



**Coremax Corporation**

**2021 Annual Shareholders' Meeting  
Meeting Agenda**

Date: June 4, 2021

Venue : Hsinchu Industrial Park Service Center

(No. 22, Chunghua Rd., Fengshan Village, Hukou  
Township, Hsinchu County)

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**Coremax Corporation**  
**2021 Annual General Meeting Procedures**

I. Commence Meeting

II. Chairman's Speech

III. Report Items

IV. Proposals and Discussion

V. Election Matters

VI. Extempore Motions

VII. Meeting Adjourned

**Coremax Corporation**  
**2021 Annual General Shareholders' Meeting**  
**Meeting Agenda**

Time : June 4, 2021 (Friday) at 9:00 am

Venue : Hsinchu Industrial Park Service Center

No. 22, Chunghua Rd., Fengshan Village, Hukou Township, Hsinchu County

- I. Call Meeting to Order (Announce total shares represented by shareholders present in person or by prox)
- II. Chairman's Address
- III. Report Items
  - (1) Presenting the Company's FY2020 Business Report
  - (2) The Audit Committee Report on the Review of the FY2020 Financial Report
  - (3) Report FY2020 distribution of employees' bonus and remuneration to Directors
  - (4) Report the revision of the Guidelines for the Adoption of Codes of Ethical Conduct
- IV. Approval Items
  - (1) To accept FY2020 Business Report and Financial Statements
  - (2) To approve the FY2020 earnings distribution
- V. Discussion Items
  - (1) To approve the revision of the Articles of Incorporation
  - (2) To approve the revision of the Rules of Procedure for Shareholders Meetings
- VI. Extempore Motions
- VII. Meeting Adjourned

## Report Items

### Item 1

Proposal: Report the FY2020 business report.

Description: Please refer to Annex 1 for the Company's FY2020 Business Report (pages 5-7 of this handbook).

### Item 2

Proposal: The Audit Committee Report on the Review of the FY2020 Financial Report

Description: Please refer to Annex 2 for the Audit Committee Report (pages 8 of this handbook).

### Item 3

Proposal: Report FY2020 distribution of employees' bonus and remuneration to Directors

Description: The company's profit for 2020 is NTD \$ 166,336,089, based on which it is established that a total of NTD\$ 6,000,000 will be paid in cash as employees' bonus, and no director remuneration will be distributed.

### Item 4

Proposal: Report the revision of the Guidelines for the Adoption of Codes of Ethical Conduct

Description: In line with the amendments made to some provisions of the Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies in accordance to Taiwan Stock Exchange Corporation's official letter No. Taiwan-Stock-Governance-1090009468 dated June 3rd 2020, the company has correspondingly amended relevant provisions of its Guidelines for the Adoption of Codes of Ethical Conduct. Please refer to Annex 3 for the Comparison Table for the Amendments of the Guidelines for the Adoption of Codes of Ethical Conduct Before and After Revision (pages 9-10 of this handbook)

## Proposed for Proposals and Discussion

### Item 1

(Proposed by the Board of Directors)

Proposal: To accept FY2020 Business Report and Financial Statements

Description: 1. Coremax's Financial Statements (including Consolidated Financial Statements) for Year 2020 were audited by independent auditors, YU, WAN-YUAN and YU, CHI-LUNG, of KPMG,.  
2. Details of the Business Report, Independent Auditors' Report, Audited Financial Statements (including Consolidated Financial Statements), please refer to Annex 1 (pages 5-7 of this handbook) and Annex 4 (pages 11-27 of

this handbook)

Resolution:

Item 2 (Proposed by the Board of Directors)

Proposal: To approve the allocation of FY2020 distributable earnings

Description: 1. The company's 2020 earnings distribution plan was approved at the board meeting on February 26th 2021, under which a cash dividend of NTD\$ 1.2 per share would be distributed. After the approval of the shareholders' meeting, the chairman, with the authorization by the board meeting, will determine the record date, payment date and other related issues.

2. Please refer to Annex 5 for 2020 earnings distribution plan (pages 28 of this handbook).

Resolution:

#### Proposed for Election Matters

Item 1 (Proposed by the Board of Directors)

Proposal: To approve the revision of the Articles of Incorporation

Description: 1. Revision of some of the provisions in compliance with the law and to meet the needs of the company's operations

2. Please refer to Annex 6 for the Comparison Table for the Before and After Revision (pages 29 of this handbook)

Resolution:

Item 2 (Proposed by the Board of Directors)

Proposal: To approve the revision of the Rules of Procedure for Shareholders Meetings

Description: 1. Revision of some of the provisions in line with the amendments of the law and to enhance corporate governance

2. Please refer to Annex 7 for the Comparison Table for the Before and After Revision (pages 30-31 of this handbook)

Resolution:

#### Extempore Motions

#### Meeting Adjourned

## Coremax Corporation 2020 Business Report

In 2020, the world underwent the coronavirus pandemic, the Coremax Corporation was able to sustain stable operating performance. Although suffered the slip on operating revenue caused by the metals prices drop, the shipments remained at high volume, production and sales revenue remained steady, and profits slightly raised compared with the previous year.

In the coming future, Coremax Corporation continues to expands the operation with the finest quality on its services and products. The production capacity will be adjusted timely according to the market demand, while persist in improving the less efficient production lines . The company believes that with highly effective and efficient production, coupled with the sound management system, will lay a solid foundation and generate a strong growth momentum for the company's prosperity in the next few years.

The Coremax Corporation has announced its 5 core values and 25 key indicators, and has adopted the "Core Value and Key Conduct Indicator Assessment ." To increase cohesion, it hopes that all of the group's employees can uphold consistent beliefs, and can demonstrate the Coremax Value in daily work and methodology. We expect that every grope member works toward common goals, would ultimately form an effective corporate culture.

All staff of Coremax Corporation do their best at their posts and create greater benefit for shareholders.

### I. Achievements of each plan of operation or business

The company's operating results for 2020 have been audited by KPMG accountants, Wanyuan Yu and Chilung Yu. The audited operating results are follows:

Item/Year	Monetary unit: NTD Thousand	
	2019	2020
Operating Revenue	6,369,520	5,285,365
Gross Profit	489,940	475,469
Income from Operations	240,618	216,302
Earnings before Interest and Tax	228,043	206,434
Earnings after Interest and Tax	153,067	165,645
Earning per Share (in NTD)	1.40	1.73

## II. Budget Execution

Monetary unit: NTD Thousand

Item/Year	2020		
	Actual revenue	Budgeted revenue	Achieving rate
Operating Revenue	5,285,365	5,770,231	92%
Operating Costs	(4,809,896)	(5,265,884)	91%
Gross Profit	475,469	503,347	94%
Operating Expenses	(259,167)	(275,053)	94%
Income from Operations	216,302	229,294	94%

## III. Financial Income, Costs and Profitability Analysis

### 1. Financial Income and Costs

The cash inflow generated from the company's operating activities was the outcome of decreased purchasing costs, which were basically caused by two factors, stabilizing raw material unit price and sound inventory control. The increase in cash outflow from investment activities compared with the previous period was chiefly due to plant construction and equipment purchases. The cash inflow from fund-raising activities was chiefly due to increased borrowing and the need for working capital turnover.

Monetary unit: NTD Thousand

Item/Year	2019	2020
Net Income Before Tax	228,043	206,434
Net Cash Provided By (Used In) Operating Activities	1,209,918	342,593
Net Cash Provided By (Used In) Investing Activities	(418,392)	(543,540)
Net Cash Provided By (Used In) Financing Activities	(555,588)	132,640
Net Increase (Decrease) In Cash and Cash Equivalents	232,984	(63,265)
Cash And Cash Equivalents at Beginning of Year	534,209	767,193
Cash And Cash Equivalents at End of Year	767,193	703,928



## 2. Profitability Analysis

Monetary unit: NTD Thousand

Item/Year	2019	2020
Returns on Assets, ROA (%)	2.60	2.55
Returns on Equity, ROE (%)	3.73	4.13
Operating Profit / Capital Employed (%)	25.86	23.25
Net Operating Profit Before Tax /Total Capital Employed (%)	24.51	22.19
Profit Margin (%)	2.40	3.13
Earning per Share (in NTD)	1.40	1.73

## IV. Research and Development

This company had NTD 29,438,000 in R&D expenditures during 2020. The chief goals of this R&D were to accommodate the development of new products by customers and markets, continue to improve production processes and product quality, enhance production efficiency for all products, reduce wastage of raw materials, and boost competitiveness. The following are this company's current R&D plans:

### 1. Short-term plans:

- (A) Improvement of existing product quality in order to better meet customers' needs.
- (B) Improvement of processes, which will allow the production of products with different physical characteristics.
- (C) Improvement of quality on the fertilizer production line.

### 2. Mid-term plans:

- (A) In order to accommodate the market's development, formulation of hydrochloric acids with different ratios of such metals as nickel, cobalt, and manganese.
- (B) Development of new cobalt and manganese recovery technologies and new processes in order to enhance recovery volume, efficiency, and quality.

## V. Expected Sales Volume and Its Basis

With strategic collaboration of its R&D, manufacturing and management functions, the company's products will become more diversified and marketable in 2021. The sales team will continue to actively develop domestic and international markets and increase the market share of the company's products. The company believes that its leading market position and competitive advantages will be maintained through the joint efforts of its committed staff.

**Coremax Corporation**  
**Audit Committee's Report**

It is agreed to and resolved by the Audit Committee and the Board of Directors that the Company's FY2020 Business Report, Financial Statement, Consolidated Financial Reports, and Proposal for Earning Distribution. Among them, Financial Statement and Consolidated Financial Reports were audited and certified by YU, WAN-YUAN and Chi-Long Yu, CPAs of KPMG in Taiwan, and an audit report which refers to the Financial Statement and Consolidated Financial Reports was issued.

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

To

2021 Annual Meeting of Shareholders of Coremax Corporation

Chairman of the Audit Committee : WANG, WEN-TSUNG

Date: February 26, 2021

## Coremax Corporation

### Comparison Table for the Amendments of Guidelines for the Adoption of Codes of Ethical Conduct Before and After Revision

Article No.	Before amendment	After amendment	Remark
3	<p><u>Taking its individual circumstances and needs into consideration, the Company shall adopt a code of ethical conduct that addresses at least the following nine matters</u></p> <p>(1) Prevention of conflicts of interest: <u>Conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the company, as for example</u> when a director or managerial officer of the company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the company to obtain improper benefits for either themselves or their spouse, <u>parents, children</u>, or relatives within the second degree of kinship. The company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director, supervisor, or managerial officer works.</p> <p>In case the above-mentioned personal behaviors are likely to conflict with the company's interests, the relevant directors and managerial officers shall voluntarily explain whether there is any potential conflict between them and the company, and shall act in accordance with relevant laws and the company's regulations.</p> <p>... (omitted)</p> <p>(7) Encouraging reporting on illegal or unethical activities: The company shall raise awareness of ethics internally and encourage employees to</p>	<p>The guidelines include the content :</p> <p>(1) Prevention of conflicts of interest: When a director or managerial officer of <u>the company</u> is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the company to obtain improper benefits for either themselves or their spouse or relatives within the second degree of kinship. <u>The company</u> shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director, supervisor, or managerial officer works.</p> <p>In case the above-mentioned personal behaviors are likely to conflict with the company's interests, the relevant directors and managerial officers shall voluntarily explain whether there is any potential conflict between them and the company, and shall act in accordance with relevant laws and the company's regulations.</p> <p>... (omitted)</p> <p>(7) Encouraging reporting on illegal or unethical activities: The company shall raise awareness of ethics internally and encourage employees to report to <u>independent director</u>, managerial officer, chief internal auditor, or other appropriate individual of the company upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the company shall handle the above</p>	<p>Amended in accordance with the law and regulations</p>

	<p>report to <u>the member(s) of Audit Committees</u>, managerial officer, chief internal auditor, or other appropriate individual of the company upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct.</p> <p>To encourage employees to report illegal conduct, the company shall handle the above information in a confidential and responsible manner and make employees aware that the company will use its best efforts to ensure the safety of <u>informants</u> and protect them from reprisals.</p> <p>... (omitted)</p> <p>(9) The following behaviors are prohibited: Infringement of the following rights is prohibited: business secrets, trademark rights, patent rights, copyright and other intellectual property rights. The company and its directors, <u>supervisors</u>, managerial officers, employees, appointees and substantial controllers shall abide by the relevant laws and regulations on intellectual property, the company's internal operating procedures and contractual provisions. Without the consent of the owner of the intellectual property rights, it is not allowed to use, disclose, dispose of, damage or infringe the intellectual property rights (such as counterfeiting, etc.).</p> <p>... (omitted)</p>	<p>information in a confidential and responsible manner and make employees aware that the company will use its best efforts to ensure the safety of <u>prosecutors</u> and protect them from reprisals.</p> <p>... (omitted)</p> <p>(9) The following behaviors are prohibited: Infringement of the following rights is prohibited: business secrets, trademark rights, patent rights, copyright and other intellectual property rights. The company and its directors, managerial officers, employees, appointees and substantial controllers shall abide by the relevant laws and regulations on intellectual property, the company's internal operating procedures and contractual provisions. Without the consent of the owner of the intellectual property rights, it is not allowed to use, disclose, dispose of, damage or infringe the intellectual property rights (such as counterfeiting, etc.).</p> <p>... (omitted)</p>	
7	<p>Revision date</p> <p>... (omitted)</p> <p>The third amendment was made on November 6, 2018.</p>	<p>Revision date</p> <p>... (omitted)</p> <p>The third amendment was made on November 6, 2018.</p> <p><u>The fourth amendment was made on November 6, 2020.</u></p>	<p>Add additional revision date</p>



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## Independent Auditors' Report

To the Board of Directors  
Coremax Corporation:

### Opinion

We have audited the parent-company-only financial statements of Coremax Corporation ( “the Company” ), which comprise the balance sheets as of December 31, 2020 and 2019, and the statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the parent-company-only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, 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 Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent-company-only Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ( “the Code” ), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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 parent-company-only financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the parent-company-only 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 parent-company-only 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 parent-company-only 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 parent-company-only 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 parent-company-only financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the parent-company-only 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 parent-company-only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 auditing standards generally accepted in 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 parent-company-only financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent-company-only 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 parent-company-only 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 parent-company-only financial statements, including the disclosures, and whether the parent-company-only 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 parent-company-only 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 parent-company-only 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 Wan-Yuan Yu and Chi-Lung Yu.

KPMG

Taipei, Taiwan (Republic of China)  
February 26, 2021

#### 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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

Assets	December 31, 2020		December 31, 2019		Liabilities and Equity	December 31, 2020		December 31, 2019	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>Current assets:</b>					<b>Current liabilities:</b>				
Cash and cash equivalents (note 6(1))	\$ 310,493	6	448,113	9	Short-term notes and bills payable (note 6(10))	\$ 80,000	2	230,000	4
Notes receivable, net (note 6(3))	841	-	1,082	-	Short-term borrowings (notes 6(11) and 8)	902,260	18	622,956	13
Accounts receivable, net (note 6(3))	266,856	5	153,827	3	Notes payable	14,279	-	33,898	1
Accounts receivable due from related parties (notes 6(3) and 7)	56,638	1	118,805	2	Accounts payable	95,930	2	102,831	2
Other receivables due from related parties (note 7)	45,221	1	1,541	-	Accounts payable to related parties (note 7)	15,507	-	11,275	-
Inventories (note 6(4))	725,226	15	1,011,254	21	Salary and bonds payable	35,754	-	36,260	1
Prepayments to suppliers	507,522	10	148,318	3	Current lease liabilities (notes 6(13) and 7)	9,956	-	9,871	-
Other current assets (note 6(7))	54,149	1	38,582	1	Long-term liabilities, current portion (notes 6(11) and (12))	-	-	33,333	1
	<u>1,966,946</u>	<u>39</u>	<u>1,921,522</u>	<u>39</u>	Other current liabilities	29,563	1	59,390	1
						<u>1,183,249</u>	<u>23</u>	<u>1,139,814</u>	<u>23</u>
<b>Non-current assets:</b>					<b>Non-current liabilities:</b>				
Investments accounted for using equity method (notes 6(5) and (6))	2,424,592	50	2,382,463	48	Long-term borrowings (note 6(11))	436,000	9	400,000	8
Property, plant and equipment (notes 6(8) and 8)	456,598	9	537,189	11	Deferred tax liabilities (note 6(15))	29,254	-	19,439	-
Right-of-use assets (notes 6(9) and 7)	55,785	1	33,195	1	Net defined benefit liability – non-current (note 6(14))	5,438	-	3,580	-
Deferred tax assets (note 6(15))	17,988	-	26,708	1	Deposits received (note 7)	524	-	-	-
Other non-current assets (notes 6(2) and (7))	39,082	1	6,833	-	Non – current lease liabilities (notes 6(13) and 7)	53,333	1	23,717	-
	<u>2,994,045</u>	<u>61</u>	<u>2,986,388</u>	<u>61</u>		<u>524,549</u>	<u>10</u>	<u>446,736</u>	<u>8</u>
					<b>Total liabilities</b>	<u>1,707,798</u>	<u>33</u>	<u>1,586,550</u>	<u>31</u>
					<b>Equity (notes 6(5), (12) and (16)):</b>				
					Equity attributable to parent company shareholders:				
					Ordinary share capital	930,293	19	930,293	19
					Capital surplus	1,603,253	33	1,599,457	33
					Retained earnings	868,001	17	825,786	17
					Other equity interest	(18,558)	-	(20,128)	-
					Treasury shares	(129,796)	(2)	(14,048)	-
						<u>3,253,193</u>	<u>67</u>	<u>3,321,360</u>	<u>69</u>
					<b>Total equity</b>	<u>3,253,193</u>	<u>67</u>	<u>3,321,360</u>	<u>69</u>
<b>Total assets</b>	<u>\$ 4,960,991</u>	<u>100</u>	<u>4,907,910</u>	<u>100</u>	<b>Total liabilities and equity</b>	<u>\$ 4,960,991</u>	<u>100</u>	<u>4,907,910</u>	<u>100</u>

See accompanying notes to parent-company-only 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, 2020 and 2019**

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

	2020		2019	
	Amount	%	Amount	%
<b>Net operating revenue</b> (notes 6(18) and 7)	\$ 3,592,984	100	4,648,931	100
<b>Operating costs</b> (notes 6(4), (13), (14), (19) and 7)	3,416,089	95	4,439,735	96
<b>Gross profit</b>	176,895	5	209,196	4
Unrealized profit (loss) from sales (note 7)	(2,873)	-	5,590	-
<b>Realized gross profit</b>	174,022	5	214,786	4
<b>Operating expenses</b> (notes 6(13), (14), (19) and 7):				
Selling expenses	33,328	1	42,145	1
General administrative expenses	54,033	2	54,717	1
Research and development expenses	21,022	1	19,514	-
<b>Total operating expenses</b>	108,383	4	116,376	2
<b>Net operating income</b>	65,639	1	98,410	2
<b>Non-operating income and expenses:</b>				
Interest income (notes 6(20) and 7)	1,600	-	515	-
Other income (note 6(20))	12,552	-	7,937	-
Other gains and losses, net (note 6(20))	(7,195)	-	(337)	-
Finance costs (notes 6(20) and 7)	(9,379)	-	(23,584)	(1)
Foreign exchange gains (note 6(21))	(10,957)	-	(1,607)	-
Share of profit of subsidiaries accounted for using equity method (note 6(5))	114,078	3	85,889	2
<b>Total non-operating income and expenses</b>	100,699	3	68,813	1
<b>Income before income tax</b>	166,338	4	167,223	3
Income tax expenses (note 6(15))	11,174	-	39,207	1
<b>Net income</b>	155,164	4	128,016	2
<b>Other comprehensive income:</b>				
<b>Items that will not be reclassified subsequently to profit or loss:</b>				
Remeasurements of defined benefit plans (note 6(14))	(1,839)	-	(46)	-
Share of other comprehensive income of subsidiaries accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(2,252)	-	(2,903)	-
Income tax related to items that will not be reclassified to profit or loss	-	-	-	-
Total items that will not be reclassified subsequently to profit or loss	(4,091)	-	(2,949)	-
<b>Items that may be reclassified subsequently to profit or loss</b>				
Exchange differences on translation of foreign financial statements	5,434	-	(15,088)	-
Income tax relating to item that may be reclassified subsequently (note 6(15))	1,087	-	(3,018)	-
Total items that may be reclassified subsequently to profit or loss	4,347	-	(12,070)	-
<b>Other comprehensive income</b>	256	-	(15,019)	-
<b>Total comprehensive income</b>	<u>\$ 155,420</u>	<u>4</u>	<u>112,997</u>	<u>2</u>
<b>Earnings per share (New Taiwan Dollars)</b> (note 6(17)):				
Basic earnings per share	<u>\$ 1.73</u>		<u>1.40</u>	
Diluted earnings per share	<u>\$ 1.73</u>		<u>1.40</u>	

See accompanying notes to parent-company-only 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, 2020 and 2019  
 (Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings					Exchange differences on translation of foreign financial statements	Other equity interest		Treasury shares	Total equity	
	Ordinary share capital	Advance receipts for share capital	Total share capital	Capital surplus	Legal reserve	Special reserve	Retained earnings		Total	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income (Note)			Total other equity interest
<b>Balance at January 1, 2019</b>	\$ 928,452	965	929,417	1,581,736	170,151	17,200	824,554	1,011,905	(5,688)	779	(4,909)	(14,066)	3,504,083
Net income for the period	-	-	-	-	-	-	128,016	128,016	-	-	-	-	128,016
Other comprehensive income (loss) for the period	-	-	-	-	-	-	200	200	(12,070)	(3,149)	(15,219)	-	(15,019)
Total comprehensive income (loss) for the period	-	-	-	-	-	-	128,216	128,216	(12,070)	(3,149)	(15,219)	-	112,997
Appropriation and distribution of retained earnings:													
Appropriated legal reserve	-	-	-	-	39,302	-	(39,302)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	(297,694)	(297,694)	-	-	-	-	(297,694)
Differences between consideration and carrying amounts of subsidiaries shareholding acquired or disposed of	-	-	-	(8,471)	-	-	-	-	-	-	-	-	(8,471)
Adjustment to capital surplus due to non-proportional investment in subsidiary's increase in capital	-	-	-	13,025	-	-	(16,641)	(16,641)	-	-	-	18	(3,598)
Adjustments of capital surplus for the Company's cash dividend distributed to subsidiaries	-	-	-	9,643	-	-	-	-	-	-	-	-	9,643
Conversion of convertible bonds	1,841	(965)	876	3,524	-	-	-	-	-	-	-	-	4,400
<b>Balance at December 31, 2019</b>	930,293	-	930,293	1,599,457	209,453	17,200	599,133	825,786	(17,758)	(2,370)	(20,128)	(14,048)	3,321,360
Net income for the period	-	-	-	-	-	-	155,164	155,164	-	-	-	-	155,164
Other comprehensive income (loss) for the period	-	-	-	-	-	-	(1,314)	(1,314)	4,347	(2,777)	1,570	-	256
Total comprehensive income	-	-	-	-	-	-	153,850	153,850	4,347	(2,777)	1,570	-	155,420
Appropriation and distribution of retained earnings:													
Appropriated legal reserve	-	-	-	-	12,802	-	(12,802)	-	-	-	-	-	-
Appropriated special reserve	-	-	-	-	-	2,930	(2,930)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	(111,635)	(111,635)	-	-	-	-	(111,635)
Differences between consideration and carrying amounts of subsidiaries shareholding acquired or disposed of	-	-	-	100	-	-	-	-	-	-	-	-	100
Treasury stock acquired	-	-	-	-	-	-	-	-	-	-	-	(115,748)	(115,748)
Adjustment to capital surplus due to the Company's cash dividend distributed to subsidiaries	-	-	-	3,696	-	-	-	-	-	-	-	-	3,696
<b>Balance at December 31, 2020</b>	\$ 930,293	-	930,293	1,603,253	222,255	20,130	625,616	868,001	(13,411)	(5,147)	(18,558)	(129,796)	3,253,193

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

See accompanying notes to parent-company-only 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, 2020 and 2019**  
**(Expressed in Thousands of New Taiwan Dollars)**

	2020	2019
<b>Cash flows from operating activities:</b>		
Income before income tax	\$ 166,338	167,223
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit :</b>		
Depreciation	76,614	73,595
Net loss on financial assets and liabilities at fair value through profit or loss	-	7
Provision for inventory written down (reversal)	(36,000)	67,116
Interest expense	9,379	23,584
Interest income	(1,600)	(515)
Share of profit of subsidiaries accounted for using equity method	(114,078)	(85,889)
Gain on disposal of property, plant and equipment	(20)	(61)
Unrealized loss (gain) from inter-affiliate accounts sale	2,873	(5,590)
Adjustment for other non-cash-related losses, net	211	538
<b>Subtotal of gains or losses on non-cash activities</b>	<b>(62,621)</b>	<b>72,785</b>
<b>Changes in operating assets and liabilities:</b>		
Notes and accounts receivable (including related parties)	(50,621)	153,766
Inventories	322,028	145,202
Other current assets	(398,166)	360,253
Notes and accounts payable (including related parties)	(22,288)	84,342
Other current liabilities	(6,768)	(7,726)
Net defined benefit liability	19	(344)
<b>Total adjustments</b>	<b>(218,417)</b>	<b>808,278</b>
Cash inflow (outflow) generated from operations	(52,079)	975,501
Interest paid	(10,082)	(24,682)
Income taxes paid	(18,413)	(59,984)
<b>Net cash from (used in) operating activities</b>	<b>(80,574)</b>	<b>890,835</b>
<b>Cash flows from investing activities:</b>		
Acquisition of investments accounted for using equity method	-	(164,832)
Acquisition of non-controlling interests	(295)	(27,686)
Acquisition of property, plant and equipment	(35,459)	(59,844)
Proceeds from disposal of property, plant and equipment	41,428	402
Increase in other non-current assets	(34,368)	(3,398)
Interest received	1,600	515
Dividends received	76,349	125,690
<b>Net cash from (used in) investing activities</b>	<b>49,255</b>	<b>(129,153)</b>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term borrowings	273,993	(556,374)
Increase (decrease) in short-term notes and bills payable	(150,000)	150,000
Proceeds from long-term borrowings	36,000	400,000
Repayments of long-term borrowings (including current portion)	(33,333)	(194,445)
Payment of lease liabilities	(11,413)	(11,417)
Cash dividends paid	(111,635)	(297,694)
Increase in treasury stocks	(115,748)	-
Increase in guarantee deposits received	524	-
<b>Net cash used in financing activities</b>	<b>(111,612)</b>	<b>(509,930)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>5,311</b>	<b>1,225</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(137,620)</b>	<b>252,977</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>448,113</b>	<b>195,136</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 310,493</b>	<b>448,113</b>

See accompanying notes to parent-company-only financial statements.

## **Representation Letter**

The entities that are required to be included in the combined financial statements of Coremax Corporation as of and for the year ended December 31, 2020 under "the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements" of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the above-mentioned consolidated financial statements. Consequently, Coremax Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Coremax Corporation  
Chairman: Chi-Cheng Ho  
Date: February 26, 2021



安侯建業聯合會計師事務所

KPMG

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## Independent Auditors' Report

To the Board of Directors  
Coremax Corporation:

### Opinion

We have audited the consolidated financial statements of Coremax Corporation ( “the Company” ) and its subsidiaries ( “the Group” ), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ( “IFRSs” ), International Accounting Standards ( “IASs” ), interpretations as well as related guidance endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in the Republic of China ( “the Code” ), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters should be reflected in our report are as follow:

#### 1. Loss allowance assessment of Receivables

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



#### Description of key audit matters:

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

#### How the matter was addressed in our audit:

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

## 2. Valuation of Inventories

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

#### Description of key audit matters:

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

#### How the matter was addressed in our audit:

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

## Other Matter

The Company has prepared its parent-company-only financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unmodified opinion.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, interpretations as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.



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

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

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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





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

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

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

KPMG

Taipei, Taiwan (Republic of China)  
February 26, 2021

#### Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Coremax Corporation and subsidiaries**  
**Consolidated Balance Sheets**  
**December 31, 2020 and 2019**  
(Expressed in Thousands of New Taiwan Dollars)

Assets	December 31, 2020		December 31, 2019		Liabilities and Equity		Amount		%	
	Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets:</b>					<b>Current liabilities:</b>					
Cash and cash equivalents (note 6(1))	\$ 703,928	10	767,193	11	Short-term notes and bills payable (note 6(10))	\$ 80,000	1	230,000	3	
Notes receivable, net (note 6(4))	51,332	1	38,876	1	Short-term borrowings (note 6(11))	1,538,966	21	1,025,468	15	
Accounts receivable, net (note 6(4))	570,007	8	483,304	7	Notes payable	45,703	1	72,153	1	
Accounts receivable from related parties (notes 6(4) and 7)	130	-	152	-	Accounts payable	124,612	2	123,203	2	
Other receivables—related parties (note 7)	22	-	14	-	Salary and bonus payable	92,192	1	79,497	1	
Inventories (note 6(5))	1,055,685	15	1,415,401	20	Payable on machinery and equipment	51,939	1	132,420	2	
Prepayments to suppliers	518,842	7	12,965	-	Current lease liabilities (note 6(13))	5,409	-	5,081	-	
Other financial assets—current	1,892	-	218,430	3	Long-term liabilities—current portion (note 6(11))	50,000	1	133,333	2	
Other current assets	78,816	-	-	-	Other current liabilities	116,636	2	90,133	1	
	<u>2,980,654</u>	<u>41</u>	<u>2,936,335</u>	<u>42</u>		<u>2,105,457</u>	<u>30</u>	<u>1,891,288</u>	<u>27</u>	
<b>Non-current assets:</b>					<b>Non-current liabilities:</b>					
Financial assets at fair value through other comprehensive income—non-current (note 6(3))	49,203	1	49,297	1	Long-term borrowings (note 6(11))	814,622	11	707,312	10	
Other financial assets—non-current (note 8)	3,340	-	3,340	-	Deferred tax liabilities (notes 6(8) and (15))	307,779	4	297,930	5	
Property, plant and equipment (notes 6(8) and 8)	3,977,135	55	3,842,821	55	Net defined benefit liability—non-current (note 6(14))	5,438	-	3,580	-	
Right-of-use assets (note 6(9))	42,870	1	45,145	1	Deposits received	1,307	-	1,307	-	
Deferred tax assets (note 6(15))	47,595	1	41,041	-	Non-current lease liabilities (note 6(13))	12,517	-	14,500	-	
Net defined benefit asset—non-current (note 6(14))	12,195	-	10,132	-		<u>1,141,663</u>	<u>15</u>	<u>1,024,629</u>	<u>15</u>	
Other non-current assets (note 6(2))	104,557	1	40,745	1	<b>Total liabilities</b>	<u>3,247,120</u>	<u>45</u>	<u>2,915,917</u>	<u>42</u>	
	<u>4,236,895</u>	<u>59</u>	<u>4,032,521</u>	<u>58</u>	<b>Equity (notes 6(6), (12) and (16)):</b>					
					Equity attributable to parent company shareholders:					
					Ordinary share capital	930,293	13	930,293	13	
					Capital surplus	1,603,253	22	1,599,457	23	
					Retained earnings	868,001	12	825,786	12	
					Other equity interest	(18,558)	-	(20,128)	-	
					Treasury shares	(129,796)	(2)	(14,048)	-	
						<u>3,253,193</u>	<u>45</u>	<u>3,321,360</u>	<u>48</u>	
					Non-controlling interests (notes 6(6) and (7))	717,236	10	731,579	10	
					<b>Total equity</b>	<u>3,970,429</u>	<u>55</u>	<u>4,052,939</u>	<u>58</u>	
					<b>Total liabilities and equity</b>	<u>\$ 7,217,549</u>	<u>100</u>	<u>6,968,856</u>	<u>100</u>	
<b>Total assets</b>	<u>\$ 7,217,549</u>	<u>100</u>	<u>6,968,856</u>	<u>100</u>						

December 31, 2020    December 31, 2019

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
Coremax Corporation and subsidiaries

**Consolidated Statements of Comprehensive Income**

**For the years ended December 31, 2020 and 2019**

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

	2020		2019	
	Amount	%	Amount	%
<b>Net operating revenue</b> (notes 6(18) and 7)	\$ 5,285,365	100	6,369,520	100
<b>Operating costs</b> (notes 6(5), (13), (14), (19) and 7)	4,809,896	91	5,879,580	92
<b>Gross profit</b>	475,469	9	489,940	8
<b>Operating expenses</b> (notes 6(13), (14), (19) and 7):				
Selling expenses	70,110	1	86,192	1
General administrative expenses	159,619	3	138,402	3
Research and development expenses	29,438	1	26,415	-
Expected credit loss (gain)	-	-	(1,687)	-
<b>Total operating expenses</b>	259,167	5	249,322	4
<b>Net operating income</b>	216,302	4	240,618	4
<b>Non-operating income and expenses:</b>				
Other income (notes 6(20) and 7)	32,505	1	30,101	-
Other gains and losses, net (note 6(20))	(11,878)	-	(6,189)	-
Finance costs (note 6(20))	(19,087)	-	(40,055)	(1)
Interest income (note 6(20))	2,477	-	4,170	-
Foreign exchange gains (loss) (note 6(21))	(13,885)	-	(602)	-
	(9,868)	1	(12,575)	(1)
<b>Income before income tax</b>	206,434	5	228,043	3
Income tax expenses (note 6(15))	40,789	1	74,976	1
<b>Net income</b>	165,645	4	153,067	2
<b>Other comprehensive income:</b>				
<b>Items that will not be reclassified subsequently to profit or loss:</b>				
Remeasurements of defined benefit plans (note 6(14))	(1,130)	-	287	-
Unrealized gains (losses) of financial assets measured at fair value through other comprehensive income	(3,463)	-	(3,927)	-
Income tax related to items that will not be reclassified to profit or loss	-	-	-	-
	(4,593)	-	(3,640)	-
<b>Items that may be reclassified subsequently to profit or loss</b>				
Exchange differences on translation of foreign financial statements	4,759	-	(15,024)	-
Income tax relating to item that may be reclassified subsequently (note 6(15))	1,087	-	(3,018)	-
Total items that may be reclassified subsequently to profit or loss	3,672	-	(12,006)	-
<b>Other comprehensive income</b>	(921)	-	(15,646)	-
<b>Total comprehensive income</b>	<u>\$ 164,724</u>	<u>4</u>	<u>137,421</u>	<u>2</u>
<b>Net income attributable to:</b>				
Shareholders of the parent	\$ 155,164	4	128,016	2
Non-controlling interests	10,481	-	25,051	-
	<u>\$ 165,645</u>	<u>4</u>	<u>153,067</u>	<u>2</u>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the parent	\$ 155,420	4	112,997	2
Non-controlling interests	9,304	-	24,424	-
	<u>\$ 164,724</u>	<u>4</u>	<u>137,421</u>	<u>2</u>
<b>Earnings per share (New Taiwan Dollars)</b> (note 6(17)):				
Basic earnings per share	<u>\$ 1.73</u>		<u>1.40</u>	
Diluted earnings per share	<u>\$ 1.73</u>		<u>1.40</u>	

See accompanying notes to consolidated financial statements.

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

**Coremax Corporation and subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the years ended December 31, 2020 and 2019**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Share capital		Retained earnings					Exchange differences on translation of foreign financial statements	Other equity interest		Subtotal of equity attributable to the shareholders of the parent	Non-controlling interests	Total equity		
	Ordinary share capital	Advance receipts for share capital	Total share capital	Capital surplus	Legal reserve	Special reserve	Retained earnings		Total	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income				Total other equity interest	Treasury shares
<b>Balance at January 1, 2019</b>	\$ 928,452	965	929,417	1,581,736	170,151	17,200	824,554	1,011,905	(5,688)	779	(4,909)	(14,066)	3,504,083	654,222	4,158,305
Net income for the period	-	-	-	-	-	-	128,016	128,016	-	-	-	-	128,016	25,051	153,067
Other comprehensive income (loss) for the period	-	-	-	-	-	-	200	200	(12,070)	(3,149)	(15,219)	-	(15,019)	(627)	(15,646)
Total comprehensive income (loss) for the period	-	-	-	-	-	-	128,216	128,216	(12,070)	(3,149)	(15,219)	-	112,997	24,424	137,421
Appropriation and distribution of retained earnings:															
Appropriated legal reserve	-	-	-	-	39,302	-	(39,302)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	(297,694)	(297,694)	-	-	-	-	(297,694)	-	(297,694)
Issuance of new shares for cash by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	105,168	105,168
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(36,618)	(36,618)
Adjustment to capital surplus due to non-proportional investment in subsidiary's increase in capital	-	-	-	13,025	-	-	(16,641)	(16,641)	-	-	-	18	(3,598)	3,598	-
Adjustment to capital surplus due to cash dividends distributed to subsidiary	-	-	-	9,643	-	-	-	-	-	-	-	-	9,643	-	9,643
Differences between consideration and carrying amounts of subsidiaries shareholding acquired or disposed of	-	-	-	(8,471)	-	-	-	-	-	-	-	-	(8,471)	(19,215)	(27,686)
Conversion of convertible bonds	1,841	(965)	876	3,524	-	-	-	-	-	-	-	-	4,400	-	4,400
<b>Balance at December 31, 2019</b>	930,293	-	930,293	1,599,457	209,453	17,200	599,133	825,786	(17,758)	(2,370)	(20,128)	(14,048)	3,321,360	731,579	4,052,939
Net income for the period	-	-	-	-	-	-	155,164	155,164	-	-	-	-	155,164	10,481	165,645
Other comprehensive income (loss) for the period	-	-	-	-	-	-	(1,314)	(1,314)	4,347	(2,777)	1,570	-	256	(1,177)	(921)
Total comprehensive income	-	-	-	-	-	-	153,850	153,850	4,347	(2,777)	1,570	-	155,420	9,304	164,724
Appropriation and distribution of retained earnings:															
Appropriated legal reserve	-	-	-	-	12,802	-	(12,802)	-	-	-	-	-	-	-	-
Appropriated special reserve	-	-	-	-	-	2,930	(2,930)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	(111,635)	(111,635)	-	-	-	-	(111,635)	-	(111,635)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(23,252)	(23,252)
Treasury stock acquired	-	-	-	-	-	-	-	-	-	-	-	(115,748)	(115,748)	-	(115,748)
Adjustment to capital surplus due to cash dividends distributed to subsidiary	-	-	-	3,696	-	-	-	-	-	-	-	-	3,696	-	3,696
Differences between consideration and carrying amounts of subsidiaries shareholding acquired or disposed of	-	-	-	100	-	-	-	-	-	-	-	-	100	(395)	(295)
<b>Balance at December 31, 2020</b>	\$ 930,293	-	930,293	1,603,253	222,255	20,130	625,616	868,001	(13,411)	(5,147)	(18,558)	(129,796)	3,253,193	717,236	3,970,429

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Coremax Corporation and subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2020 and 2019**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities:</b>		
Income before income tax	\$ 206,434	228,043
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit:</b>		
Depreciation	274,042	236,927
Expected credit loss (gain)	-	(1,687)
Net loss on financial assets and liabilities at fair value through profit or loss	-	7
Interest expense	19,087	40,055
Interest income	(2,477)	(4,170)
Dividend income	(2,874)	(5,748)
Provision for inventory written down (reversal)	(5,337)	67,116
Losses on disposal of property, plant and equipment	910	1,895
Adjustment for other non-cash-related losses, net	(99)	8,494
<b>Subtotal of gains or losses on non-cash activities</b>	<u>283,252</u>	<u>342,889</u>
<b>Changes in operating assets and liabilities:</b>		
Notes receivable	(12,456)	23,865
Accounts receivable (including related parties)	(86,681)	164,158
Inventories	365,053	188,147
Other current assets	(368,163)	368,535
Notes payable	(26,450)	(42,615)
Accounts payable	1,409	67,770
Other current liabilities	31,416	29,052
Net defined benefit liability and asset	(1,335)	(2,068)
<b>Total adjustments</b>	<u>186,045</u>	<u>1,139,733</u>
Cash inflow generated from operations	392,479	1,367,776
Interest paid	(19,391)	(40,344)
Income taxes paid	(30,495)	(117,514)
<b>Net cash from operating activities</b>	<u>342,593</u>	<u>1,209,918</u>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(3,369)	-
Acquisition of property, plant and equipment	(483,741)	(371,797)
Proceeds from disposal of property, plant and equipment	1,286	2,382
Increase in other financial assets	(28,435)	(1,500)
Increase in other non-current assets	(34,337)	(29,709)
Interest received	2,477	4,170
Dividends received	2,874	5,748
Acquisition of non-controlling interests	(295)	(27,686)
<b>Net cash used in investing activities</b>	<u>(543,540)</u>	<u>(418,392)</u>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term borrowings	510,887	(377,469)
Increase (decrease) in short-term notes and bills payable	(150,000)	150,000
Proceeds from long-term borrowings	157,310	400,000
Repayments of long-term borrowings (including current portion)	(133,333)	(503,133)
Decrease in guarantee deposits received	-	(470)
Payment of lease liabilities	(5,285)	(5,015)
Cash dividends paid	(107,939)	(288,051)
Cash dividends paid for non-controlling interests	(23,252)	(36,618)
Increase in treasury stocks	(115,748)	-
Issuance of new shares for cash by subsidiaries	-	105,168
<b>Net cash from (used in) financing activities</b>	<u>132,640</u>	<u>(555,588)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>5,042</u>	<u>(2,954)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(63,265)	232,984
<b>Cash and cash equivalents at beginning of period</b>	767,193	534,209
<b>Cash and cash equivalents at end of period</b>	<u>\$ 703,928</u>	<u>767,193</u>

See accompanying notes to parent-company-only financial statements.

**Coremax Corporation**  
**2020 Earnings Distribution Table**

Monetary unit: NTD

Item	Amount	Remarks
Undistributed surplus at the beginning of the period	471,770,246	
Less : Remeasurements of defined benefit plans	(1,313,705)	
Add : Reversal of special reserve	1,570,430	
Add : Current net profit margin	155,161,878	
Less : Legal reserve from surplus at 10%	(15,384,817)	
Available earnings for distribution	611,804,032	
Distribution items:		
Cash dividends (cash dividend is NT\$1.2 per share)	(121,205,123)	
Undistributed earnings at the end of the period	490,598,909	

- (1) Distribution of cash dividends is calculated in the way that the value after the decimal point is unconditionally discarded, and the total of discarded amounts after the decimal point will be forwarded to the company's Employee Welfare Committee.
- (2) After the cash dividends distribution plan is approved by the regular shareholders' meeting, the chairman, with the authorization by the meeting, will determine the record date, payment date and other related issues
- (3) The dividend per share is calculated on the basis of the 101,004,269 outstanding shares issued by the company as at February 26<sup>th</sup> 2021. In the event that the change of the company's share capital affects the number of outstanding shares and subsequently results in adjustment of shareholder's dividend per share, the chairman will be authorized to handle the matter with full authority.
- (4) The earnings for 2020 will be allocated with priority. The deficiency, if any, will be made up by allocating the earnings for the previous years in sequence.

Chairman : HO,CHI-CHENG

President : HUANG , CHAO-HUI

Accounting Manager : WENG, CHIH-HSIEN

**Coremax Corporation**  
**Comparison Table for the Amendments of Articles of Incorporation**  
**Before and After Revision**

Article No.	Before amendment	After amendment	Remark
1	The Company is duly incorporated in accordance with the Company Act and bears the title of Coremax Corporation.	The Company is duly incorporated in accordance with the Company Act and bears the title of 康普材料科技股份有限公司, <u>and Coremax Corporation in English.</u>	Add the company name in English
5	The total capital stock of the Company shall be in the amount of <u>1,200,000,000 New Taiwan Dollars</u> , divided into <u>120,000,000 common shares</u> , at 10 New Taiwan Dollars each. The Board of Directors is authorized to issue any unissued shares among the above common shares in installments. The Company may issue employee stock options from time to time in accordance with the resolutions of the Board of Directors. A total of 6,000,000 shares among the above total capital stock should be reserved for issuing employee stock options.	The total capital stock of the Company shall be in the amount of <u>1,500,000,000 New Taiwan Dollars</u> , divided into <u>150,000,000 common shares</u> , at 10 New Taiwan Dollars each. The Board of Directors is authorized to issue any unissued shares among the above common shares in installments. The Company may issue employee stock options from time to time in accordance with the resolutions of the Board of Directors. A total of 6,000,000 shares among the above total capital stock should be reserved for issuing employee stock options.	Increase the authorized capital stock to meet the needs of the company's operation
6	All of the Company's shares are registered. Share certificates shall be affixed with the signatures or personal seals of <u>three or more</u> directors of the Company, and shall be duly certified in accordance with the relevant laws before issuance. For the shares to be issued to the public by the Company, the Company may be exempted from printing share certificates for the shares issued, and shall appoint a centralized securities custodian to make recordation or keep custody of the issue of such shares.	All of the Company's shares are registered. The share certificates shall be affixed with the signatures or personal seals of <u>the director representing the company</u> , and shall be duly certified in accordance with the relevant laws before issuance. For the shares to be issued to the public by the Company, the Company may be exempted from printing share certificates for the shares issued, and shall appoint a centralized securities custodian to make recordation or keep custody of the issue of such shares.	Revised in line with the Company Act
32	The Articles of Incorporation were agreed to and signed on May 25, 1992. ... (omitted)	The Articles of Incorporation were agreed to and signed on May 25, 1992. ... (omitted) <u>The 29<sup>th</sup> amendment was made on June 4, 2021.</u>	Add additional revision date

## Coremax Corporation

### Comparison Table for the Amendments of Rules of Procedure for Shareholders Meetings Before and After Revision

Article No.	Before amendment	After amendment	Remark
3	<p>(Convening shareholders meetings and procedures for shareholders meeting) ... (omitted)</p> <p>Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. <u>The essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the Company, and such website shall be indicated in the above notice.</u></p> <p>... (omitted)</p> <p>A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda, <u>provided a shareholder proposal for urging the Company to promote public interests or fulfill its social responsibilities may still be included in the agenda by the</u></p>	<p>(Convening shareholders meetings and procedures for shareholders meeting) ... (omitted)</p> <p>Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of <u>the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities</u> by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.</p> <p>... (omitted)</p> <p>A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a</p>	<p>Amended in accordance with the law and regulations</p>



	<p><u>board of directors.</u> In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.</p> <p>... (omitted)</p>	<p>shareholder, the board of directors may exclude it from the agenda. <u>A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.</u></p> <p>... (omitted)</p>	
9	<p>... (omitted)</p> <p>The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p>... (omitted)</p>	<p>... (omitted)</p> <p>The chair shall call the meeting to order at the appointed meeting time. <u>And announce the information such as numbers of no voting rights and total votes at the same time.</u> However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p>... (omitted)</p>	Amended in accordance with the law and regulations
20	<p>Revision date</p> <p>... (omitted)</p> <p>The fourth amendment was made on June 12, 2020.</p>	<p>Revision date</p> <p>... (omitted)</p> <p>The fourth amendment was made on June 12, 2020.</p> <p><u>The fifth amendment was made on June 4, 2021.</u></p>	Add additional revision date

**Coremax Corporation**  
**Rules of Procedure for Shareholders Meetings (Before amendments)**

June 12, 2020

- Article 1** To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article 2** The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
- Article 3** (Convening shareholders meetings and procedures for shareholders meeting)  
Unless otherwise provided by law or regulation, this Company's shareholders meetings shall be convened by the board of directors.
- This Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.
- The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. The essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the Company, and such website shall be indicated in the above notice.
- Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.
- A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda, provided a shareholder proposal for urging the Company to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.
- Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by

proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

**Article 4** For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

**Article 5** (Principles determining the time and place of a shareholders meeting) The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

**Article 6** (Preparation of documents such as the attendance book) The Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

**Article 7** (The chair and non-voting participants of a shareholders meeting) If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair. When a managing director or a director serves as chair, as referred to in the preceding paragraph, the

managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair. It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

**Article 8** (Documentation of a shareholders meeting by audio or video)

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

**Article 9** Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

**Article 10** (Discussion of proposals)

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The related proposals (including extraordinary motions and amendments to the original proposals) shall be put to a vote. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that

a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

**Article 11** (Shareholder speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

**Article 12** (Calculation of voting shares and recusal system)

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

**Article 13** A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means (in accordance with the proviso of Article 177-1 of the Company Act regarding companies that shall adopt electronic voting: When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence). When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote for proposals, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for proposals, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

#### Article 14 (Election of directors and supervisors)

The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

#### Article 15 Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and the results of the voting, (including the statistical tallies of the numbers of votes), and shall be retained for the duration of the existence of this Corporation.

#### Article 16 (Public disclosure)

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws

or regulations or any other material matter so required by the competent authority, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

**Article 17** (Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing. When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

**Article 18** (Recess and resumption of a shareholders meeting)

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

**Article 19** These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

**Article 20** Revision date

The rules were agreed to and signed on June 17, 2005.

The 1<sup>st</sup> amendment was made on June 2, 2011.

The 2<sup>nd</sup> amendment was made on June 20, 2013.

The 3<sup>rd</sup> amendment was made on May 26, 2017.

The 4<sup>th</sup> amendment was made on June 12, 2020.

## Appendix 2

# Coremax Corporation Articles of Incorporation (Before amendments)

## Chapter I. General Provision

- Article 1** The Company is duly incorporated in accordance with the Company Act and bears the title of Coremax Corporation.
- Article 2** The Company is engaged in the following business:
1. C801010 Basic Industrial Chemical Manufacturing
  2. C801990 Other Chemical Materials Manufacturing
  3. C802120 Industrial Catalyst Manufacturing
  4. F107170 Wholesale of Industrial Catalyst
  5. F107200 Wholesale of Chemistry Raw Material
  6. F107990 Wholesale of Other Chemical Products
  7. F207170 Retail Sale of Industrial Catalyst
  8. F207200 Retail sale of Chemistry Raw Material
  9. F207990 Retail Sale of Other Chemical Products
  10. CC01080 Electronic Parts and Components Manufacturing
  11. CC01090 Batteries Manufacturing
  12. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1** The scope of business of the Company shall be as follows:
1. Manufacturing and sales of catalyst such as cobalt acetate and manganese acetate. (excluding radioactive substances)
  2. Manufacturing and sales of cobalt, metal, organic and inorganic salts. (excluding radioactive substances)
  3. Manufacturing and trading of electronic components.
  4. Manufacturing and trading of chemical battery, standard battery, storage battery, etc.
  5. Agency, distribution, import and export of related products.
- Article 3** On the back of needs for operation, the Company may provide endorsement and guarantee and act as a guarantor. However, the company shall not be a shareholder of unlimited liability in another company or a partner of a partnership enterprise. When the Company becomes a shareholder of limited liability in other companies, the total amount of the Company's reinvestment shall not be subject to the restriction of not more than forty percent of the Company's paid-up capital as provided in Article 13 of the Company Act.
- Article 4** The Company is headquartered in Hsinchu County, and may establish branches at appropriate locations at home and abroad for business needs. The establishment, changes, and dismantle of these branches shall be subject to the resolution of the Board.

## Chapter II. Shares of Stock

- Article 5** The total capital stock of the Company shall be in the amount of 1,200,000,000 New Taiwan Dollars, divided into 120,000,000 common shares, at 10 New Taiwan Dollars each. The Board of Directors is authorized to issue any unissued shares among the above common shares in installments. The Company may issue



employee stock options from time to time in accordance with the resolutions of the Board of Directors. A total of 6,000,000 shares among the above total capital stock should be reserved for issuing employee stock options. Where the Company shall repurchase its own shares in accordance with the regulations or laws, the Board of Directors will be authorized to repurchase such shares in accordance with the regulations or laws.

**Article 6** All of the Company's shares are registered. Share certificates shall be affixed with the signatures or personal seals of three or more directors of the Company, and shall be duly certified in accordance with the relevant laws before issuance. For the shares to be issued to the public by the Company, the Company may be exempted from printing share certificates for the shares issued, and shall appoint a centralized securities custodian to make recordation or keep custody of the issue of such shares.

**Article 7** Shareholders shall submit specimens of their personal seals or modified seals to the Company for record. The same personal seals shall be used by the shareholders for the purposes of claiming their dividends and when exercising their rights as shareholders via written documents.

**Article 8** All transfer of stocks, pledge of rights, loss, succession, gift, loss of seal, amendment of seal, change of address or similar stock transaction conducted by shareholders of the Company shall follow the "Guidelines for Stock Operations for Public Companies" unless specified otherwise by law and securities regulations.

**Article 9** Change in the content of the Shareholders Registry is prohibited in the period of sixty (60) days prior to a scheduled regular session of the Shareholders' Assembly and thirty (30) days prior to a scheduled special session of the Shareholders' Assembly, and five (5) days prior to a dividend day or any other day of payment.

### **Chapter III. Shareholders' Meeting**

**Article 10** Shareholders' meetings shall be of two kinds: a regular meeting of shareholders or a special meeting of shareholders. A regular meeting of shareholders is held at least once every year, and shall be convened within 6 months after the close of the fiscal year. A special meeting of shareholders shall be convened as required under the related rules.

**Article 11** A notice to convene a regular meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. A notice to convene a special meeting of shareholders shall be given no later than 15 days prior to the scheduled meeting date. The time, place and proposal(s) of the meeting shall be indicated in the notice and given to shareholders in writing or by electronic transmission. However, for shareholders holding less than 1,000 shares, they shall be informed by public notice.

**Article 12** The Board shall call for the sessions of the shareholder' meeting and the Chairman of the Board shall preside over the sessions. In the absence of the Chairman, the provisions of Article 208 of the Company Act hereof shall govern.

**Article 13** Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one half of the total number of voting shares. The shareholders' meeting shall be held in accordance with the Company's rules of procedure for the shareholders' meeting, unless otherwise provided for in the Company Act and the Company's articles of incorporation.

**Article 14** Unless otherwise specified in laws or regulations, each shareholder of the Company shall be entitled to one vote for each share owned. Where the Company convenes a shareholders' meeting, the electronic transmission shall be adopted as one of the methods for exercising the voting power. With respect to methods of exercising voting power, the Company Act and the regulations prescribed by the competent authority will govern.

**Article 15** When a shareholder cannot attend a shareholders' meeting, he/she/it may appoint a proxy to attend on his/her/its behalf by executing a power of attorney printed by the company stating the scope of power authorized to the proxy. The power of attorney shall be signed and sealed for the proxy to attend the meeting. When a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted. Unless otherwise provided for in the Company Act, the format and content of proxies to be used for attendance of the Company's shareholders' meeting will be governed by the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies

**Article 16** Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting. The preparation and distribution of the minutes of shareholders' meeting as required in the preceding Paragraph may be effected by means of a public notice. The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the company.

#### **Chapter IV. Directors and Audit Committee**

**Article 17** The Company has 7 to 9 directors (among them, the independent directors of the Company shall not be less than two in number and not less than one-fifth of the total number of directors), who shall be elected from those with disposing capacity for a term of 3 years. They may be eligible for re-election. The cumulative voting method shall be used for election of the directors at this Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. Those receiving ballots representing the highest numbers of voting rights will be elected directors. When it is necessary to amend this method, the Company shall comply with the provisions of article 172 of the Company Act, itemize the causes or subjects to be described and explain the essential contents in the notice to convene a meeting of the Board of Directors.

In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office.

The total shares of stocks held by the entire body of directors of the Company shall not be less than a specified percentage prescribed by the competent securities authority.

Directors and independent directors of the Company shall be elected by adopting candidate nomination system as specified in Article 192-1 of the Company Act. The shareholders shall elect directors and independent directors from among the nominees listed in the roster of director and independent director candidates. The professional qualifications, restrictions on shareholdings, concurrent positions held, method of nomination and election, and assessment of independence, and other matters for compliance with respect to independent directors of the Company shall be prescribed by the Company Act and the competent securities authority.

**Article 18** The Board of Directors is organized by the directors. The Chairman is elected by a majority vote at a meeting attended by over two-thirds of the directors to represent the company externally.

The Company may also elect in the same manner a vice chairman of the board on the back of needs for operation.

In case the Chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, a designate shall be selected according to Article 208 of the Company Act

#### Article 19

In calling a quarter meeting of the Board of Directors, a notice setting forth the subjects to be discussed at the meeting shall be given to each director no later than 7 days prior to the scheduled meeting date.

However, in the case of an emergency, the meeting may be convened at any time.

The notice of the Board of Directors meeting may be effected in writing, by email, or fax to inform each director.

Resolutions at a meeting of the Board of Directors shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the directors present, who represent more than one half of the total number of voting shares. A director who has a personal interest in the matter under discussion at a board meeting shall explain to the board meeting the essential contents of such personal interest.

In the case where a meeting of the Board of Directors takes place via remote visual communications, such as video conferencing, then the directors taking part in such a meeting is deemed to have attended the meeting in person. In case a director is on leave or absent for any cause, he/she shall appoint another director to attend a meeting of the board of directors in his/her behalf, and he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting.

#### Article 20

In compliance with Articles 14-4 of the Securities and Exchange Law, the Company shall establish an Audit Committee, which shall consist of all independent directors. This body is consisted of all Independent Directors of whom one shall act as the convener. At least one of the Independent Directors shall be specialized in accounting or finance. The Audit Committee and the members of Audit Committee shall be responsible for those responsibilities of Supervisors specified under the Company Law, the Securities and Exchange Law and other relevant regulations.

#### Article 21

The Board of Directors is authorized to determine the salary for the Chairman and Directors, taking into account the extent and value of the services provided for the management of the Company and the standards of the industry within the R.O.C. and overseas.

The Company may purchase liability insurance for directors with respect to their liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk of material harm to the company and shareholders arising from the wrongdoings or negligence of a director.

#### Article 22

If one third of the offices of the Directors become vacant, the Board shall convene an extraordinary meeting of the shareholders within 60 days to re-elect and re-appoint Directors to fill the vacancies. The tenure of offices so filled shall be the balance of the term of the relevant offices.

#### Article 23

The functions of the Company's Board:

1. The appointment and dismissal of the managers of the Company.
2. Determination and amendment of the business policies.
3. Approval of budget and account settlement.
4. Planning for the distribution of earnings or write-off loss.
5. Approval for reinvestment and loans to other companies and asset mortgages.
6. Any endorsement, guarantee, and acceptance between this Company and its affiliated enterprises,

exceeding the total amount (as determined by the board of directors), must be reported to the board of directors for approval.

7. Any borrowed money and related credits exceeding the total amount (as determined by the board of directors) must be reported to the board of directors for approval.
8. Proposals for establishment and cancellation of the Company's first-level units as well as domestic and foreign branches, articles of incorporation, and important regulations.
9. Approval of significant contracts.
10. Appointment, dismissal and remuneration of the external auditor.

**Article 23-1** The Board of the Company shall be entitled to form different functional committees. Composition, duties and operation of the committees shall be governed by the competent authority.

### **Chapter V. The Managers**

**Article 24** There shall be several managers of the Company. The appointment, dismissal and remunerations to the aforementioned managers shall be governed by Article 29 of the Company Act.

### **Chapter VI. Accounting**

**Article 25** The fiscal year of the Company starts from January 1 to December 31.

**Article 26** The Board shall prepare the following reports after the end of each fiscal year, and present to the shareholders at the general meeting of the shareholders for their ratifications in accordance with the legal procedure:

1. Business report.
2. Financial statements.
3. The earnings distribution or loss off-setting proposals.

**Article 27** If this company makes a profit, no less than 1.5% shall be set aside as employee bonuses, which the Board of Directors shall decide whether to distribute as shares or cash; employee bonuses shall be issued to all employees of the Company who meet certain conditions. When the Company meets the foregoing profit figure, the Board of Directors may make a resolution to set aside no more than 5% as directors' bonuses. Employee and directors' bonuses shall be reported to the shareholders meeting.

However, if the Company still has cumulative losses, it shall first retain an amount to make up its losses, and then distribute employee and directors' bonuses in accordance with the foregoing ratios.

**Article 28** In the event that the Company, according to the financial report, earns profits in a fiscal year, such profits shall first be applied to pay the applicable taxes, recover losses, set aside Legal Reserve pursuant to laws and regulations, and set aside or reverse special reserve in accordance with the law or to satisfy the business needs of the Company. The remaining balance and any unappropriated earnings of the previous fiscal years shall be distributed to the shareholders as dividends in accordance with resolutions of the shareholders' meetings.

Because the Company is still in the growth stage, and will need funds for expansion of its product line and increased investment during the next few years, based on its capital expenditures, it will need to increase sales and put its financial plan on a sound footing to ensure stable development. If it is wished to distribute more than 10% of the distributable earnings in the foregoing paragraph as shareholders' dividends, but distributable earnings are less than 30% of paid-in capital, the Company may choose to not make the distribution. When this company concurrently issues stock dividends and cash dividends, the cash dividends may be no less than 20% of total dividends.

## Chapter VII. Supplemental Provisions

- Article 29 The internal organization and the detailed procedures relevant to the business operation of the Company shall be separately determined by the Board.
- Article 30 Anything not covered by the Article of Incorporation shall be governed by the Company Act and other applicable legal rules.
- Article 31 Where the Company intends to apply for an approval of ceasing its status as a public company, it shall be submitted to the shareholders' meeting for a special resolution. This paragraph shall remain the same during the periods that the Company is registered in emerging stock market or emerging stock market transferring to IPOs market.
- Article 32 The Articles of Incorporation were agreed to and signed on May 25, 1992.  
The 1<sup>st</sup> amendment was made on July 20, 1992.  
The 2<sup>nd</sup> amendment was made on September 22, 1992.  
The 3<sup>rd</sup> amendment was made on December 14, 1992.  
The 4<sup>th</sup> amendment was made on May 31, 1993.  
The 5<sup>th</sup> amendment was made on December 20, 1994.  
The 6<sup>th</sup> amendment was made on December 14, 1995.  
The 7<sup>th</sup> amendment was made on April 29, 1996.  
The 8<sup>th</sup> amendment was made on 30 July 1996.  
The 9<sup>th</sup> amendment was made on September 10, 1999.  
The 10<sup>th</sup> amendment was made on October 25, 2000.  
The 11<sup>th</sup> amendment was made on 9 August 2001.  
The 12<sup>th</sup> amendment was made on 17 June 2002.  
The 13<sup>th</sup> amendment was made on May 2, 2003.  
The 14<sup>th</sup> amendment was made on May 28, 2004.  
The 15<sup>th</sup> amendment was made on November 1, 2004.  
The 16<sup>th</sup> amendment was made on June 17, 2005.  
The 17<sup>th</sup> amendment was made on June 16, 2006.  
The 18<sup>th</sup> amendment was made on June 22, 2007.  
The 19<sup>th</sup> amendment was made on December 24, 2008.  
The 20<sup>th</sup> amendment was made on June 18, 2009.  
The 21<sup>st</sup> amendment was made on June 29, 2010.  
The 22<sup>nd</sup> amendment was made on June 2, 2011.  
The 23<sup>rd</sup> amendment was made on May 25, 2012.  
The 24<sup>th</sup> amendment was made on June 20, 2013.  
The 25<sup>th</sup> amendment was made on June 23, 2014.  
The 26<sup>th</sup> amendment was made on June 9, 2015.  
The 27<sup>th</sup> amendment was made on June 3, 2016.  
The 28<sup>th</sup> amendment was made on May 26, 2017.

**Coremax Corporation**  
**Shareholdings of Directors**

- I. The Company has established an audit committee and its entire number of independent directors will be in lieu of a supervisor in accordance with the Article 14, paragraph 4 of the Securities and Exchange Act.
- II. In accordance with the Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, all of directors of the Company, except the independent directors, are required to hold in the aggregate no less than 8,000,000 Coremax shares.
- III. As of the book closure date for the regular meeting of shareholders in 2021 (April 6<sup>th</sup> 2021), the total number of shares issued by the company is 103,029,269. As per the register of shareholders, the number of shares held by each director and the total number of shares held by all directors are given below:

Position	Name	Shares Held
Chairman	HO,CHI-CHENG	903,566
Director	CHANG SING INVESTMENT CO., LTD. Representative : CHIU, HSIEN TUNG	13,802,833
Director	CHEH JADE ENTERPRISE CO., LTD Representative : HO, EUGENE LAWRENCE	13,261,727
Director	HO,CHI-CHOU	511,114
Director	CHENG,CHIH-FA	0
Director	LAI, CHING-YUAN	21,000
Independent Director	WANG, WEN-TSUNG	0
Independent Director	HSU,I-PING	0
Independent Director	CHANG ,YUAN-LUNG	0
Total		28,500,240