

Coremax Corporation and Subsidiaries
Consolidated Financial Statements
With Independent Auditors' Review Report
For the Six Months Ended June 30, 2025 and 2024

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 June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2025 and 2024, as well as the changes in equity and cash flows for the six months ended June 30, 2025 and 2024, 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 \$1,446,279 thousand and \$1,017,525 thousand, constituting 13.3% and 10.0% of consolidated total assets at June 30, 2025 and 2024, respectively, total liabilities amounting to \$549,447 thousand and \$35,995 thousand, constituting 11.9% and 1.1% of consolidated total liabilities at June 30, 2025 and 2024, respectively, and total comprehensive income (loss) amounting to \$15,578 thousand, \$(23,090) thousand, \$54,288 thousand and \$(27,996) thousand, constituting 15.5%, 30.0%, 31.7% and 18.0% of the absolute value of consolidated total comprehensive income (loss) for the three months and six months ended June 30, 2025 and 2024, 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 June 30, 2025 and 2024, and of its consolidated financial performance for the three months and six months ended June 30, 2025 and 2024, as well as its consolidated cash flows for the six months ended June 30, 2025 and 2024 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)
August 8, 2025

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

June 30, 2025, December 31, 2024, and June 30, 2024

(Expressed in Thousands of New Taiwan Dollars)

		<u>June 30, 2025</u>		<u>December 31, 2024</u>		<u>June 30, 2024</u>						<u>June 30, 2025</u>		<u>December 31, 2024</u>		<u>June 30, 2024</u>	
Assets		Amount	%	Amount	%	Amount	%			Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets:										Current liabilities:							
1100	Cash and cash equivalents (note 6(1))	\$ 2,508,977	23	2,905,786	29	2,896,110	30	2100		Short-term borrowings (notes 6(13) and 8.)	\$	1,441,435	14	862,491	9	708,568	8
1110	Financial assets at fair value through profit or loss—									Financial liabilities at fair value through profit or							
	current (note 6(2))	-	-	16,461	-	16,622	-	2120		loss-current (note 6(2))		16,635	-	-	-	7,102	-
1150	Notes receivable, net (note 6(4))	15,871	-	14,349	-	15,590	-	2130		Contract liabilities - current (note 6(21))		48,781	-	-	-	-	-
1170	Accounts receivable, net (note 6(4))	494,583	5	376,285	4	620,016	6	2150		Notes payable		234	-	256	-	254	-
1200	Other receivable (note 6(8))	380,468	3	240,240	2	3,689	-	2170		Accounts payable		291,869	3	75,241	1	107,017	1
130X	Inventories (note 6(5))	1,371,674	13	852,620	9	749,882	8	2200		Other payables (note 6(14))		321,292	3	233,976	2	148,812	2
1410	Prepayments to suppliers	256,586	2	80,544	1	134,001	1	2216		Dividends payable (note 6(19))		148,923	1	-	-	99,402	1
1476	Other financial assets— current (notes 6(10) and 8.)	164,910	1	93,136	1	89,106	1	2230		Current tax liabilities		33,813	-	39,852	-	48,143	-
1479	Other current assets, others (note 6(9))	<u>185,363</u>	<u>2</u>	<u>176,182</u>	<u>2</u>	<u>156,337</u>	<u>2</u>	2280		Current lease liabilities (note 6(16))		1,586	-	1,988	-	2,404	-
		<u>5,378,432</u>	<u>49</u>	<u>4,755,603</u>	<u>48</u>	<u>4,681,353</u>	<u>48</u>	2321		Bonds payable, current portion (notes 6(15) and 8.)		688,602	7	686,417	7	689,605	7
Non-current assets:								2322		Long-term borrowings, current portion (notes 6(13)							
	Financial assets at fair value through other									and 8.)		226,362	2	221,304	2	192,445	2
1517	comprehensive income— non-current(note 6(3))	3,369	-	3,369	-	3,369	-	2399		Other current liabilities (note 6(14))		<u>191,340</u>	<u>2</u>	<u>176,669</u>	<u>3</u>	<u>210,250</u>	<u>2</u>
1600	Property, plant and equipment (notes 6(11) and 8.)	4,831,273	44	4,502,181	46	4,437,354	46					<u>3,410,872</u>	<u>32</u>	<u>2,298,194</u>	<u>24</u>	<u>2,214,002</u>	<u>23</u>
1755	Right-of-use assets (note 6(12))	213,852	2	246,668	3	249,260	3			Non-current liabilities:							
1840	Deferred tax assets	57,352	1	38,038	-	92,881	1	2540		Long-term borrowings (notes 6(13) and 8.)		876,222	8	678,714	7	705,961	7
1975	Net defined benefit asset— non-current	18,225	-	18,225	-	16,282	-	2570		Deferred tax liabilities		318,417	3	318,417	3	343,654	4
	Other financial assets—non-current (notes 6(10) and							2580		Non-current lease liabilities (note 6(16))		4,134	-	4,821	-	5,720	-
1980	8.)	212,241	2	113,276	1	111,341	1	2640		Net defined benefit liability— non-current		5,543	-	5,543	-	6,351	-
1990	Other non-current assets (note 6(9))	<u>175,066</u>	<u>2</u>	<u>174,961</u>	<u>2</u>	<u>126,316</u>	<u>1</u>	2645		Deposits received		<u>127</u>	-	<u>152</u>	-	<u>123</u>	-
		<u>5,511,378</u>	<u>51</u>	<u>5,096,718</u>	<u>52</u>	<u>5,036,803</u>	<u>52</u>					<u>1,204,443</u>	<u>11</u>	<u>1,007,647</u>	<u>10</u>	<u>1,061,809</u>	<u>11</u>
										Total liabilities		<u>4,615,315</u>	<u>43</u>	<u>3,305,841</u>	<u>34</u>	<u>3,275,811</u>	<u>34</u>
										Equity attributable to parent company							
										shareholders (notes 6(6) 、(15) and (19)):							
								3100		Ordinary share capital		1,186,493	11	1,190,293	12	1,190,293	12
								3200		Capital surplus		3,368,639	31	3,392,812	34	3,379,904	35
								3300		Retained earnings		913,962	8	1,052,785	11	990,934	10
								3400		Other equity interest		(88,451)	(1)	(11,194)	-	(23,019)	-
								3500		Treasury shares		<u>(3,206)</u>	-	<u>(84,658)</u>	<u>(1)</u>	<u>(84,658)</u>	<u>(1)</u>
												<u>5,377,437</u>	<u>49</u>	<u>5,540,038</u>	<u>56</u>	<u>5,453,454</u>	<u>56</u>
								36XX		Non-controlling interests		<u>897,058</u>	<u>8</u>	<u>1,006,442</u>	<u>10</u>	<u>988,891</u>	<u>10</u>
										Total equity		<u>6,274,495</u>	<u>57</u>	<u>6,546,480</u>	<u>66</u>	<u>6,442,345</u>	<u>66</u>
Total assets		\$ <u>10,889,810</u>	<u>100</u>	<u>9,852,321</u>	<u>100</u>	<u>9,718,156</u>	<u>100</u>			Total liabilities and equity	\$	<u>10,889,810</u>	<u>100</u>	<u>9,852,321</u>	<u>100</u>	<u>9,718,156</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 six months ended June 30, 2025 and 2024

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

		For the three months ended June 30,				For the six months ended June 30,			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Net operating revenue (note 6(21))	\$ 1,450,661	100	1,103,843	100	2,504,309	100	2,194,051	100
5000	Operating costs (notes 6(5), (17) and (22))	<u>1,306,617</u>	<u>90</u>	<u>949,551</u>	<u>86</u>	<u>2,159,077</u>	<u>86</u>	<u>1,882,393</u>	<u>86</u>
	Gross profit	<u>144,044</u>	<u>10</u>	<u>154,292</u>	<u>14</u>	<u>345,232</u>	<u>14</u>	<u>311,658</u>	<u>14</u>
6000	Operating expenses (notes 6(17) and (22)):								
6100	Selling expenses	21,016	1	26,203	2	41,398	2	51,041	2
6200	General administrative expenses	71,652	5	63,631	6	142,851	6	124,156	6
6300	Research and development expenses	<u>4,714</u>	<u>-</u>	<u>4,489</u>	<u>-</u>	<u>9,630</u>	<u>-</u>	<u>8,931</u>	<u>-</u>
	Total operating expenses	<u>97,382</u>	<u>6</u>	<u>94,323</u>	<u>8</u>	<u>193,879</u>	<u>8</u>	<u>184,128</u>	<u>8</u>
6900	Net operating income	<u>46,662</u>	<u>4</u>	<u>59,969</u>	<u>6</u>	<u>151,353</u>	<u>6</u>	<u>127,530</u>	<u>6</u>
7000	Non-operating income and expenses:								
7010	Other income (note 6(23))	8,794	-	15,133	1	13,821	-	23,088	1
7020	Other gains and losses, net (note 6(23) and 12)	11,992	-	2,555	-	(165,144)	(7)	1,938	-
7050	Finance costs (notes 6(15), (16) and (23))	(19,563)	(1)	(12,180)	(1)	(35,372)	(1)	(27,948)	(1)
7100	Interest income (note 6(23))	13,738	1	16,624	2	22,223	1	21,869	1
7230	Net foreign currency exchange benefit (note 6(24))	<u>(57,621)</u>	<u>(4)</u>	<u>13,067</u>	<u>1</u>	<u>(45,876)</u>	<u>(2)</u>	<u>40,116</u>	<u>2</u>
		<u>(42,660)</u>	<u>(4)</u>	<u>35,199</u>	<u>3</u>	<u>(210,348)</u>	<u>(9)</u>	<u>59,063</u>	<u>3</u>
	Income (loss) before income tax	4,002	-	95,168	9	(58,995)	(3)	186,593	9
7950	Income tax expenses (note 6(18))	<u>15,183</u>	<u>1</u>	<u>18,839</u>	<u>2</u>	<u>28,958</u>	<u>1</u>	<u>37,121</u>	<u>2</u>
	Net income (loss)	<u>(11,181)</u>	<u>(1)</u>	<u>76,329</u>	<u>7</u>	<u>(87,953)</u>	<u>(4)</u>	<u>149,472</u>	<u>7</u>
8300	Other comprehensive income:								
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translation of foreign financial statements	(111,404)	(8)	1,674	-	(102,474)	(4)	10,274	-
8399	Income tax relating to item that may be reclassified subsequently to profit or loss (note 6(18))	<u>(22,192)</u>	<u>(2)</u>	<u>77</u>	<u>-</u>	<u>(19,314)</u>	<u>(1)</u>	<u>2,448</u>	<u>-</u>
	Total items that may be reclassified subsequently to profit or loss	<u>(89,212)</u>	<u>(6)</u>	<u>1,597</u>	<u>-</u>	<u>(83,160)</u>	<u>(3)</u>	<u>7,826</u>	<u>-</u>
8300	Other comprehensive income	<u>(89,212)</u>	<u>(6)</u>	<u>1,597</u>	<u>-</u>	<u>(83,160)</u>	<u>(3)</u>	<u>7,826</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ (100,393)</u>	<u>(7)</u>	<u>77,926</u>	<u>7</u>	<u>(171,113)</u>	<u>(7)</u>	<u>157,298</u>	<u>7</u>
	Net income (loss) attributable to:								
8610	Shareholders of the parent	\$ 6,656	-	56,259	5	(20,792)	(1)	109,240	5
8620	Non-controlling interests	<u>(17,837)</u>	<u>(1)</u>	<u>20,070</u>	<u>2</u>	<u>(67,161)</u>	<u>(3)</u>	<u>40,232</u>	<u>2</u>
		<u>\$ (11,181)</u>	<u>(1)</u>	<u>76,329</u>	<u>7</u>	<u>(87,953)</u>	<u>(4)</u>	<u>149,472</u>	<u>7</u>
	Total comprehensive income (loss) attributable to:								
8710	Shareholders of the parent	\$ (82,111)	(6)	56,248	5	(98,049)	(4)	118,711	5
8720	Non-controlling interests	<u>(18,282)</u>	<u>(1)</u>	<u>21,678</u>	<u>2</u>	<u>(73,064)</u>	<u>(3)</u>	<u>38,587</u>	<u>2</u>
		<u>\$ (100,393)</u>	<u>(7)</u>	<u>77,926</u>	<u>7</u>	<u>(171,113)</u>	<u>(7)</u>	<u>157,298</u>	<u>7</u>
	Earnings (loss) per share (New Taiwan Dollars) (note 6(20))								
9750	Basic earnings (loss) per share	<u>\$ 0.06</u>		<u>0.48</u>		<u>(0.18)</u>		<u>0.93</u>	
9850	Diluted earnings (loss) per share	<u>\$ 0.06</u>		<u>0.46</u>		<u>(0.18)</u>		<u>0.89</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 Changes in Equity
For the six months ended June 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Other equity interest		Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income		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		Total other equity interest	Treasury shares				
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	-	-	-	-	109,240	109,240	-	-	-	-	109,240	40,232	149,472	
Other comprehensive income (loss) for the period	-	-	-	-	-	-	9,471	-	9,471	-	9,471	(1,645)	7,826	
Total comprehensive income (loss) for the period	-	-	-	-	109,240	109,240	9,471	-	9,471	-	118,711	38,587	157,298	
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 dividends 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 ownership interests in subsidiaries	-	328	-	-	-	-	-	-	-	-	328	175	503	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(21,543)	(21,543)	
Non-controlling interests increase	-	-	-	-	-	-	-	-	-	-	-	19,777	19,777	
Balance at June 30, 2024	\$ 1,190,293	3,379,904	332,362	51,793	606,779	990,934	(23,019)	-	(23,019)	(84,658)	5,453,454	988,891	6,442,345	
Balance at January 1, 2025	\$ 1,190,293	3,392,812	332,362	51,793	668,630	1,052,785	(11,194)	-	(11,194)	(84,658)	5,540,038	1,006,442	6,546,480	
Net loss for the period	-	-	-	-	(20,792)	(20,792)	-	-	-	-	(20,792)	(67,161)	(87,953)	
Other comprehensive income (loss) for the period	-	-	-	-	-	-	(77,257)	-	(77,257)	-	(77,257)	(5,903)	(83,160)	
Total comprehensive income (loss) for the period	-	-	-	-	(20,792)	(20,792)	(77,257)	-	(77,257)	-	(98,049)	(73,064)	(171,113)	
Appropriation and distribution of retained earnings:														
Appropriated legal reserve	-	-	15,171	-	(15,171)	-	-	-	-	-	-	-	-	
Reversed special reserve	-	-	-	(40,599)	40,599	-	-	-	-	-	-	-	-	
Cash dividends of ordinary share	-	-	-	-	(112,717)	(112,717)	-	-	-	-	(112,717)	-	(112,717)	
Transfer treasury shares to employees (including subsidiaries)	-	(13,192)	-	-	-	-	-	-	-	59,732	46,540	-	46,540	
Cancellation of treasury shares	(3,800)	(12,606)	-	-	(5,314)	(5,314)	-	-	-	21,720	-	-	-	
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	640	-	-	-	-	-	-	-	-	640	-	640	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(36,846)	(36,846)	
Changes in ownership interests in subsidiaries	-	985	-	-	-	-	-	-	-	-	985	526	1,511	
Balance at June 30, 2025	\$ 1,186,493	3,368,639	347,533	11,194	555,235	913,962	(88,451)	-	(88,451)	(3,206)	5,377,437	897,058	6,274,495	

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 six months ended June 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2025	2024
Cash flows from operating activities:		
Income (loss) before income tax	\$ (58,995)	186,593
Adjustments:		
Adjustments to reconcile profit:		
Depreciation	166,281	163,001
Net loss (profit) on financial assets and liabilities at fair value through profit or loss	56,910	(9,601)
Interest expense	35,372	27,948
Interest income	(22,223)	(21,869)
Adjustment for other non-cash-related losses, net	965	(113)
Subtotal of gains or losses on non-cash activities	237,305	159,366
Changes in operating assets and liabilities:		
Notes receivable	(1,522)	(3,250)
Accounts receivable	(118,286)	(145,857)
Other receivable	(140,275)	403,533
Inventories	(519,054)	99,368
Prepayments to suppliers	(176,042)	(82,756)
Other current assets	24,482	(13,169)
Contract liabilities	48,781	-
Notes payable	(22)	(96)
Accounts payable	216,628	14,630
Other payable	16,365	9,058
Other current liabilities	15,525	42,670
Total adjustments	(396,115)	483,497
Cash (outflow) inflow generated from operations	(455,110)	670,090
Interest received	22,270	21,278
Interest paid	(34,004)	(30,951)
Income taxes paid	(37,824)	27
Net cash (used in) from operating activities	(504,668)	660,444
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(314,141)	(70,957)
Proceeds from disposal of property, plant and equipment	268	1,963
(Increase) decrease in other financial assets	(195,588)	41,733
Decrease in refundable deposits	1,035	77
Increase in other non-current assets	(139,654)	(87,038)
Net cash used in investing activities	(648,080)	(114,222)
Cash flows from financing activities:		
Increase in short-term borrowings	612,102	-
Decrease in short-term borrowings	-	(383,496)
Proceeds from long-term borrowings	310,670	-
Repayments of long-term borrowings (including current portion)	(108,104)	(89,970)
Decrease in guarantee deposits received	(25)	(3)
Payment of lease liabilities	(1,143)	(1,387)
Treasury stocks transfer to employees	46,540	-
Cash dividends paid for non-controlling interests	(36,846)	(15,685)
Disposal of ownership interests in subsidiaries (without losing control)	-	33,499
Net cash from (used in) financing activities	823,194	(457,042)
Effect of exchange rate changes on cash and cash equivalents	(67,255)	25,825
Net (decrease) increase in cash and cash equivalents	(396,809)	115,005
Cash and cash equivalents at beginning of period	2,905,786	2,781,105
Cash and cash equivalents at end of period	\$ 2,508,977	2,896,110

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

June 30, 2025 and 2024

**(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.

2. Approval date and procedures of the consolidated financial statements

The consolidated financial statements were authorized for issue by the Board of Directors on August 8, 2025.

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, 2025:

- Amendments to IAS 21 “Lack of Exchangeability

- (b) The impact of IFRS Accounting Standards endorsed 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, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

Coremax Corporation and subsidiaries
Notes to the Consolidated Financial Statements

- (c) The impact of IFRS Accounting Standards 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

Coremax Corporation and subsidiaries

Notes to the Consolidated Financial Statements

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 19 “Subsidiaries without Public Accountability: Disclosures”

4. Summary of material accounting policies

(1) Statement of compliance

These 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 IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as FSC). The consolidated financial statements do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (altogether referred to “IFRS Accounting Standards” endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

(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
			June 30, 2025	December 31, 2024	June 30, 2024	
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 %	65.18 %	65.18 %	-
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 %	-

Coremax Corporation and subsidiaries

Notes to the Consolidated Financial Statements

Name of Investor	Name of Subsidiary	Business Nature	Percentage of Ownership (%)			Note
			June 30, 2025	December 31, 2024	June 30, 2024	
The Company	VINACOREMAX COMPANY LIMITED	Manufacturing and sales of organic and inorganic acid.	100 %	100 %	100 %	Note 1
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%.

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

(3) 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.

(4) Income tax

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of IAS 34 “Interim Financial Reporting” .

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period and the management’s best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period.

Coremax Corporation and subsidiaries
Notes to the Consolidated Financial Statements

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be 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 be recognized directly in equity or other comprehensive income as 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 IAS 34 “Interim Financial Reporting” endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, 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 conformity with the consolidated financial statements for the year ended December 31, 2024.

6. Explanation of significant accounts

(1) Cash and cash equivalents

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, 2024. 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, 2024.

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	\$ 664	527	485
Demand deposits and checking accounts	1,246,089	1,580,259	1,760,825
Time deposits	1,262,224	1,325,000	1,134,800
	<u><u>\$ 2,508,977</u></u>	<u><u>2,905,786</u></u>	<u><u>2,896,110</u></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

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets measured at fair value through profit or loss – current:			
Futures	<u><u>\$ -</u></u>	<u><u>16,461</u></u>	<u><u>16,622</u></u>

Coremax Corporation and subsidiaries
Notes to the Consolidated Financial Statements

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Financial liabilities — current:			
Futures	\$ 16,635	-	-
Call and put option — convertible bonds payable	-	-	7,102
Total	<u>\$ 16,635</u>	<u>-</u>	<u>7,102</u>

- (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 June 30, 2025, December 31 and June 30, 2024, the following derivative instruments, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss:

	<u>Open Position</u>			<u>Fair Value</u>
	<u>Buyer/Seller</u>	<u>Amount (ton)</u>	<u>Transaction Price</u>	
June 30, 2025	Seller	224	USD 15,000/ton ~USD37,192/ton	<u>\$ (16,635)</u>
December 31, 2024	Seller	333	USD 15,200/ton ~USD29,652/ton	<u>\$ 16,461</u>
June 30, 2024	Seller	164	USD 18,610/ton ~USD37,038/ton	<u>\$ 16,622</u>

The futures trading day of the open position on June 30, 2025 is from August 2024 to June 2025, and the settlement dates would be at the period from June 2025 to March 2026, with net cash settlement.

The futures trading day of the open position on December 31, 2024 is from February 2024 to December 2024, and the settlement dates would be at the period from December 2024 to December 2025, with net cash settlement.

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

Please refer to note 6(10) for details of the outstanding futures contract margin on June 30, 2025, December 31 and June 30, 2024.

- (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 six months ended June 30, 2025 and 2024.

Coremax Corporation and subsidiaries
Notes to the Consolidated Financial Statements

(3) Financial assets at fair value through other comprehensive income — non-current

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Non-current:			
Domestic unlisted stocks	\$ <u>3,369</u>	<u>3,369</u>	<u>3,369</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.

(4) Notes and accounts receivable, net

(i) Notes receivable, net:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Notes receivable from operating activities	\$ <u>15,871</u>	<u>14,349</u>	<u>15,590</u>

(ii) Accounts receivable, net:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Accounts receivable	\$ 499,289	381,003	625,346
Less: loss allowance	<u>(4,706)</u>	<u>(4,718)</u>	<u>(5,330)</u>
	<u>\$ 494,583</u>	<u>376,285</u>	<u>620,016</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:

	<u>June 30, 2025</u>		
	<u>Gross carrying amount</u>	<u>Weighted- average loss rate</u>	<u>Loss allowance provision</u>
Current	\$ 388,216	0%	-
1 to 90 days past due	120,333	0%	-
91 to 180 days past due	1,905	0%	-
More than 181 days past due	<u>-</u>	100%	<u>-</u>
	<u>\$ 510,454</u>		<u>-</u>

Coremax Corporation and subsidiaries
Notes to the Consolidated Financial Statements

	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 339,250	0%	-
1 to 90 days past due	47,995	0%	-
91 to 180 days past due	3,389	0%	-
More than 181 days past due	-	100%	-
	\$ 390,634		-

	June 30, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 529,061	0%	-
1 to 90 days past due	98,456	0%	-
91 to 180 days past due	8,089	0%	-
More than 181 days past due	-	100%	-
	\$ 635,606		-

Note 1: As of June 30, 2025, December 31 and June 30, 2024, the accounts receivable amounting to \$4,706 thousand, \$4,718 thousand and \$5,330 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 six months ended June 30,	
	2025	2024
Balance at beginning of period	\$ 4,718	26,247
Amounts written off	-	(19,750)
Effect of exchange rate changes	(12)	(1,167)
Balance at end of period	\$ 4,706	5,330

As of June 30, 2025, December 31 and June 30, 2024, the Group's account receivables were not pledged as collaterals.

(5) Inventories

	June 30, 2025	December 31, 2024	June 30, 2024
Raw materials	\$ 683,976	366,904	317,284
Work in process	288,366	274,938	269,836
Finished goods	399,332	210,778	162,762
	\$ 1,371,674	852,620	749,882

Coremax Corporation and subsidiaries
Notes to the Consolidated Financial Statements

The components of operating costs were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Cost of goods sold	\$ 1,267,906	967,292	2,202,281	1,946,117
Reversal of write-downs of inventories	41,326	(16,868)	(40,122)	(61,997)
Gain from sale of scrap	(2,615)	(873)	(3,082)	(1,727)
	<u>\$ 1,306,617</u>	<u>949,551</u>	<u>2,159,077</u>	<u>1,882,393</u>

As of June 30, 2025, December 31 and June 30, 2024, 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 six month ended June 30, 2025 and 2024. Please refer to note 6(7) of the 2024 annual consolidated financial statements for other related information.

(8) Other receivables

	June 30, 2025	December 31, 2024	June 30, 2024
Receivable material	\$ 351,709	237,144	-
Other	28,759	3,096	3,689
	<u>\$ 380,468</u>	<u>240,240</u>	<u>3,689</u>

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

Other current assets :

	June 30, 2025	December 31, 2024	June 30, 2024
Offset against business tax payable and others	\$ 150,472	158,043	131,790
Other	34,891	18,139	24,547
	<u>\$ 185,363</u>	<u>176,182</u>	<u>156,337</u>

Coremax Corporation and subsidiaries
Notes to the Consolidated Financial Statements

Other non-current assets :

	June 30, 2025	December 31, 2024	June 30, 2024
Other intangible assets	\$ 12,846	12,846	12,846
Prepaid equipment	153,872	148,396	110,192
Other	8,348	13,719	3,278
	<u>\$ 175,066</u>	<u>174,961</u>	<u>126,316</u>

(10) Other financial assets

Current:

	June 30, 2025	December 31, 2024	June 30, 2024
Margin on futures contracts	\$ 152,637	93,136	89,106
Time deposits with maturity of more than three months	12,273	-	-
	<u>\$ 164,910</u>	<u>93,136</u>	<u>89,106</u>

Non-current:

	June 30, 2025	December 31, 2024	June 30, 2024
Refundable deposits	\$ 7,701	8,736	8,001
Restricted deposits	204,540	104,540	103,340
	<u>\$ 212,241</u>	<u>113,276</u>	<u>111,341</u>

(11) Property, plant and equipment

	Land	Building	Machinery and equipment	Other equipment	Equipment pending acceptance and construction in process	Total
Cost:						
Balance at January 1, 2025	\$ 1,716,623	2,193,985	2,589,454	531,123	218,197	7,249,382
Additions	-	6,203	12,433	9,835	393,467	421,938
Disposals and scrap	-	-	(26,815)	(466)	-	(27,281)
Reclassification and others	-	9,829	88,392	12,297	28,090	138,608
Effect of exchange rate changes	(365)	(14,606)	(18,358)	(1,948)	(54,076)	(89,353)
Balance at June 30, 2025	<u>\$ 1,716,258</u>	<u>2,195,411</u>	<u>2,645,106</u>	<u>550,841</u>	<u>585,678</u>	<u>7,693,294</u>
Balance at January 1, 2024	\$ 1,716,223	2,147,088	2,590,079	504,568	336,513	7,294,471
Additions	-	3,666	10,054	8,999	20,542	43,261
Disposals and scrap	-	(187)	(30,967)	(1,529)	(340)	(33,023)
Reclassification and others	-	16,067	(7,969)	478	(248,924)	(240,348)
Effect of exchange rate changes	(99)	3,164	2,259	380	2,055	7,759
Balance at June 30, 2024	<u>\$ 1,716,124</u>	<u>2,169,798</u>	<u>2,563,456</u>	<u>512,896</u>	<u>109,846</u>	<u>7,072,120</u>

Coremax Corporation and subsidiaries
Notes to the Consolidated Financial Statements

	Land	Building	Machinery and equipment	Other equipment	Equipment pending acceptance and construction in process	Total
Accumulated depreciation and impairment losses:						
Balance at January 1, 2025	\$ -	923,015	1,520,702	303,484	-	2,747,201
Depreciation for the period	-	47,505	93,104	21,535	-	162,144
Disposals and scrap	-	-	(26,553)	(437)	-	(26,990)
Effect of exchange rate changes	-	(7,386)	(11,443)	(1,505)	-	(20,334)
Balance at June 30, 2025	<u>\$ -</u>	<u>963,134</u>	<u>1,575,810</u>	<u>323,077</u>	<u>-</u>	<u>2,862,021</u>
Balance at January 1, 2024	\$ -	833,289	1,402,468	268,024	-	2,503,781
Depreciation for the period	-	46,730	90,342	21,481	-	158,553
Disposals and scrap	-	(187)	(29,518)	(1,468)	-	(31,173)
Effect of exchange rate changes	-	1,461	1,853	291	-	3,605
Balance at June 30, 2024	<u>\$ -</u>	<u>881,293</u>	<u>1,465,145</u>	<u>288,328</u>	<u>-</u>	<u>2,634,766</u>
Carrying amounts:						
Balance at January 1, 2025	<u>\$ 1,716,623</u>	<u>1,270,970</u>	<u>1,068,752</u>	<u>227,639</u>	<u>218,197</u>	<u>4,502,181</u>
Balance at June 30, 2025	<u>\$ 1,716,258</u>	<u>1,232,277</u>	<u>1,069,296</u>	<u>227,764</u>	<u>585,678</u>	<u>4,831,273</u>
Balance at June 30, 2024	<u>\$ 1,716,124</u>	<u>1,288,505</u>	<u>1,098,311</u>	<u>224,568</u>	<u>109,846</u>	<u>4,437,354</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	Buildings	Transportation equipment and others	Total
Carrying amount:				
Balance at January 1, 2025	<u>\$ 244,307</u>	<u>632</u>	<u>1,729</u>	<u>246,668</u>
Balance at June 30, 2025	<u>\$ 212,362</u>	<u>497</u>	<u>993</u>	<u>213,852</u>
Balance at June 30, 2024	<u>\$ 245,803</u>	<u>767</u>	<u>2,690</u>	<u>249,260</u>

(13) Long-term/Short-term borrowings

(i) Short-term borrowings:

	June 30, 2025	December 31, 2024	June 30, 2024
Secured bank loans	\$ 666,580	587,491	628,568
Unsecured bank loans	774,855	275,000	80,000
	<u>\$ 1,441,435</u>	<u>862,491</u>	<u>708,568</u>
Unused short-term credit lines	<u>\$ 6,855,340</u>	<u>7,149,334</u>	<u>6,554,120</u>
Range of interest rates	<u>1.70%~5.03%</u>	<u>1.70%~5.07%</u>	<u>0.50%~5.94%</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.

Coremax Corporation and subsidiaries
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(ii) Long-term borrowings:

	June 30, 2025	December 31, 2024	June 30, 2024
Secured bank loans	\$ 599,215	647,141	684,875
Unsecured bank loans	503,369	252,877	213,531
Less: Current portion of long-term borrowings	(226,362)	(221,304)	(192,445)
	<u><u>\$ 876,222</u></u>	<u><u>678,714</u></u>	<u><u>705,961</u></u>
Unused long-term credit lines	<u><u>\$ 1,229,260</u></u>	<u><u>106,171</u></u>	<u><u>31,860</u></u>
Range of interest rates	<u><u>0.05%~5.72%</u></u>	<u><u>0.05%~2.14%</u></u>	<u><u>0.05%~2.42%</u></u>

As of June 30, 2025, December 31 and June 30, 2024, 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.

(15) Convertible bonds

The Company issued the third domestic guaranteed convertible bond on October 28, 2021, by pledging land \$26,741 thousand, buildings \$27,139 thousand, \$40,000 thousand ordinary shares of Heng I Chemical, a demand deposit and time deposit of \$200,000 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:

	June 30, 2025	December 31, 2024	June 30, 2024
Total proceeds from convertible corporate bonds issued	\$ 700,000	700,000	700,000
Less: issued corporate bonds discount	(5,968)	(8,153)	(10,395)
Cumulative redeemed amount	(5,430)	(5,430)	-
Corporate bonds payable balance at year-end	688,602	686,417	689,605
Less : convertible corporate bonds could be sold by within one year	(688,602)	(686,417)	(689,605)
Convertible bonds payable – non-current	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Embedded derivative – call and put options (recorded in financial assets (liabilities) at FVTPL – current and non-current)	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>(7,102)</u></u>

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	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Interest expense	\$ <u>1,099</u>	<u>1,113</u>	<u>2,184</u>	<u>2,225</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 thousand, amounting to \$700,000 thousand. The conversion price on June 30, 2025, December 31 and June 30, 2024, were \$98.5 thousand, \$100.5 and \$100.5, respectively.

The date on which the above mentioned convertible corporate bonds are issued for three years (October 28, 2024) shall be the base date for the holders of convertible corporate bonds to sell them back in advance.

The holders of the convertible corporate bonds issued by the Company may exercise their right to sell them back within the period specified in the issuance regulations. Hence, the Company classified the convertible corporate bonds under current liabilities as of December 31, 2023, whereas the Company may not necessarily be required by its bondholders to repay the bonds in the following year.

The Company has separately recognized its rights and liabilities of the above-mentioned convertible bonds upon issuance. The details are as follows:

Item	Amount
Total convertible corporate bonds issued	\$ 808,056
Fair value of embedded non-equity derivatives upon issued	6,408
Issuing cost	<u>(677,745)</u>
Equity component-stock options (reported in capital surplus-stock options)	<u>\$ 136,719</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:

	June 30, 2025	December 31, 2024	June 30, 2024
Current	\$ <u>1,586</u>	<u>1,988</u>	<u>2,404</u>
Non-current	\$ <u>4,134</u>	<u>4,821</u>	<u>5,720</u>

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

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The amounts recognized in profit or loss were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Interest on lease liabilities	\$ <u>19</u>	<u>27</u>	<u>37</u>	<u>52</u>
Expenses relating to short-term leases and leases of low-value assets	\$ <u>1,547</u>	<u>1,008</u>	<u>2,801</u>	<u>1,871</u>

	For the six months ended June 30,	
	2025	2024
Total cash outflow for leases	\$ <u>3,981</u>	<u>3,310</u>

(i) Land and buildings leases

As of June 30, 2025, December 31 and June 30, 2024, the Group leases land and buildings for a period of 4 to 41 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) Other leases

The Group leases vehicles and others, with lease terms of 1 to 6 years. In some cases, the Group has options to purchase the assets at the end of the contract term.

The Group also leases printers and staff dormitory with contract terms of 1 to 2 years. These leases are short-term and leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(17) Employee benefits

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, 2024 and 2023.

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

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(18) Income tax

(i) Income tax expense

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Current tax expense				
Current period	\$ 15,183	20,531	28,958	38,813
Adjustment for prior periods	-	(1,692)	-	(1,692)
	15,183	18,839	28,958	37,121
Deferred tax expense	-	-	-	-
Income tax expense	<u>\$ 15,183</u>	<u>18,839</u>	<u>28,958</u>	<u>37,121</u>

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

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Exchange differences on translation of foreign financial statements	<u>\$ (22,192)</u>	<u>77</u>	<u>(19,314)</u>	<u>2,448</u>

(ii) The Company's tax returns have been examined by the tax authorities through 2022.

(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 six months ended June 30, 2025 and 2024. For related information on the shareholders' equity, please refer to note 6(19) of the 2024 annual consolidated financial statements.

(i) Issuance of ordinary shares

As of June 30, 2025, December 31 and June 30, 2024, the authorized capital of the Company all amounted to \$1,500,000 thousand; the issued capital amounted to \$1,186,493 thousand, \$1,190,293 thousand and \$1,190,293 thousand with par value of \$10 per share on June 30, 2025, December 31 and June 30, 2024, respectively.

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(ii) Capital surplus

	June 30, 2025	December 31, 2024	June 30, 2024
Additional paid-in capital	\$ 2,639,285	2,645,541	2,645,541
Difference between consideration and carrying amount arising from acquisition or disposal of subsidiaries shareholdings	327,270	327,270	327,270
Treasury share transaction	184,507	204,049	204,049
Share options and others	217,577	215,952	203,044
	\$ 3,368,639	3,392,812	3,379,904

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. Related information would be available at the Market Observation Post System website.

(iii) Retained earnings

The following are the appropriation of earnings in last two years which were approved during the shareholders' meeting held on May 28, 2025 and May 27, 2024, respectively:

	2024		2023	
	Amount per share (TWD)	Total amount	Amount per share (TWD)	Total amount
Dividends distributed to ordinary shareholders:				
Cash	0.95	\$ <u>112,717</u>	0.49	<u>57,626</u>

The appropriation of retained earnings for 2024 and 2023 is consistent with the resolution of the shareholder's meeting. The related information will be available on the Market Observation Post System on the website after the meeting.

(iv) Treasury stock

The Company repurchased treasury shares, in accordance with the relevant provisions of the Securities and Exchange Law to transfer the shares to employees.

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The relevant information is as follows:

In Thousands of Units/Shares

For the six months ended June 30, 2025				
Reason for holding shares	Number of shares at the beginning of the period	Transferred in this period	Cancelled in this period	Number of shares at the end of the period
Transferred shares to employees	<u>1,425</u>	<u>1,045</u>	<u>380</u>	<u>-</u>
For the six months ended June 30, 2024				
Reason for holding shares	Number of shares at the beginning of the period	Transferred in this period	Cancelled in this period	Number of shares at the end of the period
Transferred shares to employees	<u>1,425</u>	<u>-</u>	<u>-</u>	<u>1,425</u>

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.

On December 20, 2024, the board of directors resolved to transfer a total of 1,081 thousand treasury stocks to the employees of the company and its subsidiary at the transfer price of \$44.67 per share with the employee stock subscription base date set on December 20, 2024. Therefore, the recognized share-based compensation cost was \$10,357 thousand and the adjustment of the investments accounted for using equity method was \$1,566 thousand. The Company transferred \$1,045 thousand shares on February 21, 2025.

On May 9, 2025, the Board of Directors resolved to cancel 380 thousand treasury shares in accordance with Article 28-2, Paragraph 4 of the Securities and Exchange Act. The capital reduction base date was set as May 18, 2025, and the statutory registration procedures for the change have been completed on June 16, 2025.

As of June 30, 2025, December 31 and June 30, 2024, Uranus Chemicals holds 673 thousand ordinary shares of the Company, with the acquisition price of \$5,014 thousand and the amount of deemed treasury shares the Company recognized were both \$3,024 thousand, which was determined based on the Company's shareholding ratio in Uranus Chemicals of 65.18%.

(20) Earnings (loss) per share

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.

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(21) Revenue from contracts with customers

Revenue from major markets region and products:

For the three months ended June 30, 2025						
	Oxidation catalyst department	Battery material department	Chemical fertilizer department	Specialty chemical department	Other	Total
Taiwan	\$ 46,374	14,111	113,783	174,679	17,095	366,042
China and other	162,234	797,753	-	75,933	48,699	1,084,619
	\$ 208,608	811,864	113,783	250,612	65,794	1,450,661
For the three months ended June 30, 2024						
	Oxidation catalyst department	Battery material department	Chemical fertilizer department	Specialty chemical department	Other	Total
Taiwan	\$ 47,902	33,155	110,677	152,542	20,025	364,301
China and other	137,812	377,624	-	61,807	162,299	739,542
	\$ 185,714	410,779	110,677	214,349	182,324	1,103,843
For the six months ended June 30, 2025						
	Oxidation catalyst department	Battery material department	Chemical fertilizer department	Specialty chemical department	Other	Total
Taiwan	\$ 97,962	33,481	239,438	319,126	35,992	725,999
China and other	294,894	1,313,305	-	108,879	61,232	1,778,310
	\$ 392,856	1,346,786	239,438	428,005	97,224	2,504,309
For the six months ended June 30, 2024						
	Oxidation catalyst department	Battery material department	Chemical fertilizer department	Specialty chemical department	Other	Total
Taiwan	\$ 116,143	57,562	247,724	303,313	36,100	760,842
China and other	244,800	781,560	-	141,195	265,654	1,433,209
	\$ 360,943	839,122	247,724	444,508	301,754	2,194,051

For details on notes and accounts receivables and allowance for impairment, please refer to note 6(4).

As of June 30, 2025, the contract liabilities - current amounting to \$48,781 thousand.

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(22) Remuneration to employees and directors

On May 28, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if there is a profit for the fiscal year, the Company shall allocate no less than 1.5% of the profit as employees' remuneration. At least 40% of the total amount allocated for employees' remuneration shall be distributed to entry-level employees. The remuneration to employees may be distributed in the form of stock or cash, as resolved by the Board of Directors. Employees in subordinate companies who meet certain criteria are entitled to receive remuneration. The Company may have the Board of Directors resolve to appropriate no more than 5% of the aforementioned amount as the directors' remuneration. The distribution of employees' and directors' remunerations shall be reported in the Shareholders' Meeting. Where there is an accumulated loss, the profit shall be reserved to make up for the loss before appropriating the employees' and directors' remunerations. Prior to the amendment, the Articles of Incorporation stipulated that, if there is a profit in the year, the Company shall allocate no less than 1.5% of the profit as employees' remuneration. The remuneration to employees will be distributed in shares or cash by a resolution made by the board of directors. Employees in subordinate companies who meet certain criteria are entitled to receive remuneration. The Company may have the Board of Directors resolve to appropriate no more than 5% of the aforementioned amount as the directors' remuneration. The distribution of employees' and directors' remunerations shall be reported in the Shareholders' Meeting. Where there is an accumulated loss, the profit shall be reserved to make up for the loss before appropriating the employees' and directors' remunerations.

For the three months and six months ended June 30, 2025 and 2024, the Company accrued and recognized its employee remuneration amounting to \$0 thousand, \$2,385 thousand, \$0 thousand and \$2,385 thousand respectively. These amounts were calculated using the Company's pre-tax income for each period before deducting the remunerations of employees and directors, multiplied by the proposed percentages of remunerations of employees and directors as stated in the Company's Articles of Incorporation. These remunerations were expensed under operating costs or expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholders' meeting, the adjustments will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

For the year 2024, the Company estimated its employee remuneration and director's remuneration amounting to \$4,770 thousand and \$0 thousand. There were no differences between the accrued and actual distributed amounts. Related information would be available at the Market Observation Post System website.

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(23) Non-operating income and expenses

(i) Other income

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Rental income	\$ 1,782	2,439	4,402	4,557
Other	7,012	12,694	9,419	18,531
	<u>\$ 8,794</u>	<u>15,133</u>	<u>13,821</u>	<u>23,088</u>

(ii) Other gains and losses, net

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Gain (loss) on disposal of property, plant and equipment	\$ (4)	(148)	(24)	113
Gain (loss) on valuation of financial assets and liabilities at FVTPL	12,189	8,720	(56,910)	9,601
Other loss (note12(3))	-	-	(108,015)	-
Others	(193)	(6,017)	(195)	(7,776)
	<u>\$ 11,992</u>	<u>2,555</u>	<u>(165,144)</u>	<u>1,938</u>

(iii) Finance costs

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Interest expense – borrowings	\$ (18,444)	(11,040)	(33,150)	(25,671)
Interest expense – lease liabilities	(19)	(27)	(37)	(52)
Interest expense – convertible bonds payable	(1,100)	(1,113)	(2,185)	(2,225)
	<u>\$ (19,563)</u>	<u>(12,180)</u>	<u>(35,372)</u>	<u>(27,948)</u>

(iv) Interest income

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Interest income from bank deposits	\$ 13,736	16,623	22,221	21,868
Other interest income	2	1	2	1
	<u>\$ 13,738</u>	<u>16,624</u>	<u>22,223</u>	<u>21,869</u>

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(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 2024 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.

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):

	<u>Carrying amount</u>	<u>Contractual cash flow</u>	<u>Within 6 months</u>	<u>6 to 12 months</u>	<u>1 to 2 years</u>	<u>Above 2 years</u>
June 30, 2025						
Non-derivative financial liabilities						
Short-term borrowings	\$ 1,441,435	4,782,458	809,800	3,972,658	-	-
Notes and accounts payable	292,103	292,103	292,103	-	-	-
Other payable	213,675	213,675	213,675	-	-	-
Dividend payable	148,923	148,923	148,923	-	-	-
Long-term borrowing (including current portion of long-term borrowings)	1,102,584	1,206,641	126,566	138,094	181,440	760,541
Lease liabilities (including current and non-current)	5,720	6,100	950	715	652	3,783
Convertible bonds payable (including current portion of convertible bonds payable)	688,602	694,500	-	694,500	-	-
Deposit received	127	127	-	-	-	127
	<u>\$ 3,893,169</u>	<u>7,344,527</u>	<u>1,592,017</u>	<u>4,805,967</u>	<u>182,092</u>	<u>764,451</u>
	<u>Carrying amount</u>	<u>Contractual cash flow</u>	<u>Within 6 months</u>	<u>6 to 12 months</u>	<u>1 to 2 years</u>	<u>Above 2 years</u>
December 31, 2024						
Non-derivative financial liabilities						
Short-term borrowings	\$ 862,491	871,250	859,129	12,121	-	-
Notes and accounts payable	75,497	75,497	75,497	-	-	-
Other payables	113,949	113,949	113,949	-	-	-
Long-term borrowing (including current portion of long-term borrowings)	900,018	939,849	113,516	118,117	184,807	523,409
Lease liabilities (including current and non-current)	6,809	7,225	1,143	932	1,127	4,023
Convertible bonds payable (including current portion of convertible bonds payable)	686,417	694,500	-	694,500	-	-
Deposit received	152	152	-	-	-	152
	<u>\$ 2,645,333</u>	<u>2,702,422</u>	<u>1,163,234</u>	<u>825,670</u>	<u>185,934</u>	<u>527,584</u>

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	<u>Carrying amount</u>	<u>Cash flow of contract</u>	<u>Within 6 months</u>	<u>6 to 12 months</u>	<u>1 to 2 years</u>	<u>Above 2 years</u>
June 30, 2024						
Non-derivative financial liabilities						
Deposit received	\$ 123	123	-	-	-	123
Short-term borrowings	708,568	717,553	611,993	105,560	-	-
Notes and accounts payable	107,271	107,271	107,271	-	-	-
Other payable	25,400	25,400	25,400	-	-	-
Dividend payable	99,402	99,402	99,402	-	-	-
Long-term borrowing (including current portion of long-term borrowings)	898,406	936,412	95,979	105,835	220,483	514,115
Lease liabilities (including current and non-current)	8,124	8,585	1,378	1,125	1,647	4,435
Convertible bonds payable (including current portion of convertible bonds payable)	689,605	700,000	-	700,000	-	-
	<u>\$ 2,536,899</u>	<u>2,594,746</u>	<u>941,423</u>	<u>912,520</u>	<u>222,130</u>	<u>518,673</u>

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:

	June 30, 2025		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD	\$ 43,676	29.300	1,279,707
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
USD	33,208	29.300	972,994
	December 31, 2024		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD	\$ 28,816	32.785	944,733
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
USD	10,832	32.785	355,127
	June 30, 2024		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD	\$ 31,786	32.450	1,031,456
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
USD	12,881	32.450	417,988

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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 June 30, 2025 and 2024, would have increased (decreased) the net income \$8,374 thousand and \$15,124 thousand, respectively.

3) Exchange gains and losses of monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the six months ended June 30, 2025 and 2024, the foreign exchange gains (losses) (including realized and unrealized portions) amounted to \$(57,621) thousand, \$13,067 thousand, \$(45,876) thousand and \$40,116 thousand, 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.

If the interest rate had increased or decreased by 1%, the Group's net income would have decreased or increased by \$10,176 thousand and \$6,428 thousand for the six months ended June 30, 2025 and 2024, 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:

	June 30, 2025				
	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial liabilities at FVTPL-current	\$ 16,635	16,635	-	-	16,635
Financial assets at FVOCI-non-current	\$ 3,369	-	-	3,369	3,369
Convertible bonds payable (recorded in corporate convertible bonds callable in 1 year)	\$ 688,602	715,335	-	-	715,335

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December 31, 2024					
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at FVTPL-current	\$ <u>16,461</u>	<u>16,461</u>	<u>-</u>	<u>-</u>	<u>16,461</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>686,417</u>	<u>701,792</u>	<u>-</u>	<u>-</u>	<u>701,792</u>

June 30, 2024					
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at FVTPL-current	\$ <u>16,622</u>	<u>16,622</u>	<u>-</u>	<u>-</u>	<u>16,622</u>
Financial liabilities at FVOCI-non-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>689,605</u>	<u>742,000</u>	<u>-</u>	<u>-</u>	<u>742,000</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 six months ended June 30, 2025 and 2024.

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:

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<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 (June 30, 2025, December 31, and June 30, 2024 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

	Equity instrument investment at FVOCI
June 30, 2025 (as beginning balance)	<u>\$ 3,369</u>
June 30, 2024 (as beginning balance)	<u>\$ 3,369</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, 2024.

(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, 2024, There were no significant changes in quantified factors of capital management from those in the consolidated financial statement for the year ended December 31, 2024. For related information about the capital management, please refer to note 6(26) of the consolidated financial statements for the year ended December 31, 2024.

(27) Financing activities not affecting current cash flow

Reconciliation of liabilities arising from financing activities were as follows:

	<u>January 1, 2025</u>	<u>Cash flows</u>	<u>Non-cash changes</u>		<u>June 30, 2025</u>
			<u>Additions</u>	<u>Foreign exchange movement and others</u>	
Deposit received	<u>\$ 152</u>	<u>(25)</u>	<u>-</u>	<u>-</u>	<u>127</u>
Short-term borrowings	<u>\$ 862,491</u>	<u>612,102</u>	<u>-</u>	<u>(33,158)</u>	<u>1,441,435</u>
Long-term borrowing (including current portion)	<u>\$ 900,018</u>	<u>202,566</u>	<u>-</u>	<u>-</u>	<u>1,102,584</u>
Lease liabilities (including current and non-current)	<u>\$ 6,809</u>	<u>(1,143)</u>	<u>17</u>	<u>37</u>	<u>5,720</u>
Convertible bonds payable (including current portion)	<u>\$ 686,417</u>	<u>-</u>	<u>-</u>	<u>2,185</u>	<u>688,602</u>

Coremax Corporation and subsidiaries
Notes to the Consolidated Financial Statements

	January 1, 2024	Cash flows	Non-cash changes		June 30, 2024
			Additions	Foreign exchange movement and others	
Deposit received	\$ 126	(3)	-	-	123
Short-term borrowings	\$ 1,070,154	(383,496)	-	21,910	708,568
Long-term borrowings (including current portion)	\$ 988,376	(89,970)	-	-	898,406
Lease liabilities (including current and non-current)	\$ 9,459	(1,387)	-	52	8,124
Convertible bonds payable (including current portion)	\$ 687,380	-	-	2,225	689,605

7. Related-party transactions

(1) Transactions with key management personnel

Key management personnel remuneration comprised:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Short-term employee benefits	\$ 9,504	9,350	20,547	19,699
Post-employment benefits	16	84	60	138
	<u>\$ 9,520</u>	<u>9,434</u>	<u>20,607</u>	<u>19,837</u>

8. Pledged assets

Except for note 6(15), the carrying amount of the Group's pledged assets are as follows:

Assets	Purpose of pledge	June 30, 2025	December 31, 2024	June 30, 2024
Land	Long- and short-term borrowings, obtaining credit limit for short-term borrowings and create a pledge of convertible bonds payable	\$ 1,387,790	1,361,049	1,361,049
Buildings	Long- and short-term borrowings, obtaining credit limit for short-term borrowings and create a pledge of convertible bonds payable	722,239	710,630	790,019
Machinery and Equipment	Long- and short-term borrowings	175,298	182,186	186,835
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	2,700	1,500
Restricted deposit (recorded in other financial assets—non-current)	Create a pledge of convertible bonds payable	200,000	100,000	100,000
		<u>\$ 2,489,867</u>	<u>2,358,405</u>	<u>2,441,243</u>

Coremax Corporation and subsidiaries
Notes to the Consolidated Financial Statements

9. Commitments and contingencies

Except for the note 6(13), the remaining commitments and contingencies were as follows:

- (1) As of June 30, 2025, December 31 and June 30, 2024, the Group had acquired property, plant and equipment, with the remaining commitments of \$443,420 thousand, \$610,333 thousand and \$660,542 thousand, respectively.
- (2) As of June 30, 2025, December 31 and June 30, 2024, Coremax (BVI) Corporation, had applied for a borrowing facility with an amount of USD \$3,000 thousand (equivalent to \$87,900 thousand, \$98,355 thousand and \$97,350 thousand, respectively) from a bank, in which the Company holds the responsibility as its joint guarantor.
- (3) As of June 30, 2025 and December 31, 2024, VINACOREMAX COMPANY LIMITED, had applied for a borrowing facility with an amount of USD \$30,000 thousand and VND \$400,000,000 thousand (equivalent to \$1,323,000 thousand and \$1,491,550 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

On August 8, 2025, the Board of Directors of the Company resolved to increase capital in its Vietnam subsidiary, VINACOREMAX COMPANY LIMITED, by USD 5.5 million to enhance its working capital. The cumulative investment in the subsidiary amounts to USD 19.6 million.

12. Other

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

By function	For the three months ended June 30 2025			For the three months ended June 30 2024		
	Classified as operating cost	Classified as operating expenses	Total	Classified as operating cost	Classified as operating expenses	Total
By item						
Employee benefits						
Salaries	59,236	37,442	96,678	62,961	37,876	100,837
Labor and health insurance	6,205	4,449	10,654	6,197	3,645	9,842
Pension	2,427	1,123	3,550	2,465	1,093	3,558
Remuneration of directors	-	3,582	3,582	-	2,256	2,256
Others	7,066	2,227	9,293	8,558	3,960	12,518
Depreciation	77,092	7,777	84,869	72,949	9,571	82,520

Coremax Corporation and subsidiaries
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By function	For the six months ended June 30 2025			For the six months ended June 30 2024		
	Classified as operating cost	Classified as operating expenses	Total	Classified as operating cost	Classified as operating expenses	Total
By item						
Employee benefits						
Salaries	121,267	73,316	194,583	124,138	70,084	194,222
Labor and health insurance	12,609	8,806	21,415	12,254	7,245	19,499
Pension	4,933	2,321	7,254	4,973	2,182	7,155
Remuneration of directors	-	6,836	6,836	-	3,574	3,574
Others	13,677	4,633	18,310	14,517	4,710	19,227
Depreciation	150,230	16,051	166,281	146,650	16,351	163,001

(2) Seasonality of operations

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

(3) Others:

During a handover inventory count conducted by personnel of the Company's subsidiary, Uranus Chemicals, a suspected internal misappropriation of inventory by employees was discovered. The Group has recognized an estimated loss of \$108,015 thousand, which was recorded in "other losses" for the six months ended June 30, 2025. Please refer to Note 6(23). Legal proceedings have been initiated with the assistance of judicial authorities and attorneys to assess potential claims for compensation against the suspected party, in order to recover losses and protect shareholders' interests.

The case is still under investigation. Based on the Company's evaluation, the incident is not expected to have a material impact on the financial position and operations of the Company and its subsidiary, Uranus Chemicals.

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 six months ended June 30, 2025:

- (i) Lending 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 June 30, 2025 (excluding investment in subsidiaries, associates and joint ventures): Please refer to Table 3.
- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.

Coremax Corporation and subsidiaries
Notes to the Consolidated Financial Statements

- (v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.
- (vi) Business relationships and significant intercompany transactions: Please refer to Table 4.
- (2) Information on investees (excluding information on investees in Mainland China): The information on investees for the six months ended June 30, 2025, please refer to Table 5.
- (3) Information on investment in mainland China:
 - (i) The names of investees in Mainland China, the main businesses and products, and other information: Please refer to Table 6(1).
 - (ii) Limitation on investment in Mainland China: Please refer to Table 6(2).
 - (iii) Significant transactions:

The significant inter-company transactions with the subsidiaries in Mainland China for the six months ended June 30, 2025, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions”.

14. Segment information

For related information about segment, please refer to note 6(21).

Coremax Corporation and Subsidiaries
Lending to other parties
For the six months ended June 30, 2025

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	26,564	23,440	-	5%	2	-	Operating demand	-	None	-	104,057	156,085
1	COREMAX (BVI) CORPORATION	COREMAX (THAILAND) CO., LTD.	Other receivables	Yes	83,103	73,250	60,065	4.5%	2	-	Operating demand	-	None	-	104,057	156,085
1	COREMAX (BVI) CORPORATION	Coremax (Zhangzhou) Chemical Co., Ltd.	Other receivables	Yes	33,205	29,300	-	5%	2	-	Operating demand	-	None	-	104,057	156,085
2	Coremax Ningbo Chemical Co., Ltd.	Coremax (Zhangzhou) Chemical Co., Ltd.	Other receivables	Yes	18,292	16,364	-	3.5%	2	-	Operating demand	-	None	-	31,540	47,310
3	Coremax (Zhangzhou) Chemical Co., Ltd.	Coremax Ningbo Chemical Co., Ltd.	Other receivables	Yes	18,292	16,364	-	3.5%	2	-	Operating demand	-	None	-	39,087	58,631

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 six months ended June 30, 2025

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	2,688,718	99,615	87,900	-	-	1.63 %	2,688,718	Y	N	N
0	The Company	VINACOREMAX COMPANY LIMITED	2	2,688,718	1,508,150	1,323,000	374,041	-	24.60 %	2,688,718	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 reviewed/ 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 reviewed/ audited.

Coremax Corporation and Subsidiaries
Securities held as of June 30, 2025 (excluding investment in subsidiaries, associates and joint ventures)
For the six months ended June 30, 2025

Table 3

(Shares in Thousands / 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	0.35 %	3,369	-

Coremax Corporation and Subsidiaries
Business relationships and significant intercompany transactions
For the six months ended June 30, 2025

Table 4

(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	Coremax (Zhangzhou) Chemical Co., Ltd.	The parent company to the subsidiary	Sales	18,522	No significant difference from Ordinary transaction	0.74 %
0	The Company	COREMAX (THAILAND) CO., LTD.	The parent company to the subsidiary	Sales	50,403	"	2.01 %
1	COREMAX (BVI) CORPORATION	COREMAX (THAILAND) CO., LTD.	The parent company to the subsidiary	Other Receivables	60,783	Financing capital	0.56 %

Coremax Corporation and Subsidiaries
Information on Investees (Excluding Information on Investees in Mainland China)
For the six months ended June 30, 2025

Table 5

(Shares in Thousands /Amount in Thousands)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	COREMAX (BVI) CORPORATION	British Virgin Islands	Investment company	302,406	302,406	9,658	100 %	519,338	62,532	62,532	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 %	1,545,433	68,552	56,545	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	934,321	43,266	65.18 %	1,067,337	(227,463)	(148,705)	Note 1
The Company	VINACOREMAX COMPANY LIMITED	Vietnam	Manufacturing and sales of inorganic acid and related products	446,155	446,155	-	100 %	345,045	(21,509)	(21,509)	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 %	120,930	17,033	17,033	Note 1

Note1: The relevant transactions and ending balance are eliminated in consolidated financial statement.

Coremax Corporation and Subsidiaries
Information on Investment in Mainland China
For the six months ended June 30, 2025

Table 6

(Amounts in Thousands)

(1) The names of investees in Mainland China, the main businesses and products, and other information

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2025	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	26,506	100.00%	26,506	157,701	-	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	18,315	100.00%	18,315	195,438	-	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	(353)	100.00%	(353)	12,165	-	Note 4

(2) Limitation on investment in Mainland China

Cumulated Investment in Mainland China as of June 30, 2025	Investment Amounts Authorized by Investment Commission, MOEA (note 7)	Upper Limit on Investment (Note 5)
273,982 (USD 8,808)	418,638 (USD 14,288)	3,226,462

Note 1: The paid-up capital amount is NTD \$98,482 thousand (USD\$3,000 thousand), which included the cash remitted by the Company through its subsidiary, COREMAX (BVI) CORPORATION amounting to NTD \$81,240 thousand (USD \$2,470 thousand) and surplus from COREMAX (BVI) CORPORATION amounting to NTD \$17,242 thousand (USD \$530 thousand).

Note 2: The paid up capital amount is NTD \$185,654 thousand (USD \$6,280 thousand), which included the cash remitted by the Company through its subsidiary, COREMAX (BVI) CORPORATION, amounting to NTD \$124,097 thousand (USD \$4,200 thousand), surplus from COREMAX (BVI) CORPORATION amounting to NTD \$6,055 thousand (USD \$200 thousand), Coremax (BVI) Corporation acquired of shares from other external shareholders amounting to NTD \$24,698 thousand (USD \$788 thousand) in obtaining paid up capital of NTD \$21,890 thousand (USD \$750 thousand), cash remitted by Coremax Zhuhai Chemical Co., Ltd (the entity was disposed of to a third party in July 2021). is amounting to NTD \$20,720 thousand (USD \$700 thousand), and cash remitted by Coremax Ningbo Chemical Co., Ltd. Is amounting to NTD \$12,892 thousand (USD \$430 thousand).

Note 3: 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.