



Stock Code No.: 4739

Coremax Corporation

2024

Annual Report

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

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

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

- II. Addresses and telephone numbers of headquarters, subsidiary and factory plant:

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

- III. Name, address, website and telephone number of stock transfer agent & registrar:

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

Address: 6F, No. 6, Zhongxiao W. Rd., Sec. 1, Zhongzheng District, Taipei City 100405

Telephone No.: (02)2383-6888

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

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

Name of CPAs CPA Chen, Pei-Chi and CPA Hsu, Ming-Fang

Accounting Firm: KPMG in Taiwan

Address: 68F, No. 7, Xinyi Rd., Sec. 5, Taipei City, 110615

Telephone No.: (02)8101-6666

Website: <http://kpmg.com/tw/zh/home.html>

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

- VI. Company website: <http://www.coremaxcorp.com/zh-tw/>

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A. Letter to Shareholders

Dear Shareholders,

Coremax Corporation integrates the business strategy and planning for the entire Coremax Group. The main companies within the Group include Heng I Chemical Company Ltd., Uranus Chemicals Co., Ltd, and subsidiaries in China, Thailand, and Vietnam. Each company under the Group adheres to the division of labor by profession in its production operations, cultivates its respective markets, strengthens its core competencies, and actively expands its markets.

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

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

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

Looking to the future, Uranus Chemicals will stabilize its existing product lines, continuing to pursue new business opportunities, and expanding its scale of operations to provide customers with excellent services and product quality. Production capacity and inventory preparation will be flexibly adjusted according to market demand to boost efficiency. Furthermore, Uranus Chemicals will lay a good foundation for its future

development to reserve growth momentum.

Coremax Group has announced the 5 core values and 25 key behavior indicators while conducting the Core Value Key Behavior Index Evaluation Form. It seeks that all Group employees observe the same philosophy, demonstrate the expected behaviors in their daily work attitudes and working methods to form loyalty among employees, work towards a common goal, and ultimately form a corporate culture. All employees will strive to contribute to their positions for greater shareholder benefits. Coremax Group will strengthen its influence in social responsibility and the development of a sustainable environment and business operations.

I. Previous year business results

(I) Achievements of each plan of operation or business

The Company's operating results for 2024 have been audited by KPMG CPAs Chen, Pei-Chi and Hsu, Ming-Fang. The audited operating results are follows:

Unit: NT\$ (thousand)

| Item \ Year | 2023 | 2024 |
|------------------------------|--------------|--------------|
| Operating revenue | \$ 5,231,731 | \$ 4,095,506 |
| Operating margin | 176,121 | 541,791 |
| Net operating profit (loss) | (93,485) | 166,333 |
| Net profit (loss) before tax | (64,952) | 292,670 |
| Net profit (loss) after tax | (74,426) | 225,281 |
| EPS after tax (loss) (NT\$) | (0.93) | 1.44 |

(II) Budget execution

Unit: NT\$ (thousand)

| Item \ Year | 2024 | | |
|-----------------------------|---------------|---------------|------------------|
| | Actual figure | Budget figure | Achievement rate |
| Operating revenue | \$ 4,095,506 | \$ 4,635,464 | 88% |
| Operating margin | 541,791 | 771,707 | 70% |
| Net operating profit (loss) | 166,333 | 443,784 | 37% |

(III) Financial income, costs and profitability analysis

1. Financial income

The cash inflow from operating activities was mainly due to the increase in the Company's operating profits. The cash outflow from investing activities was mainly due to the purchase of equipment. The cash outflow from financing activities was mainly due to the repayment of borrowings.

Unit: NT\$ (thousand)

| Item \ Year | 2023 | 2024 |
|---|-------------|-------------|
| Net profit before tax of the period | (64,952) | 292,670 |
| Net cash (out) inflow from operating activities | 1,123,847 | 773,296 |
| Net cash (out) inflow from investing activities | (607,989) | (274,090) |
| Net cash (out) inflow from financing activities | (775,566) | (410,076) |
| Cash and cash equivalents increase (decrease) | (290,635) | 124,681 |
| Balance of cash and cash equivalents at the beginning of the period | 3,071,740 | 2,781,105 |
| Balance of cash and cash balance at the end of the period | 2,781,105 | 2,905,786 |

2. Profitability analysis

Unit: NT\$ (thousand)

| Item \ Year | 2023 | 2024 |
|---|----------|-------|
| ROA (%) | (0.03) | 2.68 |
| ROE (%) | (1.21) | 3.49 |
| Ratio of operating income to paid-up capital (%) | (7.85) | 13.97 |
| Ratio of net income before tax to paid-in capital (%) | (5.46) | 24.59 |
| Net profit margin (%) | (1.42) | 5.50 |
| EPS after tax (loss) (NT\$) | (0.93) | 1.44 |

(IV) Research and development

In 2024, the Company invested NT\$20,327 thousand in research and development (R&D). The R&D aims to continue to optimize the production process and improve quality, further enhance the production efficiency of each product to prevent the waste of raw materials, reinforce the recycling technology of raw materials, and strengthen the Company's competitive advantages. The planning focuses for the current R&D direction:

1. Short-term plan:

- (1) Improve the quality of existing products to meet customers' needs.
- (2) Improve the Company's current manufacturing process to produce products with different physical specifications.

- (3) Improve the processing efficiency of the waste recovery business.
 - (4) Improve the quality of the fertilizer product lines.
2. Medium and long-term plan:
- (1) The development of hydroxide compounds with different ratios of nickel, cobalt and manganese in line with market development needs.
 - (2) Diversify nickel and cobalt metal material recovery technology and develop new processes to improve recovery yield, efficiency, and quality.
 - (3) Support market applications and develop high-purity metal materials and products.

II. Business plan summary for the current year

- (I) Current year's business strategies, important production and marketing policies and future developmental strategies of the Company and the impact of the external competitive environment, regulatory environment, and macroeconomic conditions

International political and economic factors have significantly impacted the Group's main product sales markets in recent years. The Company's production and marketing strategies, developed in response to its external competitive, regulatory, and overall business environments, are summarized below:

1. Power battery materials

In response to climate change, governments around the world are strengthening control over carbon emissions. Strict emission standards in the EU and other regions are not only accelerating the transition of traditional automakers to EVs, but also driving the development and launch of new EV models. The promotion of government policies and regulations has had a significant impact on the penetration rate of EVs. For example, since 2014, the Chinese government has declared its intent to become an automotive powerhouse; in 2023, the EU reached a consensus for stringent internal combustion engine and emission regulations, effective from 2035; and in 2023, the U.S. government launched the Inflation Reduction Act (IRA). Related policy measures, including car purchase and manufacturer subsidies, charging infrastructure development, preferential tax schemes, and increasingly stringent emission standards, have had a significant influence on consumer purchasing decisions and public transportation development trends.

The policy direction of governments around the world for promoting EVs remains unchanged. However, under the influence of international political factors, the supply chain of key materials for electric vehicle battery materials is in a stage of reorganization. During this process, production capacity, delivery time, and quality have become key

supplier selection criteria for major international manufacturers. The Group employs a specialized division of labor, invests in expansion and certifications, and directly negotiates with many automakers.

Cobalt sulfate, a cobalt-based material needed in EV batteries, is mainly produced and sold by Uranus Chemicals Co., Ltd, and its production lines have been recognized by major international manufacturers. Starting in 2024, recycled raw materials have been introduced to meet customer requirements, respond to ESG sustainability trends, and increase product value.

Coremax Corporation focuses on the development, production, and sales of nickel-based materials for batteries. Anticipating the growing trend of high-nickel ternary batteries, the Company invested in a production site in Vietnam in 2023. The site is currently under construction, and trial production is planned for the second half of 2025. The production lines and equipment were designed and planned for low environmental impact and high quality during construction. Through the proactive adoption of waste reduction, emission reduction, and sustainable operational strategies, Coremax Corporation seeks to secure a leading position in the next phase of EV market demand.

2. Oxidation catalysts

Oxidation catalyst products are mainly used as catalysts for accelerating reactions in the production process of PTA, a raw material for chemical fibers. However, demand varies with the consumer market. In recent years, manufacturers in China have significantly expanded their production capacity, squeezing out some of the original Taiwanese manufacturers' supply markets. By tracking annual consumer market changes, the Company consistently aims to meet customer quality and delivery needs and seek new growth opportunities.

3. Chemical fertilizers

In recent years, the chemical fertilizer market has encountered supply and demand difficulties. Natural disasters, such as droughts, have caused changes in fertilizer demand. Concurrently, international raw material prices have seen dramatic fluctuations due to factors like war, impacting supply. Under the premise of not affecting farmers' rights to use fertilizers, in response to short-term changes, private fertilizer manufacturers have switched to producing compound products with higher gross profits. In addition, in response to changing agricultural demographics, manufacturers have partnered with agricultural technology initiatives to create products designed for mechanical assistance.

At the same time, with the guidance and support of the competent authority, the

Company is actively developing a new generation of eco-friendly fertilizers, such as slow-release and organic fertilizers, to reduce the impact of chemical fertilizers on the agricultural environment and achieve the goal of low-carbon sustainable agriculture.

4. Specialty chemicals

Among the specialty chemical products, electronic-grade sulfuric acid is the largest product, in addition to cobalt-related products. It is mainly supplied to Taiwan's semiconductor industry for use in production. Moreover, the Group's company Heng I Chemical Company Ltd. cooperates with Japanese partners. In recent years, as semiconductor processes have become increasingly sophisticated, advanced technologies now demand stricter chemical quality specifications beyond traditional quality and output stability. The production challenges in terms of quality and quantity for partners and the Group are self-evident. To satisfy customer requirements for advanced processes, the Group will proactively adjust and optimize its production capabilities.

(II) Expected sales volume and basis

In 2025, with the cooperation of R&D, manufacturing, and management, the Company's products will be more diversified and in line with markets. The Sales Department will continue to actively develop domestic and foreign markets to increase market share and maintain the Company's leading position and competitiveness after expanding overseas capacity.

Chairman:
Ho, Chi-Cheng

President:
Ho, Eugene Lawrence

Supervisor of Accounting Division:
Lu, Po-Ju

B. Report on Corporate Governance

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

- (I) Director
1. Information on Directors

| March 30, 2025 | | | | | | | | | | | | | | | | | | | | |
|----------------|---------------------------------------|---------------------------------|------------|--------------|----------------|--------------------------|-------------------------------------|----------------|---------------------------|----------------|--|----------------|------------------------------------|----------------|--|---|--|---------------------|-----------------------|---------|
| Title | Nationality or place of incorporation | Name | Gender Age | Date elected | Term of office | Date of initial election | Shares held at the time of election | | Number of shares held now | | Shareholdings of spouse and minor child(ren) | | Shareholding under other person(s) | | Educational and professional experience | Concurrent Position(s) in the Company or other companies | Spouse or Relative within the Second Degree of Kinship Holding Other Managerial, Director or Supervisor Position | | | Remarks |
| | | | | | | | Number of Shares | Shareholding % | Number of Shares | Shareholding % | Number of Shares | Shareholding % | Number of Shares | Shareholding % | | | Title | Name | Relationship | |
| Chairman | R.O.C. | Cheng Jade Enterprise Co., Ltd. | - | 2023.06.30 | 3 years | 2011.06.02 | 13,233,929 | 12.36 | 14,455,940 | 12.14 | - | - | - | - | - | - | - | - | - | - |
| | | Representative: Ho, Chi-Cheng | Male 61-70 | 2023.06.30 | 3 years | 2004.02.02 | 933,000 | 0.87 | 984,966 | 0.83 | - | - | - | - | Education: Department of History, Soochow University MBA, University of Missouri Experience: Vice President of RTA | Chairman, Chang Sing Investment Co., Ltd. Chairman, Cheng Jade Enterprise Co., Ltd. Chairman, Heng I Chemical Company Ltd. Director, Cheng De Investment Co., Ltd. Director, Heng Mien Investment Co., Ltd. Chairman, Uranus Chemicals Co., Ltd Chairman, Coremax (BVI) Corp. Chairman, Coremax Ningbo Chemical Co., Ltd. Chairman, Coremax (Thailand) Co., Ltd. Chairman, Coremax (Zhangzhou) Chemical Co., Ltd. Chairman, Jiangxi Tianjiang Material Co., Ltd. Chairman of VinaCoreMax Company Limited | Director | Ho, Eugene Lawrence | 1st degree of kinship | Note 1 |
| | | | | | | | | | | | | | | | | | Director | Ho, Chi-Chou | 2nd degree of kinship | - |

| Title | Nationality or place of incorporation | Name | Gender Age | Date elected | Term of office | Date of initial election | Shares held at the time of election | | Number of shares held now | | Shareholdings of spouse and minor child(ren) | | Shareholding under other person(s) | | Educational and professional experience | Concurrent Position(s) in the Company or other companies | Spouse or Relative within the Second Degree of Kinship Holding Other Managerial, Director or Supervisor Position | | | Remarks |
|----------|---------------------------------------|--|------------|--------------|----------------|--------------------------|-------------------------------------|----------------|---------------------------|----------------|--|----------------|------------------------------------|----------------|---|--|--|---------------|-----------------------|---------|
| | | | | | | | Number of Shares | Shareholding % | Number of Shares | Shareholding % | Number of Shares | Shareholding % | Number of Shares | Shareholding % | | | Title | Name | Relationship | |
| Director | R.O.C. | Chang Sing Investment Co., Ltd. | - | 2023.06.30 | 3 years | 2011.06.02 | 13,691,032 | 12.79 | 14,977,609 | 12.58 | - | - | - | - | - | - | - | - | - | - |
| | | Representative: Huang, Chao-Hui (Note 2) | Male 61-70 | 2024.05.28 | 3 years | 2024.05.28 | - | - | 144,259 | 0.12 | - | - | 164,895 | 0.14 | Education: Department of Chemical Engineering, Ta Hwa University of Science and Technology Experience: General Manager, Coremax Corporation President, Uranus Chemicals Co., Ltd. Supervisor, Uranus Chemicals Co., Ltd. | Chief Technology Officer, Coremax Corporation Director, Coremax Ningbo Chemical Co., Ltd. Director, Coremax (Zhangzhou) Chemical Co., Ltd. Director, Chang Sing Investment Co., Ltd. Chairman, Cheng De Investment Co., Ltd. Chairman, Heng Mien Investment Co., Ltd. Chairman, Fan Cheng Investment Co., Ltd. | None | None | None | - |
| Director | U.S.A | Ho, Eugene Lawrence | Male 31-40 | 2023.06.30 | 3 years | 2020.07.14 | 237,416 | 0.22 | 275,136 | 0.23 | 11,460 | 0.01 | - | - | Education: Bachelor in Economics, University of California, Santa Barbara Experience: Business Specialist, Chemicals Department, ITOCHU Corporation Business Specialist, Chemicals Department, ITOCHU CHEMICAL FRONTIER Corporation Vice President, Uranus Chemicals Co., Ltd | General Manager, Coremax Corporation Director, Heng I Chemical Company Ltd. Director, Cheng De Investment Co., Ltd. Director, Heng Mien Investment Co., Ltd. Director, Chang Sing Investment Co., Ltd. Director, Cheng Jade Enterprise Co., Ltd. Director, Uranus Chemicals Co., Ltd | Chairman | Ho, Chi-Cheng | 1st degree of kinship | - |
| Director | R.O.C. | Ho, Chi-Chou | Male 61-70 | 2023.06.30 | 3 years | 2018.06.01 | 394,179 | 0.37 | 430,241 | 0.36 | 5 | 0.00 | - | - | Education: EMBA, National Chiao Tung University Experience: Vice President of Sales, Coremax Corporation Executive Assistant to the President, Shih Her Technologies Inc. President, ABBA Aluminium Co., Ltd. | Director, Cheng Jade Enterprise Co., Ltd. Director, Heng I Chemical Company Ltd. Director, Tafong Flour Mill Co., Ltd. Supervisor, Chang Sing Investment Co., Ltd. Director, Jiangxi Tianjiang Material Co., Ltd. | Chairman | Ho, Chi-Cheng | 2nd degree of kinship | - |

| Title | Nationality or place of incorporation | Name | Gender Age | Date elected | Term of office | Date of initial election | Shares held at the time of election | | Number of shares held now | | Shareholdings of spouse and minor child(ren) | | Shareholding under other person(s) | | Educational and professional experience | Concurrent Position(s) in the Company or other companies | Spouse or Relative within the Second Degree of Kinship Holding Other Managerial, Director or Supervisor Position | | | Remarks |
|-------------------------|---|----------------|-----------------|-----------------|----------------------|--------------------------------|--|-------------------|------------------------------|-------------------|--|-------------------|---------------------------------------|-------------------|--|--|---|------|--------------|---------|
| | | | | | | | Number of Shares | Shareholding % | Number of Shares | Shareholding % | Number of Shares | Shareholding % | Number of Shares | Shareholding % | | | Title | Name | Relationship | |
| Director | R.O.C. | Cheng, Chih-Fa | Male 61-70 | 2023.06.30 | 3 years | 2008.12.24 | - | - | - | - | - | - | - | - | Education: Department of Accounting, National Chung Hsing University Experience: Accountant, Moore Stephens | Accountant, Ching Hsing United Certified Public Accountants Chairman, Yu Hsing Management Consulting Co., Ltd. Director, Golden Point Management Ltd. Director, Yuan Fu Tai Development Ltd. Chairman, Sen Po Ko Investment Co., Ltd. Director, Uranus Chemicals Co., Ltd Independent Director, Hong Yi Fiber Ind. Co., Ltd. Independent Director, Shin Zu Shing Co., Ltd. Director, Shih Her Technologies Inc. Representative of institutional director, Ezfly International Travel Agent Co., Ltd. Director, GSD TECHNOLOGIES CO., LTD (Cayman) | None | None | None | - |
| Independent Director | R.O.C. | Serena Huang | Female 41-50 | 2023.06.30 | 3 years | 2023.06.30 | - | - | - | - | - | - | - | - | Education: College of Nuclear Science, National Tsing Hua University Experience: Vice President, Celxpert Energy Corporation Chairman, Kai Hsuan Investment Co., Ltd. | Director, PT. Celxpert Energy Indonesia Director, Celxpert (Changchun) Energy Co., Ltd. Chairman, Keelgo Energy Co., Ltd. | None | None | None | - |
| Independent Director | R.O.C. | Tai, Ai-Fen | Female 41-50 | 2023.06.30 | 3 years | 2023.06.30 | - | - | - | - | - | - | - | - | Education: Bachelor of Law, Department of Law, Fu Jen Catholic University Master's of Law in Business Administration, National Taiwan University Experience: Managing Partner, Tai, Ai-Fen Law Firm | Managing Partner, Tai, Ai-Fen Law Firm | None | None | None | - |

| Title | Nationality or place of incorporation | Name | Gender Age | Date elected | Term of office | Date of initial election | Shares held at the time of election | | Number of shares held now | | Shareholdings of spouse and minor child(ren) | | Shareholding under other person(s) | | Educational and professional experience | Concurrent Position(s) in the Company or other companies | Spouse or Relative within the Second Degree of Kinship Holding Other Managerial, Director or Supervisor Position | | | Remarks |
|----------------------|---------------------------------------|------------------|------------|--------------|----------------|--------------------------|-------------------------------------|----------------|---------------------------|----------------|--|----------------|------------------------------------|----------------|---|--|--|------|--------------|---------|
| | | | | | | | Number of Shares | Shareholding % | Number of Shares | Shareholding % | Number of Shares | Shareholding % | Number of Shares | Shareholding % | | | Title | Name | Relationship | |
| Independent Director | R.O.C. | Rick Liu | Male 61-70 | 2023.06.30 | 3 years | 2023.06.30 | - | - | - | - | - | - | - | - | Education: Department of Accountancy, National Cheng Kung University MBA, University of Central Missouri Experience: Assistant Vice President; Human Resources, IT, and PR; China American Petrochemical Co., Ltd. Executive Consultant and President, Chinese Human Resource Management Association Perennial Consultant, 104 Corporation | Executive Consultant, Chinese Human Resource Management Association consultants Perennial Consultant, 104 Corporation | None | None | None | - |
| Independent Director | R.O.C. | Chang, Yuan-Lung | Male 61-70 | 2023.06.30 | 3 years | 2017.05.26 | - | - | - | - | - | - | - | - | Education: Department of Accounting, Tamkang University Experience: Accountant, Chin Cheng United Certified Public Accountants | Accountant, Chin Cheng United Certified Public Accountants Independent Director, GSD Technologies Co., Ltd. Independent Director, Shin Zu Shing Co., Ltd. Independent Director, Johnson Fine Chemical Co., Ltd. | None | None | None | - |

Note 1: If the Chairman of the Board of Directors and the General Manager or equivalent (top executive) are the same person, spouses or first degree relatives of each other, the reasons, reasonableness, necessity, and relevant information on measures to be taken should be stated.

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

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

Note 2: On May 28, 2024, the directors' legal representative was changed from Lai, Ching-Yuan to Huang, Chao-Hui.

2. Major Shareholders of Institutional Shareholders

March 30, 2025

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

Note: If the director or supervisor is the representative of an institutional shareholder, specify the name of the institutional shareholder and the names and shareholding ratios of the institutional shareholder's top ten shareholders. If any of the top ten shareholders are institutional shareholders, specify the name of the institutional shareholder and the names and shareholding ratios of the institutional shareholder's top ten shareholders.

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

March 30, 2025

| Name of institutional shareholder | Major Shareholders of the Company's Institutional Shareholders |
|-----------------------------------|---|
| Heng Mien Investment Co., Ltd. | Cheng De Investment Co., Ltd. (74.18%); Ho, Eugene Lawrence (12.91%), Ho, Yi-Hsuan (12.91%) |
| Cheng De Investment Co., Ltd. | Ho, Chi-Cheng (48.94%), Ho, Eugene Lawrence (27.31%), Ho, Yi-Hsuan (23.75%) |

4. Professional qualifications and experience of directors and independence of independent directors:

| Qualifications Name | Professional qualifications and experience | Independence | Number of other public companies in which the individual is concurrently serving as an independent director |
|--|--|--|---|
| Cheng Jade Enterprise Co., Ltd. Representative: Ho, Chi-Cheng | <u>Business experience in the chemical industry.</u> <u>Current positions:</u> Chairman, Coremax Corporation <u>Main experience:</u> Vice President of RTA | 1. Chairman of the Board of Directors of the Company's affiliated companies. 2. A top 10 natural person shareholder of the Company. 3. and Cheng Jade Enterprise Co., Ltd, corporate shareholders that each hold more than 10% of the Company's issued shares. 4. are the first and second largest shareholders of the Company, holding more than 10% of the issued shares of the Company. 5. Related to Director Ho, Eugene Lawrence within the 1st degree of kinship. 6. Related to Director Ho, Chi-Chou within the 2nd degree of kinship. | None |
| Chang Sing Investment Co., Ltd. Representative: Huang, Chao-Hui | <u>Business experience in the chemical industry/thermal treatment.</u> <u>Current positions:</u> Chief Technology Officer, Coremax Corporation <u>Main experience:</u> General Manager, Coremax Corporation President, Uranus Chemicals Co., Ltd. | 1. Concurrently an employee of the Company. 2. holds more than 10% of the issued shares of the Company and is the largest shareholder of the Company. 3. Mr. Huang, Chao-Hui was elected as a director as the designated representative of Chang Sing Investment Co., Ltd. 4. Director of the Company's affiliated companies. | None |

| Qualifications Name | Professional qualifications and experience | Independence | Number of other public companies in which the individual is concurrently serving as an independent director |
|------------------------|--|---|---|
| Ho, Eugene Lawrence | <u>Business experience in the chemical industry.</u> <u>Current positions:</u> General Manager, Coremax Corporation Director, Heng I Chemical Company Ltd. Director, Uranus Chemicals Co., Ltd <u>Main experience:</u> Business Specialist, Chemicals Department, ITOCHU Corporation Business Specialist, Chemicals Department, ITOCHU CHEMICAL FRONTIER Corporation Vice President, Uranus Chemicals Co., Ltd | 1. Concurrently an employee of the Company. 2. The Company's Chairman and General Manager are first degree relatives. 3. Ho, Eugene Lawrence is a director of the Company's affiliated companies. | None |
| Ho, Chi-Chou | <u>Business experience in the chemical industry/thermal treatment.</u> <u>Current positions:</u> Director, Heng I Chemical Company Ltd. Director, Tafong Flour Mill Co., Ltd. <u>Main experience:</u> Vice President of Sales, Coremax Corporation Executive Assistant to the President, Shih Her Technologies Inc. President, ABBA Aluminium Co., Ltd. | 1. is related to the Chairman Ho, Chi-Cheng within the 2nd degree of kinship. 2. Ho, Eugene Lawrence is a director of the Company's affiliated companies. | None |

| Qualifications Name | Professional qualifications and experience | Independence | Number of other public companies in which the individual is concurrently serving as an independent director |
|------------------------|---|---|---|
| Cheng, Chih-Fa | <p><u>Have work experience in commerce, law, finance, or accounting or a profession necessary for the business of the Company; Certified Public Accountant (R.O.C.).</u></p> <p><u>Current positions:</u></p> <p>Accountant, Ching Hsing United Certified Public Accountants</p> <p>Chairman, Yu Hsing Management Consulting Co., Ltd.</p> <p>Director, Uranus Chemicals Co., Ltd</p> <p>Independent Director, Hong Yi Fiber Ind. Co., Ltd.</p> <p>Independent Director, Shin Zu Shing Co., Ltd.</p> <p>Representative of institutional director, Ezfly International Travel Agent Co., Ltd.</p> <p><u>Main experience:</u></p> <p>Accountant, Moore Stephens</p> | 1. Ho, Eugene Lawrence is a director of the Company's affiliated companies. | 2 companies |

| Qualifications Name | Professional qualifications and experience | Independence | Number of other public companies in which the individual is concurrently serving as an independent director |
|------------------------|---|--|---|
| Serena Huang | <u>Have work experience in commerce, law, finance, or accounting or a profession necessary for the business of the Company.</u> <u>Current positions:</u> Director, PT. Celxpert Energy Indonesia Director, Celxpert (Changchun) Energy Co., Ltd. Chairman, Keelgo Energy Co., Ltd. <u>Main experience:</u> Vice President, Celxpert Energy Corporation Chairman, Kai Hsuan Investment Co., Ltd. | Independent director who has met the following independence assessment criteria for the two years prior to his or her election and during his or her term of office. 1. Not an employee of the Company or any of its affiliates. 2. Not be a director or supervisor of the Company or its affiliates (except in the case of an independent director of the Company or its parent company, or a subsidiary in which the Company directly or indirectly holds more than 50% of the voting shares). | None |
| Tai, Ai-Fen | <u>Have work experience in commerce, law, finance, or accounting or a profession necessary for the business of the Company;</u> <u>Certified Attorney (R.O.C.).</u> <u>Current positions:</u> Managing Partner, Tai, Ai-Fen Law Firm | 3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders. | None |
| Rick Liu | <u>Have work experience in commerce, law, finance, or accounting or a profession necessary for the business of the Company.</u> <u>Current positions:</u> Executive Consultant, Chinese Human Resource Management Association consultants | 4. Not a spouse or a relative within the second degree of kinship or a relative within the third degree of kinship of a person listed in the preceding three paragraphs. 5. Not a director, supervisor or employee who directly holds more than 5% of the total issued shares of the Company, or a director, supervisor or employee of the top five shareholders of the | None |

| Qualifications Name | Professional qualifications and experience | Independence | Number of other public companies in which the individual is concurrently serving as an independent director |
|------------------------|---|---|---|
| | <p>Perennial Consultant, 104 Corporation</p> <p><u>Main experience:</u></p> <p>Assistant Vice President; Human Resources, IT, and PR; China American Petrochemical Co., Ltd.</p> <p>President, Chinese Human Resource Management Association</p> | <p>Company.</p> <p>6. Not a director, supervisor, manager, managerial officer or shareholder holding 5% or more of the shares of a specific company or organization with which the Company has financial or business dealings.</p> <p>7. Not a professional individual who, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that provides auditing services or for the past two years, has provided commercial, legal, financial, accounting services or consultation to the Company or any affiliate of the company, or a spouse thereof.</p> | |
| Chang, Yuan-Lung | <p><u>Have work experience in commerce, law, finance, or accounting or a profession necessary for the business of the Company; Certified Public Accountant (R.O.C.).</u></p> <p><u>Current positions:</u></p> <p>Accountant, Chin Cheng United Certified Public Accountants</p> <p>Independent Director, GSD Technologies Co., Ltd.</p> <p>Independent Director, Shin Zu Shing Co., Ltd.</p> <p>Independent Director, Johnson Fine Chemical Co., Ltd.</p> | <p>8. Not a spouse or a relative within two degrees of kinship to any director.</p> <p>9. Not the proxy of any government agency, juridical person, or their representative that is a shareholder in the Company as outlined in Article 27 of the Company Act.</p> | 3 companies |

Note: The Company's directors do not have any of the conditions specified in Article 30 of the Company Act.

5. Diversification and independence of the Board of Directors:

(1) Board diversity

The Company actively promotes diversity on the Board of Directors to strengthen corporate governance and promote the sound development of the board's composition and structure. We strongly believe a diverse board enhances overall company performance. Board members are selected based on merit and must have the ability to complement each other in a wide variety of industries. Specifically, board member diversity encompasses basic conditions like gender, age, nationality, and culture, alongside professional backgrounds (e.g., law, accounting, industry, finance, marketing, technology), with a focus on their professional knowledge, skills, and industry experience.

To achieve the ideal objectives of corporate governance, clause 20 of the Company's Code of Corporate Governance states that the Board of Directors shall have the following capabilities: to make operational judgments, to perform accounting and financial analysis, to conduct management administration, to conduct crisis management, knowledge of the industry, to have an international market perspective, to lead, and to make policy decisions. During meetings, board members must actively listen to the management team's reports, offer guidance and suggestions through effective communication, and collaboratively work towards maximizing shareholder interests.

In addition, the Company places particular emphasis on gender equality on the Board of Directors, with male directors currently accounting for 78% (7 directors) and female directors accounting for 22% (2 directors). In pursuit of greater gender equality, the future aim is for female directors to comprise at least 33% (3 directors) of the board. To meet this goal, female director candidates will be prioritized in upcoming board elections.

Specific management goals and their achievement status of the Company's diversity policy are as follows:

| Management goals | Achievement status |
|---|--------------------|
| Directors who are also managerial officers of the Company shall not exceed one-third of the total number of directors | Achieved |
| Independent directors shall account for more than one-third of the total number of directors | Achieved |
| There should be at least 2 female directors | Achieved |
| The term of office of independent directors shall not exceed 3 consecutive terms | Achieved |

Most of the Company's directors possess corporate management experience, diverse industry knowledge, technology and information expertise, and a commitment to environmental sustainability. The diversity status of the Board of Directors is as follows:

| Diversity items Name of director | Basic composition | | | | | | Industry experience | | | Professional competence | | | | | | | |
|--|-------------------|--------|--|-----------------|----------------------------------|---|---------------------|----------------------------------|------------------------------------|-------------------------------|---|---------------------|-----------------|-------------------------------------|--|-----|--|
| | Nationality | Gender | Concurrently serving as an employee of the Company | Age | Independent director office term | | Chemical business | Heat treatment industry business | Professional service and marketing | Make sound business judgments | Perform accounting and financial analysis | Business management | Crisis handling | An international market perspective | Leadership and ability to make decisions | Law | |
| Under 3 years | | | | | 7-9 years | | | | | | | | | | | | |
| Cheng Jade Enterprise Co., Ltd. Representative: Ho, Chi-Cheng | R.O.C. | Male | ✓ | 61-70 years | - | - | ✓ | - | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ○ | |
| Chang Sing Investment Co., Ltd. Representative: Huang, Chao-Hui | R.O.C. | Male | ✓ | 61-70 years | - | - | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | - | |
| Ho, Eugene Lawrence | U.S.A | Male | ✓ | 31-40 years old | - | - | ✓ | - | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | - | |
| Ho, Chi-Chou | R.O.C. | Male | - | 51-60 years old | - | - | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | - | |
| Cheng, Chih-Fa | R.O.C. | Male | - | 61-70 years | - | - | - | - | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ○ | |
| Serena Huang | R.O.C. | Female | - | 41-50 years old | ✓ | - | ✓ | - | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | - | |
| Tai, Ai-Fen | R.O.C. | Female | - | 41-50 years old | ✓ | - | - | - | - | ✓ | - | ✓ | ✓ | ✓ | ✓ | ✓ | |
| Rick Liu | R.O.C. | Male | - | 61-70 years | ✓ | - | - | - | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | - | |
| Chang, Yuan-Lung | R.O.C. | Male | - | 61-70 years | - | ✓ | - | - | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ○ | |

Note: ✓ means capable of, ○ means partially capable of.

(2) Board independence

None of the members of the Company's Board of Directors are involved in any of the matters listed in Article 30 of the Company Act. Among the members of the Board of Directors, except for Chairman Ho, Chi-Cheng and Director Ho, Eugene Lawrence who are father and son, and Chairman Ho, Chi-Cheng and Director Ho, Chi-Chou who are brothers, none of the other directors have a spouse or second degree of kinship relationship with an employee of the Company or its affiliated companies, which is in compliance with Paragraphs 3 and 4 of Article

26-3 of the Securities and Exchange Act.

Currently, the Company has 9 directors, with 4 independent directors representing 44% of all board seats, ensuring the Board of Directors' independence. All independent directors meet the relevant regulations of the Financial Supervisory Commission on independent directors.

The independence status of independent directors is as follows:

| Name | Whether the independent directors, their spouses, and relatives within second degree of kinship are serving as directors, supervisors, or employees of the Company or any of its affiliated companies | The number and proportion of shares of the Company held by independent directors, their spouses, and relatives within second degree of kinship in their own names or in any third party's name | Whether they have served as directors, supervisors, or employees in companies that have certain relations with the Company | Amount of remuneration received for providing business, legal, financial, accounting, and other services to the Company or its affiliated companies in the last 2 years |
|------------------|---|--|--|---|
| Serena Huang | No | No such cases | No | No such cases |
| Tai, Ai-Fen | No | No such cases | No | No such cases |
| Rick Liu | No | No such cases | No | No such cases |
| Chang, Yuan-Lung | No | No such cases | No | No such cases |

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

Date: March 30, 2025; Unit: Share; %

| Title (Note 1) | Nationality | Name | Gender | Date elected/appointed | Spouse and child of minor age | | Shareholdings of spouse and minor child(ren) | | Shareholding under other person(s) | | Educational and professional experience (Note 2) | Concurrent Position(s) in the Company or other companies | Spouse or relative within the second degree of kinship Holding Managerial Position | | | Remarks |
|----------------------------------|-------------|---------------------------|--------|---------------------------|----------------------------------|-------------------|---|-------------------|---------------------------------------|-------------------|---|---|--|------|--------------|---------|
| | | | | | Number of Shares | Shareholding % | Number of Shares | Shareholding % | Number of Shares | Shareholding % | | | Title | Name | Relationship | |
| President | U.S.A | Ho, Eugene Lawrence | Male | 2021.05.04 | 275,136 | 0.23 | 11,460 | 0.01 | — | — | Bachelor in Economics, University of California, Santa Barbara Business Specialist, Chemicals Department, ITOCHU Corporation Business Specialist, Chemicals Department, ITOCHU CHEMICAL FRONTIER Corporation Vice President, Uranus Chemicals Co., Ltd | Director, Heng I Chemical Company Ltd. Director, Cheng De Investment Co., Ltd. Director, Heng Mien Investment Co., Ltd. Director, Chang Sing Investment Co., Ltd. Director, Cheng Jade Enterprise Co., Ltd. Director, Uranus Chemicals Co., Ltd | None | None | None | Note 3 |
| Chief Technology Officer | R.O.C. | Huang, Chao-Hui | Male | 2024.02.27 | 144,259 | 0.12 | — | — | 164,895 | 0.14 | Department of Chemical Engineering, Ta Hwa University of Science and Technology General Manager, Coremax Corporation President, Uranus Chemicals Co., Ltd. Supervisor, Uranus Chemicals Co., Ltd. | Director, Coremax Ningbo Chemical Co., Ltd. Director, Coremax (Zhangzhou) Chemical Co., Ltd. Director, Chang Sing Investment Co., Ltd. Chairman, Cheng De Investment Co., Ltd. Chairman, Heng Mien Investment Co., Ltd. Chairman, Fan Cheng Investment Co., Ltd. | None | None | None | — |
| Director, Finance Division | R.O.C. | Lu, Po-Ju | Male | 2022.01.01 | 12,634 | 0.01 | — | — | — | — | Graduate School of Information Management and Finance, National Chiao Tung University Manager, Darwin Precisions Corporation | Supervisor, Heng I Chemical Company Ltd. Supervisor, Coremax Ningbo Chemical Co., Ltd. Supervisor, Coremax (Zhangzhou) Chemical Co., Ltd. Director, Coremax (Thailand) Co., Ltd. | None | None | None | — |

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

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

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

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

(1) The four existing independent Directors possess expertise in financial accounting and respective industry fields, which enables them to effectively perform their supervisory functions.

(2) Each year, we arrange for each director to attend professional director courses from outside organizations, such as the Chinese Corporate Governance Association, to enhance the effectiveness of the Board of Directors' roles and responsibilities.

(3) Independent directors can fully discuss and make recommendations to the Board of Directors for reference in each functional committee to implement corporate governance.

II. Remuneration of directors, supervisors, general manager and deputy general manager(s) in the most recent fiscal year

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

December 31, 2024 Unit: NT\$ (thousand)

| Title | Name | Remuneration to directors | | | | | | | | Sum of A, B, C and D as a percentage (%) of net profit after tax | | Compensation to directors also serving as company employees | | | | | | | | Sum of A, B, C, D, E, F and G as a percentage (%) of net profit after tax | | Compensation from investee companies other than subsidiaries or the parent company | | |
|--|--------------------------|---------------------------|--|------------------------|--|-----------------------------|--|----------------------------------|--|--|--|---|--|------------------------|--|--------------------------------|---|--|--------------|---|--|--|--|--|
| | | Remuneration (A) | | Retirement pension (B) | | Directors' remuneration (C) | | Fees for conducting business (D) | | | | Salary, bonuses, and allowances (E) | | Retirement pension (F) | | Remuneration for employees (G) | | | | | | | | |
| | | The Company | All companies included in the financial statements | The Company | All companies included in the financial statements | The Company | All companies included in the financial statements | The Company | All companies included in the financial statements | The Company | All companies included in the financial statements | The Company | All companies included in the financial statements | The Company | All companies included in the financial statements | The Company | | All companies included in the financial statements | | The Company | All companies included in the financial statements | | | |
| | | | | | | | | | | | | | | | | | | Cash amount | Stock amount | Cash amount | Stock amount | | | |
| Chairman | Ho, Chi-Cheng | 2,380 | 5,207 | - | - | - | - | 2,238 | 2,238 | 4,618 2.73% | 7,445 4.40% | 13,629 | 20,004 | 108 | 216 | 579 | - | 984 | - | 18,934 11.20% | 28,649 16.95% | None | | |
| Director | Huang, Chao-Hui (Note 1) | | | | | | | | | | | | | | | | | | | | | | | |
| Director | Ho, Eugene Lawrence | | | | | | | | | | | | | | | | | | | | | | | |
| Director | Cheng, Chih-Fa | | | | | | | | | | | | | | | | | | | | | | | |
| Director | Ho, Chi-Chou | | | | | | | | | | | | | | | | | | | | | | | |
| Director | Lai, Ching-Yuan (Note 1) | | | | | | | | | | | | | | | | | | | | | | | |
| Independent director | Serena Huang | 2,920 | 2,920 | - | - | - | - | 73 | 73 | 2,993 1.77% | 2,993 1.77% | - | - | - | - | - | - | - | - | 2,993 1.77% | 2,993 1.77% | None | | |
| Independent director | Tai, Ai-Fen | | | | | | | | | | | | | | | | | | | | | | | |
| Independent director | Rick Liu | | | | | | | | | | | | | | | | | | | | | | | |
| Independent director | Chang, Yuan-Lung | | | | | | | | | | | | | | | | | | | | | | | |
| <div>1. The correlation between the policies, standards, and structure of the remuneration and the responsibilities, risk and time undertook by the Independent Director: The Company's independent directors' remuneration is paid on a fixed basis, mainly to maintain their independence and to facilitate their supervisory functions. Independent directors receive a monthly remuneration of NT\$50,000, with no additional director remuneration for annual profits. They also receive NT\$5 thousand for travel expenses per meeting attended. The Remuneration Committee may make adjustments to fixed salaries based on the individual director's level of participation and contribution to the Company's operations, and after taking into account general industry standards, submit the adjustments to the Remuneration Committee for approval and then submit them to the Board of Directors for resolution.</div> <div>2. In addition to the disclosure in the above table, in the most recent fiscal year, the compensation received by Directors from all companies included in the financial statements for service rendered (e.g. in the capacity of non-Employee consultant): None.</div> | | | | | | | | | | | | | | | | | | | | | | | | |

Note 1: On May 28, 2024, the directors' legal representative was changed from Lai, Ching-Yuan to Huang, Chao-Hui.

Remuneration range of directors (independent directors included)

| Range of remuneration paid to each director | Name of director | | | |
|---|---|---|--|---|
| | Total amount for the 4 preceding remunerations (A+B+C+D) | | Total amount for the 7 preceding remunerations (A+B+C+D+E+F+G) | |
| | The Company | All companies included in the financial statements (H) | The Company | All companies included in the financial statements (I) |
| Under NT\$1,000,000 | Ho, Chi-Chou, Cheng, Chih-Fa, Huang, Chao-Hui, Lai, Ching-Yuan, Chang, Yuan-Lung, Rick Liu, Tai, Ai-Fen, Serena Huang | Ho, Chi-Chou, Cheng, Chih-Fa, Huang, Chao-Hui, Lai, Ching-Yuan, Chang, Yuan-Lung, Rick Liu, Tai, Ai-Fen, Serena Huang | Ho, Chi-Chou, Cheng, Chih-Fa, Lai, Ching-Yuan, Chang, Yuan-Lung, Rick Liu, Tai, Ai-Fen, Serena Huang | Ho, Chi-Chou, Cheng, Chih-Fa, Chang, Yuan-Lung, Rick Liu, Tai, Ai-Fen, Serena Huang |
| NT\$ 1,000,000 (inclusive) to NT\$ 2,000,000 (exclusive) | Ho, Chi-Cheng, Ho, Eugene Lawrence | - | - | - |
| NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive) | - | Ho, Chi-Cheng, Ho, Eugene Lawrence | - | - |
| NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive) | - | - | Huang, Chao-Hui | Huang, Chao-Hui |
| NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive) | - | - | Ho, Chi-Cheng, Ho, Eugene Lawrence | Ho, Chi-Cheng, Ho, Eugene Lawrence, Lai, Ching-Yuan |
| NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive) | - | - | - | - |
| NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive) | - | - | - | - |
| NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive) | - | - | - | - |
| NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive) | - | - | - | - |
| Over NT\$ 100,000,000 | - | - | - | - |
| Total | 10 people in total | 10 people in total | 10 people in total | 10 people in total |

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

(III) Remunerations of General Manager and Deputy General Manager (bracket table according to persons)

Unit: NT\$ (thousand)

| Title | Name | Salary (A) | | Retirement pension (B) (Note 1) | | Bonuses and allowances (C) | | Employee earnings distribution (D) | | | | Sum of A, B, C and D as a percentage (%) of net profit after tax | | Compensation from investee companies other than subsidiaries or the parent company |
|--------------------------|---------------------|-------------|--|------------------------------------|--|----------------------------|--|------------------------------------|--------------|--|--------------|--|--|--|
| | | The Company | All companies included in the financial statements | The Company | All companies included in the financial statements | The Company | All companies included in the financial statements | The Company | | All companies included in the financial statements | | The Company | All companies included in the financial statements | |
| | | | | | | | | Cash amount | Stock amount | Cash amount | Stock amount | | | |
| President | Ho, Eugene Lawrence | 8,125 | 8,762 | 108 | 108 | 952 | 1,051 | 579 | - | 579 | - | 9,764 5.78% | 10,500 6.21% | 2,013 |
| Chief Technology Officer | Huang, Chao-Hui | | | | | | | | | | | | | |

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

Note 1: Pension funds set aside in accordance with the law in 2024.

Remuneration range

| Range of remuneration paid to General Manager and Deputy General Managers | Names of General Manager and Deputy General Managers | |
|---|--|---|
| | The Company | Parent company and all its investee companies (E) |
| Under NT\$1,000,000 | - | - |
| NT\$ 1,000,000 (inclusive) to NT\$ 2,000,000 (exclusive) | - | - |
| NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive) | - | - |
| NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive) | Huang, Chao-Hui | Huang, Chao-Hui |
| NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive) | Ho, Eugene Lawrence | Ho, Eugene Lawrence |
| NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive) | - | - |
| NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive) | - | - |
| NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive) | - | - |
| NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive) | - | - |
| Over NT\$ 100,000,000 | - | - |
| Total | 2 people in total | 2 people in total |

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

Unit: NT\$ (thousand)

| Item | Title | Name | Stock amount | Cash amount | Total | Total as a percentage of after-tax profit (%) |
|----------|----------------------------|---------------------|--------------|-------------|--------|---|
| Managers | President | Ho, Eugene Lawrence | - | 12,301 | 12,301 | 7.28% |
| | Chief Technology Officer | Huang, Chao-Hui | | | | |
| | Director, Finance Division | Lu, Po-Ju | | | | |

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

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

Unit: NT\$ (thousand); %

| Year Title | 2023 | | | | 2024 | | | |
|------------------------------|--------------------|--|------------------------------------|--|--------------------|--|------------------------------------|--|
| | Total remuneration | | Percentage of net profit after tax | | Total remuneration | | Percentage of net profit after tax | |
| | The Company | All companies included in the financial statements | The Company | All companies included in the financial statements | The Company | All companies included in the financial statements | The Company | All companies included in the financial statements |
| Director | 15,467 | 24,977 | (15.43%) | (24.92%) | 18,934 | 28,649 | 11.20% | 16.95% |
| Independent director | 2,552 | 2,552 | (2.55%) | (2.55%) | 2,993 | 2,993 | 1.77% | 1.77% |
| President and Vice President | 8,952 | 10,353 | (8.94%) | (10.33%) | 9,764 | 10,500 | 5.78% | 6.21% |

Description: The total remuneration of directors, President and Vice President in 2024 increased compared to 2023 due to the increase in net profit after tax in 2024.

2. Remuneration policy, standard, and package:

- (1) The Company's remuneration of directors shall comply with Article 27 of the Company's Articles of Incorporation. If there is a profit in the year, the Company shall allocate no less than 1.5% of the profit as employee bonuses, which will be distributed in shares or cash according to the Board of Directors' resolution. Employees in subordinate companies who meet certain criteria are entitled to receive bonuses. The Company may have the Board of Directors resolve to appropriate no more than 5% of the aforementioned amount as the directors' remuneration. The distribution of employees' and directors' remunerations shall be reported in the Shareholders' Meeting.

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

- (2) Linking the incentive system to sustainability performance

The Company incorporated sustainable development indicators into the performance goals of senior managers, in order to motivate senior managers and all employees to focus on overall long-term performance. Sustainable performance indicators are included in the annual performance evaluation as the basis for annual remuneration and bonus distribution.

A. Evaluation of the CEO and president is mainly based on four indicators, and additional points are added for sustainable performance indicators.

B. For Level 1 supervisors, in addition to the original annual performance evaluation indicators, an additional 5% of bonus points may be earned from the Company's sustainable development indicators.

This motivates managers to attach importance to the concept of sustainable development, achieve the Company's sustainable development indicators, jointly create sustainable prosperity with customers, demonstrate commitment and determination to the Company's sustainable development, respond to the society's expectations for the Company, and achieve the mission of sustainability.

| Subjects | Performance indicators | Implementation method (weight) |
|------------------|-----------------------------|--------------------------------|
| CEO President | Financial performance (35%) | |
| | Business and | |

| Subjects | Performance indicators | Implementation method (weight) |
|---|---|--|
| | marketing (30%) | |
| | Sustainable development and risk management (25%) | Implementation of ESG plans and formulation of carbon reduction plans -10% Occupational safety and environmental protection -10% Talent development - 5% |
| | Quality and internal processes (10%) | |
| | Bonus points – The Company's sustainability goals | Carbon footprint reduction -30% Risk management -15% Talent management - 15% Implement the ratio of material recycling according to international regulations -15% Occupational safety and environmental protection -15% Diversity and inclusion -10% |
| Senior managers (Level 1 division supervisors/Supervisors responsible for each group in the sustainable development | Bonus points – The Company's sustainability goals | Product carbon footprint reduction - 30% Risk management -15% Talent management - 15% |

| Subjects | Performance indicators | Implementation method (weight) |
|---------------|------------------------|--|
| organization) | | Implement the ratio of material recycling according to international regulations -15% Occupational safety and environmental protection -15% Diversity and inclusion -10% |

The indicators above were reviewed and approved by the Company's Board of Directors and Sustainable Development Committee, and are included in the annual performance evaluation of the CEO, president, and Level 1 supervisors, and are included in the basis for remuneration and bonus distribution. The indicators are supervised and guided by the Sustainable Development Committee, and the Sustainability Office and President's Office are the main implementation and coordination units.

3. Procedure for determining remuneration:

- (1) Results of evaluations conducted according to the Company's "Regulations Governing Board Performance Evaluations" and "Performance Evaluation and Management Regulations" serve as the basis for periodically evaluating the remuneration of directors and managers, which is submitted to the Board of Directors for review. To fully show the achievement of business performance indicators, the performance measurement standard for the chairman is based on indicators of the Company's annual operation, governance, and financial results. The scope of evaluation includes: pre-tax net profit, credit rating or Taiwan Ratings, customer satisfaction, and corporate governance evaluation. The scope of performance evaluation for the president includes: operational safety management, supervising the implementation of financial plans, revenue management, developing independent maintenance capabilities, strengthening internal control, and implementing quality

assurance and management.

- (2) The reasonableness of performance evaluations and remuneration of the Company's managers are periodically reviewed by the Remuneration Committee and the Board of Directors each year. Besides considering the achieving rate of individual performance targets and contribution to the Company, the Company's overall business performance, as well as future risks and development trends of the industry are also taken into consideration. The remuneration system is reviewed based on the business situation and relevant laws and regulations whenever appropriate. Reasonable remuneration is determined after considering current corporate governance trends, in order to achieve a balance between the Company's sustainable development and risk management. The actual amount of remuneration paid to directors and managers in 2024 was reviewed by the Remuneration Committee and then submitted to the Board of Directors for a decision.

4. The connection to operating performance and future risk:

- (1) The review of the payment standards and systems of the Company's remuneration policy is primarily based on the overall operating status of the Company. It considers performance achievement rates with respect to financial indicators, non-financial indicators, and sustainable development indicators and contributions to determine payment standards, aiming to enhance the overall organizational effectiveness of the Board of Directors and the management department. We also refer to industry salary standards to ensure that the Company's management remuneration is competitive in the industry so as to retain outstanding management talents.
- (2) The Company's performance targets for managers are combined with the "Risk Management Policy" to ensure that potential risks within the scope of their responsibilities are managed and prevented. The results of their performance evaluations are linked to human resources and remuneration policies. Risk factors are all taken into consideration by the Company's management when making important decisions. The performance of related decisions reflects on the Company's profitability, and is further connected to the remuneration and risk management performance of managers.

III.Implementation of corporate governance

(I) Operation of Board of Directors

In 2024 and up to the date of report in 2025, the Company's Board of Directors' convened 6 meetings (A), and the attendance of directors was as follows:

| Title | Name | Attendance in person (B) | By proxy | Attendance in person (%) (B/A) | Remarks |
|----------------------|---|--------------------------------|-------------|--------------------------------------|----------------------------|
| Chairman | Cheng Jade Enterprise Co., Ltd. Representative: Ho, Chi-Cheng | 6 | 0 | 100.00% | Should attend six meetings |
| Director | Chang Sing Investment Co., Ltd. Representative: Lai, Ching-Yuan (Note 1) | 2 | 0 | 100.00% | Should attend 2 meetings |
| Director | Chang Sing Investment Co., Ltd. Representative: Huang, Chao-Hui (Note 2) | 4 | 0 | 100.00% | Should attend 4 meetings |
| Director | Ho, Eugene Lawrence | 5 | 0 | 83.33% | Should attend six meetings |
| Director | Ho, Chi-Chou | 5 | 0 | 83.33% | Should attend six meetings |
| Director | Cheng, Chih-Fa | 6 | 0 | 100.00% | Should attend six meetings |
| Independent Director | Chang, Yuan-Lung | 6 | 0 | 100.00% | Should attend six meetings |
| Independent Director | Tai, Ai-Fen | 6 | 0 | 100.00% | Should attend six meetings |
| Independent Director | Serena Huang | 6 | 0 | 100.00% | Should attend six meetings |
| Independent Director | Rick Liu | 5 | 0 | 83.33% | Should attend six meetings |

Note 1: Dismissed by institutional director on May 28, 2024.

Note 2: Newly appointed by institutional director on May 28, 2024.

Other notes:

1. For Board of Directors meetings that meet any of the following descriptions, state the date, session, the discussed topics, Independent Directors' opinions and how the company has responded to such opinions:

(1) Conditions described in Article 14-3 of the Securities and Exchange Act:

| Board of Directors | Date | Content of resolution | Response of the Company toward the opinion of Independent Directors |
|------------------------------|-----------|--|---|
| 7th meeting of the 11th term | 2024.2.27 | <ul style="list-style-type: none"> ● The Company's performance bonuses for managers in 2023. ● The audit fees for CPA appointment. ● Proposal for the Company's new lease of an administrative building from Uranus Chemicals. ● Amendment to the Company's Procedures for Endorsement and Guarantees. ● The Company's invested sub-subsidiary loaning of funds to a sub-subsidiary. ● The Company's invested sub-subsidiary loaning of funds to a sub-subsidiary. | Independent directors' did not express any opinions |
| 8th meeting of the 11th term | 2024.5.8 | <ul style="list-style-type: none"> ● Proposal to amend the Company's Rules of Procedure for Board of Directors Meetings. ● Amendments to the Company's "Regulations Governing the Organization of the Audit Committee". ● Construction of new plant by the Company's subsidiary "VinaCoreMax Company Limited". ● The Company's endorsements/guarantees to subsidiary COREMAX (BVI) CORPORATION. | Independent directors' did not express any opinions |
| 9th meeting of the 11th term | 2024.8.8 | <ul style="list-style-type: none"> ● The proposed salary raises for the manager of the Company. ● Proposal for 2023 employee bonuses for the Company's managers. ● Amendments to the "Regulations for Remuneration of Directors". ● Proposal for the Company to provide endorsement and guarantee for the credit facility application of the Company's subsidiary "VinaCoreMax Company Limited". | Independent directors' did not express any opinions |

| Board of Directors | Date | Content of resolution | Response of the Company toward the opinion of Independent Directors |
|-------------------------------|------------|--|---|
| 10th meeting of the 11th term | 2024.11.8 | <ul style="list-style-type: none"> ● Proposal for the Company acquired leased assets from related parties. ● Proposal for the Company to sign land reservation agreement on behalf of subsidiary that has not yet been established. ● Proposal for the Company to sign land reservation agreement on behalf of subsidiary that has not yet been established. ● The Company's invested subsidiary loaning of funds to a sub-subsidiary. ● Proposal to establish the Company's Regulations Governing Financial and Business Transactions Between Related Parties. ● Proposal to establish the Company's "Sustainability Information Management Regulations." | Independent directors' did not express any opinions |
| 11th meeting of the 11th term | 2024.12.20 | <ul style="list-style-type: none"> ● Proposal to buyback the Company's shares for transfer to employees the first time. | Independent directors' did not express any opinions |
| 12th meeting of the 11th term | 2025.2.25 | <ul style="list-style-type: none"> ● Proposal to distribute 2024 performance bonuses to directors and managers who are concurrently employees of the Company. ● Proposal to distribute employee bonuses and directors' remuneration for 2024. ● Amendments to the general principles of the Company's pre-approval policy of non-assurance services. ● Proposal to change the representative for signing contracts with related parties to an independent director. ● The audit fees for CPA appointment. ● Proposal to revise the Company's internal control system. ● Proposal to increase the budget of the Company's subsidiary Vietnam "VinaCoreMax Company Limited". ● Proposal to revise the "Approval Authority Chart" of the Company's subsidiary in Vietnam "VinaCoreMax Company Limited". | Independent directors' did not express any opinions |

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

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

| Board of Directors | Date | Content of resolution | Recused Director | Reason of recusal and voting status |
|-------------------------------|-----------|--|---|---|
| 7th meeting of the 11th term | 2024.2.27 | The Company's performance bonuses for managers in 2023. | Chairman, Ho, Chi-Cheng Director, Ho, Eugene Lawrence Director, Lai, Ching-Yuan | The Chairman, Ho, Chi-Cheng and the Directors Ho, Eugene Lawrence and Lai, Ching-Yuan concurrently serve as managerial officers, and they recused themselves from the discussion and voting. The independent director, Rick Liu, chaired the meeting. |
| 9th meeting of the 11th term | 2024.8.8 | The proposed salary raises for the manager of the Company. | Chairman, Ho, Chi-Cheng Director, Ho, Eugene Lawrence Director, Huang, Chao-Hui | Chairman Ho, Chi-Cheng and Directors Ho, Eugene Lawrence and Huang, Chao-Hui recused themselves from the discussion and voting. The meeting was chaired by Independent Director Rick Liu. |
| 12th meeting of the 11th term | 2025.2.25 | Proposal to distribute 2024 performance bonuses to directors and managers who are concurrently employees of the Company. | Chairman, Ho, Chi-Cheng Director, Ho, Eugene Lawrence Director, Huang, Chao-Hui | The Chairman, Ho, Chi-Cheng and the Directors Ho, Eugene Lawrence and Lai, Ching-Yuan concurrently serve as managerial officers, and they recused themselves from the discussion and voting. The independent director, Rick Liu, chaired the meeting. |

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

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

| Frequency of assessment | Assessment period | Scope of assessment | Method of assessment | Content of assessment |
|-------------------------|--------------------------------------|---|--|--|
| Once a year | January 1, 2024 to December 31, 2024 | 1. Overall Board of Directors 2. Individual Board member 3. Performance assessment of functional committees | 1. Overall Board of Directors: internal self-assessment in the Board of Directors 2. Individual board member: self-assessment by director. 3. Functional committee: internal self-assessment in the Board of Directors | The results of the performance evaluation were submitted to the Board of Directors on February 25, 2025. |

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

| Performance assessment of Board of Directors | Self-assessment of Board members' performances | Performance assessment of functional committees |
|--|--|--|
| <ul style="list-style-type: none"> Level of involvement in the Company's operations Improve the decision quality of Board of Directors Composition and structure of Board of Directors Appointment and continuing education of Directors Internal control | <ul style="list-style-type: none"> Grasp of the Company's goals and missions Recognition of director's duties. Level of involvement in the Company's operations Internal relationships management and communication Directors' professionalism and continuing education Internal control | <ul style="list-style-type: none"> Level of involvement in the Company's operations Comprehension of the responsibilities of the functional committee Improvement in the quality of decision making by the functional committee Composition of functional committee and appointment of members Internal control |
| 45 assessment indicators | 23 assessment indicators | 26 assessment indicators |

Assessment result:

| Performance assessment of Board of Directors | Self-assessment of Board members' performances | Performance assessment of functional committees |
|--|--|---|
| 4.73 | 4.83 | 4.69 |

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

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

In 2024 and up to the date of report in 2025, the Audit Committee convened 6 meetings (A), and the attendance of members was as follows:

| Title | Name | Attendance in person (B) | By proxy | Actual attendance rate (%) (B/A) | Remarks |
|-------------------------|-------------------------|--------------------------------|----------|---|-------------------------------|
| Independent Director | Chang, Yuan- Lung | 6 | 0 | 100.00% | Should attend six meetings |
| Independent Director | Tai, Ai- Fen | 6 | 0 | 100.00% | Should attend six meetings |
| Independent Director | Serena Huang | 6 | 0 | 100.00% | Should attend six meetings |
| Independent Director | Rick Liu | 5 | 0 | 83.33% | Should attend six meetings |

Other notes:

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

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

| Audit Committee | Date | Content of resolution | Opinions of Audit Committee members and responses of the Company |
|--------------------------------|-----------|--|---|
| 7th meeting of the 3rd term | 2024.2.27 | <ul style="list-style-type: none"> ● The Company's 2023 Assessment of the Effectiveness of the Internal Control System and the Statement of Internal Control System. ● The Company's 2023 business report, standalone financial statements, and consolidated financial statements. | Members of the Committee have no opinion. |

| Audit Committee | Date | Content of resolution | Opinions of Audit Committee members and responses of the Company |
|------------------------------|-----------|---|--|
| | | <ul style="list-style-type: none"> ● Amendments to the general principles of the Company's pre-approval policy of non-assurance services. ● The audit fees for CPA appointment. ● Proposal for the Company's new lease of an administrative building from Uranus Chemicals. ● Amendment to the Company's Procedures for Endorsement and Guarantees. ● The Company's second-tier subsidiary lending funds to another second-tier subsidiary. ● The Company's second-tier subsidiary lending funds to another second-tier subsidiary. | |
| 8th meeting of the 3rd term | 2024.5.8 | <ul style="list-style-type: none"> ● Consolidated financial reports for 2024 Q1. ● Proposal to amend the Company's Rules of Procedure for Board of Directors Meetings. ● Amendments to the Company's "Regulations Governing the Organization of the Audit Committee". ● Construction of new plant by the Company's subsidiary "VinaCoreMax Company Limited". ● The Company's endorsements/guarantees to subsidiary COREMAX (BVI) CORPORATION. | Members of the Committee have no opinion. |
| 9th meeting of the 3rd term | 2024.8.8 | <ul style="list-style-type: none"> ● Consolidated Report reports for 2024 Q2. ● Proposal for the Company to provide endorsement and guarantee for the credit facility application of the Company's subsidiary "VinaCoreMax Company Limited". | Members of the Committee have no opinion. |
| 10th meeting of the 3rd term | 2024.11.8 | <ul style="list-style-type: none"> ● Consolidated financial reports for 2024 Q3. ● Proposal for the Company acquired leased assets from related parties. ● Proposal for the Company to sign land reservation agreement on behalf of subsidiary that has not yet been established. ● Proposal for the Company to sign land reservation agreement on behalf of subsidiary that has not yet been established. ● The Company's invested subsidiary loaning of funds to a sub-subsidiary. | Members of the Committee have no opinion. |

| Audit Committee | Date | Content of resolution | Opinions of Audit Committee members and responses of the Company |
|------------------------------|-----------|---|--|
| | | <ul style="list-style-type: none"> ● Proposal to establish the Company's Regulations Governing Financial and Business Transactions Between Related Parties. ● Proposal to establish the Company's "Sustainability Information Management Regulations." | |
| 12th meeting of the 3rd term | 2025.2.25 | <ul style="list-style-type: none"> ● The Company's 2024 Assessment of the Effectiveness of the Internal Control System and the Statement of Internal Control System. ● The Company's 2024 business report, standalone financial statements, and consolidated financial statements. ● The audit fees for CPA appointment. ● Proposal to revise the Company's internal control system. ● Proposal to increase the budget of the Company's subsidiary Vietnam "VinaCoreMax Company Limited". ● Proposal to revise the "Approval Authority Chart" of the Company's subsidiary in Vietnam "VinaCoreMax Company Limited". | Members of the Committee have no opinion. |

- (2) In addition to the matters above, other resolutions that were not approved by the Audit Committee but passed with the approval of two-thirds or more of all board members: None.
2. For the implementation and state of Independent Directors' recusal for conflicts of interests, the Independent Director' name, the topic discussed, reasons for the required recusal, and participation in the voting process: None.
3. Communications between independent directors and the chief internal auditor and the accountants (including communications regarding important matters with respect to the Company's financial position and business performance, means and results):
- (1) The audit officer of the Company participates in the Audit Committee meetings, regularly reports the implementation and improvement of the audit plan, and communicates on the effectiveness of the implementation of the Company's internal control system; the interaction is good.
- (2) The independent directors of the Company interacted well with CPAs, and communicate well with CPAs in terms of reviewing financial and business issues.

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

| Assessment criteria | Actual governance | | | Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies |
|---|-------------------|----|--|---|
| | Yes | No | Summary description | |
| I. Has the company established and disclosed its corporate governance principles based on the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?” | ✓ | | The Company has established the “Corporate Governance Best-Practice Principles” pursuant to the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.” The Company and subsidiaries all operate accordingly | No material deviation |
| II. Shareholding structure and shareholders' interests (I) Has the Company implemented a set of internal procedures to handle Shareholders' recommendations, queries, disputes, and litigations? | ✓ | | The Company holds annual shareholders' meetings as a regular communication channel with shareholders, establishes the "Managerial Procedures for Stock Affairs Operation", appoints a spokesperson and a deputy spokesperson, and mandates the Stock Affair Agency Department of Grand Fortune Securities to handle shareholding operations and settle shareholder proposals, questions, disputes and litigation issues. | No material deviation |
| (II) Is the Company constantly informed of the identities of its major Shareholders and the ultimate controller? | ✓ | | The Company and its stock affair agency, the Stock Affair Agency Department of Grand Fortune Securities, regularly maintain lists of major shareholders and their ultimate controllers. | No material deviation |
| (III) Has the Company established and implemented risk management practices and firewalls for its affiliated companies? | ✓ | | The company's affiliates are the subsidiaries. The related party transactions, endorsement/guarantees, and loaning of funds all comply with the operational procedures. In addition, the Company regularly supervises and manages subsidiaries to implement risk control and firewall mechanism. | No material deviation |
| (IV) Has the Company established internal policies that prevent insiders from trading securities against non-public information? | ✓ | | The Company has established the “Managerial Procedures for Prevention of Insider Trading” and operates accordingly to prohibit internal personnel from trading marketable securities by leveraging undisclosed information in the market, and no material discrepancies have occurred. | No material deviation |

| Assessment criteria | Actual governance | | | Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies |
|---|-------------------|----|--|---|
| | Yes | No | Summary description | |
| III. Composition and responsibilities of the Board of Directors (I) Has the Board established and implemented policies to ensure the diversity of its members? | ✓ | | <p>(1) The Company's Board of Directors passed the "Corporate Governance Best Practice Principles" on March 10, 2015 and the diversity policy for members of the Board of Directors is established in Article 20. The Company adopts a candidate nomination mechanism for nominating and selecting members of the Board of Directors in accordance with the Articles of Incorporation. In addition to evaluating the academic records, experience, and qualifications of the candidates, it also references the opinions of stakeholders and complies with "Procedures for Election of Directors" and "Corporate Governance Best-Practice Principles" to ensure the diversity and independence of the members of the Board of Directors.</p> <p>(2) The industry experience and professional capabilities of the company's board members are detailed on page 18 of the annual report.</p> <p>(3) The Company has four independent directors, accounting for 44%. Three independent directors have a term of less than three years and one independent director has a term of six to nine years. Six directors are between 61 and 70 years old, two are between 41 and 50 years old, and one is between 31 and 40 years old. The Company places a great emphasis on gender parity on the board. Female directors account for 22%, and directors who also serve as employees account for 33%.</p> <p>(4) The board diversity policy is disclosed on the Company's website and the Market Observation Post System.</p> | No material deviation |

| Assessment criteria | Actual governance | | | Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies |
|---|-------------------|----|---|---|
| | Yes | No | Summary description | |
| (II) Apart from the Remuneration Committee and Audit Committee, has the Company assembled other functional committees at its own discretion? | ✓ | | The Company has already set up the Remuneration Committee, Audit Committee, and Sustainable Development Committee. | No material deviation |
| (III) Has the Company established a set of policies and assessment methodology to evaluate the performance of the Board? Is regular performance evaluation conducted, at least once a year, and the evaluation result is submitted to the Board to serve as a reference in determining the remuneration of individual Directors and a nomination for re-election? | ✓ | | <p>On March 15, 2019, the Board of Directors authorized the creation of the Self- or Peer Evaluation Procedures for the Board of Directors. Every year, the Company assesses the performance of the Board of Directors, functional committees, and directors, individually and as a whole.</p> <p>The scope of the evaluation includes the performance evaluation of the Board of Directors as a whole, individual Board members, and functional committees. Evaluation methods include internal self-evaluation by the Board of Directors, self-evaluation by directors, peer evaluation, and the appointment of external professional evaluation institutions and experts, or other appropriate methods for performance evaluation.</p> <p>The measures for evaluating the overall performance of the Company's Board of Directors covers the following five aspects:</p> <ol style="list-style-type: none"> I. Level of involvement in the Company's operations. II. Decision quality of the Board of Directors. III. Composition and structure of the Board of Directors. IV. Appointment and continuing education of Directors. V. Internal control. <p>The performance evaluation (self or peer) of Board members covers the following six aspects:</p> <ol style="list-style-type: none"> I. Understanding of the Company's goals and missions. II. Recognition of director's duties. | No material deviation |

| Assessment criteria | Actual governance | | | Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies |
|---|-------------------|----|--|---|
| | Yes | No | Summary description | |
| | | | <p>III. Level of involvement in the Company's operations. IV. Internal relationship management and communication. V. Directors' professionalism and continuing education. VI. Internal control.</p> <p>The performance evaluation of the Company's functional committees covers the following five aspects: I. Level of involvement in the Company's operations. II. Recognition of the responsibilities of the functional committee. III. Quality of functional committee's decisions. IV. Composition of functional committee and appointment of members. V. Internal control.</p> <p>The Company selects appropriate evaluation implementation units. Each unit collects information related to the activities of the Board of Directors and distributes related self-evaluation surveys. The coordination and implementation unit or the Secretariat of the Board of Directors will collect the information and surveys, compile a report with the results according to the aforementioned procedures, and submit the report to the Board of Directors for review and improvement.</p> | |
| (IV) Does the Company assess the independence of external auditors regularly? | ✓ | | <p>The independence of attesting CPAs is assessed at least once per year. Based on the assessment, the CPA has no direct or material indirect financial interest in the Company, nor does he or she hold any position as a Director, Supervisor, or manager of the Company or have any significant influence on the audit or involved in the management function of the Company in formulating decisions. The Company also requested the attesting CPAs to provide an "Accountant's Independence</p> | No material deviation |

| Assessment criteria | Actual governance | | | Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies |
|---|-------------------|----|--|---|
| | Yes | No | Summary description | |
| | | | Statement", which was reviewed and approved by the Board of Directors on February 25, 2025. | |
| IV. Does the TWSE/TPEX listed company dedicate competent managers or a sufficient number of managers to take charge of corporate governance, and designate supervisors thereof to oversee the corporate governance affairs (including but not limited to providing information required for director/supervisor's operations, assisting the Board and Supervisors in legal compliance, convening Board/Shareholders' meetings in accordance with the law, applying for/changing company registry, and producing meeting minutes of Board/Shareholders' meetings)? | ✓ | | The Company has established the Corporate Governance Best-Practice Principles and set up a corporate governance unit to perform corporate governance-related duties, which covers the formulation of the relevant code of conduct and the practices and procedures to be followed to comply with the corporate governance requirements. The Company established a corporate governance officer in 2022. | No material deviation |
| V. Has the Company established a means of communicating with its stakeholders (including but not limited to Shareholders, Employees, customers, suppliers, et cetera) or created a stakeholder section on the Company website? Does the Company respond to stakeholders' questions on corporate responsibilities? | ✓ | | (1) The Company maintains open communication channels with banks and other creditors, employees, consumers, suppliers, communities, or company stakeholders, and respects and safeguards their legitimate rights and interests. (2) Stakeholders may instantly learn about the Company's operating information through MOPS. (3) The Company has appointed the spokesperson and deputy spokesperson as communication channels with stakeholders. | No material deviation |
| VI. Does the Company appoint a professional stock transfer agent to handle the affairs of the shareholders' meeting? | ✓ | | The Company has mandated the Stock Affair Agency Department of Grand Fortune Securities as the stock affair agency. | No material deviation |
| VII. Information Disclosure | ✓ | | The Company has set up a company website to disclose finance and | |

| Assessment criteria | Actual governance | | | Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies |
|---|-------------------|----|--|---|
| | Yes | No | Summary description | |
| (I) Has the company established a website that discloses financial, business, and corporate governance-related information? | | | business and corporate governance information. In addition, it has also disclosed relevant information in MOPS pursuant to the law. | No material deviation |
| (II) Does the Company adopt other avenues for information disclosure (e.g., setting up an English website, designating specific personnel to collect and provide disclosure on the Company, implementing a spokesperson system, disclosing the process of institutional investor conferences on the Company website, etc.)? | ✓ | | In order to ensure that information that may affect the decision-making of shareholders and stakeholders may be disclosed in a timely and fair manner, the responsible units collect and release various information. The relevant reporting operations are conducted at MOPS, and the implementation of the spokesperson system has been enhanced. | No material deviation |
| (III) Does the Company publicly announce and file the annual financial reports within two months after the accounting year-end, and publicly announce and file the first, second and third quarterly financial reports and monthly operating status reports before the stipulated deadlines? | ✓ | | The Company publicly announces and files the financial statements within three months after the fiscal year ends, according to the Required Business Matters of Issuers of Publicly Listed Securities. The Company publicly announces and files the first, second, and third quarterly financial reports and monthly operating status reports before the stipulated deadlines. Although the Company did not meet the requirements of corporate governance recommendations for announcing and filing the reports within two months after the year ended, the Company still filed the reports by the deadline prescribed by the competent authority. | No material deviation |
| VIII. Does the Company have other important information for better understanding the Company's corporate governance system (including but not limited to interests and rights of employees, care for employees, investor relations, relations with suppliers, relations with stakeholders, continuing | ✓ | | (I) Employee Rights and Employee Care: The Company follows the Labor Standards Act and related laws and regulations regarding employees' rights and benefits, establishes an Employee Welfare Committee, attributes allowances and pensions, provides health examinations for employees, and holds various welfare activities for employees to | No material deviation |

| Assessment criteria | Actual governance | | | Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies |
|---|-------------------|----|---|---|
| | Yes | No | Summary description | |
| education of directors and supervisors, execution of risk management policies and risk measuring standards, execution of customer policies, and liability insurance for the Company's directors and supervisors)? | | | <p>mingle.</p> <p>(II) Investor relations: The Company publishes financial and business information on the Market Observation Post System (MOPS) promptly to protect the rights and interests of investors and stakeholders as pursuant to the laws and regulations, appoints spokesperson and deputy spokesperson as communication channels, attending institutional investors' conference as invited by security firms to facilitate shareholders' understanding of the Company's operations.</p> <p>(III) Supplier relations: The Company communicates smoothly with its suppliers and adheres to the principle of honesty and reciprocity in business relationships with them.</p> <p>(IV) Rights of stakeholders: The Company maintains fluent communication channels with its stakeholders and fully respects and protects their legitimate rights and interests.</p> <p>(V) Continuing Education Taken by the Directors and Independent Directors: The Board members of the Company has attended courses at designated institutions in accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies. Please refer to p.45-46 of the annual report for more details.</p> <p>(VI) The implementation of risk management policies and measure</p> | |

| Assessment criteria | Actual governance | | | Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies |
|---|-------------------|----|---|---|
| | Yes | No | Summary description | |
| | | | <p>standards of risks:</p> <p>The Company has always been operating in a prudent manner and has established an internal control system to prevent various risks, which is regularly and irregularly inspected by internal audit units. The Company also carries property insurance and develops and continuously reviews various operational risk preparation plans.</p> <p>(VII) Implementation of client policies:</p> <p>The Company maintains close contact with its customers to ensure the reliability and quality of its products, and strictly abides by the contracts signed with customers to ensure their rights and interests.</p> <p>(VIII) Insurance bought for Directors and Supervisors by the Company:</p> <p>The Company purchases liability insurances for the Directors to strengthen the protection of shareholders' rights.</p> <p>The Company disclosed the information related to the operation on MOPS, and the various information is available on the website.</p> | |
| <p>IX. Please describe improvements that have been made about the results of the corporate governance evaluation as prescribed by the Taiwan Stock Exchange Corporate Governance Center, as well as priorities and measures for matters that have yet to be improved. (The companies not subject to the evaluation need to fill in this part)</p> <p>For the results of the 2024 Corporate Governance Evaluation, the Company's ranking was the first 21% - 35%. The Company will keep on advancing corporate governance.</p> | | | | |

The Company arranges annual professional training for the Directors in accordance with the regulations. The course covers the functions and performance evaluation of the Board of Directors, as well as corporate ethics and various communication issues. To encourage directors to pursue further education, the Company provides directors with information on courses offered by TWSE or TPEx from time to time and arranges suitable courses for them. The Company arranges suitable courses on corporate governance, economy, environment, society, human rights, and other aspects of corporate social responsibility during the Directors' personal time. Information on the Directors' education in 2024 is as follows:

| Title | Name | Course Date | Organizer | Course name | Course hours |
|----------------------|---------------------|-------------|---|--|--------------|
| Chairman | Ho, Chi-Cheng | 2024.5.27 | Taiwan Corporate Governance Association | Corporate Governance and Securities and Exchange Act, Senior managers of listed companies' understanding of supervision by competent authorities | 6 |
| | | 2024.11.8 | Independent Director Association Taiwan | How companies use AI to improve performance and reduce costs | |
| Director | Ho, Eugene Lawrence | 2024.5.27 | Taiwan Corporate Governance Association | Corporate Governance and Securities and Exchange Act, Senior managers of listed companies' understanding of supervision by competent authorities | 6 |
| | | 2024.11.8 | Independent Director Association Taiwan | How companies use AI to improve performance and reduce costs | |
| Director | Huang, Chao-Hui | 2024.5.27 | Taiwan Corporate Governance Association | Corporate Governance and Securities and Exchange Act, Senior managers of listed companies' understanding of supervision by competent authorities | 6 |
| | | 2024.11.8 | Independent Director Association Taiwan | How companies use AI to improve performance and reduce costs | |
| Director | Ho, Chi-Chou | 2024.9.6 | Securities & Futures Institute | 2024 Promotional Conference on Prevention of Insider Trading | 6 |
| | | 2024.11.8 | Independent Director Association Taiwan | How companies use AI to improve performance and reduce costs | |
| Director | Cheng, Chih-Fa | 2024.5.10 | Securities & Futures Institute | Risks of artificial intelligence to enterprises and precautions | 9 |
| | | 2024.5.10 | Securities & Futures Institute | Economic situation and market opportunities of New Southbound countries | |
| | | 2024.5.27 | Taiwan Corporate Governance Association | Corporate Governance and Securities and Exchange Act, Senior managers of listed companies' understanding of supervision by competent authorities | |
| Independent Director | Chang, Yuan-Lung | 2024.5.10 | Securities & Futures Institute | Risks of artificial intelligence to enterprises and precautions | 12 |
| | | 2024.5.10 | Securities & Futures Institute | Economic situation and market opportunities of New Southbound countries | |
| | | 2024.8.12 | Taiwan Investor Relations Institute | Insider trading and short-term trading theory and practice | |
| | | 2024.10.8 | Taiwan CPA Association | Money laundering patterns that accountants should pay attention to and analysis of tax crime cases | |

| Title | Name | Course Date | Organizer | Course name | Course hours |
|----------------------|--------------|-------------|---|--|--------------|
| Independent Director | Tai, Ai-Fen | 2024.5.27 | Taiwan Corporate Governance Association | Corporate Governance and Securities and Exchange Act, Senior managers of listed companies' understanding of supervision by competent authorities | 6 |
| | | 2024.11.8 | Independent Director Association Taiwan | How companies use AI to improve performance and reduce costs | |
| Independent Director | Serena Huang | 2024.4.18 | Taiwan Institute of Directors | Analysis of aspects to consider when passing down wealth | 6 |
| | | 2024.11.8 | Taiwan Corporate Governance Association | How companies use AI to improve performance and reduce costs | |
| Independent Director | Rick Liu | 2024.5.27 | Taiwan Corporate Governance Association | Corporate Governance and Securities and Exchange Act, Senior managers of listed companies' understanding of supervision by competent authorities | 6 |
| | | 2024.11.8 | Independent Director Association Taiwan | How companies use AI to improve performance and reduce costs | |

(IV) Composition, duties, and operation of the Remuneration Committee and other functional committees:

1. Information of Remuneration Committee members:

| Identity Type (Note 1) | Qualifications | | Independence | Number of Other Public Companies in which the Individual is Concurrently Serving as a Remuneration Committee Member |
|---------------------------|------------------|--|---|---|
| | Name | Professional qualifications and experience | | |
| Independent Director | Chang, Yuan-Lung | <u>Education:</u> Department of Accounting, Tamkang University <u>Experiences / Current positions:</u> Accountant, Chin Cheng United Certified Public Accountants Independent Director, GSD Technologies Co., Ltd. Independent Director, Shin Zu Shing Co., Ltd. Independent Director, Johnson Fine Chemical Co., Ltd. <u>Certified Public Accountant (R.O.C.)</u> At least five years' experience in business, legal, finance, accounting or corporate business Does not meet any of the criteria described in Article 30 of the Company Act. | The three independent directors have the required qualifications set forth in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" of the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act in the two years before appointment and during the term as independent directors. All independent directors are given the power to participate in decision-making and express opinions according to Article 14-3 of the Securities and Exchange Act, and independently perform their duties on this basis. | None |
| Independent Director | Rick Liu | <u>Education:</u> Department of Accountancy, National Cheng Kung University MBA, University of Central Missouri <u>Experiences / Current positions:</u> Assistant Vice President; Human Resources, IT, and PR; China American Petrochemical Co., Ltd. Executive Consultant and President, Chinese Human Resource Management Association Perennial Consultant, 104 Corporation At least five years' experience in business, legal, finance, accounting or corporate business. Does not meet any of the criteria described in Article 30 of the Company Act. | | None |
| Independent Director | Tai, Ai-Fen | <u>Education:</u> Bachelor of Law, Department of Law, Fu Jen Catholic University Master of Law in Business Administration, National Taiwan University <u>Experiences / Current positions:</u> Managing Partner, Tai, Ai-Fen Law Firm <u>Certified Attorney (R.O.C.)</u> At least five years' experience in business, legal, finance, accounting or corporate business Does not meet any of the criteria described in Article 30 of the Company Act. | | None |

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

2. Operation of Remuneration Committee:

- (1) The total number of members in the Remuneration Committee amounts to three persons.
- (2) The term of the committee member: June 30, 2023 to June 29, 2026. In the most recent year up to the date of report, the Remuneration Committee convened 4 meetings, and the attendance of members was as follows:

| Title | Name | Attendance in person | Attendance by proxy | Actual attendance rate | Remarks |
|------------------|------------------|----------------------|---------------------|------------------------|--|
| Committee member | Rick Liu | 3 | 1 | 75% | Newly appointed on June 30, 2023 Should attend 4 meetings |
| Committee member | Chang, Yuan-Lung | 4 | 0 | 100% | Re-elected on June 30, 2023 Should attend 4 meetings |
| Committee member | Tai, Ai-Fen | 4 | 0 | 100% | Newly appointed on June 30, 2023 Should attend 4 meetings |

Note: An election of directors was held on June 30, 2023 and members of the Remuneration Committee were elected.

(3) Duties of the Remuneration Committee

The Committee shall exercise the due care of a good administrator, faithfully perform the following duties, and submit proposals to the Board of Directors for discussion.

- A. Establish and conduct regular review of the policies, systems, standards, and structures for performance evaluation and remuneration of the Company's directors and managers.
- B. Periodically evaluate and establish the remuneration of directors and managers.

(4) Important resolutions of the Remuneration Committee

| Date of meeting | Major resolutions |
|-----------------|---|
| 2024.2.27 | <ul style="list-style-type: none"> ● Proposed remuneration of the Company's new manager. ● Proposed distribution of 2023 performance bonuses. |
| 2024.8.8 | <ul style="list-style-type: none"> ● Proposed annual salary adjustment for managers. ● Proposed distribution of employee bonuses. ● Amendments to the "Regulations for Remuneration of Directors". |
| 2024.12.20 | <ul style="list-style-type: none"> ● Proposed list of employees who are concurrently directors or managers and transferred shares from the first share buyback. |
| 2025.2.25 | <ul style="list-style-type: none"> ● Proposal to distribute 2024 performance bonuses to directors and managers who are concurrently employees. ● Proposal to distribute employee bonuses and directors' remuneration in 2024. |

(5) Other notes:

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

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

3. Information on the operating status of the Sustainable Development Committee:

The Company's Sustainable Development Committee has 3 members, at least half are independent directors. Article 4 of its charter stipulates that the powers of the Sustainable Development Committee include promoting and implementing the Company's ethical corporate management and risk management. The Company convened a Sustainable Development Committee meeting on August 8, 2024 and December 20, 2024, and submitted the risk management policy to the Board of Directors for discussion on December 20, 2024, which was approved by the Board of Directors. In addition, the committee reported the progress of the GHG inventory and sustainability on February 27, 2024, May 8, 2024, August 8, 2024, and November 8, 2024, and all directors had no objection.

(1) ESG Work Plan

| Short-term goals | Mid-term goals | Long-term goals |
|--|---|---|
| 1. Establish a GHG and product carbon footprint inventory system. 2. Improve energy efficiency and set carbon reduction targets. 3. Ensure that there are no complaints regarding regulations, the environment, occupational accidents, or human rights. | 1. Continue to reduce waste. 2. Continue to improve employee satisfaction and talent retention rates. 3. Ensure that there are no complaints regarding regulations, the environment, occupational accidents, or human rights. | 1. Ensure that ESG goals are internalized into the Company's core operations. 2. All conflict mineral suppliers have obtained relevant third-party certifications. 3. Reduce the carbon footprint of key products by 15%. |

(2) Implementation status of the Sustainable Development Committee: Convened 2 meetings in 2024.

| Title | Name | Expertise | Attendance in 2024 |
|---|---------------------|--|--------------------|
| Independent Director (Convener of the committee) | Serena Huang | Chemistry, finance and management, entrepreneurship and investment, and risk management. | 2 times |
| Independent Director | Rick Liu | Professional services and marketing, finance and management, accounting, and risk management. | 1 time |
| Director | Ho, Eugene Lawrence | Metals and machinery, professional services and marketing, finance and management, entrepreneurship and investment, and risk management. | 2 times |

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

| Implementation items | Execution | | | Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons |
|--|-----------|----|---|---|
| | Yes | No | Summary description | |
| I. Has the Company established a governance structure to promote sustainable development and set up a special (part-time) unit to promote sustainable development, which is authorized by the Board of Directors to be handled by senior management and is supervised by the Board of Directors? | ✓ | | <p>The Company pays attention to the development of global trends and actively responds to customers' requests. The Company established a Sustainable Development Committee in 2022 to be responsible for the Company's sustainable development and strategy planning, further aligning with international sustainability trends as the Group's dedicated organization for implementing ESG.</p> <p>The Sustainable Development Committee's convener is Independent Director Serena Huang, who reviews the Company's core operating capabilities and formulates mid- to long-term sustainable development plans. The convener appoints executors to implement sustainable development.</p> <p>The ESG Committee serves as a cross-departmental communication platform that integrates vertically and connects horizontally to implement the blueprint for sustainable development. Through semi-annual meetings, the ESG Committee identifies sustainability issues of concern to the company's operations and stakeholders, prepares corresponding strategies and working guidelines, prepares ESG-related budgets for each organization, coordinates resources, plans and implements annual programs, and tracks the effectiveness of implementation to ensure that ESG strategies are fully implemented in the company's daily operations.</p> <p>The convener of the Sustainable Development Committee reports the implementation results of sustainable development and future work plans to the Board of Directors. The committee convened 2 meetings in 2024, and the agenda items included:</p> <ol style="list-style-type: none"> 1. The Company's 2023 Sustainability Report published in August 2024. 2. Proposal to establish the Company's risk management policy and the Task Force on Climate-related Financial Disclosures (TCFD). 3. The Company's 2025 sustainability schedule proposal. 4. Proposal to set the remuneration and ESG-related performance indicators for the Company's senior managers. <p>The Board listens to reports (including ESG reports) and evaluates strategies proposed by the management team. The Board of Directors must review the feasibility of the strategy, continuously</p> | No material deviation |

| Implementation items | Execution | | | Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons | | |
|---|-----------|----------------------------------|--|---|---------------------------------|---|
| | Yes | No | Summary description | | | |
| | | | monitor the progress of implementation, and urge adjustments when necessary to ensure the achievement of company goals. | | | |
| II. Does the Company conduct risk assessment on environmental, social and corporate governance issues related to its operations and establish relevant risk management policies or strategies in accordance with the materiality principle? | ✓ | | The reporting boundaries of the Coremax Group's Sustainability Report include the sustainable development performance of Coremax Corporation, Uranus Chemicals Co., Ltd., Heng I Chemical Company Ltd., and each plant between January 2024 and December 2024. The Sustainable Development Committee performs analysis based on the principle of materiality in the sustainability report, communicates with internal and external stakeholders, and examines domestic and overseas research reports, literature, and integrated evaluation data of each department and subsidiaries to evaluate material ESG issues. The committee established an effective risk management policy and implemented concrete action plans for effective identification, assessment, supervision, and management, in order to lower the impact of related risks. Risk management policies or strategies formulated based on the risk assessment are as follows: | No material deviation | | |
| | | | Type of risk | | Scope definition | Management approach |
| | | | Strategy and risk | | Industry and market development | 1. Regularly conduct domestic and overseas business visits to collect industry-related information to ensure that production and marketing strategies are optimal. 2. Actively follow international trends and keep abreast of the latest industry developments to formulate R&D strategies. |
| | | | | | Changes in policies and laws | 1. The Company has established related risk management procedures to stay up-to-date on changes in laws and regulations by competent authorities, and seek advice from competent authorities or external professionals when necessary. 2. Actively engage in international exchanges or participate in international conferences to ensure that the Company complies with international regulations. |
| | | Sustainable development strategy | 1. The Sustainable Development Committee convenes meetings regularly and reports sustainable development goals and progress to the Board of Directors. 2. Follow the government's sustainable development | | | |

| Implementation items | Execution | | | | Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons | |
|----------------------|-----------|----|---------------------|--|---|--|
| | Yes | No | Summary description | | | |
| | | | | | roadmap and meet the sustainable development needs of international customers. 3. Actively communicate with overseas customers to understand international sustainable development trends. | |
| | | | Financial risks | Changes in interest rates, exchange rates, and tax regulations | 1. Regularly assess financial risks, optimize capital structure and liquidity management, and establish internal data analysis and early warning systems to identify and respond to macroeconomic changes as soon as possible, and supervise operating activities in accordance with the internal control system. 2. Take advantage of natural hedging effects: The Company currently has a high percentage of exports and overseas purchases, most of which are quoted in USD, so most foreign currency can be offset by regular purchases/sales. In the future, the Company will continue to strengthen the natural hedging of foreign currency receivables, and use auxiliary tools such as derivative financial products to reduce financial risks under appropriate risk regulations. | |
| | | | | Fluctuations in raw material prices | 1. Risk management mainly focuses on main raw metal materials (cobalt and nickel), risk management meetings are regularly convened, and derivative financial product transactions are conducted based on the principle of risk avoidance. 2. Adjust production and sales strategies in a timely manner through weekly production and sales meetings, in order to effectively control raw material and finished product inventory targets. | |
| | | | Business risks | Supply chain risks | 1. Sign supply contracts with two or more suppliers for major raw materials. 2. Regularly review safety stock levels and actively monitor international logistics to reduce the risk of delays. 3. Actively seek new suppliers (domestic/foreign) for procurement. | |

| Implementation items | Execution | | | Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons |
|----------------------|-----------|----|---------------------------|--|
| | Yes | No | Summary description | |
| | | | | 4. Conduct regular supplier audits to ensure that suppliers' operations meet international standards. |
| | | | Talent and labor shortage | 1. Regularly participate in salary surveys to ensure employee salary levels. 2. Regularly hold employee communication and coordination meetings and help improve problems to increase retention rate. 3. Establish diverse recruitment channels to increase recruitment, such as: employment service stations, inter-school recruitment, internship programs, and R&D alternative military service. 4. Improve the knowledge and skills required by employees for their career development and the Company's development through internal and external training of the training system, including new employees, on-the-job training, professional competencies, job levels, general knowledge and self-development training. |
| | | | Information security risk | 1. Regularly scan network vulnerabilities and set up firewalls and screening software to reduce hacking. 2. Introduce an encryption system to encrypt confidential documents and prevent data leakage. 3. Periodic information security promotion and training 4. Regularly back up key hosts, sign contracts for backup services, and conduct disaster drills every year. |
| | | | Environmental risks | 1. Establish emergency response guidelines and evacuation plans for various disasters. 2. Establish incident reporting paths and clearly list internal and external reporting methods. 3. Periodically conduct drills and safety training. |
| | | | Human rights risk | 1. Develop and publicly commit to a human rights policy to ensure that the Company's operations comply with international human rights standards. 2. Establish complaint and disciplinary procedures to avoid |

| Implementation items | Execution | | | | Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons | |
|---|-----------|----|---|--|---|-----------------------|
| | Yes | No | Summary description | | | |
| | | | | all forms of harassment and safeguard the privacy and rights of the parties involved. 3. Regularly provide human rights education and promote complaint channels. | | |
| | | | Energy and resource shortage | 1. Regularly start generators for maintenance. 2. Start storing water in water tanks and coordinate the dispatch of water trucks to transport water. 3. Develop alternative energy and green energy. | | |
| III. Environmental Issues | | | | | | |
| (I) Does the company have an appropriate environmental management system established in accordance with its industrial character? | ✓ | | In accordance with ISO 14001, ISO 14064-1, and ISO 50001 management systems, we effectively manage energy use and improve energy efficiency, and conduct annual PDCA effectiveness evaluations of energy and environmental management to ensure the implementation of environmental policies. | | | No material deviation |
| (II) Is the Company committed to improving resource efficiency and utilizing recycled materials that have a lower impact on the environment? | ✓ | | The Company actively implements energy-saving measures, implements garbage classification and reduction and implements the policy of resource recycling and reuse. Sewage and waste liquid are processed in a centralized manner. After the metal components are extracted, they are treated to the discharging standard before discharging to the sewage treatment center of the industrial park to minimize the damage to the environment. | | | No material deviation |
| (III) Has the company assessed the potential risks and opportunities for business operations now and in the future regarding climate change and will it adopt response measures relating to climate issues? | ✓ | | Coremax Group (excluding overseas plants) has assessed the potential risks and opportunities of climate change to the Company in the present and the future by referring to relevant climate change information and the TCFD framework. Through the "CSR editorial team" at the meeting, the discussion and risk identifications are undertaken based on the Company's product characteristics, the transformation risks, and physical risks and opportunities, and the short-, medium- and long-term climate change risks and opportunities are identified based on the impact on the Company's operations and likelihood. After assessment, potential climate-related risks and opportunities of Coremax Group (excluding overseas plants) are as follows: | | | No material deviation |

| Implementation items | Execution | | | | | | Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons | | |
|----------------------|-----------|----|---------------------|------------------------------|--|--------------------------------|---|--|--|
| | Yes | No | Summary description | | | | | | |
| | | | Risks/Opportunities | Description | Assessment of risks and opportunities in different scenarios | | | | |
| | | | IEA 450 Scenario | | RCP Scenario | Implications for Coremax Group | Response | | |
| | | | Transition risks | Rising cost of raw materials | Cost increases: ++ | Cost increases: +++ | The cost of raw materials rises as the impact of climate change increases. | | 1. Find alternative raw materials. 2. Improve the production process, increase recycling rate, and reduce the purchase of raw materials. |
| | | | | Changes in customer behavior | Cost increases: +++ | Cost increases: +++ | Customers pay more attention to products that save energy and reduce carbon emissions. | | 1. Invest in improving lithium/cobalt-nickel recycling technology. 2. Improve energy efficiency and increase yield. 3. Set annual electricity consumption reduction indicators. 4. Product carbon footprint |
| | | | | | | | | | |

| Implementation items | Execution | | | | | | Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons | | |
|----------------------|-----------|----|---------------------|--|-----------------------|------------------------|--|--|--|
| | Yes | No | Summary description | | | | | | |
| | | | | | | | | inspection. | |
| | | | | Uncertainty of market information | Cost increases: ++ | Cost increases: +++ | Control technologies of low-carbon products. | 1. Stay up-to-date on trends. 2. Increase investment in R&D. | |
| | | | | | Revenue decreases: ++ | Revenue decreases: +++ | | | |
| | | | Physical risks | Average temperature rise | Cost increases: ++ | Cost increases: ++ | Indirect impacts of global warming. | 1. Replace old equipment. 2. Use renewable energy. | |
| | | | | The severity of extreme weather events, such as typhoons and floods, increases | Cost increases: ++ | Cost increases: +++ | If the drought caused by extreme weather lasts for more than a week, it will impact operations of Coremax Group. | 1. Assess areas that may be affected by flooding and take preventive measures. 2. Ensure safety stock levels and establish a human resources management system to respond to potential disasters caused by climate change. 3. Preventive education and | |
| | | | | | Revenue decreases: ++ | Revenue decreases: +++ | | | |
| | | | | | | | | | |

| Implementation items | Execution | | | | | | Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons | | |
|----------------------|-----------|----|---------------------|--|-------------------------|-------------------------|---|---|--|
| | Yes | No | Summary description | | | | | | |
| | | | | | | | | promotion raises the safety awareness of employees. | |
| | | | Opportunities | Recycling and reuse | Cost increases: ++ | Cost increases: ++ | Although the R&D process will incur certain costs, it can effectively increase the recycling rate. | | |
| | | | | | Increase in income: +++ | Increase in income: +++ | | | |
| | | | | Use more efficient production and distribution processes | Cost increases: ++ | Cost increases: ++ | Shorten delivery time and reduce carbon emissions caused by manufacturing time. | | |
| | | | | | Increase in income: + | Increase in income: + | | | |
| | | | | Reduce water usage and consumption | Cost increases: ++ | Cost increases: ++ | Due to the large amount of water used in the processes of Coremax, optimize the system to control water withdrawal and consumption. | | |
| | | | | | Increase in income: ++ | Increase in income: ++ | | | |

| Implementation items | Execution | | | | | | | Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons | | |
|---|-----------|----|---|---|---|--|---|---|--|-----------------------|
| | Yes | No | Summary description | | | | | | | |
| | | | | Participate in renewable energy projects and adopt energy-saving measures | Cost increases: ++ Increase in income: + | Cost increases: ++ Increase in income: + | Replace old equipment with energy-saving equipment. | | | |
| | | | | Use new technologies | Cost increases: +++ Increase in income: ++ | Cost increases: ++ Increase in income: ++ | Climate change leads to higher demand for low-carbon products. It is necessary to develop new technologies to keep pace with the times and meet market demands. | | | |
| | | | * Description of impact: +++High impact, ++Medium impact, +Low impact From the analysis above, Coremax is bound to develop more low-carbon products and services that are faster and increase recycling rates under the impact of transition risks and physical risks. | | | | | | | |
| (IV) Has the company calculated the greenhouse gas emissions, water consumption, and total weight of waste in the past 2 years. It formulated policies on greenhouse gas reduction, water consumption, or other waste management? | ✓ | | ◎ GHG emission volume To fulfill its responsibilities as a global citizen and corporate social responsibility, Coremax Group is committed to implementing energy conservation and carbon reduction to strengthen GHG management, and also implemented ISO 14064-1 GHG inventory standard. The Consolidated Entity (excluding overseas plants) mainly uses gasoline, diesel, liquefied petroleum gas, heavy oil, natural gas, purchased steam and electricity for energy, in which the majority is electricity. The GHG emissions of the Consolidated Entity (excluding overseas plants) in the past two years is as | | | | | | | No material deviation |

| Implementation items | Execution | | | | Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons | | |
|---|-----------|----|---|--|---|-----------|-----------|
| | Yes | No | Summary description | | | | |
| | | | follows: | | | | |
| | | | Type | Unit | | 2023 | 2024 |
| | | | Gasoline | Tons of CO ₂ e | | 23.07 | 29.02 |
| | | | Diesel | Tons of CO ₂ e | | 400.88 | 430.85 |
| | | | LPG | Tons of CO ₂ e | | 860.45 | 2030.11 |
| | | | Heavy oil | Tons of CO ₂ e | | 1,269.35 | 1,192.80 |
| | | | Natural Gas | Tons of CO ₂ e | | 4,313.20 | 6,796.62 |
| | | | Purchased steam | Tons of CO ₂ e | | 631.08 | 1993.53 |
| | | | Electricity | Tons of CO ₂ e | | 16,264.22 | 16,104.07 |
| | | | Scope 1 | Tons of CO ₂ e | | 6,866.95 | 8,568.40 |
| | | | Scope 2 | Tons of CO ₂ e | | 16,895.30 | 16,186.60 |
| | | | Total emission= Scope 1 + Scope 2 | Tons of CO ₂ e | | 23,762.25 | 24,755.00 |
| | | | Consolidated revenue - Excluding overseas plants | in NT\$1 million | | 4,745.11 | 3,655.02 |
| | | | GHG emission intensity (Total emissions/consolidated revenue - excluding overseas plants) | Metric tons CO ₂ e/NT\$ 1 million | | 5.01 | 6.77 |
| | | | Note: The GHG emissions in 2023 was originally Coremax Corporation's standalone data, but was revised to the consolidated data of Coremax Group (excluding overseas plants). | | | | |
| | | | ◎ Water resource management plays a key role in the Company's sustainable development, so ISO14046 water footprint of products was implemented. The Company actively conducts water consumption surveys, improvement assessments and water-saving plans, and launch more water-saving measures. | | | | |
| In 2024, the total water withdrawal of the Consolidated Entity (excluding overseas plants) was 464.32 million liters, and water use intensity was 0.078 million liters/NT\$1 million. The total discharge in 2024 was 177.44 million liters, down 7.61% compared to 2023. | | | | | | | |
| The water consumption of the Consolidated Entity (excluding overseas plants) in the past two years is | | | | | | | |

| Implementation items | Execution | | | | Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons | |
|----------------------|-----------|----|--|------------------------------|---|----------|
| | Yes | No | Summary description | | | |
| | | | as follows: | | | |
| | | | Item | Unit | 2023 | 2024 |
| | | | Water withdrawal | Million liters | 422.84 | 464.32 |
| | | | Water discharge | Million liters | 192.05 | 177.44 |
| | | | Water consumption | Million liters | 230.79 | 286.88 |
| | | | Consolidated revenue - Excluding overseas plants | in NT\$1 million | 4,745.11 | 3,655.02 |
| | | | Water use intensity (Water consumption/consolidated revenue - excluding overseas plants) | Million liters/NT\$1 million | 0.049 | 0.078 |
| | | | Note: The water consumption information for 2023 was originally Coremax Corporation's standalone data, but was revised to the consolidated data of Coremax Group (excluding overseas plants). | | | |
| | | | ◎ Waste Management | | | |
| | | | The Company obtained the ISO 14001 Environmental Management Systems certification in 2024, complies with the environmental protection regulations of the competent authority for waste disposal, mainly through outsourcing transportation, and signs contracts with qualified waste clearance and treatment companies meeting the requirements of relevant laws and regulations, while ensuring that contractors properly handle each type of waste in accordance with the law. | | | |
| | | | The waste output by the Consolidated Entity (excluding overseas plants) in the past two years is as follows: | | | |

| Implementation items | Execution | | | | Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons | | |
|----------------------|-----------|----|---|------------------------------|---|-----------|-----------|
| | Yes | No | Summary description | | | | |
| | | | | | | | |
| | | | Item | Unit | | 2023 | 2024 |
| | | | Hazardous waste | tons | | 69.56 | 311.69 |
| | | | Non-hazardous waste | tons | | 1,398.36 | 1,580.02 |
| | | | Total weight | tons | | 1,467.92 | 1,891.71 |
| | | | Consolidated revenue - Excluding overseas plants | in NT\$1 million | | 4,745.11 | 3,655.02 |
| | | | Waste intensity (Total waste/consolidated revenue - excluding overseas plants) | Metric tons/NT\$1 million | | 0.31 | 0.52 |
| | | | Note: The waste output information for 2023 was originally Coremax Corporation's standalone data, but was revised to the consolidated data of Coremax Group (excluding overseas plants). Coremax Group presents objective data on its expenses for environmental protection and health, energy conservation, carbon reduction, and greening activities. These expenses are mainly focused on conducting operating environment inspections and the operation and maintenance of pollution control equipment. The environmental protection expenses of the Consolidated Entity (excluding overseas plants) in the past two years is as follows: | | | | |
| | | | Item | Unit | | 2023 | 2024 |
| | | | Air Pollution Control Expenses | NT\$ thousand | | 9.74 | 20.30 |
| | | | Water Pollution Control Expenses | NT\$ thousand | | 728.25 | 3,460.25 |
| | | | Waste treatment expenses | NT\$ thousand | | 12,210.49 | 20,980.67 |
| | | | Soil and groundwater protection and remediation expenses | NT\$ thousand | | 973.33 | 950.71 |
| | | | Total | NT\$ thousand | | 13,921.81 | 25,411.93 |
| | | | Note: The environmental protection expenses in 2023 was originally Coremax Corporation's standalone data, but was revised to the consolidated data of Coremax Group (excluding overseas plants). Coremax Group (excluding overseas plants) completed statistics and inventories of GHG emissions, water consumption, and total weight of waste for the past two years to gain an understanding of | | | | |

| Implementation items | Execution | | | Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons |
|---|-----------|----|--|---|
| | Yes | No | Summary description | |
| | | | <p>resource use and environmental impacts during operations. Although there is currently no clear policy on GHG reduction, water conservation, or waste management, the Company has actively taken a number of related measures to show the importance it attaches to environmental sustainability. Specific measures include:</p> <ol style="list-style-type: none"> 1. Energy management: Install solar panels and cogeneration facilities in plants, actively introducing renewable energy to reduce dependence on traditional energy and carbon emissions. 2. Water management: Implement a process water recycling and reuse system to effectively improve water resource use efficiency. 3. Waste management: Optimize the production process to reduce the loss of raw materials from the source, ensure that general and hazardous waste are legally treated by qualified treatment plants in compliance with environmental regulations. <p>In the future, the Company will further formulate a systematic environmental management policy based on the existing foundation, set specific goals, and gradually implement them to strengthen its commitment and practice of sustainable development.</p> | |
| IV. Social Issues | | | | |
| (I) Does the company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights? | ✓ | | The Company strictly abides by the International Labor Office Tripartite Declaration of Principles, OECD Guidelines for Multinational Enterprises, Universal Declaration of Human Rights, and UN Declaration on the Rights of Indigenous Peoples, and established human rights protection and labor policies accordingly. The Company values the opinions of employees, protects the rights and interests of employees, is committed to improving working conditions and working environment, provides employee channels for suggestions and complaints, and holds regular employee-employer meetings to strengthen employee-employer collaboration. | No material deviation |
| (II) Has the company established and implemented reasonable measures for employee benefits (including remuneration, holidays, and other benefits) and adequately reflect the business performance or achievements in employee remuneration? | ✓ | | The salary assessment of the Company is based on educational qualifications and relevant experience, and is superior to the wage standard of the "Labor Standards Act." The salary per capita in December 2024 was higher than the average salary in Taiwan reported by the Directorate General of Budget, Accounting and Statistics (DGBAS). Currently, the starting salary of direct personnel is more than 1.33 times the average salary, and higher than the salary level of the industry. The employees are also entitled to monthly performance incentives, surplus distribution, and year-end bonuses. The average annual salary of 2024 is 14 to 16 months. The floating incentives, such as employee performance incentives, | No material deviation |

| Implementation items | Execution | | | Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons |
|--|-----------|----|---|---|
| | Yes | No | Summary description | |
| | | | bonuses, and year-end bonuses are distributed be based on the employee's personal contribution, key performance indicator (KPI) achievement rate, and performance appraisal results. | |
| (III) Does the company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly? | ✓ | | The Company is committed to providing a safe and healthy working environment for its employees, and actively promotes regular safety and health education to ensure employee well-being and workplace safety. To achieve this goal, the Company has implemented ISO 45001 Occupational Safety and Health Management Systems and ISO 14001 Environmental Management Systems, and appointed dedicated environmental safety personnel to systematically implement safety and health management. | No material deviation |
| (IV) Does the company establish effective training programs for employee's career development? | ✓ | | The Company has a complete internal promotion system and training programs that provide diverse opportunities for learning and growth. | No material deviation |
| (V) Has the company complied with laws and international standards with respect to customers' health, safety, and privacy, and marketing and labeling in all products and services offered, and implemented consumer or customer protection policies and complaint procedures? | ✓ | | The Company attaches great importance to customers' opinions, and is committed to establishing a transparent and smooth communication mechanism. The Company set up a stakeholders section on its official website to provide feedback channels and dedicated contact persons. In addition, there is also a product inquiry hotline and customer service mailbox to ensure that customers can quickly receive assistance. To better understand customer needs, in addition to visiting customers, we collect market feedback through distributor meetings, regularly conduct customer satisfaction surveys, and continue to optimize services and products to ensure maximum protection of customer rights. | No material deviation |
| (VI) Has the company established supplier management policies demanding compliance with relevant regulations and their execution status regarding issues such as environmental, occupational safety, and health or labor rights? | ✓ | | The Company has established "Supplier Management Procedures" and "Supplier Social Responsibility and Code of Conduct," disclosed on the Company's website, to enable suppliers to understand and comply with the Company's product safety and ethical requirements, and to enhance their social and environmental responsibility, including requirements for suppliers' ethical standards, respect for human rights, environmental sustainability, privacy and intellectual property rights, healthy and safe working environment; other than requiring suppliers to cooperate closely, the suppliers are also regularly evaluated. When the Company purchases goods, it also needs to comply with the environmental laws and regulations of the country where it is located, and industry regulations such as the source of conflict minerals. | No material deviation |
| V. Has the company taken reference from | ✓ | | The Company compiles its sustainability reports in accordance with the general standards, industry | No material |

| Implementation items | Execution | | | Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons |
|--|-----------|----|--|---|
| | Yes | No | Summary description | |
| international reporting standards or guidelines when compiling sustainability reports and other reports that disclose non-financial information? Does the Company obtain the confirmation or affirmation opinion from a third party for the aforementioned reports? | | | standards, and theme-based standards (collectively referred to as "GRI Standards") announced by the Global Reporting Initiative (GRI) combined with indicators of the Sustainability Accounting Standards Board (SASB), in order to ensure transparent and complete information and show its commitment to sustainable development. CPA Yu, Chi-Lung from KPMG issued an assurance report for the Sustainability Report. | deviation |
| VI. If the company has established Sustainable Development Best Practice Principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies," describe any discrepancy between the principles and their implementation: There is no material deviation between the current operation and the Best Practice Principles. | | | | |
| VII. Other important information to facilitate a better understanding of the Company's implementation of sustainable development: For sustainable development operations of the Consolidated Entity, please refer to the Company's website (https://www.coremaxcorp.com/zh-tw/) for corporate sustainability related information, such as: annual sustainability report, responsible mineral management report, and stakeholders. | | | | |

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

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

| Assessment criteria | Actual governance | | | Nonconformity to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and reasons thereof |
|--|-------------------|----|--|--|
| | Yes | No | Summary description | |
| evaluating and amending the aforementioned policies on a regular basis? | | | Company's personnel should pay attention to when conducting business. Promotional courses are arranged for new employees. Meetings and training for employees are conducted from time to time every year. In addition, a reward and punishment system is established to provide internal and external complaints and whistle-blowing channels to prevent unethical conduct rigorously. | |
| II. Implementation of ethical management | | | | |
| (I) Does the Company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners? | ✓ | | The rights and obligations of the Company and its counterparts are stipulated in the contract to be fully complied with. | No material deviation |
| (II) Does the Company task a unit that reports directly to the Board of Directors and with promoting ethical standards, making periodical updates (at least once a year) to the Board on business integrity management policy, as well as the supervision of measures for prevention of unethical conduct? | ✓ | | The Company has established the "Ethical Corporate Management Best Practice Principles," and the Audit Office is responsible for formulating and supervising the implementation of ethical management policy and prevention programs, with regular reports to the Board of Directors. | No material deviation |
| (III) Does the Company have any policy that prevents conflict of interest and channels that facilitate the report of conflicting interests? | ✓ | | The Company has an "Employee's Code" specifying that all employees shall not receive benefits of more than NT\$100. It prohibits the Company's to have transactions or business relations with employees and their relatives, to prevent employees from earning personal interests on the cost of the Company's interests. | No material deviation |
| (IV) Has the Company implemented effective accounting and internal control systems to maintain business integrity? Do internal or external auditors review these systems on a regular basis? | ✓ | | To ensure the implementation of ethical management, the Company has established an effective accounting system and internal control system, and internal auditors regularly audit the compliance with the previous system. | No material deviation |

| Assessment criteria | Actual governance | | | Nonconformity to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and reasons thereof |
|--|-------------------|----|--|--|
| | Yes | No | Summary description | |
| (V) Does the Company conduct internal and external ethical training programs on a regular basis? | ✓ | | The Company promotes the concept of ethical management and its importance from time to time. | No material deviation |
| III. Implementation of whistle-blowing system (I) Does the Company provide incentives and means for Employees to report malpractice? Does the Company dedicate personnel to investigate the reported malpractice? | ✓ | | <p>The Company has established "Complaint and Whistleblowing Regulations" and set up an employee opinion mailbox: CMX.Communication@coremaxcorp.com; External reporting mailbox: related_party@coremaxcorp.com, which can be used by employees or outsiders to file complaints or reports regarding illegal or improper measures or decisions that may damage their rights and interests, or regarding violations of the Work Rules, Code of Ethical Conduct, or Ethical Corporate Management Best Practice Principles. If the complaint/report is found to be true after investigation, if the individual found in violation is an employee, he/she will be dealt with in accordance with regulations of the Company. Any violation of the law will be handled in accordance with the law.</p> <p>As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, the Company will grant a reward depending on the seriousness of the circumstance concerned. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.</p> <p>The Company is committed to protecting whistleblowers from being improperly punished due to whistleblowing, and the Company's dedicated unit will handle the case according to the following procedures:</p> <p>1. The case shall be reported to the department head if it involves the rank</p> | No material deviation |

| Assessment criteria | Actual governance | | | Nonconformity to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and reasons thereof |
|---------------------|-------------------|----|--|--|
| | Yes | No | Summary description | |
| | | | <p>and file and to an independent director if it involves a director or a senior manager.</p> <p>2. The responsible unit of the Company and the head or personnel receiving the report mentioned in the preceding subparagraph shall immediately verify the facts. Where necessary, the assistance of the legal compliance or other related department shall be provided.</p> <p>3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.</p> <p>4. Documentation of case acceptance, investigation processes, and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.</p> <p>5. With respect to confirmed information, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.</p> <p>6. The responsible unit of the Company shall submit to the Board of Directors a report on the whistleblowing case, actions taken, and subsequent review and corrective measures.</p> | |

| Assessment criteria | Actual governance | | | Nonconformity to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and reasons thereof |
|--|-------------------|----|---|--|
| | Yes | No | Summary description | |
| (II) Has the Company implemented any standard procedures or confidentiality measures for handling reported malpractices? | ✓ | | The Company has established the Corporate Governance Best-Practice Principles, and operates as required. | No material deviation |
| (III) Does the Company assure malpractice reporters that they will not be mistreated for making such reports? | ✓ | | The Company encourage whistleblowing, and will protect the whistleblower. | No material deviation |
| IV. Enhanced information disclosure Has the company disclosed relevant CSR principles and implementation on its website and Market Observation Post System? | ✓ | | The related corporate culture, operating guidelines, and implementation status are disclosed on the Company's website, MOPS, annual reports, and CSR reports. | No material deviation |
| V. If the Company has established business integrity policies in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies," please describe its current practices and any deviations from the Best Practice Principles. There is no material deviation between the current operation and the Best Practice Principles. | | | | |
| VI. Other material information that helps to understand the practice of ethical management of the company: (e.g., the review and revision of the best-practice principles of the Company in ethical management) None. | | | | |

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

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

Related regulations are disclosed in the annual report and handbook; both are available on the MOPS: <http://mops.twse.com.tw>.

(VIII) Internal Control Systems Implementation:

1. Statement on Internal Control

Please refer to announcements on the MOPS: Market Observation Post System → Material Information → Advanced Search → Internal Control Statement Announcement.

The Annual Report is available at:

<https://mopsov.twse.com.tw/nas/cont06/c4739113011140313.pdf>.

2. If the company engages an accountant to examine its internal control system, disclose the CPA examination report: None.

(IX) Important resolutions adopted in shareholders meetings and board of directors meetings in the past year and up to the date of report:

1. Key resolutions of 2024 AGM and implementation

| Date of meeting | Major resolutions | Execution |
|-----------------|---|---------------------|
| 2024.5.27 | Proposals and Discussion: (1) 2023 Business Report and Financial Statements. (2) To approve the FY2023 earnings distribution. Discussion Matters: (1) Distribution of cash dividends from capital surplus. (2) Amendment to the Company's Procedures for Endorsement and Guarantees. | Passed as proposed. |

2. Material resolutions in Board Meeting:

| Date of meeting | Major resolutions |
|-----------------|---|
| 2024.2.27 | <ul style="list-style-type: none">● Proposal for the appointment and remuneration of the Company's new manager.● The Company's performance bonuses for managers in 2023.● Proposal to relieve managerial officers from non-competition restriction.● The Company's 2023 Assessment of the Effectiveness of the Internal Control System and the Statement of Internal Control System.● The Company's 2023 business report, standalone financial statements, and consolidated financial statements.● The Company's proposed distribution of 2023 earnings. |

| Date of meeting | Major resolutions |
|-----------------|---|
| | <ul style="list-style-type: none"> ● Distribution of cash dividends from capital surplus. ● Cooperate with the change of attesting CPAs as required by the internal adjustment of KPMG. ● Evaluation of the independence and suitability of the appointed CPAs from KPMG. ● Amendments to the general principles of the Company's pre-approval policy of non-assurance services. ● The audit fees for CPA appointment. ● Proposal for the Company's new lease of an administrative building from Uranus Chemicals. ● Amendment to the Company's Procedures for Endorsement and Guarantees. ● The Company's invested sub-subsidiary loaning of funds to a sub-subsidiary. ● The Company's invested sub-subsidiary loaning of funds to a sub-subsidiary. ● Discuss the date and venue, the period for accepting proposals from shareholders holding more than 1% of the shares, the acceptance location, and the discussion contents of the Company's 2024 annual shareholders' meeting. ● The extension of the Company's limits with banks. |
| 2024.5.8 | <ul style="list-style-type: none"> ● Consolidated financial reports for 2024 Q1. ● Proposal to amend the Company's Rules of Procedure for Board of Directors Meetings. ● Amendments to the Company's "Regulations Governing the Organization of the Audit Committee". ● Construction of new plant by the Company's subsidiary "VinaCoreMax Company Limited". ● Proposal to recommend securities firms to subscribe for shares of Uranus Chemicals Co., Ltd. ● The Company's endorsements/guarantees to subsidiary COREMAX (BVI) CORPORATION. ● The extension of the bank limits of subsidiary COREMAX (BVI) CORPORATION. ● The extension of the Company's limits with banks. |
| 2024.8.8 | <ul style="list-style-type: none"> ● The proposed salary raises for the manager of the Company. ● Proposal for 2023 employee bonuses for the Company's managers. ● Amendments to the "Regulations for Remuneration of Directors". ● The Company's 2023 Sustainability Report published in August 2024. ● Consolidated Report reports for 2024 Q2. ● Proposal for the Company to provide endorsement and guarantee for the credit facility application of the Company's subsidiary "VinaCoreMax Company Limited". ● The extension of the Company's limits with banks. |
| 2024.11.8 | <ul style="list-style-type: none"> ● Proposal for establishing the Company's 2025 internal audit plan. ● Consolidated financial reports for 2024 Q3. ● Proposal for the Company acquired leased assets from related parties. ● Proposal for the Company to sign land reservation agreement on behalf of subsidiary that has not yet been established. ● Proposal for the Company to sign land reservation agreement on behalf of subsidiary that has not yet been established. |

| Date of meeting | Major resolutions |
|-----------------|--|
| | <ul style="list-style-type: none"> ● The Company's invested subsidiary loaning of funds to a sub-subsubsidiary. ● Proposal to establish the Company's Regulations Governing Financial and Business Transactions Between Related Parties. ● Proposal to establish the Company's "Sustainability Information Management Regulations." |
| 2024.12.20 | <ul style="list-style-type: none"> ● Proposal to establish the Company's risk management policy and the Task Force on Climate-related Financial Disclosures (TCFD). ● The Company's 2025 sustainability schedule proposal. ● Proposal to set the remuneration and ESG-related performance indicators for the Company's senior managers. ● Proposal to buyback the Company's shares for transfer to employees the first time. ● The Company's operating plan (budget) for FY2025. ● The extension of the Company's limits with banks. |
| 2025.2.25 | <ul style="list-style-type: none"> ● Proposal to distribute 2024 performance bonuses to directors and managers who are concurrently employees of the Company. ● Proposal to distribute employee bonuses and directors' remuneration for 2024. ● The Company's 2024 Assessment of the Effectiveness of the Internal Control System and the Statement of Internal Control System. ● The Company's 2024 business report, standalone financial statements, and consolidated financial statements ● Proposed distribution of the Company's 2024 earnings. ● Evaluation of the independence and suitability of the appointed CPAs from KPMG. ● Amendments to the general principles of the Company's pre-approval policy of non-assurance services. ● The audit fees for CPA appointment. ● Proposal to change the representative for signing contracts with related parties to an independent director. ● Amendments to the Company's Articles of Incorporation. ● Proposal to revise the Company's internal control system. ● Proposal to increase the budget of the Company's subsidiary Vietnam "VinaCoreMax Company Limited". ● Proposal to revise the "Approval Authority Chart" of the Company's subsidiary in Vietnam "VinaCoreMax Company Limited". ● The date and venue, the period for accepting proposals from shareholders holding more than 1% of the shares, the acceptance location, and the contests discussed in the Company's 2025 annual shareholders' meeting. ● The extension of the Company's limits with banks. |

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

IV. Information on fees to the certified public accountants (CPAs)

(I) CPA's professional service fees

Unit: NT\$ (thousand)

| Accounting firm | Name of CPA | Audit fee | Non-audit fee | | | | Total | Period covered by the CPA's audit | Remarks |
|-----------------|---------------------------------|-----------|---------------|-----------------------|-----------------|----------|-------|-----------------------------------|---------|
| | | | System design | Business registration | Others | Subtotal | | | |
| KPMG in Taiwan | Chen, Pei-Chi Hsu, Ming-Fang | 3,570 | - | - | 950 (Note 1) | 950 | 4,520 | Q1-Q4 2024 | - |

Note 1: Non-audit fee services include ESG assurance services of NT\$450 thousand, transfer pricing reports of NT\$450 thousand, and review fees of the salary information checklist for full-time employees who are not in managerial positions of NT\$50 thousand.

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

(III) Reduction of audit fees by more than 10% compared to the previous year, and disclosure for the amount and percentage reduced, and the reason for the reduction: None.

V. Change in attesting CPA(s):

(I) About the former CPA

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

(II) About the successor CPA

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

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

VI. Names, positions and tenure of any of the Company's Chairman, General Manager, or managerial officers responsible for financial or accounting affairs being employed by the auditor's firm or any of its affiliated company in the most recent year should be disclosed: None.

VII. For the most recent year until the publication date of the annual report, the transfer of equity interest and change in stock pledge of directors, supervisors, managerial officers and shareholders with stake of 10% or more

(I) Changes of equity

Please refer to the MOPS: Market Observation Post System → Summaries → Equity Change/Securities Issuance → Shareholding/Pledge/Transfer of Directors, Supervisors and Major Shareholders.

The Annual Report is available at: <https://mops.twse.com.tw>.

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

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

**VIII.Shareholding ratio of top 10 shareholders and their affiliated persons,
spouses, or other relatives within two degrees of kinship**

Date: March 30, 2025; Unit: Share; %

| Name | Shareholding | | Shareholdings of spouse and minor child(ren) | | Shareholding under other person(s) | | Top 10 Shareholders and Their Affiliated Persons, Spouses, or Other Relatives within Two Degrees of Kinship | | Remarks |
|---|------------------|----------------------------|--|----------------------------|------------------------------------|----------------------------|---|---|---------|
| | Number of Shares | Percentage of shareholding | Number of Shares | Percentage of shareholding | Number of Shares | Percentage of shareholding | Name | Relationship | |
| Chang Sing Investment Co., Ltd. | 14,977,609 | 12.58 | - | - | - | - | - | - | None |
| Representative: Ho, Chi-Cheng | 984,966 | 0.83 | - | - | - | - | Cheng Jade Enterprise Co., Ltd. | Chairman Same person | None |
| | | | | | | | Uranus Chemicals | Chairman Same person | |
| | | | | | | | Ho, Chi-Cheng | Chairman | |
| Cheng Jade Enterprise Co., Ltd. | 14,455,940 | 12.14 | - | - | - | - | - | - | None |
| Representative: Ho, Chi-Cheng | 984,966 | 0.83 | - | - | - | - | Chang Sing Investment Co., Ltd. | Chairman Same person | None |
| | | | | | | | Uranus Chemicals | Chairman Same person | |
| | | | | | | | Ho, Chi-Cheng | Chairman | |
| Dedicated account of the Employee Stock Ownership Committee of Coremax Corporation under the custody of CTBC Bank | 1,045,000 | 0.88 | - | - | - | - | - | - | None |
| Fu-Yu Private Equity Limited Partnership | 1,000,000 | 0.84 | - | - | - | - | - | - | None |
| Representative: Grand Fortune Venture Capital Corporation | - | - | - | - | - | - | - | - | None |
| Ho, Chi-Cheng | 984,966 | 0.83 | - | - | - | - | Ho, Mei-Fang | 2nd degree of kinship | None |
| | | | | | | | Ho, Chi-Chou | 2nd degree of kinship | |
| Ho, Mei-Fang | 875,979 | 0.74 | - | - | - | - | Cheng Jade Enterprise Co., Ltd. | Shareholders holding 10% or more shares | None |
| | | | | | | | Ho, Chi-Cheng | 2nd degree of kinship | |
| | | | | | | | Ho, Chi-Chou | 2nd degree of kinship | |
| Liu, Jo-Wen | 674,570 | 0.57 | - | - | - | - | - | - | None |
| Uranus Chemicals Co., Ltd. | 673,495 | 0.57 | - | - | - | - | - | - | None |

| Name | Shareholding | | Shareholdings of spouse and minor child(ren) | | Shareholding under other person(s) | | Top 10 Shareholders and Their Affiliated Persons, Spouses, or Other Relatives within Two Degrees of Kinship | | Remarks |
|-------------------------------|------------------|----------------------------|--|----------------------------|------------------------------------|----------------------------|---|---|---------|
| | Number of Shares | Percentage of shareholding | Number of Shares | Percentage of shareholding | Number of Shares | Percentage of shareholding | Name | Relationship | |
| Representative: Ho, Chi-Cheng | 984,966 | 0.83 | - | - | - | - | Chang Sing Investment Co., Ltd. | Chairman Same person | None |
| | | | | | | | Cheng Jade Enterprise Co., Ltd. | Chairman Same person | |
| | | | | | | | Ho, Chi-Cheng | Chairman | |
| Hsu, I-Min | 665,000 | 0.56 | - | - | - | - | - | - | None |
| Ho, Chi-Chou | 663,644 | 0.56 | - | - | - | - | Cheng Jade Enterprise Co., Ltd. | Shareholders holding 10% or more shares | None |
| | | | | | | | Ho, Chi-Cheng | 2nd degree of kinship | |
| | | | | | | | Ho, Mei-Fang | 2nd degree of kinship | |

IX. Number of shares and consolidated shareholding percentage of investee company held by the Company, directors, supervisors, and managerial officers of the Company, and entities in which the Company has direct or indirect controlling interests

Total Shareholding

March 30, 2025; Unit: thousand shares

| Investees | Invested by the Company | | Held by Directors, Supervisors, managerial officers, and directly/indirectly controlled entities | | Aggregated investment | |
|--|-------------------------|----------------------------|--|----------------------------|-----------------------|----------------------------|
| | Number of Shares | Percentage of shareholding | Number of Shares | Percentage of shareholding | Number of Shares | Percentage of shareholding |
| Coremax (BVI) Corporation | 9,658 | 100.00% | — | — | 9,658 | 100.00% |
| Heng I Chemical Co., Ltd. | 41,058 | 82.44% | 727 | 1.46% | 41,785 | 83.90% |
| Uranus Chemicals Co., Ltd. (Note 1) | 43,266 | 65.18% | 2,158 | 3.25% | 45,424 | 68.44% |
| Coremax Ningbo Chemical Co., Ltd. | (Note 3) | 100.00% | — | — | (Note 3) | 100.00% |
| Coremax (Thailand) Co., Ltd. | 70 | 100.00% | — | — | 70 | 100.00% |
| Coremax (Zhangzhou) Chemical Co., Ltd. | (Note 3) | 100.00% (Note 2) | — | — | (Note 3) | 100.00% |
| Jiangxi Tianjiang Materials Limited | (Note 3) | 100.00% | — | — | (Note 3) | 100.00% |
| VinaCoreMax Company Ltd. | (Note 3) | 100.00% | — | — | (Note 3) | 100.00% |

Note 1: The overall shareholding ratio of Uranus Chemicals Co., Ltd. is calculated based on the information disclosed on the book closure date on March 24, 2025.

Note 2: Coremax (Zhangzhou) Chemical Co., Ltd. is jointly held by Coremax (BVI) Corporation (82%) and Coremax Ningbo Chemical Co., Ltd. (18%), with a total shareholding ratio of 100%.

Note 3: The company is a limited liability company, so there are no shares.

C. Fundraising

I. Company Capital and Shares

(I) Source of Share Capital

1. Share capital formation

Unit: NT\$ (thousand); thousand shares

| Year/ Month | Issuance price (NT\$) | Authorized capital | | Paid-in capital | | Remarks | | |
|----------------|-----------------------------|---|------------------------------|---|------------------------------|--|---|---------|
| | | Number of Shares (thousand shares) | Amount (NT\$ thousand) | Number of Shares (thousand shares) | Amount (NT\$ thousand) | Source of Share Capital | Property other than cash provided as capital contributions | Others |
| 1992/06 | 10 | 2,000 | 20,000 | 500 | 5,000 | Capital increase by cash | None | Note 1 |
| 1992/09 | 10 | 2,500 | 25,000 | 2,500 | 25,000 | Capital increase by cash | None | Note 2 |
| 1993/01 | 10 | 5,000 | 50,000 | 5,000 | 50,000 | Capital increase by cash | None | Note 3 |
| 1995/02 | 10 | 8,000 | 80,000 | 8,000 | 80,000 | Capital increase by cash | None | Note 4 |
| 2000/12 | 10 | 11,000 | 110,000 | 11,000 | 110,000 | Capital increase by cash | None | Note 5 |
| 2001/10 | 10 | 15,000 | 150,000 | 12,680 | 126,800 | Capital increase by cash | None | Note 6 |
| 2001/10 | 10 | 15,000 | 150,000 | 14,000 | 140,000 | Surplus transferred to a capital increase | None | Note 6 |
| 2003/05 | 10 | 20,000 | 200,000 | 16,800 | 168,000 | Surplus transferred to a capital increase | None | Note 7 |
| 2004/06 | 10 | 21,840 | 218,400 | 21,840 | 218,400 | Surplus transferred to a capital increase | None | Note 8 |
| 2004/12 | 15 | 26,840 | 268,400 | 26,840 | 268,400 | Capital increase by cash | None | Note 9 |
| 2005/07 | 10 | 48,000 | 480,000 | 32,458 | 324,580 | Surplus and employees' bonus transferred to a capital increase | None | Note 10 |
| 2007/07 | 10 | 48,000 | 480,000 | 34,081 | 340,809 | Surplus transferred to a capital increase | None | Note 11 |
| 2008/07 | 10 | 48,000 | 480,000 | 36,666 | 366,666 | Surplus and employees' bonus transferred to a capital increase | None | Note 12 |
| 2009/09 | 10 | 48,000 | 480,000 | 38,499 | 384,999 | Surplus transferred to a capital increase | None | Note 13 |
| 2010/05 | 25 | 48,000 | 480,000 | 41,499 | 414,999 | Capital increase by cash | None | Note 14 |
| 2011/07 | 33.99 | 48,000 | 480,000 | 44,499 | 444,999 | Capital increased by cash via private placement | None | Note 15 |
| 2011/12 | 23 | 60,000 | 600,000 | 48,629 | 486,299 | Capital increase by cash | None | Note 16 |
| 2012/09 | — | 120,000 | 1,200,000 | 48,629 | 486,299 | Corporate bonds | None | Note 17 |
| 2013/10 | 10 | 120,000 | 1,200,000 | 51,061 | 510,614 | Capital surplus transferred to a capital increase | None | Note 18 |
| 2014/05 | 19.40 | 120,000 | 1,200,000 | 51,417 | 514,171 | Shares converted from corporate bond | None | Note 19 |
| 2014/08 | 19.10 | 120,000 | 1,200,000 | 51,458 | 514,583 | Shares converted from corporate bond | None | Note 20 |
| 2014/12 | 19.10 | 120,000 | 1,200,000 | 58,421 | 584,216 | Shares converted from corporate bond | None | Note 21 |
| 2015/04 | 19.10 | 120,000 | 1,200,000 | 61,636 | 616,363 | Shares converted from corporate bond | None | Note 22 |
| 2015/05 | 18.80 | 120,000 | 1,200,000 | 68,437 | 684,373 | Shares converted from corporate bond | None | Note 23 |
| 2015/08 | 18.80 | 120,000 | 1,200,000 | 70,264 | 702,646 | Shares converted from corporate bond | None | Note 24 |
| 2016/02 | 18.80 | 120,000 | 1,200,000 | 73,964 | 739,644 | Issuance of new shares for conversion | None | Note 25 |
| 2016/05 | 18.20 | 120,000 | 1,200,000 | 74,645 | 746,453 | Shares converted from corporate bond | None | Note 26 |
| 2016/09 | 18.20 | 120,000 | 1,200,000 | 75,714 | 757,144 | Shares converted from corporate bond | None | Note 27 |

| Year/ Month | Issuance price (NT\$) | Authorized capital | | Paid-in capital | | Remarks | | |
|----------------|-----------------------------|---|------------------------------|---|------------------------------|--------------------------------------|---|---------|
| | | Number of Shares (thousand shares) | Amount (NT\$ thousand) | Number of Shares (thousand shares) | Amount (NT\$ thousand) | Source of Share Capital | Property other than cash provided as capital contributions | Others |
| 2016/11 | 18.20 | 120,000 | 1,200,000 | 75,725 | 757,254 | Shares converted from corporate bond | None | Note 28 |
| 2017/08 | 53.10 | 120,000 | 1,200,000 | 75,797 | 757,977 | Shares converted from corporate bond | None | Note 29 |
| 2017/11 | 53.10 | 120,000 | 1,200,000 | 86,123 | 861,234 | Shares converted from corporate bond | None | Note 30 |
| 2018/04 | 53.10 | 120,000 | 1,200,000 | 86,473 | 864,737 | Shares converted from corporate bond | None | Note 31 |
| 2018/05 | 53.10 | 120,000 | 1,200,000 | 86,626 | 866,262 | Shares converted from corporate bond | None | Note 32 |
| 2018/08 | 53.10 | 120,000 | 1,200,000 | 86,747 | 867,467 | Shares converted from corporate bond | None | Note 33 |
| 2018/11 | 51.80 | 120,000 | 1,200,000 | 86,845 | 868,452 | Shares converted from corporate bond | None | Note 34 |
| 2018/12 | 75.00 | 120,000 | 1,200,000 | 92,845 | 928,452 | Capital increase by cash | None | Note 35 |
| 2019/04 | 51.80 | 120,000 | 1,200,000 | 92,941 | 929,417 | Shares converted from corporate bond | None | Note 36 |
| 2019/05 | 51.40 | 120,000 | 1,200,000 | 93,029 | 930,293 | Shares converted from corporate bond | None | Note 37 |
| 2021/03 | 50.00 | 120,000 | 1,200,000 | 103,029 | 1,030,293 | Capital increase by cash | None | Note 38 |
| 2021/12 | 90.00 | 150,000 | 1,500,000 | 107,029 | 1,070,293 | Capital increase by cash | None | Note 39 |
| 2023/10 | 68.00 | 150,000 | 1,500,000 | 119,029 | 1,190,293 | Capital increase by cash | None | Note 40 |

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

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

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

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

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

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

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

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

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

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

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

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

Note 13: The effective (approval) date of the capital increase and document no. is Sep 3, 2009, Jin-Shou-Zhong-Zhi No. 09832981650.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 28: The effective (approval) date of the capital increase and document no. is Nov 22, 2016, Jin-Shou-Shang-Zhi No. 10501271160.

Note 29: The effective (approval) date of the capital increase and document no. is Aug 15, 2017, Jin-Shou-Shang-Zhi No. 10601114860.
Note 30: The effective (approval) date of the capital increase and document no. is Nov 20, 2017, Jin-Shou-Shang-Zhi No. 10601157590.
Note 31: The effective (approval) date of the capital increase and document no. is April 11, 2018, Jin-Shou-Shang-Zhi No. 10701031380.
Note 32: The effective (approval) date of the capital increase and document no. is May 9, 2018, Jin-Shou-Shang-Zhi No. 10701049330.
Note 33: The effective (approval) date of the capital increase and document no. is Aug 15, 2018, Jin-Shou-Shang-Zhi No. 10701101270.
Note 34: The effective (approval) date of the capital increase and document no. is Nov 28, 2018, Jin-Shou-Shang-Zhi No. 10701143080.
Note 35: The effective (approval) date of the capital increase and document no. is Dec 25, 2018, Jin-Shou-Shang-Zhi No. 10701160470.
Note 36: The effective (approval) date of the capital increase and document no. is April 3, 2019, Jin-Shou-Shang-Zhi No. 10801033810.
Note 37: The effective (approval) date of the capital increase and document no. is May 21, 2019, Jin-Shou-Shang-Zhi No. 10801058870.
Note 38: The effective (approval) date of the capital increase and document no. is March 8, 2021, Jin-Shou-Shang-Zhi No. 11001026500.
Note 39: The effective (approval) date of the capital increase and document no. is December 7, 2021, Jin-Shou-Shang-Zhi No. 11001222570.
Note 40: The effective (approval) date of the capital increase and document no. is October 13, 2023, Jin-Shou-Shang-Zhi No. 11230192270.

2. Share type

March 30, 2025; shares

March 30, 2023, shares

| Share type | Authorized capital | | | | | Remarks |
|---------------|--------------------|--|----------------|-----------------|-------------|-------------------------------------|
| | Outstanding shares | | Treasury stock | Unissued shares | Total | |
| Common shares | Listed | Unlisted (Private placement of common stock) | | | | |
| | 115,499,269 | 3,150,000 | 380,000 | 30,970,731 | 150,000,000 | Stock of publicly listed company |

3. Information Related to Shelf Registration: None.

(II) List of Major Shareholders

March 30, 2025; shares

| Name of Major Shareholder | Shares shares held | Percentage of shareholding |
|---|-----------------------|-------------------------------|
| Chang Sing Investment Co., Ltd. | 14,977,609 | 12.58% |
| Cheng Jade Enterprise Co., Ltd. | 14,455,940 | 12.14% |
| Dedicated account of the Employee Stock Ownership Committee of Coremax Corporation under the custody of CTBC Bank | 1,045,000 | 0.88% |
| Fu-Yu Private Equity Limited Partnership | 1,000,000 | 0.84% |
| Ho, Chi-Cheng | 984,966 | 0.83% |
| Ho, Mei-Fang | 875,979 | 0.74% |
| Liu, Jo-Wen | 674,570 | 0.57% |
| Uranus Chemicals Co., Ltd. | 673,495 | 0.57% |
| Hsu, I-Min | 665,000 | 0.56% |
| Ho, Chi-Chou | 663,644 | 0.56% |

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

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

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

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

2. The proposed distribution of dividends

The proposed dividend is to be paid in cash in the amount of NT\$112,717 thousand from the FY2024 earnings, with the dividends for each share proposed to be paid in cash in the amount of NT\$0.95. The proposed dividend has been approved by the Board of Directors on February 25, 2025, and is proposed to be submitted to the shareholders' meeting for approval.

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

(V) Employees Bonus and Directors Remuneration

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

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

aforementioned amount as the directors' remuneration. The distribution of employees' and directors' remunerations shall be reported in the Shareholders' Meeting.

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

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

Employee bonuses is estimated by multiplying the Company's net profit before tax before deducting employee bonuses and directors' remuneration by the percentage approved by the Board of Directors to be allocated for employee bonuses. Directors' remuneration is recognized at the estimated amount and listed as an operating cost or operating expense. Any changes that occur after the financial statements are announced in the following year will be treated as a change in accounting estimate, and the impact of the change will be recognized in profit or loss in the following year.

3. Remuneration proposals approved by the Board of Directors:

- (1) Employee, director and supervisor remuneration will be distributed in cash or stocks. The difference, reasons and handling of discrepancies with the annual recognized expenses:

The Company's Board of Directors has approved the 2024 employee bonuses and directors' and supervisors' remuneration distribution plan on February 25, 2025, in which NT\$4,770 thousand will be distributed as employee bonuses in cash and no directors' remuneration will be distributed. The distribution amount resolved on above is consistent with the estimated amount recognized in expenses.

- (2) The amount of employee remuneration distributed by shares and its proportion to the sum of parent company-only or individual financial statement net profit after-tax and total employee remuneration for the current period: Not applicable.

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

The Company's Board of Directors on February 27, 2024 confirmed the pre-tax loss in 2023. Pursuant to Article 27 of the Articles of Incorporation, no employee bonuses and directors' remuneration will be distributed, and there was no discrepancy from the actual amount distributed.

(VI) Share Repurchase by the Company:

March 30, 2025

| | |
|---|--------------------------------|
| Count of share repurchase | First |
| Objective of repurchase | Transfer shares to employees |
| Buyback period: | March 19, 2020 to May 18, 2020 |
| Price bracket of shares repurchased | NT\$25.41-91.73 per share |
| Type and number of shares repurchased | 2,025,000 common shares |
| Amount of shares repurchased | NT\$115,747,975 |
| Amount of shares repurchased to estimated number of shares repurchased (%) | 50.63% |
| Shares written-off and transferred | 1,645,000 shares (Note) |
| Cumulative shares of the Company held | 380,000 shares |
| Ratio of the cumulative number of shares held by the Company to the total number of shares issued (%) | 0.32% |

Note: The first transfer of treasury shares to employees was 600,000 shares on November 18, 2021, and the second transfer was 1,045,000 shares on February 21, 2025.

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

(I) Corporate Debt of the Company

| Corporate bonds | Third secured corporate bonds |
|-------------------------------|--|
| Issue date | 2021/10/28 |
| Nominal | NT\$100,000 |
| Issuance and Trading Location | R.O.C. |
| Issue price | Issued at nominal value |
| Total | NT\$700,000,000 |
| Interest rate | 0% |
| Maturity | 5 years Maturity date: 2026/10/28 |
| Guarantor | Chang Hwa Commercial Bank, Ltd. |
| Trustee | Mega International Commercial Bank Trust Department |
| Underwriter | Fubon Securities Co., Ltd. |
| Verification by legal counsel | Attorney Huang, Tai-Yuan, Hwecker Law Firm |
| CPA | KPMG in Taiwan Accountants Yu, Wan-Yuan and Yu, Chi-Lung |
| Repayment method | The bond of the Company may be converted into shares of our common stock at the conversion price in lieu of principal repayment from the day after the first month from the issue date until 10 days before the maturity date. |
| Outstanding principal | NT\$694,500,000 (Note) |
| Terms of Redemption or Early | Carried out according to Article 18 of the Company's |

| Corporate bonds | | Third secured corporate bonds |
|--|--|--|
| Settlement | | Regulations Governing the Issuance and Conversion of Corporate Bonds. |
| Covenants | | None |
| Credit rating agency name, rating date, and Corporate Bond Rating Results | | None |
| Other appended rights | Amount of ordinary shares, overseas depositary receipts or other marketable securities converted (exchanged or warrants) as of the date of printing of the annual report | As of March 30, 2025, bondholders applied for conversion of 0 shares of common stock with a nominal value of NT\$10 per share. |
| | Issuance and Conversion (Exchange or Stock Purchase) | are carried out in accordance with the "Regulations Governing the Issuance and Conversion of Corporate Bonds" of the Company. |
| The method of issuance and conversion, exchange or stock options, the possible dilution of shareholdings by the terms of issuance and the effect on the interests of existing shareholders | | No material impact |
| Name of the custodial institute for the exchange of the subject | | None. |

Note: As of March 30, 2025, NT\$5,500,000 has been redeemed.

(II) Conversion of Corporate Bonds

| Corporate bonds | | Third Secured Convertible Corporate Bonds | | |
|--|---------|---|--------|----------------------|
| Item | Year | 2023 | 2024 | As of March 30, 2025 |
| | | | | |
| Market value of convertible corporate bonds | Highest | 114.95 | 113.00 | 104.45 |
| | Lowest | 105.10 | 100.70 | 100.80 |
| | Average | 109.32 | 104.50 | 101.54 |
| Conversion price | | 100.50 | | |
| Issue date | | October 28, 2021 | | |
| Conversion price at issuance | | 110.00 | | |
| Method for exercising conversion obligations | | Issuance of new shares | | |

III. Preferred shares: None.

IV. Global depository receipts: None.

V. Subscription of warrants for employee: None.

VI. New employee restricted shares: None.

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

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

D. Overview of Business Operations

I. Business activities

(I) Business scope

1. The Company and its subsidiaries specialize in the chemical industry, encompassing related manufacturing, wholesale, retail, and international trade. Their main businesses are:

- (1) Chemical manufacturing and processing
 - A. Basic industrial chemical manufacturing
 - B. Other chemical materials manufacturing
 - C. Precision chemical material manufacturing
 - D. Manufacturing and trading of organic acids, inorganic acids, and other salts
- (2) Industrial applications and additives
 - A. Industrial and additive manufacturing, wholesale, and retail
 - B. Wholesale and retail of industrial raw materials and chemicals
 - C. Wholesale and retail of other chemical materials and chemicals
- (3) Energy and electronic materials
 - A. Electronics components manufacturing
 - B. Manufacture of batteries and accumulators
- (4) Environmental protection and waste treatment
 - A. Waste disposal and treatment
 - B. Environmental agents manufacturing, wholesale, and retail
- (5) Agriculture and fertilizers
 - A. Fertilizer manufacturing, wholesale, and retail
- (6) Consumer goods and international trade
 - A. Cosmetics manufacturing, wholesale, and retail
 - B. International trade

Furthermore, the Company may engage in business items that are not prohibited or restricted by law, except those subject to special approval.

2. Business weight of major products

Unit: NT\$ (thousand)

| <div> <div>Year</div> <div>Product</div> </div> | 2024 | |
|---|-----------------------|------------|
| | Net operating revenue | Weight (%) |
| Oxidation catalysts | 723,342 | 17.66% |
| Power battery materials | 1,743,888 | 42.58% |
| Fertilizers | 413,057 | 10.09% |
| Specialty chemical materials | 843,757 | 20.60% |
| Others | 371,462 | 9.07% |
| Total | 4,095,506 | 100.00% |

3. Current product (service) range

The Company's products can be divided into 5 categories based on industrial applications:

(1) Oxidation catalysts

- A. Cobalt acetate crystal/solution and manganese acetate crystal/solution
- B. Cobalt manganese acetate solution and cobalt manganese acetate (bromine) solution
- C. Cobalt bromide solution and manganese bromide solution
- D. Recovering cobalt, manganese, and bromine acetate solution

(2) Power battery materials

- A. Nickel sulfate crystal and cobalt sulfate crystallization
- B. Electronic/Battery-grade cobalt oxide
- C. Battery grade cobalt hydroxide

(3) Fertilizers

- A. Straight and compound fertilizers
- B. Fertilizers containing organic compounds

(4) Specialty chemical materials

- A. Ceramic-grade cobalt manganese oxide and ceramic-grade cobalt oxide
- B. 98% sulfuric acid and electronic-grade sulfuric acid
- C. Oxalic acid aqueous solution, oxalic acid, and chromium etching solution

D. Potassium hydroxide, sodium hydroxide, and sodium carbonate

E. Cerium ammonium nitrate and stannous chloride

(5) Other chemicals

A. Reclaimed waste sulfuric acid

4. Development of new products (services)

(1) Catalyst recovery technology: Help customers establish highly efficient catalyst recovery systems to improve resource utilization

(2) R&D of new products: Develop new specifications, optimize customers' product characteristics, and expand the market.

(3) Materials for secondary lithium batteries:

A. Mass production: Cathode raw materials for lithium batteries for EVs and related stable shipments.

B. Development: Next-generation cathode raw material production technology to improve product competitiveness.

(4) Resource recycling and sustainable development

A. Reclaim and recycle waste sulfuric acid.

B. Develop technologies for recycling graphite from discarded lithium batteries of EVs, and work with customers to promote circular economy services and ESG.

(II) Industry overview

1. Current and future industry prospects

A. Oxidation catalysts

The Company mainly provides oxidation catalyst products for use in the chemical fiber industry. Core products include cobalt manganese acetate (bromine) solution, crystalline cobalt acetate, and manganese acetate. Cobalt manganese acetate (bromine) solution is a key catalyst raw material for the production of purified terephthalic acid (PTA) and is also the main catalyst product sold by the Company. Crystalline cobalt acetate and manganese acetate may also be used as whitening agents and catalysts in the polyester process and are indispensable upstream raw materials for the polyester chemical fiber industry.

PTA is a derivative of aromatic hydrocarbons. As a key petrochemical intermediate, it is primarily produced from paraxylene (PX). PTA is obtained by oxidizing a mixture of PX, acetic acid, and catalyst solvent under high temperature and adequate pressure conditions. It is then further purified using clean water and catalysts to react with

hydrogen. Catalysts play a key role in accelerating reactions and improving product quality during the PTA production process.

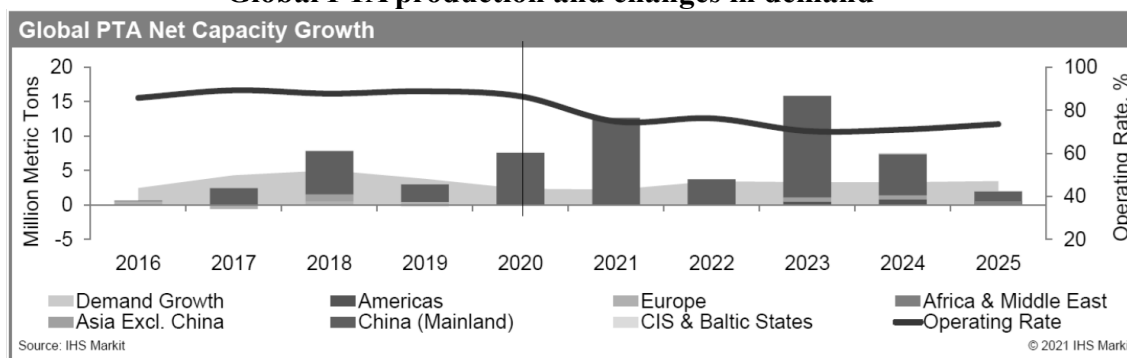
According to an industry report by the IEK, more than 90% of the world's PTA is used to produce polyester materials (PET), which is an important raw material for the synthetic fiber industry. Polyester is produced by the polymerization of PTA and ethylene glycol (EG), and further processed to produce polyester fiber or polyester pellets. PTA is mainly used to produce polyester fibers, which are used in non-woven fabrics, ready-made garments, tire cords, and car seat belts. Polyester pellets are widely used in the production of PET bottles, polyester films, audio-visual media, medical X-ray films and packaging materials.

(A) Overview of the global PTA industry

Currently, the world's PTA supply sources are mainly located in China, Taiwan, South Korea, and other Southeast Asian countries; among them, China's production capacity and consumption rank first in the world. Driven by China's rapid economic growth, the demand for PTA has steadily increased every year. Attracted by strong profit margins and a gap in market demand, significant investment in plant expansion has led to China's PTA production capacity significantly surpassing that of other nations.

However, China's rapid expansion in recent years has led to a significant increase in global PTA supply, exceeding global demand and resulting in excess capacity. Despite this, PTA remains a crucial raw material for polyester production and is widely used in everyday products, including textiles, packaging, electronics, and construction. According to a research report by the IEK, ITRI, due to the impact of the pandemic in 2020, global demand for packaging materials (such as agricultural and industrial packaging bags, bottles, cans, etc.) increased significantly, driving a growth in demand for polyester and further promoting the market demand for PTA. The research firm 360 Research Reports predicts a 2.8% compound annual growth rate in global PTA output value by 2025, with the market size reaching US\$47.2 billion in the same year.

Global PTA production and changes in demand



Source: WPC2021; collated by the IEK (2021)

Global PTA production capacity continued its expansion in 2024. With ongoing new capacity additions and downstream demand growth lagging behind supply, PTA spot inventory is expected to rise, placing downward pressure on prices. It is expected that within the next 2 years, the market share of the 6 major PTA providers will rise to 68%, leading to further industry consolidation among large enterprises. However, excess production capacity may lead to intensified price competition; therefore, companies will need to pay attention to market changes and adjust their strategies accordingly.

(B) Overview of the domestic PTA industry

The domestic PTA market is led by 3 companies, namely Formosa Chemicals & Fibre Corporation (stock code: 1326, hereinafter referred to as: FCFC), Oriental Petrochemical (Taiwan) Co., Ltd., and China American Petrochemical Co., Ltd. As China has significantly increased its production capacity in recent years, it is estimated that China's total production capacity will be close to 100 million tons by 2025. This capacity surpasses downstream polyester demand, creating an oversupply in the market. In response to this challenge, major domestic PTA manufacturers are proactively implementing a range of strategies to strengthen their market competitiveness, such as production line optimization, product differentiation, and the closure of high-cost production capacity.

As profits in the global PTA market continue to decline and affected by the energy crisis and environmental pressure, FCFC has progressively phased out production lines within certain traditional industries in Taiwan, such as rayon and textile-related production lines, and consolidated the PIA, PTA, and other production lines of the Longde Plant to improve operational efficiency. On the other hand, Far Eastern New Century Corporation has carried out production line renovations at the new Kuanyin Plant, updating 2 old PTA production lines into a new production line with an annual production

capacity of 1.5 million tons. Roughly 70-80% of the production capacity goes towards polyester pellet production within the Group.

Faced with an excess capacity and market competition, Taiwan's PTA industry needs to continue to promote technological innovation, product upgrades, and market diversification strategies to maintain its competitive advantage in the global market.

B. Power battery materials

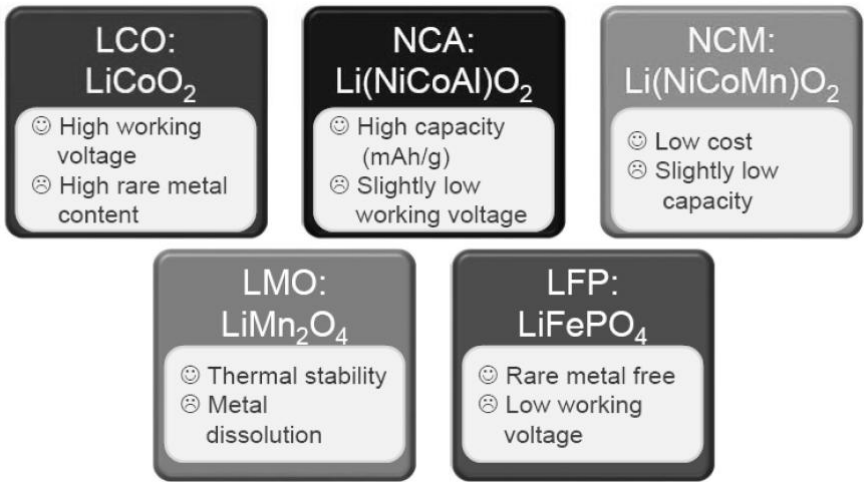
In recent years, as environmental awareness has increased, global attention to emission reduction targets has risen significantly. According to the Paris Agreement, 195 member states around the world have pledged to achieve an average emission reduction target of 40% by 2025, and plan to achieve net-zero emissions in the second half of this century. To achieve this goal, traditional fuel vehicles are increasingly unable to meet the relevant standards. In response, hybrid electric vehicles (HEVs) and fully electric vehicles (EVs) have become the main directions of future automotive industry development. Many countries have introduced sales targets and policy subsidies for EVs. Europe imposed a fine of €95 for every gram exceeding the carbon dioxide emissions standard of 95 grams per kilometer starting from 2021, which has accelerated automakers' investment in electric vehicle technology. According to statistics from the Industry, Science and Technology International Strategy Center (IEK) of the Industrial Technology Research Institute (ITRI), the global EV market exceeded 10 million vehicles in 2021, surpassing 20 million vehicles in 2023. It is estimated that the global EV output value will reach 50 million vehicles totaling US\$2.1 trillion by 2040.

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

At present, mainstream EV batteries generally adopt relatively mature lithium-ion technology. Conduction in lithium batteries is through lithium electrons. The key raw materials used in lithium-ion batteries are cathode materials, electrolytes, anodes, and separators. The mainstream cathode materials of lithium-ion batteries in the market can

be divided into lithium cobalt batteries (LCO), lithium manganese batteries (LMO), ternary lithium nickel cobalt aluminum batteries (NCA), ternary nickel cobalt manganese batteries (NCM), and lithium iron phosphate batteries (LFP), of which ternary lithium-ion batteries occupy a dominant position in the EV battery market, with demand expected to maintain annual growth. The EV battery materials produced by the Company are mainly used as cathode materials for ternary lithium batteries (NCA and NCM).

Comparison of the characteristics of lithium battery cathode materials



Source: Panasonic; Compiled by the Company

C. Fertilizers

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

The impact of the Ukraine-Russia war on fertilizer supply has gradually lessened. Russia's fertilizer production, supply, and exports have expanded. Coupled with the decrease in international oil prices, natural gas, and other energy prices, the pressure of operating costs on global fertilizer manufacturers has been relieved and their willingness to engage in production has rebounded. However, with governments increasingly strengthening environmental protection policies and aiming to reduce fertilizer use, traditional fertilizer producers face pressure. Coupled with agricultural market fluctuations, this has slowed global fertilizer demand growth, particularly in developing markets. Furthermore, fluctuations in food prices and market instability can impact

farmer's cultivation decisions, thus potentially limiting the expansion of fertilizer demand.

Moreover, China's tightened export quota controls are anticipated to bolster international urea prices, thereby supporting the urea market price. As the spring fertilizer application season nears, downstream demand for fertilizer preparation has strengthened, leading to an anticipated increase in industry shipment volume, which will partially alleviate the global fertilizer market's supply-demand imbalance. As the demand for environmental protection and sustainable agriculture increases, growing market demand for green and organic fertilizers will create opportunities for fertilizer manufacturers to undergo corporate transformation. Fertilizer products with high efficiency and low environmental impact will emerge as the market's primary competitive offering.

However, the global fertilizer market faces multiple challenges, including supply and demand, prices, and environmental policies. Although demand has slowed, the market is poised for potential recovery as the spring planting season commences and the demand for sustainable fertilizers grows.

D. Specialty chemical materials and others

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

(A) Sulfuric acid

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

(B) Cobalt hydroxide

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

and sales of the tire market.

In recent years, the United States International Trade Commission (ITC) and U.S. Department of Commerce opened an investigation into the dumping of passenger car and light truck tires from Taiwan. The preliminary results were released at the end of December 2020. High tariffs were levied on Taiwan's tire industry unexpectedly, resulting in a significant decline in tire export to the U.S. from 2021 and a slight decline in the industry's overall sales volume. However, by actively expanding overseas in recent years and mitigating tariff impacts, tire manufacturers are positioning the industry for a stable recovery.

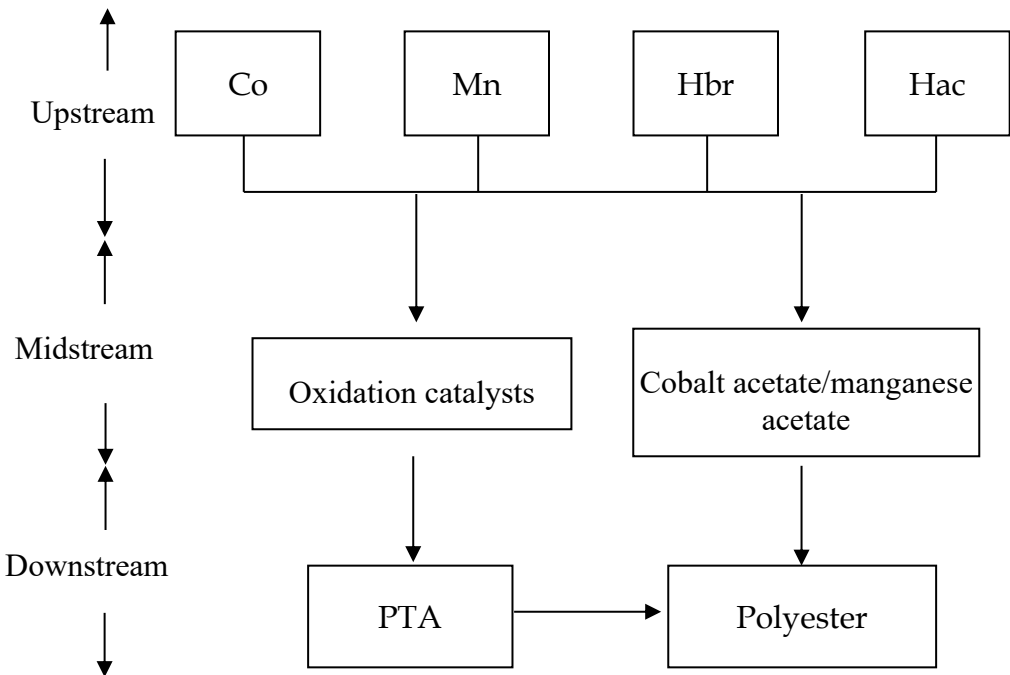
(C) Oxalic acid

The oxalic acid produced by the Company's subsidiary, Uranus Chemicals, is divided into industrial and refined oxalic acid. Industrial oxalic acid is used in pharmaceuticals, separation and purification of rare earth elements, fine chemicals, and textile printing and dyeing. The industrial oxalic acid market primarily centers on dyeing processes and rare-earth element applications, with key markets located in Southeast Asia (Myanmar), South America (Brazil), and India. Refined oxalic acid is mainly used in high-precision electronic chemicals and food additives, with major markets in the United States, Japan, and Taiwan. With the electronics and EV industries' demand for refined oxalic acid steadily growing, the demand for capacitors in electronic products will also increase annually. Consequently, the refined oxalic acid market is expected to expand year by year. In the pharmaceutical field, oxalic acid is used as an intermediate in the synthesis of a variety of drugs and compounds, which is expected to increase the demand for oxalic acid in the future. According to a report by the European Federal Pharmaceutical Industrial Association (EFPIA), a Belgium-based pharmaceutical industry trade association, €188.7 billion (US\$206 billion) have been invested by the European health sector in research and development (R&D) for the pharmaceutical industry. Compared with other industries, the pharmaceutical industry leads in R&D investment, accounting for 20.8% of all global company R&D spending. With greater resource investment, the discovery of novel oxalic acid treatments has become easier, leading to improved productivity and enhanced creativity. Refined oxalic acid and oxalic acid derivatives can be used in lithium battery cathode materials, electronic board cleaners, manufacturing of electronic ceramics, purification of new rare earth materials, and cleaning photovoltaic quartz. With the rapid development of downstream emerging industries, including electronic ceramics, new rare-earth material purification, new energy, and optoelectronics, the oxalic acid industry's

demand is expected to continue its steady growth into 2025. As environmental protection policies are strengthened, the oxalic acid market will place more emphasis on the innovation of environmentally friendly production technologies and the implementation of safety regulations.

2. Links between the upstream, midstream, and downstream segments of the industry

A. Oxidation catalysts



(A) Upstream industry

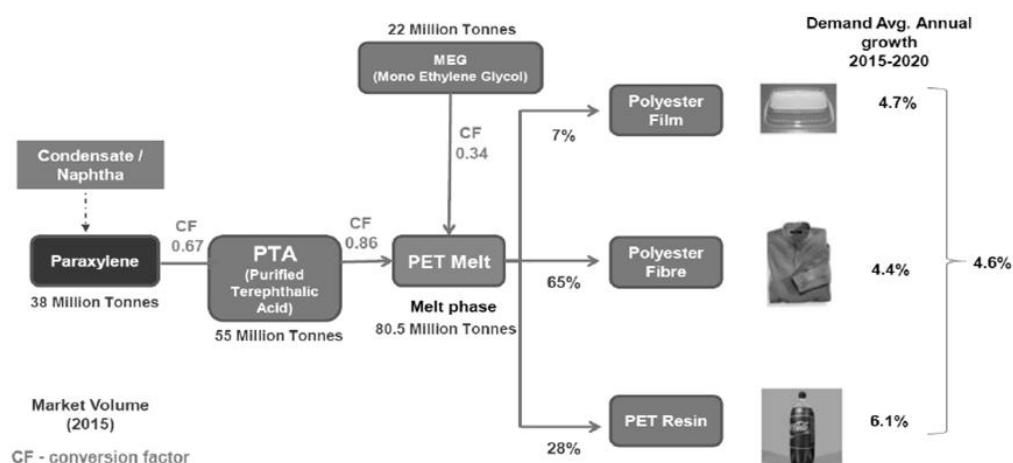
The raw materials for producing oxidation catalysts are mainly cobalt metal, manganese metal, hydrobromic acid, and acetic acid. The main products are cobalt manganese acetate (bromine) solution and crystalline cobalt acetate and manganese acetate. Since there are no domestic mineral resources of cobalt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

(B) Midstream industry

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

(C) Downstream industry

PTA downstream application



Source: ICIS; IEK, ITRI (2016/09)

PET is divided into 2 categories: polyester fiber and polyester pellets. Polyester fibers are mainly used to produce civilian clothing, non-woven fabrics, ready-to-wear materials, tire cords, and car seat belts. In contrast, polyester pellets are used in PET bottles, polyester films, media audio-video equipment, medical X-ray films, and packaging materials.

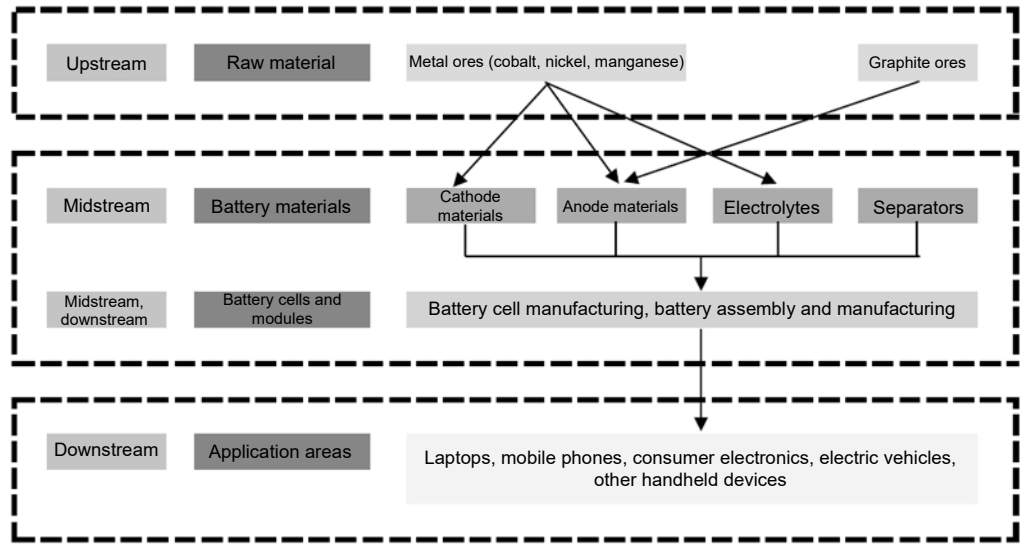
Downstream products provide enormous demands for PTA raw materials. If the downstream industry expands production, the upstream and midstream demand for PTA will increase. For example, the recovery of the Vietnamese textile industry in 2016 drove the import demand for raw materials in the upstream and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

domestic raw materials.

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

B. Power battery materials

Battery materials industry structure



Source: collated by Grand Fortune Securities

(A) Upstream industry

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

(B) Midstream industry

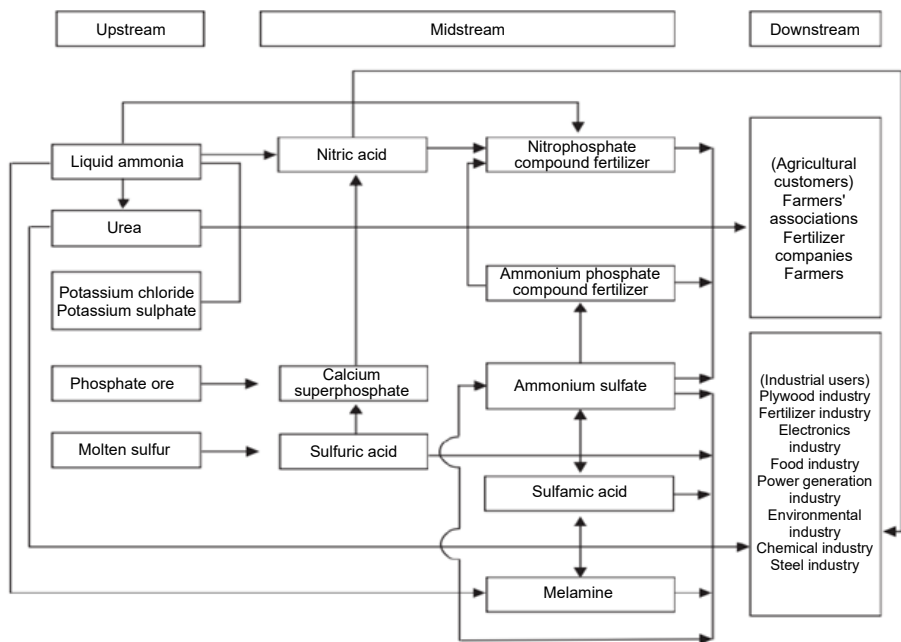
The midstream products of the battery materials include battery cell modules, power component modules, battery charging systems, power motor modules, vehicle electrical component modules, smart vehicle electrical systems and other components, battery

systems, and power supply-related and other peripheral components. As lithium battery modules and battery management systems directly affect the overall battery operation efficiency and safety, global automakers mainly obtain core battery technologies through self-investment, mergers and acquisitions, and technical cooperation to expand battery capacity to meet electric vehicle production needs.

(C) Downstream industry

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

C. Fertilizers



Source: Industrial Economics Database, Taiwan Institute of Economic Research

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

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

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

D. Specialty chemicals and others

The upstream raw material of the cobalt hydroxide produced by the Company is cobalt metal. Because cobalt metal is a strategic metal, it is mainly distributed in Africa, America, Australia, and China. The Company signs contracts with suppliers to reduce the risk of price fluctuations when purchasing cobalt metal. The midstream is the production of metallic cobalt soap. The Company's downstream end application is mainly the adhesion promoters for rubber and steel wire belts. The operational risk is the impact of supply and demand of the downstream tire industry. In recent years, the Sino-US tire trade friction has been intensified, coupled with the temporary anti-dumping duties imposed by

the European Union on China, to crack down on oversupply in the Chinese market, resulting in a slowdown in the supply in the Chinese market. However, Taiwanese companies have benefited from the relief of the crowding-out effect of Chinese supply, and the tire industry's export volume has begun to grow, which has also driven upstream demand for advanced materials.

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

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

3. Product development trends and competition

A. Oxidation catalysts

90% of PTA is used to produce PET. Its end industry is synthetic fiber raw material manufacturing. Its products include ready-to-wear materials, non-woven fabrics, tire cords, car seat belts, PET bottles, media audio-video equipment, medical X-ray films, and packaging materials. As the PTA industry meets a massive demand for the downstream industry of synthetic fibers, demand for the upstream synthetic fiber raw materials industry will increase if the downstream industry expands the plants. Furthermore, demand for PET is highly correlated with economic development. As global economic uncertainty increases, competition in the oxidation catalyst market has become more intense. China's relatively low oxidation catalyst and PTA production costs, particularly in energy and labor, enable Chinese companies to pursue low-price strategies, creating significant competitive pressure for producers in other countries. Conversely, as environmental protection policies strengthen, the market demand for oxidative catalysts will extend beyond traditional applications to encompass environmentally friendly and low-emission technologies. Therefore, improving the efficiency of oxidation catalysts and

reducing their environmental impact have become important competitive strategies.

B. Power battery materials

(A) Cost and performance are extremely important

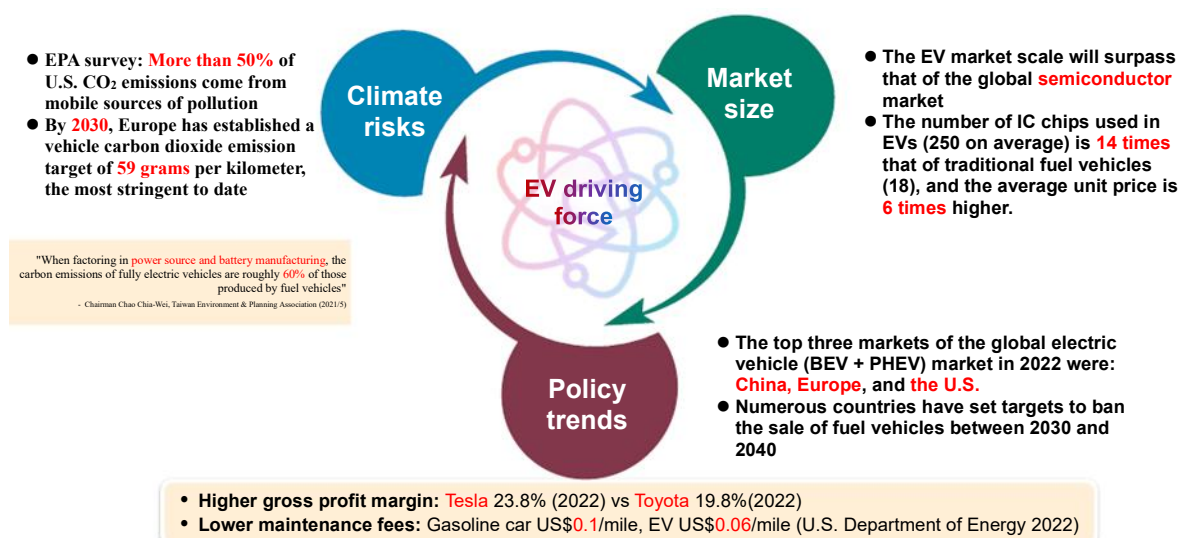
Lithium batteries are mainly composed of four categories, cathode materials, anode materials, electrolytes, and separators. The cathode materials account for about 30% to 40% of the product cost of lithium batteries. Since the selection of cathode materials requires taking into account energy density,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

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

(B) Increase in global market demand

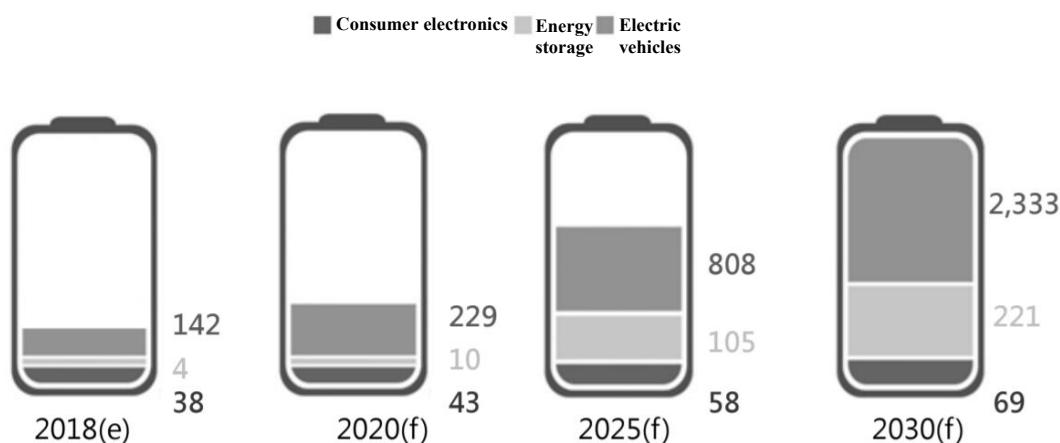
Global lithium battery material plants have been deployed in the automotive market in recent years, mainly focusing on the application and demand of batteries for plug-in hybrid electric vehicles (HEVs) and fully electric vehicles (EVs). In recent years, the world has paid increasing attention to environmental protection. HEVs or EVs are the future trends of automotive development, and advanced countries worldwide have made the development of EVs and new energy vehicles a key policy. For example, the European Union set the goal of installing 1 million charging stations by 2025 and reached an agreement to completely ban the production and sale of fuel vehicles in 2035 to achieve 100% zero-emission vehicles. China plans for the sale of EVs to account for 20% of overall car sales by 2025 and for all new cars sold by 2035 to be environmentally friendly models, 50% EVs and 50% HEVs. Taiwan's National Development Council published Taiwan's Pathway to Net-Zero Emissions in 2050 and explained the overall strategy in March 2022. Taiwan expects the EV market share to rise to 30% in 2030, 60% in 2035,

and 100% in 2040, enabling domestic automakers to speed up the EV production schedule.



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

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



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

C. Fertilizers

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

D. Specialty chemicals and others

(A) Cobalt hydroxide

a. Elevation of tire quality requirements

The global automotive industry is booming, and various automakers have introduced new models. Safety is one of the selling points of most models. As consumers pay more attention to driving safety, explosion-proof safety tires have gradually become popular. According to the National Highway Traffic Accident Statistics from 2017 to 2021 released by Freeway Bureau, MOTC, tire blowout and peel-off accounted for 1.2% of the cause of traffic accidents, ranking seventh in the cause of accidents. Because the quality of metal cobalt soap affects the adhesion performance between natural rubber and steel wire belts, it also indirectly affects the safety and quality of tires. As the global tires develop towards high performance and high safety, the use of metallic cobalt soap has become more important, which will also drive the quality and demand for advanced material applications.

b. Automotive supply chain stabilized

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

(B) Sulfuric acid

Electronic-grade sulfuric acid is a high-purity sulfuric acid widely used in semiconductors, large-scale integrated circuit assembly, and processing. It is mainly used

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

(C) Oxalic acid

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

Refined oxalic acid is mainly used in electronic products, high-purity chemical industries, and food additives. Driven primarily by global technological advancements and the EV trend, oxalic acid consumption is projected to increase annually, while food additive demand remains relatively stable.

(III) Overview of technology and R&D

1. The technical level and R&D of the business

The Company's business is the research, development, production, and sales of chemical materials, focusing on oxidation catalysts, power battery materials, fertilizers, specialty chemicals, and other chemical materials. The Company started with the production of oxidation catalyst products. The products are cobalt manganese acetate (bromine) solution and cobalt acetate/manganese crystal, the key raw materials for producing purified terephthalic acid (PTA), which plays a role in accelerating the reaction rate and improving the quality of production. PTA is processed to make polyester, which is mainly used for polyester fiber. It is one of the 3 major synthetic fibers and belongs to the chemical fiber industry. For power battery materials, the Company's products nickel sulfate, battery-grade cobalt hydroxide, cobalt oxide, and the cobalt sulfate of its subsidiary Uranus Chemicals Co., Ltd, are raw materials for battery cathode materials, which are used in the secondary lithium-ion battery industry. For fertilizers, the compound fertilizer products produced by the Company's subsidiary, Heng I Chemical, are made from processing a mixture of raw materials such as urea, potassium chloride, ammonium

sulfate, ammonium phosphate, nitrogen, and phosphorus fertilizers and are used in the agricultural industry. The wide range of specialty chemical material products, including electronic grade sulfuric acid, cobalt hydroxide, oxalic acid, rare earth, and etching solutions, involve semiconductors, electronics, tires, biotechnology, and other industries and are used in a wide range of applications.

The Company's R&D Department continues to improve the production process and recovery technology of PTA oxidation catalysts. With years of understanding of the characteristics of cobalt and nickel metals and production experience, it continues to develop products in the fields of power battery materials and specialty chemical materials, refine production processes while maintaining product quality, and make products that meet customer requirements, including controlling the weight of raw materials, completing the product particle structure, and delivering consistent size and specifications. The product characteristics are fully controlled to provide customers with more diversified products to meet their needs.

2. R&D personnel and their educational/professional background

Unit: person

| Item/Year | | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|------------------------------|--------|--------|--------|--------|--------|
| Number of personnel at the beginning of the period | | 8 | 9 | 8 | 7 | 7 |
| New employees | | 3 | 4 | 4 | 6 | 2 |
| Resigned employees | | - | 1 | 2 | 4 | 1 |
| Severed and retired employees | | - | 1 | - | 1 | - |
| Reassignment | | 2 | 3 | 4 | 1 | - |
| Total R&D personnel at the end of the period | | 9 | 8 | 6 | 7 | 8 |
| Average tenure (year) | | 2.99 | 1.5 | 2.83 | 2.86 | 3.85 |
| Turnover rate (%) (Note) | | - | 11.11% | 16.67% | 38.46% | 11.11% |
| Distribution of academic qualifications (%) | PhD | - | - | - | - | - |
| | Master's degree | 33.33% | 62.5% | 50% | 57.14% | 50% |
| | College | 67.67% | 37.5% | 50% | 42.86% | 50% |
| | Junior college | - | - | - | - | - |
| | Senior high school and lower | - | - | - | - | - |

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

3. Annual R&D expenditure in the last five years

Unit: NT\$ (thousand)

| Item \ Year | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|-----------|-----------|-----------|-----------|-----------|
| R&D expenses | 29,438 | 8,971 | 20,558 | 13,410 | 20,327 |
| Net operating revenue | 5,285,365 | 7,338,783 | 9,081,621 | 5,231,731 | 4,095,506 |
| Percentage to the net operating revenue (%) | 0.56% | 0.12% | 0.23% | 0.26% | 0.50% |

Source: Consolidated financial statements audited by CPAs

4. Successfully developed technologies and products in recent years

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

(IV) Long- and short-term business development plans

1. Short-term business development plans

A. Marketing strategies

- (A) Strive for long-term orders from customers with reasonable prices and stable quality, and increase market share.
- (B) In addition to the domestic market, actively explore the international market and win orders from foreign manufacturers.
- (C) Fully communicate with customers, understand their needs for products, provide a full range of solutions, and perfect after-sales service to maintain long-term

cooperative relations and meet the diverse needs of customers.

B. Production strategy

- (A) To implement the Company's ISO quality policy, improve the quality concept and implement the quality system, the Company has set up a management system implementation team that has passed ISO 14064-1 greenhouse gas inventory, ISO 45001 and 14001 occupational health and safety management system, and ISO 50001 energy management system since July 2019, and IATF 16949 certification in October 2019; the entire Coremax Group passed ISO 9001 certification in November 2019.
- (B) Actively increase capacity and make every effort to improve the production process, seeking to achieve rationalization, institutionalization, and standardization of production, shorten the production cycle, increase the production yield, and strengthen training to improve the quality of employees.
- (C) Reduce production costs and eliminate possible waste, including human resource inventory, resource sharing, simplifying operations and processes, and using the ERP system to obtain the most economical feed and inventory costs.
- (D) To meet customers' needs, establish overseas production bases and expand capacity and provide rapid production, simple transportation, and timely delivery functions; meet the maximum satisfaction of customers to increase market share and maintain stable growth in performance.

C. Financial planning

- (A) Keep close and good relationships with each bank to strengthen the ability of capital deployment.
- (B) Seek low-interest loans, such as strategic low-interest loans, to reduce the Company's capital cost.
- (C) Strengthen capital management and risk control capabilities to reduce the Company's operational risks.

2. Long-term business development plan

A. Marketing strategies

- (A) Provide a full range of customer-oriented services, strive to improve customer satisfaction, and meet customers' different product needs.
- (B) Cope with the development of new recycling technologies, provide customized professional services, cultivate partnerships, and strive for long-term orders to increase the Company's profit.

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

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

B. Production strategy

(A) Continuously improve the quality of products and services.

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

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

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

C. Financial planning

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

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

II. Overview of market, production, and sales

(I) Market analysis

1. Sales (supply) regions of the Company's core products (services)

Unit: NT\$ (thousand)

| Item | | 2023 | | 2024 | |
|--------------------------|-------------------------|-----------|-------|-----------|-------|
| | | Amount | Ratio | Amount | Ratio |
| Domestic sales | | 1,454,072 | 28% | 1,404,021 | 34% |
| Export sales | Asia | 3,103,569 | 59% | 1,957,589 | 48% |
| | Europe and the Americas | 674,090 | 13% | 733,896 | 18% |
| Total operating revenues | | 5,231,731 | 100% | 4,095,506 | 100% |

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

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

A. Oxidation catalysts

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

According to the 2022 and 2023 annual reports of shareholders' meetings of the Company and Mechema, the production and sales volumes of both parties are as follows:

Production and sales of oxidation catalysts in 2022 and 2023

| Company | Unit: tons | | | |
|-------------------|-------------------|--------|--------------|--------|
| | Production volume | | Sales volume | |
| | 2022 | 2023 | 2022 | 2023 |
| Coremax | 10,413 | 8,713 | 10,493 | 8,793 |
| Mechema Chemicals | 24,805 | 21,607 | 25,867 | 22,005 |

Source: annual report of shareholders' meeting

Based on sales data, it is estimated that the Company's PTA oxidation catalyst products account for approximately 30% of the market in Taiwan.

B. Power battery materials

The secondary lithium battery material industry is a tech-intensive sector with high entry barriers. Consequently, the global market features a limited number of

manufacturers. Dominated by a few key players, the market experiences less intense price competition, resulting in a slower decline in average unit prices.

The Company mainly produces nickel sulfate and, through its subsidiary Uranus Chemicals, produces cobalt sulfate, both of which are key raw materials for ternary batteries (NCM, NCA). The Company and Mechema are the main suppliers of cathode materials in Taiwan. Mechema also produces nickel sulfate and cobalt sulfate, and supplies raw materials for cathode materials to Sumitomo, a subsidiary of Panasonic.

According to the 2022 and 2023 annual reports of shareholders' meetings, the production and sales volumes of the Company and Mechema are as follows:

Production and sales of EV battery materials in 2022 and 2023

Unit: tons

| Company | Production volume | | Sales volume | |
|--------------------------|-------------------|--------|--------------|--------|
| | 2022 | 2023 | 2022 | 2023 |
| Coremax | 37,003 | 24,667 | 29,530 | 25,100 |
| Mechema Chemicals (Note) | Note | Note | 1,810 | 895 |

Source: annual report of shareholders' meeting

Note: Mechema did not disclose production volume information.

Based on sales data, it is estimated that the Company's power battery material products have a market share of more than 90% in Taiwan.

C. Fertilizers

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

D. Specialty chemical materials and others

(A) Cobalt hydroxide

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

(B) Sulfuric acid

The main domestic sulphuric acid manufacturers are Heng I, Beaming,

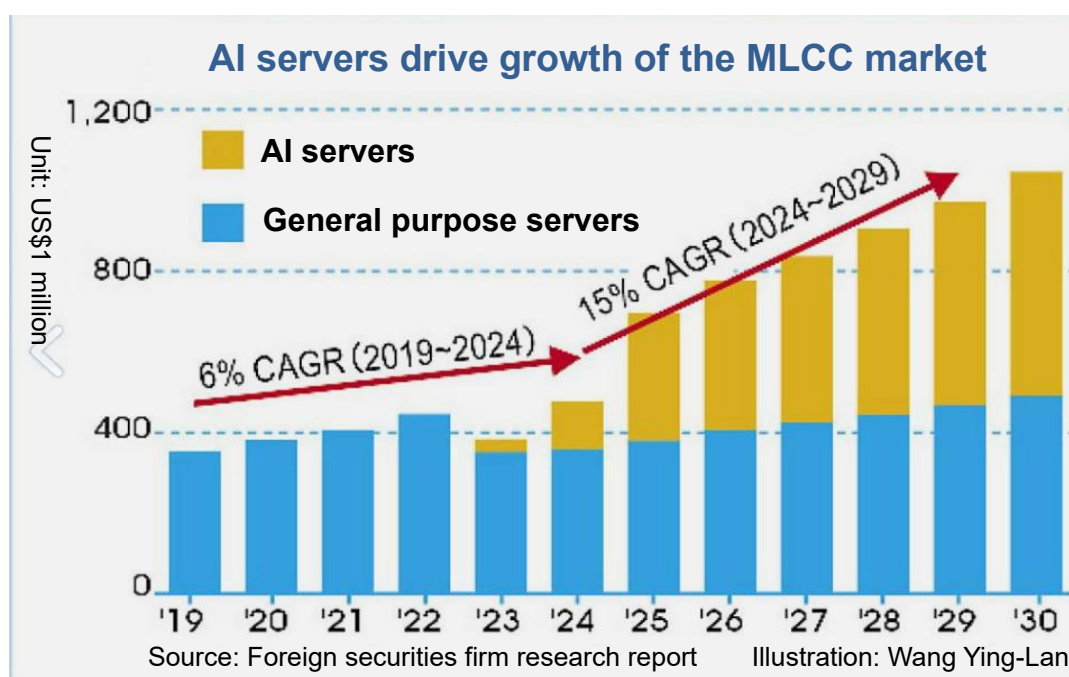
Kuang Ming, Chung Hwa Chemical, and Jiann Feng. Jiann Feng is in Kaohsiung, while the other four are in northern Taiwan. The sulfuric acid eighth plant invested by the Company was commissioned in December 2014 and started mass production in July 2015, with a daily output of 500 tons of sulfuric acid.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

(C) Oxalic acid

The global oxalic acid industry was affected by the COVID-19 pandemic in 2020, valued at about US\$595.2 million. It is expected to grow at 2.6% annually through 2027, driven by the pharmaceutical, chemical, textile, and leather industries. The main domestic supplier of oxalic acid is San Fu Chemical. The annual demand for refined oxalic acid in the domestic market is about 600-800 tons. Uranus Chemicals, a subsidiary of the Company, accounts for about 45% of the domestic market, and San Fu Chemical accounts for about 55%.

Uranus Chemicals, a subsidiary of the Company, has independently developed its own technology for the professional production of oxalic acid, making it highly competitive for export to the Japanese market. The global refined oxalic acid market's largest demand comes from MLCC raw materials, followed by electronic chemicals, etc., with approximately 20,000 tons/year in demand. Uranus Chemicals holds an approximate 8% market share in the refined oxalic acid market. This company passed MLCC customer certification in 2024 and commenced shipments in the second half of 2024.

Benefiting from the increasing demand for AI peripheral hardware and equipment, the Company's refined oxalic acid market share is estimated to increase to 15% in 2025. In 2026, in response to the growth of customer demand, the market share is estimated to increase to 18-20%. Future shipments of refined oxalic acid are projected to exhibit an annual growth trend.



3. Future market supply and demand, and growth

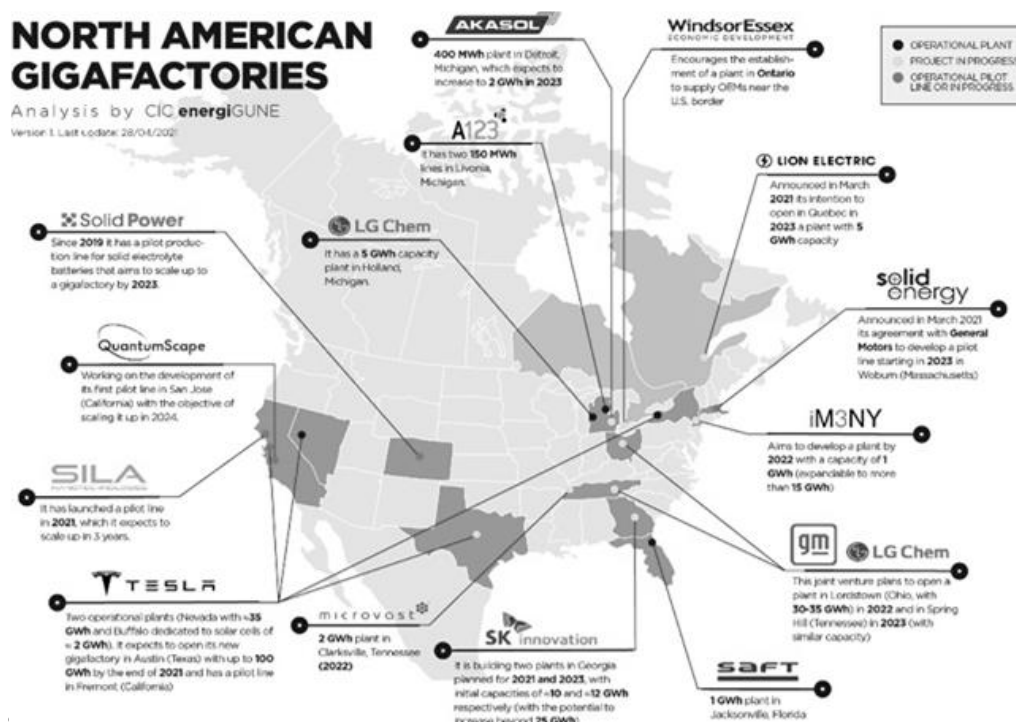
A. Oxidation catalysts (chemical fiber PTA industry)

China's continued expansion of large-scale PTA production capacity in recent years has led to an oversupply in the global market. In addition, the pandemic and inflation in 2021 weakened terminal demand, further suppressing market conditions. However, beginning in 2022, with the lessening impact of the pandemic and eased inflation, the market entered a cyclical restocking phase, driving a rebound in the polyester operating rate, and leading downstream customers to actively purchase materials, thus increasing PTA demand. Thanks to this trend, the demand for oxidation catalysts is expected to grow at the same time, and the market outlook will gradually improve.

B. Power battery materials (lithium battery industry)

The demand for lithium battery materials mainly comes from fully electric vehicles (EVs), plug-in hybrid electric vehicles (PHEVs), hybrid electric vehicles (HEVs) and electric buses. According to the ITRI IEK's report of power lithium battery application in the electric vehicle, the demand for power lithium batteries for electric vehicles in 2030 will be 554 GWh. As the world's major countries implement policies to ban the sale of fuel vehicles by 2040, the demand for lithium batteries for electric vehicles will reach 1056 GWh by 2040, mainly due to the implementation of China's electric vehicle purchase subsidy policy, which has stimulated and driven the sales momentum of China's EV market. With Europe, the U.S., and Japan enacting stricter requirements for emission reduction and

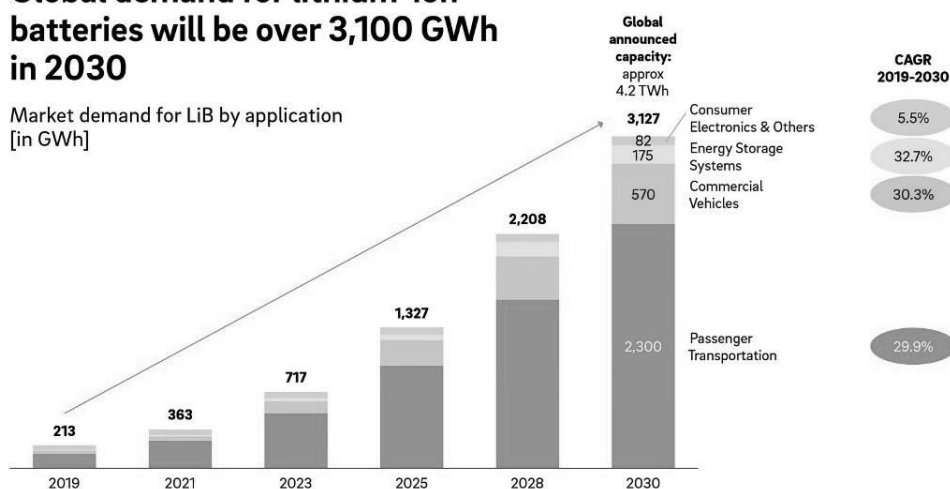
specifying target dates for banning the sales of fuel vehicles, the electric vehicle market is set to grow steadily. The steady growth of the EV market is driving increased demand for fully electric and plug-in hybrid vehicles, subsequently boosting demand for lithium battery cathode materials. Major battery manufacturers have announced expansion plans, including North American car and battery plant construction, as illustrated in the figure below



Global market demand forecast for lithium batteries by industry

Global demand for lithium-ion batteries will be over 3,100 GWh in 2030

Market demand for LiB by application [in GWh]



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

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

C. Compound fertilizer(chemical fertilizer industry)

Based on China Customs data, China has tightened urea export controls since the fourth quarter of 2023, which resulted in reduced international market supply and increased urea and compound fertilizer prices. In 2024, stricter export quotas are expected to further impact the global fertilizer supply chain. With the first quarter of 2024 entering the peak season for spring planting and fertilizer preparation, major agricultural countries in Asia and Europe, as well as the United States, have increased fertilizer purchasing, driving market demand upward. In addition, countries around the world are actively increasing food self-sufficiency and promoting agricultural development, which will also help maintain the stable growth of the compound fertilizer market.

In response to long-term demand growth, many fertilizer companies around the world have accelerated production expansion and technology upgrades, such as: The United States and Europe are strengthening domestic fertilizer production to reduce their dependence on imports, China and India are promoting high-efficiency and environmentally friendly compound fertilizers to enhance product competitiveness, and companies in general are strengthening digital agricultural technology and precision fertilization applications to improve fertilizer utilization efficiency. It is, however, important to note the frequent occurrence of extreme weather conditions around the world. Uncertain factors including drought and heavy rains will influence crop yields, food prices, and shifts in fertilizer demand in major agricultural countries.

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

(A) Cobalt hydroxide

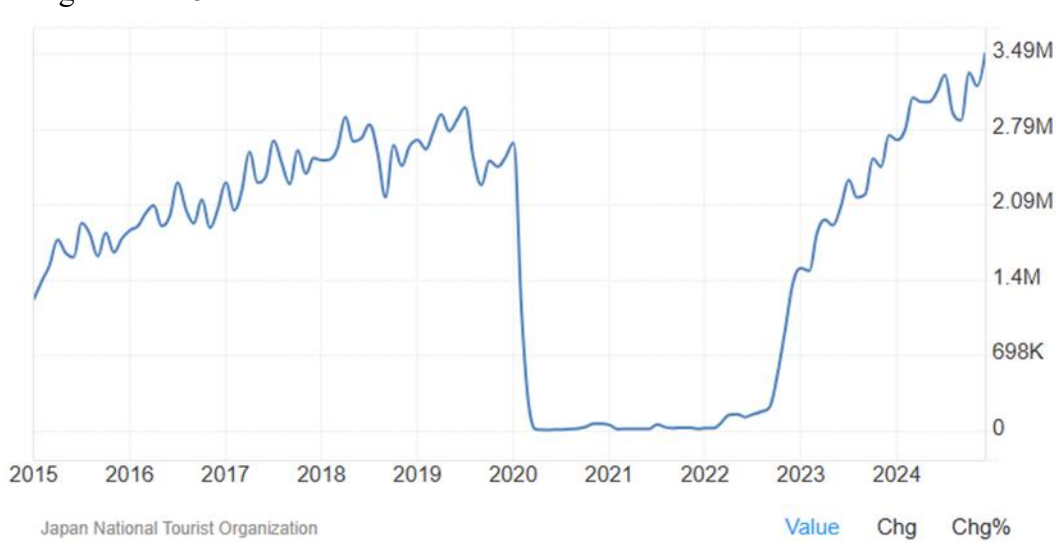
The Company is the only one with the key technology for mass production and production lines. According to statistics published by ICON Group Ltd, Taiwan's exports in this industry account for 3.76% of the world, ranking 6th globally. Therefore, it is inferred that the Company ranks 6th worldwide in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

(B) Sulfuric acid

The Company's subsidiary Heng I Chemical put its sulfuric acid equipment into operation in July 2015. However, the flood of imported acid has affected Taiwan's sulfuric acid industry. The next important issue for Taiwan's sulfuric acid industry would be how to compete with imported acid.

(C) Oxalic acid

Concerning the pharmaceutical and food additive industries, Japan opened its borders after the pandemic, and tourist numbers have steadily risen. Monthly tourist figures have exceeded those prior to the pandemic. Further, the yen's depreciation has boosted demand for tourist shopping, medicines, food, and catering, resulting in an increase in oxalic acid demand, with an estimated annual growth of 5%.



Due to economic impacts, global inventory destocking, and interest rate hikes in 2022 and 2023, consumption dampened, and electronic product and EV sales slowed. Consequently, the MLCC industry, the largest user of refined oxalic acid, was affected by these factors, resulting in weakened overall shipment demand. In 2024, MLCC destocking concluded, and demand for electronic products like IoT and infrastructure increased, leading to shipment growth, with the refined oxalic acid annual growth rate estimated at 15%.

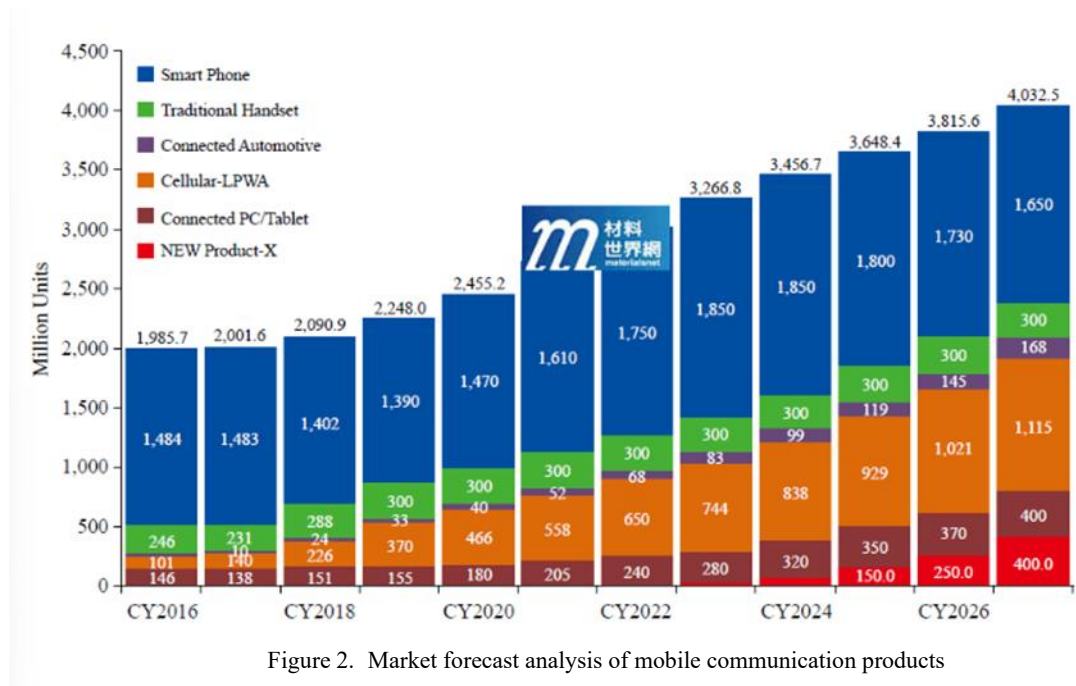


Figure 2. Market forecast analysis of mobile communication products

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

E. Recycling business

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

4.Competitive niches

A. Infusion of orders from major international companies

The booming EV industry has significantly increased demand for lithium battery materials, driving revenue growth for the Company's nickel sulfate and its subsidiary Uranus Chemicals' cobalt sulfate, both of which have been certified for procurement by major international manufacturers. In addition, the Company established its first overseas production line in Vietnam, actively expanding production to meet market demand. Future growth is expected, driven by the EV industry.

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

The Company, a domestic oligopolistic manufacturer, primarily produces oxidation catalysts, cobalt hydroxide, and cobalt oxide, with end applications that include daily necessities. The Company provides professional technology and after-sales services to help customers optimize processes and enhance product

competitiveness. At the same time, the Company has also established oxidation catalyst production lines in China (Ningbo, Zhangzhou) and Thailand (Rayong) to meet local demand and provide technical support, and continue to promote revenue growth through domestic and international market positioning.

C. End demand of leading companies

The Company's subsidiary, Heng I Chemical, produces electronic-grade sulfuric acid, which offers high process safety, high purity, and low impurities, and is suitable for semiconductor circuit manufacturing and cleaning. Heng I Chemical cooperates with Japanese manufacturers to fulfill their needs, and its end customers include leading domestic semiconductor companies. As the semiconductor industry expands production and electronic-grade sulfuric acid demand grows, Heng I Chemical is actively expanding its factories and increasing production, while continuously improving production capacity and product quality, and strengthening business profitability.

D. Professional production technology and stable product quality

Since its establishment in June 1992, the Company has focused on the production and sales of chemical products like oxidation catalysts, accumulating years of process experience and continuously improving production technology and equipment. To ensure product quality and environmental sustainability, the Company has introduced many international certifications, including: ISO9001 (quality management, obtained in 1996), ISO14001 (environmental management, obtained in 2009), ISO45001, ISO14064-1, ISO14046, ISO50001, and IATF16949 (obtained in 2019). The Company has an experienced technical team that focuses on industry development trends and production technology improvements to continuously strengthen its competitive advantages.

E. Independent R&D capabilities

As the scale of operations continues to expand, the Company is actively investing in the R&D of electronic materials, such as lithium battery cathode materials, in addition to its existing products. The Company's R&D goals are not only to optimize the existing process and increase the efficiency of waste catalyst recovery and regeneration but also plan to develop new products based on the current accumulated technologies and experience, expand product production lines and services, and enhance the content and quality of the business.

F. Senior talents with abundant professionalism

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

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

A. Senior talents with abundant professionalism

(A) Stable demand

The Company's oxidation catalysts are an important and irreplaceable raw material for PTA production and have high added value. PTA is mainly used for polyester, including polyester fiber, polyester pellets, and polyester film. Among the polyesters, the primary usage is to produce polyester fiber, providing ready-to-wear materials (such as Tetoron, Tedelon, Tairilin, Eastlon, Jinzhulon, and Hualon Silk), non-woven fabrics, tire cords, and car seat belts; secondly, it is used to produce polyester pellets, which may be used to make plastic containers, such as PET bottles for beverages; Polyester film is used for videotapes, audio tapes, medical X-ray film, and packaging materials, among other things. With their wide use in people's livelihood and industrial fields, polyester products demonstrate stable market demand and a profound impact on human life.

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

Thanks to the development trend of green and alternative energies, Europe and China are actively promoting the EV industry, driving demand growth for battery materials. The Company's nickel sulfate and its subsidiary Uranus Chemicals' cobalt sulfate are both key raw materials for lithium battery cathode materials. Battery material manufacturers have continually made technological breakthroughs, such as: Improving the safety, capacity, and charging speed of ternary batteries, increasing the capacity of binary batteries, etc. It is expected that battery material technology will mature in the future, leading to industrial development.

(C) Adoption trend of ternary battery materials

Compared with LFP, LCO, LNO, and LMO battery materials, ternary battery materials (NCM and NCA) have the characteristics of nickel, cobalt, and manganese or nickel, cobalt, and aluminum and have the advantage of high energy density. Many international major manufacturers have adopted ternary battery materials, including the U.S. manufacturer Tesla's use of NCM and NCA,

European manufacturers Volkswagen, Volvo, BMW, and Mercedes Benz, and Chinese electric vehicle manufacturers such as Beijing Automotive, Geely Automobile, Zotye Automobile, and some European car makers have selected ternary battery materials. As the market acceptance of ternary battery materials increases, the Company's nickel sulfate and its subsidiary Uranus Chemicals' cobalt sulfate will benefit from this trend, driving revenue and profit growth.

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

The Company's subsidiary Heng I Chemical has been engaged in the fertilizer business for over 60 years. The products from its own brand "Gufeng" include straight fertilizers, chemical compound fertilizers, and organic compound fertilizers, which are suitable for a variety of crops such as rice, sweet potatoes, potatoes, tea, fruit trees, tomatoes, etc. Gufeng is deeply favored by farmers and occupies a position in the domestic fertilizer market. In addition, Heng I Chemical is also the OEM of Sinon Corp. for "black granular fertilizer," a compound fertilizer, and has further gained market recognition with its stable and excellent quality and the brand influence of Sinon Corp.

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

The Company's subsidiary Heng I Chemical specializes in producing high-purity electronic-grade sulfuric acid, mainly supplying major Japanese manufacturers and leading domestic semiconductor companies. As demand for ultra-high purity sulfuric acid rises in high-end semiconductor processes, Heng I Chemical's products, due to their stable quality and compliance with major manufacturer standards, continue to gain market favor. Heng I Chemical has also developed products in line with customer needs.

B. Unfavorable factors and countermeasures

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

The Company is highly dependent on imports of nickel and cobalt, so price fluctuations in the raw material market directly affect product gross profit.

Countermeasures:

a. Sign supply contracts and constantly monitor the market conditions

The Company signs supply contracts for the purchase of nickel and cobalt to ensure a stable supply. If demand exceeds the contract scope, additional purchases are made in the spot market. Furthermore, the Company closely monitors market conditions. It flexibly adjusts purchase quantity and

timing based on inventory and safety stocks when international prices are low, to mitigate the risk of raw material price fluctuations.

b. Purchase from different suppliers

The Company regularly evaluates supplier quality, quotations, and cooperation, and selects high-quality suppliers for medium- and long-term cooperation. Simultaneously, by diversifying purchase sources, the Company reduces supply concentration and out-of-stock risks, ensuring a stable raw material supply.

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

Oxidation catalysts, a key catalyst for the PTA process, are primarily supplied to PTA manufacturers. Given that the PTA industry is capital and technology intensive, the number of domestic manufacturers is limited, and market sales are relatively concentrated.

Countermeasures:

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

The Company maintains a solid domestic market share and is actively expanding into overseas markets. To supply local PTA manufacturers, it has established oxidation catalyst production lines in China's Zhejiang (Ningbo) and Fujian (Zhangzhou) provinces, and Thailand (Rayong). This move is intended not only to expand market territory, but to also diversify sales risks.

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

In addition to the oxidation catalyst business, the Company is also actively expanding its core businesses, including: Incorporating a compound fertilizer producing subsidiary, expanding the electronic-grade sulfuric acid business, and developing power battery materials. Due to the Company's active investment, some of its products have gained favor with international manufacturers and successfully expanded into overseas markets. Through business diversification, the Company has not only expanded into areas other than chemical fiber products, but also strengthened its operational advantages.

(C) Working capital needs in response to business growth

In addition to actively expanding into overseas markets for its oxidation

catalyst products, the Company's main product, nickel sulfate, a power battery material, and its subsidiary Uranus Chemicals' cobalt sulfate, have also obtained relevant certifications from major international battery manufacturers. With the increasing demand for lithium battery cathode materials and continued business growth, the demand for working capital also increases accordingly.

Countermeasures:

Alongside utilizing its own surplus and bank loans for operating funds, the Company has also completed its stock listing and raised low-cost funds through the capital market to support the capital needs of business growth.

(D) High environmental awareness and strict standards

With growing global environmental awareness, the Company, operating in the chemical engineering industry, upholds environmental protection and guarantees raw material and product regulatory compliance. In addition, the Company has completed the REACH registration for the European market, ensuring product compliance with environmental protection and safety standards.

Countermeasures:

Since its establishment, the Company has actively been committed to its environmental protection responsibilities. In addition to investing in pollution prevention equipment, it has improved the recovery and treatment of waste gas and wastewater, and passed the ISO14000 certification to meet higher environmental protection standards. In addition, the Company conducts carbon footprint inventories of cobalt sulfate and nickel sulfate products and plans carbon reduction plans to continuously reduce its environmental impact.

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

1. Major applications of core products

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

2. Production process of major products

(1) Crystal form products

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

(2) Liquid form products

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

(3) Powder type products

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

(4) Fertilizers

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

(5) Sulfuric acid

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

(6) Oxalic acid

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

(III) Supply of main raw materials

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

| Main materials | Domestic suppliers | Foreign suppliers | Supply status |
|---------------------------|--------------------|---------------------|-------------------|
| Cobalt (Co) | None | VAZ, VO, VCF, etc. | Sufficient supply |
| Manganese (Mn) | None | VCX | Sufficient supply |
| Nickel (Ni) | None | VAI, VCB, etc. | Sufficient supply |
| Hydrobromic acid (Hbr) | None | VE, VU, VCW | Sufficient supply |
| Glacial acetic acid (HAc) | VH | None | Sufficient supply |
| Ammonium sulfate | VAW | None | Sufficient supply |
| Urea | VCU | VBU | Sufficient supply |
| Potassium chloride | VCR, VCS | VDB | Sufficient supply |
| Sulfur | VBA, VBX | None | Sufficient supply |
| Oxalic acid | None | VCN, VCP, VDE, etc. | Sufficient supply |

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

1. Major Suppliers in the Last Two Years

Unit: NT\$ (thousand)

| Item | 2023 | | | | 2024 | | | |
|------|--------------|-----------|---|--------------------------|--------------|-----------|---|--------------------------|
| | Name | Amount | As a percentage of net purchases for the year (%) | Relationship with issuer | Name | Amount | As a percentage of net purchases for the year (%) | Relationship with issuer |
| 1 | VCB | 1,146,729 | 40.58 | None | VAI | 991,657 | 37.57 | None |
| 2 | VAU | 342,912 | 12.13 | None | VO | 310,823 | 11.78 | None |
| | Others | 1,336,302 | 47.29 | | Others | 1,336,875 | 50.65 | |
| | Net purchase | 2,825,943 | 100.00 | | Net purchase | 2,639,355 | 100.00 | |

Reasons for increase or decrease:

- (1) The decrease in net purchases in 2024 over 2023 was mainly due to the decreased end demand for electric vehicles.
- (2) The Company selects suppliers based on considerations such as purchase unit price, delivery time, and supplier collaboration. The Company usually maintains about five metal suppliers and determines the purchase counterpart based on the purchase unit price provided by each supplier, which causes changes in ranking and proportion.

2. Major Customers in the Last Two Years

Unit: NT\$ (thousand)

| Item | 2023 | | | | 2024 | | | |
|------|-----------|-----------|---|--------------------------|-----------|-----------|---|--------------------------|
| | Name | Amount | As a percentage of net sales for the year (%) | Relationship with issuer | Name | Amount | As a percentage of net sales for the year (%) | Relationship with issuer |
| 1 | CP | 1,733,699 | 33.14 | None | CP | 891,273 | 21.76 | None |
| 2 | - | - | - | - | CAF | 500,101 | 12.21 | None |
| | Others | 3,498,032 | 66.86 | | Others | 2,704,132 | 66.03 | |
| | Net sales | 5,231,731 | 100.00 | | Net sales | 4,095,506 | 100.00 | |

Reasons for increase or decrease:

- (1) The decrease in net operating revenue in 2024 over 2023 was mainly due to the decreased end demand for electric vehicles.
- (2) The increase or decrease of individual customers of the Company mainly depends on the needs of customers and the difference between contract and spot market pricing.

III. Information on the number of employees, average years of service, average age, and education in the last 2 years and up to the publication date of the annual report

| Year | | 2023 (Consolidated) | 2024 (Consolidated) | The current year ends on March 30, 2025 |
|--------------------------|-----------------------|------------------------|------------------------|---|
| Number of employees | Direct employees | 293 | 315 | 310 |
| | Indirect employees | 195 | 215 | 215 |
| | Total | 488 | 530 | 525 |
| Average age | | 39.24 | 39.30 | 39.45 |
| Average years of service | | 5.89 | 6.33 | 6.49 |

| Year | | 2023 (Consolidated) | 2024 (Consolidated) | The current year ends on March 30, 2025 |
|---|------------------------|------------------------|------------------------|---|
| Distribution of educational level | PhD | - | - | - |
| | Master's degree | 7% | 6.8% | 6.9% |
| | University/ College | 58% | 59.4% | 60.2% |
| | High school | 30% | 28.7% | 27.8% |
| | Below high school | 5% | 4.9% | 5% |

IV. Expenditure on environmental protection

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

| Date of fine/No. of fine | Laws violated | Contents of penalties | Provisions and contents of law violated | Countermeasures | Possible expenses |
|------------------------------------|--------------------------------------|---|---|---|---|
| 2024.04.30 No. 30-113-040003 | Water Pollution Control Act | Payment of a NT\$72 thousand fine and completion of a 2-hour environmen tal training course | An inspection by personnel of the Environmental Protection Bureau on November 14, 2023, revealed Heng I Chemical Company Ltd. (Heng I), a subsidiary of the Company, exceeded wastewater discharge limits for suspended solids (with a measurement of 35.5mg/L against a 30mg/L standard). In violation of Water Pollution Control Act Article 7, Paragraph 1, relevant penalties were applied as per Article 40, Paragraph 1 of the same act, encompassing environmental training as mandated by Article 23, Paragraph 2 of the Environmental Education Act. | Heng I completed the improvements before the deadline, paid the fine and participated in training courses pursuant to law. | Heng I has paid the fine with no additional expenditure |
| 2024.07.08 No. 30-113-080025 | Water Pollution Control Act | Payment of a NT\$98 thousand fine and completion of a 2-hour environmen tal training course | On July 8, 2024, Environmental Protection Bureau personnel inspected the perimeter of Uranus Chemicals Co., Ltd (Uranus Chemicals)'s Taichung Plant, a subsidiary of the Company, and found water seepage from an outer wall had overflowed into a nearby drainage ditch. An investigation revealed that acidic wastewater in the wastewater storage tanks and raw material storage area of Uranus Chemicals' Taichung Plant had eroded the wall, causing waste liquid to leak into the drainage ditch outside the perimeter. This was confirmed to be a violation of Article 28, Paragraph 1 of the Water Pollution Control Act, and an environmental training course was imposed in accordance with Article 23, Paragraph 2 of the Environmental Education Act. | Uranus Chemicals immediately sent personnel to the site to remove the accumulated water, which has since been cleared and improved. The Company also paid the fine and participated in the training as required by law. | Uranus Chemicals paid the fine with no additional expenditure. |

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

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

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

V. Labor relations

- (I) The Company's employee welfare measures, continuing education, training, and retirement regulations and their actual implementation, along with employer-employee agreements and measures for protecting employee rights:
1. Employee welfare measures
 - (1) Relaxing domestic and overseas employee travel
 - (2) Comprehensive insurance coverage (Labor Insurance, National Health Insurance, group insurance, cancer insurance, travel insurance, and commercial insurance)
 - (3) Full subsidies for training programs

- (4) Free regular health check-ups and free health check-up subsidies for supervisors
- (5) Employee remuneration and employee stock subscription
- (6) Hospitalization subsidies, hospitalization relief fund, and funeral subsidies for occupational accidents
- (7) Wedding gifts
- (8) Childbirth gift, NT\$30,000 for the first child; NT\$60,000 for second child; NT\$100,000 for third child; NT\$120,000 for fourth child; NT\$160,000 for fifth child
- (9) Gift vouchers for the three major festivals, gift vouchers for Labor Day, and gift vouchers for birthdays
- (10) Club activities
- (11) New and comfortable staff quarters
- (12) Special parking spaces for pregnant employees
- (13) Welcome package for new employees

2. Continuing education and training

In response to the rapid changes in the external environment, fierce industry competition, and international developments, CoreMax Group strives to create an internal learning atmosphere within the company and actively cultivates and retains talents with the training and development system. After new employees are hired, we immediately provide training regarding their rights, work safety, labor safety laws, Labor Standards Act, and other human rights-related training. In response to the development needs of different departments, we use internal and external training resources, plan for the industrial environment and future developments, and plan diversified training courses to strengthen the overall competitiveness of employees and the Company. We implement education and training courses tailored to specific levels, integrating the Company's and departments' future needs.

To meet the development needs, training courses that meet the job requirements of employees are planned, including environmental safety and health education and training, professional courses, general education courses, and supervisor management courses. With training, we aim to enhance the knowledge and skills required for employees' personal career development and company development.

The following table shows the statistics for the Company's employee training and study program hours in 2024:

| Training category | Training participants | | Cumulative hours | |
|----------------------------------|-----------------------|--------|------------------|--------|
| | Male | Female | Male | Female |
| On the job training | 399 | 88 | 988.5 | 187.5 |
| Professional function training | 170 | 74 | 852.5 | 444 |
| Skill training for supervisors | 8 | 3 | 97 | 48 |
| Technical training for employees | 67 | 7 | 967 | 36 |
| General training | 569 | 224 | 1,126 | 462.5 |
| Self-development training | 12 | - | 324 | - |
| Total | 1,225 | 396 | 4,355 | 1,178 |

3. Retirement system and its implementation status:

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

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

The Company respects the freedom of association and the rights of employees under the law. It is committed to providing smooth communication channels between

employees and employers, including labor-management meetings and care meetings for local and foreign employees, to integrate all resources and work together toward a common goal. Although there is no labor union in our Company, the Company values our employees' opinions and holds regular meetings between employees and employers. In 2024, the Company held 4 labor-management meetings, with 50% of the representatives from the labor side and 50% from the employer side, in compliance with relevant regulations. The Company invited all employees to participate and encouraged them to provide valuable suggestions. At the same time, the Company can understand their opinions on the Company's management and welfare system, which can be used as a reference for future policy and system improvement. Therefore, up to the publication date of this annual report, the relationship between the employer and employees is harmonious, and there are no labor disputes and no need for mediation on the relationship between employers and employees.

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

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

| Item | Content |
|---|--|
| Maintenance and inspection of various equipment | <ol style="list-style-type: none"> 1. Annual inspection is conducted in accordance with the regulations of the building public safety inspection certification and reporting. 2. Annual inspections are commissioned in accordance with the provisions of the Fire Services Act. 3. Fire extinguishing equipment is inspected monthly in accordance with the provisions of the Fire Services Act. 4. Annual high- and low-voltage equipment inspections are commissioned in accordance with the Occupational Safety and Health Act. 5. Monthly lift maintenance and inspections are commissioned in accordance with the Occupational Safety and Health Act. 6. Monthly inspection and maintenance of electrical equipment is commissioned. 7. Regular inspection of specific high-pressure gas equipment is commissioned annually according to the Regulations for Safety Inspection of Hazardous Machines and Equipment. 8. Regular inspection of type 2 pressure vessels is commissioned annually according to the Regulations Governing Occupational Safety and Health. |
| Disaster prevention measures and | <ol style="list-style-type: none"> 1. Pursuant to the Occupational Safety and Health Act, the safety and health management program is established to prevent occupational disasters. 2. Conduct four-hour self-defense firefighting group training every six months pursuant to the Fire Services Act. |

| Item | Content |
|--|---|
| response | <p>3. Pursuant to the Occupational Safety and Health Act and the Fire Services Act, the onsite safety and health personnel, various operational supervisors, operators, firefighting managerial personnel, and security supervisors are sent to external training.</p> <p>4. By adopting ISO 14001 standards, the chemical emergency contingency program is conducted every year.</p> <p>5. An emergency response team is set up to reduce the impact on personnel and property in an emergency.</p> |
| Physiological health | <p>1. Pursuant to the Occupational Safety and Health Act, new employees must undergo physical examinations, and incumbents have regular health examinations every year or every two years.</p> <p>2. Drinking water is inspected quarterly according to the Drinking Water Management Act.</p> <p>3. The work environment is measured for the operational environment every six months according to the Occupational Safety and Health Act.</p> <p>4. Doctors engaged in labor health services are engaged by special arrangement and nurses are hired to provide labor health services and care for the physical and mental health of our employees according to the Occupational Safety and Health Act.</p> |
| Informing contractors of operational hazardous factors | Pursuant to the Occupational Safety and Health Act, contractors shall be controlled for hazardous operations and informed of the hazards. |
| Continuous monitoring and auditing | For environmental safety operations in the plant area, other than the implementation of various environmental inspections and personnel working environment measurements pursuant to laws, a complete audit procedure has been established, as well as daily inspections, high-risk operation inspections, and supervisor patrols, to implement continuous improvement and enhance environmental safety performance. |

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

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

VI. Cybersecurity management

- (I) State the cybersecurity risk management framework, cybersecurity policies, specific management plans, and the resources invested in cybersecurity management.

1. Information security risk management framework

- (1)The Company's IT Department is responsible for formulating internal information security policies, planning and executing information security operations, and promoting and implementing information security policies.
- (2)The Company's Audit Office is the audit unit for information security supervision. If the office identifies deficiencies, the audited unit will be immediately required to propose relevant improvement plans and report them to the Board of Directors. The improvement results will then be regularly tracked to reduce internal information security risks.
- (3)The organizational operation model utilizes Plan-Do-Check-Act (PDCA) cycle management to guarantee reliability, achievement of goals, and ongoing improvement.

2. Information security policy

- (1)Maintain the sustainable operation of various information and communication systems.
- (2)Prevent invasion and damage from hackers and various viruses.
- (3)Prevent improper and illegal use of information by people.
- (4)Prevent sensitive information from being leaked.
- (5)Avoid accidents caused by human negligence.
- (6)Maintain physical environment security.

3. Detailed plan for information security management

(1)Computer equipment security management

The Company's computer hosts, application servers, and other equipment are all located in a dedicated server room, which keeps entry and exit records for review.

The server room is equipped with independent air conditioning to maintain the computer equipment running in an environmental with the appropriate temperature, as well as chemical fire extinguishers, which can be used for general fires or fires caused by electrical appliances.

The server room is also equipped with uninterruptible power supply and voltage stabilization equipment to avoid system crashes caused by unexpected

power outages from Taipower, or to ensure that the operation of computer application systems will not be interrupted during temporary power outages.

(2) Cyber security management

The external network entrance utilizes an enterprise-level firewall to safeguard against illegal hacker intrusions.

For remote access to the Company's intranet and ERP system, employees must apply for a VPN account and log in using the secure VPN method. Relevant usage records are kept for auditing purposes.

The Company has also implemented Internet behavior management and filtering equipment to control Internet access, block harmful or unauthorized network addresses and content, enhance network security, and prevent improper bandwidth resource occupation.

(3) Virus protection and management

Servers and employee computers have endpoint protection software installed, featuring automatic virus code updates to block the latest viruses. Additionally, the software detects and prevents the installation of potentially threatening system executable files.

Email servers are equipped with anti-virus and spam filtering mechanisms to prevent viruses or spam from entering the user's computer.

(4) System access control

To use various application systems, employees must follow the Company's system authorization application process. After the responsible supervisor's approval, the IT Office will create a system account, and access is granted solely after authorization by the system administrator, according to the requested functional permissions.

Account passwords must meet strength and character length requirements, including a mix of alphanumeric characters and special symbols, to be accepted.

When an employee completes their resignation (retirement) procedures, the IT Office will, according to the HR resignation notice, delete the employee's accounts from all systems.

(5) Ensuring the continuous operation of systems

A. System backup: A remote backup system was established, and a daily backup mechanism was adopted. Backup data copies were stored in each remote

server room, and a remote location backup system was implemented to ensure system and data security.

B. Disaster recovery drills: Systems undergo a drill every six months. After selecting the restoration date baseline, backup media is restored to the system host, and the user unit confirms the restored data's accuracy in writing, ensuring the backup media's correctness and effectiveness.

(6) Cyber security promotion, education, and training

A. Information security promotion: Provided documents related to information and communication security cases for employees' reference.

4. Resource investment in information and communication security

The IT Department has a dedicated information security supervisor and staff member who review information security management at quarterly meetings. Every quarter, the IT Department reviews, plans, and implements key information security tasks, such as system host operating system or important software upgrades and disaster recovery drills. It also conducts ad hoc information security checks to identify vulnerabilities in information equipment, resource allocation, and system configuration, and compiles information security budgets for implementation. The IT Department has also signed information and communications security protection agreements with judicial authorities to establish information and communications security joint defense mechanisms.

5. Emergency notification procedures

Following an information security incident, the impacted unit notifies the IT Department, which classifies the event, conducts incident analysis, implements immediate corrective actions, and creates relevant records.

- (II) List the losses sustained due to major information security incidents, possible impact, and the responses measures in the most recent year and up to the date of report. If it cannot be reasonably estimated, describe the facts that it cannot be reasonably estimated: In 2024 and up to the date of publication of the annual report, there were no major information security incidents that resulted in losses.

VII. Material contracts

| Nature of contract | Counterparty | Commencement date/expiration date | Major contents | Covenants |
|------------------------|------------------------------|--|---|--|
| Land lease | Heng I Chemical Company Ltd. | January 2015 to December 2024 | For renting land | None |
| Land and plant lease | Heng I Chemical Company Ltd. | Land: January 2025 to December 2030 Building: January 2025 to December 2027 | For renting land and plants | None |
| Land and plant lease | Heng I Chemical Company Ltd. | November 2020 to October 2030 | For renting land and plants | None |
| Office building lease | Uranus Chemicals Co., Ltd. | January 2017 to December 2026 | For renting office buildings | None |
| Medium-term borrowings | O-Bank | 2019 to 2026 | Credit loans, working capital for operations | Applicable for the Program for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan |
| Medium-term borrowings | Mega Bank | 2019 to 2026 | Credit loans, working capital for operations | Applicable for the Program for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan |
| Medium-term borrowings | Mega Bank | 2020 to 2026 | Credit loans and loans of machinery equipment | Applicable for the Program for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan |
| Medium-term borrowings | Hua Nan Commercial Bank | 2024 to 2031 | Working capital for operations | For the "New Southbound Project" |

E.Review of Financial Position and Financial Performance and Risks

I.Financial position

(I) Comparative analysis of financial position (consolidated)

Unit: NT\$ (thousand)

| Item \ Year | December 31, 2024 | December 31, 2023 | Difference | |
|--------------------------------|----------------------|----------------------|-------------|------------|
| | | | Amount | % |
| Current assets | 4,755,603 | 4,851,019 | (95,416) | (1.97%) |
| Property, plant, and equipment | 4,502,181 | 4,790,690 | (288,509) | (6.02%) |
| Total assets | 9,852,321 | 9,920,226 | (67,905) | (0.68%) |
| Current liabilities | 2,298,194 | 2,391,269 | (93,075) | (3.89%) |
| Non-current liabilities | 1,007,647 | 1,164,226 | (156,579) | (13.45%) |
| Total liabilities | 3,305,841 | 3,555,495 | (249,654) | (7.02%) |
| Share capital | 1,190,293 | 1,190,293 | — | — |
| Additional paid-in capital | 3,392,812 | 3,400,289 | (7,477) | (0.22%) |
| Retained earnings | 1,052,785 | 958,705 | 94,080 | 9.81% |
| Other equity | (11,194) | (51,793) | 40,599 | (78.39%) |
| Treasury stock | (84,658) | (84,658) | — | — |
| Non-controlling interests | 1,006,442 | 951,895 | 54,547 | 5.73% |
| Total equity | 6,546,480 | 6,364,731 | 181,74 | 2.86% |

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

1. Increase in other equity: Mainly due to exchange rate fluctuations resulting in exchange gains during the translation of foreign operating entity financial statements, and the disposal of equity instruments measured at fair value through other comprehensive income.

(III) Impact: No material impact.

(IV) Future response plan: Not applicable.

II. Financial performance

(I) Comparative analysis of financial performance (consolidated)

Unit: NT\$ (thousand)

| Item \ Year | 2024 | 2023 | Increase/ decrease amount | Variation (%) |
|--|-----------|------------|---------------------------------|---------------|
| Operating revenue | 4,095,506 | 5,231,731 | (1,136,225) | (21.72%) |
| Operating cost | 3,553,715 | 5,055,610 | (1,501,895) | (29.71%) |
| Operating margin | 541,791 | 176,121 | 365,670 | 207.62% |
| Operating expenses | 375,458 | 269,606 | 105,852 | 39.26% |
| Net operating profit (loss) | 166,333 | (93,485) | 259,818 | (277.92%) |
| Non-operating income and expenses | 126,337 | 28,533 | 97,804 | 342.78% |
| Net profit (loss) before tax | 292,670 | (64,952) | 357,622 | (550.59%) |
| Income tax expense | 67,389 | 9,474 | 57,915 | 611.30% |
| Net profit (loss) of the year | 225,281 | (74,426) | 299,707 | (402.69%) |
| Other comprehensive income | 22,718 | (6,709) | 29,427 | (438.62%) |
| Total comprehensive income of the year | 225,281 | (81,135) | 306,416 | (377.66%) |
| Net income of the term attributable to: | | | | |
| owners of the parent | 169,037 | (100,229) | 269,266 | (268.65%) |
| Non-controlling interests | 56,244 | 25,803 | 30,441 | 117.97% |
| Total comprehensive income attributable to: | | | | |
| owners of the parent | 192,387 | (115,522) | 307,909 | (266.54%) |
| Non-controlling interests | 55,612 | 34,387 | 21,225 | 61.72% |

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

1. Decrease in operating income and costs: Mainly due to the decrease in unit prices and sales volume, which reduced the operating income and costs.
2. Increase in gross profit: Mainly due to changes in the sales price to cost ratio, resulting in lower unit costs, which led to an increase in gross profit.

3. Increase in operating expenses: Mainly due to the construction of a plant in Vietnam, which increased associated operating expenses, and the recognition of stock-based compensation related to Coremax's parent company's treasury stock transfer to employees.
4. Increase in non-operating income and expenses: Mainly due to favorable exchange rate fluctuations, increased foreign currency translation gains, and efficient capital allocation, which reduced bank borrowings and consequently lowered borrowing interest expenses.
5. Increase in income tax expense: Mainly due to the increase in the Company's operating profits.

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

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

(V) Response Plan: Not applicable.

III. Cash flow

(I) Analysis of consolidated cash flow changes of the year (consolidated)

| Item \ Year | 2024 | 2023 | Change (%) |
|--|-------|-------|------------|
| Cash flow ratio (%) | 33.65 | 47.00 | (28.40%) |
| Cash flow adequacy ratio (%) | 65.70 | 69.98 | (6.12%) |
| Cash reinvestment ratio (%) | 6.65 | 8.03 | (17.19%) |
| Analysis and explanation of the changes: The decrease in cash flow ratio was mainly due to the significant decrease in inventory in 2023, which generated cash inflows, and a slight increase in inventory in 2024, which generated cash outflows. This resulted in a decrease in net cash flow from operating activities, which also led to a decrease in the cash flow ratio. | | | |

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

(III) Analysis of Consolidated Liquidity for the Coming Year

Unit: NT\$ (thousand)

| Cash balance, beginning | Expected annual net cash flow from operating activities | Expected annual cash outflow | Expected cash surplus (deficit) | Remedial measures for deficits in expected cash and cash equivalents | |
|--|---|------------------------------|---------------------------------|--|-----------------|
| | | | | Investment plans | Financial plans |
| 2,910,344 | 950,000 | (2,425,944) | 1,434,400 | None | Bank loans |
| 1. Analysis of cash flow changes for the coming year: It is expected that the company's business will grow steadily in the coming year, the plant | | | | | |

| Cash balance, beginning | Expected annual net cash flow from operating activities | Expected annual cash outflow | Expected cash surplus (deficit) | Remedial measures for deficits in expected cash and cash equivalents | |
|--|---|------------------------------------|------------------------------------|--|--------------------|
| | | | | Investment plans | Financial plans |
| construction plan of the Vietnamese subsidiary will proceed as scheduled, and cash dividends are expected to be achieved continuously. Overall, the number of cash shares will be slightly lower than the beginning of the period. | | | | | |
| 2. Response to expected cash deficit: None. | | | | | |

IV. Impact of major capital expenditures on financial operations in the recent year

The Company and its subsidiaries are focused on fulfilling customer order requirements and enhancing competitiveness and quality.

In order to support sustainable operations, improve product production efficiency, reduce raw material consumption, and set up cobalt recycling equipment to strengthen recycling and reuse, the Company set up solar photovoltaic equipment in Toufen Plant. The equipment reduces the reliance on externally purchased power and carbon emissions. The Company also added sewage treatment equipment facilities to improve its ability to treat process wastewater and reduce the environmental impact of wastewater discharge during the production process.

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

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

V. Reinvestment policy in the past year, profit/loss analysis, improvement plan, and investment plan for the coming year

(I) Policy for investments in other companies:

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

(II) Analysis of reasons for profit/loss:

The Company's overseas investment operations in recent years have not yet achieved economies of scale, resulting in operating losses in Coremax Ningbo, Zhangzhou, and Jiangxi Tianjiang. The subsidiary in Vietnam is in the plant construction stage and has not yet started mass production, resulting in operating losses. The operations of the remaining investee companies, including Uranus Chemicals and Heng I Chemical in Thailand and China, have stable profits.

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

VI. Risk issues and assessment for the most recent year up to the publication date of the annual report

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

1. Interest rate

Unit: NT\$ (thousand)

| Item | 2024 | | 2023 | |
|------------------|--------|--------------------|--------|--------------------|
| | Amount | Share of net sales | Amount | Share of net sales |
| Interest expense | 50,157 | 1.22% | 88,948 | 1.70% |

The Company's working capital was mainly financed. The interest expenses of 2024 and 2023 were NT\$50,157 thousand and NT\$88,948 thousand, respectively, accounting for 1.22% and 1.70% of net operating revenue. Overall, the interest expenses of 2024 and 2023 accounted for a very low proportion of the year's revenue, and the impact on profit was limited. Other than adequately increasing its working capital, the Company maintains a close relationship with its correspondent banks, monitors money market interest rates and financial information at all times, and selects the most favorable capital applications and response measures depending on the cost of funds and possible return and risks, reducing the interest rate risk arising from operations.

2. Exchange rate

Unit: NT\$ (thousand)

| Item | 2024 | | 2023 | |
|-------------------------|--------|--------------------|--------|--------------------|
| | Amount | Share of net sales | Amount | Share of net sales |
| Exchange gains (losses) | 60,407 | 1.47% | 12,919 | 0.25% |

The Company mainly uses USD as the denomination of receivables and payables. Nearly 80% of the receivables and payables are denominated in USD, resulting in a certain degree of natural hedging benefits. Since the portion of exchange gains and losses to net sales in 2024 and 2023 were not high, the exchange rate fluctuations did not significantly impact the Company's operations.

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

3. Inflation changes:

The Company's purchases and sales are based on market price quotations.

Currently, there is no significant impact due to inflation.

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

1. The Company has established "Procedures for Acquisition or Disposal of Assets," "Procedures for Endorsement and Guarantees," and "Procedures for Lending Funds to Others," which were all approved by shareholders' meetings and are the basis for the Company to execute related transactions.
2. The Company has not engaged in high-risk, highly-leveraged investments in the most recent fiscal year and up to the publication date of the annual report.
3. The Company has endorsed and guaranteed the operations of its subsidiaries Coremax (BVI) Corporation and Vinacoremax Company Limited in the most recent year and up to the publication date of the annual report. The above transactions were implemented based on the Company's Procedures for Endorsement and Guarantees.
4. In the most recent year and up to the publication date of the prospectus, the Company or its subsidiaries lent funds to subsidiaries in need to fill the operational needs of the Company's subsidiaries Coremax (Thailand) Co., Ltd., Coremax Ningbo Chemical Co., Ltd., and Coremax (Zhangzhou) Chemical Co., Ltd. The lending of funds and transactions were executed based on the Procedures for Lending Funds to Others of

the Company and its subsidiaries.

5. The Company trades derivative products only for non-trading purposes. To mitigate risks arising from fluctuations in international metal prices for raw materials, the Company adopts futures trading for hedging with the aim of minimizing the impact of changes in international metal prices on the Company's profits and losses.

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

1. Future research plans

(1) Short-term plans

- A. According to customer needs, we will improve the quality of existing products and enhance their market competitiveness.
- B. We will optimize existing processes and equipment to produce products with different physical properties and specifications to meet diverse market demands.
- C. In response to increasingly stringent regulatory requirements, we will optimize waste gas treatment, water resource management and waste recycling processes and equipment to ensure compliance with environmental standards.
- D. We will improve the quality of fertilizer product lines to ensure that products meet both market and environmental requirements.

(2) Medium- and long-term plans

- A. In response to evolving market demand, we will develop diverse nickel and cobalt product series and actively expand our product lines.
- B. We are committed to the development of diversified cobalt and nickel metal materials for production and recycling technologies, and will improve recycling output, efficiency and quality, thus promoting a green circular economy.
- C. We will further enhance resource recycling and reuse technologies, develop and optimize water resources and waste recycling and reuse plans, thus maximizing resource utilization.

2. Expected R&D investment

The Company's R&D direction focuses on optimizing production processes and enhancing product quality, thereby improving overall production efficiency, strengthening nickel and cobalt material recycling and reuse technology, and simultaneously advancing water resources and waste recycling and reuse development to reinforce competitive advantages.

The Company's R&D consists of process technology improvement and new product and technology development. As the equipment consists of existing production process equipment or has been purchased recently, it is expected that the majority of R&D expenses will be personnel salary costs for the R&D unit, and a

small remainder will cover material costs. It is estimated that the future investment in R&D funds will be approximately NT\$23,001, thousand, accounting for approximately 5% of the total annual operating expenses.

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

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

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

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

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

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

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

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

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

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

The Company set up plants overseas to create dispersed production sites for supplying key raw materials close to target customers, reduce supply risks due to political and economic changes, and increase flexibility for international trade. To

address the potential risks of insufficient utilization of production capacity after establishment, the Company actively negotiates with major international manufacturers on cooperation and capacity planning to reduce operational risks.

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

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

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

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

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

The Company is mainly a manufacturer of oxidation catalysts, power battery materials, compound fertilizers, and specialty chemical materials. Its products are applied in the chemical fiber, secondary lithium battery, agriculture, and electronics industries, and customers are all well-known companies or agents in the industry. The net revenue ratios to CP from 2022 to 2024 are 35.67%, 33.14%, and 22.78% respectively. The Company's sales proportion to CP has decreased annually, primarily due to the Company's ongoing efforts to diversify its customer base and mitigate sales concentration risks.

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

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

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

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

VII. Other important matters: None.

F. Special Disclosure

I. Profiles of Affiliated Companies

For the latest annual consolidated business report of affiliated enterprises, consolidated financial statements of affiliated enterprises, and affiliation reports, please refer to the MOPS: Market Observation Post System → Basic Information → E-books → Three Forms for Affiliated Enterprises.

The Annual Report is available at: https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=4739&year=&mtype=K&isnew=true

- II. Progress of private placement of securities during the last year and up to the publication date of the annual report: None.**
- III. Other supplemental information: None.**
- IV. Corporate events with material impact on shareholders' equity or stock prices set forth in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act in the last year and up to the publication date of the annual report shall be clearly stated: None.**

Coremax Corporation

Chairman: Ho, Chi-Cheng