821</u>		<u>-</u>

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	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		-

	September 30, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 490,824	0%	-
1 to 90 days past due	135,010	0%	-
91 to 180 days past due	-	0%	-
More than 181 days past due	-	100%	-
	\$ 625,834		-

Note 1: As of September 30, 2024, December 31 and September 30, 2023, the accounts receivable amounting to \$4,714 thousand, \$26,247 thousand and \$27,319 thousand respectively from specific companies have been fully provided with impairment losses.

The movement in the loss allowance for accounts receivable was as follows:

	For the nine months ended September 30,	
	2024	2023
Balance at beginning of period	\$ 26,247	29,112
Impairment losses reversal	(613)	(2,882)
Amounts written off	(19,886)	-
Effect of exchange rate changes	(1,034)	1,089
Balance at end of period	\$ 4,714	27,319

As of September 30, 2024, December 31 and September 30, 2023, the Group's account receivables were not pledged as collaterals.

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(5) Inventories

	September 30, 2024	December 31, 2023	September 30, 2023
Raw materials	\$ 365,837	449,195	786,980
Work in process	328,088	257,358	259,894
Finished goods	142,495	142,625	207,440
	<u>\$ 836,420</u>	<u>849,178</u>	<u>1,254,314</u>

The components of operating costs were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Cost of goods sold	\$ 870,357	1,109,073	2,816,474	4,064,693
Inventory devaluation loss (reversal gain)	(17,027)	(12,615)	(79,024)	(32,082)
Gain from sale of scrap	(813)	(833)	(2,540)	(2,470)
	<u>\$ 852,517</u>	<u>1,095,625</u>	<u>2,734,910</u>	<u>4,030,141</u>

As of September 30, 2024, December 31 and September 30, 2023, the Group's inventories were not pledged as collaterals.

(6) Changes in the Company's ownership interest in its subsidiary

As of June, 2024, the Company disposed a portion of its shareholdings in Uranus Chemicals Co. for \$33,499 thousand, without losing control over the company, resulting in its disposal gain of \$13,804 thousand to be recognized as capital surplus in the consolidated statements of changes in equity.

(7) Material NCI of subsidiaries

There was no significant change in Material NCI of subsidiaries for the nine month ended September 30, 2024 and 2023. Please refer to note6(7) of the 2023 annual consolidated financial statements for other related information.

(8) Other receivables

	September 30, 2024	December 31, 2023	September 30, 2023
Receivable material	\$ 185,593	399,539	417,133
Other	10,726	7,092	7,598
	<u>\$ 196,319</u>	<u>406,631</u>	<u>424,731</u>

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(9) Other current assets and other non-current assets

Other current assets :

	September 30, 2024	December 31, 2023	September 30, 2023
Offset against business tax payable and business tax receivables	\$ 137,895	125,668	125,403
Other	23,824	17,500	28,712
	<u>\$ 161,719</u>	<u>143,168</u>	<u>154,115</u>

Other non-current assets :

	September 30, 2024	December 31, 2023	September 30, 2023
Other intangible assets	\$ 12,846	12,846	12,846
Prepaid equipment	141,822	3,085	18,354
Prepaid land use right	-	-	46,221
Other	5,054	5,279	8,208
	<u>\$ 159,722</u>	<u>21,210</u>	<u>85,629</u>

(10) Other financial assets

Current:

	September 30, 2024	December 31, 2023	September 30, 2023
Margin on futures contracts	\$ 102,078	114,772	109,424

Non-current:

	September 30, 2024	December 31, 2023	September 30, 2023
Refundable deposits	\$ 8,066	8,078	8,742
Restricted deposits	104,540	103,340	103,340
	<u>\$ 112,606</u>	<u>111,418</u>	<u>112,082</u>

(11) Property, plant and equipment

	Land	Building	Machinery and equipment	Other equipment	Prepaid Equipment and Construction in process	Total
Cost:						
Balance at January 1, 2024	\$ 1,716,223	2,147,088	2,590,079	504,568	336,513	7,294,471
Additions	-	8,982	52,014	16,806	63,953	141,755
Disposals and scrap	-	(187)	(38,202)	(3,923)	(340)	(42,652)
Reclassification	-	12,832	(5,501)	620	(270,420)	(262,469)
Effect of exchange rate changes	563	9,371	10,763	1,260	8,632	30,589
Balance at September 30, 2024	<u>\$ 1,716,786</u>	<u>2,178,086</u>	<u>2,609,153</u>	<u>519,331</u>	<u>138,338</u>	<u>7,161,694</u>

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	Land	Building	Machinery and equipment	Other equipment	Prepaid Equipment and Construction in process	Total
Balance at January 1, 2023	\$ 1,716,173	2,014,954	2,387,423	480,635	130,263	6,729,448
Additions	-	31,186	128,824	20,783	140,883	321,676
Disposals and scrap	-	(220)	(25,698)	(1,960)	(28,372)	(56,250)
Reclassification	-	5,008	70,237	8,636	(87,636)	(3,755)
Effect of exchange rate changes	(79)	(132)	(327)	(64)	18	(584)
Balance at September 30, 2023	<u>\$ 1,716,094</u>	<u>2,050,796</u>	<u>2,560,459</u>	<u>508,030</u>	<u>155,156</u>	<u>6,990,535</u>
Accumulated depreciation and impairment losses:						
Balance at January 1, 2024	\$ -	833,289	1,402,468	268,024	-	2,503,781
Depreciation for the period	-	70,259	135,191	32,303	-	237,753
Disposals and scrap	-	(187)	(36,609)	(3,829)	-	(40,625)
Effect of exchange rate changes	-	4,503	7,653	945	-	13,101
Balance at September 30, 2024	<u>\$ -</u>	<u>907,864</u>	<u>1,508,703</u>	<u>297,443</u>	<u>-</u>	<u>2,714,010</u>
Balance at January 1, 2023	\$ -	742,460	1,273,236	236,375	-	2,252,071
Depreciation for the period	-	71,874	125,877	31,943	-	229,694
Disposals and scrap	-	(220)	(24,808)	(1,960)	-	(26,988)
Reclassification	-	-	(209)	-	-	(209)
Effect of exchange rate changes	-	103	(86)	21	-	38
Balance at September 30, 2023	<u>\$ -</u>	<u>814,217</u>	<u>1,374,010</u>	<u>266,379</u>	<u>-</u>	<u>2,454,606</u>
Carrying amounts:						
Balance at January 1, 2024	<u>\$ 1,716,223</u>	<u>1,313,799</u>	<u>1,187,611</u>	<u>236,544</u>	<u>336,513</u>	<u>4,790,690</u>
Balance at September 30, 2024	<u>\$ 1,716,786</u>	<u>1,270,222</u>	<u>1,100,450</u>	<u>221,888</u>	<u>138,338</u>	<u>4,447,684</u>
Balance at September 30, 2023	<u>\$ 1,716,094</u>	<u>1,236,579</u>	<u>1,186,449</u>	<u>241,651</u>	<u>155,156</u>	<u>4,535,929</u>

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
Carrying amount:				
Balance at January 1, 2024	\$ 26,437	902	3,651	30,990
Balance at September 30, 2024	<u>\$ 246,185</u>	<u>699</u>	<u>2,210</u>	<u>249,094</u>
Balance at September 30, 2023	<u>\$ 27,112</u>	<u>968</u>	<u>4,185</u>	<u>32,265</u>

On September 30 2023, the Company acquired the land use right from TIEN PHONG INDUSTRIAL ZONE JOINT STOCK COMPANY on behalf of its Vietnamese subsidiary (which has yet to be established), with the Group having prepaying the amount of \$46,221 thousand, recorded under other non-current assets as the statutory registration documents have yet to be completed; please refer to note 6(9). In October 2023, VINACOREMAX CO., LTD., a subsidiary in Vietnam, has completed its registration and obtained the land use rights totaling VND \$176,419,200 thousand in 2024.

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(13) Long-term/Short-term borrowings

(i) Short-term borrowings:

	September 30, 2024	December 31, 2023	September 30, 2023
Secured bank loans	\$ 637,329	413,748	290,076
Unsecured bank loans	40,000	656,406	686,294
	<u>\$ 677,329</u>	<u>1,070,154</u>	<u>976,370</u>
Unused short-term credit lines	\$ 7,163,462	6,576,049	6,779,728
Range of interest rates	<u>1.72%~5.39%</u>	<u>0.5%~6.23%</u>	<u>0.50%~6.17%</u>

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	September 30, 2024	December 31, 2023	September 30, 2023
Chang Hwa Commercial Bank	Long-term working capital	Effective from January 2024, repayable quarterly in 47 equal instalments.	\$ 64,681	80,000	80,000
Chang Hwa Commercial Bank	Machinery and equipment	Effective from January 2024, repayable monthly in 84 equal instalments.	36,884	41,310	41,310
Chang Hwa Commercial Bank	Building	Effective from February 2024, repayable monthly in 83 equal instalments	86,747	96,000	96,000
Chang Hwa Commercial Bank	Building	Effective from January 2024, repayable monthly in 84 equal instalments.	25,866	28,970	28,970
Chang Hwa Commercial Bank	Machinery and equipment	Effective from January 2024, repayable monthly in 84 equal instalments.	194,518	217,860	217,860

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Lender	Use	Maturity year and Repayment	September 30, 2024	December 31, 2023	September 30, 2023
O-Bank	Building and machinery extension	From 2018 to 2033, repayable monthly in 101 equal instalments.	257,312	257,312	257,312
O-Bank	Working capital	From 2019 to 2026, effective from June 2022, repayable monthly in 49 equal instalments.	64,264	91,822	101,008
Mega Bank	Working capital	From 2019 to 2026, effective from June 2022, repayable monthly in 49 equal instalments.	107,143	153,061	168,367
Mega Bank	Machinery and equipment	From 2020 to 2026, effective from June 2022, repayable monthly in 49 equal instalments.	15,428	22,041	24,245
Less: Current portion of long-term borrowings			<u>(200,089)</u>	<u>(181,096)</u>	<u>(162,229)</u>
			<u>\$ 652,754</u>	<u>807,280</u>	<u>852,843</u>
Unused long-term credit lines			<u>\$ 31,860</u>	<u>31,860</u>	<u>31,860</u>
Range of interest rates			<u>0.05%~</u>	<u>0.05%~</u>	<u>0.05%~</u>
			<u>2.42%</u>	<u>2.42%</u>	<u>2.42%</u>

The Group signed a loan agreement with bank.

As of September 30, 2024, December 31 and September 30, 2023, 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 economic environment and other factors.

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(15) Convertible bonds

The Company issued the third domestic guaranteed convertible bond on October 28, 2021, by pledging \$40,000 thousand ordinary shares of Heng I Chemical, \$30,000 thousand ordinary shares of Uranus Chemicals Co., Ltd., and a demand deposit 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:

	September 30, 2024	December 31, 2023	September 30, 2023
Total proceeds from convertible corporate bonds issued	\$ 700,000	700,000	700,000
Less: issued corporate bonds discount	<u>(9,267)</u>	<u>(12,620)</u>	<u>(13,742)</u>
Corporate bonds payable balance at year-end	690,733	687,380	686,258
Reclass : convertible corporate bonds could be sold by within one year	<u>(690,733)</u>	<u>(687,380)</u>	<u>-</u>
Convertible bonds payable – non-current	<u>\$ -</u>	<u>-</u>	<u>686,258</u>
Embedded derivative – call and put options (recorded in financial assets (liabilities) at FVTPL – current and non-current)	<u>\$ (7,102)</u>	<u>(3,602)</u>	<u>(2,482)</u>
	For the three months ended September 30, 2024	September 30, 2023	For the nine months ended September 30, 2024
	<u>2024</u>	<u>2023</u>	<u>2024</u>
Interest expense	<u>\$ 1,128</u>	<u>1,120</u>	<u>3,353</u>
	<u>3,318</u>		<u>3,318</u>

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 September 30, 2024, December 31 and September 30, 2023, were \$100.5, \$101.7 and \$101.7, 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.

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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)	<u><u>\$ 136,719</u></u>

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:

	September 30, 2024	December 31, 2023	September 30, 2023
Current	\$ <u>2,196</u>	<u>2,644</u>	<u>2,688</u>
Non-current	\$ <u>5,305</u>	<u>6,815</u>	<u>7,508</u>

For the maturity analysis, please refer to note 6(24).

The amounts recognized in profit or loss were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Interest on lease liabilities	\$ <u>21</u>	<u>28</u>	<u>73</u>	<u>96</u>
Expenses relating to short-term leases and leases of low-value assets	\$ <u>938</u>	<u>790</u>	<u>2,809</u>	<u>2,005</u>

	For the nine months ended September 30,	
	2024	2023
Total cash outflow for leases	\$ <u>4,913</u>	<u>4,677</u>

(i) Land and buildings leases

As of September 30, 2024, December 31 and September 30, 2023, 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.

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(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

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2023 and 2022.

For information related to the Group's pension costs, please refer to note 12.

(18) Income tax

(i) Income tax expense

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Current tax expense				
Current period	\$ 20,925	11,286	59,738	33,320
Adjustment for prior periods	261	(3)	(1,431)	(7,252)
	21,186	11,283	58,307	26,068
Deferred tax expense	-	-	-	-
Income tax expense	<u>\$ 21,186</u>	<u>11,283</u>	<u>58,307</u>	<u>26,068</u>

The amount of income tax expense (benefits) recognized in other comprehensive income were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Exchange differences on translation of foreign financial statements	<u>\$ 4,024</u>	<u>3,624</u>	<u>6,472</u>	<u>1,252</u>

(ii) The company's tax returns have been examined by the tax authorities through 2021.

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(19) Capital and other equity

Except as described in the following paragraph, there were no significant changes in the Group's capital and other equity interest for the nine months ended September 30, 2024 and 2023. For related information on the shareholders' equity, please refer to note 6(19) of the 2023 annual consolidated financial statements.

(i) Issuance and cancellation of ordinary shares

In the third quarter of 2023, the Company 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 amounted to \$696,000, which is listed as Capital surplus–premium and the relevant statutory registration procedures have been completed.

In the third quarter of 2023, the Company recognized the share-based cost amounting to \$6,720 thousand of the above-mentioned cash capital increase reserved for its employees to subscribe.

As of September 30, 2024, December 31 and September 30, 2023, the authorized capital of the Company all amounted to \$1,500,000 thousand; the issued capital all amounted to \$1,190,293 thousand on September 30, 2024, December 31 and September 30, 2023. With par value at \$10 per share.

Reconciliations of shares outstanding to the Company were as follows (in thousands of shares):

	Ordinary Shares	
	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Balance at January 1	117,604	105,604
Issued for cash	-	12,000
Balance at September 30	117,604	117,604

(ii) Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
Additional paid-in capital	\$ 2,645,541	2,681,998	2,684,038
Difference between consideration and carrying amount arising from acquisition or disposal of subsidiaries shareholdings	327,270	312,065	320,499
Treasury share transaction	204,049	204,049	204,049
Share options and others	203,537	202,177	202,177
	\$ 3,380,397	3,400,289	3,410,763

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The Company resolved in the shareholders' meeting held on May 27, 2024 to appropriate the 2023 earnings distribution via cash dividends from the capital reserve by issuing ordinary shares, with a par value of \$0.31 per share, amounting to \$36,457 thousand. The related information will be available on the Market Observation Post System on the website after the meeting.

(iii) Retained earnings

The following are the appropriation of earnings in last two years which were approved during the shareholders' meeting held on May 27, 2024, and 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	\$ <u>57,626</u>	3.00	<u>316,813</u>

The appropriation of retained earnings for 2023 and 2022 is consistent with the resolutions proposed by the Board of Directors. 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:

For the nine months ended September 30, 2024				
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

For the nine months ended September 30, 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

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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 ordinary shares of the Company, with the acquisition price of \$5,014 thousand for the nine months ended September 30, 2024, December 31 and nine months ended September 30 2023, respectively. As of September 30, 2024, December 31 and September 30, 2023, the amount of deemed treasury shares the Company recognized was \$3,204 thousand, respectively, which was determined based on the Company's shareholding ratio in Uranus Chemicals of 65.18%, 66.24% and 63.99%, respectively.

Uranus Chemicals Co., Ltd. sold part of the Company's shares in January 31 2023 to June 30 2023, at a price totaling \$51,181 thousand. 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 \$32,725 thousand.

(20) Earnings (loss) per share

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Basic earnings (loss) per share:				
Net income (loss) attributable to ordinary shareholders of the company	\$ <u>39,334</u>	<u>(20,191)</u>	<u>148,574</u>	<u>(69,372)</u>
Weighted-average number of ordinary shares outstanding during the year (in thousands of shares)	<u>117,165</u>	<u>106,477</u>	<u>117,161</u>	<u>105,530</u>
Basic earnings (loss) per share (TWD)	\$ <u>0.34</u>	<u>(0.19)</u>	<u>1.27</u>	<u>(0.66)</u>
	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Diluted earnings (loss) per share:				
Net income (loss) attributable to ordinary shareholders of the Company (basic)	\$ 39,334	(20,191)	148,574	(69,372)
Interest expense on convertible bonds, net of tax	<u>902</u>	<u>-</u>	<u>2,682</u>	<u>-</u>
Net income (loss) attributable to ordinary shareholders of the Company (diluted)	\$ <u>40,236</u>	<u>(20,191)</u>	<u>151,256</u>	<u>(69,372)</u>

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	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Weighted average number of ordinary shares outstanding (in thousands) (basic)	117,165	106,477	117,161	105,530
Potential ordinary shares with dilutive effect:	-	-		
Effect of employee remuneration in share	79	-	79	-
Effect of conversion of convertible bonds	6,883	-	6,883	-
Weighted average number of ordinary shares outstanding (in thousands) (diluted)	<u>\$ 124,127</u>	<u>106,477</u>	<u>124,123</u>	<u>105,530</u>
Diluted earnings (loss) per share (TWD)	<u>\$ 0.32</u>	<u>(0.19)</u>	<u>1.22</u>	<u>(0.66)</u>

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:

For the three months ended September 30, 2024						
	<u>Oxidation catalyst department</u>	<u>Battery material department</u>	<u>Chemical fertilizer department</u>	<u>Specialty chemical department</u>	<u>Other</u>	<u>Total</u>
Taiwan	\$ 48,809	26,180	100,096	164,155	20,017	359,257
China and other	123,168	444,945	-	57,463	12,207	637,783
	<u>\$ 171,977</u>	<u>471,125</u>	<u>100,096</u>	<u>221,618</u>	<u>32,224</u>	<u>997,040</u>
For the three months ended September 30, 2023						
	<u>Oxidation catalyst department</u>	<u>Battery material department</u>	<u>Chemical fertilizer department</u>	<u>Specialty chemical department</u>	<u>Other</u>	<u>Total</u>
Taiwan	\$ 55,247	35,152	101,488	122,141	14,786	328,814
China and other	147,679	520,522	-	74,341	79,357	821,899
	<u>\$ 202,926</u>	<u>555,674</u>	<u>101,488</u>	<u>196,482</u>	<u>94,143</u>	<u>1,150,713</u>

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		For the nine months ended September 30, 2024					
		<u>Oxidation catalyst department</u>	<u>Battery material department</u>	<u>Chemical fertilizer department</u>	<u>Specialty chemical department</u>	<u>Other</u>	<u>Total</u>
Taiwan	\$	164,952	83,742	347,820	467,468	56,117	1,120,099
China and other		367,968	1,226,505	-	198,658	277,861	2,070,992
	\$	<u>532,920</u>	<u>1,310,247</u>	<u>347,820</u>	<u>666,126</u>	<u>333,978</u>	<u>3,191,091</u>

		For the nine months ended September 30, 2023					
		<u>Oxidation catalyst department</u>	<u>Battery material department</u>	<u>Chemical fertilizer department</u>	<u>Specialty chemical department</u>	<u>Other</u>	<u>Total</u>
Taiwan	\$	219,659	100,661	424,894	368,919	57,025	1,171,158
China and other		452,685	1,942,149	-	321,497	263,023	2,979,354
	\$	<u>672,344</u>	<u>2,042,810</u>	<u>424,894</u>	<u>690,416</u>	<u>320,048</u>	<u>4,150,512</u>

(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 three months and nine months ended September 30, 2024 and 2023, the Company accrued and recognized its employee remuneration amounting to \$2,385, \$0, \$4,770 and \$0, 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, 2023, the Company estimated its employee remuneration and director's remuneration at both \$0. Related information would be available at the Market Observation Post System website.

(23) Non-operating income and expenses

(i) Other income

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Rental income	\$ 2,109	2,538	6,666	7,704
Dividend income	7,440	1,398	25,971	5,362
	<u>\$ 9,549</u>	<u>3,936</u>	<u>32,637</u>	<u>13,066</u>

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(ii) Other gains and losses, net

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Gain (Loss) on disposal of property, plant and equipment	\$ 132	1,144	245	1,286
Gain on valuation of financial assets and liabilities at FVTPL	11,959	13,808	21,560	31,654
Others	(3,132)	(816)	(10,908)	(18)
	<u>\$ 8,959</u>	<u>14,136</u>	<u>10,897</u>	<u>32,922</u>

(iii) Finance costs

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Interest expense – borrowings	\$ (9,341)	(23,395)	(35,012)	(65,529)
Interest expense – lease liabilities	(21)	(28)	(73)	(96)
Interest expense – convertible bonds payable	(1,128)	(1,120)	(3,353)	(3,318)
	<u>\$ (10,490)</u>	<u>(24,543)</u>	<u>(38,438)</u>	<u>(68,943)</u>

(iv) Interest income

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Interest income from bank deposits	\$ 8,940	6,636	30,808	23,892
Other interest income	3	-	4	2
	<u>\$ 8,943</u>	<u>6,636</u>	<u>30,812</u>	<u>23,894</u>

(24) Financial instruments

Financial Instruments Except as described in the following paragraph, there were no significant changes in the Group's fair value of financial instruments exposed to credit risk and market risk. For related information about the fair value on financial instruments, please refer to note 6(24) of the 2023 annual consolidated financial statements.

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets and contract assets represent the maximum credit exposure.

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2) Credit risk of receivables

For credit risk exposure of note and trade receivables, please refer to note 6(4).

(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
September 30, 2024						
Non-derivative financial liabilities						
Deposit received	\$ 149	149	-	-	-	149
Short-term borrowings	677,329	684,421	628,980	55,441	-	-
Notes and accounts payable	84,827	84,827	84,827	-	-	-
Other payable	64,735	64,735	64,735	-	-	-
Long-term borrowing (including current portion of long-term borrowings)	852,843	888,380	98,351	110,746	193,335	485,948
Lease liabilities (including current and non-current)	7,501	7,941	1,332	957	1,430	4,222
Convertible bonds payable (including current portion of convertible bonds payable)	690,733	700,000	-	700,000	-	-
	<u>\$ 2,378,117</u>	<u>2,430,453</u>	<u>878,225</u>	<u>867,144</u>	<u>194,765</u>	<u>490,319</u>
	Carrying amount	Cash flow of contract	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 payables	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 payable)	687,380	700,000	-	700,000	-	-
	<u>\$ 2,907,415</u>	<u>2,971,029</u>	<u>1,274,724</u>	<u>852,469</u>	<u>294,907</u>	<u>548,929</u>
	Carrying amount	Cash flow of contract	Within 6 months	6 to 12 months	1 to 2 years	Above 2 years
September 30, 2023						
Non-derivative financial liabilities						
Deposit received	\$ 127	127	-	-	-	127
Short-term borrowings	976,370	992,848	957,774	35,074	-	-
Notes and accounts payable	95,732	95,732	95,732	-	-	-
Other payable	62,292	62,292	62,292	-	-	-
Long-term borrowing (including current portion of long-term borrowings)	1,015,072	1,057,161	75,951	95,760	208,368	677,082
Lease liabilities (including current and non-current)	10,196	10,724	1,431	1,361	2,274	5,658
Convertible bonds payable	686,258	700,000	-	-	700,000	-
	<u>\$ 2,846,047</u>	<u>2,918,884</u>	<u>1,193,180</u>	<u>132,195</u>	<u>910,642</u>	<u>682,867</u>

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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:

September 30, 2024			
	Foreign currency	Exchange rate	TWD
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD	\$ 30,749	31.65	973,206
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
USD	16,139	31.65	510,799
December 31, 2023			
	Foreign currency	Exchange rate	TWD
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD	\$ 53,938	30.705	1,656,146
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
USD	26,809	30.705	823,170
September 30, 2023			
	Foreign currency	Exchange rate	TWD
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD	\$ 91,996	32.27	2,968,714
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
USD	64,827	32.27	2,091,976

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 September 30, 2024 and 2023, would have increased (decreased) the net income \$11,688 thousand and \$21,735 thousand, respectively.

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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 \$(2,594) thousand, \$31,212 thousand, \$37,522 thousand and \$46,752 thousand for the three months and nine months ended September 30, 2024 and 2023, 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. If the interest rate had increased or decreased by 1%, the Group's net income would have increased or decreased by \$9,181 thousand and \$11,949 thousand for the nine months ended September 30, 2024 and 2023, respectively, with all other variable factors remaining constant.

(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:

	September 30, 2024				
	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at FVTPL-current	\$ <u>12,786</u>	<u>12,786</u>	<u>-</u>	<u>-</u>	<u>12,786</u>
Financial liabilities at FVTPL-current	\$ <u>7,102</u>	<u>-</u>	<u>7,102</u>	<u>-</u>	<u>7,102</u>
Financial assets at FVOCI-non-current	\$ <u>3,369</u>	<u>-</u>	<u>-</u>	<u>3,369</u>	<u>3,369</u>
Convertible bonds payable (recorded in corporate convertible bonds callable in 1 year)	\$ <u>690,733</u>	<u>723,590</u>	<u>-</u>	<u>-</u>	<u>723,590</u>

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December 31, 2023					
	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at FVTPL-current	\$ <u>19,588</u>	<u>19,588</u>	<u>-</u>	<u>-</u>	<u>19,588</u>
Financial liabilities at FVTPL-current	\$ <u>3,602</u>	<u>-</u>	<u>3,602</u>	<u>-</u>	<u>3,602</u>
Financial assets at FVOCI-non-current	\$ <u>3,369</u>	<u>-</u>	<u>-</u>	<u>3,369</u>	<u>3,369</u>
Bonds payable (recorded in corporate convertible bonds callable in 1 year)	\$ <u>687,380</u>	<u>748,790</u>	<u>-</u>	<u>-</u>	<u>748,790</u>
September 30, 2023					
	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial liabilities at FVTPL-current	\$ <u>8,643</u>	<u>8,643</u>	<u>-</u>	<u>-</u>	<u>8,643</u>
Financial liabilities at FVTPL-non-current	\$ <u>2,482</u>	<u>-</u>	<u>2,482</u>	<u>-</u>	<u>2,482</u>
Financial assets at FVOCI-non-current	\$ <u>3,369</u>	<u>-</u>	<u>-</u>	<u>3,369</u>	<u>3,369</u>
Convertible bonds payable	\$ <u>686,258</u>	<u>763,700</u>	<u>-</u>	<u>-</u>	<u>763,700</u>

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 nine months ended September 30, 2024 and 2023.

Coremax Corporation and subsidiaries
Notes to the Consolidated Financial Statements

- 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:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at FVOCI (equity instrument investments without an active market)	Asset-based approach	<ul style="list-style-type: none"> Net asset Liquidity discount (September 30, 2024, December 31, and September 30, 2023 were all 30%) 	<ul style="list-style-type: none"> 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

	<u>Equity instrument investment at FVOCI</u>
September 30, 2024(as beginning balance)	\$ <u><u>3,369</u></u>
September 30, 2023(as beginning balance)	\$ <u><u>3,369</u></u>

- (25) Financial risk management

There were no significant changes in the Group's objectives and policies applied in the financial risk management from those in the note 6(25) of consolidated financial statement for the year ended December 31, 2023.

- (26) Capital management

The Group's objectives, policies and processes for capital management were consistent with those of consolidated financial statements for the year ended December 31, 2023. There were no significant changes in quantified factors of capital management from those in the consolidated financial statement for the year ended December 31, 2023. For related information about the capital management, please refer to note 6(26) of the consolidated financial statements for the year ended December 31, 2023.

Coremax Corporation and subsidiaries
Notes to the Consolidated Financial Statements

(27) Financing activities not affecting current cash flow

Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2024	Cash flows	Non-cash changes		September 30, 2024
			Additions	Foreign exchange movement and others	
Deposit received	\$ <u>126</u>	<u>23</u>	-	-	<u>149</u>
Short-term borrowings	\$ <u>1,070,154</u>	<u>(402,682)</u>	-	9,857	<u>677,329</u>
Long-term borrowing (including current portion)	\$ <u>988,376</u>	<u>(135,533)</u>	-	-	<u>852,843</u>
Lease liabilities (including current and non-current)	\$ <u>9,459</u>	<u>(2,031)</u>	-	73	<u>7,501</u>
Convertible bonds payable (including current portion)	\$ <u>687,380</u>	<u>-</u>	-	3,353	<u>690,733</u>
	January 1, 2023	Cash flows	Non-cash changes		September 30, 2023
			Additions	Foreign exchange movement and others	
Deposit received	\$ <u>107</u>	<u>20</u>	-	-	<u>127</u>
Short-term borrowings	\$ <u>2,247,855</u>	<u>(1,295,598)</u>	-	24,113	<u>976,370</u>
Long-term borrowings (including current portion)	\$ <u>1,125,161</u>	<u>(110,089)</u>	-	-	<u>1,015,072</u>
Lease liabilities (including current and non-current)	\$ <u>12,805</u>	<u>(2,576)</u>	-	(33)	<u>10,196</u>
Convertible bonds payable	\$ <u>682,940</u>	<u>-</u>	-	3,318	<u>686,258</u>

7. Related-party transactions

(1) Transactions with key management personnel

Key management personnel remuneration comprised:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Short-term employee benefits	\$ 8,146	6,844	27,845	23,646
Post-employment benefits	70	-	208	108
	<u>\$ 8,216</u>	<u>6,844</u>	<u>28,053</u>	<u>23,754</u>

Coremax Corporation and subsidiaries
Notes to the Consolidated Financial Statements

(2) Division and assignment of enterprises

(i) Partition and assignment of enterprises

As mentioned in Note 1, the Company divided 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 assets and liabilities please refer to note 7(2) of the consolidated financial statements for the year ended December 31, 2023.

8. Pledged assets

Except for note 6(13), the carrying amount of the Group's pledged assets are as follows:

<u>Assets</u>	<u>Purpose of pledge</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Land	Long- and short-term borrowings and obtaining credit limit for short-term borrowings	\$ 1,361,049	1,361,049	1,361,049
Buildings	Long- and short-term borrowings and obtaining credit limit for short-term borrowings	708,848	716,180	636,838
Machinery and Equipment	Long- and short-term borrowings	185,460	193,840	197,342
Restricted deposits (recorded in other financial assets — non-current)	Long-term borrowings	1,840	1,840	1,840
Restricted deposits (recorded in other financial assets — non-current)	Guarantee deposit of natural gas	2,700	1,500	1,500
Restricted deposit (recorded in other financial assets — non-current)	Create a pledge of convertible bonds payable	100,000	100,000	100,000
		<u>\$ 2,359,897</u>	<u>2,374,409</u>	<u>2,298,569</u>

9. Commitments and contingencies

Except for the note 6(12), as of September 30, 2024, December 31 and September 30, 2023, the remaining commitments and contingencies were as follow:

- (1) The Group had acquired property, plant and equipment, with the remaining commitments of \$692,095 thousand, \$321,380 thousand and \$34,508 thousand, respectively.
- (2) Coremax (BVI) Corporation, had applied for a borrowing facility with an amount of USD3,000 thousand (equivalent to \$94,950 thousand, \$92,115 thousand and \$96,810 thousand, respectively) from a bank, in which the Company holds the responsibility as its joint guarantor.

Coremax Corporation and subsidiaries
Notes to the Consolidated Financial Statements

- (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 guarantees and endorsements for Uranus Chemicals from the date of November 15, 2023.
- (4) The unrecognized contractual commitments for the purchase of land use rights by the Group were \$0 thousand, \$0 thousand, and \$184,888 thousand, respectively.
- (5) VINACOREMAX COMPANY LIMITED, had applied for a borrowing facility with an amount of USD30,000 thousand and VND 400,000,000 thousand (equivalent to \$1,457,500 thousand, \$0 thousand, and \$0 thousand, respectively) from a bank, in which the Company holds the responsibility as its joint guarantor.

10. Losses Due to Major Disasters: None

11. Subsequent Events

Considering its future production capacity needs, the board approved on November 8, 2024 for the Company to enter a right-of-use agreement with TIEN PHONG INDUSTRIAL ZONE JOINT STOCK COMPANY on behalf of its Vietnamese subsidiary (which has yet to be established) for the land located in DEEP C Industrial Zone, Guang'an City, Quang Ninh Province, Vietnam, where the future factories and employee dormitories of the said subsidiary will be constructed, with the transaction amounts of VND 228,264,000 thousand (equivalent to approximately \$287,613 thousand) and VND 14,009,000 thousand (equivalent to approximately \$17,651 thousand).

12. Other

- (1) A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By function	For the three months ended September 30 2024			For the three months ended September 30 2023		
	Classified as operating cost	Classified as operating expenses	Total	Classified as operating cost	Classified as operating expenses	Total
By item						
Employee benefits						
Salaries	54,888	31,027	85,915	49,465	31,820	81,285
Labor and health insurance	6,044	3,410	9,454	6,302	3,103	9,405
Pension	2,496	1,158	3,654	2,608	1,044	3,652
Others	4,282	5,340	9,622	5,260	2,004	7,264
Depreciation	70,734	10,651	81,385	75,091	2,777	77,868

By function	For the nine months ended September 30 2024			For the nine months ended September 30 2023		
	Classified as operating cost	Classified as operating expenses	Total	Classified as operating cost	Classified as operating expenses	Total
By item						
Employee benefits						
Salaries	179,026	101,111	280,137	96,583	42,734	139,317
Labor and health insurance	18,298	10,655	28,953	19,576	10,058	29,634
Pension	7,469	3,340	10,809	8,147	3,127	11,274
Others	18,799	13,624	32,423	16,461	5,233	21,694
Depreciation	217,384	27,002	244,386	214,202	18,698	232,900

Coremax Corporation and subsidiaries
Notes to the Consolidated Financial Statements

(2) Seasonality of operations

The Group's operations were not affected by seasonality or cyclical factors.

(3) 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. For the related information please refer to note 12(2) of the consolidated financial statements for the year ended December 31, 2023.

13. Other disclosures

(1) Information on significant transactions:

The followings were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the nine months ended September 30, 2024:

- (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 September 30, 2024 (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: Please refer to Table 4.
 - (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: None.
 - (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.
 - (ix) Trading in derivative instruments: Note6(2).
 - (x) Business relationships and significant intercompany transactions: Please refer to Table 5.
- (2) Information on investees (excluding information on investees in Mainland China): The information on investees for the nine months ended September 30, 2024, Please refer to Table 6.

Coremax Corporation and subsidiaries
Notes to the Consolidated Financial Statements

(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 7(1).
- (ii) Limitation on investment in Mainland China: Please refer to Table 7(2).
- (iii) Significant transactions:

The significant inter-company transactions with the subsidiaries in Mainland China for the nine months ended September 30, 2024, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions”.

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
CHANG XING INVESTMENT CO., LTD		14,977,609	12.58 %
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) For related information about segment ,please refer note 6(21).

Coremax Corporation and Subsidiaries
Loans to other parties
For the nine month ended September 30, 2024

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 Co., Ltd.	Other receivables	Yes	26,268	25,320	-	5%	2	-	Operating demand	-	None	-	110,258	165,388
1	COREMAX (BVI) CORPORATION	COREMAX (THAILAND) CO., LTD.	Other receivables	Yes	82,088	79,125	64,883	4%-5.5%	2	-	Operating demand	-	None	-	110,258	165,388
1	COREMAX (BVI) CORPORATION	Coremax (Zhangzhou) Chemical Co., Ltd.	Other receivables	Yes	32,835	31,650	-	5%	2	-	Operating demand	-	None	-	110,258	165,388
2	Coremax Ningbo Chemical Co., Ltd.	Coremax (Zhangzhou) Chemical Co., Ltd.	Other receivables	Yes	18,180	18,092	-	3.5%	2	-	Operating demand	-	None	-	30,658	45,987
3	Jiangxi Tianjiang Materials Co., Ltd.	Coremax (Zhangzhou) Chemical Co., Ltd.	Other receivables	Yes	11,363	11,308	-	5%	2	-	Operating demand	-	None	-	12,644 (Note 4)	15,805 (Note 4)
4	Coremax (Zhangzhou) Chemical Co., Ltd.	Coremax (Ningbo) Chemical Co., Ltd.	Other receivables	Yes	18,180	18,092	-	3.5%	2	-	Operating demand	-	None	-	46,583	69,874

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 nine month ended September 30, 2024

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 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
		Name	Relationship with the Company (Note 2)										
0	The company	COREMAX (BVI) CORPORATION	2	2,754,848	98,505	94,950	-	-	1.72 %	2,754,848	Y	N	N
0	The company	VINACOREMAX COMPANY LIMITED	2	2,754,848	1,501,050	1,457,500	-	-	26.45 %	2,754,848	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 50% of latest financial statements of the Company's net worth audited.

Coremax Corporation and Subsidiaries
Securities held as of September 30, 2024 (excluding investment in subsidiaries, associates and joint ventures)
For the nine month ended September 30, 2024

Table 3

(Shares / Amounts in Thousands)

Name of holder	Category and name of security	Relationship with company	Account title	Account title	Ending balance			Note
					Carrying value	Percentage of ownership	Fair value	
Uranus Chemicals Co., Ltd.	Stock of HSINCHU GOLF COUNTRY CLUB Co., Ltd	None	Non-current financial assets at fair value through other comprehensive income	3	3,369	-	3,369	-

Coremax Corporation and Subsidiaries
Acquisition of Individual Real Estate Properties at Costs of at least NT\$300 million or 20% of the Paid-in Capital
For the nine month ended September 30, 2024

Table 4

(Amounts in Thousands)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, its previous transfer information needs to be disclosed				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
VINACOREMAX COMPANY LIMITED	Fixed asset-building and mechanical & electrical engineering	2024/6/6	316,260	Have paid 10%	CONSTRUCTION TECHNOLOGIES APPLICATION AND TRANSFER ., JSC	None related party	-	-	-	-	Not applicable since it's commissioning of construction on leased land	Demand for future development	-

Coremax Corporation and Subsidiaries
Business relationships and significant intercompany transactions
For the nine month ended September 30, 2024

Table 5

(Amounts in Thousands)

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	74,744	No significant difference from Ordinary transaction	2.34 %
0	The Company	Coremax (Zhangzhou) Chemical Co., Ltd.	The parent company to the subsidiary	Sales	34,425	"	1.08 %
0	The Company	COREMAX (THAILAND) CO., LTD.	The parent company to the subsidiary	Sales	55,278	"	1.73 %

Coremax Corporation and Subsidiaries
Information on Investees (Excluding Information on Investees in Mainland China)
For the nine month ended September 30, 2024

Table 6

(Shares in Thousands /Amount in Thousands)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	COREMAX (BVI) CORPORATION	British Virgin Islands	Investment company	302,406	302,406	9,658	100 %	545,074	6,153	6,153	Note 1
The Company	Heng I 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 %	1,560,574	105,890	87,357	Note 1
The Company	Uranus Chemicals Co., Ltd.	Taiwan	Manufacturing and sales of oxalic acid (organic) and inorganic acid 、 rare earth compounds 、 cobalt compound and related products	934,321	949,438	43,266	65.18 %	1,244,799	95,846	63,222	Note 1
The Company	VINACOREMAX COMPANY LIMITED	Vietnam	Manufacturing and sales of inorganic acid and related products	446,155	318,764	-	100 %	421,678	(8,556)	(8,556)	Note 1
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 %	116,753	21,590	21,590	Note 1

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 nine month ended September 30, 2024

Table 7

(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, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Notes 3, 6)	Book value	Accumulated remittance of earnings in current period	Note
					Outflow	Inflow							
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	(17,339)	100.00%	(17,339)	153,290	-	(Note 3)
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	(15,351)	100.00%	(15,351)	232,913	-	(Note 3)
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	(277)	100.00%	(277)	15,805	-	(Note 4)

(2) Limitation on investment in Mainland China

Cumulated Investment in Mainland China as of September 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA (note 7)	Upper Limit on Investment (Note 5)
273,982 (USD 8,808)	452,215 (USD 14,288)	3,305,817

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: Amount was recognized based on the unreviewed financial statement.

Note 4: Amount was recognized based on the reviewed 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 relevant transactions and ending balance are eliminated in consolidated financial statement.

Note 7: Exchange rates at the dates of balance sheet date.