

Stock Code: 4739



## Coremax Corporation

# 2022 Annual Shareholders' Meeting Meeting Agenda

Date: May 27, 2022

Venue: No. 510, Sec. 1, Zhongping Rd., Hukou Township,  
Hsinchu County (Hukou Haoke Cultural and Creative Park)

Meeting format: Physical shareholders' meeting

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**Coremax Corporation**  
**2022 Annual Shareholders' Meeting**  
**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**

## **2022 Annual Shareholders' Meeting**

### **Meeting Agenda**

Time: May 27, 2022 (Friday) at 9:00 am

Venue: No. 510, Sec. 1, Zhongping Rd., Hukou Township, Hsinchu County  
(Hukou Haoke Cultural and Creative Park)

Meeting Format: Physical shareholders' meeting

- I. Call Meeting to Order (Announce total shares represented by shareholders present in person or by prox)
- II. Chairman's Speech
- III. Report Items
  - (I) Presenting the Company's FY2021 Business Report
  - (II) The Audit Committee Report on the Review of the FY2021 Financial Report
  - (III) Report FY2021 distribution of employees' bonus and remuneration to Directors
  - (IV) Report on the issuance of the Company's third domestic secured convertible bonds.
  - (V) Report on amendments to the "Regulations Governing 1st Share Repurchase and Transfer to Employee Stock"
- IV. Proposals and Discussion
  - (I) To accept FY2021 Business Report and Financial Statements
  - (II) To approve the FY2021 earnings distribution
- V. Election Matters
  - (I) Amendment of "Procedures for Acquisition or Disposal of Assets."

VI. Extempore Motions

VII.Meeting Adjourned

## **Report Items**

### **Item 1**

Proposal: Report the FY2021 business report.

Description: Please refer to Annex 1 for the Company's FY2021 Business Report (pages 8-10 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 11 of this handbook).

### **Item 3**

Proposal: Report FY2021 distribution of employees' bonus and to Directors.

Description: The company's profit for 2021 is NT\$ 573,292,039, based on which it is established that a total of NT\$ 8,800,000 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 order to repay bank loans, the Company issued its third domestic secured convertible bonds on October 28, 2021, for a total amount of NT\$700 million. In accordance with Article 246 of the Company Act, the Company hereby reports the primary reasons for raising corporate bonds and related matters, as described in Annex 3 (Page 12) of this handbook.

## **Item 5**

**Proposal:** Amendments to the "Regulations Governing 1st Share Repurchase and Transfer to Employees"

**Description:** I. In order to meet the operational needs of the Company, certain provisions of the Company's "Regulations Governing 1st Share Repurchase and Transfer to Employees".

II. Please refer to Annex 4(page 13) of this handbook for a comparison table of the provisions before and after the amendment.

## **Proposals and Discussion**

### **Item 1**

### **Proposed by the Board of Directors**

Proposal: To accept FY2021 Business Report and Financial Statements.

Description: I. Coremax's Financial Statements (including Consolidated Financial Statements) for Year 2021 were audited by independent auditors, Chi-Lung Yu and Pei-Chi Chen, of KPMG.

II. Details of the Business Report, Independent Auditors' Report, Audited Financial Statements (including Consolidated Financial Statements), please refer to Annex 1 (pages 8-10 of this handbook) and Annex 5 (pages 15-30 of this handbook).

Resolution:

### **Item 2**

### **Proposed by the Board of Directors**

Proposal: To approve the allocation of FY2021 distributable earnings.

Description: I. The company's 2021 earnings distribution plan was approved at the board meeting on February 25th 2022, under which a cash dividend of NT\$ 3 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.

II. Please refer to Annex 6 for 2021 earnings distribution plan (pages 31 of this handbook).

Resolution:



## **Election Matters**

### **Item 1**

### **Proposed by the Board of Directors**

Proposal: Amendments to the Company's "Procedures for Acquisition or Disposal of Assets."

Description: I. In order to comply with current laws and regulations, the Company's operational needs and to enhance the integrity of the Company's procedures for acquiring or disposing of assets, it is proposed to revise certain provisions.

II. Please refer to Annex 7. (pages 32 to 44) of this handbook for a comparison table of the provisions before and after the amendment.

Resolution:

## **Extempore Motions**

## **Meeting Adjourned**

## Annex 1

# Coremax Corporation 2021 Business Report

The world was first impacted by the spread of the COVID-19 pandemic in 2020. Two years on and the pandemic still shows no signs of abating. Despite the impact of the global pandemic, Coremax Corporation's has delivered outstanding business results, with continued strong shipments, stable growth in production and sales volume during the pandemic, as well as healthy profit growth compared to the previous year.

Looking to the future, other than stabilizing the existing product lines, the Company will continue to expand its scale of operations to provide customers with good service and product quality. For the production, the capacity will be adjusted according to the current market demands, and the production lines less effective will be reformed continuously, and supplemented by the Company's sound and health management system, to lay a good foundation for the Company's development in the next few years, and build strong growth momentum.

Coremax Group has announced the five core values and 25 key behavior indicators while conducting the "Core Value Key Behavior Index Evaluation Form." It seeks that all Group employees observe the same philosophy, demonstrate the expected behaviors in their daily work attitudes and working methods, and thus form loyalty among employees, work towards a common goal, and finally form a corporate culture. All employees will strive to contribute to their positions to create greater benefits for shareholders.

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

The company's operating results for 2020 have been audited by KPMG accountants, Chi-Lung Yu and Pei-Chi Chen. The audited operating results are follows:

Item/Year	Unit: NT\$ (thousand)	
	2020	2021
Operating revenue	5,285,365	7,338,783
Operating margin	475,469	943,365
Operating income	216,302	584,373
Net profit before tax	206,434	605,596
Profit after tax	165,645	448,420
EPS after tax (NT\$)	1.73	4.67

## II. Budget Execution

Unit: NT\$ (thousand)

Item/Year	2021		
	Actual figure	Budget figure	Achievement rate
Operating revenue	7,338,783	5,676,404	129%
Operating cost	(6,395,418)	(5,081,699)	126%
Operating margin	943,365	594,705	159%
Operating expenses	(358,992)	(277,777)	129%
Operating income	584,373	316,928	184%

## III. Financial Income, Costs and Profitability Analysis

### 1. Financial Income

The cash inflow from operating activities can be mainly attributed to the increase in unit price of raw materials, but the Company's inventory was well controlled and turnover and inventory were stable. 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 financing activities was mainly due to capital increase, issuance of corporate bonds and increase in borrowings.

Unit: NT\$ (thousand)

Item/Year	2020	2021
Net profit before tax of the period	206,434	605,596
Net cash (out)inflow from operating activities	342,593	(639,209)
Net cash (out)inflow from investing activities	(543,540)	(539,092)
Net cash (out)inflow from financing activities	132,640	2,377,576
Cash and cash equivalents increase (decrease)	(63,265)	1,178,270
Balance of cash and cash equivalents at the beginning of the period	767,193	703,928
Balance of cash and cash balance at the end of the period	703,928	1,882,198

## 2. Profitability Analysis

Unit: NT\$ (thousand)

Item/Year	2020	2021
ROA (%)	2.55	5.37
ROE (%)	4.13	9.50
Ratio of operating income to paid-up capital (%)	23.25	54.60
Ratio of net income before tax to paid-in capital (%)	22.19	56.58
Net profit margin (%)	3.13	6.11
EPS after tax (NT\$)	1.73	4.67

## IV. Research and Development

In FY2021, the Company invested NT\$8,971 thousand in research and development to optimize the production process and improve quality, to enhance the production efficiency of each product, to avoid the waste of raw materials, to strengthen the recycling technology of raw materials, and to strengthen the Company's competitive advantage. The planning focuses for the current R&D direction:

### 1. Short-term plan:

- (A) Improve the quality of existing products to meeting customers' needs.
- (B) Improve the Company's current manufacturing process to produce products with different physical specifications.
- (C) Improvement of quality on the fertilizer production line.
- (D) Improve the quality of the fertilizer product lines.

### 2. Medium and long-term plan:

- (A) The development of hydroxide compounds with different ratios of nickel, cobalt and manganese in line with market development needs.
- (B) Diversify nickel and cobalt metal recovery technology and develop new processes to improve recovery yield, efficiency and quality.

## V. Expected Sales Volume and Basis

In 2022, under the cooperation of R&D, manufacturing and management, the Company's products will be more diversified and in line with markets. The sales department will continue to actively develop domestic and foreign markets, and increase market share, to maintain its leading position and competitiveness.

## Annex 2

### Coremax Corporation Audit Committee Report

It is agreed to and resolved by the Audit Committee and the Board of Directors that the Company's FY2021 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 Chi-Lung Yu and Pei-Chi Chen, 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

2022 Annual Meeting of Shareholders of Coremax Corporation

Chairman of the Audit Committee: Wang, Wen-Tsung

February 25, 2022

## Annex 3

### Coremax Corporation

#### Issuance of the Company's third domestic secured convertible bonds

Name	Issuance of the Coremax Corporation's third domestic secured convertible bonds
Approval No.	September 30, 2021, Jin-Guan-Zheng-Fa-Zi No. 11003584791
Reason for fundraising	Return of bank loans
Total amount issued	The total nominal value of the issuance is NT\$700 million
Nominal value	Each bond has a nominal value of NT\$100,000
Issuance price	Issued at 116.01% of nominal value
Issuance Date	October 28, 2021
Bond period	5 years (Maturity date: October 28, 2026)
Coupon rate	Coupon rate 0% per annum
Principal and interest repayment method	Except for the conversion of the convertible bonds into the Company's common stock in accordance with Article 10 of this Regulation, the early redemption of bonds by the Company in accordance with Article 18 of this Regulation, the exercise of the right of sale by the bondholders in accordance with Article 19 of this Regulation, or the cancellation of the bonds by the Company's securities firm's office, the Company shall repay the bonds in cash at par value upon maturity.
Conversion price at issuance	NT\$110.0 per share
Latest conversion price	NT\$108.5 per share
Conversion period	January 29, 2022 to October 28, 2026
Status of conversions	As of March 29, 2022 on the closing date of the shareholders' meeting, no bondholders have applied for conversion of common shares.

## Annex 4

### Coremax Corporation

#### Comparison Table of Amended Provisions to the Regulations Governing 1<sup>st</sup> Share Repurchase and Transfer to Employee Stock

Article	Current Provisions	Amended Provisions	Description
Article 7	<p>Transfer Price per Share</p> <p>The transfer price of the repurchased shares to eligible employees is based on the average price of the actual repurchased shares (to be rounded up to the nearest NT\$0.1). However, if there is an increase in the number of shares of common stock issued by the Company prior to the transfer, the increase shall be adjusted by the ratio of the increase in shares issued.</p>	<p>Transfer Price per Share</p> <p>The transfer price of the repurchased shares to eligible employees shall be 75% of the simple arithmetic average of the closing price of the common shares for the three business days prior to the base date of the employee's stock option (calculated up to NT\$XX, but not below NT\$XX). However, if the 25% discounted price after the simple arithmetic average of the closing price of the Company's common shares for the three business days prior to the base date of the employee's stock option is lower than the average price of the original actual repurchased shares, the average price of the original actual repurchased shares shall be the transfer price. However, if there is an increase in the number of shares of common stock issued by the Company prior to the transfer, the increase shall be adjusted by the ratio of the increase in shares issued. Transfer price adjustment formula: Adjusted transfer price = average price of actual repurchased shares x (total number of common shares outstanding at the time of reporting of the repurchased shares / total number of common shares outstanding prior to the transfer of repurchased shares to employees).</p>	Adjusted to meet the Company's actual requirement s.

Article	Current Provisions	Amended Provisions	Description
Article 11	<p>These Regulations were established on March 18, 2020.</p> <p>The 1<sup>st</sup> amendment was made on May 6, 2020.</p>	<p>These Regulations were established on March 18, 2020.</p> <p>The 1<sup>st</sup> amendment was made on May 6, 2020.</p> <p><u>The 2<sup>nd</sup> amendment was made on October 14, 2021.</u></p>	Amendment date added.



# Annex 5

## 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, 2021 and 2020, 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, 2021 and 2020, 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, 2021. 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 Chi-Lung Yu and Pei-Chi Chen.

KPMG

Taipei, Taiwan (Republic of China)  
February 25, 2022

#### **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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

Assets	December 31, 2021		December 31, 2020		Liabilities and Equity	December 31, 2021		December 31, 2020	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>Current assets:</b>					<b>Current liabilities:</b>				
Cash and cash equivalents (note 6(1))	\$ 926,133	12	310,493	6	Short-term notes and bills payable (note 6(11))	\$ 80,000	1	80,000	2
Notes receivable, net (note 6(3))	-	-	841	-	Short-term borrowings (note 6(12))	1,287,962	17	902,260	18
Accounts receivable, net (note 6(3))	527,360	7	266,856	5	Notes payable	-	-	14,279	-
Accounts receivable due from related parties (notes 6(3) and 7)	72,677	1	56,638	1	Accounts payable	76,322	1	95,930	2
Other receivables due from related parties (note 7)	1,575	-	45,221	1	Accounts payable to related parties (note 7)	41,883	-	15,507	-
Inventories (note 6(4))	1,527,623	20	725,226	15	Salary and bonds payable	39,389	-	35,754	-
Prepayments to suppliers	911,068	12	507,522	10	Current lease liabilities (note 6(14))	10,304	-	9,956	-
Other financial assets – current (notes 6(2) and 8)	31,392	-	1,864	-	Long-term borrowings, current portion (note 6(12))	62,291	1	-	-
Other current assets (note 6(7))	97,307	2	52,285	1	Other current liabilities	209,394	3	29,563	1
	<u>4,095,135</u>	<u>54</u>	<u>1,966,946</u>	<u>39</u>		<u>1,807,545</u>	<u>23</u>	<u>1,183,249</u>	<u>23</u>
<b>Non-current assets:</b>					<b>Non-current liabilities:</b>				
Financial assets at fair value through profit or loss – non-current (note 6(2))	6,408	-	-	-	Convertible bonds payable (note 6(13))	678,528	9	-	-
Investments accounted for using equity method (notes 6(5), (6) and 7)	2,943,326	38	2,424,592	50	Long-term borrowings (note 6(12))	373,709	5	436,000	9
Property, plant and equipment (notes 6(9) and 8)	462,455	6	456,598	9	Deferred tax liabilities (note 6(16))	52,726	1	29,254	-
Right-of-use assets (note 6(10))	57,120	1	55,785	1	Non – current lease liabilities (note 6(14))	47,821	-	53,333	1
Deferred tax assets (note 6(16))	20,285	-	17,988	-	Net defined benefit liability – non-current (note 6(15))	6,676	-	5,438	-
Other financial assets – non-current (note 6(2), (8) and 8)	103,796	1	31,816	1	Deposits received	524	-	524	-
Other non-current assets (note 6(7))	-	-	7,266	-		<u>1,159,984</u>	<u>15</u>	<u>524,549</u>	<u>10</u>
	<u>3,593,390</u>	<u>46</u>	<u>2,994,045</u>	<u>61</u>	<b>Total liabilities</b>	<u>2,967,529</u>	<u>38</u>	<u>1,707,798</u>	<u>33</u>
<b>Total assets</b>	<b>\$ 7,688,525</b>	<b>100</b>	<b>4,960,991</b>	<b>100</b>	<b>Equity (notes 6(5), (13) and (17)):</b>				
					Ordinary share capital	1,070,293	14	930,293	19
					Capital surplus	2,585,667	34	1,603,253	33
					Retained earnings	1,204,411	16	868,001	17
					Other equity interest	(46,536)	(1)	(18,558)	-
					Treasury shares	(92,839)	(1)	(129,796)	(2)
					<b>Total equity</b>	<u>4,720,996</u>	<u>62</u>	<u>3,253,193</u>	<u>67</u>
					<b>Total liabilities and equity</b>	<b>\$ 7,688,525</b>	<b>100</b>	<b>4,960,991</b>	<b>100</b>

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, 2021 and 2020

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

	2021		2020	
	Amount	%	Amount	%
<b>Net operating revenue</b> (notes 6(19) and 7)	\$ 5,887,001	100	3,592,984	100
<b>Operating costs</b> (notes 6(4), (15) and (20))	5,276,537	90	3,416,089	95
<b>Gross profit</b>	610,464	10	176,895	5
Unrealized profit (loss) from sales (note 7)	(7,824)	-	(2,873)	-
<b>Realized gross profit</b>	602,640	10	174,022	5
<b>Operating expenses</b> (notes 6(15) and (20)):				
Selling expenses	69,669	1	33,328	1
General administrative expenses	99,805	2	54,033	2
Research and development expenses	6,396	-	21,022	1
<b>Total operating expenses</b>	175,870	3	108,383	4
<b>Net operating income</b>	426,770	7	65,639	1
<b>Non-operating income and expenses:</b>				
Other income (note 6(21))	3,617	-	12,552	-
Other gains and losses, net (note 6(21))	(5,448)	-	(7,195)	-
Finance costs (notes 6(12), (13) and (21))	(15,045)	-	(9,379)	-
Interest income (note 6(21))	417	-	1,600	-
Share of profit of subsidiaries accounted for using equity method (note 6(6))	160,510	3	114,078	3
Foreign exchange gains (losses) (note 6(22))	2,471	-	(10,957)	-
<b>Total non-operating income and expenses</b>	146,522	3	100,699	3
<b>Income before income tax</b>	573,292	10	166,338	4
Income tax expenses (note 6(16))	110,362	3	11,174	-
<b>Net income</b>	462,930	7	155,164	4
<b>Other comprehensive income:</b>				
<b>Items that will not be reclassified subsequently to profit or loss:</b>				
Remeasurements of defined benefit plans	(2,653)	-	(1,839)	-
Unrealized gains (losses) of financial assets measured at fair value through other comprehensive income	(10,207)	-	(2,252)	-
Income tax related to items that will not be reclassified to profit or loss	-	-	-	-
<b>Total items that will not be reclassified subsequently to profit or loss</b>	(12,860)	-	(4,091)	-
<b>Items that may be reclassified subsequently to profit or loss</b>				
Exchange differences on translation of foreign financial statements	(22,214)	-	5,434	-
Income tax relating to item that may be reclassified subsequently (note 6(16))	(4,443)	-	1,087	-
<b>Total items that may be reclassified subsequently to profit or loss</b>	(17,771)	-	4,347	-
<b>Other comprehensive income</b>	(30,631)	-	256	-
<b>Total comprehensive income</b>	\$ 432,299	7	155,420	4
<b>Earnings per share</b> (New Taiwan Dollars) (note 6(18)):				
Basic earnings per share	\$ 4.67		1.73	
Diluted earnings per share	\$ 4.62		1.73	

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, 2021 and 2020**  
**(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	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		
<b>Balance at January 1, 2020</b>	\$ 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 (loss) for the period	-	-	-	-	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)
Treasury shares acquired	-	-	-	-	-	-	-	-	-	(115,748)	(115,748)
Differences between consideration and carrying amounts of subsidiaries shareholding acquired or disposed of	-	100	-	-	-	-	-	-	-	-	100
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	1,603,253	222,255	20,130	625,616	868,001	(13,411)	(5,147)	(18,558)	(129,796)	3,253,193
Net income for the period	-	-	-	-	462,930	462,930	-	-	-	-	462,930
Other comprehensive income (loss) for the period (note)	-	-	-	-	(2,653)	(2,653)	(17,771)	(10,207)	(27,978)	-	(30,631)
Total comprehensive income	-	-	-	-	460,277	460,277	(17,771)	(10,207)	(27,978)	-	432,299
Appropriation and distribution of retained earnings:											
Appropriated legal reserve	-	-	15,385	-	(15,385)	-	-	-	-	-	-
Reversed special reserve	-	-	-	(1,571)	1,571	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(121,205)	(121,205)	-	-	-	-	(121,205)
Capital increase by cash	140,000	717,850	-	-	-	-	-	-	-	-	857,850
Issuance of convertible bonds	-	136,719	-	-	-	-	-	-	-	-	136,719
Transfer treasury shares to employees (including subsidiaries)	-	19,542	-	-	-	-	-	-	-	34,295	53,837
Disposal of company's shares by subsidiaries recognized as treasury share transactions	-	70,101	-	-	(2,662)	(2,662)	-	-	-	2,662	70,101
Adjustment to capital surplus due to the Company's cash dividends distributed to subsidiaries	-	3,316	-	-	-	-	-	-	-	-	3,316
Differences between consideration and carrying amounts of subsidiaries shareholding acquired or disposed of	-	(53)	-	-	-	-	-	-	-	-	(53)
Amounts affected by cash capital increase of subsidiaries not recognized in proportion to shareholding	-	(1,246)	-	-	-	-	-	-	-	-	(1,246)
Share-based payment transactions	-	36,185	-	-	-	-	-	-	-	-	36,185
<b>Balance at December 31, 2021</b>	\$ 1,070,293	2,585,667	237,640	18,559	948,212	1,204,411	(31,182)	(15,354)	(46,536)	(92,839)	4,720,996

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, 2021 and 2020**

**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
Income before income tax	\$ 573,292	166,338
<b>Adjustments:</b>		
Adjustments to reconcile profit :		
Depreciation	73,346	76,614
Interest expense	15,045	9,379
Interest income	(417)	(1,600)
Share of profit of subsidiaries accounted for using equity method	(160,510)	(114,078)
Gain on disposal of property, plant and equipment	-	(20)
Unrealized loss (gain) from inter-affiliate accounts sale	7,824	2,873
Share-based payments	23,816	-
Adjustment for other non-cash-related losses, net	1,410	211
<b>Subtotal of gains or losses on non-cash activities</b>	<u>(39,486)</u>	<u>(26,621)</u>
<b>Changes in operating assets and liabilities:</b>		
Notes and accounts receivable (including related parties)	(275,702)	(50,621)
Inventories	(802,397)	286,028
Prepayments to suppliers	(403,546)	(359,204)
Other current assets	25,578	(38,962)
Notes and accounts payable (including related parties)	(7,511)	(22,288)
Other current liabilities	67,696	(6,768)
Net defined benefit liability	87	19
<b>Total adjustments</b>	<u>(1,435,281)</u>	<u>(218,417)</u>
Cash (outflow) generated from operations	(861,989)	(52,079)
Interest paid	(15,370)	(10,082)
Income taxes paid	(1,070)	(18,413)
<b>Net cash used in operating activities</b>	<u>(878,429)</u>	<u>(80,574)</u>
<b>Cash flows from investing activities:</b>		
Acquisition of investments accounted for using equity method	(413,106)	-
Acquisition of non-controlling interests	(5,021)	(295)
Acquisition of property, plant and equipment	(62,792)	(35,459)
Proceeds from disposal of property, plant and equipment	-	41,428
Increase in restricted deposit	(100,000)	-
Increase in refundable deposits	(2,844)	(28,366)
Increase (decrease) in other non-current assets	1,690	(6,002)
Interest received	417	1,600
Dividends received	102,644	76,349
<b>Net cash from (used in) investing activities</b>	<u>(479,012)</u>	<u>49,255</u>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	392,764	273,993
Decrease in short-term notes and bills payable	-	(150,000)
Proceeds from long-term borrowings	-	36,000
Repayments of long-term borrowings (including current portion)	-	(33,333)
Payment of lease liabilities	(11,159)	(11,413)
Cash dividends paid	(121,205)	(111,635)
Capital increase by cash	857,850	-
Increase in treasury stocks	-	(115,748)
Increase in guarantee deposits received	-	524
Treasury stocks transfer to employees	53,837	-
Issuance of convertible bonds	808,056	-
<b>Net cash from (used in) financing activities</b>	<u>1,980,143</u>	<u>(111,612)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>(7,062)</u>	<u>5,311</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	615,640	(137,620)
<b>Cash and cash equivalents at beginning of period</b>	<u>310,493</u>	<u>448,113</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 926,133</u>	<u>310,493</u>

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



## **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, 2021 and 2020, 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, 2021 and 2020, 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 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 consolidated financial statements for the year ended December 31, 2021. 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, 2021 and 2020, 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 Chi-Lung Yu and Pei-Chi Chen.

KPMG

Taipei, Taiwan (Republic of China)

February 25, 2022

#### **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, 2021 and 2020**

(Expressed in Thousands of New Taiwan Dollars)

Assets	December 31, 2021		December 31, 2020		Liabilities and Equity	December 31, 2021		December 31, 2020	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>Current assets:</b>					<b>Current liabilities:</b>				
Cash and cash equivalents (note 6(1))	\$ 1,882,198	18	703,928	10	Short-term notes and bills payable (note 6(12))	\$ 80,000	1	80,000	1
Notes receivable, net (note 6(4))	14,874	-	51,332	1	Short-term borrowings (note 6(13))	1,906,362	19	1,538,966	21
Accounts receivable, net (note 6(4))	798,006	8	570,007	8	Notes payable	26,808	-	45,703	1
Accounts receivable from related parties (notes 6(4) and 7)	-	-	130	-	Accounts payable	104,816	1	124,612	2
Other receivables—related parties (note 7)	-	-	22	-	Salary and bonus payable	100,301	1	92,192	1
Inventories (note 6(5))	1,907,627	19	1,055,685	15	Payable on machinery and equipment	76,255	1	51,939	1
Prepayments to suppliers	920,389	9	518,842	7	Current lease liabilities (note 6(15))	4,988	-	5,409	-
Other financial assets—current (notes 6(2) and (9))	49,958	1	1,892	-	Long-term borrowings, current portion (note 6(13))	62,291	1	50,000	1
Other current assets (note 6(8))	121,758	1	78,816	-	Other current liabilities	252,703	2	116,636	2
	<u>5,694,810</u>	<u>56</u>	<u>2,980,654</u>	<u>41</u>		<u>2,614,524</u>	<u>26</u>	<u>2,105,457</u>	<u>30</u>
<b>Non-current assets:</b>					<b>Non-current liabilities:</b>				
Financial assets at fair value through profit or loss—non-current (note 6(2))	6,408	-	-	-	Convertible bonds payable (note 6(14))	678,528	7	-	-
Financial assets at fair value through other comprehensive income—non-current (note 6(3))	37,000	-	49,203	1	Long-term borrowings (note 6(13))	1,095,161	11	814,622	11
Property, plant and equipment (notes 6(10) and 8)	4,051,496	40	3,977,135	55	Deferred tax liabilities (note 6(17))	331,065	3	307,779	4
Right-of-use assets (note 6(11))	41,047	-	42,870	1	Non-current lease liabilities (note 6(15))	12,801	-	12,517	-
Deferred tax assets (note 6(17))	53,121	1	47,595	1	Net defined benefit liability—non-current (note 6(16))	6,676	-	5,438	-
Net defined benefit asset—non-current (note 6(16))	11,742	-	12,195	-	Deposits received	107	-	1,307	-
Other financial assets—non-current (notes 6(2), (9) and 8)	112,462	1	40,995	-		<u>2,124,338</u>	<u>21</u>	<u>1,141,663</u>	<u>15</u>
Other non-current assets (note 6(8))	197,367	2	66,902	1	<b>Total liabilities</b>	<u>4,738,862</u>	<u>47</u>	<u>3,247,120</u>	<u>45</u>
	<u>4,510,643</u>	<u>44</u>	<u>4,236,895</u>	<u>59</u>	<b>Equity (notes 6(6), (14) and (18)):</b>				
					Equity attributable to parent company shareholders:				
					Ordinary share capital	1,070,293	10	930,293	13
					Capital surplus	2,585,667	25	1,603,253	22
					Retained earnings	1,204,411	12	868,001	12
					Other equity interest	(46,536)	-	(18,558)	-
					Treasury shares	(92,839)	(1)	(129,796)	(2)
						<u>4,720,996</u>	<u>46</u>	<u>3,253,193</u>	<u>45</u>
					Non-controlling interests	745,595	7	717,236	10
					<b>Total equity</b>	<u>5,466,591</u>	<u>53</u>	<u>3,970,429</u>	<u>55</u>
<b>Total assets</b>	<b>\$ 10,205,453</b>	<b>100</b>	<b>7,217,549</b>	<b>100</b>	<b>Total liabilities and equity</b>	<b>\$ 10,205,453</b>	<b>100</b>	<b>7,217,549</b>	<b>100</b>

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, 2021 and 2020

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

	2021		2020	
	Amount	%	Amount	%
<b>Net operating revenue</b> (notes 6(20) and 7)	\$ 7,338,783	100	5,285,365	100
<b>Operating costs</b> (notes 6(5), (16) and (21))	6,395,418	87	4,809,896	91
<b>Gross profit</b>	943,365	13	475,469	9
<b>Operating expenses</b> (notes 6(4), (16) and (21)):				
Selling expenses	101,442	2	70,110	1
General administrative expenses	227,550	3	159,619	3
Research and development expenses	8,971	-	29,438	1
Expected credit loss	21,029	-	-	-
<b>Total operating expenses</b>	358,992	5	259,167	5
<b>Net operating income</b>	584,373	8	216,302	4
<b>Non-operating income and expenses:</b>				
Other income (notes 6(22))	23,551	-	32,505	1
Other gains and losses, net (note 6(22))	18,402	-	(11,878)	-
Finance costs (notes 6(14), (15) and (22))	(24,370)	-	(19,087)	-
Interest income (note 6(22))	1,237	-	2,477	-
Foreign exchange gains (loss) (note 6(23))	2,403	-	(13,885)	-
	21,223	-	(9,868)	1
<b>Income before income tax</b>	605,596	8	206,434	5
Income tax expenses (note 6(17))	157,176	2	40,789	1
<b>Net income</b>	448,420	6	165,645	4
<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(16))	(2,830)	-	(1,130)	-
Unrealized gains (losses) of financial assets measured at fair value through other comprehensive income	(12,203)	-	(3,463)	-
Income tax related to items that will not be reclassified to profit or loss	-	-	-	-
<b>Total items that will not be reclassified subsequently to profit or loss</b>	(15,033)	-	(4,593)	-
<b>Items that may be reclassified subsequently to profit or loss</b>				
Exchange differences on translation of foreign financial statements	(18,169)	-	4,759	-
Income tax relating to item that may be reclassified subsequently (note 6(17))	(4,443)	-	1,087	-
<b>Total items that may be reclassified subsequently to profit or loss</b>	(13,726)	-	3,672	-
<b>Other comprehensive income</b>	(28,759)	-	(921)	-
<b>Total comprehensive income</b>	<u>\$ 419,661</u>	<u>6</u>	<u>164,724</u>	<u>4</u>
<b>Net income attributable to:</b>				
Shareholders of the parent	\$ 462,930	6	155,164	4
Non-controlling interests	(14,510)	-	10,481	-
	<u>\$ 448,420</u>	<u>6</u>	<u>165,645</u>	<u>4</u>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the parent	\$ 432,299	6	155,420	4
Non-controlling interests	(12,638)	-	9,304	-
	<u>\$ 419,661</u>	<u>6</u>	<u>164,724</u>	<u>4</u>
<b>Earnings per share (New Taiwan Dollars)</b> (note 6(19)):				
Basic earnings per share	<u>\$ 4.67</u>		<u>1.73</u>	
Diluted earnings per share	<u>\$ 4.62</u>		<u>1.73</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, 2021 and 2020**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Share capital		Retained earnings				Exchange differences on translation of foreign financial statements	Other equity interest Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income		Treasury shares	Subtotal of equity attributable to the shareholders of the parent	Non-controlling interests	Total equity
	Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Retained earnings	Total		Total	Total				
	\$												
<b>Balance at January 1, 2020</b>	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 (loss) for the period	-	-	-	-	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)
Treasury shares acquired	-	-	-	-	-	-	-	-	-	(115,748)	(115,748)	-	(115,748)
Adjustments to capital surplus due to the Company's cash dividends distributed to subsidiaries	-	3,696	-	-	-	-	-	-	-	-	3,696	-	3,696
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(23,252)	(23,252)
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	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
Net income for the period	-	-	-	-	462,930	462,930	-	-	-	-	462,930	(14,510)	448,420
Other comprehensive income (loss) for the period	-	-	-	-	(2,653)	(2,653)	(17,771)	(10,207)	(27,978)	-	(30,631)	1,872	(28,759)
Total comprehensive income	-	-	-	-	460,277	460,277	(17,771)	(10,207)	(27,978)	-	432,299	(12,638)	419,661
Appropriation and distribution of retained earnings:													
Appropriated legal reserve	-	-	15,385	-	(15,385)	-	-	-	-	-	-	-	-
Reversed special reserve	-	-	-	(1,571)	1,571	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(121,205)	(121,205)	-	-	-	-	(121,205)	-	(121,205)
Capital increase by cash	140,000	717,850	-	-	-	-	-	-	-	-	857,850	-	857,850
Issuance of convertible bonds	-	136,719	-	-	-	-	-	-	-	-	136,719	-	136,719
Transfer treasury shares to employees (including subsidiaries)	-	19,542	-	-	-	-	-	-	-	34,295	53,837	-	53,837
Disposal of company's share by subsidiaries recognized as treasury share transactions	-	70,101	-	-	(2,662)	(2,662)	-	-	-	2,662	70,101	21,681	91,782
Adjustment to capital surplus due to cash dividends distributed to subsidiary	-	3,316	-	-	-	-	-	-	-	-	3,316	-	3,316
Differences between consideration and carrying amounts of subsidiaries shareholding acquired or disposed of	-	(53)	-	-	-	-	-	-	-	-	(53)	(4,968)	(5,021)
Amounts affected by cash capital increase of subsidiaries not recognized in proportion to shareholding	-	(1,246)	-	-	-	-	-	-	-	-	(1,246)	1,246	-
Share-based payments transactions	-	36,185	-	-	-	-	-	-	-	-	36,185	430	36,615
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(21,856)	(21,856)
Subsidiaries' capital increase by cash	-	-	-	-	-	-	-	-	-	-	-	44,464	44,464
<b>Balance at December 31, 2021</b>	<b>\$ 1,070,293</b>	<b>2,585,667</b>	<b>237,640</b>	<b>18,559</b>	<b>948,212</b>	<b>1,204,411</b>	<b>(31,182)</b>	<b>(15,354)</b>	<b>(46,536)</b>	<b>(92,839)</b>	<b>4,720,996</b>	<b>745,595</b>	<b>5,466,591</b>

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, 2021 and 2020**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
Income before income tax	\$ 605,596	206,434
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit:</b>		
Depreciation	289,543	274,042
Share-base payments	36,615	-
Expected credit loss	21,029	-
Interest expense	24,370	19,087
Interest income	(1,237)	(2,477)
Dividend income	(8,622)	(2,874)
Gain on disposal of investments	46,985	-
Impairment loss on property, plant and equipment	(73,675)	-
Adjustment for other non-cash-related losses, net	19	811
<b>Subtotal of gains or losses on non-cash activities</b>	<u>335,027</u>	<u>288,589</u>
<b>Changes in operating assets and liabilities:</b>		
Notes receivable	36,458	(12,456)
Accounts receivable (including related parties)	(248,642)	(86,681)
Inventories	(851,942)	359,716
Prepayment to suppliers	(401,547)	(361,271)
Other current assets	(60,122)	(6,892)
Notes payable	(18,895)	(26,450)
Accounts payable (including related parties)	(19,796)	1,409
Other current liabilities	76,562	31,416
Net defined benefit liability and asset	(962)	(1,335)
<b>Total adjustments</b>	<u>(1,153,859)</u>	<u>186,045</u>
Cash inflow (outflow) generated from operations	(548,263)	392,479
Interest paid	(24,376)	(19,391)
Income taxes paid	(66,570)	(30,495)
<b>Net cash from (used in) operating activities</b>	<u>(639,209)</u>	<u>342,593</u>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	-	(3,369)
Proceeds from disposal of subsidiaries	83,420	-
Acquisition of property, plant and equipment	(432,208)	(483,741)
Proceeds from disposal of property, plant and equipment	43,380	1,286
Increase in refundable deposits	(2,331)	(28,435)
Increase in restricted deposit	(100,000)	-
Increase in other non-current assets	(136,191)	(34,337)
Acquisition of non-controlling interests	(5,021)	(295)
Interest received	1,237	2,477
Dividends received	8,622	2,874
<b>Net cash used in investing activities</b>	<u>(539,092)</u>	<u>(543,540)</u>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	375,898	510,887
Decrease in short-term notes and bills payable	-	(150,000)
Proceeds from long-term borrowings	342,830	157,310
Repayments of long-term borrowings (including current portion)	(50,000)	(133,333)
Decrease in guarantee deposits received	(1,200)	-
Payment of lease liabilities	(6,196)	(5,285)
Cash dividends paid	(117,889)	(107,939)
Subsidiaries' capital increase by cash	44,464	-
Capital increase by cash	857,850	-
Increase in treasury stocks	-	(115,748)
Cash dividends paid for non-controlling interests	(21,856)	(23,252)
Issuance of convertible bonds	808,056	-
Disposal of company's share by subsidiaries recognized as treasury shares transactions	91,782	-
Treasury stocks transfer to employees	53,837	-
<b>Net cash from financing activities</b>	<u>2,377,576</u>	<u>132,640</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>(21,005)</u>	<u>5,042</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	1,178,270	(63,265)
<b>Cash and cash equivalents at beginning of period</b>	703,928	767,193
<b>Cash and cash equivalents at end of period</b>	<u>\$ 1,882,198</u>	<u>703,928</u>

See accompanying notes to consolidated financial statements.



## Annex 6

### Coremax Corporation 2021 Earnings Distribution Table

Unit: NT\$

Item	Amount	Remarks
Undistributed earnings at the beginning of the period	490,598,909	
Less: Remeasurement of net defined benefit liability	(2,652,980)	
Less: Shares held by subsidiaries in the parent company treated as changes in treasury stock transactions for the period	(2,662,254)	
Add: Net income after tax for the period	462,930,035	
Distributable earnings	948,213,710	
Less: 10% legal reserve	(45,761,480)	
Less: Provision for special reserve	(27,977,354)	
Distribution items:		
Dividends to shareholders - cash (NT\$3 per share)	(316,812,807)	
Undistributed earnings at the end of the period	557,662,069	

- (I) 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.
- (II) 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.
- (III) The dividend per share is calculated on the basis of the 105,604,269 outstanding shares issued by the company as at February 25th 2022. 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.
- (IV) The earnings for 2021 will be allocated with priority. The deficiency, if any, will be made up by allocating the earnings for the previous years in sequence

Chairman:

President:

Accounting Manager:

## Annex 7

### Coremax Corporation

#### Comparison Table of Amended Provisions to the Procedures for the Acquisition or Disposal of Assets

Article	Current Provisions	Amended Provisions	Description
Article 5	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: ...(omitted)</p> <p>When issuing an appraisal report or opinions, the foregoing personnel shall comply with the following:</p> <p>I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>II. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>III. They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy,</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p>	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: ...(omitted)</p> <p>When issuing appraisal reports or opinions, the foregoing personnel shall comply with the self-regulatory rules of <u>the respective trade association to which they belong and</u> the following matters:</p> <p>I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>II. When <u>executing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>III. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the</p>	Amended in accordance with the latest laws and regulations

Article	Current Provisions	Amended Provisions	Description
	<p>IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and <u>accurate</u>, and that they have complied with applicable laws and regulations.</p>	<p>information, as the basis for issuance of the appraisal report or the opinion.</p> <p>IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and <u>appropriate</u>, and that they have complied with applicable laws and regulations.</p>	
Article 8	<p>Appraisal and operating procedures for the acquisition or disposal of real estate, equipment or right-of-use assets ...(omitted)</p> <p>(III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal <u>in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF)</u> and render a specific opinion regarding the reason for the discrepancy and the</p>	<p>Appraisal and operating procedures for the acquisition or disposal of real estate, equipment or right-of-use assets ...(omitted)</p> <p>(III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>1. The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.</p>	Amended in accordance with the latest laws and regulations

Article	Current Provisions	Amended Provisions	Description
	<p>appropriateness of the transaction price:</p> <ol style="list-style-type: none"> <li>1. The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.</li> <li>2. The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.</li> </ol> <p>...(omitted)</p>	<ol style="list-style-type: none"> <li>2. The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.</li> </ol> <p>...(omitted)</p>	
Article 9	<p>Evaluation and operating procedures for the acquisition or disposal of marketable securities</p> <p>I. Price determination method and reference basis</p> <p>When the Company acquires or disposes of securities, it shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20% of the Company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the <u>CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with</u></p>	<p>Evaluation and operating procedures for the acquisition or disposal of marketable securities</p> <p>I. Price determination method and reference basis</p> <p>When the Company acquires or disposes of securities, it shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active</p>	Amended in accordance with the latest laws and regulations

Article	Current Provisions	Amended Provisions	Description
	<p><u>the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of competent authorities.</p> <p>...(omitted)</p>	<p>market, or where otherwise provided by regulations of competent authorities.</p> <p>...(omitted)</p>	
Article 10	<p>Evaluation of related party transactions and operating procedures</p> <p>...(omitted)</p> <p>II. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment unless approved by at least one-half of all members of the Audit Committee and submitted to the Board of Directors for resolution.</p>	<p>Evaluation of related party transactions and operating procedures</p> <p>...(omitted)</p> <p>II. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment unless approved by at least one-half of all members of the Audit Committee and submitted to the Board of Directors for resolution.</p>	Amended in accordance with the latest laws and regulations

Article	Current Provisions	Amended Provisions	Description
	<p>(I) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>(II) The reason for choosing the related party as a transaction counterparty.</p> <p>(III) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 16 and Article 17.</p> <p>(IV) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>(V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(VII) Restrictive covenants and other important stipulations associated with the transaction.</p> <p><u>The calculation of the transaction amounts referred to in the preceding</u></p>	<p>(I) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>(II) The reason for choosing the related party as a transaction counterparty.</p> <p>(III) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 16 and Article 17.</p> <p>(IV) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>(V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(VII) Restrictive covenants and other important stipulations associated with the transaction.</p> <p>III. With respect to the types of transactions listed below, when to be</p>	

Article	Current Provisions	Amended Provisions	Description
	<p>paragraph shall be made in accordance with Article 31, Paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. <u>Items that have been approved by the Board of Directors and recognized by the Audit Committee need not be counted toward the transaction amount.</u></p> <p>III. With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, it shall be carried out by the responsible unit in accordance with the Company's approval authority. However, the Company's Board of Directors may delegate the Board Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:</p> <p>(I) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(II) Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>When a matter is submitted for discussion by the Board of Directors, the Board of Directors shall take into</p>	<p>conducted between <u>the Company</u> and its subsidiaries, or between its subsidiaries in which the Company directly or indirectly holds 100% of the issued shares or authorized capital, it shall be carried out by the responsible unit in accordance with the Company's approval authority. However, the Company's Board of Directors may delegate the Board Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:</p> <p>(I) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(II) Acquisition or disposal of real property right-of-use assets held for business use.</p> <p><u>IV. In accordance with Paragraph 2,</u> when a matter is submitted for discussion by the Board of Directors, the Board of Directors shall take into full consideration each independent Director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p> <p><u>V. In accordance with Paragraph 2, when a matter is submitted for discussion by the Audit Committee,</u> the matters shall be approved by at least one-half of all members of the Audit Committee and submitted to the Board of Directors for resolution,</p>	

Article	Current Provisions	Amended Provisions	Description
	<p>full consideration each independent Director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p> <p>The matters referred to in the Paragraph 2 shall be approved by at least one-half of all members of the Audit Committee and submitted to the Board of Directors for resolution, and the provisions of Article <u>6</u>, Paragraphs <u>4</u> and <u>5</u> shall apply.</p> <p><u>IV.</u> In addition to following the relevant provisions of these Procedures, the Company and its related parties shall acquire or dispose of assets in accordance with the relevant provisions of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" issued by the competent securities authorities.</p>	<p>and the provisions of Article <u>6</u>, Paragraphs <u>2</u> and <u>3</u> shall apply.</p> <p><u>VI.</u> <u>In the event that the Company or a subsidiary of the Company that is not a domestic public company enters into a transaction listed in paragraph 2, and the transaction amount reaches 10% or more of the Company's total assets, the Company shall submit the information listed in the second paragraph to the shareholders' meeting for approval before signing the transaction contract and making payment. This requirement does not apply, however, to transactions between the Company and its subsidiaries, or in transactions between the Company's subsidiaries.</u></p> <p><u>VII.</u> <u>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 16, Paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Audit Committee and ratified by the Board of Directors and shareholders' meetings need not be counted toward the transaction amount.</u></p> <p><u>VIII.</u> With respect to the acquisition or disposal of assets by the Company and its related parties, in addition to following the relevant provisions of these Procedures, the Company and its related parties shall acquire or dispose of assets in accordance with the relevant provisions of the</p>	



Article	Current Provisions	Amended Provisions	Description
		"Regulations Governing the Acquisition and Disposal of Assets by Public Companies " issued by the competent securities authorities.	
Article 11	Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20% or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u>	Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20% or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.	Amended in accordance with the latest laws and regulations
Article 13	The calculation of the transaction amounts referred to in Articles 8 to 11 shall be carried out in accordance with "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.	The calculation of the transaction amounts referred to in Articles 8 to 11 shall be carried out in accordance with <u>Articles 16, Paragraph 2</u> , and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.	
Article 16	Public Disclosure of Information I. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the	Public Disclosure of Information I. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the	Amended in accordance with the latest laws and

Article	Current Provisions	Amended Provisions	Description
	<p>competent authority's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event: ...(omitted)</p> <p>(IV) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets <u>any of the following criteria:</u></p> <p>1. <u>A public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</u></p> <p>2. <u>A public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</u></p> <p>(V) <u>Acquisition or disposal by the Company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the Company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project</u></p>	<p>competent authority's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event: ...(omitted)</p> <p>(IV) Acquisition or disposal of equipment for business use or its right-of-use assets, where the counterparty is not a related party and the transaction amount reaches NT\$500 million or more.</p> <p>(V) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p><u>VI.</u> Where an asset transaction other than any of those referred to in the preceding <u>five</u> subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or NT\$300 million provided, this</p>	<p>regulation s</p>

Article	Current Provisions	Amended Provisions	Description
	<p>that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</p> <p>(VI) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.</p> <p>(VII) Where an asset transaction other than any of those referred to in the preceding six paragraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> <li>1. Trading of domestic government bonds.</li> <li>2. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money</li> </ol>	<p>shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> <li>1. Trading domestic government bonds <u>or foreign government bonds with a sovereign rating not lower than the sovereign rating of Taiwan, R.O.C.</u></li> <li>2. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</li> </ol> <p>II. <u>The amount of the preceding transactions shall be calculated as follows:</u></p> <ol style="list-style-type: none"> <li>(I) <u>The amount of each transaction.</u></li> <li>(II) <u>The cumulative amount of transactions of the same nature with the same counterparty within one year.</u></li> <li>(III) <u>The cumulative amount of acquisition or disposal (acquisition and disposal, respectively) of real estate or its right-of-use assets of the same development project within one year.</u></li> <li>(IV) <u>The cumulative amount of acquisition or disposal (acquisition or disposal, respectively) of the same marketable securities within one year.</u></li> </ol> <p>III. <u>The one-year period referred to in the preceding paragraph is based on the</u></p>	

Article	Current Provisions	Amended Provisions	Description
	<p>market funds issued by domestic securities investment trust enterprises.</p> <p>II. The announcement and reporting standards for the Company's acquisition or disposal of assets, the items to be announced and the calculation of transaction amounts are all carried out in accordance with relevant laws and regulations.</p> <p>III. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the competent authorities by the 10<sup>th</sup> day of each month.</p> <p>IV. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>V. The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except</p>	<p>date of occurrence of the transaction and is projected one year in advance, and the part that has been announced in accordance with the provisions of this procedure shall not be counted again.</p> <p>IV. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the competent authorities by the 10<sup>th</sup> day of each month.</p> <p>V. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowledge of such error or omission.</p> <p>VI. When acquiring or disposing of assets, the Company shall retain all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another regulation provides otherwise.</p> <p>VII. If one of the following circumstances occurs after the Company has</p>	

Article	Current Provisions	Amended Provisions	Description
	<p>where another act provides otherwise.</p> <p><u>VI.</u> Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the competent authority within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(I) Change, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>(II) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>(III) Change to the originally publicly announced and reported information.</p> <p><u>VII.</u> Information required to be publicly announced and reported in accordance with the provisions of this Article on acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan shall be reported by the public company. The paid-in capital or total assets of the Company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or</p>	<p>announced and reported a transaction in accordance with the preceding regulations, the Company shall report the relevant information on the designated website of the competent authority within two days from the date of occurrence of the fact.</p> <p>(I) Change, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>(II) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>(III) Change to the originally publicly announced and reported information.</p> <p><u>VIII.</u> If a subsidiary of the Company that is not a domestic public company acquires or disposes of assets up to the standards required to be announced and reported in accordance with this Article, the Company shall make the announcement and report on its behalf. The paid-in capital or total assets of the Company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing of 20% of paid-in capital or 10% of the Company's total assets.</p>	

Article	Current Provisions	Amended Provisions	Description
	total assets, it reaches a threshold requiring public announcement and regulatory filing of 20% of paid-in capital or 10% of the Company's total assets.		
Article 22	Amendment date ...(omitted) The 8 <sup>th</sup> amendment was made on June 12, 2020.	Amendment date ...(omitted) The 8 <sup>th</sup> amendment was made on June 12, 2020. <u>The 9<sup>th</sup> amendment was made on May 27, 2022.</u>	Amendme nt date added.

# Appendix 1

## Coremax Corporation

### Rules of Procedure for Shareholder Meetings;

2021/07/05

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.

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, release of directors from non-compete

agreements, 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 of the Company Act, matters set forth in Article 26-1 and 43-6 of the Securities and Exchange Act, Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities 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.

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. 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. **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.**

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, and at the same time announce the number of **non-voting shares and the number of shares present**. 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. 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.

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. 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.

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 recording 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 Amendment 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.

The 5<sup>th</sup> amendment was made on July 5, 2021.

## Appendix 2

# Coremax Corporation ARTICLES OF INCORPORATION

### Chapter I. General Provision

- Article 1 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, and Coremax Corporation in English.
- Article 2 The Company is engaged in the following business:
- I. C801010 Basic Industrial Chemical Manufacturing
  - II. C801990 Other Chemical Materials Manufacturing
  - III. C802120 Industrial and Additive Manufacturing
  - IV. F107170 Wholesale of Industrial Catalyst
  - V. F107200 Wholesale of Chemical Feedstock
  - VI. F107990 Wholesale of Other Chemical Products
  - VII. F207170 Retail Sale of Industrial Catalyst
  - VIII. F207200 Retail Sale of Chemical Feedstock
  - IX. F207990 Retail Sale of Other Chemical Products
  - X. CC01080 Electronics Components Manufacturing
  - XI. CC01090 Manufacture of Batteries and Accumulators
  - XII. ZZ99999 All business items that are not prohibited or restricted by law, except those subject to special approval.
- Article 2-1 The scope of business of the Company shall be as follows:
- I. Manufacturing and sales of catalyst such as cobalt acetate and manganese acetate. (Excluding radioactive substances)
  - II. Manufacturing and sales of cobalt, metal, organic and inorganic salts. (Excluding radioactive substances)
  - III. Manufacturing and trading of electronic components.
  - IV. Manufacturing and trading of chemical battery, standard battery, storage battery, etc.
  - V. 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 1.5 billion New Taiwan Dollars, divided into 150 million 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 The Company's shares shall be issued in registered form under the signatures or seals of the directors representing the Company, and shall be duly certified or authenticated in accordance with the law.

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 Act, 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 Act, the Securities and Exchange Act 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:

I. The appointment and dismissal of the managers of the Company.

II. Determination and amendment of the business policies.

III. Approval of budget and account settlement.

IV. Planning for the distribution of earnings or write-off loss.

V. Approval for reinvestment and loans to other companies and asset mortgages.

VI. 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.

VII. 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.

VIII. 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.

IX. Approval of significant contracts.

X. 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:

I. Business report;

II. Financial statements;

III. The earnings distribution or loss off-setting proposals.

Article 27 If there is a profit in the year, the Company shall allocate no less than 1.5% of the profit as employees' remuneration. The remuneration to employees will be distributed in shares or cash by a resolution made by the board of directors. Employees in subordinate companies who meet certain criteria are entitled to receive remuneration. The Company may have the Board of Directors resolve to appropriate no more than 5% of the aforementioned amount as the directors' remuneration. The distribution of employees' and directors' remunerations shall be reported in the Shareholders' Meeting.

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

Article 28 If there is a surplus in the Company's annual settlement, tax shall be paid as required by laws. After offsetting the accumulated losses, another 10% shall be appropriated as the legal reserve. However, when the legal reserve has reached the Company's paid-in capital, the appropriation may be exempted; and the rest shall be appropriated or reversed as the special reserve pursuant to laws and regulations; if there is a balance, with the accumulated undistributed surplus, the Board of Directors shall propose a profit distribution and submit to the shareholders meeting to resolve the distribution of dividends to shareholders.

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

## **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 July 30, 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 11th amendment was made on August 9, 2001.  
The 12th amendment was made on June 17, 2002.  
The 13th amendment was made on May 2, 2003.  
The 14th amendment was made on May 28, 2004.  
The 15<sup>th</sup> amendment was made on November 1, 2004.  
The 16th 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 26th 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.  
The 29<sup>th</sup> amendment was made on July 5, 2021.

## Appendix 3

### 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 2022 (March 29, 2022), the total number of shares issued by the company is 107,029,269. 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	933,000
Director	Chang Sing Investment Co., Ltd. Representative: Chiu, Hsien Tung	13,691,032
Director	Cheng Jade Enterprise Co., Ltd. Representative: Ho, Eugene Lawrence	13,233,929
Director	Ho, Chi-Chou	394,179
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		28,273,140