

Coremax Corporation
Parent-Company-Only Financial Statements
With Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023

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

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Independent Auditors' Report

To the Board of Directors
Coremax Corporation:

Opinion

We have audited the financial statements of Coremax Corporation("the Company"), which comprise the balance sheet as of December 31, 2024 and 2023, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters should be reflected in our report are as follow:

1. Loss allowance assessment of Receivables

Please refer to Note 4(6) "Financial instruments" for the accounting policies of loss allowance assessment of receivables, Note 5 "for the relevant accounting estimation, and major sources of assumption uncertainty"; and Note 6(3) "Notes and accounts receivable, net" to the financial statements for the details of relevant disclosures.

Description of key audit matters:

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

How the matter was addressed in our audit:

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

2. Valuation of Inventories

Please refer to Note 4(7) "Inventories" for the accounting policies of inventories valuation, Note 5 "for the relevant accounting estimation, and major sources of assumption uncertainty", and Note 6(4) "Inventories" to the financial statements for the details of relevant disclosures.

Description of key audit matters:

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

How the matter was addressed in our audit:

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

Responsibilities of Management and Those Charged with Governance for the Parent-company-only Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Parent-company-only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.



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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)

February 25, 2025

Notes to Readers

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

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

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)
Coremax Corporation
Balance Sheets
December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

| Assets | December 31, 2024 | | December 31, 2023 | | Liabilities and Equity | December 31, 2024 | | December 31, 2023 | |
|---|---------------------|------------|-------------------|------------|--|---------------------|------------|-------------------|------------|
| | Amount | % | Amount | % | | Amount | % | Amount | % |
| Current assets: | | | | | Current liabilities: | | | | |
| Cash and cash equivalents (note 6(1)) | \$ 1,999,536 | 28 | 2,135,858 | 28 | Short-term borrowings (note 6(11)) | \$ 351,230 | 5 | 810,154 | 11 |
| Financial assets at fair value through profit or loss — current (note 6(2)) | 9,456 | - | 19,588 | - | Financial liabilities at fair value through profit or loss-current (notes 6(2) and (13)) | - | - | 3,602 | - |
| Accounts receivable, net (note 6(3)) | 127,230 | 2 | 188,389 | 3 | Notes payable | - | - | 89 | - |
| Accounts receivable due from related parties (notes 6(3) and 7) | 21,356 | - | 56,437 | 1 | Accounts payable | 16,200 | - | 30,245 | - |
| Other receivables due from related parties (note 7) | 283 | - | 372,950 | 5 | Accounts payable to related parties (note 7) | 21,304 | - | 73,695 | 1 |
| Inventories (note 6(4)) | 451,370 | 7 | 398,147 | 5 | Other payables (note 6(12)) | 47,718 | 1 | 36,235 | - |
| Prepayments to suppliers | 51,130 | 1 | 47,169 | 1 | Current tax liabilities | 3,145 | - | 4,524 | - |
| Other financial assets — current (notes 6(8)) | 80,878 | 1 | 114,919 | 2 | Current lease liabilities (note 6(14)) | 10,009 | - | 9,119 | - |
| Other current assets (note 6(7)) | 96,208 | 1 | 113,159 | 1 | Bonds payable, current portion (note 6(13)) | 686,417 | 10 | 687,380 | 9 |
| | 2,837,447 | 40 | 3,446,616 | 46 | Long-term borrowings, current portion (note 6(11)) | 120,356 | 2 | 106,785 | 1 |
| | | | | | Other current liabilities (note 6(12)) | 77,599 | 1 | 132,374 | 2 |
| Non-current assets: | | | | | | 1,333,978 | 19 | 1,894,202 | 24 |
| Investments accounted for using equity method (notes 6(5), (6) and 7) | 3,738,801 | 53 | 3,540,819 | 47 | Non-current liabilities: | | | | |
| Property, plant and equipment (notes 6(9) and 8) | 337,465 | 5 | 375,104 | 5 | Long-term borrowings (notes 6(11) and 8) | 132,521 | 2 | 160,139 | 2 |
| Right-of-use assets (note 6(10)) | 33,767 | - | 36,814 | - | Deferred tax liabilities (note 6(16)) | 38,636 | 1 | 65,315 | 1 |
| Deferred tax assets (note 6(16)) | 22,136 | - | 65,115 | 1 | Non-current lease liabilities (note 6(14)) | 25,380 | - | 29,219 | - |
| Other financial assets — non-current (notes 6(8) and 8) | 101,916 | 2 | 101,946 | 1 | Net defined benefit liability — non-current (note 6(15)) | 5,543 | - | 6,351 | - |
| Other non-current assets (note 6(7)) | 4,564 | - | 1,648 | - | | 202,080 | 3 | 261,024 | 3 |
| | 4,238,649 | 60 | 4,121,446 | 54 | | 1,536,058 | 22 | 2,155,226 | 27 |
| | | | | | Total liabilities | | | | |
| | | | | | Equity (notes 6(5), (13) and (17)): | | | | |
| | | | | | Ordinary share capital | 1,190,293 | 16 | 1,190,293 | 16 |
| | | | | | Capital surplus | 3,392,812 | 48 | 3,400,289 | 45 |
| | | | | | Retained earnings | 1,052,785 | 15 | 958,705 | 13 |
| | | | | | Other equity interest | (11,194) | - | (51,793) | - |
| | | | | | Treasury shares | (84,658) | (1) | (84,658) | (1) |
| | | | | | Total equity | 5,540,038 | 78 | 5,412,836 | 73 |
| Total assets | \$ 7,076,096 | 100 | 7,568,062 | 100 | Total liabilities and equity | \$ 7,076,096 | 100 | 7,568,062 | 100 |

See accompanying notes to financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)
Coremax Corporation

Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

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

| | 2024 | | 2023 | |
|---|-------------------|------------|------------------|------------|
| | Amount | % | Amount | % |
| Net operating revenue (notes 6(19) and 7) | \$ 2,116,817 | 100 | 3,834,379 | 100 |
| Operating costs (notes 6(4), (15) and (20)) | <u>1,968,519</u> | <u>93</u> | <u>3,845,259</u> | <u>100</u> |
| Gross profit (loss) | 148,298 | 7 | (10,880) | - |
| Realized (unrealized) profit (loss) from sales (note 7) | <u>(779)</u> | <u>-</u> | <u>(5,438)</u> | <u>-</u> |
| Realized gross profit (loss) | <u>147,519</u> | <u>7</u> | <u>(16,318)</u> | <u>-</u> |
| Operating expenses (notes 6(15) and (20)): | | | | |
| Selling expenses | 31,596 | 1 | 50,586 | 1 |
| General administrative expenses | 123,616 | 6 | 79,269 | 2 |
| Research and development expenses | <u>12,874</u> | <u>1</u> | <u>8,883</u> | <u>-</u> |
| Total operating expenses | <u>168,086</u> | <u>8</u> | <u>138,738</u> | <u>3</u> |
| Net operating income (loss) | <u>(20,567)</u> | <u>(1)</u> | <u>(155,056)</u> | <u>(3)</u> |
| Non-operating income and expenses: | | | | |
| Other income (note 6(21)) | 26,523 | 1 | 4,869 | - |
| Other gains and losses, net (note 6(21)) | 36,175 | 2 | 52,017 | 1 |
| Finance costs (notes 6(11), (13) and (21)) | (35,261) | (2) | (76,357) | (2) |
| Interest income (note 6(21)) | 33,172 | 2 | 30,119 | 1 |
| Share of profit of subsidiaries accounted for using equity method (note 6(6)) | 116,623 | 6 | 21,765 | 1 |
| Foreign exchange gains (losses) (note 6(22)) | <u>23,520</u> | <u>1</u> | <u>16,444</u> | <u>-</u> |
| Total non-operating income and expenses | <u>200,752</u> | <u>10</u> | <u>48,857</u> | <u>1</u> |
| Income (loss) before income tax | 180,185 | 9 | (106,199) | (2) |
| Income tax expenses (benefits) (note 6(16)) | <u>11,148</u> | <u>1</u> | <u>(5,970)</u> | <u>-</u> |
| Net income (loss) | <u>169,037</u> | <u>8</u> | <u>(100,229)</u> | <u>(2)</u> |
| Other comprehensive income: | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | |
| Remeasurements of defined benefit plans | 2,054 | - | 1,097 | - |
| Unrealized gains (losses) of financial assets measured at fair value through other comprehensive income | - | - | 2,362 | - |
| Income tax related to items that will not be reclassified to profit or loss | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total items that will not be reclassified subsequently to profit or loss | <u>2,054</u> | <u>-</u> | <u>3,459</u> | <u>-</u> |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Exchange differences on translation of foreign financial statements | 26,620 | 1 | (23,440) | (1) |
| Income tax relating to item that may be reclassified subsequently (note 6(16)) | <u>5,324</u> | <u>-</u> | <u>(4,688)</u> | <u>-</u> |
| Total items that may be reclassified subsequently to profit or loss | <u>21,296</u> | <u>1</u> | <u>(18,752)</u> | <u>(1)</u> |
| Other comprehensive income | <u>23,350</u> | <u>1</u> | <u>(15,293)</u> | <u>(1)</u> |
| Total comprehensive income | <u>\$ 192,387</u> | <u>9</u> | <u>(115,522)</u> | <u>(3)</u> |
| Earnings(loss) per share (New Taiwan Dollars) (note 6(18)): | | | | |
| Basic earnings (loss) per share | \$ <u>1.44</u> | | \$ <u>(0.93)</u> | |
| Diluted earnings (loss) per share | \$ <u>1.39</u> | | \$ <u>(0.93)</u> | |

See accompanying notes to financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)
Coremax Corporation
Statements of Changes in Equity
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

| | | | | | | Other equity interest | | | | | |
|---|------------------------|-----------------|-------------------|-----------------|-------------------|---|--|----------|-----------------|--------------|-----------|
| | Share capital | | Retained earnings | | | Exchange differences on translation of foreign financial statements | Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income (Note) | Total | Treasury shares | Total equity | |
| | Ordinary share capital | Capital surplus | Legal reserve | Special reserve | Retained earnings | Total | | | | | |
| | \$ | | | | | | | | | | |
| Balance at January 1, 2023 | 1,070,293 | 2,673,415 | 283,401 | 46,536 | 1,047,285 | 1,377,222 | (13,656) | (21,747) | (35,403) | (87,230) | 4,998,297 |
| Net loss for the period | - | - | - | - | (100,229) | (100,229) | - | - | - | - | (100,229) |
| Other comprehensive income (loss) for the period (Note) | - | - | - | - | 1,097 | 1,097 | (18,752) | 2,362 | (16,390) | - | (15,293) |
| Total comprehensive income | - | - | - | - | (99,132) | (99,132) | (18,752) | 2,362 | (16,390) | - | (115,522) |
| Appropriation and distribution of retained earnings: | | | | | | | | | | | |
| Appropriated legal reserve | - | - | 48,961 | - | (48,961) | - | - | - | - | - | - |
| Appropriated special reserve | - | - | - | (11,133) | 11,133 | - | - | - | - | - | - |
| Cash dividends of ordinary share | - | - | - | - | (316,813) | (316,813) | - | - | - | - | (316,813) |
| Capital increased by cash | 120,000 | 693,960 | - | - | - | - | - | - | - | - | 813,960 |
| Share-based payment transactions | - | 6,720 | - | - | - | - | - | - | - | - | 6,720 |
| Disposal of company's share by subsidiaries recognized as treasury share transactions | - | 32,725 | - | - | (2,572) | (2,572) | - | - | - | 2,572 | 32,725 |
| Adjustment to capital surplus due to the Company's cash dividend distributed to subsidiaries | - | 2,021 | - | - | - | - | - | - | - | - | 2,021 |
| Differences between consideration and carrying amounts of subsidiaries shareholding acquired or disposed of | - | (8,552) | - | - | - | - | - | - | - | - | (8,552) |
| Balance at December 31, 2023 | 1,190,293 | 3,400,289 | 332,362 | 35,403 | 590,940 | 958,705 | (32,408) | (19,385) | (51,793) | (84,658) | 5,412,836 |
| Net income for the period | - | - | - | - | 169,037 | 169,037 | - | - | - | - | 169,037 |
| Other comprehensive income for the period (Note) | - | - | - | - | 2,054 | 2,054 | 21,296 | - | 21,296 | - | 23,350 |
| Total comprehensive income | - | - | - | - | 171,091 | 171,091 | 21,296 | - | 21,296 | - | 192,387 |
| Appropriation and distribution of retained earnings: | | | | | | | | | | | |
| Appropriated special reserve | - | - | - | 16,390 | (16,390) | - | - | - | - | - | - |
| Cash dividends of ordinary share | - | - | - | - | (57,626) | (57,626) | - | - | - | - | (57,626) |
| Other changes in capital surplus: | | | | | | | | | | | |
| Cash distribution from capital surplus | - | (36,457) | - | - | - | - | - | - | - | - | (36,457) |
| Share-based payment transactions | - | 11,923 | - | - | - | - | - | - | - | - | 11,923 |
| Adjustments of capital surplus for company's cash dividends received by subsidiaries | - | 539 | - | - | - | - | - | - | - | - | 539 |
| Difference between consideration and carrying amount of subsidiaries acquired or disposed | - | 15,205 | - | - | - | - | (82) | - | (82) | - | 15,123 |
| Non controlling interests increase | - | 1,313 | - | - | - | - | - | - | - | - | 1,313 |
| Disposal of investments in equity instruments designated at fair value through other comprehensive income | - | - | - | - | (19,385) | (19,385) | - | 19,385 | 19,385 | - | - |
| Balance at December 31, 2024 | \$ 1,190,293 | 3,392,812 | 332,362 | 51,793 | 668,630 | 1,052,785 | (11,194) | - | (11,194) | (84,658) | 5,540,038 |

Note: Include the Company's share of profit of subsidiaries accounted for using equity method.

See accompanying notes to financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

Coremax Corporation

Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

| | <u>2024</u> | <u>2023</u> |
|--|---------------------|------------------|
| Cash flows from operating activities: | | |
| Income (loss) before income tax | \$ 180,185 | (106,199) |
| Adjustments: | | |
| Adjustments to reconcile profit : | | |
| Depreciation | 64,310 | 73,495 |
| Net profit on financial assets and liabilities through profit or loss | (36,162) | (52,762) |
| Interest expense | 35,261 | 76,357 |
| Interest income | (33,172) | (30,119) |
| Share-based payments | 10,357 | 6,720 |
| Share of profit of subsidiaries accounted for using equity method | (116,623) | (21,765) |
| Unrealized (realized) gain from inter-affiliate accounts sale | 779 | 5,438 |
| Adjustment for other non-cash-related losses, net | (13) | (741) |
| Subtotal of gains or losses on non-cash activities | <u>(75,263)</u> | <u>56,623</u> |
| Changes in operating assets and liabilities: | | |
| Notes and accounts receivable (including related parties) | 96,240 | 175,037 |
| Inventories | (53,223) | 1,231,358 |
| Prepayments to suppliers | (3,961) | 204,816 |
| Other current assets | 391,778 | (722,947) |
| Notes and accounts payable (including related parties) | (66,525) | 400,502 |
| Other current liabilities | (30,892) | (295,080) |
| Net defined benefit liability | (124) | (53) |
| Total adjustments | <u>258,030</u> | <u>1,050,256</u> |
| Cash inflow from operations | 438,215 | 944,057 |
| Interest received | 31,012 | 30,119 |
| Interest paid | (41,171) | (73,668) |
| Income taxes paid | (1,551) | (126,791) |
| Net cash from operating activities | <u>426,505</u> | <u>773,717</u> |
| Cash flows from investing activities: | | |
| Acquisition of investments accounted for using equity method | (127,391) | (318,764) |
| Acquisition of non-controlling interests | - | (1,187) |
| Acquisition of property, plant and equipment | (17,292) | (50,871) |
| Proceeds from disposal of property, plant and equipment | 353 | 31,740 |
| Decrease in other financial assets | 76,803 | 32,850 |
| Decrease in refundable deposits | 30 | 1,255 |
| (Increase) decrease in other non-current assets | (1,398) | 3,258 |
| Dividends received | 58,285 | 172,518 |
| Net cash used in investing activities | <u>(10,610)</u> | <u>(129,201)</u> |
| Cash flows from financing activities: | | |
| Decrease in short-term borrowings | (483,171) | (871,178) |
| Repayments of bonds | (5,500) | - |
| Proceeds from long-term borrowings | 95,000 | - |
| Repayments of long-term borrowings (including current portion) | (109,047) | (106,785) |
| Capital increase by cash | - | 813,960 |
| Payment of lease liabilities | (13,162) | (9,483) |
| Cash dividends paid | (94,083) | (316,813) |
| Disposal of ownership interests in subsidiaries (without losing control) | 33,499 | - |
| Net cash used in financing activities | <u>(576,464)</u> | <u>(490,299)</u> |
| Effect of exchange rate changes on cash and cash equivalents | <u>24,247</u> | <u>(11,523)</u> |
| Net (decrease) increase in cash and cash equivalents | <u>(136,322)</u> | <u>142,694</u> |
| Cash and cash equivalents at beginning of period | 2,135,858 | 1,993,164 |
| Cash and cash equivalents at end of period | <u>\$ 1,999,536</u> | <u>2,135,858</u> |

See accompanying notes to financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)
COREMAX CORPORATION

Notes to the Parent-Company-Only Financial Statements

For the years ended December 31, 2024 and 2023

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

1. Company history

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

The Company are mainly involved in the manufacturing, sales, import and export of oxidation catalyst, battery materials and specialty chemicals.

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

2. Approval date and procedures of the financial statements

The financial statements were authorized for issue by the Board of Directors on February 25, 2025.

3. New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2024:

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

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

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its financial statements:

- Amendments to IAS21 “Lack of Exchangeability”

Coremax Corporation
Notes to the Parent-Company-Only Financial Statements

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

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

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

Coremax Corporation
Notes to the Parent-Company-Only Financial Statements

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

4. Summary of material accounting policies

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

(1) Statement of compliance

The parent-company-only financial statements have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” (hereinafter referred to as the Regulations).

(2) Basis of preparation

(i) Basis of measurement

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

- 1) Financial instruments at fair value through profit or loss are measured at fair value (include derivative instruments);
- 2) The defined benefit liabilities are measured fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note 4(13).

Coremax Corporation
Notes to the Parent-Company-Only Financial Statements

(ii) Functional and presentation currency

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

(iii) Organizational restructuring under common control

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

(3) Foreign currency

(i) Foreign currency transactions

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

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

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

- 1) an investment in equity securities designated as at fair value through other comprehensive income;
- 2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- 3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

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

Coremax Corporation
Notes to the Parent-Company-Only Financial Statements

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

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

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(5) Cash and cash equivalents

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

(6) Financial instruments

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

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at amortized cost; FVOCI – equity investment, or FVTPL.

Coremax Corporation
Notes to the Parent-Company-Only Financial Statements

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

1) Financial assets measured at amortized cost

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

2) Fair value through profit or loss (FVTPL)

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

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

3) Impairment of financial assets

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

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

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

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

Coremax Corporation
Notes to the Parent-Company-Only Financial Statements

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

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

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

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

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

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

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

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

4) Derecognition of financial assets

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

Coremax Corporation
Notes to the Parent-Company-Only Financial Statements

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

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

3) Treasury shares

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

4) Compound financial instruments

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

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

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

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

Coremax Corporation
Notes to the Parent-Company-Only Financial Statements

5) Financial liabilities

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

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

6) Derecognition of financial liabilities

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

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

7) Offsetting of financial assets and liabilities

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

(iii) Derivative financial instruments

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

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

(7) Inventories

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

(8) Investment in subsidiaries

The Company's subsidiaries are accounted for using the equity method when preparing its parent-company-only financial statements. Under the equity method, profit, other comprehensive income and equity in the parent-company-only financial statements are equivalent to the profit, other comprehensive income and equity which are contributed to the owners of the parent in the consolidated financial statements.

Coremax Corporation
Notes to the Parent-Company-Only Financial Statements

Changes in the Company's ownership interests in subsidiaries that do not result in a loss of control over the subsidiaries are accounted for as equity transactions.

(9) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent expenditure

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

(iii) Depreciation

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

Land is not depreciated.

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

- 1) Buildings: 3 to 50 years.
- 2) Machinery and equipment: 2 to 11 years.
- 3) Transportation Equipment: 3 to 7 years.
- 4) Other equipment: 3 to 31 years.
- 5) Buildings constitute mainly plant, buildings, mechanical and electrical power equipment, and related engineering, etc. Each constituent is depreciated based on its useful life, respectively.

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

Coremax Corporation
Notes to the Parent-Company-Only Financial Statements

(10) Leases

(i) Identifying a lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(ii) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise an extension or termination option; or
- there is any lease modifications

Coremax Corporation
Notes to the Parent-Company-Only Financial Statements

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, including printer and staff dormitory. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a practical expedient, the Company elects not to assess whether all the rent concessions for all leased land occurring as a direct consequence of the COVID 19 pandemic are lease modifications or not.

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

(iii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(11) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are companied together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Coremax Corporation
Notes to the Parent-Company-Only Financial Statements

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For other non-financial assets (excluding goodwill), an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(12) Revenue from contracts with customers

(i) Sale of goods

The Company researches, develops, produces, manufactures and sells various chemical catalyst products, cobalt compound products and electronic components, as well as batteries. The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

(ii) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Coremax Corporation
Notes to the Parent-Company-Only Financial Statements

(13) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(14) Share based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

Coremax Corporation
Notes to the Parent-Company-Only Financial Statements

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(15) Income tax

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets are recognized for the deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

(16) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of the Company, divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, such as convertible bonds payable and employee remuneration that could be distributed in share.

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Notes to the Parent-Company-Only Financial Statements

(17) Operating segment information

The Company has disclosed operating segment information in consolidated financial statements.

Hence, this information is not required to be disclosed in these parent-company-only financial statements.

5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty

In preparing these parent-company-only financial statements, management has made judgments and estimates, about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

There are no critical judgments in applying accounting policies that have significant effect on the amounts recognized in the parent-company-only financial statements.

(1) The loss allowance of notes and accounts receivables

The Company has estimated the loss allowance of notes and accounts receivable that is based on the risk of a default occurring and the rate of expected credit loss. The Company has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. Please refer to note 6(3) for the impairment evaluation of receivables.

(2) Valuation of Inventories

Inventories are stated at the lower of cost or net realizable value, and the Company uses judgments and estimates to determine the net realizable value of inventory for obsolescence and unmarketable items at the reporting date. It also writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on the assumptions of the estimated demands of the products within a specific time horizon in the future, therefore, the above estimation may have a significant change. Please refer to note 6(4) for further description of the valuation of inventories.

Accounting policies and disclosures of the Company include the fair value measurement for financial or non-financial assets and liabilities. The Company determines the fair value using the independent data sources which reflect the current market condition and confirming the data available are independent, reliable, in consistent with other sources and represent the exercisable price. The Company also periodically assesses the evaluation model, performs retrospective tests, and updates inputs with any other necessary fair value adjustment for the evaluation model in order to ensure the reasonableness of the valuation.

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The Company evaluates its assets and liabilities using the observable market inputs. The hierarchy of the fair value depends on the valuation techniques used, and the different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs (other than quoted prices included within Level 1) that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

When there is a transfer between levels of the fair value hierarchy, the Company recognizes the transfer at the reporting date. For the assumptions used in fair value measurement, please refer to note 6(22) of the financial instruments.

6. Explanation of significant accounts

(1) Cash and cash equivalents

| | December 31, 2024 | December 31, 2023 |
|---------------------------------------|------------------------------|------------------------------|
| Cash on hand | \$ 35 | 35 |
| Demand deposits and checking accounts | 674,501 | 1,471,823 |
| Time deposits | 1,325,000 | 664,000 |
| | <u>\$ 1,999,536</u> | <u>2,135,858</u> |

Please refer to note 6(22) for the disclosure of currency risk of the financial assets and liabilities.

(2) Financial assets and liabilities at fair value through profit or loss

Financial assets measured at fair value through profit or loss — current :

| | December 31, 2024 | December 31, 2023 |
|---------|------------------------------|------------------------------|
| Futures | <u>\$ 9,456</u> | <u>19,588</u> |

| | December 31, 2024 | December 31, 2023 |
|---|------------------------------|------------------------------|
| Financial liabilities — current : | | |
| Call and put option — convertible bonds payable | <u>\$ -</u> | <u>3,602</u> |

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

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| | Open Position | | | Fair Value |
|-------------------|----------------------|---------------------|----------------------------------|------------------------|
| | Buyer/Seller | Amount (ton) | Transaction Price | |
| December 31, 2024 | Seller | 235 | USD 15,200/ton ~USD29,211/ton | <u><u>\$ 9,456</u></u> |
| December 31, 2023 | Seller | 187 | USD 16,092/ton ~USD38,801/ton | <u><u>19,588</u></u> |

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

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

Please refer to note 6(8) for details of the outstanding futures contract margin on December 31, 2024 and 2023.

- (ii) Please refer to note 6(21) for The Group's net profit and loss (including realized and unrealized) generated from trading in derivative financial instruments in 2024 and 2023.
- (3) Accounts receivable, net (including related parties)
 - (i) Accounts receivable, net (including related parties):

| | December 31, 2024 | December 31, 2023 |
|---|------------------------------|------------------------------|
| Accounts receivable (including related parties) | <u><u>\$ 148,586</u></u> | <u><u>244,826</u></u> |

The Company applies the simplified approach to provide for its loss allowance used for ECL, which permit the use of lifetime expected loss provision for all receivables. To measure the ECL, trade receivables have been companied based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision was determined as follows:

| | December 31, 2024 | | |
|-----------------------------|----------------------------------|--|-------------------------------------|
| | Gross carrying amount | Weighted- average loss rate | Loss allowance provision |
| Current | \$ 137,681 | 0% | - |
| 1 to 90 days past due | 10,905 | 0% | - |
| 91 to 180 days past due | - | 0% | - |
| More than 181 days past due | - | 100% | - |
| | <u><u>\$ 148,586</u></u> | | <u><u>-</u></u> |

Coremax Corporation
Notes to the Parent-Company-Only Financial Statements

| | December 31, 2023 | | |
|-----------------------------|----------------------------------|--|-------------------------------------|
| | Gross carrying amount | Weighted- average loss rate | Loss allowance provision |
| Current | \$ 232,411 | 0% | - |
| 1 to 90 days past due | 12,415 | 0% | - |
| 91 to 180 days past due | - | 0% | - |
| More than 181 days past due | - | 100% | - |
| | \$ 244,826 | | - |

The company's accounts receivable were not pledged as collaterals as of December 31, 2024 and 2023.

(4) Inventories

| | December 31, 2024 | December 31, 2023 |
|--------------------------------|------------------------------|------------------------------|
| Raw materials | \$ 167,297 | 172,819 |
| Work in process | 182,533 | 183,067 |
| Finished goods and commodities | 101,540 | 42,261 |
| | \$ 451,370 | 398,147 |

The components of operating costs were as follows:

| | 2024 | 2023 |
|--|---------------------|------------------|
| Cost of goods sold | \$ 2,088,826 | 3,880,142 |
| Inventory devaluation loss (reversal gain) | (120,000) | (34,177) |
| Gain from sale of scrap | (307) | (706) |
| | \$ 1,968,519 | 3,845,259 |

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

(5) Changes in the Company's ownership interest in a subsidiary

(i) Acquisitions of Non-controlling interests (NCI)

In 2023, the Company acquired additional shares from those employees that resigned from Uranus Chemicals for \$1,187 thousand in cash.

The effects of the changes in shareholdings were as follows:

| | 2023 |
|--|-----------------|
| Carrying amount of NCI on acquisition | \$ 1,027 |
| Consideration paid to NCI | (1,187) |
| Capital surplus differences between consideration and carrying amounts of subsidiaries shareholding acquired | \$ (160) |

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Notes to the Parent-Company-Only Financial Statements

- (ii) Acquiring new shares issued by its subsidiary for transfer of the cobalt sulfate business

On December 31, 2023, the Company divided and transferred its cobalt sulfate business to its subsidiary, Uranus, wherein Uranus issued 4,125 thousand new shares, at the amount of \$123,515 thousand, as the consideration.

- (iii) Issuance of new shares for cash by subsidiaries, not subscribed to proportionately, did not lose control

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

- (iv) Change in shareholding ratio

Due to the above-mentioned transactions, the Company's ownership of Uranus Chemicals and Heng I Chemical were changed. As of December 31, 2024 and 2023, the Company's shareholding to Uranus Chemicals were 65.18% and 66.24%, respectively; and its shareholding to Heng I were both 82.44%.

- (6) Investments accounted for using equity method

| | December 31, 2024 | December 31, 2023 |
|--------------|----------------------|----------------------|
| Subsidiaries | <u>\$ 3,738,801</u> | <u>3,540,819</u> |

- (i) Subsidiaries

Please refer to consolidated financial statements for the year ended December 31, 2024.

- (ii) Share of profit of subsidiaries accounted for using equity method in 2024 and 2023 were as follows:

| | 2024 | 2023 |
|--------------|-------------------|---------------|
| Subsidiaries | <u>\$ 116,623</u> | <u>21,765</u> |

- (iii) Information on major foreign currency equity investments on the reporting date were as follows:

| December 31, 2024 | | | | December 31, 2023 | | | | |
|-------------------|---------------------|------------------|---------|-------------------|---------------------|------------------|---------|--------|
| | Foreign currency | Exchange rate | TWD | | Foreign currency | Exchange rate | TWD | |
| USD | \$ 15,341 | 32.785 | 502,951 | Note 2 | 16,831 | 30.705 | 516,781 | Note 1 |
| VND | \$ 328,481,901 | 0.00127 | 417,171 | | 239,538,475 | 0.00125 | 299,421 | |

Note1: The difference of \$5,438 thousand from the balance of investments accounted for using equity method in the end of period had been recognized as unrealized profit and loss between affiliates in the current period.

Note2: The difference of \$6,217 thousand from the balance of investments accounted for using equity method in the end of period had been recognized as unrealized profit and loss between affiliates in the current period.

Coremax Corporation
Notes to the Parent-Company-Only Financial Statements

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

Other current assets:

| | December 31, 2024 | December 31, 2023 |
|--|------------------------------|------------------------------|
| Offset against business tax payable and business tax receivables | \$ 89,373 | 103,938 |
| Others | <u>6,835</u> | <u>9,221</u> |
| | <u>\$ 96,208</u> | <u>113,159</u> |

Other non-current assets

| | December 31, 2024 | December 31, 2023 |
|-------------------|------------------------------|------------------------------|
| Prepaid equipment | <u>\$ 4,564</u> | <u>1,648</u> |

(8) Other financial assets

Current:

| | December 31, 2024 | December 31, 2023 |
|-----------------------------|------------------------------|------------------------------|
| Margin on futures contracts | \$ 80,730 | 114,772 |
| Others | <u>148</u> | <u>147</u> |
| | <u>\$ 80,878</u> | <u>114,919</u> |

Non-current:

| | December 31, 2024 | December 31, 2023 |
|---------------------|------------------------------|------------------------------|
| Refundable deposits | \$ 1,916 | 1,946 |
| Restricted deposits | <u>100,000</u> | <u>100,000</u> |
| | <u>\$ 101,916</u> | <u>101,946</u> |

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Notes to the Parent-Company-Only Financial Statements

(9) Property, plant and equipment

| | | Land | Building | Machinery and equipment | Other equipment | Equipment pending acceptance and Construction in progress | Total |
|--|----|----------------|-----------------|--|----------------------------|--|----------------|
| Cost: | | | | | | | |
| Balance at January 1, 2024 | \$ | 157,605 | 269,862 | 323,409 | 137,168 | 1,770 | 889,814 |
| Additions | | - | - | 1,960 | 5,332 | 9,128 | 16,420 |
| Disposals and scrap | | - | (8,369) | (28,420) | (3,960) | (340) | (41,089) |
| Reclassification | | - | - | 1,770 | - | (3,288) | (1,518) |
| Balance at December 31, 2024 | \$ | <u>157,605</u> | <u>261,493</u> | <u>298,719</u> | <u>138,540</u> | <u>7,270</u> | <u>863,627</u> |
| Balance at January 1, 2023 | \$ | 157,605 | 271,549 | 396,103 | 140,630 | 2,862 | 968,749 |
| Additions | | - | - | 15,071 | 4,416 | 30,592 | 50,079 |
| Disposals and scrap | | - | (1,687) | (90,627) | (7,878) | (28,822) | (129,014) |
| Reclassification and others | | - | - | 2,862 | - | (2,862) | - |
| Balance at December 31, 2023 | \$ | <u>157,605</u> | <u>269,862</u> | <u>323,409</u> | <u>137,168</u> | <u>1,770</u> | <u>889,814</u> |
| Accumulated depreciation and impairment losses: | | | | | | | |
| Balance at January 1, 2024 | \$ | - | 163,481 | 256,434 | 94,795 | - | 514,710 |
| Depreciation for the period | | - | 12,405 | 27,558 | 12,238 | - | 52,201 |
| Disposals and scrap | | - | (8,369) | (28,420) | (3,960) | - | (40,749) |
| Balance at December 31, 2024 | \$ | <u>-</u> | <u>167,517</u> | <u>255,572</u> | <u>103,073</u> | <u>-</u> | <u>526,162</u> |
| Balance at January 1, 2023 | \$ | - | 151,652 | 283,329 | 89,525 | - | 524,506 |
| Depreciation for the period | | - | 13,516 | 37,431 | 12,895 | - | 63,842 |
| Disposals and scrap | | - | (1,687) | (64,326) | (7,625) | - | (73,638) |
| Balance at December 31, 2023 | \$ | <u>-</u> | <u>163,481</u> | <u>256,434</u> | <u>94,795</u> | <u>-</u> | <u>514,710</u> |
| Carrying amounts: | | | | | | | |
| Balance at December 31, 2024 | \$ | <u>157,605</u> | <u>93,976</u> | <u>43,147</u> | <u>35,467</u> | <u>7,270</u> | <u>337,465</u> |
| Balance at December 31, 2023 | \$ | <u>157,605</u> | <u>106,381</u> | <u>66,975</u> | <u>42,373</u> | <u>1,770</u> | <u>375,104</u> |
| Balance at January 1, 2023 | \$ | <u>157,605</u> | <u>119,897</u> | <u>112,774</u> | <u>51,105</u> | <u>2,862</u> | <u>444,243</u> |

The property, plant and equipment of the Company pledged as collateral, please refer to note 8.

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Notes to the Parent-Company-Only Financial Statements

(10) Right-of-use assets

The Company leases many assets including land, buildings and transportation equipment. Information about leases for which the Company as a lessee was presented below:

| | <u>Land use right</u> | <u>Buildings</u> | <u>Transportation equipment and others</u> | <u>Total</u> |
|------------------------------|-----------------------|------------------|--|----------------|
| Cost: | | | | |
| Balance at January 1, 2024 | \$ 46,533 | 17,402 | 5,296 | 69,231 |
| Additions | <u>-</u> | <u>9,062</u> | <u>-</u> | <u>9,062</u> |
| Balance at December 31, 2024 | <u>\$ 46,533</u> | <u>26,464</u> | <u>5,296</u> | <u>78,293</u> |
| Balance at January 1, 2023 | \$ 46,533 | 17,402 | 7,999 | 71,934 |
| Disposal/Write off | <u>-</u> | <u>-</u> | <u>(2,703)</u> | <u>(2,703)</u> |
| Balance at December 31, 2023 | <u>\$ 46,533</u> | <u>17,402</u> | <u>5,296</u> | <u>69,231</u> |
| Accumulated depreciation: | | | | |
| Balance at January 1, 2024 | \$ 18,408 | 10,876 | 3,133 | 32,417 |
| Depreciation for the year | <u>5,854</u> | <u>5,197</u> | <u>1,058</u> | <u>12,109</u> |
| Balance at December 31, 2024 | <u>\$ 24,262</u> | <u>16,073</u> | <u>4,191</u> | <u>44,526</u> |
| Balance at January 1, 2023 | \$ 12,554 | 8,700 | 4,213 | 25,467 |
| Depreciation for the year | <u>5,854</u> | <u>2,176</u> | <u>1,623</u> | <u>9,653</u> |
| Disposal/Write off | <u>-</u> | <u>-</u> | <u>(2,703)</u> | <u>(2,703)</u> |
| Balance at December 31, 2023 | <u>\$ 18,408</u> | <u>10,876</u> | <u>3,133</u> | <u>32,417</u> |
| Carrying amount: | | | | |
| Balance at December 31, 2024 | <u>\$ 22,271</u> | <u>10,391</u> | <u>1,105</u> | <u>33,767</u> |
| Balance at December 31, 2023 | <u>\$ 28,125</u> | <u>6,526</u> | <u>2,163</u> | <u>36,814</u> |
| Balance at January 1, 2023 | <u>\$ 33,979</u> | <u>8,702</u> | <u>3,786</u> | <u>46,467</u> |

(11) Long-term/Short-term borrowings

(i) Short-term borrowings:

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|--------------------------------|------------------------------|------------------------------|
| Secured bank loans | \$ 351,230 | 223,748 |
| Unsecured bank loans | <u>-</u> | <u>586,406</u> |
| | <u>\$ 351,230</u> | <u>810,154</u> |
| Unused short-term credit lines | <u>\$ 4,871,570</u> | <u>4,546,246</u> |
| Range of interest rates | <u>4.96%~5.07%</u> | <u>5.97%~6.23%</u> |

Please refer to note 6(22) for the disclosure of interest risk, currency risk and liquidity risk.

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Notes to the Parent-Company-Only Financial Statements

(ii) Long-term borrowings:

| Lender | Use | Maturity year and Repayment | December 31, 2024 | December 31, 2023 |
|---|-----------------------------------|---|------------------------------|------------------------------|
| O-Bank | Working capital | From 2019 to 2026, repayable monthly in 49 equal instalments beginning in June, 2022. | \$ 55,078 | 91,822 |
| Mega Bank | Working capital | From 2019 to 2026, repayable monthly in 49 equal instalments beginning in June, 2022. | 91,837 | 153,061 |
| Mega Bank | Loans for machinery and equipment | From 2020 to 2026, repayable monthly in 49 equal instalments beginning in June, 2022. | 13,224 | 22,041 |
| HuaNan Bank | The New Southbound Policy | From 2024 to 2031, repayable monthly in 84 equal instalments beginning in November, 2024. | 92,738 | - |
| Less: Current portion of long-term borrowings | | | <u>(120,356)</u> | <u>(106,785)</u> |
| | | | <u>\$ 132,521</u> | <u>160,139</u> |
| Unused long-term credit lines | | | <u>\$ -</u> | <u>-</u> |
| Range of interest rates at year end | | | <u>1.025%~</u> | <u>0.80%~</u> |
| | | | <u>1.998%</u> | <u>0.92%</u> |

The Company has signed a loan contract with the bank, and as of December 31, 2024 and 2023 the grade of the Republic of China, the Company has fulfilled the commitments in the loan contract.

The collateral of long-term borrowings, please refer to note 8.

(12) Other payables and other current liabilities

Other payables and other current liabilities mainly include salary payable, bonus payable, equipment payable, testing fee, environment examination and rectification fee payable and others. The estimate of the bonus payable by the company will be adjusted according to the overall environmental changes and other factors.

(13) Convertible bonds

The Company issued the third domestic guaranteed convertible bond on October 28, 2021, by pledging 40,000 thousand ordinary shares of Heng I Chemical, 30,000 thousand ordinary shares of Uranus Chemicals Co., Ltd., and a demand deposit amount of \$100,000 thousand to Chang Hwa Commercial Bank Co., Ltd., and Chang Hwa Commercial Bank Co., Ltd. was the guarantor.

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The relevant information of the Company's convertible corporate bonds is as follows:

| | December 31, 2024 | December 31, 2023 |
|---|------------------------------|------------------------------|
| Total proceeds from convertible corporate bonds issued | \$ 700,000 | 700,000 |
| Less: issued corporate bonds discount | (8,153) | (12,620) |
| Cumulative converted amount | <u>(5,430)</u> | <u>-</u> |
| Corporate bonds payable balance at year-end | 686,417 | 687,380 |
| Reclass : convertible corporate bonds could be sold by within one year | <u>(686,417)</u> | <u>(687,380)</u> |
| Convertible corporate bonds – non current | <u>\$ -</u> | <u>-</u> |
| Embedded derivative – call and put options(recorded in financial assets (liabilities) at FVTPL – current and non-current) | <u>\$ -</u> | <u>(3,602)</u> |
| | 2024 | 2023 |
| Interest expense | <u>\$ 4,467</u> | <u>4,440</u> |

The Company's third domestic guaranteed convertible corporate bonds are five year guaranteed convertible bonds with zero coupon rate, each with value of \$100 thousand, amounting to \$700,000 thousand. The conversion price on December 31, 2024 and 2023 were \$100.5 and \$101.7, respectively.

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

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

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

| Item | Amount |
|---|-------------------|
| Total amounts of convertible corporate bonds issued (deducting cost of issuing) | \$ 808,056 |
| Fair value of embedded non-equity derivative issued | 6,408 |
| Fair value of bonds payable issued | <u>(677,745)</u> |
| Equity component – conversion options | <u>\$ 136,719</u> |

After the separation of the above-mentioned embedded derivatives, the effective interest rate of the third domestic guaranteed convertible bond was 0.65%.

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(14) Lease liabilities

The Company's lease liabilities were as follow:

| | December 31, 2024 | December 31, 2023 |
|-------------|----------------------|----------------------|
| Current | \$ <u>10,009</u> | <u>9,119</u> |
| Non-current | \$ <u>25,380</u> | <u>29,219</u> |

For the maturity analysis, please refer to note 6(22).

The amounts recognized in profit or loss were as follows:

| | 2024 | 2023 |
|---|-----------------|--------------|
| Interest on lease liabilities | \$ <u>1,151</u> | <u>1,024</u> |
| Expenses relating to short-term leases and leases of low-value assets | \$ <u>2,211</u> | <u>2,062</u> |

The amounts recognized in the statement of cash flows by the Company were as follows:

| | 2024 | 2023 |
|-------------------------------|------------------|---------------|
| Total cash outflow for leases | \$ <u>15,373</u> | <u>12,569</u> |

(i) Leased land and buildings

As of December 31, 2024 and 2023, the Company has leased land and buildings for a period of 6 to 10, 2 to 10 years, respectively. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) Other leases

The Company leases vehicles and others, with lease terms of 1 to 5 years. In some cases, the Company has options to purchase the assets at the end of the contract term.

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

(15) Employee benefits

(i) Defined benefit plans

The present value of the defined benefit obligation and the fair value adjustments of the plan assets for the Company were as follow:

| | December 31, 2024 | December 31, 2023 |
|---|----------------------|----------------------|
| Present value of the defined benefit obligation | \$ 9,473 | 10,827 |
| Fair value of plan assets | (3,930) | (4,476) |
| Net defined benefit liability | \$ <u>5,543</u> | <u>6,351</u> |

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The Company established defined benefit plans by contributed to the pension fund account at Bank of Taiwan that provides pensions for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive an annual payment based on years of service and average salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocate pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Fund, Ministry of Labor. Minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company Bank of Taiwan labor pension reserve account balance amounting to \$3,917 thousand at December 31, 2024. For information on the utilization of the labor pension fund assets including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Fund.

2) Movements in present value of defined benefit obligation

The movements in present value of the defined benefit obligation for the Company were as follows:

| | <u>2024</u> | <u>2023</u> |
|---|-----------------|---------------|
| Defined benefit obligation at January 1 | \$ 10,827 | 12,800 |
| Current service cost and interest | 135 | 160 |
| Benefits paid from plan assets | (1,241) | (1,891) |
| Remeasurements of the net defined benefit liabilities | (248) | (242) |
| Defined benefit obligation as of December 31 | <u>\$ 9,473</u> | <u>10,827</u> |

3) Movements in the fair value of the defined benefit plan assets

The movements in the fair value of the defined benefit plan assets of the Company were as follows:

| | <u>2024</u> | <u>2023</u> |
|--|-----------------|--------------|
| Fair value of plan assets at January 1 | \$ 4,476 | 6,109 |
| Contributions made | 203 | 136 |
| Interest income | 57 | 77 |
| Benefits paid from plan assets | (1,241) | (1,891) |
| Return on plan assets (loss) | 435 | 45 |
| Fair value of plan assets at December 31 | <u>\$ 3,930</u> | <u>4,476</u> |

4) Expenses recognized in profit or loss

The expenses recognized in profit or losses for the Company were as follows:

| | <u>2024</u> | <u>2023</u> |
|---|--------------|-------------|
| Net interest on the net defined benefit liabilities | <u>\$ 78</u> | <u>84</u> |

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Notes to the Parent-Company-Only Financial Statements

- 5) Remeasurements of the net defined benefit liabilities recognized in other comprehensive income

The Company's remeasurements of the net defined benefit liabilities recognized as accumulated in other comprehensive income were as follows:

| | <u>2024</u> | <u>2023</u> |
|-------------------------------------|-------------------|----------------|
| Cumulative amount at January 1 | \$ (6,346) | (6,059) |
| Recognized in losses for the period | (683) | (287) |
| Cumulative amount as of December 31 | <u>\$ (7,029)</u> | <u>(6,346)</u> |

- 6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follow:

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|-----------------------------|------------------------------|------------------------------|
| Discount rate | 1.50% | 1.25% |
| Future salary increase rate | 3.00% | 3.00% |

The Company is expecting a contribution of \$211 to its defined benefit plans in the following year, beginning December 31, 2024.

The weighted-average lifetime of the defined benefit plan is 10.1 years.

- 7) Sensitivity analysis

The carrying amount of the Company's net defined benefit assets was \$5,543 as of December 31, 2024. When the employee's unpaid salary growth rate is changed by 1%, it is estimated that the accrued pension liabilities recognized by the Company would increase by \$425 thousand or decrease by \$384 thousand, respectively.

- (ii) Defined contribution plans

In accordance with the provisions of the Labor Pension Act, the Company should contribute 6% of its employees' monthly wages to their labor pension personal accounts of the Bureau of Labor Insurance, Ministry of Labor (hereinafter referred to as the Bureau of Labor Insurance). Under this defined contribution plan, the Company contribute a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The Company's pension costs under the defined contribution plan were \$5,562 thousand and \$6,102 thousand for the years ended December 31, 2024 and 2023, respectively.

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Notes to the Parent-Company-Only Financial Statements

(16) Income tax

(i) Income tax expense(benefit)

| | <u>2024</u> | <u>2023</u> |
|---|-------------------------|-----------------------|
| Current tax expense | | |
| Current period | \$ - | 7,030 |
| Adjustment for prior periods | <u>172</u> | <u>(230)</u> |
| | <u>172</u> | <u>6,800</u> |
| Deferred tax expense | | |
| Origination and reversal of temporary differences | <u>10,976</u> | <u>(12,770)</u> |
| Income tax expense(benefit) | <u><u>\$ 11,148</u></u> | <u><u>(5,970)</u></u> |

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

| | <u>2024</u> | <u>2023</u> |
|---|-----------------|----------------|
| Exchange differences on translation of foreign financial statements | <u>\$ 5,324</u> | <u>(4,688)</u> |

The reconciliation of income tax expenses (benefit) and income (loss) before income tax were as follows:

| | <u>2024</u> | <u>2023</u> |
|---|-------------------------|-----------------------|
| Income (loss) before income tax | <u>\$ 180,185</u> | <u>(106,199)</u> |
| Income tax at the Company's domestic tax rate | 36,037 | (21,240) |
| Permanent difference and others | (25,061) | 8,470 |
| Undistributed earnings additional tax | - | 7,030 |
| Change in provision in prior periods | <u>172</u> | <u>(230)</u> |
| Total | <u><u>\$ 11,148</u></u> | <u><u>(5,970)</u></u> |

(ii) Unrecognized deferred tax asset

Unrecognized deferred tax asset was as below:

| | <u>December 31, 2024</u> | <u>December 31, 2024</u> |
|------------|------------------------------|------------------------------|
| Tax losses | <u>\$ 14,742</u> | <u>39,167</u> |

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. Deferred tax assets have not been recognized because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

As of December 31 2024, the Company's unused tax losses for which no deferred tax assets were recognized are as follows:

| <u>Loss-making years</u> | <u>Losses that have not yet been deducted</u> | <u>The last year in which the deduction is made</u> |
|--------------------------|---|---|
| 2023 | <u><u>73,708</u></u> | 2033 |

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(iii) Recognized deferred tax assets and liabilities

| Deferred tax assets | January 1, 2023 | Recognized in income statement | Recognized in other comprehensive income | December 31, 2023 | Recognized in income statement | Recognized in other comprehensive income | December 31, 2024 |
|---|----------------------------|---|---|------------------------------|---|---|------------------------------|
| Exchange differences on translation of foreign financial statements | \$ 5,108 | - | 4,688 | 9,796 | - | (5,324) | 4,472 |
| Inventory devaluation loss | 47,910 | (10,485) | - | 37,425 | (24,000) | - | 13,425 |
| Pension not actually contributed | 745 | - | - | 745 | - | - | 745 |
| Impairment loss | 876 | (285) | - | 591 | (286) | - | 305 |
| Others | 7,339 | 9,219 | - | 16,558 | (13,369) | - | 3,189 |
| | <u>\$ 61,978</u> | <u>(1,551)</u> | <u>4,688</u> | <u>65,115</u> | <u>(37,655)</u> | <u>(5,324)</u> | <u>22,136</u> |

| Deferred tax liabilities | January 1, 2023 | Recognized in income statement | Recognized in other comprehensive income | December 31, 2023 | Recognized in income statement | Recognized in other comprehensive income | December 31, 2024 |
|--|----------------------------|---|---|------------------------------|---|---|------------------------------|
| Investment income recognized under equity method | \$ 62,036 | (17,016) | - | 45,020 | (9,920) | - | 35,100 |
| Others | 17,600 | 2,695 | - | 20,295 | (16,759) | - | 3,536 |
| | <u>\$ 79,636</u> | <u>(14,321)</u> | <u>-</u> | <u>65,315</u> | <u>(26,679)</u> | <u>-</u> | <u>38,636</u> |

(iv) The Company's income tax returns for the years through 2022 were assessed by the tax authority.

(17) Capital and other equity

(i) Issuance of ordinary shares

In the third quarter of 2023, the Company's Board of Directors resolved to issued 12,000 thousand new shares for cash at a premium price of \$68 per share, totaling \$816,000. The difference between the denomination and the issuance price after deducting the issuance cost of \$2,040 thousand, amounted to \$696,000, which is listed as Capital surplus— premium 693,960 thousand, and the relevant statutory registration procedures have been completed in 2023.

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

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

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

| | Ordinary Shares | |
|------------------------|------------------------|----------------|
| | 2024 | 2023 |
| Balance at January 1 | 117,604 | 105,604 |
| Issued for cash | - | 12,000 |
| Balance at December 31 | <u>117,604</u> | <u>117,604</u> |

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(ii) Capital surplus

| | December 31, 2024 | December 31, 2023 |
|---|------------------------------|------------------------------|
| Additional paid-in capital | \$ 2,645,541 | 2,681,998 |
| Difference between consideration and carrying amount arising from acquisition or disposal of subsidiaries shareholdings | 327,270 | 312,065 |
| Treasury share transaction | 204,049 | 204,049 |
| Share options and others | 215,952 | 202,177 |
| | <u>\$ 3,392,812</u> | <u>3,400,289</u> |

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the ordinary share or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital share and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus should not exceed 10% of the total ordinary share outstanding.

The resolution decided by board of directors on February 27, 2024 to distribute the 2023 cash dividends from the capital surplus of \$36,457 thousand, at \$0.31 per share, is yet to be approved during the shareholders' meeting of the Company. The related information will be available on the Market Observation Post System on the website after the meeting.

(iii) Retained earnings

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

By choosing to apply exemptions granted under IFRS 1 during the Company's first-time adoption of the IFRSs endorsed by the FSC, cumulative translation adjustments under shareholders' equity shall be reclassified as retained earnings at the transition date. The increase in retained earnings occurring before the transition date due to the first-time adoption of the IFRSs endorsed by the FSC amounted to \$20,277. The net increase in retained earnings resulting from the first application of IFRS1 on the transition date was \$16,830. In accordance with rules issued by the FSC, a net increase in retained earnings due to the first-time adoption of the IFRSs endorsed by the FSC shall be reclassified as a special reserve during earnings distribution, and when the relevant asset is used, disposed of, or reclassified, this special reserve shall be reversed as distributable earnings proportionately. There was no carrying and reversing in 2024 and 2023.

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In accordance with the guidelines of the above Ruling, a portion of current period earnings and undistributed prior period earnings shall be reclassified as a special reserve during earnings distribution. The amount to be reclassified should be equal to the difference between the total net current period reduction of special reserve resulting from the first-time adoption of the IFRSs endorsed by the FSC and the carrying amount of other shareholders' equity as stated above. Similarly, a portion of undistributed prior period earnings shall be reclassified as a special reserve (which does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods due to the first-time adoption of the IFRSs endorsed by the FSC. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

According to the Company's articles of incorporation, in years of earnings, pay income tax, offset any accumulated deficit. Thereafter, a 10% appropriation of the remaining amount shall be set aside for legal reserve, unless the amount in the legal reserve is already equal to or greater than the total paid in capital. Thereafter, an amount shall be set aside or reversed as a special reserve in accordance with related laws, regulations, or provisions of the competent authorities. Distribution of the remaining earnings after setting aside the abovementioned amounts, together with the balance of the unappropriated retained earnings of the previous year, shall be proposed by the Board of Directors to be approved at the shareholders' meeting.

As the Company is still in its growth stage, capital is needed to expand its production lines and to increase its investment in the coming years. Recently, the Company has been developing steadily based on its capital expenditure, business expansion, and appropriate financial planning. The Company will allot more than 10% of its distributable earnings above as dividends to its shareholders. However, if the distributable earnings are less than 30% of the paid-in capital, then no dividend shall be distributed. If the Company simultaneously distributes stock dividends and cash dividends, the cash dividends should not be less than 20% of the total dividend payout to its shareholders.

The following are the appropriation of earnings in last two years which were approved during the shareholders' meeting held on May 27, 2024, and June 30, 2023, respectively:

| | 2024 | | 2023 | |
|---|---------------------------------------|-------------------------|---------------------------------------|-------------------------|
| | Amount per share (TWD) | Total amount | Amount per share (TWD) | Total amount |
| Dividends distributed to ordinary shareholders: | | | | |
| Cash | 0.49 | \$ <u>57,626</u> | 3.00 | <u>316,813</u> |

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The amount of cash dividends for 2024 have been approved and proposed during the board meeting held on February 25, 2025 as follows:

| | | 2024 | |
|---|--|------------------------------|--------------------------|
| | | Amount per share (TWD) | Total amount |
| Dividends distributed to ordinary shareholders: | | | |
| Cash | | 0.95 | \$ <u><u>112,717</u></u> |
| (iv) Treasury stock | | | |

The Company repurchased treasury shares in accordance with the relevant provisions of the Securities and Exchange Law to transfer the shares to employees. The relevant information is as follows:

In Thousands of Units/Shares

| 2024 | | | | |
|----------------------------------|--|-------------------------------------|---|--|
| Reason for holding shares | Number of shares at the beginning of the period | Increased in this period | Transferred in this period | Number of shares at the end of the period |
| Transferred shares to employees | <u>1,425</u> | <u>-</u> | <u>-</u> | <u>1,425</u> |
| 2023 | | | | |
| Reason for holding shares | Number of shares at the beginning of the period | Increased in this period | Transferred in this period | Number of shares at the end of the period |
| Transferred shares to employees | <u>1,425</u> | <u>-</u> | <u>-</u> | <u>1,425</u> |

In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Company should not be pledged, and do not hold any shareholder rights before the transfer. Shares of the Company held by its subsidiaries are accounted for as treasury shares, which are not allowed in participating in the Company's capital increase and without voting rights, except that, other right is the same as the general shareholders' rights.

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

Uranus Chemicals holds \$673 thousand ordinary shares of the Company, with the acquisition price of \$5,014 thousand, for the years ended December 31, 2023. As of December 31, 2024 and 2023, the amount of deemed treasury shares the Company recognized were both \$3,024 thousand, which was determined based on the Company's shareholding ratio in Uranus Chemicals of 65.18% and 66.24%, respectively.

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Uranus Chemicals Co., Ltd. sold part of the Company's shares in 2023, at a price totaling \$55,200 thousand. Because the deal was deemed as the treasury stock transaction, according to the Company's shareholding ratio, the difference between the sale price and the cost of the treasury stock was adjusted to the capital surplus amounting to \$32,725 thousand.

(18) Earnings (loss) per share

| | <u>2024</u> | <u>2023</u> |
|---|-------------------|------------------|
| Basic earnings (loss) per share: | | |
| Net income (loss) attributable to ordinary shareholders of the Company | \$ <u>169,037</u> | <u>(100,229)</u> |
| Ordinary shares at January 1 | 119,029 | 107,029 |
| Repurchase treasury shares | (1,425) | (1,425) |
| Shares held by subsidiaries | (443) | (504) |
| Capital increase by cash | <u>-</u> | <u>3,058</u> |
| Weighted-average number of ordinary shares outstanding during the year (in thousands of shares) | <u>117,161</u> | <u>108,158</u> |
| Basic earnings (loss) per share (TWD) | \$ <u>1.44</u> | <u>(0.93)</u> |
| Diluted earnings (loss) per share: | | |
| Net income (loss) attributable to ordinary shareholders of the Company (basic) | \$ 169,037 | (100,229) |
| Interest expense on convertible bonds, net of tax | <u>3,574</u> | <u>-</u> |
| Net income (loss) attributable to ordinary shareholders of the Company (diluted) | \$ <u>172,611</u> | <u>(100,229)</u> |
| Weighted average number of ordinary shares outstanding (in thousands) (basic) | 117,161 | 108,158 |
| Potential ordinary shares with dilutive effect: | | |
| Effect of employee remuneration in share | 88 | - |
| Effect of conversion of convertible bonds | <u>6,910</u> | <u>-</u> |
| Weighted average number of ordinary shares outstanding (in thousands) (diluted) | <u>124,159</u> | <u>108,158</u> |
| Diluted earnings (loss) per share (TWD) | \$ <u>1.39</u> | <u>(0.93)</u> |

When calculating earnings (loss) per share, if the potential ordinary shares of convertible corporate bonds and employee compensation that can be allotted by stocks have an anti-dilution effect, they will not be included in the calculation.

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(19) Revenue from contracts with customers

Revenue from major markets region and products:

| | | 2024 | | | | |
|-----------------|----|-------------------------------|-----------------------------|-------------------------------|---------|-----------|
| | | Oxidation catalyst department | Battery material department | Specialty chemical department | Other | Total |
| Taiwan | \$ | 216,649 | 105,549 | 3,331 | 58,864 | 384,393 |
| China and other | | 147,021 | 1,111,437 | 134,299 | 339,667 | 1,732,424 |
| | \$ | 363,670 | 1,216,986 | 137,630 | 398,531 | 2,116,817 |
| | | 2023 | | | | |
| | | Oxidation catalyst department | Battery material department | Specialty chemical department | Other | Total |
| Taiwan | \$ | 278,664 | 124,369 | 19,038 | 90,018 | 512,089 |
| China and other | | 181,811 | 2,331,026 | 319,266 | 490,187 | 3,322,290 |
| | \$ | 460,475 | 2,455,395 | 338,304 | 580,205 | 3,834,379 |

(20) Remuneration to employees and directors

The Company's articles of incorporation require that earnings shall first be offset against any deficit, then, a minimum of 1.5% will be distributed as employee remuneration, and a maximum of 5% will be allocated as remuneration to directors and supervisors. Employees who are entitled to receive the above-mentioned employee remuneration, in share or cash, include the employees of the Company's subsidiaries who meet certain specific requirements.

For the years ended December 31, 2024, the Company accrued and recognized its employee remuneration amounting to \$4,770 thousand. These amounts were calculated by using the Company's pre-tax net profit for the period before deducting the amounts of the remuneration to employees, multiplied by the distribution of ratio of the remuneration to employees based on the Company's articles of incorporation, and expensed under operating costs or expenses. The related information can be accessed from the Market Observation Post System website. The amounts, as stated in the Parent-Company-Only financial statements, are identical to those of the actual distributions for 2024.

For the year ended December 31, 2023, the Company estimated its employee remuneration and director's remuneration at both \$0. Related information would be available at the Market Observation Post System website.

(21) Non-operating income and expenses

(i) Other gains and losses, net

| | 2024 | 2023 |
|---------------|---------------|--------------|
| Rental income | 3,702 | 722 |
| Others | 22,821 | 4,147 |
| \$ | 26,523 | 4,869 |

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(ii) Other gains and losses, net

| | <u>2024</u> | <u>2023</u> |
|---|-------------------------|----------------------|
| Gain (Loss) on valuation of financial assets and liabilities at FVTPL | \$ 36,162 | 52,762 |
| Others | <u>13</u> | <u>(745)</u> |
| | <u><u>\$ 36,175</u></u> | <u><u>52,017</u></u> |

(iii) Finance costs

| | <u>2024</u> | <u>2023</u> |
|--|---------------------------|------------------------|
| Interest expense – borrowings | \$ (29,641) | (70,893) |
| Interest expense – lease liabilities | (1,151) | (1,024) |
| Interest expense – convertible bonds payable | (4,467) | (4,440) |
| Interest expense – rent deposit | <u>(2)</u> | <u>-</u> |
| | <u><u>\$ (35,261)</u></u> | <u><u>(76,357)</u></u> |

(iv) Interest income

| | <u>2024</u> | <u>2023</u> |
|------------------------------------|-------------------------|----------------------|
| Interest income from bank deposits | \$ 33,153 | 27,163 |
| Interest income from others | <u>19</u> | <u>2,956</u> |
| | <u><u>\$ 33,172</u></u> | <u><u>30,119</u></u> |

(22) Financial instruments

(i) Credit risk

1) Credit risk exposure

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

2) Concentration of credit risk

The customers of the Company are concentrated on customer base of oxidation catalyst, power battery materials, chemical fertilizers and special chemicals. The Company limits its exposure to credit risk from accounts receivables by continuously evaluates the debt collectability and provides adequate reserves for loss allowance, if necessary. As of December 31, 2024 and 2023, there were 3 and 6 major customers, which represented 58% and 69% of the accounts receivable, respectively. Thus, credit risk is significantly concentrated.

3) Credit risk of receivables and debt securities

For credit risk exposure of note and trade receivables, please refer to note 6(3). Other financial assets at amortized cost include other receivables from related parties and other financial assets. There are no impairment losses recognized for the years ended.

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All of these financial assets are considered to have low risk, and thus, the loss allowance recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(6).

(ii) Liquidity risk

The following are the contractual maturities of financial liabilities, (including interest payments):

| | <u>Carrying amount</u> | <u>Contractual cash flow</u> | <u>Within 6 months</u> | <u>6 to 12 months</u> | <u>1 to 2 years</u> | <u>Above 2 years</u> |
|--|----------------------------|----------------------------------|----------------------------|---------------------------|---------------------|--------------------------|
| December 31, 2024 | | | | | | |
| Non-derivative financial liabilities | | | | | | |
| Short-term borrowings | \$ 351,230 | 357,776 | 357,776 | - | - | - |
| Notes and accounts payable (including related parties) | 37,504 | 37,504 | 37,504 | - | - | - |
| Other payables | 2,209 | 2,209 | 2,209 | - | - | - |
| Long-term borrowing (including current portion of long-term borrowings) | 252,877 | 260,306 | 61,480 | 61,262 | 68,494 | 69,070 |
| Lease liabilities (including current and non-current) | 35,389 | 37,552 | 5,441 | 5,406 | 10,159 | 16,546 |
| Convertible bonds payable (including current portion of convertible bonds payable) | 686,417 | 694,500 | - | 694,500 | - | - |
| | <u>\$ 1,365,626</u> | <u>1,389,847</u> | <u>464,410</u> | <u>761,168</u> | <u>78,653</u> | <u>85,616</u> |
| | <u>Book value</u> | <u>Cash flow of contract</u> | <u>Within 6 months</u> | <u>6 to 12 months</u> | <u>1 to 2 years</u> | <u>Above 2 years</u> |
| December 31, 2023 | | | | | | |
| Non-derivative financial liabilities | | | | | | |
| Short-term notes and bills payable | \$ 810,154 | 819,210 | 819,210 | - | - | - |
| Short-term borrowings | 104,029 | 104,029 | 104,029 | - | - | - |
| Other payables | 3,081 | 3,081 | 3,081 | - | - | - |
| Long-term borrowing(including current portion) | 266,924 | 268,964 | 54,116 | 53,958 | 107,442 | 53,448 |
| Lease liabilities (including current and non-current) | 38,338 | 41,037 | 4,968 | 4,968 | 7,621 | 23,480 |
| Convertible bonds payable | 687,380 | 700,000 | - | 700,000 | - | - |
| | <u>\$ 1,909,906</u> | <u>1,936,321</u> | <u>985,404</u> | <u>758,926</u> | <u>115,063</u> | <u>76,928</u> |

The Company does not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to currency risk

The Company's financial assets and liabilities exposed to exchange rate risk were as follows:

| | December 31, 2024 | | |
|-------------------------|--------------------------|----------------------|------------|
| | <u>Foreign currency</u> | <u>Exchange rate</u> | <u>TWD</u> |
| Financial Assets | | | |
| <u>Monetary items</u> | | | |
| USD | \$ | 14,678 | 32.785 |
| | | | 481,218 |

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| December 31, 2024 | | | |
|------------------------------|-------------------------|----------------------|------------|
| | Foreign currency | Exchange rate | TWD |
| <u>Financial Liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| USD | 10,780 | 32.785 | 353,422 |
| December 31, 2023 | | | |
| | Foreign currency | Exchange rate | TWD |
| <u>Financial Assets</u> | | | |
| <u>Monetary items</u> | | | |
| USD | \$ 34,877 | 30.705 | 1,070,898 |
| <u>Financial Liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| USD | 26,684 | 30.705 | 819,342 |

2) Sensitivity analysis

The Company's exposure to foreign current risk arises from the translation of cash and cash equivalents, receivables, short-term borrowing, accounts payable, and other payables, that are primarily denominated in USD. Assuming all other variable factors remain constant, a strengthening (weakening) of \$1 of the TWD against USD, would have increased (decreased) the net income \$3,118 and \$6,554, respectively for the years ended December 31, 2024 and 2023.

3) Exchange gains and losses of monetary items

The information on foreign exchange gain (loss) on monetary items. For years 2024 and 2023, foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$23,520 and \$16,444, respectively.

(iv) Interest rate analysis

The Company's interest rate exposure regarding its financial assets and liabilities has been disclosed in the note of financial risk management.

The following sensitivity analysis is based on the exposure to interest rate risk of the derivative and non-derivative instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year on the reporting date. The exposure to changes in interest rates (assuming all other variables remain constant) would have influenced the net income for the years ended December 31, 2024 and 2023, as illustrated below:

| | Range of the fluctuations | 2024 | 2023 |
|----------------------|----------------------------------|-------------------|----------------|
| Annual interest rate | Increase of 1% | \$ <u>(4,833)</u> | <u>(8,617)</u> |
| | Decrease of 1% | \$ <u>4,833</u> | <u>8,617</u> |

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(v) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

| | | December 31, 2024 | | | |
|--|-------------------|-------------------|--------------|----------|----------------|
| | | Fair Value | | | |
| | Carrying amount | Level 1 | Level 2 | Level 3 | Total |
| Financial assets at FVTPL — current | \$ <u>9,456</u> | <u>9,456</u> | <u>-</u> | <u>-</u> | <u>9,456</u> |
| Convertible bonds payable (recorded in corporate convertible bonds callable in 1 year) | \$ <u>686,417</u> | <u>701,792</u> | <u>-</u> | <u>-</u> | <u>701,792</u> |
| | | December 31, 2023 | | | |
| | | Fair Value | | | |
| | Carrying amount | Level 1 | Level 2 | Level 3 | Total |
| Financial assets at FVTPL — current | \$ <u>19,588</u> | <u>19,588</u> | <u>-</u> | <u>-</u> | <u>19,588</u> |
| Financial liabilities at FVTPL — current | \$ <u>3,602</u> | <u>-</u> | <u>3,602</u> | <u>-</u> | <u>3,602</u> |
| Convertible bonds payable | \$ <u>687,380</u> | <u>748,790</u> | <u>-</u> | <u>-</u> | <u>748,790</u> |

2) Valuation techniques for financial instruments not measured at fair value

The Company's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

Financial assets and financial liabilities measured at amortized cost. If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Valuation techniques for financial instruments that are measured at fair value

The right-of-call or put option that embedded in derivative is measured by using the appropriate option pricing models.

There is no transfer between the levels for the years ended 2024 and 2023.

Coremax Corporation
Notes to the Parent-Company-Only Financial Statements

(23) Financial risk management

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and process for measuring and managing risk. Further quantitative disclosures are included throughout the relevant footnotes of the parent-company-only financial statements.

(i) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The financial management department provides services for each business, coordinating access to domestic and international financial market operations, monitors and manages the financial risks associated with the operations of the Company by analyzing the internal risk report on risk based on the degree and extent of the risk. The risk including credit risk, liquidity risk and market risk. The market risk which including currency risk, rate risk, and other market price risk.

(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company deposits its cash and cash equivalents with reputable banks; thus, the credit risk is low.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. The Company limits its exposure to credit risk by establishing a dedicated team that is responsible for customer's credit assessment and approval, limit and monitoring procedures. This is to ensure that appropriate actions are taken for the recoverability of overdue receivables. In addition, the Company will review the recoverable amount of the receivables individually at each reporting date so that impairment losses are appropriately provided for those irrecoverable receivables.

The Company's policy is to provide financial guarantees only to wholly owned subsidiaries. There is no endorsement guarantee to entity other than subsidiary on December 31, 2024 and 2023.

Coremax Corporation
Notes to the Parent-Company-Only Financial Statements

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages and maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Company's management supervises the banking facilities and ensures compliance with the terms of loan agreements.

(iv) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Company's entities, primarily the USD.

Interest in borrowing is denominated with the same currency of borrowing principal. Generally, the denominated currency of borrowing is the same with the Company's cash flow generated from operation, primarily in TWD, but also USD. Under these circumstances, the natural economic hedge exists without using derivative instrument.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

2) Interest rate risk

The Company's short-term and long-term borrowings are carried in variable interest rates. Therefore, the fluctuation of market rate will make the effective interest rate of short-term and long-term borrowings changed accordingly which resulted fluctuation in future cash flows.

(24) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximize shareholder's value.

The Company's industry is volatile, capital and technology-intensive industries, and the Company's life cycle is in a stable growth stage of operation. The remaining dividend policy must be adopted at this stage with funds to retain the surplus in response to operational growth and investment needs. The cash dividend distributed by the shareholder bonus shall not be less than 20% of the total

Coremax Corporation
Notes to the Parent-Company-Only Financial Statements

distribution.

The top management of the Company re-examines the capital structure every six months, and its review includes consideration of the cost of each category of capital and related risks. Based on the recommendations of the top management, the Company will balance its overall capital structure by paying dividends, issuing new shares, buying back shares and issuing new debts or repaying old debts.

As of December 31, 2024, the way in which the Company's capital management was managed has not changed.

The debt-to-equity ratio at the reporting date is as follows:

| | December 31, 2024 | December 31, 2023 |
|---------------------------------|------------------------------|------------------------------|
| Total liabilities | \$ 1,536,058 | 2,155,226 |
| Less: cash and cash equivalents | <u>(1,999,536)</u> | <u>(2,135,858)</u> |
| Net debt | \$ (463,478) | 19,368 |
| Total equity | \$ 5,540,038 | 5,412,836 |
| Debt-to-equity ratio | <u>(8.37)%</u> | <u>0.36%</u> |

(25) Financing activities not affecting current cash flow

Reconciliation of liabilities arising from financing activities were as follows:

| | January 1, 2024 | Cash flows | Additions | Non-cash changes Foreign exchange movement and others | December 31, 2024 |
|--|----------------------------|-------------------|------------------|--|------------------------------|
| Short-term borrowings | \$ 810,154 | (483,171) | - | 24,247 | 351,230 |
| Long-term borrowings (including current portion) | \$ 266,924 | (14,047) | - | - | 252,877 |
| Lease liabilities (including current and non-current) | \$ 38,338 | (13,162) | 9,062 | 1,151 | 35,389 |
| Convertible bonds payable (including current portion) | \$ 687,380 | (5,500) | - | 4,537 | 686,417 |

| | January 1, 2023 | Cash flows | Additions | Non-cash changes Foreign exchange movement and others | December 31, 2023 |
|--|----------------------------|-------------------|------------------|--|------------------------------|
| Short-term borrowings | \$ 1,692,855 | (871,178) | - | (11,523) | 810,154 |
| Long-term borrowings (including current portion) | \$ 373,709 | (106,785) | - | - | 266,924 |
| Lease liabilities (including current and non-current) | \$ 47,821 | (9,483) | - | - | 38,338 |
| Convertible bonds payable | \$ 682,940 | - | - | 4,440 | 687,380 |

Coremax Corporation
Notes to the Parent-Company-Only Financial Statements

7. Related-party transactions

(1) Names and relationship with related parties

| <u>Name of related party</u> | <u>Relationship with the Company</u> |
|--|--------------------------------------|
| Coremax (BVI) Corporation | The subsidiary of the Company |
| COREMAX (THAILAND) CO., LTD. | The subsidiary of the Company |
| Uranus Chemicals Co., Ltd. | The subsidiary of the Company |
| Heng I Chemical Co., Ltd. | The subsidiary of the Company |
| Coremax Ningbo Chemical Co., Ltd. | The subsidiary of the Company |
| Coremax (Zhangzhou) Chemical Co., Ltd. | The subsidiary of the Company |
| Jiangxi Tianjiang Materials Co., Ltd. | The subsidiary of the Company |
| VINACOREMAX COMPANY LIMITED | The subsidiary of the Company |

(2) Significant related-party transactions

(i) Operating revenue

| | <u>2024</u> | <u>2023</u> |
|--------------|--------------------------|-----------------------|
| Subsidiaries | \$ <u><u>137,521</u></u> | <u><u>289,501</u></u> |

The selling prices for sales to related parties and collection period were similar to those for unrelated customers.

As of December 31, 2024 and 2023, the unrealized profit or loss from sales with the investees under equity method amounted to \$779 and \$5,438, respectively, which were deducted from the investments accounted for using the equity method.

(ii) Purchase

| | <u>2024</u> | <u>2023</u> |
|--------------|-------------------------|---------------------|
| Subsidiaries | \$ <u><u>13,271</u></u> | <u><u>8,669</u></u> |

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors.

(iii) Accounts receivable from related parties

The receivable from related party was as follows:

| | <u>December 31,</u> <u>2023</u> | <u>December 31,</u> <u>2023</u> |
|--------------|------------------------------------|------------------------------------|
| Subsidiaries | \$ <u><u>21,356</u></u> | <u><u>56,437</u></u> |

(iv) Accounts payable to related parties

The payables to related parties were as follows:

| <u>Related Party Categories</u> | <u>December 31,</u> <u>2024</u> | <u>December 31,</u> <u>2023</u> |
|---------------------------------|------------------------------------|------------------------------------|
| Subsidiaries | \$ <u><u>2,523</u></u> | <u><u>828</u></u> |

Coremax Corporation
Notes to the Parent-Company-Only Financial Statements

(v) Processing charges

For the years 2024 and 2023, expenses of the Company incurred due to the processing by subsidiaries amounted to \$77,830 thousand and \$228,874 thousand, respectively.

(vi) commission income

The company charges commission to the subsidiary. The commission income recognized in years 2024 amounted to \$9,953 thousand.

(vii) Endorsement guarantee

As of December 31, 2024 and 2023, the Company's endorsement guarantee provided to subsidiaries amounted to \$1,589,905 thousand and \$92,115 thousand, respectively.

(viii) Rental

(a) Rental income and imputed interest

The Company enters into a lease agreement with its subsidiaries. The rental income recognized in years 2024 and 2023 were \$3,058 thousand and \$162 thousand, respectively. The imputed interest recognized in years 2024 and 2023 were \$14 thousand and \$33 thousand, respectively.

(b) Utilities, fuel fee and others

The Company rented land and factories, fuel fee and others from subsidiaries, the amount paid for related expenses in years 2024 and 2023 were \$4,115 thousand and \$5,184 thousand, respectively.

(c) The Company rented land and offices from subsidiaries. For the years 2024 and 2023, the Company recognized the amount of \$1,138 thousand and \$1,000 thousand as interest expense, respectively. As of December 31, 2024 and 2023, the balance of lease liabilities amounted to \$34,272 thousand and \$36,149 thousand, respectively.

(d) For the year ended December 31, 2024 and 2023, the amount paid by the Company to its subsidiaries for rent expenses incurred under the staff dormitory lease agreement were both \$72 thousand.

The amount paid by the Company and its related parties for receivable (payable) due from (to) related parties incurred under the rent expenses, interest income, other transactions and Company divided and transferred, etc. were as follows:

Other receivables due from related parties

| | December 31, 2024 | December 31, 2023 |
|---------------------|----------------------|----------------------|
| Subsidiaries | \$ 283 | 8,525 |
| Subsidiaries (note) | \$ - | 364,425 |

Coremax Corporation
Notes to the Parent-Company-Only Financial Statements

Accounts payable due to related parties

| | December 31, 2024 | December 31, 2023 |
|---------------------|------------------------------|------------------------------|
| Subsidiaries | <u>\$ 18,781</u> | <u>33,332</u> |
| Subsidiaries (note) | <u>\$ -</u> | <u>39,535</u> |

Note: The receivable (payment) arising from the division of the company's cobalt sulfate business to the company please refer to note 7(4).

(ix) Purchasing machinery and equipment

The Company purchased machinery and equipment on behalf of its Thai subsidiary for the price of \$425 thousand and \$29,314 thousand in years 2024 and 2023, respectively.

(3) Transactions with key management personnel

Key management personnel remuneration comprised:

| | 2024 | 2023 |
|------------------------------|------------------|---------------|
| Short-term employee benefits | \$ 17,694 | 18,100 |
| Post-employment benefits | <u>-</u> | <u>63</u> |
| | <u>\$ 17,694</u> | <u>18,163</u> |

(4) Division and transfer of business

(i) Division and transfer of business

As mentioned in Note 1, the Company divided and transferred its cobalt sulfate business to its subsidiary, Uranus on December 31, 2023 by acquiring 4,125 thousand new shares issued by Uranus. The carrying value of the relevant assets and liabilities was as follows:

| | December 31, 2024 |
|-------------------------------------|------------------------------|
| Asset: | |
| Accounts receivable | \$ 16,561 |
| Other receivables | 399,539 |
| Other receivables - related parties | 39,535 |
| Inventories | 67,112 |
| Property, plant and equipment | <u>24,375</u> |
| subtotal | <u>547,122</u> |
| Liability: | |
| Other payables to related parties | (421,569) |
| Other payables | (1,803) |
| Other current liabilities | <u>(235)</u> |
| subtotal | <u>(423,607)</u> |
| Net asset | <u>\$ 123,515</u> |

Coremax Corporation
Notes to the Parent-Company-Only Financial Statements

8. Pledged assets

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

| <u>Assets</u> | <u>Purpose of pledge</u> | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|---|---|------------------------------|------------------------------|
| Land | Long-term borrowings and obtaining credit limit for short-term borrowings | \$ 130,864 | 130,864 |
| Buildings | Long-term borrowings and obtaining credit limit for short-term borrowings | 24,581 | 28,517 |
| Restricted deposit (recorded in other financial assets — non-current) | Create a pledge of convertible bonds payable | 100,000 | 100,000 |
| | | <u>\$ 255,445</u> | <u>259,381</u> |

9. Commitments and contingencies

Except for the note 6(11), the remaining statements were as follow:

- (1) As of December 31, 2024, and 2023, the Company had acquired property, plant and equipment, with the remaining commitments of \$7,381 thousand and \$4,343 thousand, respectively.
- (2) As of December 31, 2024, and 2023, the subsidiary, Coremax (BVI) Corporation, had applied for a borrowing facility with an amount of USD3,000 thousand (equivalent to \$98,355 thousand and \$92,115 thousand, respectively) from a bank, in which the Company holds the responsibility as its joint guarantor.
- (3) As of December 31 2022, Uranus Chemical applied for a financing amount from a bank, with the Company serving as the joint guarantor for the endorsement/guarantee amounting to \$100,000 thousand. The Company stop guarantees and endorsements for Uranus Chemicals from the date of November 15, 2023.
- (4) VINACOREMAX COMPANY LIMITED, had applied for a borrowing facility with an amount of USD30,000 thousand and VND 400,000,000 thousand (equivalent to \$1,491,550 thousand) from a bank, in which the Company holds the responsibility as its joint guarantor.

10. Losses due to major disasters: None

11. Subsequent events

In response to expanding customer demand and increasing production capacity in Vietnam, the company's board of directors approved the capital expenditure budget expansion proposal for its Vietnamese subsidiary, VINACOREMAX COMPANY LIMITED, on February 25, 2025. The budget increase amounts to USD 11 million.

Coremax Corporation
Notes to the Parent-Company-Only Financial Statements

12. Other

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

| By function By item | 2024 | | | 2023 | | |
|----------------------------|---------------------------------------|---|---------|---------------------------------------|---|---------|
| | Classified as operating cost | Classified as operating expenses | Total | Classified as operating cost | Classified as operating expenses | Total |
| Employee benefits | | | | | | |
| Salaries | 71,301 | 78,198 | 149,499 | 70,638 | 56,867 | 127,505 |
| Labor and health insurance | 7,089 | 5,285 | 12,374 | 8,819 | 5,282 | 14,101 |
| Pension | 3,277 | 2,363 | 5,640 | 3,816 | 2,370 | 6,186 |
| Remuneration of directors | - | 5,457 | 5,457 | - | 5,163 | 5,163 |
| Others | 6,887 | 2,578 | 9,465 | 8,348 | 2,843 | 11,191 |
| Depreciation | 53,562 | 10,748 | 64,310 | 65,788 | 7,707 | 73,495 |

The number of employees and employee benefits for the years ended December 31, 2024 and 2023, was follows:

| | 2024 | 2023 |
|--|-----------------|--------------|
| The number of employees | <u>160</u> | <u>186</u> |
| The number of directors who were not holding as a position of employee | <u>6</u> | <u>7</u> |
| The average of employee benefits | \$ <u>1,149</u> | <u>888</u> |
| The average of Salaries | \$ <u>971</u> | <u>712</u> |
| The average of salary adjust rate | <u>36%</u> | <u>(51)%</u> |
| Supervisor's remuneration | \$ <u>-</u> | <u>-</u> |

The Company's salary and remuneration policy (including directors, managers and employees) is as follows:

- (i) Directors' remuneration: The remuneration of each director shall be proposed by the Salary Remuneration Committee for implementation after being approved by the Board of Directors.
- (ii) Salaries of employees and managers: Monthly salary will be determined with reference to the salary market conditions, job category, academic experience, professional knowledge and technology, seniority, practical experience, as well as personal performance, regardless of age, gender, race, etc.; and it will be adjusted in due course according to the Company's operating conditions, market wage dynamics, the overall economic and industrial climate changes, and the government laws and regulations.
- (iii) Year-end bonus for employees and managers is allocated according to the Company's operating conditions, with reference to each employee's performance appraisal results.
- (iv) Remuneration for employees and managers is based on the Company's employee remuneration distribution policy, with reference to the achievement of personal goals, job contribution and overall performance of the individual.

Coremax Corporation
Notes to the Parent-Company-Only Financial Statements

The remuneration policies of the above-mentioned general manager, deputy general managers and equivalent position manager, in addition to the company's business strategy, profit results, performance and job contribution etc. factors, and reference to the salary market level. The Salary Remuneration Committee puts forward a proposal and implement after approved by the Board of Directors.

(2) Disclosure information on organizational restructuring - division and transfer of business

As mentioned in Note 1, the Company, the ultimate parent of the Group, underwent an organizational restructuring as of December 31, 2023, wherein it divided and transferred its cobalt sulfate business to its subsidiary, Uranus. The Company has elected not to deem the cobalt sulfate business owned by Uranus from the very beginning, and thus, did not restate its financial statements for the comparative period. Assuming that the cobalt sulfate business has been owned by Uranus since January 1, 2023, the Company's pro forma concise balance sheets for the years 2023 and its pro forma concise income statements for the periods from January 1 to December 30, 2023 will be as follows:

| | December 31, 2023 |
|---|------------------------------|
| current asset | \$ 3,446,616 |
| Non-current asset | 4,121,446 |
| Total assets | \$ 7,568,062 |
| | December 31, 2023 |
| Current liabilities | \$ 1,894,202 |
| Non-current liabilities | 261,024 |
| Total liabilities | \$ 2,155,226 |
| | 2023 |
| Operating income | \$ 3,513,840 |
| Operating gross profit (loss) | (74,426) |
| Operating profit (loss) | (200,220) |
| Non-operating income and expenses | 48,857 |
| Pre-tax net profit (loss) | (151,363) |
| Income tax benefits (expenses) | 15,003 |
| Net profit (loss) for the period | (136,360) |
| Other comprehensive gains and losses for the period | (15,293) |
| Total comprehensive profit or loss for the period | \$ (151,653) |
| Net profit (loss) for the period attributable to | |
| Owners of the Company | \$ (136,360) |
| Non-Controlling Interests | - |
| Net profit (loss) for the period | \$ (136,360) |
| Total comprehensive profit or loss attributable to: | |
| Owners of the Company | \$ (151,653) |
| Non-Controlling Interests | - |
| Total comprehensive profit or loss for the period | \$ (151,653) |
| Basic earnings (loss) per share (in dollars) | \$ (1.26) |
| Diluted earnings (loss) per share (in dollars) | \$ (1.26) |

Coremax Corporation
Notes to the Parent-Company-Only Financial Statements

In principle, the above financial information was prepared on the basis of those who are directly attributable or individually identifiable to business related to cobalt sulfate. However, in cases where it is difficult to clearly identify or attribute the above individuals, the information will be prepared or allocated on other reasonable basis.

13. Other disclosures:

(1) Information on significant transactions:

The following is the information on the Company's significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" :

- (i) Loans to other parties: Please refer to Table 1.
- (ii) Guarantees and endorsements for other parties: Please refer to Table 2.
- (iii) Securities held as of December 31, 2024 (excluding investment in subsidiaries, associates and joint ventures): Please refer to Table 3.
- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: Please refer to Table 4.
- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.
- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.
- (ix) Trading in derivative instruments: Note 6(2).

(2) Information on investees: Please refer to Table 5.

(3) Information on investment in mainland China:

- (i) The names of investees in Mainland China, the main businesses and products, and other information: Please refer to Table 6(1).
- (ii) Limitation on investment in Mainland China: Please refer to Table 6(2).
- (iii) Significant transactions:

The significant inter-company transactions with the subsidiaries in Mainland China, which were eliminated in the preparation of parent-company-only financial statements, are disclosed in "Information on significant transactions".

Coremax Corporation
Notes to the Parent-Company-Only Financial Statements

(4) Major shareholders:

Unit: Share

| Shareholder's Name | Shareholding | Shares | Percentage |
|--------------------------------|--------------|------------|------------|
| CHANG XING INVESTMENT CO., LTD | | 14,977,609 | 12.58 % |
| CHEH JADE ENTERPRISE CO., LTD | | 14,455,940 | 12.14 % |

Note 1: The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of the total nonphysical ordinary shares and preference shares (including treasury shares) on the last business date of each quarter. The actual registered non-physical shares may be different from the capital shares disclosed in the consolidated financial statements due to the use of different calculation basis.

Note 2: In the case of the above information, if a shareholder delivers shares to the trust, the shares will be individually disclosed by the trustee who opened the trust account. As for shareholders' declarations of insider's equity holdings exceeding 10% in accordance with the Securities and Exchange Act, their shareholding include their own shareholding, plus the shares delivered to the trust, and the right to use the trust property. For further information on relevant insider shares, please refer to the Public Information Observatory.

14. Segment information

Please refer to consolidated financial statements for the year ended December 31, 2024.

Coremax Corporation
Loans to other parties
For the year ended December 31, 2024

Table 1

(Amounts in Thousands)

| Number | Name of lender | Name of borrower | Account name | Related party | Highest balance of financing to other parties during the period | Ending balance | Actual usage amount during the period | Range of interest rates during the period | Purposes of fund financing for the borrower (Note 5) | Transaction amount for business between two parties | Reasons for short-term financing | Allowance for bad deb | Collateral | | Individual funding loan limits (Note 3) | Maximum limit of fund financing (Note 2) |
|--------|--|--|-------------------|---------------|---|----------------|---------------------------------------|---|--|---|----------------------------------|-----------------------|------------|-------|---|--|
| | | | | | | | | | | | | | Item | Value | | |
| 1 | COREMAX (BVI) CORPORATION | Coremax Ningbo Chemical Co., Ltd. | Other receivables | Yes | 26,268 | 26,228 | - | 5% | 2 | - | Operating demand | - | None | - | 100,591 | 150,886 |
| 1 | COREMAX (BVI) CORPORATION | COREMAX (THAILAND)CO., LTD. | Other receivables | Yes | 82,088 | 81,963 | 67,209 | 4%~5.5% | 2 | - | Operating demand | - | None | - | 100,591 | 150,886 |
| 1 | COREMAX (BVI) CORPORATION | Coremax (Zhangzhou) Chemical co., Ltd. | Other receivables | Yes | 32,835 | 32,785 | - | 5% | 2 | - | Operating demand | - | None | - | 100,591 | 150,886 |
| 2 | Coremax Ningbo Chemical Co., Ltd. | Coremax (Zhangzhou) Chemical co., Ltd. | Other receivables | Yes | 18,180 | 17,912 | - | 3.5% | 2 | - | Operating demand | - | None | - | 29,113 | 43,669 |
| 3 | Jiangxi Tianjiang Materials Co., Ltd. | Coremax (Zhangzhou) Chemical co., Ltd. | Other receivables | Yes | 11,363 | - | - | - | 2 | - | Operating demand | - | None | - | 10,941 (Note 4) | 13,676 (Note 4) |
| 4 | Coremax (Zhangzhou) Chemical co., Ltd. | Coremax Ningbo Chemical Co., Ltd. | Other receivables | Yes | 18,180 | 17,912 | - | 3.5% | 2 | - | Operating demand | - | None | - | 39,047 | 58,570 |

Note 1: The number denote the following :

(1) The issue is number 0.

(2) Interest are listed in accordance with names and sequential order starting with 1.

Note 2: Limit of total financing amount shall not exceed 30% of latest financial statements of the lender's capital.

Note 3: Limit of financing amount for individual counter-party shall not exceed 20% of the latest financial statements of the lender's capital.

Note 4: Limit of total financing amount shall not exceed 100% of latest financial statements of the lender's capital. Limit of financing amount for individual counter-party shall not exceed 80% of the latest financial statements of the lender's capital.

Note 5: (1) Parties which have business relationship with the Company

(2) The need for short-term financing.

Coremax Corporation
Guarantees and endorsements for other parties
For the year ended December 31, 2024

Table 2

(Amounts in Thousands)

| No. | Name of guarantor | Counter-party of guarantee and endorsement | | Limitation on amount of guarantees and endorsements for a specific enterprise (Note 4) | Highest balance of guarantees and endorsements during the period | Balance of guarantees and endorsements as of reporting date | Actual usage amount during the period | Property pledged for guarantees and endorsements (Amount) | Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements | Maximum amount for guarantees and endorsements (Note 3) | Parent company endorsements/ guarantees to third parties on behalf of subsidiary | Subsidiary endorsements/ guarantees to third parties on behalf of parent company | Endorsements / guarantees to third parties on behalf of companies in Mainland China |
|-----|-------------------|--|--|--|--|---|---------------------------------------|---|---|---|--|--|---|
| | | Name | Relationship with the Company (Note 2) | | | | | | | | | | |
| 0 | The Company | Coremax (BVI) Corporation | 2 | 2,770,019 | 98,505 | 98,355 | - | - | 1.78 % | 2,770,019 | Y | N | N |
| 0 | The Company | VINACOREMAX COMPANY LIMITED | 2 | 2,770,019 | 1,501,050 | 1,491,550 | - | - | 26.92 % - | 2,770,019 | Y | N | N |

Note 1: The numbers denote the following:

- (1) The issuer is number 0.
- (2) Investees are listed in accordance with names and in sequential order starting with 1.

Note 2: The relation between guarantor and guarantee and their endorsement should be disclosed as one of the following:

- (1) An entity that is with business relationship.
- (2) Subsidiary which owned more than 50 percent by the guarantor.
- (3) An investee owned more than 50 percent in total by both the guarantor and its subsidiary.
- (4) An investee owned more than 90 percent by the guarantor or its subsidiary.
- (5) Fulfillment of contractual obligations by providing mutual endorsements and guarantor for peer or joint builders in order to undertake a construction project.
- (6) An entity that is guaranteed and endorsed by all capital contributing shareholders in proportion to their shareholding percentages.
- (7) The companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for per-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The total amount for guarantees and endorsements provided by the Company to other entities shall not exceed 50% of latest financial statements of the Company's net worth audited.

Note 4: The total amount for guarantees and endorsements provided by the Company to any individual entity shall not exceed 50% of latest financial statements of the Company's net worth audited.

Coremax Corporation
Marketable Securities Held (excluding Investment in Subsidiaries, Associates and Joint Ventures)
December 31, 2024

Table 3

(Shares in Thousands /Amounts in Thousands)

| Name of holder | Category and name of security | Relationship with company | Account title | Shares (thousands) | Ending balance | | | Note |
|----------------------------|--|---------------------------|---|--------------------|----------------|-------------------------|------------|------|
| | | | | | Carrying value | Percentage of ownership | Fair value | |
| Uranus Chemicals Co., Ltd. | Stock of HSINCHU GOLF COUNTRY CLUB Co.,Ltd | None | Non-current financial assets at fair value through other comprehensive income | 3 | 3,369 | 0.35 % | 3,369 | - |

Coremax Corporation

Acquisition of Individual Real Estate Properties at Costs of at least NT\$300 million or 20% of the Paid-in Capital

For the year ended December 31, 2024

Table 4

(Amounts in Thousands)

| Name of company | Name of property | Transaction date | Transaction amount | Status of payment | Counter-party | Relationship with the Company | If the counter-party is a related party, disclose the previous transfer information | | | | References for determining price | Purpose of acquisition and current condition | Others |
|-----------------------------|--|------------------|--------------------|-------------------|--|-------------------------------|---|-------------------------------|------------------|--------|--|--|--------|
| | | | | | | | Owner | Relationship with the Company | Date of transfer | Amount | | | |
| VINACOREMAX COMPANY LIMITED | Fixed asset-building and mechanical & electrical engineering | 113/6/6 | 316,260 | Have paid 10% | CONSTRUCTION TECHNOLOGIES APPLICATION AND TRANSFER., JSC | None related party | - | - | - | - | Not applicable since it's commissioning of construction on leased land | Demand for operational development | - |

Coremax Corporation
Information on Investees (Excluding Information on Investees in Mainland China)
For the year ended December 31, 2024

Table 5

(Shares in Thousands /Amount in Thousands)

| Name of investor | Name of investee | Location | Main businesses and products | Original investment amount | | Balance as of December 31, 2024 | | | Net income (losses) of investee | Share of profits/losses of investee | Note |
|---------------------------|-----------------------------|------------------------|--|----------------------------|-------------------|---------------------------------|-------------------------|----------------|---------------------------------|-------------------------------------|------|
| | | | | December 31, 2024 | December 31, 2023 | Shares (thousands) | Percentage of ownership | Carrying value | | | |
| The Company | Coremax (BVI) Corporation | British Virgin Islands | Investment company | 302,406 | 302,406 | 9,658 | 100 % | 496,734 | (36,574) | (36,574) | - |
| The Company | Heng I Chemical Co., Ltd. | Taiwan | Manufacturing and sales of chemical fertilizers, chemical raw materials, organic fertilizer and fertilizers with organic matter. Import and export of related business. Recycling and reproduce of solvent and pollutants. | 1,143,369 | 1,143,369 | 41,058 | 82.44 % | 1,575,110 | 120,534 | 99,429 | - |
| The Company | Uranus Chemicals Co., Ltd. | Taiwan | Manufacturing and sales of oxalic (acid), organic and inorganic acid, rare earth compounds, cobaltcompound and related products | 934,321 | 949,438 | 43,266 | 65.18 % | 1,249,786 | 102,038 | 66,794 | - |
| The Company | VINACOREMAX COMPANY LIMITED | Vietnam | Manufacturing and sales of organic and inorganic acid | 446,155 | 318,764 | - | 100 % | 417,172 | (13,026) | (13,026) | - |
| Coremax (BVI) Corporation | COREMAX (THAILAND) CO.,LTD. | Thailand | Manufacturing and processing of pure terephthalic acid oxidation catalyst, sodium carbonate solutions, wastewater treatment solutions, exhaust gas absorbent and cobalt compound series products. | 67,047 | 67,047 | 70 | 100 % | 111,139 | 19,326 | 19,326 | - |

Coremax Corporation
Information on Investment in Mainland China
For the year ended December 31, 2024

Table 6

(Amounts in Thousands)

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

| Name of investee | Main businesses and products | Total amount of paid-in capital | Method of investment | Accumulated outflow of investment from Taiwan as of January 1, 2024 | Investment flows | | Accumulated outflow of investment from Taiwan as of December 31, 2024 | Net income (losses) of the investee | Percentage of ownership | Investment income (losses) (Notes 3) | Book value | Accumulated remittance of earnings in current period |
|--|--|---------------------------------|---|---|------------------|--------|---|-------------------------------------|-------------------------|--------------------------------------|------------|--|
| | | | | | Outflow | Inflow | | | | | | |
| Coremax Ningbo Chemical Co., Ltd. | Manufacturing and processing of pure terephthalic acid oxidation catalyst, sodium carbonate solutions, wastewater treatment solutions, exhaust gas absorbent and cobalt compound series products. | 98,482 | Investment in companies in Mainland China through investment companies in the third regions. (note 1) | 81,240 | - | - | 81,240 | (23,554) | 100.00 | (23,554) | 145,564 | - |
| Coremax (Zhangzhou) Chemical Co., Ltd. | Manufacturing, processing and wholesale of pure terephthalic acid oxidation catalyst, sodium carbonate solutions, wastewater treatment solutions, waste gas absorbent and cobalt compound series products, and regeneration treatment of abort oxidation catalyst. | 185,654 | Investment in companies in Mainland China through investment companies in the third regions. (note 2) | 148,795 | - | - | 148,795 | (50,569) | 100.00% | (50,569) | 195,233 | - |
| Jiangxi Tianjiang Materials Co., Ltd. | Manufacturing and sales of oxalic acid (organic) and inorganic acid, rare earth compounds and related products | 43,947 | Uranus Chemical invest companies in Mainland China | 43,947 | - | - | 43,947 | (343) | 100.00% | (343) | 13,676 | - |

(2) Limitation on investment in Mainland China

| Cumulated Investment in Mainland China as of December 31, 2024 | Investment Amounts Authorized by Investment Commission, MOEA (Note 5) | Upper Limit on Investment (Note 4) |
|---|--|---------------------------------------|
| 273,982 (USD 8,808) | 468,432 (USD 14,288) | 3,324,022 |

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

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

Note 3: Amount was recognized based on the audited financial statement.

Note 4: The Company investment in Mainland China pursuant to "Principle of investment or Technical Cooperation in Mainland China" is not exceeding the investment amount or percentage limit.

Note 5: Exchange rates at the dates of balance sheet date.

Coremax Corporation
Statement of cash and cash equivalents
December 31, 2024
(In Thousands of New Taiwan Dollars;
Foreign currencies: In Thousands of U.S. Dollars,
Canadian Dollars, Euro and Chinese Yuan)

| <u>Item</u> | <u>Description</u> | <u>Amount</u> |
|-------------|--|----------------------------|
| Cash | Petty cash | \$ <u>35</u> |
| Deposits | Checking deposits | 209 |
| | Demand deposits | 423,955 |
| | Foreign currency deposits (USD: 7,623) | <u>250,337</u> |
| | (RMB: 30) | |
| | (VND: 230,924) | <u>674,501</u> |
| | Time deposits | <u>1,325,000</u> |
| | Total | <u><u>\$ 1,999,536</u></u> |

Note: Foreign exchange rates on the balance sheet date are as follows:

USD exchange rates : 32.785

EUR exchange rates : 34.14

RMB exchange rates : 4.478

VND exchange rates : 0.00127

Coremax Corporation
Statement of accounts receivable
December 31, 2024
(In thousands of New Taiwan Dollars)

| <u>Client Name</u> | <u>Amount</u> |
|--|--------------------------|
| CP | \$ 38,525 |
| CD | 21,240 |
| CZ | 14,552 |
| CAB | 8,462 |
| CAG | 6,375 |
| Others (The amount of individual client included in others does not exceed 5% of the account balance.) | <u>38,076</u> |
| Notes and accounts receivables, net | <u><u>\$ 127,230</u></u> |

Note 1: The accounts receivables are resulting from the operating activities.

Note 2: Receivables from related parties are not included. Please refer to note 7 for further details.

Coremax Corporation
Statement of inventories
December 31, 2024
(In thousands of New Taiwan Dollars)

| Item | Amount | | Note |
|------------------|--------------------------|-----------------------|---|
| | Cost | NRV | |
| Finished goods | \$ 101,540 | 130,401 | Note: Please refer to note 4(7) for further explanation of the net realizable value of inventories in the parent-company-only financial statements. |
| Work-in progress | 182,533 | 194,088 | |
| Raw materials | <u>167,297</u> | <u>189,319</u> | |
| Total | <u><u>\$ 451,370</u></u> | <u><u>513,808</u></u> | |

Statement of other current assets

Please refer to note 6(7) for further explanation of the other current assets in the parent-company-only financial statements.

Statement of other financial assets — current

Please refer to note 6(8) for further explanation of the other financial assets — current in the parent-company-only financial statements.

Coremax Corporation
Statement of changes in investments accounted for using the equity method
For the year ended December 31, 2024

(In Thousands of New Taiwan Dollars and Shares)

| | <u>Balance January 1, 2024</u> | | <u>Addition</u> | | Investment Income /Loss | Cash dividends | Cumulative translation adjustment | Remeasurements of the net defined benefit of subsidiaries | Others (Note 2) | Increase in unearned-related unearned related- parties' transactions profits | <u>Balance December 31, 2024</u> | | | Market Value Or Net Assets Value |
|--|--------------------------------|---------------------|-----------------|----------------|-------------------------------|-------------------|---|--|--------------------|---|----------------------------------|------------------|----------|---|
| <u>Investees</u> | <u>Shares</u> | <u>Amount</u> | <u>Shares</u> | <u>Amount</u> | | | | | | | <u>Shares</u> | <u>Amount</u> | <u>%</u> | <u>Total Amount</u> |
| Investments accounted for using the equity method : | | | | | | | | | | | | | | |
| Coremax(BVI) Corporation | 9,658 | \$ 511,343 | - | - | (36,574) | - | 22,744 | - | - | (779) | 9,658 | 496,734 | 100.00% | 502,951 |
| Heng I Chemical Co., Ltd. | 41,058 | 1,500,726 | - | - | 99,429 | (27,509) | - | 898 | 1,566 | - | 41,058 | 1,575,110 | 82.44% | 1,575,110 |
| Uranus Chemicals Co., Ltd. | 43,966 | 1,229,329 | (700) | (19,777) | 66,794 | (30,776) | 491 | 473 | 3,252 | - | 43,266 | 1,249,786 | 65.18% | 1,249,786 |
| VINACOREMAX COMPANY LIMITED | - | 299,421 | - | 127,391 | (13,026) | - | 3,385 | - | - | - | - | 417,171 | 100.00% | 417,171 |
| | | <u>\$ 3,540,819</u> | <u>(700)</u> | <u>107,614</u> | <u>116,623</u> | <u>(58,285)</u> | <u>26,620</u> | <u>1,371</u> | <u>4,818</u> | <u>(779)</u> | | <u>3,738,801</u> | | <u>3,745,018</u> |

Note 1: Please refer to note 6(13) for further explanation of the equity investments were provided as guarantee or pledge.

Note 2: Including the Company did not subscribe to proportionately, adjustment of capital surplus for company's dividends received by subsidiaries, and transfer treasury shares to employees and disposal of company's share by subsidiaries recognized as treasury shares transactions .

Coremax Corporation
**Statement of changes in property, plant and
equipment**
For the year ended December 31, 2024

Please refer to note 6(9) for further explanation of the property, plant and equipment in the parent-company-only financial statements.

**Statement of changes in accumulated depreciation of
property, plant and equipment**

Please refer to note 6(9) for further explanation of the accumulated depreciation of property, plant and equipment in the parent-company-only financial statements.

Statement of changes in right-of-use assets

Please refer to note 6(10) for further explanation of the right-of-use assets in the parent-company-only financial statements.

**Statement of changes in accumulated depreciation of
right-of-use assets**

Please refer to note 6(10) for further explanation of the accumulated depreciation of right-of-use assets in the parent-company-only financial statements.

Coremax Corporation
Statement of deferred tax assets
December 31, 2024

Please refer to note 6(16) for further explanation of the deferred assets in the parent-company-only financial statements.

Statements of other non-current assets

Please refer to note 6(7) for further explanation of the other non-current assets in the parent-company-only financial statements.

Statements of other financial assets — non-current

Please refer to note 6(8) for further explanation of the other financial assets — non-current in the parent-company-only financial statements.

Coremax Corporation
Statement of short-term borrowings
December 31, 2024
(In thousands of New Taiwan Dollars)

| <u>Type</u> | <u>Description</u> | <u>Balance, End of Year</u> | <u>Contract Period</u> | <u>Range of Interest Rates (%)</u> | <u>Unused Credit Facility</u> | <u>Collateral</u> |
|---------------------|--------------------|---------------------------------|------------------------|--|-----------------------------------|-----------------------|
| Purchase bank loans | Mega Bank | \$ 351,230 | 2024.10~2025.06 | | 1,615,870 | Land and buildings |
| Purchase bank loans | Land Bank | - | 2024.01~2025.01 | | 400,000 | Land and buildings |
| Purchase bank loans | Hua Nan Bank | - | 2024.07~2025.07 | | 800,000 | Land and buildings |
| Purchase bank loans | Chang Hwa Bank | - | 2024.03~2025.03 | | 600,000 | None |
| Purchase bank loans | Cathay United Bank | - | 2024.07~2025.07 | | 400,000 | None |
| Purchase bank loans | First Bank | - | 2024.03~2025.03 | | 400,000 | None |
| Purchase bank loans | Far Eastern Bank | - | 2024.03~2025.03 | | 655,700 | None |
| | | <u>\$ 351,230</u> | | 4.96%~5.07% | <u>\$ 4,871,570</u> | |

Coremax Corporation
Statements of long-term borrowings
December 31, 2024

Please refer to note 6(11) for further explanation of the long-term borrowings in the parent-company-only financial statements.

Statements of accounts payables
December 31, 2024
(In thousands of New Taiwan Dollars)

| <u>Vendor Name</u> | <u>Amount</u> |
|---|-------------------------|
| VCZ | \$ 4,067 |
| VDA | 2,797 |
| VCL | 1,701 |
| VCM | 1,505 |
| VH | 1,329 |
| VDC | 1,182 |
| Others (The amount of individual vendor in others does not exceed 5% of the account balance.) | <u>3,619</u> |
| Total | <u><u>\$ 16,200</u></u> |

Note 1: The accounts payable are resulting from the operating activities.

Note 2: Accounts payable to related parties are not included. Please refer to note 7 for further details.

Coremax Corporation
Statement of other current liabilities
December 31, 2024
(In thousands of New Taiwan Dollars)

| <u>Item</u> | <u>Amount</u> |
|---|-------------------------|
| Environment examination and inspection fees | \$ 27,826 |
| Professional service fees | 6,080 |
| Others (The amount of each item in others does not exceed 5% of the account balance.) | <u>43,693</u> |
| Total | <u><u>\$ 77,599</u></u> |

Statement of deferred tax liabilities

Please refer to note 6(16) for further explanation of the deferred tax liabilities in the parent-company-only financial statements.

Coremax Corporation
Statement of lease liabilities
December 31, 2024

Please refer to note 6(14) for further explanation of the lease liabilities in the parent-company-only financial statements.

Statement of operating revenue
For the year ended December 31, 2024

Please refer to note 6(19) for revenue from contracts with customers in the parent-company-only financial statements.

Coremax Corporation
Statement of operating costs
For the year ended December 31, 2024
(In thousands of New Taiwan Dollars)

| <u>Item</u> | <u>Amount</u> |
|---|----------------------------|
| Raw materials used: | |
| Balance, beginning of year | \$ 261,590 |
| Plus: Raw materials purchased | 1,675,886 |
| Less: Raw materials sold | 299,136 |
| Less: Raw materials, end of year | <u>191,136</u> |
| Raw materials used for the year | <u>1,447,204</u> |
| Materials used: | |
| Balance, beginning of year | 5,418 |
| Plus: Materials purchased | 33,444 |
| Less: Materials used by other department | 3,188 |
| Less: Materials sold | 1,707 |
| Less: Materials, end of year | <u>4,721</u> |
| Materials used for the year | 29,246 |
| Direct labor cost | 50,487 |
| Manufacturing expenses | <u>269,911</u> |
| Manufacturing cost | 1,796,848 |
| Plus: Work-in progress, beginning of year | 225,827 |
| Less: Work-in progress used by other department | 153 |
| Less: Finished goods used by other department | 23,713 |
| Less: Work-in progress, end of year | <u>204,689</u> |
| Cost of finished goods | 1,794,120 |
| Plus: Finished goods beginning of year | 92,387 |
| Less: Finished goods used by other department | 1 |
| Less: Finished goods, end of year | <u>117,952</u> |
| Cost of goods sold for finished goods | <u>1,768,554</u> |
| Cost of sales | 1,768,554 |
| Goods, beginning of year | 51 |
| Plus: Inventory purchased | 885 |
| Cost of goods sold for inventory | <u>1,769,490</u> |
| Inventory devaluation loss | (120,000) |
| Revenue from sale of scrap | (307) |
| Other (Note) | <u>319,336</u> |
| Total | <u><u>\$ 1,968,519</u></u> |

Note : Consist of cost of raw materials sold, cost of materials sold, cost of work-in-progress, and others.

Coremax Corporation

Statements of manufacturing expenses
For the year ended December 31, 2024
(In thousands of New Taiwan Dollars)

| Item | Amount |
|---|--------------------------|
| Original equipment manufacturer expense | \$ 77,830 |
| Depreciation expense | 53,562 |
| Utilities expense | 27,996 |
| Repair and maintenance fee | 31,198 |
| Payroll expense | 21,239 |
| Others (The amount of each item in others does not exceed 5% of the account balance.) | 58,086 |
| Total | <u><u>\$ 269,911</u></u> |

Statement of selling expenses

| Item | Amount |
|---|-------------------------|
| Import and export expense | \$ 14,072 |
| Payroll expense | 7,194 |
| Shipping expense | 1,998 |
| Others (The amount of each item in others does not exceed 5% of the account balance.) | 8,332 |
| Total | <u><u>\$ 31,596</u></u> |

Coremax Corporation
Statement of administrative expenses
For the year ended December 31, 2024
(In thousands of New Taiwan Dollars)

| <u>Item</u> | <u>Amount</u> |
|---|--------------------------|
| Payroll expense | \$ 63,358 |
| Professional service fees | 11,284 |
| Depreciation expense | 9,068 |
| Bank fees | 6,291 |
| Others (The amount of each item in others does not exceed 5% of the account balance.) | <u>33,615</u> |
| Total | <u><u>\$ 123,616</u></u> |

Statement of research and development expenses

| <u>Item</u> | <u>Amount</u> |
|---|-------------------------|
| Payroll expense | \$ 7,646 |
| Depreciation expense | 1,520 |
| Waste disposal fee | 922 |
| Others (The amount of each item in others does not exceed 5% of the account balance.) | <u>2,786</u> |
| Total | <u><u>\$ 12,874</u></u> |

Coremax Corporation
Statement of other gains and losses, net
For the year ended December 31, 2024
(Expressed in thousands of New Taiwan Dollars)

Please refer to note 6(21) for further explanation of the net other gains and losses in the parent-company-only financial statements.

Statement of finance costs

Please refer to note 6(21) for further explanation of the finance cost in the parent-company-only financial statements.

**Summary statement of current period employee
benefits, depreciation, depletion and amortization
expenses by function**

Please refer to note 12 for further explanation of the current-period employee benefits and depreciation expense in the parent-company-only financial statement.