

Prime Oil Chemical Service Corporation and
subsidiaries

Consolidated Financial Statements and
Independent Auditor's Review Report

March 31, 2021 and 2020

(Stock Code: 2904)

Company Address: 5F, No. 131, Section 3, Minsheng East
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Independent Auditor's Review Report

(2021)PWCR21000318

To the Board of Directors and Shareholders of Prime Oil Chemical Service Corporation.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Prime Oil Chemical Service Corporation and its subsidiaries (the "POCS Group") as of March 31, 2021 and 2020 and the related consolidated comprehensive income statements, consolidated statements of changes in equity and consolidated cash flow statements for the periods then ended, and notes to the consolidated financial statements (including a summary of significant accounting policies). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Statement 34 "Interim Financial Reporting" endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

Scope of Review

Except for those described in the paragraph of basis of qualified conclusion, we concluded our reviews in accordance with Statements of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity." A review of consolidated financial statements consists of making inquiries (primarily of persons responsible for financial and accounting matters), and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of qualified conclusion

As described in Note 4(3) 2. to the consolidated financial statements, the financial statements of certain non-significant subsidiaries included in the above consolidated financial statements for the same period have not been reviewed by us. As of March 31, 2021 and 2020, their total assets amounted to NT\$404,770 thousand and NT\$380,356 thousand, respectively, accounting for 24% and 25% of the consolidated total assets; their total liabilities amounted to NT\$104,949 thousand and NT\$118,867 thousand, respectively, accounting for 18% and 23% of the consolidated total liabilities. Their total consolidated income from January 1 to March

31, 2021 and 2020 was NT\$1,026 thousand and NT\$1,553 thousand, respectively, which accounted for 3% and 6% of the consolidated comprehensive income, respectively.

Qualified conclusion

Based on our review, except for the effect of adjustments, if any, as might have been made to the consolidated financial statements had the financial statements of these non-significant subsidiaries been reviewed by us as described in the paragraph of basis of qualified conclusion, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material aspects the consolidated financial position of the POCS Group as of March 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the three months then ended March 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed by the Financial Supervisory Commission.

PricewaterhouseCoopers, Taiwan

Pan Hui-ling

Accountant

Chang Shu-chiung

May 12, 2021

Prime Oil Chemical Service Corporation and subsidiaries

Consolidated balance sheets

March 31, 2021, December 31, 2020 and March 31, 2020

(The accompanying consolidated balance sheets as of March 31, 2021 and 2020 have been reviewed only, and have not been audited in accordance with generally accepted auditing standards.)

Unit: NTD thousand

| Assets | Note | March 31, 2021 | | December 31, 2020 | | March 31, 2020 | | |
|---------------------------|--------------------------------------|----------------|---------------------|-------------------|---------------------|----------------|---------------------|------------|
| | | Amount | % | Amount | % | Amount | % | |
| Current assets | | | | | | | | |
| 1100 | Cash and cash equivalents | 6 (1) | \$ 188,922 | 12 | \$ 142,716 | 9 | \$ 255,065 | 16 |
| 1150 | Notes receivable, net | 6 (4) | 152 | - | 244 | - | 139 | - |
| 1170 | Accounts receivable, net | 6 (4) and 12 | | | | | | |
| | | (2) | 37,670 | 2 | 45,164 | 3 | 32,701 | 2 |
| 1200 | Other receivables | | 1,549 | - | 1,960 | - | - | - |
| 1410 | Prepayments | | 13,576 | 1 | 15,789 | 1 | 23,702 | 2 |
| 1476 | Other financial assets - current | 6 (5) | 16,521 | 1 | 16,489 | 1 | 17,521 | 1 |
| 11XX | Total current assets | | <u>258,390</u> | <u>16</u> | <u>222,362</u> | <u>14</u> | <u>329,128</u> | <u>21</u> |
| Non-current assets | | | | | | | | |
| 1510 | Financial assets at fair value | 6 (2) | | | | | | |
| | through profit or loss - non-current | | 81,067 | 5 | 67,074 | 4 | 39,901 | 3 |
| 1517 | Financial assets at fair value | 6(3) | | | | | | |
| | through other comprehensive | | | | | | | |
| | income - noncurrent | | 39,658 | 2 | 42,980 | 3 | 37,221 | 2 |
| 1600 | Property, plant and equipment | 6 (6) | 1,142,230 | 69 | 1,151,499 | 70 | 969,765 | 63 |
| 1755 | Right-of-use assets | 6 (7) | 70,064 | 4 | 84,557 | 5 | 127,778 | 8 |
| 1780 | Intangible asset | | 5,123 | - | 5,408 | - | 3,832 | - |
| 1840 | Deferred tax assets | | 4,595 | - | 5,252 | - | 2,596 | - |
| 1915 | Prepayments for equipment | 6 (24) | 2,002 | - | - | - | - | - |
| 1920 | Refundable deposits | 8 | 57,189 | 4 | 58,896 | 4 | 39,413 | 3 |
| 1980 | Other financial assets - non-current | | 2,300 | - | - | - | - | - |
| 15XX | Total non-current assets | | <u>1,404,228</u> | <u>84</u> | <u>1,415,666</u> | <u>86</u> | <u>1,220,506</u> | <u>79</u> |
| 1XXX | Total assets | | <u>\$ 1,662,618</u> | <u>100</u> | <u>\$ 1,638,028</u> | <u>100</u> | <u>\$ 1,549,634</u> | <u>100</u> |

(Continued)

Prime Oil Chemical Service Corporation and subsidiaries

Consolidated balance sheets

March 31, 2021, December 31, 2020 and March 31, 2020

(The accompanying consolidated balance sheets as of March 31, 2021 and 2020 have been reviewed only, and have not been audited in accordance with generally accepted auditing standards.)

Unit: NTD thousand

| Liabilities and Stockholders' Equity | Note | March 31, 2021 | | December 31, 2020 | | March 31, 2020 | | |
|--|--|----------------|------------------|-------------------|------------------|----------------|------------------|-----------|
| | | Amount | % | Amount | % | Amount | % | |
| Current liabilities | | | | | | | | |
| 2100 | Short-term borrowings | 6 (9) | \$ 67,300 | 4 | \$ 98,800 | 6 | \$ 81,100 | 5 |
| 2110 | Short-term bills payable | 6 (9) | 19,500 | 1 | 45,500 | 3 | 16,000 | 1 |
| 2150 | Notes payable | | 5,004 | - | 6,881 | - | 5,376 | - |
| 2200 | Other payables | 6 (11) | 51,230 | 3 | 76,996 | 5 | 65,993 | 4 |
| 2230 | Current income tax liabilities | | 33,177 | 2 | 27,143 | 2 | 23,577 | 2 |
| 2280 | Current lease liabilities | | 52,981 | 3 | 53,070 | 3 | 53,744 | 4 |
| 2300 | Other current liabilities | 6 (10) | 64,280 | 4 | 55,796 | 3 | 31,542 | 2 |
| 21XX | Total current liabilities | | <u>293,472</u> | <u>17</u> | <u>364,186</u> | <u>22</u> | <u>277,332</u> | <u>18</u> |
| Non-current liabilities | | | | | | | | |
| 2540 | Long-term borrowings | 6 (10) | 242,436 | 15 | 171,492 | 11 | 139,351 | 9 |
| 2550 | Provisions for liabilities - non-current | 6 (13) | 22,637 | 1 | 21,923 | 1 | 17,640 | 1 |
| 2570 | Deferred tax liabilities | | 3,102 | - | 2,905 | - | 2,249 | - |
| 2580 | Non-current lease liabilities | | 11,501 | 1 | 24,778 | 2 | 69,365 | 5 |
| 2640 | Net defined benefit liabilities - noncurrent | 6 (12) | 7,531 | 1 | 7,856 | 1 | 7,620 | 1 |
| 2645 | Guarantee deposits received | | 6,450 | - | 6,450 | - | 6,450 | - |
| 25XX | Total non-current liabilities | | <u>293,657</u> | <u>18</u> | <u>235,404</u> | <u>15</u> | <u>242,675</u> | <u>16</u> |
| 2XXX | Total liabilities | | <u>587,129</u> | <u>35</u> | <u>599,590</u> | <u>37</u> | <u>520,007</u> | <u>34</u> |
| Equity attributable to shareholders of the parent company | | | | | | | | |
| Share capital | | | | | | | | |
| 3110 | Common stock | 6 (14) | 690,344 | 42 | 690,344 | 42 | 690,344 | 45 |
| Additional paid-in capital | | | | | | | | |
| 3200 | Additional paid-in capital | 6 (15) | 4,233 | - | 4,233 | - | 4,233 | - |
| Retained earnings | | | | | | | | |
| 3310 | Legal reserve | 6(16) | 171,221 | 10 | 171,221 | 11 | 157,731 | 10 |
| 3350 | Unappropriated retained earnings | | 225,289 | 14 | 185,215 | 11 | 181,412 | 12 |
| Other equity interests | | | | | | | | |
| 3400 | Other equity interests | | (16,085) | (1) | (13,064) | (1) | (9,175) | (1) |
| 31XX | Total equity attributable to shareholders of the parent company | | <u>1,075,002</u> | <u>65</u> | <u>1,037,949</u> | <u>63</u> | <u>1,024,545</u> | <u>66</u> |

The accompanying notes are an integral part of the consolidated financial statements and should be read in conjunction.

Prime Oil Chemical Service Corporation and subsidiaries

Consolidated balance sheets

March 31, 2021, December 31, 2020 and March 31, 2020

(The accompanying consolidated balance sheets as of March 31, 2021 and 2020 have been reviewed only, and have not been audited in accordance with generally accepted auditing standards.)

Unit: NTD thousand

| | | | | | | | |
|------|---|---------------------|------------|---------------------|------------|---------------------|------------|
| 36XX | Non-controlling interests | <u>487</u> | <u>-</u> | <u>489</u> | <u>-</u> | <u>5,082</u> | <u>-</u> |
| 3XXX | Total equity | <u>1,075,489</u> | <u>65</u> | <u>1,038,438</u> | <u>63</u> | <u>1,029,627</u> | <u>66</u> |
| | Significant contingent liabilities and unrecognized contract commitments | | 9 | | | | |
| 3X2X | Total liabilities and equity | <u>\$ 1,662,618</u> | <u>100</u> | <u>\$ 1,638,028</u> | <u>100</u> | <u>\$ 1,549,634</u> | <u>100</u> |

The accompanying notes are an integral part of the consolidated financial statements and should be read in conjunction.

Prime Oil Chemical Service Corporation and subsidiaries

Consolidated income statements

January 1 to March 31, 2021 and 2020

(Reviewed only, not audited in accordance with generally accepted auditing standards)

Unit: NTD thousand
(Except for earnings per share)

| | Item | Note | January 1 to March 31, 2021 | | January 1 to March 31, 2020 | |
|------|--|------------|-----------------------------|-------------|-----------------------------|-------------|
| | | | Amount | % | Amount | % |
| 4000 | Operating income | 6 (8) (17) | \$ 133,589 | 100 | \$ 117,190 | 100 |
| 5000 | Operating cost | 6 (20) | | | | |
| | | (21) | (78,667) | (59) | (68,058) | (58) |
| 5900 | Operating gross profits | | <u>54,922</u> | <u>41</u> | <u>49,132</u> | <u>42</u> |
| | Operating expenses | 6 (20) | | | | |
| | | (21) | | | | |
| 6100 | Selling and marketing expenses | | (1,421) | (1) | (1,334) | (1) |
| 6200 | General and administrative expenses | | (20,134) | (15) | (14,311) | (12) |
| 6000 | Total operating expenses | | (21,555) | (16) | (15,645) | (13) |
| 6900 | Operating profit | | <u>33,367</u> | <u>25</u> | <u>33,487</u> | <u>29</u> |
| | Non-operating income and expenses | | | | | |
| 7100 | Interest income | | 42 | - | 170 | - |
| 7010 | Other income | | 135 | - | 240 | - |
| 7020 | Other gains or losses | 6 (18) | 13,968 | 10 | 1,082 | 1 |
| 7050 | Financial costs | 6 (19) | (627) | - | (936) | (1) |
| 7000 | Total non-operating income and expenses | | <u>13,518</u> | <u>10</u> | <u>556</u> | <u>-</u> |
| 7900 | Profit before income tax | | <u>46,885</u> | <u>35</u> | <u>34,043</u> | <u>29</u> |
| 7950 | Income tax expense | 6 (22) | (6,813) | (5) | (6,344) | (6) |
| 8200 | Current period net profit | | <u>\$ 40,072</u> | <u>30</u> | <u>\$ 27,699</u> | <u>23</u> |
| | Other comprehensive income for the year (net) | | | | | |
| | Items that will be reclassified to profit or loss | | | | | |
| 8316 | Unrealized valuation gain or loss on equity instruments at fair value through other comprehensive income | 6(3) | (\$ 3,322) | (2) | (\$ 3,125) | (3) |
| 8310 | Total amount of items that will not be reclassified to profit or loss | | (3,322) | (2) | (3,125) | (3) |
| | Items that may be reclassified subsequently to profit or loss: | | | | | |
| 8361 | Exchange differences in translating the financial statements of foreign operations | | 376 | - | 1,957 | 2 |
| 8399 | Income taxes related to items that may be reclassified | 6 (22) | (75) | - | (392) | - |
| 8360 | Total of items that may be reclassified to profit or loss | | <u>301</u> | <u>-</u> | <u>1,565</u> | <u>2</u> |
| 8300 | Other comprehensive income for the year (net) | | <u>(\$ 3,021)</u> | <u>(2)</u> | <u>(\$ 1,560)</u> | <u>(1)</u> |
| 8500 | Total comprehensive income in the current period | | <u>\$ 37,051</u> | <u>28</u> | <u>\$ 26,139</u> | <u>22</u> |
| | Net income attributable to: | | | | | |
| 8610 | Shareholders of the parent company | | \$ 40,074 | 30 | \$ 27,692 | 23 |

The accompanying notes are an integral part of the consolidated financial statements and should be read in conjunction.

Prime Oil Chemical Service Corporation and subsidiaries
Consolidated income statements
January 1 to March 31, 2021 and 2020

(Reviewed only, not audited in accordance with generally accepted auditing standards)

Unit: NTD thousand
(Except for earnings per share)

| | | | | | | | |
|------|---|----|--------|--------|----|--------|------|
| 8620 | Non-controlling interests | (| 2) | - | | 7 | - |
| | | \$ | 40,072 | 30 | \$ | 27,699 | 23 |
| | Total comprehensive income attributable to: | | | | | | |
| 8710 | Shareholders of the parent company | \$ | 37,053 | 28 | \$ | 26,132 | 22 |
| 8720 | Non-controlling interests | (| 2) | - | 7 | - | - |
| | | \$ | 37,051 | 28 | \$ | 26,139 | 22 |
| | Earnings per share | | | | | | |
| | | | | 6 (23) | | | |
| 9750 | Basic | \$ | | 0.58 | \$ | | 0.40 |
| 9850 | Diluted | \$ | | 0.58 | \$ | | 0.39 |

The accompanying notes are an integral part of the consolidated financial statements and should be read in conjunction.

Prime Oil Chemical Service Corporation and subsidiaries
Consolidated statements of changes in equity
January 1 to March 31, 2021 and 2020
(Reviewed only, not audited in accordance with generally accepted auditing standards)

Unit: NTD thousand

| Note | Equity attributable to shareholders of the parent company | | | | | | | | Non-controlling interests | Total equity |
|--|---|-----------------|-------------------|----------------------------------|--|--|---------------------|-----------------|---------------------------|--------------|
| | Share capital - common stock | Capital surplus | Retained earnings | | | Other equity interests | | Total | | |
| | | | Legal reserve | Unappropriated retained earnings | Exchange Differences in Translating the Financial Statements of Foreign Operations | Unrealized gain or loss on financial assets at fair value through other comprehensive income | | | | |
| <u>The 1st quarter of 2020</u> | | | | | | | | | | |
| Balance at January 1, 2020 | \$ 690,344 | \$ 4,233 | \$ 157,731 | \$ 153,720 | (\$ 2,909) | (\$ 4,706) | \$ 998,413 | \$ 5,075 | \$ 1,003,488 | |
| Current period net profit | - | - | - | 27,692 | - | - | 27,692 | 7 | 27,699 | |
| Other comprehensive income recognized for the period | - | - | - | - | 1,565 | (3,125) | (1,560) | - | (1,560) | |
| Total comprehensive income in the current period | - | - | - | 27,692 | 1,565 | (3,125) | 26,132 | 7 | 26,139 | |
| Balance at March 31, 2020 | <u>\$ 690,344</u> | <u>\$ 4,233</u> | <u>\$ 157,731</u> | <u>\$ 181,412</u> | <u>(\$ 1,344)</u> | <u>(\$ 7,831)</u> | <u>\$ 1,024,545</u> | <u>\$ 5,082</u> | <u>\$ 1,029,627</u> | |
| <u>1st quarter of 2021</u> | | | | | | | | | | |
| Balance at January 1, 2021 | \$ 690,344 | \$ 4,233 | \$ 171,221 | \$ 185,215 | (\$ 10,992) | (\$ 2,072) | \$ 1,037,949 | \$ 489 | \$ 1,038,438 | |
| Current period net profit | - | - | - | 40,074 | - | - | 40,074 | (2) | 40,072 | |
| Other comprehensive income recognized for the period | - | - | - | - | 301 | (3,322) | (3,021) | - | (3,021) | |
| Total comprehensive income in the current period | - | - | - | 40,074 | 301 | (3,322) | 37,053 | (2) | 37,051 | |
| Balance at March 31, 2021 | <u>\$ 690,344</u> | <u>\$ 4,233</u> | <u>\$ 171,221</u> | <u>\$ 225,289</u> | <u>(\$ 10,691)</u> | <u>(\$ 5,394)</u> | <u>\$ 1,075,002</u> | <u>\$ 487</u> | <u>\$ 1,075,489</u> | |

The accompanying notes are an integral part of the consolidated financial statements.

Prime Oil Chemical Service Corporation and subsidiaries
Consolidated cash flow statements
January 1 to March 31, 2021 and 2020
(Reviewed only, not audited in accordance with generally accepted auditing standards)

Unit: NTD thousand

| | Note | January 1 to March 31, 2021 | January 1 to March 31, 2020 |
|---|------------------|--------------------------------|--------------------------------|
| <u>Cash flow from operating activities</u> | | | |
| Profit before income tax for the year | | \$ 46,885 | \$ 34,043 |
| Adjustment for: | | | |
| Income and expenses having no effect on cash flows | | | |
| Depreciation expense | 6 (6)(7) (20) | 40,368 | 37,604 |
| Allocations | 6 (20) | 332 | 213 |
| Gain on valuation of financial assets at fair value through profit or loss | 6 (2)(18) | (13,993) | (2,765) |
| Financial costs | 6 (19) | 627 | 936 |
| Interest income | | (42) | (170) |
| Effect of exchange rate on other financial assets - current | 6 (5) | (32) | 1,561 |
| Change in assets/liabilities related to operating activities | | | |
| Changes in operating assets | | | |
| Notes receivable, net | | 92 | (6) |
| Accounts receivable, net | | 7,494 | 2,965 |
| Other receivables | | 411 | 174 |
| Prepayments | | 2,213 | (5,055) |
| Other financial assets - non-current | | (2,300) | - |
| Changes in operating liabilities | | | |
| Notes payable | | (1,877) | (2,016) |
| Other payables | | 176 | (2,949) |
| Other current liabilities | | (26) | (29) |
| Net defined benefit liabilities | | (325) | (369) |
| Cash flow from operating activities | | 80,003 | 64,137 |
| Interest paid | | (627) | (936) |
| Interest received | | 42 | 170 |
| Income tax paid | | - | (6) |
| Net cash generated by operating activities | | 79,418 | 63,365 |
| <u>Cash flow from investing activities</u> | | | |
| Refund of share price due to capital reduction of financial assets at fair value through profit or loss | 12 (3) | - | 2,957 |
| Purchase of property, plant and equipment | 6 (24) | (43,496) | (41,177) |
| Acquisition of intangible assets | | (47) | (37) |
| Decrease in refundable deposits | | 1,707 | 7,022 |
| Net cash used in investing activities | | (41,836) | (31,235) |
| <u>Cash flow from financing activities</u> | | | |
| Decrease in short-term borrowings | | (31,500) | (2,500) |
| Increase (decrease) in short-term bills payable | | (26,000) | 5,000 |
| Borrowing of long-term loans (including portions due within one year or one operating cycle) | | 88,000 | 85,000 |
| Repayment of long-term loans (including portions due within one year or one operating cycle) | | (8,546) | (5,391) |
| Amount of principal payments on lease liabilities | 6 (7) | (13,366) | (14,014) |

The accompanying notes are an integral part of the consolidated financial statements.

Prime Oil Chemical Service Corporation and subsidiaries
Consolidated cash flow statements
January 1 to March 31, 2021 and 2020
(Reviewed only, not audited in accordance with generally accepted auditing standards)

Unit: NTD thousand

| | Note | January 1 to March 31, 2021 | January 1 to March 31, 2020 |
|--|------|--------------------------------|--------------------------------|
| Net cash inflow from financing activities | | 8,588 | 68,095 |
| Effects of exchange rate changes on the balance of cash held in foreign currencies | | 36 | 82 |
| Increase in cash and cash equivalents | | 46,206 | 100,307 |
| Beginning of year cash and cash equivalents | | 142,716 | 154,758 |
| Cash and cash equivalents at the end of the year | | \$ 188,922 | \$ 255,065 |

The accompanying notes are an integral part of the consolidated financial statements.

Prime Oil Chemical Service Corporation and subsidiaries
Notes to consolidated financial statements
Three months ended March 31, 2021 and 2020

(Reviewed only, not audited in accordance with generally accepted auditing standards)

Unit: NTD thousand
(Unless otherwise specified)

I. Company History and Business Scope

Prime Oil Chemical Service Corporation (hereinafter referred to as the "Company") was established on October 1, 1978 and was listed on the Taiwan Stock Exchange on January 5, 1983. The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are mainly engaged in chemical, oil tank storage and delivery services, general trading, solar power generation business and commercial real estate leasing.

II. Date and Procedures for Approval of Financial Statements

The accompanying consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 12, 2021.

III. Newly-released and amended standards and interpretations

(I) The impact from adopting the newly released and revised International Financial Reporting Standards recognized by the Financial Supervisory Commission.

The following table summarizes the applicable newly released, corrected and amended standards and interpretations of the International Financial Reporting Standards recognized by the Financial Supervisory Commission in 2021:

| <u>New, Revised or Amended Standards and Interpretations</u> | <u>Effective Date Issued by IASB</u> |
|---|--|
| Amendment to IFRS 4 "Extension of Provisional Exemption for Application of IFRS 9" | January 1, 2021 |
| Amendments to the IFRS 9, IAS 39, and IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform - Phase II." | January 1, 2021 |

The Corporate Group believes that adopting the aforementioned IFRSs will not have a significant effect on the consolidated financial position and performance.

(II) Impact of the newly released and amended IFRS recognized by the FSC not yet adopted by the Company.

Not applicable.

(III) IFRSs issued by the IASB but not yet recognized by the FSC.

The following table summarizes the applicable newly released, corrected and amended standards and interpretations of the International Financial Reporting Standards issued by the IASB but not yet recognized by the FSC:

| <u>New, Revised or Amended Standards and Interpretations</u> | <u>Effective Date Issued by IASB</u> |
|--|--------------------------------------|
| Amendment to IFRS 3 "Update the index of the conceptual framework." | January 1, 2022 |
| IFRS 10 and IAS 28 amendments, Sale or contribution of assets between an investor and its associate or joint venture | To be decided by the IASB |
| Amendment to IFRS 16 "Rent Reduction associated with the COVID-19 pandemic after June 30, 2021." | April 1, 2021 |
| IFRS 17 - Insurance contracts | January 1, 2023 |
| Amendment to IFRS 17 "Insurance contracts." | January 1, 2023 |
| Amendment to IAS 1 "Classification of Liabilities as Current or Non-Current" | January 1, 2023 |
| Amendment to IAS 1 "Disclosure of Accounting Policies." | January 1, 2023 |
| Amendment to IAS 8 "Disclosure of Accounting Policies." | January 1, 2023 |
| Amendment to IAS 16 "Property, plant and equipment: price before reaching the intended state of use" | January 1, 2022 |
| Amendment to IAS 37 "Onerous Contracts - Cost of Performing Contracts" | January 1, 2022 |
| "Annual Improvements 2018 - 2020 Cycle" | January 1, 2022 |

The Corporate Group believes that adopting the aforementioned IFRSs will not have a significant effect on the consolidated financial position and performance.

IV. Summary of significant accounting policies

The significant accounting policies are the same as those described in Note 4 to the consolidated financial statements as of and for the year ended December 31, 2020, except for the statement of compliance, the basis of preparation, the basis of consolidation, and the new sections described below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(I) Compliance statement

1. The consolidated financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International 34 "Interim Financial Reporting" endorsed by the Financial Supervisory Commission
2. The consolidated financial statements should be read in conjunction with the consolidated financial statements as of and for the year ended December 31, 2020.

(II) Basis of preparation

1. The consolidated financial statements have been prepared on a historical cost basis, except for the following significant items.
 - (1) Financial assets at fair value through profit or loss are measured at fair value.

- (2) Other comprehensive income at fair value through profit or loss are measured at fair value.
- (3) The defined benefit liability is recognized as the net of the present value of the pension fund assets less the defined benefit obligation.
2. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(III) Basis of consolidation

1. The basis for preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with the same principles as the consolidated financial statements as of and for the year ended December 31, 2020.

2. Subsidiaries included in consolidated financial statements

| <u>Investor</u> | <u>Investee</u> | <u>Main Business</u> | <u>Shareholding percentage (%)</u> | | | <u>Description</u> |
|-----------------|----------------------------------|----------------------------------|------------------------------------|--------------------------|-----------------------|--------------------|
| | | | <u>March 31, 2021</u> | <u>December 31, 2020</u> | <u>March 31, 2020</u> | |
| The Company | Ho Chen Feng Co., Ltd. | Real Estate Leasing | 69.47 | 69.47 | 69.47 | Note 2 |
| The Company | POCS Power Co., Ltd. | Solar Power Industry | 100.00 | 100.00 | 100.00 | Note 2 |
| The Company | Prime Holdings Corporation (PHC) | Shareholding and General Trading | 100.00 | 100.00 | 100.00 | Note 2 |
| PHC | Prime Solar Energy Co., Ltd. | Real Estate Development | 100.00 | 100.00 | 100.00 | Note 1 and 2 |

Note 1: Prime Solar Energy Co., Ltd. is a subsidiary established in Cambodia through another subsidiary, Prime Holdings Corporation. In order for Prime Solar Energy Co., Ltd. to legally hold land in Cambodia, 51% of the shares are nominally held through local persons in accordance with local laws and regulations, but Prime Holdings Corporation still enjoys 100% equity and control in substance.

Note 2: Their financial statements as of March 31, 2021 and 2020 were not reviewed by CPAs because they did not meet the definition of a significant subsidiary.

3. Subsidiaries not included in consolidated financial statements: No such situation.
4. Adjustments for subsidiaries with different balance sheet dates: No such situation.
5. Significant restrictions: No such situation.
6. Subsidiaries that have non-controlling interests that are material to the Corporate Group: No such situation.

(IV) Employee benefits

Pension ~ defined benefit plan

The pension cost for the interim period is calculated using the actuarially determined pension cost rate as of the end of the previous fiscal year and is based on the beginning of the year to the end of the current period. If there are significant market changes and material reductions, settlements or other significant one-time events after the cut off day, adjustments will be made and the relevant information will be disclosed in accordance with the aforementioned policy.

(V) Income tax

The income tax expense for the interim period is calculated by applying the estimated average effective tax rate for the year to the income before tax for the interim period and the related information is disclosed.

V. Significant Accounting Estimations and Judgments, and Main Sources of Assumption Uncertainties

There were no significant changes during the period. Please refer to Note 5 of the Notes to Consolidated Financial Statements as of and for the year ended December 31, 2020.

VI. Statements of main accounting items

(I) Cash and cash equivalents

| | <u>March 31, 2021</u> | <u>December 31, 2020</u> | <u>March 31, 2020</u> |
|---------------------------------------|-----------------------|--------------------------|-----------------------|
| Cash on hand and working capital | \$ 215 | \$ 217 | \$ 165 |
| Checking accounts and demand deposits | 90,057 | 83,849 | 134,150 |
| Time deposits | <u>98,650</u> | <u>58,650</u> | <u>120,750</u> |
| | <u>\$ 188,922</u> | <u>\$ 142,716</u> | <u>\$ 255,065</u> |

1. The Corporate Group associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

2. The Group has not pledged the above cash and cash equivalents.

(II) Financial assets at fair value through profit and loss

| <u>Item</u> | <u>March 31, 2021</u> | <u>December 31, 2020</u> | <u>March 31, 2020</u> |
|--|-----------------------|--------------------------|-----------------------|
| Non-current items: | | | |
| Financial assets at fair value through profit and loss | | | |
| Investment in private equity | \$ 56,694 | \$ 56,694 | \$ 29,521 |
| Valuation adjustment | <u>24,373</u> | <u>10,380</u> | <u>10,380</u> |
| Total | <u>\$ 81,067</u> | <u>\$ 67,074</u> | <u>\$ 39,901</u> |

1. Gain and loss recognized for financial assets at fair value through profit or loss held by the

Group was \$13,993 and \$2,765 from January 1 to March 31, 2021 and 2020, respectively.

2. The Group has not pledged any financial assets at fair value through profit or loss.

(III) Financial assets at fair value through other comprehensive income

| <u>Item</u> | <u>March 31, 2021</u> | <u>December 31, 2020</u> | <u>March 31, 2020</u> |
|---|-----------------------|--------------------------|-----------------------|
| Non-current items: | | | |
| Equity instruments | | | |
| Stock not listed on TWSE, TPEX or the emerging market | \$ 36,879 | \$ 36,879 | \$ 36,879 |
| Valuation adjustment | <u>2,779</u> | <u>6,101</u> | <u>342</u> |
| Total | <u>\$ 39,658</u> | <u>\$ 42,980</u> | <u>\$ 37,221</u> |

1. The Group has elected to classify its strategic investments in equity stock as financial assets at fair value through other comprehensive income. The fair values of these investments were \$39,658, \$42,980 and \$37,221 as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

2. The details of the financial assets measured at fair value through other comprehensive income that were recognized in comprehensive income are as follows, and there was no gain or loss from January 1 to March 31, 2021 and 2020.

| | <u>January 1 to March 31, 2021</u> | <u>January 1 to March 31, 2020</u> |
|---|------------------------------------|------------------------------------|
| Change in fair value recognized in other comprehensive Income | <u>(\$ 3,322)</u> | <u>(\$ 3,125)</u> |

3. Without considering the collaterals held or other credit enhancements, the amount of financial assets at fair value through other comprehensive income that best represented the Group's maximum exposure to credit risk was \$39,658, \$42,980 and \$37,221 as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

4. The Company has not pledged any financial assets at fair value through other comprehensive income.

(IV) Notes and accounts receivable

| | <u>March 31, 2021</u> | <u>December 31, 2020</u> | <u>March 31, 2020</u> |
|------------------|-----------------------|--------------------------|-----------------------|
| Note receivable | <u>\$ 152</u> | <u>\$ 244</u> | <u>\$ 139</u> |
| Trade receivable | <u>\$ 37,670</u> | <u>\$ 45,164</u> | <u>\$ 32,701</u> |

1. The aging analysis of notes and accounts receivable is as follows

| | <u>March 31, 2021</u> | | <u>December 31, 2020</u> | | <u>March 31, 2020</u> | |
|--------------|-----------------------------------|----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|----------------------------------|
| | <u>Trade</u> <u>receivable</u> | <u>Note</u> <u>receivable</u> | <u>Trade</u> <u>receivable</u> | <u>Note</u> <u>receivable</u> | <u>Trade</u> <u>receivable</u> | <u>Note</u> <u>receivable</u> |
| Not Past Due | <u>\$37,670</u> | <u>\$ 152</u> | <u>\$45,164</u> | <u>\$ 244</u> | <u>\$32,701</u> | <u>\$ 139</u> |

The above is an aging report based on the number of days past due.

- As of March 31, 2021, December 31, 2020 and March 31, 2020, the balances of accounts receivable (including notes receivable) were generated from customer contracts, and the balance of accounts receivable from customer contracts as of January 1, 2020 was \$35,799.
 - The Group does not hold any collateral.
 - Without considering the collaterals held or other credit enhancements, the amount of notes receivable that best represented the Group's maximum exposure to credit risk was \$152, \$244 and \$139 as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively; the amount of accounts receivable that best represented the Group's maximum exposure to credit risk was \$37,670, \$45,164 and \$32,701 as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively;
 - Please refer to Note 12, (2) for the related credit risk information of accounts receivable.
- (V) Other financial assets - current

| | <u>March 31, 2021</u> | <u>December 31, 2020</u> | <u>March 31, 2020</u> |
|---------------|-----------------------|--------------------------|-----------------------|
| Trust account | <u>\$ 16,521</u> | <u>\$ 16,489</u> | <u>\$ 17,521</u> |

- On December 22, 2016, the Group entered into a contract for the construction of a solar power generation system (the "construction contract") and a contract for the purchase of solar power generation system equipment (the "purchase contract") with Chunghwa Telecom Vietnam Co. Ltd. to construct a solar power generation system in Cambodia. The total construction price was US\$7,750 thousand. On December 28, 2016, the Company trusted US\$6,010 thousand by wire transfer to a third-party financial institution; as of March 31, 2021, December 31, 2020 and March 31, 2020, the balance of the trust account was US\$580 thousand, which is shown as "Other financial assets - current" due to the restricted use.
- According to the construction contract, the construction of the solar power generation system in the preceding paragraph should be completed within one year, and the amount in trust account has been paid to Chunghwa Telecom Vietnam Co. Ltd. However, Chunghwa Telecom Vietnam Co., Ltd. refused to fulfill its obligations under the above "construction contract" in the third quarter of 2017. In view of the aforementioned situation, the Company sent a letter to Chunghwa Telecom Vietnam to remind Chunghwa Telecom Vietnam to perform its obligations under the construction contract within the deadline, but after the expiration of the reminder period, Chunghwa Telecom Vietnam still failed to perform the contract obligations, so the Company legally terminated the construction contract, and the Company has appointed a lawyer to commence the relevant legal proceedings.

(VI) Property, Plant and Equipment

| | 2021 | | | | | | | | |
|--|-----------------|----------------------------------|--------------------------------|-----------------------------|------------------------------|-------------------------|----------------------------|-------------------------------------|--------------------|
| | <u>Land</u> | <u>Warehousing Equipment</u> | <u>Transport Equipment</u> | <u>Office Equipment</u> | <u>Lease Improvement</u> | <u>Lease Assets</u> | <u>Other Equipment</u> | <u>Construction in progress</u> | <u>Total</u> |
| January 1 | | | | | | | | | |
| Cost | \$45,278 | \$629,277 | \$ 8,161 | \$ 1,648 | \$ 1,037 | \$909,441 | \$864,658 | \$ 41,258 | \$2,500,758 |
| Accumulated depreciation and impairments | - | (363,858) | (3,945) | (1,278) | (750) | (878,773) | (100,655) | - | (1,349,259) |
| | <u>\$45,278</u> | <u>\$265,419</u> | <u>\$ 4,216</u> | <u>\$ 370</u> | <u>\$ 287</u> | <u>\$ 30,668</u> | <u>\$764,003</u> | <u>\$ 41,258</u> | <u>\$1,151,499</u> |
| January 1 | \$45,278 | \$265,419 | \$ 4,216 | \$ 370 | \$ 287 | \$ 30,668 | \$764,003 | \$ 41,258 | \$1,151,499 |
| Addition | - | 13,823 | - | - | - | - | 714 | 1,729 | 16,266 |
| Number of Transfers | - | 14,019 | - | - | - | - | 12,001 | (26,020) | - |
| depreciation expense | - | (12,601) | (174) | (20) | (15) | (2,427) | (10,638) | - | (25,875) |
| Net exchange difference | 88 | - | - | - | - | - | 252 | - | 340 |
| March 31 | <u>\$45,366</u> | <u>\$280,660</u> | <u>\$ 4,042</u> | <u>\$ 350</u> | <u>\$ 272</u> | <u>\$ 28,241</u> | <u>\$766,332</u> | <u>\$ 16,967</u> | <u>\$1,142,230</u> |
| March 31 | | | | | | | | | |
| Cost | \$45,366 | \$657,119 | \$ 8,161 | \$ 1,648 | \$ 1,037 | \$909,441 | \$877,637 | \$ 16,967 | \$2,517,376 |
| Accumulated depreciation and impairment | - | (376,459) | (4,119) | (1,298) | (765) | (881,200) | (111,305) | - | (1,375,146) |
| | <u>\$45,366</u> | <u>\$280,660</u> | <u>\$ 4,042</u> | <u>\$ 350</u> | <u>\$ 272</u> | <u>\$ 28,241</u> | <u>\$766,332</u> | <u>\$ 16,967</u> | <u>\$1,142,230</u> |

| | 2020 | | | | | | | | |
|---|------------------|----------------------------------|--------------------------------|-----------------------------|------------------------------|-------------------------|----------------------------|-------------------------------------|-------------------|
| | <u>Land</u> | <u>Warehousing Equipment</u> | <u>Transport Equipment</u> | <u>Office Equipment</u> | <u>Lease Improvement</u> | <u>Lease Assets</u> | <u>Other Equipment</u> | <u>Construction in progress</u> | <u>Total</u> |
| January 1 | | | | | | | | | |
| Cost | \$ 47,667 | \$567,780 | \$ 7,127 | \$ 1,648 | \$ 1,037 | \$909,441 | \$634,198 | \$13,952 | \$2,182,850 |
| Accumulated depreciation and impairments | - | (315,860) | (5,041) | (1,200) | (687) | (866,025) | (63,058) | - | (1,251,871) |
| | <u>\$ 47,667</u> | <u>\$251,920</u> | <u>\$ 2,086</u> | <u>\$ 448</u> | <u>\$ 350</u> | <u>\$ 43,416</u> | <u>\$571,140</u> | <u>\$13,952</u> | <u>\$ 930,979</u> |
| January 1 | \$ 47,667 | \$251,920 | \$ 2,086 | \$ 448 | \$ 350 | \$ 43,416 | \$571,140 | \$13,952 | \$ 930,979 |
| Addition | - | 15,905 | - | - | - | - | 347 | 43,856 | 60,108 |
| depreciation expense | - | (11,595) | (261) | (19) | (15) | (3,809) | (7,498) | - | (23,197) |
| Net exchange difference | 470 | - | - | - | - | - | 1,405 | - | 1,875 |
| March 31 | <u>\$ 48,137</u> | <u>\$256,230</u> | <u>\$ 1,825</u> | <u>\$ 429</u> | <u>\$ 335</u> | <u>\$ 39,607</u> | <u>\$565,394</u> | <u>\$57,808</u> | <u>\$ 969,765</u> |
| March 31 | | | | | | | | | |
| Cost | \$ 48,137 | \$583,685 | \$ 7,127 | \$ 1,648 | \$ 1,037 | \$909,441 | \$635,961 | \$57,808 | \$2,244,844 |
| Accumulated depreciation and impairment | - | (327,455) | (5,302) | (1,219) | (702) | (869,834) | (70,567) | - | (1,275,079) |
| | <u>\$ 48,137</u> | <u>\$256,230</u> | <u>\$ 1,825</u> | <u>\$ 429</u> | <u>\$ 335</u> | <u>\$ 39,607</u> | <u>\$565,394</u> | <u>\$57,808</u> | <u>\$ 969,765</u> |

1. The capitalized amount of borrowing costs of property, plant and equipment and the interest rate range.

| | <u>January 1 to March 31,</u> <u>2021</u> | <u>January 1 to March 31,</u> <u>2020</u> |
|---------------------------------|--|--|
| Capitalized amount | \$ 1,262 | \$ 341 |
| Capitalized interest rate range | 0.95%~1.51% | 1.44%~1.76% |

2. Significant components of the Group's warehousing equipment, including tanks and pipelines, are depreciated over 2 to 35 years.
3. The Group's property, plant and equipment showed no signs of impairment from January 1 to March 31, 2021 and 2020.
4. Please refer to Note 8 for information on the guarantees provided by the Group on property, plant and equipment.

(VII) Leasing arrangements - lessee

1. The subject assets of the Group's leases include land use rights, buildings and other equipment. Except for the land use rights, which have a period of 20 years, the remaining lease agreements normally have a period of 2 to 9 years.

Lease contracts are negotiated separately and include a variety of terms and conditions. There are no restrictions for the leased assets, except that they cannot be sub-leased, under-leased or used as loan collateral.

2. The carrying amount of right-of-use assets and the depreciation charge are as follows:

| | <u>March 31, 2021</u> | <u>December 31, 2020</u> | <u>March 31, 2020</u> |
|-----------------|------------------------|--------------------------|------------------------|
| | <u>Carrying amount</u> | <u>Carrying amount</u> | <u>Carrying amount</u> |
| Land use rights | \$ 9,626 | \$ 9,754 | \$ 10,135 |
| Buildings | 4,649 | 6,392 | 11,623 |
| Other Equipment | <u>55,789</u> | <u>68,411</u> | <u>106,020</u> |
| | <u>\$ 70,064</u> | <u>\$ 84,557</u> | <u>\$ 127,778</u> |

| | <u>January 1 to March 31, 2021</u> | <u>January 1 to March 31, 2020</u> |
|-----------------|------------------------------------|------------------------------------|
| | <u>Depreciation expense</u> | <u>Depreciation expense</u> |
| Land use rights | \$ 128 | \$ 42 |
| Buildings | 1,743 | 1,743 |
| Other Equipment | <u>12,622</u> | <u>12,622</u> |
| | <u>\$ 14,493</u> | <u>\$ 14,407</u> |

3. The additions to the Group's right-of-use assets were \$0 and \$10,177 from January 1 to March 31, 2021 and 2020, respectively.

4. The information on profit and loss items related to lease contracts is as follows:

| <u>Items affecting current profit and loss</u> | <u>January 1 to March 31,</u> <u>2021</u> | <u>January 1 to March 31,</u> <u>2020</u> |
|--|--|--|
| Interest expenses on lease liabilities | \$ 326 | \$ 560 |
| Expenses for leases of low-value assets | 85 | 92 |
| Expenses for variable lease payments | 1,859 | 823 |

5. The Group's total lease cash outflows were \$15,636 and \$15,489 from January 1 to March 31, 2021 and 2020, respectively (of which \$13,366 and \$14,014 were for the principal of lease liabilities).

6. Effect of variable lease payments on lease liabilities

The subjects of the Group's lease agreements with variable lease payment terms are linked to the amount of electricity sales generated from the solar power generation sites. Solar power generation sites are built on rooftops. This type of lease is based on variable-rate payment terms and is only related to the amount of electricity sales. Variable lease payments related to the amount of electricity sales are recognized as expenses in the period in which the electricity sales occur.

(VIII) Leasing arrangements - lessor

1. The subject assets leased by the Group are warehousing equipment. The lease agreements are usually for a period of 1 to 2 years and are negotiated on an individual basis and contain various terms and conditions.
2. The Group recognized rental income of \$92,872 and \$83,283 from January 1 to March 31, 2021 and 2020, respectively, based on operating lease agreements, in which no variable lease payments were included.
3. The maturity analysis of the lease payments under the operating leases is as follows:

| | <u>March 31, 2021</u> | <u>December 31, 2020</u> | <u>March 31, 2020</u> |
|-------|-----------------------|--------------------------|-----------------------|
| 2020 | \$ - | \$ - | \$ 226,424 |
| 2021 | 180,881 | 268,477 | 8,135 |
| 2022 | 29,825 | 29,270 | - |
| 2023 | 5,860 | 5,860 | - |
| Total | <u>\$ 216,566</u> | <u>\$ 303,607</u> | <u>\$ 234,559</u> |

(IX) Short-term borrowings and bills payable

| <u>Nature of borrowings</u> | <u>March 31, 2021</u> | <u>Interest rate</u> | <u>Collateral</u> |
|-----------------------------|-----------------------|----------------------|-------------------|
| Bank borrowings | | | |
| Credit borrowings | <u>\$ 67,300</u> | 1.15%~1.3008% | None |

| | | | |
|-----------------------------|--------------------------|----------------------|-------------------|
| Short-term bills payable | <u>\$ 19,500</u> | 0.78% | None |
| <u>Nature of borrowings</u> | <u>December 31, 2020</u> | <u>Interest Rate</u> | <u>Collateral</u> |
| Bank borrowings | | | |
| Credit borrowings | <u>\$ 98,800</u> | 0.95%~2.06% | None |
| Short-term bills payable | <u>\$ 45,500</u> | 0.78% | None |
| <u>Nature of borrowings</u> | <u>March 31, 2020</u> | <u>Interest Rate</u> | <u>Collateral</u> |
| Bank borrowings | | | |
| Credit borrowings | <u>\$ 81,100</u> | 1.22%~1.45% | None |
| Short-term bills payable | <u>\$ 16,000</u> | 0.79% | None |

(X) Long-term borrowings

| <u>Nature of borrowings</u> | <u>Borrowing Period and Repayment Method</u> | <u>Interest Rate</u> | <u>Collateral</u> | <u>March 31, 2021</u> |
|-----------------------------|--|----------------------|-------------------|-----------------------|
| Credit borrowings | | | | |
| | 2017.7.7~2022.7.7 | | | |
| Land Bank of Taiwan | The principal and interest shall be repaid in 48 equal installments commencing from (inclusive) August 7, 2018. | 1.51% | None | \$ 17,038 |
| | 2018.5.7~2023.5.7 | | | |
| Land Bank of Taiwan | The principal and interest shall be repaid in 48 equal installments commencing from (inclusive) June 7, 2019. | 1.51% | None | 5,272 |
| | 2018.3.26~2025.3.26 | | | |
| Land Bank of Taiwan | The principal and interest shall be repaid in 84 equal installments commencing from (inclusive) April 26, 2018. | 1.51% | None | 13,332 |
| | 2021.2.26~2031.2.26 | | | |
| Land Bank of Taiwan | The principal and interest shall be repaid in 120 equal installments commencing from (inclusive) March 26, 2021. | 1.50% | None | 10,012 |
| | 2020.6.30~2023.6.30 | | | |
| Chinatrust Commercial Bank | 15% of the principal shall be repaid in 5 installments commencing from (inclusive) June 30, 2021. The remaining principal shall be fully repaid at maturity | 1.20% | None | 40,000 |

| | | | | |
|---|--|--------|-----------------|-------------------|
| Chinatrust Commercial Bank | 2020.9.18~2023.6.30 15% of the principal shall be repaid in 5 installments commencing from (inclusive) June 30, 2021. The remaining principal shall be fully repaid at maturity | 1.20% | None | 40,000 |
| Secured borrowings | | | | |
| Land Bank of Taiwan | 2021.2.26~2031.2.26 The principal and interest shall be repaid in 120 equal installments commencing from (inclusive) March 26, 2021. | 1.50% | Other Equipment | 72,346 |
| Mega International Commercial Bank. | 2018.12.26~2028.12.26 The principal and interest shall be repaid in 40 equal installments commencing from (inclusive) March 26, 2019. (Note) | 1.44% | Other Equipment | 11,625 |
| Mega International Commercial Bank. | 2019.12.4~2028.12.26 The principal and interest shall be repaid in 37 equal installments commencing from (inclusive) December 26, 2019. (Note) | 1.44% | Other Equipment | 16,757 |
| Mega International Commercial Bank. | 2020.3.31~2028.12.26 The principal and interest shall be repaid in 35 equal installments commencing from (inclusive) March 31, 2020. (Note) | 1.44% | Other Equipment | 75,286 |
| Mega International Commercial Bank. | 2021.3.31~2031.3.31 The principal and interest shall be repaid in 40 equal installments commencing from (inclusive) June 30, 2021. (Note) | 1.415% | Other Equipment | <u>5,000</u> |
| | | | | 306,668 |
| Less: Portions due within one year or one operating cycle (recorded as other current liabilities) | | | | <u>(64,232)</u> |
| | | | | <u>\$ 242,436</u> |

| Nature of borrowings | Borrowing Period and Repayment Method | Range of interest rate | Collateral | December 31, 2020 |
|---|--|------------------------|-----------------|-------------------|
| Credit borrowings | | | | |
| Land Bank of Taiwan | 2017.7.7~2022.7.7 The principal and interest shall be repaid in 48 equal installments commencing from (inclusive) August 7, 2018. | 1.51% | None | \$ 20,195 |
| Land Bank of Taiwan | 2018.5.7~2023.5.7 The principal and interest shall be repaid in 48 equal installments commencing from (inclusive) June 7, 2019. | 1.51% | None | 5,869 |
| Land Bank of Taiwan | 2018.3.26~2025.3.26 The principal and interest shall be repaid in 84 equal installments commencing from (inclusive) April 26, 2018. | 1.51% | None | 14,139 |
| Chinatrust Commercial Bank | 2020.6.30~2023.6.30 15% of the principal shall be repaid in 5 installments commencing from (inclusive) June 30, 2021. The remaining principal shall be fully repaid at maturity | 1.20% | None | 40,000 |
| Chinatrust Commercial Bank | 2020.9.18~2023.6.30 15% of the principal shall be repaid in 5 installments commencing from (inclusive) June 30, 2021. The remaining principal shall be fully repaid at maturity | 1.20% | None | 40,000 |
| Secured borrowings | | | | |
| Mega International Commercial Bank. | 2018.12.26~2028.12.26 The principal and interest shall be repaid in 40 equal installments commencing from (inclusive) March 26, 2019. (Note) | 1.44% | Other Equipment | 12,000 |
| Mega International Commercial Bank. | 2019.12.4~2028.12.26 The principal and interest shall be repaid in 37 equal installments commencing from (inclusive) December 26, 2019. (Note) | 1.44% | Other Equipment | 17,297 |
| Mega International Commercial Bank. | 2020.3.31~2028.12.26 The principal and interest shall be repaid in 35 equal installments commencing from (inclusive) March 31, 2020. (Note) | 1.44% | Other Equipment | <u>77,714</u> |
| | | | | 227,214 |
| Less: Portions due within one year or one operating cycle (recorded as other current liabilities) | | | | <u>(55,722)</u> |
| | | | | <u>\$ 171,492</u> |

| Nature of borrowings | Borrowing Period and Repayment Method | Range of interest rate | Collateral | March 31, 2020 |
|---|---|------------------------|-----------------|-------------------|
| Credit borrowings | | | | |
| Land Bank of Taiwan | 2017.7.7~2022.7.7 The principal and interest shall be repaid in 48 equal installments commencing from (inclusive) August 7, 2018. | 1.76% | None | \$ 29,593 |
| Land Bank of Taiwan | 2018.5.7~2023.5.7 The principal and interest shall be repaid in 48 equal installments commencing from (inclusive) June 7, 2019. | 1.76% | None | 7,647 |
| Land Bank of Taiwan | 2018.3.26~2025.3.26 The principal and interest shall be repaid in 84 equal installments commencing from (inclusive) April 26, 2018. | 1.76% | None | 16,542 |
| Secured borrowings | | | | |
| Mega International Commercial Bank. | 2018.12.26~2028.12.26 The principal and interest shall be repaid in 40 equal installments commencing from (inclusive) March 26, 2019. (Note) | 1.44% | Other Equipment | 13,125 |
| Mega International Commercial Bank. | 2019.12.4~2028.12.26 The principal and interest shall be repaid in 37 equal installments commencing from (inclusive) December 26, 2019. (Note) | 1.44% | Other Equipment | 18,919 |
| Mega International Commercial Bank. | 2020.3.31~2028.12.26 The principal and interest shall be repaid in 35 equal installments commencing from (inclusive) March 31, 2020. (Note) | 1.44% | Other Equipment | <u>85,000</u> |
| | | | | 170,826 |
| Less: Portions due within one year or one operating cycle (recorded as other current liabilities) | | | | <u>(31,475)</u> |
| | | | | <u>\$ 139,351</u> |

Note: The Group entered into a long-term loan agreement with Mega International Commercial Bank (Mega Bank) for a facility amount of \$120,000 in 2018. The financial ratio limits for the duration of the loan are that the current ratio should be maintained at 85% or more and the debt ratio should be maintained at 150% or less. The aforementioned ratios are calculated based on the annual consolidated financial statements and are reviewed annually. If the aforementioned financial review criteria are not met, the interest rate on this loan will be increased by 0.1% from the day after the violation to the day before the

improvement. The Group's consolidated financial statements for 2010 did not meet this review, but if the bank increases the interest rate, there should be no significant impact on the Group. In addition, the Group entered into a new loan agreement for a facility amount of \$62,400 with Mega Bank in February 2021 with the same contract terms as in 2018.

(XI) Other payables

| | <u>March 31, 2021</u> | <u>December 31, 2020</u> | <u>March 31, 2020</u> |
|---|-----------------------|--------------------------|-----------------------|
| Equipment payables | \$ 16,320 | \$ 42,262 | \$ 38,724 |
| Employees' bonuses and directors' and supervisors' remuneration payable | 15,018 | 11,974 | 13,088 |
| Salary payables | 3,884 | 9,607 | 3,821 |
| Others | <u>16,008</u> | <u>13,153</u> | <u>10,360</u> |
| | <u>\$ 51,230</u> | <u>\$ 76,996</u> | <u>\$ 65,993</u> |

(XII) Pensions

1. Defined benefit plan

- (1) In accordance with the Labor Standards Act, the Company and its domestic subsidiaries have established a defined benefit pension plan that applies to the years of service prior to the implementation of the Labor Pension Act on July 1, 2005 for all regular employees, and to the subsequent years of service for employees who choose to continue to be subject to the Labor Standards Act after the implementation of the Labor Pension Act. In addition, in the fourth quarter of 2010, the Company established a new pension plan for commissioned employees, who are not subject to the Labor Standards Act. For employees who meet the retirement criteria, pension payments are calculated based on the years of service and the average salary for the six months prior to retirement, with two bases for each year of service up to (inclusive) 15 years and one base for each year of service over 15 years, subject to a maximum accumulation of 45 bases. The years of service of the commissioned employees subject to the Labor Pension Act is calculated at 6% of the total salary during the term of appointment. The Company contributes monthly to pension funds at 8% of total salaries. The pension funds for regular employees and commissioned employees are deposited in the name of the Supervisory Committee of Labor Retirement Reserve in the Trust Department of Bank of Taiwan and Taishin International Bank, respectively. In addition, the Company estimates the balances of the pension funds before the end of each year. If the balances are not sufficient to pay the pensions based on the aforementioned calculations to eligible employees in the following year, the Company will make a one-time catch-up with the difference before the end of March of the following year.
- (2) For the 3 months ended March 31, 2020 and 2021, the pension costs recognized by the Group in accordance with the aforementioned pension plan were \$52 and \$76, respectively.
- (3) The company's estimated contribution to pay for the pension plan in 2022 was \$1,523.

2. Defined contribution plan

Since July 1, 2005, the Company has established a defined contribution pension plan under the Labor Pension Act covering all regular employees with domestic citizenship. The Company contributes monthly no less than 6% of salaries as labor pensions to employees' personal accounts at the Bureau of Labor Insurance for employees who choose to apply the labor pension system under the "Labor Pension Act." Payments of employee pensions are made in the form of monthly pensions or one-time lump-sum, depending on the amount of the employees' personal accounts and accumulated earnings. The Company recognized pension costs of \$579 and \$602 for the 3 months ended March 31, 2021 and 2020, respectively, based on the above pension plan.

(XIII) Provision

| | <u>January 1 to March 31,</u> <u>2021</u> | <u>January 1 to March 31,</u> <u>2020</u> |
|-----------------------------|--|--|
| Balance as of January 1 | \$ 21,923 | \$ 17,640 |
| Provision added this period | <u>714</u> | <u>-</u> |
| Balance as of March 31 | <u>\$ 22,637</u> | <u>\$ 17,640</u> |

The nature of the Group's provision for liabilities is described as follows.

1. The Group entered into a lease agreement with the Taiwan International Ports Corporation, Ltd. in November 2016 for a period ending on April 30, 2022. According to the contract, the Group should restore the leased terminal base to its original condition by demotion at the end of the lease period. Therefore, the provision for liabilities based on the expected cost of dismantling, removing or restoring the site was \$9,886 as of March 31, 2021, December 31, 2020 and March 31, 2020.
2. The Group's solar power generation sites are built on the roof. According to the contract, the Group should restore the leased site to its original condition at the end of the lease term. Therefore, the provision for liabilities recognized for the solar power site based on the costs expected to be incurred for dismantling, removing or restoring the site were \$12,751, \$12,037 and \$7,754 as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

(XIV) Share capital

As of March 31, 2021, the Company's authorized capital was \$2,000,000 and the paid-in capital was \$690,344, divided into 69,034 thousand shares with a par value of \$10 per share.

The reconciliation of the number of shares of the Company's common stock in circulation at the beginning of the period to the end of the period is as follows:

| | <u>January 1 to March 31,</u> <u>2021</u> | <u>January 1 to March 31,</u> <u>2020</u> |
|--|--|--|
| Number at the beginning of the period (i.e. Number at the end of the period) | <u>69,034 thousand shares</u> | <u>69,034 thousand shares</u> |

(XV) Additional paid-in capital

In accordance with the Company Act, any capital surplus arising from paid-in capital in excess of the par value on issuance of common stocks can be used to cover accumulated losses or to distribute new stocks or cash to shareholders in proportion to their shareholdings, provided that the Company has no accumulated losses. Further, the Securities and Exchange Act requires that the amount of capital surplus to be capitalized, as above, should not exceed 10% of paid-in capital each year. Capital surpluses should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(XVI) Retained earnings

1. In accordance with the Company Act, the capital surplus from premium from issuance of shares in excess of par value and the capital surplus from donations may be used to cover

losses, and new shares or cash may be issued in proportion to the shareholders' original shareholding percentages when the Company has no accumulated losses. In addition, in accordance with the Securities and Exchange Act, the above capital surplus can be capitalized to the extent that the total amount does not exceed 10% of the paid-in capital each year. Capital surpluses should not be used to cover accumulated deficit unless the legal reserve is insufficient.

2. In accordance with the Company Act, the legal reserve may not be used except to cover losses or to issue new shares or cash in proportion to the shareholders' original shareholding percentages, but it is limited to the portion of the legal reserve over 25% of the paid-in capital.
3. On March 24, 2021, the Board of Directors proposed to approve the distribution of earnings for 2020, and on June 16, 2020, the shareholders' meeting resolved to approve the distribution of earnings for 2019, as follows.

| | <u>2020</u> | | <u>2019</u> | |
|---------------------------|------------------|----------------------------|------------------|----------------------------|
| | <u>Amount</u> | <u>Dividends per share</u> | <u>Amount</u> | <u>Dividends per share</u> |
| | | <u>(NTD)</u> | | <u>(NTD)</u> |
| Legal reserve allocated | \$ 15,972 | | \$ 13,490 | |
| Allocated special reserve | 13,064 | | - | |
| Cash dividends paid | <u>138,069</u> | \$ 2.00 | <u>113,907</u> | \$ 1.65 |
| Total | <u>\$167,105</u> | | <u>\$127,397</u> | |

The aforementioned distribution of earnings for 2020 has not yet been resolved by the shareholders' meeting. Please refer to the Market Observation Post System for information on the proposed distribution of earnings approved by the Board of Directors and resolved by the shareholders.

(XVII) Operating income

| | <u>January 1 to March 31, 2021</u> | <u>January 1 to March 31, 2020</u> |
|--------------------------------|------------------------------------|------------------------------------|
| Operating lease | | |
| Rental incomes | \$ 92,872 | \$ 83,283 |
| Revenue from Customer Contract | | |
| Tank operation revenue | 18,698 | 18,442 |
| Electricity sales revenue | <u>22,019</u> | <u>15,465</u> |
| Total | <u>\$ 133,589</u> | <u>\$ 117,190</u> |

1. The revenue from customer contracts of the Group is recognized gradually over time.
2. The Group's rental revenue and tank operation income are presented together with the oil and chemical tank rental business in Note 14, (3) Segment Information.

(XVIII) Other gains or losses

| | <u>January 1 to March 31,</u> <u>2021</u> | <u>January 1 to March 31,</u> <u>2020</u> |
|--|--|--|
| Net foreign currency exchange loss (\$ | 25) | (\$ 1,683) |
| Gain on financial assets at fair value through profit or loss | <u>13,993</u> | <u>2,765</u> |
| | <u>\$ 13,968</u> | <u>\$ 1,082</u> |

(XIX) Financial costs

| | <u>January 1 to March 31,</u> <u>2021</u> | <u>January 1 to March 31,</u> <u>2020</u> |
|--|--|--|
| Interest expenses | | |
| Bank borrowings | \$ 1,563 | \$ 717 |
| Less: The amount of asset capital that meets the requirements | <u>(1,262)</u> | <u>(341)</u> |
| | 301 | 376 |
| Lease liabilities | <u>326</u> | <u>560</u> |
| | <u>\$ 627</u> | <u>\$ 936</u> |

(XX) Expenses by nature

| | <u>January 1 to March 31,</u> <u>2021</u> | <u>January 1 to March 31,</u> <u>2020</u> |
|---|--|--|
| Employee benefits expense | \$ 20,598 | \$ 19,436 |
| depreciation expense | 40,368 | 37,604 |
| Amortization expenses | 332 | 213 |
| Terminal administrative expenses | 9,424 | 4,924 |
| Miscellaneous purchases | 3,049 | 3,140 |
| Low-value asset rents | 85 | 92 |
| Expenses for variable lease payments | 1,859 | 823 |
| Other expenses | <u>24,507</u> | <u>17,167</u> |
| Operating costs and operating expenses | <u>\$ 100,222</u> | <u>\$ 83,703</u> |

(XXI) Employee benefits expense

| | <u>January 1 to March 31,</u> <u>2021</u> | <u>January 1 to March 31,</u> <u>2020</u> |
|-----------------|--|--|
| Salary expenses | \$ 16,628 | \$ 15,831 |

| | | |
|-------------------------------------|------------------|------------------|
| Labor and health insurance expenses | 1,284 | 1,087 |
| Pension costs | 631 | 678 |
| Directors' remuneration | 1,126 | 826 |
| Other employee expenses | 929 | 1,014 |
| | <u>\$ 20,598</u> | <u>\$ 19,436</u> |

1. In accordance with the Company's Articles of Incorporation, if the Company has a surplus in earnings after deducting the accumulated losses based on the profitability of the current year, the Company shall appropriate no less than 3% as employees' profit sharing remuneration and no more than 5% as directors' and supervisors' profit sharing remuneration.

2. The estimated profit sharing amount for employees for the 3 months ended March 31, 2021 and 2020 were \$1,522 and \$1,105, respectively; the estimated profit sharing amount for directors' and supervisors' was \$1,522 and \$1,105, respectively, and the aforementioned amounts were recorded as salary expenses.

For the 3 months ended March 31, 2021 and 2020, the profit sharing remuneration to employees and profit sharing remuneration to directors and supervisors were both estimated at 3% based on the profitability of the period.

3. The profit sharing for employees and the profit sharing for directors and supervisors resolved by the Board of Directors for 2020 were both \$5,987 and were consistent with the amounts recognized in the 2020 financial statements.

Information about employees' profit sharing and directors' and supervisors' profit sharing of the Company as resolved by the Board of Directors can be found on the Market Observation Post System.

(XXII) Income tax

1. Income tax expense

(1) Components of income tax expense:

| | <u>January 1 to March 31,</u> <u>2021</u> | <u>January 1 to March 31,</u> <u>2020</u> |
|--|--|--|
| Current tax: | | |
| Income taxes arising from incomes for the current period | \$ 6,035 | \$ 6,294 |
| Deferred income tax: | | |
| Origination and Reversal of Temporary Differences | 778 | 50 |
| Income tax expense | <u>\$ 6,813</u> | <u>\$ 6,344</u> |

(2) Amount of Income tax related to other comprehensive Income

| | <u>January 1 to March 31,</u> <u>2021</u> | <u>January 1 to March 31,</u> <u>2020</u> |
|---|--|--|
| Translation differences of foreign operations | \$ <u>75</u> | \$ <u>392</u> |

2. The income tax returns of the Company and its subsidiaries, POCS POWER CO., LTD. and He Zhen Feng Co., Ltd. have been assessed by the tax authorities through 2019.

(XXIII) Earnings per share

| | <u>January 1 to March 31, 2021</u> | | |
|---|------------------------------------|---|------------------------------|
| | After-tax amount | Weighted average Number of shares in circulation (thousands of shares) | Earnings per share (NT\$) |
| <u>Basic earnings per share</u> | | | |
| Net profits for the period attributable to shareholders of parent company | \$ 40,074 | 69,034 | <u>\$ 0.58</u> |
| <u>Diluted earnings per share</u> | | | |
| Assumed conversion of all dilutive potential ordinary shares | | | |
| Employee compensation | - | <u>247</u> | |
| Net profits for the period attributable to shareholders of common stock of parent company plus the effect of potential common stock | <u>\$ 40,074</u> | <u>69,281</u> | <u>\$ 0.58</u> |

| | <u>January 1 to March 31, 2020</u> | | |
|---|------------------------------------|---|------------------------------|
| | After-tax amount | Weighted average Number of shares in circulation (thousands of shares) | Earnings per share (NT\$) |
| <u>Basic earnings per share</u> | | | |
| Net profits for the period attributable to shareholders of parent company | \$ 27,692 | 69,034 | <u>\$ 0.40</u> |
| <u>Diluted earnings per share</u> | | | |
| Assumed conversion of all dilutive potential ordinary shares | | | |
| Employee compensation | - | <u>333</u> | |

Net profits for the period attributable to shareholders of common stock of parent company plus the effect of potential common stock \$ 27,692 69,367 \$ 0.39

(XXIV) Supplemental cash flow information

Investing activities that are only partially paid in cash

| | <u>January 1 to March 31,</u> <u>2021</u> | <u>January 1 to March 31,</u> <u>2020</u> |
|---|--|--|
| Purchase of property, plant and equipment | \$ 16,266 | \$ 60,108 |
| Add: Equipment payable at the beginning of the period | 42,262 | 19,793 |
| Add: Prepayment for equipment at the end of the period | 2,002 | - |
| Add: Equipment payable at the end of the period | (16,320) | (38,724) |
| Less: Provision for liabilities - non-current added during the period | (714) | - |
| Cash paid during the period | <u>\$ 43,496</u> | <u>\$ 41,177</u> |

(XXV) Changes in liabilities arising from financing activities

| | <u>2021</u> | | | |
|---|--------------------------|--|---|--|
| | <u>Lease liabilities</u> | <u>Short-term borrowings and bills payable</u> | <u>Long-term borrowings (including portions due within one year or one operating cycle)</u> | <u>Total liabilities from financing activities</u> |
| January 1 | \$ 77,848 | \$ 144,300 | \$ 227,214 | \$ 449,362 |
| Changes in cash flows from financing activities | (13,366) | (57,500) | 79,454 | 8,588 |
| March 31 | <u>\$ 64,482</u> | <u>\$ 86,800</u> | <u>\$ 306,668</u> | <u>\$ 457,950</u> |

| | <u>2020</u> | | | |
|----------------------------|--------------------------|--|---|--|
| | <u>Lease liabilities</u> | <u>Short-term borrowings and bills payable</u> | <u>Long-term borrowings (including portions due within one year or one operating cycle)</u> | <u>Total liabilities from financing activities</u> |
| January 1 | \$ 126,946 | \$ 94,600 | \$ 91,217 | \$ 312,763 |
| Changes in cash flows from | (14,014) | 2,500 | 79,609 | 68,095 |

| | | | | |
|-----------------------------|-------------------|------------------|-------------------|-------------------|
| financing activities | | | | |
| Other non-cash transactions | 10,177 | - | - | 10,177 |
| March 31 | <u>\$ 123,109</u> | <u>\$ 97,100</u> | <u>\$ 170,826</u> | <u>\$ 391,035</u> |

VII. Related-Party Transactions

(I) Parent company and ultimate controlling party

The Company's shares are held by the public and there is no ultimate parent or ultimate controlling party.

(II) Compensation of key management personnel

| | | |
|------------------------------|--|--|
| | <u>January 1 to March 31,</u> <u>2021</u> | <u>January 1 to March 31,</u> <u>2020</u> |
| Short-term employee benefits | \$ 6,208 | \$ 5,848 |
| Post-employment benefits | <u>275</u> | <u>273</u> |
| Total | <u>\$ 6,483</u> | <u>\$ 6,121</u> |

VIII. Pledged assets

| | | | | |
|--------------------------------------|-----------------------|------------------------------------|-----------------------|--------------------------------|
| | <u>March 31, 2021</u> | <u>December 31,</u> <u>2020</u> | <u>March 31, 2020</u> | <u>Purpose</u> |
| Refundable deposits (time deposits) | \$ 2,400 | \$ 2,400 | \$ 2,700 | Customs duty |
| Refundable deposits (time deposits) | 36,126 | 36,118 | 30,083 | Lease deposits |
| Refundable deposits (time deposits) | 13,771 | 13,771 | - | Performance guarantee deposits |
| Other financial assets - non-current | 2,300 | - | - | Long-term borrowings |
| Other Equipment | <u>307,173</u> | <u>130,805</u> | <u>137,579</u> | Long-term borrowings |
| | <u>\$ 361,770</u> | <u>\$ 183,094</u> | <u>\$ 170,362</u> | |

IX. Significant contingent liabilities and unrecognized contract commitments

(I) Contingencies

Not applicable.

(II) Capital expenditures contracted for but not yet incurred

| | | | |
|-------------------------------|-----------------------|--------------------------|-----------------------|
| | <u>March 31, 2021</u> | <u>December 31, 2020</u> | <u>March 31, 2020</u> |
| Property, Plant and Equipment | <u>\$ 106,588</u> | <u>\$ 110,739</u> | <u>\$ 232,559</u> |

X. Losses due to major disasters

Not applicable.

XI. Significant events after the balance sheet date

Not applicable.

XII. Others

(I) Capital management

There were no significant changes during the period. Please refer to Note 12 of the Notes to Consolidated Financial Statements as of and for the year ended December 31, 2020.

(II) Financial instruments

1. Categories of financial instruments

| | <u>March 31, 2021</u> | <u>December 31, 2020</u> | <u>March 31, 2020</u> |
|--|-----------------------|--------------------------|-----------------------|
| <u>Financial asset</u> | | | |
| Financial assets at fair value through profit and loss | | | |
| Financial assets mandatorily measured at fair value through profit or loss | <u>\$ 81,067</u> | <u>\$ 67,074</u> | <u>\$ 39,901</u> |
| Financial assets at fair value through other comprehensive income | | | |
| Investments in designated equity instrument | <u>\$ 39,658</u> | <u>\$ 42,980</u> | <u>\$ 37,221</u> |
| Financial assets measured at amortized cost | | | |
| Cash and cash equivalents | \$ 188,922 | \$ 142,716 | \$ 255,065 |
| Note receivable | 152 | 244 | 139 |
| Trade receivable | 37,670 | 45,164 | 32,701 |
| Other receivables | 1,549 | 1,960 | - |
| Other financial assets - current | 16,521 | 16,489 | 17,521 |
| Refundable deposits | 57,189 | 58,896 | 39,413 |
| Other financial assets - non-current | <u>2,300</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 304,303</u> | <u>\$ 265,469</u> | <u>\$ 344,839</u> |

| | <u>March 31, 2021</u> | <u>December 31, 2020</u> | <u>March 31, 2020</u> |
|--|-----------------------|--------------------------|-----------------------|
| Financial liability | | | |
| Financial assets measured at amortized cost | | | |
| Short-term borrowings | \$ 67,300 | \$ 98,800 | \$ 81,100 |
| Short-term bills payable | 19,500 | 45,500 | 16,000 |
| Notes payable | 5,004 | 6,881 | 5,376 |
| Other payables | 51,230 | 76,996 | 65,993 |
| Long-term borrowings (including portions due within one year or one operating cycle) | 306,668 | 227,214 | 170,826 |
| Guarantee deposits received | <u>6,450</u> | <u>6,450</u> | <u>6,450</u> |
| | <u>\$ 456,152</u> | <u>\$ 461,841</u> | <u>\$ 345,745</u> |
| Lease liabilities | <u>\$ 64,482</u> | <u>\$ 77,848</u> | <u>\$ 123,109</u> |

2. Risk management policies

The Group's daily operations are subject to a number of financial risks, including market risk (including exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and performance.

The Group's significant financial risk management is controlled with review by the Board of Directors in accordance with relevant regulations and internal control systems. The financial risk management plan has been established to identify and analyze the financial risks faced by the Company and assess their impact, and to implement relevant policies to avoid financial risks, and to regularly review the financial risk policy to reflect changes in market conditions and the Group's operations.

3. Significant financial risks and degrees of financial risks

(1) Market risk

Exchange rate risk

A. The Group engages in business involving foreign currency transactions and is therefore subject to exchange rate fluctuations and exchange rate risk arising from different currencies, mainly USD. The related exchange rate risk arises from future business transactions and recognized assets. Exchange rate risk arises when future business transactions and recognized assets are denominated in the functional currency of the entity

B. The Group has no significant foreign currency financial liabilities. An analysis of foreign currency assets subject to significant exchange rate fluctuations and foreign currency market risk due to significant exchange rate fluctuations is as follows.

| | <u>Foreign currency (Thousands of NTD)</u> | <u>Exchange rate</u> | <u>Carrying amount (NTD)</u> | <u>March 31, 2021</u> | | |
|---------------------------|--|----------------------|--------------------------------------|-----------------------|---------------------------------|---|
| | | | | <u>Change range</u> | <u>Impact on profit or loss</u> | <u>Impact on comprehensive income</u> |
| <u>Financial asset</u> | | | | | | |
| <u>Non-monetary items</u> | | | | | | |
| USD: NTD | \$8,823 | 28.485 | \$251,321 | 1% | \$ - | \$ - |

| | <u>Foreign currency (Thousands of NTD)</u> | <u>Exchange rate</u> | <u>Carrying amount (NTD)</u> | <u>December 31, 2020</u> | | |
|--|--|----------------------|--------------------------------------|--------------------------|---------------------------------|---|
| | | | | <u>Change range</u> | <u>Impact on profit or loss</u> | <u>Impact on comprehensive income</u> |
| | | | | | | |

(4) Credit risk

- A. The Group's credit risk is the risk of financial loss arising from the failure of customers or counterparties to financial instruments to meet their contractual obligations, mainly from the failure of counterparties to settle accounts receivable on payment terms.
- B. For receivables arising from operating activities, the Group has established relevant credit risk management mechanisms and regularly evaluates the financial position, credit limits and other factors of the related debtors, and the current creditworthiness of the receivables is good and there was no significant credit risk according to the assessment. The cash and cash equivalents have been assessed to be free of material risk.
- C. The Group assumes that a default is deemed to have occurred when payments are more than 60 days overdue in accordance with the contractual payment terms.
- D. The Group categorizes accounts receivable from customers according to the characteristics of revenue types and estimates expected credit losses based on the loss ratio method on a simplified basis.
- E. The Group has estimated the allowance for losses on accounts receivable by incorporating forward-looking adjustments to the loss rate established based on historical and current information for a specific period, as the Group's customers are in good credit standing and the overdue accounts receivable and the overdue loss rate were not material as of March 31, 2021, December 31, 2020 and March 31, 2020.
- F. There was no sign of impairment of the Group's notes receivable.
- G. The Group's allowance for losses on accounts receivable on a simplified basis has not changed from January 1 to March 31, 2021 and 2020, and the allowance for losses on accounts receivable was \$0 as of March 31, 2021 and 2020.

(5) Liquidity risk

- A. The Group's finance department prepares future cash flow forecasts to monitor future funding requirements and to ensure that sufficient funds are available for disbursement, and maintains sufficient borrowing facilities to adjust for future funding shortfalls.
- B. The following schedule shows the Group's non-derivative financial liabilities, grouped by the relevant maturity date. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contractual maturity date. The contractual cash flow amounts disclosed in the schedule below are undiscounted amounts.

Non-derivative financial liabilities:

| March 31, 2021 | <u>Less than 1 year</u> | <u>Less than 1 to 2 years</u> | <u>More than 2 years</u> |
|-----------------------------|-------------------------|-------------------------------|--------------------------|
| Short-term borrowings | \$ 67,582 | \$ - | \$ - |
| Short-term bills payable | 19,554 | - | - |
| Notes payable | 5,004 | - | - |
| Other payables | 52,593 | - | - |
| Lease liabilities | 54,073 | 8,889 | 2,508 |
| Guarantee deposits received | - | - | 6,450 |

| | | | |
|--|-------------------|------------------|-------------------|
| Long-term borrowings (including portions due within one year or one operating cycle) | <u>68,056</u> | <u>58,944</u> | <u>194,902</u> |
| Total | <u>\$ 266,862</u> | <u>\$ 67,833</u> | <u>\$ 203,860</u> |

Non-derivative financial liabilities:

| | | | |
|--|-------------------------|-------------------------------|--------------------------|
| December 31, 2020 | <u>Less than 1 year</u> | <u>Less than 1 to 2 years</u> | <u>More than 2 years</u> |
| Short-term borrowings | \$ 99,051 | \$ - | \$ - |
| Short-term bills payable | 45,566 | - | - |
| Notes payable | 6,881 | - | - |
| Other payables | 76,996 | - | - |
| Lease liabilities | 58,941 | 21,294 | 3,968 |
| Guarantee deposits received | - | - | 6,450 |
| Long-term borrowings (including portions due within one year or one operating cycle) | <u>58,560</u> | <u>52,697</u> | <u>124,822</u> |
| Total | <u>\$ 345,995</u> | <u>\$ 73,991</u> | <u>\$ 135,240</u> |

Non-derivative financial liabilities:

| | | | |
|--|-------------------------|-------------------------------|--------------------------|
| March 31, 2020 | <u>Less than 1 year</u> | <u>Less than 1 to 2 years</u> | <u>More than 2 years</u> |
| Short-term borrowings | \$ 81,437 | \$ - | \$ - |
| Short-term bills payable | 16,031 | - | - |
| Notes payable | 5,376 | - | - |
| Other payables | 65,993 | - | - |
| Lease liabilities | 55,505 | 58,605 | 11,827 |
| Guarantee deposits received | - | - | 6,450 |
| Long-term borrowings (including portions due within one year or one operating cycle) | <u>31,475</u> | <u>30,978</u> | <u>108,373</u> |
| Total | <u>\$ 255,817</u> | <u>\$ 89,583</u> | <u>\$ 126,650</u> |

(III) Fair value information

1. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair values of the Group's investments in TWSE and TPEX listed stocks belong to this.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The Group's investments in non-listed stocks belong to this.

2. For financial and non-financial instruments measured at fair value, the Group classifies them based on the basis of the nature, characteristics and risks of the assets and fair value level, and the related information is as follows.

| March 31, 2021 | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|---|----------------|----------------|------------------|------------------|
| Assets | | | | |
| <u>Recurring fair value</u> | | | | |
| Financial assets at fair value through profit and loss | | | | |
| Investment in private equity | \$ - | \$ - | \$81,067 | \$ 81,067 |
| Financial assets at fair value through other comprehensive income | | | | |
| Equity security | <u>-</u> | <u>-</u> | <u>39,658</u> | <u>39,658</u> |
| Total | <u>\$ -</u> | <u>\$ -</u> | <u>\$120,725</u> | <u>\$120,725</u> |

| December 31, 2020 | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|---|----------------|----------------|------------------|------------------|
| Assets | | | | |
| <u>Recurring fair value</u> | | | | |
| Financial assets at fair value through profit and loss | | | | |
| Investment in private equity | \$ - | \$ - | \$67,074 | \$ 67,074 |
| Financial assets at fair value through other comprehensive income | | | | |
| Equity security | <u>-</u> | <u>-</u> | <u>42,980</u> | <u>42,980</u> |
| Total | <u>\$ -</u> | <u>\$ -</u> | <u>\$110,054</u> | <u>\$110,054</u> |

| March 31, 2020 | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|--|----------------|----------------|----------------|--------------|
| Assets | | | | |
| <u>Recurring fair value</u> | | | | |
| Financial assets at fair value through profit and loss | | | | |
| Investment in private equity | \$ - | \$ - | \$39,901 | \$ 39,901 |

Financial assets at fair value through other comprehensive income

| | | | | |
|-----------------|-------------|-------------|-----------------|------------------|
| Equity security | - | - | <u>37,721</u> | <u>37,721</u> |
| Total | <u>\$ -</u> | <u>\$ -</u> | <u>\$77,622</u> | <u>\$ 77,622</u> |

3. The following schedule shows the changes in Level 3 for the 3 months ended March 31, 2021 and 2020.

| | <u>2021</u> | <u>2020</u> |
|--|---------------------------------------|---------------------------------------|
| | <u>Non-derivative equity security</u> | <u>Non-derivative equity security</u> |
| January 1 | \$ 110,054 | \$ 80,439 |
| Gain recognized in profit or loss | 13,993 | 2,765 |
| Loss recognized in other comprehensive Income | (3,322) | (3,125) |
| Refund of share price due to capital deduction during the period | <u>-</u> | <u>(2,957)</u> |
| March 31 | <u>\$ 120,725</u> | <u>\$ 77,122</u> |

4. For the 3 months ended March 31, 2021 and 2020, there were no transfers in or out of Level 3.
5. The Group's valuation process for fair value classification in Level 3 is conducted by the finance and accounting department, which is responsible for conducting independent fair value verification of financial instruments, using independent sources of information to make the valuation results approximate market conditions, confirming that the sources of information are independent, reliable, consistent with other resources and representative of executable prices, and regularly updating the input values and information required by the valuation models and any other necessary fair value adjustments to ensure that the valuation results are reasonable. performing back-testing, updating input values used to be the valuation model and making any other necessary adjustments to the fair value.
6. Quantitative information regarding the significant unobservable input values of the valuation models used for Level 3 fair value measurements and sensitivity analysis of changes in significant unobservable input values are described below.

| | <u>March 31, 2021</u> | <u>Valuation</u> | <u>Significant</u> | <u>Interval</u> | <u>Relationship</u> |
|---------------------------------|-----------------------|--------------------------------|------------------------------------|------------------|---|
| | <u>Fair value</u> | <u>technique</u> | <u>unobservable</u> | <u>(Weighted</u> | <u>between input value</u> |
| | | | <u>input value</u> | <u>average)</u> | <u>and fair value</u> |
| Non-derivative equity security: | | | | | |
| Non TWSE or TPEX listed stock | \$ 10,846 | Discounted benefit flow method | Discount for lack of marketability | 20% | The higher the discount for lack of marketability and |

| | | | | | | |
|-------------------------------|----|--------|------------------------|--|-----|---|
| | | | | Adjustment to discount for lack of controlling interests | 30% | the higher the discount for lack of controlling interests, the lower the fair value |
| Venture capital company stock | \$ | 28,812 | Net asset value method | Net asset value | | -The higher the net asset value, the higher the fair value |
| Investment in private equity | | 81,067 | Net asset value method | Net asset value | | -The higher the net asset value, the higher the fair value |

| | | <u>December 31, 2020</u> | <u>Valuation</u> | <u>Significant unobservable</u> | <u>Interval</u> | <u>Relationship</u> |
|---------------------------------------|----|--------------------------|--------------------------------|--|---------------------------|---|
| | | <u>Fair value</u> | <u>technique</u> | <u>input value</u> | <u>(Weighted average)</u> | <u>between input value and fair value</u> |
| Non-derivative equity security: | | | | | | |
| Non TWSE or TPEX listed company Stock | \$ | 15,010 | Discounted benefit flow method | Discount for lack of marketability Adjustment to discount for lack of controlling interests | 20% 30% | The higher the discount for lack of marketability and the higher the discount for lack of controlling interests, the lower the fair value |
| Venture capital company stock | \$ | 27,970 | Net asset value method | Net asset value | | -The higher the net asset value, the higher the fair value |
| Investment in private equity | | 67,074 | Net asset value method | Net asset value | | -The higher the net asset value, the higher the fair value |

| | | <u>March 31, 2020</u> | <u>Valuation</u> | <u>Significant unobservable</u> | <u>Interval</u> | <u>Relationship</u> |
|---------------------------------|----|-----------------------|--|------------------------------------|---------------------------|---|
| | | <u>Fair value</u> | <u>technique</u> | <u>input value</u> | <u>(Weighted average)</u> | <u>value and fair value</u> |
| Non-derivative equity security: | | | | | | |
| Non TWSE or TPEX listed stock | \$ | 10,169 | Comparable TWSE or TPEX company method | Discount for lack of marketability | 20% | The higher the discount for lack of marketability, the lower the fair value |
| Venture capital company stock | | 27,052 | Net asset value method | Net asset value | 30% | The higher the net asset value, the higher the fair value |
| Investment in private equity | | 39,901 | Net asset value method | Net asset value | | -The higher the net asset value, the higher the fair value |

7. The Group has carefully evaluated the valuation models and valuation parameters selected and therefore the fair value measurement is reasonable. However, the use of different valuation models or valuation parameters may result in different valuation results. For

financial assets and financial liabilities classified as Level 3, the effect on the profit or loss for the period or other comprehensive income if the valuation parameters are changed is as follows.

| | | <u>March 31, 2021</u> | | | | |
|------------------------------|---|-------------------------------------|--------------------|--|---------------------------|--|
| | | <u>Recognized in profit or loss</u> | | <u>Recognized in other comprehensive</u> | | |
| | | <u>Favorable</u> | <u>Unfavorable</u> | <u>Income</u> | | |
| <u>Input value</u> | <u>Change</u> | <u>change</u> | <u>change</u> | <u>Favorable change</u> | <u>Unfavorable change</u> | |
| Financial asset | | | | | | |
| | The discount for lack of marketability and the discount for lack of controlling interests | | | | | |
| Equity instruments | ±1% | \$ - | \$ - | \$ 108 | (\$ 108) | |
| Equity instruments | Net asset value ±1% | - | - | 288 | (288) | |
| Investment in private equity | Net asset value ±1% | 811 | (811) | - | - | |
| Total | | <u>\$ 811</u> | <u>(\$ 811)</u> | <u>\$ 396</u> | <u>(\$ 396)</u> | |

| | | <u>December 31, 2020</u> | | | | |
|------------------------------|---|-------------------------------------|--------------------|--|---------------------------|--|
| | | <u>Recognized in profit or loss</u> | | <u>Recognized in other comprehensive</u> | | |
| | | <u>Favorable</u> | <u>Unfavorable</u> | <u>Income</u> | | |
| <u>Input value</u> | <u>Change</u> | <u>change</u> | <u>change</u> | <u>Favorable change</u> | <u>Unfavorable change</u> | |
| Financial asset | | | | | | |
| | The discount for lack of marketability and the discount for lack of controlling interests | | | | | |
| Equity instruments | ±1% | \$ - | \$ - | \$ 150 | (\$ 150) | |
| Equity instruments | Net asset value ±1% | - | - | 280 | (280) | |
| Investment in private equity | Net asset value ±1% | 671 | (671) | - | - | |
| Total | | <u>\$ 671</u> | <u>(\$ 671)</u> | <u>\$ 430</u> | <u>(\$ 430)</u> | |

| | | <u>March 31, 2020</u> | | | | |
|--------------------|---------------|-------------------------------------|--------------------|--|---------------------------|--|
| | | <u>Recognized in profit or loss</u> | | <u>Recognized in other comprehensive</u> | | |
| | | <u>Favorable</u> | <u>Unfavorable</u> | <u>Income</u> | | |
| <u>Input value</u> | <u>Change</u> | <u>change</u> | <u>change</u> | <u>Favorable change</u> | <u>Unfavorable change</u> | |
| Financial asset | | | | | | |

| | | | | | | |
|------------------------------|------------------------------------|-----|---------------|-----------------|---------------|-----------------|
| Equity instruments | Discount for lack of marketability | ±1% | \$ - | \$ - | \$ 102 | (\$ 102) |
| Equity instruments | Net asset value | ±1% | - | - | 271 | (271) |
| Investment in private equity | Net asset value | ±1% | <u>399</u> | <u>(399)</u> | <u>-</u> | <u>-</u> |
| Total | | | <u>\$ 399</u> | <u>(\$ 399)</u> | <u>\$ 373</u> | <u>(\$ 373)</u> |

XIII. Additional disclosures

(I) Significant transactions information

1. Loans to others: None.
2. Endorsements and guarantees for others: Table 1.
3. Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures): Please refer to Table 2.
4. Marketable securities acquired and disposed amounting to at least NT\$300 million or 20% of the paid-in capital. None.
5. Acquisition of individual real estate amounting to at least NT\$300 million or 20% of the paid-in capital: None
6. Disposal of individual real estate amounting to at least NT\$300 million or 20% of the paid-in capital: None
7. Purchase from or sale to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
8. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
9. Engagements in derivative financial instruments transactions: None.
10. Business relationships and significant intercompany transactions and amounts between the parent company and its subsidiaries and between subsidiaries: None.

(II) Information on investees

Name, locations, and other related information of investees. Please refer to Table 3.

(III) Investments in Mainland China

Not applicable.

(IV) Information on main investors

For information on major shareholders: Please refer to Table 4.

XIV. Operating Segments Information

(I) General information

The Group's management has identified the reportable segments based on the reported information used by the chairperson in making decisions.

The Group has two reportable segments, the oil and chemical tank rental business and the solar power business, which provide oil and chemical tank rental and electricity sales, respectively, as the main sources of revenue.

(II) Measurement of segment information

The Group's operating segments adopt consistent accounting policies. The Group's operating decision makers evaluate the performance of each operating segment based on operating revenue and net profit after tax.

(III) Segment information

The Group's segment operating profit reported to the chief operating decision makers is measured in a manner consistent with the revenue and expenses in the income statement. The Group does not provide the total assets and liabilities to the operating decision maker for operating decisions. The reportable segment information provided to the chief operating decision maker for the 3 months ended March 31, 2021 and 2020 is as follows.

| | <u>January 1 to March 31, 2021</u> | | |
|------------------------------------|------------------------------------|----------------------------|--------------|
| | <u>Oil and chemical tank</u> | <u>Solar power</u> | <u>Total</u> |
| | <u>rental business</u> | <u>generation business</u> | |
| Segment revenues | \$ 111,570 | \$ 22,019 | \$ 133,589 |
| Segment profits or losses (Note) | 34,906 | 5,166 | 40,072 |
| Segment profits or losses include: | | | |
| Depreciation and amortization | 29,935 | 10,765 | 40,700 |
| Interest income | 42 | - | 42 |
| Financial costs | 326 | 301 | 627 |
| Income tax expense | 5,760 | 1,053 | 6,813 |

| | <u>January 1 to March 31, 2020</u> | | |
|------------------------------------|------------------------------------|----------------------------|--------------|
| | <u>Oil and chemical tank</u> | <u>Solar power</u> | <u>Total</u> |
| | <u>rental business</u> | <u>generation business</u> | |
| Segment revenues | \$ 101,725 | \$ 15,465 | \$ 117,190 |
| Segment profits or losses (Note) | 24,836 | 2,863 | 27,699 |
| Segment profits or losses include: | | | |
| Depreciation and amortization | 30,277 | 7,540 | 37,817 |
| Interest income | 170 | - | 170 |
| Financial costs | 560 | 376 | 936 |
| Income tax expense | 6,017 | 327 | 6,344 |

Note: Other income and expenses generated internally that were eliminated.

Prime Oil Chemical Service Corporation and its subsidiaries

Provision of endorsements and guarantees to others

January 1 to March 31, 2021

Table 1

Unit: Thousand NTD

(Unless otherwise specified)

| Serial No. (Note 1) | Name of the company providing endorsement and guarantee | Party being endorsed/ guaranteed Relationship with the endorser/ guarantor (Note 2) | Limit on endorsements/ guarantees provided for a single party (Note 3) | Balance of maximum endorsement and guarantee for the period (Note 4) | Balance of endorsement and guarantee at the end of the period (Note 5) | Transaction Amounts (Note 6) | Amount of endorsement and guarantee by property | Percentage of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company | Ceiling on total amount of endorsements/ guarantees provided (Note 3) | Endorsement and guarantee by parent subsidiary (Note 7) | Endorsement and guarantee by subsidiary for parent (Note 7) | Endorsement and guarantee for party in Mainland China (Note 7) | Remarks |
|------------------------|--|---|---|---|--|------------------------------------|--|---|--|---|---|---|---------|
| 0 | Prime Oil Chemical Service Corporation | POCS Power Co., Ltd. | 2 | \$ 430,001 | \$ 250,000 | \$ 250,000 | \$ 250,000 | \$ - | 23.3% | \$ 483,751 | Y | N | N |

Note 1: The description of the number column is as follows.

(1) Issuer fills in 0.

(2) The subsidiaries are numbered in order starting from 1.

Note 2: There are six types of relationships between the endorser/ guarantor and the endorsee/ guarantee, and just indicate the types:

(1) Companies that have business dealings

(2) Subsidiaries in which the Company directly holds more than 50% of the common stock.

(3) The other company directly or indirectly holds more than 50% of the voting shares of the Company.

(4) The Company directly or indirectly holds more than 90% of the voting shares of the other company.

(5) Mutual guarantee of the trade or joint proprietor as required by the construction contract.

(6) Due to joint venture, each shareholder provides endorsements/ guarantees to the endorsed/ guaranteed company in proportion to its ownership.

(7) Industry peers provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: According to the Company's operating procedures for endorsement and guarantee, the total amount of external guarantee is limited to 45% of the Company's net worth, and the amount of endorsement and guarantee for a single enterprise is limited to 40% of the Company's net worth.

Note 4: The maximum balance of endorsement and guarantee for others during the year.

Note 5: As of the end of the year, the Company assumes the responsibility of endorsement or guarantee when it enters an endorsement and guarantee contract with banks or when a line of credit for notes is approved; In addition, other matters involving endorsement or guarantee should be included in the balance of the endorsement or guarantee.

Note 6: Fill in the actual amount of endorsements/ guarantees used by the endorsed/ guaranteed company.

Note 7: Fill in Y for endorsement and guarantee by listed parent for subsidiary, by subsidiary for listed parent, or for party in Mainland China

Prime Oil Chemical Service Corporation and its subsidiaries
Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliated companies and joint venture)

March 31, 2021

Table 2

Unit: Thousand NTD
(Unless otherwise specified)

| Companies held | Type and name of marketable securities | Relationship with the issuer of marketable securities | Account in the book | The end of the period | | | | Remarks |
|--|---|---|--|-----------------------|-----------------|--------------|------------|---------|
| | | | | Shares | Carrying amount | Shares Ratio | Fair value | |
| Prime Oil Chemical Service Corporation | Stock - Everterminal Co., Ltd. | None | Financial assets at fair value through other comprehensive income - noncurrent | 684,488 | \$ 10,846 | 0.70% | \$ 10,846 | |
| Prime Oil Chemical Service Corporation | Stock - Athena Capital Co., Ltd. | None | Financial assets at fair value through other comprehensive income - noncurrent | 3,000,000 | 28,812 | 16.16% | 28,812 | |
| Prime Oil Chemical Service Corporation | Investment in private equity - AB Value Bridge VI, L.P. | None | Financial assets at fair value through profit or loss - non-current | - | 81,067 | 3.00% | 81,067 | |

Prime Oil Chemical Service Corporation and its subsidiaries
Names, locations and other information of investee companies (not including investees in China)
January 1 to March 31, 2021

Table 3

Unit: Thousand NTD
(Unless otherwise specified)

| Investor | Investor Company | Location | Main Businesses and Products | Investment Amount | | As of March 31, 2020 | | | Net profit (Loss) of the Investee for the period | Investment gains or losses recognized in the period | Remarks |
|--|------------------------------|----------|----------------------------------|-------------------|----------------|----------------------|-----------|-----------------|--|---|---------|
| | | | | March 31, 2020 | March 31, 2019 | Shares | Ownership | Carrying amount | | | |
| Prime Oil Chemical Service Corporation | He Zhen Feng Co., Ltd. | Taiwan | Real Estate Leasing | \$ 695 | \$ 695 | 69,468 | 69.47 | \$ 1,109 | (\$ 6) | (\$ 4) | |
| Prime Oil Chemical Service Corporation | POCS Power Co., Ltd. | Taiwan | Solar Power Industry | 40,000 | 40,000 | 4,000,000 | 100.00 | 45,172 | 49 | 49 | |
| Prime Oil Chemical Service Corporation | Prime Holdings Corporation | Anquila | Shareholding and General Trading | 191,886 | 191,886 | 6,298,770 | 100.00 | 251,321 | 983 | 983 | Note |
| Prime Holdings Corporation | Prime Solar Energy Co., Ltd. | Cambodia | Real Estate Development | 52,344 | 52,344 | 1,700,000 | 100.00 | 48,352 | - | - | Note |

Note: The information disclosed in respect of the investee enterprises is based on the exchange rate at March 31, 2021, except for the profit or loss for the period, which is based on the average exchange rate from January 1, 2021 to March 31, 2021.

Prime Oil Chemical Service Corporation and its subsidiaries

Information on main investors

March 31, 2021

Table 4

| | <u>Name of major shareholder</u> | <u>No. of shares held</u> | <u>Shares</u> | <u>Shares Ratio</u> |
|-------------------------------------|----------------------------------|---------------------------|---------------|---------------------|
| Abacus Display Infinity Corporation | | 26,593,949 | | 38.52% |
| Tai Yu Investment Co., Ltd. | | 4,433,345 | | 6.42% |