

Prime Oil Chemical Service Corporation
Standalone Financial Statements and Independent
Auditors' Report
for the Years Ended December 31, 2023 and 2022
(Ticker symbol: 2904)

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Prime Oil Chemical Service Corporation
Standalone Financial Statements and Independent Auditors' Report for the Years Ended
December 31, 2023 and 2022
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Independent Auditors' Report

(2024) PWCR 23005091

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

Opinion

We have audited the accompanying Standalone Balance sheets of Prime Oil Chemical Service Corporation as of December 31, 2023 and 2022 and the related Standalone Statements of Comprehensive Income, Standalone Statements of Changes in Equity and Standalone Statements of Cash Flows for the periods then ended and the Notes to the Standalone Financial Statements (including a summary of significant accounting policies).

Based on our review, nothing has come to our attention that causes us to believe that the financial statements of Prime Oil Chemical Service Corporation are not prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and present fairly the standalone financial position of Prime Oil Chemical Service Corporation as of December 31, 2023 and 2022 as well as its standalone financial performance and standalone cash flow then ended.

Basis for Audit Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Republic of China Generally Accepted Auditing Standards (ROC GAAS). Our responsibilities under such standards will be elaborated in the paragraph of Independent Accountants' responsibilities for audits of standalone financial statements. Our personnel subject to the independence requirements have complied with the Codes of Professional Ethics for Certified Public Accountants in the Republic of China (hereinafter referred to as the "Codes"), have been independent of Prime Oil Chemical Service Corporation, and have fulfilled other ethical responsibilities under such Codes. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our opinion.

Key inspection items

Key inspection items refer to those matters that, in our professional judgment, are of most significance in relation to our audit of Prime Oil Chemical Service Corporation's Standalone Financial Statements as of 2023. These matters have been addressed in the process of our audit of the Standalone Financial Statements as a whole and forming our opinion thereon and we do not express an opinion on these matters individually.

Key inspection items of Prime Oil Chemical Service Corporation's Standalone Financial Statements as of 2023 are as follows:

Evaluation of other equipment impairment

Description

For property, plant and equipment, please refer the Note 6(7) of the Standalone Financial

Statements. For accounting policies of impairment assessment and significant accounting judgments, assumptions and uncertainty of Estimations, please refer to Note 4(17) and 5 of the Standalone Financial Statements, respectively.

Prime Oil Chemical Service Corporation's other equipment (under property, plant and equipment) is the major asset related to the solar power generation division with a book value of NT\$715,623 thousand, accounting for 37% of the total standalone assets. Due to the scarcity of available solar power land and difficulty of developing large sites, Prime Oil Chemical Service Corporation estimates the amount recoverable of other equipment based on the value in use and applies it as the basis of the impairment assessment. Since the value-in-use evaluation process involves judgment of changes due to variations of economic environment or climate conditions and uncertainties to the future due to changes in estimation results brought by the conditions, which could have a significant impact on the recoverable amount measurement and in turn affects the assessment of impairment amount, we consider the impairment assessment of other equipment, a key inspection item.

Audit procedure in response

The audit procedures we performed are set out below:

1. Review management's estimates of recoverable amounts of other equipment at the balance sheet date and reassess the correctness of the related calculations.
2. Understand and evaluate that the Company's asset impairment assessment procedures and accounting policies are complied with the accounting principles and are consistently applied, including a review of the methods adopted by the management when determining recoverable amounts.
3. Obtain assessment information used by management for determining recoverable amounts based on asset use patterns and industry characteristics and assess the reasonableness of the independent cash flows, the durable years of the assets and the potential future revenues and expenses.
4. Compare the recoverable amount with the carrying amount to examine the correctness of the impairment calculation.

The management's and governance units' responsibilities to the Standalone Financial Statements

The management's responsibility is to prepare the Standalone Financial Statements that present fairly the Company's financial position in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and maintain the necessary internal controls relevant to the preparation of the Standalone Financial Statements to ensure that the Standalone Financial Statements are free from material misstatements, whether due to fraud or error.

In preparing the Standalone Financial Statements, the responsibility of the management also includes evaluating the ability of the Company's going concern, disclosure of related matters and

adoption of the going concern basis of accounting, unless the management intends to liquidate Prime Oil Chemical Service Corporation or to cease its operations or has no practical alternative to liquidation or cessation of operations.

Prime Oil Chemical Service Corporation's governance unit (including the audit committee) is responsible for overseeing the financial reporting process.

Independent Auditors' responsibilities to auditing the Standalone Financial Statements.

The purpose of our audit is to obtain reasonable assurance about whether or not the Standalone Financial Statements as a whole are free from material misstatements resulting from fraud or error and to issue an audit report thereon. Reasonable assurance represents a high assurance, however the audit work conducted in accordance with the Republic of China Generally Accepted Auditing Standards does not provide assurance that material misstatements in the Standalone Financial Statements can be detected. Misstatements might result from fraud or error. If the individual amounts or aggregates of misstatements could reasonably be expected to affect economic decisions made by the users of the Financial Statements, such amounts are deemed material.

We applied our professional judgment and maintained our professional skepticism in our audit in accordance with the Republic of China's Generally Accepted Auditing Standards. We also conducted the following work:

1. Identify and assess the risk of material misstatements resulting from fraud or error; design and implement appropriate countermeasures for the assessed risks; and obtain sufficient and appropriate audit evidence as the basis of our audit opinion. Since fraud may involve conspiracy, forgery, intentional omission, misrepresentation or a breach of internal control, the risk of not detecting a material misstatement due to fraud is higher than what is due to error.
2. Obtain the necessary understanding of internal controls relevant to the audit to design audit procedures that are appropriate in the circumstances, provided that the objective is not to express an opinion on the effectiveness of Prime Oil Chemical Service Corporation's internal control.
3. Evaluate the appropriateness of the accounting policies adopted by management and the reasonableness of the accounting estimates and related disclosures they made.
4. Based on the evidence obtained, draw conclusions regarding the appropriateness of management's adoption of accounting basis for a going concern and whether or not there is any material uncertainty regarding events or circumstances that may cast a significant doubt on Prime Oil Chemical Service Corporation's ability in continuing operations. If we believe that a material uncertainty exists with respect to any such events or circumstances, we shall draw the attention of users of the Standalone Financial Statements to the relevant disclosures in the Standalone Financial Statements or amend our audit opinion when such disclosures are inappropriate. Our conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances may cause Prime Oil Chemical Service

Corporation to cease to have the ability of continuing operations.

5. Evaluate whether or not the overall presentation, structure and content of the Standalone Financial Statements (including the related notes) and the Standalone Financial Statements fairly present the relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence on the financial information that constitutes Prime Oil Chemical Service Corporation's financial position to provide our opinion on the Standalone Financial Statements. We are responsible for the direction, supervision and execution of the standalone audit project and for developing standalone audit opinions.

Our communication with the governance units includes the planned scope and timing of our audits and significant audit findings (including any significant deficiencies in internal control identified during our audits)

We also provide the governing unit with a statement that the independence-regulated personnel of our firm have complied with the ROC Code of Professional Ethics with respect to independence and communicate with the governing unit concerning all relationships and other matters (including related safeguards) that may be perceived to affect the independence of the accountant.

From the matters communicated with the governance unit, we determine the key inspection items for Prime Oil Chemical Service Corporation's 2023 Standalone Financial Statements. We describe these matters in our audit report unless law or regulation precludes public disclosure about such matters or when, in extremely rare circumstances, we determine that a matter would not be communicated in our report since the adverse consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

PwC, Taiwan

Huang, Pei-Chuan

Accountant

Pan, Hui-Ling

March 14, 2024

Prime Oil Chemical Service Corporation
Standalone Balance Sheets
December 31, 2023 and 2022

Unit: Thousand NTD

Assets	Note	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6 (1)	\$ 56,455	3	\$ 81,794	4
1136	Financial assets measured at amortized cost - current	6 (4) and 8	20,680	1	17,783	1
1150	Notes receivable, net	6 (5)	346	-	351	-
1170	Accounts receivable, net	6 (5)	48,156	2	40,191	2
1410	Prepayments		13,123	1	21,939	1
1460	Net assets held for sale	6 (11)	-	-	48,814	2
11XX	Total current assets		<u>138,760</u>	<u>7</u>	<u>210,872</u>	<u>10</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6 (2)	102,210	6	104,538	5
1517	Financial assets at fair value through other comprehensive income - noncurrent	6 (3)	5,111	-	5,108	-
1535	Financial assets measured at amortized cost - non-current	6 (4) and 8	3,571	-	2,305	-
1550	Investments accounted for using equity method	6 (6)	369,743	19	349,135	16
1600	Property, Plant and Equipment	6 (7) and 8	1,020,072	53	1,068,527	50
1755	Right-of-use assets	6 (8)	235,341	12	293,591	14
1780	Intangible asset		2,890	-	4,230	-
1840	Deferred tax assets	6 (28)	1,384	-	1,876	-
1900	Other non-current assets	6 (10) and 8	47,405	3	116,720	5
15XX	Total non-current assets		<u>1,787,727</u>	<u>93</u>	<u>1,946,030</u>	<u>90</u>
1XXX	Total Assets		<u>\$ 1,926,487</u>	<u>100</u>	<u>\$ 2,156,902</u>	<u>100</u>

(Continued)

Prime Oil Chemical Service Corporation
Standalone Balance Sheets
December 31, 2023 and 2022

Unit: Thousand NTD

Liabilities and Stockholders' Equity		Note	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6 (12)	\$ 30,000	2	\$ 207,000	10
2110	Short-term bills payable	6 (12)	-	-	34,800	2
2150	Notes payable		6,881	-	6,881	-
2200	Other payables	6 (14)	46,638	2	58,315	3
2230	Current income tax liabilities		15,437	1	20,648	1
2280	Current lease liabilities		50,351	3	47,436	2
2320	Long-term liabilities, current portion	6 (13)	58,117	3	52,452	2
2399	Other current liabilities - others		74	-	74	-
21XX	Total current liabilities		<u>207,498</u>	<u>11</u>	<u>427,606</u>	<u>20</u>
Non-current liabilities						
2540	Long-term borrowings	6 (13)	285,975	15	257,799	12
2550	Provisions for liabilities - non-current	6 (17)	27,998	1	27,174	1
2570	Deferred tax liabilities	6 (28)	12,675	1	12,871	1
2580	Non-current lease liabilities		175,449	9	232,131	11
2640	Net defined benefit liabilities - noncurrent	6 (15)	4,862	-	5,368	-
2645	Guarantee deposits received		440	-	6,450	-
25XX	Total non-current liabilities		<u>507,399</u>	<u>26</u>	<u>541,793</u>	<u>25</u>
2XXX	Total liabilities		<u>714,897</u>	<u>37</u>	<u>969,399</u>	<u>45</u>
Equity						
Share capital		6 (18)				
3110	Common stock		778,344	40	778,344	36
Additional paid-in capital		6 (19)				
3200	Additional paid-in capital		77,397	4	67,888	3
Retained earnings		6 (20)				
3310	Legal reserve		205,038	11	194,177	9
3320	Special reserve		-	-	18,778	1
3350	Unappropriated retained earnings		147,392	8	125,349	6
Other equity interests		6 (21)				
3400	Other equity interests		3,419	-	2,967	-
3XXX	Total equity		<u>1,211,590</u>	<u>63</u>	<u>1,187,503</u>	<u>55</u>
Significant contingent liabilities and unrecognized contract commitments		9				
Significant events after the balance sheet date		11				
3X2X	Total liabilities and equity		<u>\$ 1,926,487</u>	<u>100</u>	<u>\$ 2,156,902</u>	<u>100</u>

The accompanying notes are an integral part of the Standalone Financial Statements and should be read in conjunction.

Chairperson: Liao Shu-chun

Managerial officer: Yeh Tang-jung

Accounting officer: Huang Yi-yin

Prime Oil Chemical Service Corporation
Standalone Statements of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: Thousand NTD
(Except earnings per share in NTD)

	Item	Note	2023		2022	
			Amount	%	Amount	%
4000	Operating revenue	6 (9)(22)	\$ 425,053	100	\$ 454,885	100
5000	Operating cost	6 (26) (27)	(301,895)	(71)	(286,555)	(63)
5900	Operating gross profits		<u>123,158</u>	<u>29</u>	<u>168,330</u>	<u>37</u>
	Operating expenses	6 (26) (27)				
6100	Selling and marketing expenses		(5,221)	(1)	(6,121)	(1)
6200	General and administrative expenses		(59,495)	(14)	(61,542)	(14)
6000	Total operating expenses		(64,716)	(15)	(67,663)	(15)
6900	Operating profit		<u>58,442</u>	<u>14</u>	<u>100,667</u>	<u>22</u>
	Non-operating income and expenses					
7100	Interest income		1,161	-	427	-
7010	Other income	6 (23) and 7 (3)	22,006	5	13,655	3
7020	Other gains or losses	6 (24)	(8,787)	(2)	28,356	6
7050	Financial costs	6 (25)	(13,505)	(3)	(3,162)	-
7070	Share of profits and losses of subsidiaries, affiliates and joint ventures recognized under the equity method	6 (6)	<u>21,540</u>	<u>5</u>	(4,018)	(1)
7000	Total non-operating income and expenses		<u>22,415</u>	<u>5</u>	<u>35,258</u>	<u>8</u>
7900	Profit before income tax		<u>80,857</u>	<u>19</u>	<u>135,925</u>	<u>30</u>
7950	Income tax expense	6 (28)	(15,624)	(4)	(28,881)	(7)
8200	Current period net profit		<u>\$ 65,233</u>	<u>15</u>	<u>\$ 107,044</u>	<u>23</u>
	Other comprehensive income for the year (net)					
	Items that will be reclassified to profit or loss					
8311	Re-measurements of the defined benefit liability	6 (15)	(\$ 642)	-	\$ 1,961	-
8316	Unrealized valuation gain or loss on equity instruments at fair value through other comprehensive income	6 (3)	3	-	(2,396)	-
8349	Income tax related to components of other comprehensive income that is not reclassified to profit or loss	6 (28)	<u>127</u>	<u>-</u>	(392)	<u>-</u>
8310	Total amount of items that will not be reclassified to profit or loss		(512)	-	(827)	-
	Items that may be reclassified subsequently to profit or loss:					
8361	Exchange Differences in Translating the Financial Statements of Foreign Operations	6 (6)	560	-	28,565	6
8399	Income taxes related to items that may be reclassified	6 (28)	(111)	-	(5,714)	(1)
8360	Total of Items that may be reclassified to profit or loss		<u>449</u>	<u>-</u>	<u>22,851</u>	<u>5</u>
8300	Other comprehensive income for the year (net)		<u>(\$ 63)</u>	<u>-</u>	<u>\$ 22,024</u>	<u>5</u>
8500	Total comprehensive income in the current period		<u>\$ 65,170</u>	<u>15</u>	<u>\$ 129,068</u>	<u>28</u>
	Earnings per share	6 (29)				
9750	Basic		<u>\$ 0.84</u>		<u>\$ 1.50</u>	
9850	Diluted		<u>\$ 0.84</u>		<u>\$ 1.50</u>	

The accompanying notes are an integral part of the Standalone Financial Statements and should be read in conjunction.

Chairperson: Liao Shu-chun

Managerial officer: Yeh Tang-jung

Accounting officer: Huang Yi-yin

Prime Oil Chemical Service Corporation
Standalone Statements of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: Thousand NTD

	Note	Additional paid-in capital				Retained earnings			Other equity interests			Total equity
		Common stock	Issuance premium	Treasury stock transactions	Changes in net equity of affiliated companies and joint ventures under the equity method	Employee share options	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange Differences in Translating the Financial Statements of Foreign Operations	Unrealized gains or losses on financial assets at fair value through other comprehensive income	
<u>2022</u>												
Balance at January 1, 2022		\$ 690,344	\$ -	\$ 4,233	\$ -	\$ -	\$ 187,193	\$ 13,064	\$ 85,951	(\$ 15,363)	(\$ 3,415)	\$ 962,007
Current period net profit		-	-	-	-	-	-	107,044	-	-	-	107,044
Other comprehensive income recognized for the period		-	-	-	-	-	-	1,569	22,851	(2,396)	-	22,024
Total comprehensive income in the current period		-	-	-	-	-	-	108,613	22,851	(2,396)	-	129,068
Appropriation and distribution of retained earnings for FY2021	6 (20)											
Legal reserve allocated		-	-	-	-	-	6,984	(6,984)	-	-	-	-
Special reserve allocated		-	-	-	-	-	-	5,714	(5,714)	-	-	-
Cash dividends		-	-	-	-	-	-	(55,227)	-	-	-	(55,227)
Follow-On Offering		88,000	61,000	-	-	-	-	-	-	-	-	149,000
Share-based payments	6 (16)	-	1,280	-	-	1,375	-	-	-	-	-	2,655
Disposal of equity instruments at fair value through other comprehensive profit or loss	6 (3)	-	-	-	-	-	-	(1,290)	-	-	1,290	-
Balance at December 31, 2022		\$ 778,344	\$ 62,280	\$ 4,233	\$ -	\$ 1,375	\$ 194,177	\$ 18,778	\$ 125,349	\$ 7,488	(\$ 4,521)	\$ 1,187,503
<u>2023</u>												
Balance at January 1, 2023		\$ 778,344	\$ 62,280	\$ 4,233	\$ -	\$ 1,375	\$ 194,177	\$ 18,778	\$ 125,349	\$ 7,488	(\$ 4,521)	\$ 1,187,503
Current period net profit		-	-	-	-	-	-	65,233	-	-	-	65,233
Other comprehensive income recognized for the period		-	-	-	-	-	-	(515)	449	3	(63)	-
Total comprehensive income in the current period		-	-	-	-	-	-	64,718	449	3	-	65,170
Appropriation and distribution of retained earnings for FY2022	6 (20)											
Legal reserve allocated		-	-	-	-	-	10,861	(10,861)	-	-	-	-
Reversal of special reserve		-	-	-	-	-	-	18,778	(18,778)	-	-	-
Cash dividends		-	-	-	-	-	-	(50,592)	-	-	-	(50,592)
Changes in net equity of affiliated companies and joint ventures under the equity method		-	-	-	9,509	-	-	-	-	-	-	9,509
Balance at December 31, 2023		\$ 778,344	\$ 62,280	\$ 4,233	\$ 9,509	\$ 1,375	\$ 205,038	\$ -	\$ 147,392	\$ 7,937	(\$ 4,518)	\$ 1,211,590

The accompanying notes are an integral part of the Standalone Financial Statements and should be read in conjunction.

Chairperson: Liao Shu-chun

Managerial officer: Yeh Tang-jung

Accounting officer: Huang Yi-yin

Prime Oil Chemical Service Corporation
Standalone Statements of Cash Flows
January 1 to December 31, 2023 and 2022

Unit: Thousand NTD

	Note	January 1 to December 31, 2023		January 1 to December 31, 2022
<u>Cash flow from operating activities</u>				
Profit before income tax for the year		\$ 80,857	\$	135,925
Adjustment for:				
Income and expenses having no effect on cash flows				
depreciation expense	6 (7)(8) (26)	181,741		172,915
Amortization expense	6 (26)	1,617		1,576
Valuation loss (gain) of financial assets at fair value through profit or loss	6 (2)(24)	16,480	(	28,830)
Gains on disposal of subsidiary	6 (11)	10,196	(-
Financial costs	6 (25)	13,505		3,162
Interest income		1,161	(	427)
Dividends income	6 (23)	13,654	(	4,699)
Share-based payment expense		-		2,655
Shares of affiliated enterprises and joint venture interests recognized using the equity method	6 (6)	21,540	(	4,018)
Exchange differences in Financial assets measured at amortized cost	6 (4)	3	(	1,757)
Loss on disposal of property, plant and equipment	6 (24)	2,500		2,500
Effect of organizational restructuring		-	(	5,382)
Change in assets/liabilities related to operating activities				
Changes in operating assets				
Notes receivable, net		5		366
Accounts receivable, net		7,965	(	1,632)
Other receivables – related parties:		-		1,713
Prepayments		8,816	(	13,785)
Changes in operating liabilities				
Other payables		1,031	(	5,661)
Other current liabilities - others		-	(	1)
Net defined benefit liabilities		1,148	(	1,223)
Cash flow from operating activities		248,829		272,755
Interest received		1,161		427
Dividend received		13,654		4,699
Interest paid		13,505	(	3,162)
Income tax paid		20,523	(	17,214)
Net cash generated by operating activities		229,616		257,505

(Continued)

Prime Oil Chemical Service Corporation
Standalone Statements of Cash Flows
January 1 to December 31, 2023 and 2022

Unit: Thousand NTD

	<u>Note</u>	<u>January 1 to December 31, 2023</u>	<u>January 1 to December 31, 2022</u>
<u>Cash Flow from Investing Activities</u>			
Disposal of financial assets measured at fair value through other comprehensive income	12 (3)	\$ -	\$ 28,710
Acquisition of financial assets measured at amortized cost	6 (4)	(4,166)	(4)
Disposal of financial assets measured at amortized cost		-	10,000
Refund of share price due to capital reduction of financial assets at fair value through profit or loss	12 (3)	23,060	-
Acquisition of financial assets at fair value through profit or loss	12 (3)	(50,400)	-
Disposal of financial assets at fair value through profit or loss	12 (3)	13,188	7,401
Acquisition of investments accounted for using equity method	6 (6)	-	(100,698)
Capital reduction and return of shares of invested companies using the equity method	6 (6)	8,501	22,914
Purchase of property, plant and equipment	6(30)	(84,858)	(365,371)
Acquisition of intangible assets		(277)	(1,565)
Cash received from disposal of subsidiaries		59,010	-
Increase in refundable deposits	6(10)	(114)	(53,362)
Decrease in refundable deposits	6(10)	309	-
Recovered guarantee deposits	6(10)	69,120	-
Net cash (outflow) inflow from investing activities		<u>33,373</u>	<u>(451,975)</u>
<u>Cash Flow from Financing Activities</u>			
Increase (decrease) in short-term bills payable	6 (31)	(34,800)	14,800
Increase in short-term borrowings	6 (31)	985,500	1,103,500
Decrease in short-term borrowings	6 (31)	(1,162,500)	(938,500)
Increase in long-term borrowings (including current portion)	6 (31)	87,739	207,420
Decrease in long-term borrowings (including current portion)	6 (31)	(53,898)	(250,519)
Amount of principal payments on lease liabilities	6 (8) (31)	(53,767)	(63,527)
Cash dividends paid	6 (20)	(50,592)	(55,227)
Follow-on offering		-	149,000
Decrease in guarantee deposits received		(6,010)	-
Net cash (outflow) inflow from financing activities		<u>(288,328)</u>	<u>166,947</u>
Decrease in cash and cash equivalents		(25,339)	(27,523)
Beginning of year cash and cash equivalents		<u>81,794</u>	<u>109,317</u>
Cash and cash equivalents at the end of the year		<u>\$ 56,455</u>	<u>\$ 81,794</u>

The accompanying notes are an integral part of the Standalone Financial Statements and should be read in conjunction.

Chairperson: Liao Shu-chun

Managerial officer: Yeh Tang-jung

Accounting officer: Huang Yi-yin

Prime Oil Chemical Service Corporation
Notes to the Standalone Financial Statements
for the Years Ended December 31, 2023 and 2022

Unit: Thousand NTD
(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 are mainly engaged in chemical, oil tank storage and delivery services and solar power generation business.

II. Date and Procedures for Approval of Financial Statements

The Standalone Financial Statements were approved and authorized for issuance by the Board of Directors on March 14, 2024.

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 2023:

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendment to IAS 1 “Disclosure of Accounting Policies”.	January 1, 2023
Amendment to IAS 8 “Definition of Accounting Estimates”.	January 1, 2023
Amendment to IAS 12 “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction with a Single Taxpayer”.	January 1, 2023
Amendments to IAS 12 “Deferred taxes arising from OECD Pillar Two model rules”	May 23, 2023

The Company believes that adopting the aforementioned IFRSs will not constitute a significant effect on the Company’s financial position and performance.

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

The following table summarizes the applicable newly released, corrected and amended standards and interpretations of the International Financial Reporting Standards for 2024 issued by the IASB and recognized by the Financial Supervisory Commission:

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendment to IFRS 16 “Leases - Lease Liability in a Sale and Leaseback”.	January 1, 2024
Amendment to IAS 1 “Classification of Liabilities as Current or Non-current”.	January 1, 2024
Amendment to IAS 1 “Classification of Liabilities - Obligations with Contractual Clauses”.	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier finance arrangements”	January 1, 2024

The Company believes that adopting the aforementioned IFRSs will not constitute a significant effect on the Company’s financial position and performance.

(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 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”.	To be decided by the IASB
IFRS 17 “Insurance Contracts”.	January 1, 2023
Amendment to IFRS 17 “Insurance Contracts”.	January 1, 2023
Amendments to IFRS 17 “First-time adoption of IFRS 17 and IFRS 9 - Comparative information”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

The Company believes that adopting the aforementioned IFRSs will not constitute a significant effect on the Company’s financial position and performance.

IV. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the Standalone Financial Statements are described below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(I) Compliance statement

The Standalone Financial Statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of preparation

1. The Standalone 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) Financial assets at fair value through other comprehensive income 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 the financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, explanations and announcements of explanations (hereinafter referred to as “IFRSs”) that are recognized and issued into effect by FSC requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher level of judgment or complexity or related to significant assumptions and estimates to the Standalone Financial Statements are disclosed in Note 5.

(III) Foreign currency translation

The Company’s financial statements are presented in NTD, which is the major currency (i.e. the functional currency) of the Company’s underlying economic environment. The currency of this Standalone Financial Statements is presented in the Company’s functional currency “NTD.”

1. Foreign currency transactions and balances

- (1) Foreign currency transactions are translated into the functional currency using the prevailing exchange rates on the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (2) Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated at the prevailing exchange rates at the balance sheet date. Exchange differences arising when adjustments are recognized in profit or loss in the period when they arise.
- (3) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are adjusted at the prevailing exchange rates at the balance sheet date; their translation differences are recognized in profit or loss in the period in which they arise. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are adjusted at the prevailing exchange rates at the balance sheet date; differences resulting from such translations are recognized in other comprehensive income; for those that are not measured at fair value

are translated using the historical exchange rates at the dates of the initial transactions.

- (4) All foreign exchange gains and losses are presented in the Statements of Comprehensive Income under “other gains and losses.”

2. Translation of foreign operations

The operating results and financial positions of all the group entities and associates that have different functional currencies and from the presentation currency is translated into the presentation currency in the following manner:

- (1) Assets and liabilities of each balance sheet presented are translated at the closing exchange rate on the date of that balance sheet;
- (2) Income and expenses of each Statements of Comprehensive Income are translated at the average exchange rates of the period; and
- (3) All differences resulting from exchanges are recognized in other comprehensive income.

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

1. Assets that meet one of the following criteria are classified as current assets:

- (1) Assets arising from operating activities that are expected to be realized or are intended to be sold or consumed within the normal operating cycle.
- (2) Assets held mainly for trading purposes.
- (3) Assets that are expected to be realized within 12 months after the balance sheet date.
- (4) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities on at least 12 months after the balance sheet date.

The Company classifies all other assets that meet none of the above criteria as non-current assets.

2. Liabilities that meet one of the following criteria are classified as current liabilities:

- (1) Liabilities that are expected to be settled within the normal operating cycle.
- (2) Assets held mainly for trading purposes.
- (3) Liabilities that are to be settled within 12 months after the balance sheet date;
- (4) Liabilities for which the repayment date cannot be extended unconditionally to more than 12 months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issuance of equity instruments do not affect its classification.

The Company classifies all other liabilities that meet none of the above criteria as noncurrent liabilities.

(V) Cash and cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the above criteria and are held for the purposes of meeting short-term operating cash commitment are classified as cash equivalents.

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

1. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.
2. The Company adopts trade date accounting for the financial assets at fair value through profit or loss that belong to regular transactions.

3. At initial recognition, the Company measures the financial assets at fair value and recognizes their transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value and recognizes such asset's gain or loss in profit or loss.

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

1. Financial assets at fair value through other comprehensive income comprise equity instruments which are not held for trading and for which the Company has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income or loss.
2. The Company adopts trade date accounting for the financial assets at fair value through other comprehensive income that belong to regular transactions.
3. At initial recognition, the Company measures the financial assets at fair value and recognizes their transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value and recognizes such asset's gain or loss in other comprehensive income. Cumulative gain or loss previously recognized in comprehensive income shall not be reclassified to profit or loss following the de-recognition of the instrument and shall be reclassified to retained earnings. The Company recognizes the dividends income in the profit or loss when the right to receive payment is established, future economic benefits associated with the dividends flow to the Company and the amount of the dividends can be measured reliably.

(VIII) Financial assets measured at amortized cost

1. Are those that meet all the following criteria:
 - (1) The objective of the Company's business model is achieved by collecting contractual cash flows.
 - (2) The assets' contractual cash flows solely represent payments of principal and interest on the principal amount outstanding.
2. The Company adopts trade date accounting for the financial assets measured at amortized cost that belong to regular transactions.
3. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at the initial investment amount as the effect of discounting is immaterial.

(IX) Accounts and notes receivables

1. Are those with an unconditional legal right to receive considerations in exchange for transferred goods or rendered services.
2. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial

(X) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income, financial assets at amortized cost, and accounts receivable containing a significant financing component, the Company measures, at each balance sheet date, the impairment provision at 12 months expected credit losses if there is no significant increase in credit risk since initial recognition or measures the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and

verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Company recognizes the impairment provision for ECLs over the lifetime

(XI) De-recognition of financial assets

The Company de-recognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(XII) Lessor Leasing Transaction - Operating lease

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in the profit or loss on a straight-line basis over the lease term.

(XIII) Non-current assets held for sale

Non-current assets (or disposal groups) that are primarily held for sale through a sale transaction rather than continuing to use, and are highly likely to be sold, are classified as held for sale and measured at the lower of their carrying amount and fair value less costs to sell.

(XIV) Investments/subsidiaries and associated companies accounted for under the equity method

1. Subsidiaries are entities controlled by the Company (including structured entities). The Company controls the entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and can affect those returns through its power over the entity.
2. All unrealized profit or loss resulting from transactions between the Company and its subsidiaries have been eliminated in full. Accounting policies of subsidiaries have been adjusted when necessary to be consistent with those of the Company.
3. The Company's share of profit or loss in subsidiaries after acquisition is recognized in the profit or loss, whereas its share of other comprehensive income in subsidiaries after acquisition is recognized in other comprehensive income. If the Company's recognized losses in a subsidiary equal to or exceed its equity in such subsidiary, the Company continues to recognize losses against its shareholding percentage.
4. Affiliated companies refer to entities over which the Company exerts significant influence but does not have control, typically by directly or indirectly holding more than 20% of voting rights. The Company uses the equity method to account for its investments in affiliated companies, recognizing them at cost upon acquisition.
5. After the acquisition of an equity interest in an associated company, this company recognizes its share of the associated company's profit or loss as a current period expense, while its share of the associated company's other comprehensive income is recognized in other comprehensive income. If this company's share of losses in an associated company equals or exceeds its interest in the associated company's equity (including any other unsecured receivables), no further losses are recognized unless this company has a legal or constructive obligation or has made payments on behalf of the associated company.
6. When an equity change occurs in an associated enterprise that is not related to profit or other comprehensive income and does not affect the percentage of ownership in the associated enterprise, the Company recognizes all equity changes in "Capital Surplus" based on its ownership percentage.

7. The unrealized gains and losses resulting from transactions between the Company and its affiliated companies have been eliminated based on their respective ownership interests, unless evidence indicates that the transferred assets have been impaired, in which case unrealized losses are also eliminated. The accounting policies of the affiliated companies have been adjusted as necessary to be consistent with those adopted by the Company.
8. According to Regulations Governing the Preparation of Financial Reports by Securities Issuers, the profit or loss of the period and other comprehensive income presented in the Standalone Financial Statements shall be the same as the allocations of profit or loss of the period and of other comprehensive income attributable to owners of the parent presented in the financial statements prepared on a standalone basis and the owners' equity presented in the Standalone Financial Statements shall be the same as the equity attributable to owners of the parent presented in the financial statements prepared on a standalone basis.

(XV) Property, Plant and Equipment

1. They are initially recorded at cost and relevant interests incurred during the construction period are capitalized.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the part of replacement should be derecognized. All other maintenance expenses are recognized as current profit or loss as incurred.
3. Subsequent evaluation of the equipment applies the cost model and such equipment is depreciated under the straight-line method. If the components of the equipment are significant, depreciation is provided separately.
4. The assets residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at the end of each fiscal year. If expectations for the assets residual values and useful lives differ from previous estimates or patterns of consumption of the future economic benefits embodied in such assets have changed significantly, such change is handled according to IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of such change. Useful life of each asset.

Warehousing equipment	2~35 years	Lease improvement	10 years
Transport Equipment	5~10 years	Lease assets	7~35 years
Office Equipment	3~5 years	Other Equipment	15~25 years

(XVI) Lessee Leasing Transaction – Right-of-use Assets/Leasing liabilities

1. Leased assets are recognized as right-of-use assets and leasing liabilities as of the date they become available to the Company. When a lease contract is a short-term lease or a lease of a low-value asset, the lease payment is recognized as an expense over the leasing period using the straight-line method.
2. Leasing liabilities are recognized at the commencement date of such lease at the present value of unpaid lease payments discounted by the interest rate on the Company's incremental borrowings. Such leasing payments are fixed payments, less any lease

incentives that are entitled to be received.

Subsequent evaluation applies interest method to measure at amortized cost and recognized interest expenses over the lease life. When changes in lease tenor or lease payment do not result from amendments of lease agreements, the lease liabilities are re-measured and the right-of-use asset will be adjusted against any amount of re-measurement of such leasing liabilities.

3. Right-of-use assets are recognized at cost at the commencement date of the lease. The cost is the initial measurement amount of such leasing liabilities.

The subsequent measurement is based on the cost model, and the depreciation expense is appropriated when the useful life of the right-of-use asset expires or the lease term expires, whichever is earlier. When the lease liability is reassessed, the right-of-use asset adjusts any remeasurement of the lease liability.

4. For lease modifications that result in a reduction of the lease scope, the lessee shall reduce the carrying amount of the leased asset to reflect the partial or full termination of the lease, and recognize the difference between the carrying amount of the leased asset and the re-measured lease liability in profit or loss.

(XVII) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or its value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior periods no longer exist or diminish, the impairment loss is reversed, provided that the increased carrying amount resulting from such reversal should not exceed the face value prior to the impairment and net of depreciation or amortization.

(XVIII) Loans

1. Comprises of long-term and short-term bank borrowings. Loans are recognized initially at fair value, net of transaction costs incurred. Loans are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit or loss over the period of the loans using the effective interest method.
2. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down. In this case, the fees are deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, such fees are capitalized as a pre-payment and amortized over the respective period of the facilities.

(XIX) De-recognition of financial liabilities

A financial liability is de-recognized when the obligation specified in the contract is discharged, cancelled or expired.

(XX) Provision

Provisions (de-commissioning liabilities) arise when the Company has a present legal or constructive obligation because of past events and it is probable that an outflow of economic

resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the amount of the expenditures required to settle underlying obligation on the balance sheet date. Provisions shall not be recognized for future operating losses.

(XXI) Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid with respect to the service rendered by employees in a period and should be recognized as expense in that period when the employees render service.

2. Pensions

(1) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expense when they are due on an accrual basis. Pre-paid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(2) Defined benefit plans

A. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognized in the balance sheet with respect to the defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Company uses the yield rates of government bonds (at the balance sheet date) instead.

B. Re-measurements arising from defined benefit plans are recognized in other comprehensive income of the period and presented in the retained earnings.

3. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expense and liability, provided that such recognition is required under a legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in accounting estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price on the immediate day before the board meeting resolution.

(XXII) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the payment date and are recognized as compensation cost over the vesting period. The Company's equity is then adjusted accordingly. The fair value of the equity instruments granted shall reflect

the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that are eventually vested.

(XXIII) Income tax

1. Income tax comprises of current and deferred income tax. Tax is recognized in the profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity
2. The current income tax expense is calculated based on the tax laws enacted or substantively enacted at the balance sheet date. The management periodically evaluates implementations taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to distribute the earnings.
3. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not be reversed in the foreseeable future. Deferred income tax is determined according to tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.
4. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.

(XXIV) Share capital

1. Ordinary shares are classified as equity.
2. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(XXV) Dividends

Cash dividends distributed to the Company's shareholders are recognized as liabilities in

the financial statements when resolved by the Company's board of directors.

(XXVI) Revenue recognition

1. Rental incomes

The Company provides chemical and oil tanks for lease in accordance with operating lease standards and the rental income from such operating lease is recognized in the profit or loss on a straight-line basis according to rent determined by the leasing agreement.

2. Tank operation revenue

The Company provides chemical and oil tanks for lease and offers chemicals and oil loading services. Revenue is recognized in the reporting period in which the services are provided to customers based on actual loading and unloading capacity and contracted rates.

3. Electricity sales revenue

The Company recognizes revenue when the electricity generated from solar power generation equipment is transferred to customers. Once the electricity is generated, it is transmitted to the buyer through the distribution system. The buyer has discretion over the access and price of the electricity sold, and the revenue is calculated based on the contracted rate and the number of kilowatt-hours generated per month.

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

In preparation of the Standalone Financial Statements, the management has made judgements in applying the Company's accounting policies and make critical accounting assumptions and estimates concerning future events based on the circumstances on the balance sheet date. Assumptions and estimates may differ from the actual results and are continuously evaluated and adjusted based on historical experience and other factors. Such estimates and assumptions have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company does not apply critical judgment in applying the Company's accounting policies. Material accounting estimates and assumptions are addressed below:

Impairment assessment of other equipment (property, plant and equipment)

In the asset impairment evaluation process, the Company relies on subjective judgment and based on asset usage patterns and industry characteristics to determine the independent cash flows, the useful life and potential future revenues and expenses of a specific asset.

VI. Statements of main accounting items

(I) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand and working capital	\$ 198	\$ 231
Checking accounts and demand deposits	41,257	38,663
Time deposits	<u>15,000</u>	<u>42,900</u>
	<u>\$ 56,455</u>	<u>\$ 81,794</u>

1. The Company 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 Company has reclassified certain cash and cash equivalents pledged as collateral as amortized cost financial assets and other non-current assets. Please refer to Notes 6(4), 6(10) and 8 for details.

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

<u>Item</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Investment in private equity	\$ 74,282	\$ 62,795
Adjustment for change in value	<u>27,928</u>	<u>41,743</u>
Total	<u>\$ 102,210</u>	<u>\$ 104,538</u>

1. The financial assets held by the Company that are measured at fair value through profit or loss were recognized in the income statement for (NT\$16,480) and NT\$28,830 in the years 2023 and 2022, respectively.
2. The Company has not pledged any financial assets at fair value through profit or loss.
3. Please refer to Note 12 (2) for information on the credit risk of financial assets measured at fair value through profit or loss.

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

<u>Item</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Non-current items:		
Equity instruments		
Stock not listed on TWSE, TPEX or the emerging market	\$ 7,526	\$ 7,526
Adjustment for change in value	<u>(2,415)</u>	<u>(2,418)</u>
Total	<u>\$ 5,111</u>	<u>\$ 5,108</u>

1. The Company 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 \$5,111 and \$5,108 as of December 31, 2023 and December 31, 2022, respectively.
2. In 2022, the Company disposed of a subsidiary's stock, except for the stock with a carrying amount of \$28,710. The accumulated disposal loss of \$1,290 was transferred to the unappropriated retained earnings.
3. The details of the financial assets measured at fair value through other comprehensive

income that were recognized in comprehensive income are as follows:

	<u>2023</u>	<u>2022</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Change in fair value recognized in other comprehensive Income	\$ <u>3</u>	(\$ <u>2,396</u>)
Cumulative gains (losses) reclassified to retained earnings due to derecognition	\$ <u>-</u>	\$ <u>1,290</u>
Dividends income recognized in profit or loss and still held at the end of the period	\$ 5,476	\$ 4,107
De-recognized during the period	<u>-</u>	<u>592</u>
	<u>\$ 5,476</u>	<u>\$ 4,699</u>

4. 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 Company's maximum exposure to credit risk was \$5,111 and \$5,108 as of December 31, 2023 and December 31, 2022, respectively.
5. The Company has not pledged any financial assets at fair value through other comprehensive income.
6. Please refer to Note 12 (2) for information on the credit risk of financial assets measured at fair value through other comprehensive income.

(IV) Financial assets measured at amortized cost

<u>Item</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current items:		
The term deposit with original maturity over three months	\$ 2,900	\$ -
Trust account	<u>17,780</u>	<u>17,783</u>
Total	<u>\$ 20,680</u>	<u>\$ 17,783</u>
Non-current items:		
Restricted asset (The demand deposits)	<u>\$ 3,571</u>	<u>\$ 2,305</u>

1. The details of the financial assets measured at amortized cost that were recognized in the profit and loss are as follows:

	<u>2023</u>	<u>2022</u>
Interest income	\$ 249	\$ 53
Gain (loss) on valuation	<u>(3)</u>	<u>1,757</u>
	<u>\$ 246</u>	<u>\$ 1,810</u>

2. Without considering the collaterals held or other credit enhancements, the amount of financial assets measured at amortized cost that best represented the Company's maximum exposure to credit risk was \$24,251 and \$20,088 as of December 31, 2023 and December 31, 2022, respectively.
3. Information about the financial assets measured at amortized cost that were pledged to others as collaterals is provided in Note 8.
4. Risk information about the relative financial assets measured at amortized cost is provided in Note 12(2).
5. On December 22, 2016, the Company entered into a contract for the construction of a solar power generation system (hereinafter referred to as the "construction contract") and a contract for the purchase of solar power generation system equipment (hereinafter referred to as 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 December 31, 2023 and December 31, 2022, the balance of the trust account was US\$580 thousand, which is shown as "financial assets measured at amortized cost - current" due to the restricted use.
6. 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 formal letter to Chunghwa Telecom Vietnam to urge Chunghwa Telecom Vietnam to perform its obligations under the construction contract within the deadline, however after the expiration of the reminder period, Chunghwa Telecom Vietnam's contract obligations remained unfulfilled. Hence the Company legally terminated the construction contract. The Company has filed a lawsuit for civil damages with the Taiwan Taipei District Court (TDC) in April, 2018.
7. In December 2020, the Company received a notification of judgement from the Taipei District Court rejecting the Company's claim. After consultation with legal counsel, the Company appealed to the Taiwan High Court in January 2021. The Taiwan High Court ruled on August 23, 2022, that the Company should pay Chunghwa Telecom Vietnam USD 2,284 thousand and interest calculated at an annual rate of 5% from September 24, 2019 until the date of payment. After further consultation with legal counsel, the Company appealed to the Supreme Court in September 2022 and deposited \$69,120 as collateral to prevent false execution. The collateral amount was recorded as other non-current assets. On March 1, 2023,

the Company received a notice from the Supreme Court that the original judgement was overturned, and the case was remanded to the Taiwan High Court. On March 10, 2023, the Company applied for the return of the guaranteed deposit of \$69,120 (presented in other current assets in the table) and on March 13, received a notice from the Taiwan District Court's depositary informing that the declaration of false execution has been rendered invalid and allowing the return of the deposited item. The Company had retrieved the guarantee deposit on August 14, 2023. The case is currently on trial at Taiwan High Court.

(V) Notes and accounts receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Note receivable	<u>\$ 346</u>	<u>\$ 351</u>
Trade receivable	<u>\$ 48,156</u>	<u>\$ 40,191</u>

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

	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
	<u>Trade receivable</u>	<u>Note receivable</u>	<u>Trade receivable</u>	<u>Note receivable</u>
Not Past Due	\$ 45,954	\$ 346	\$ 40,191	\$ 351
Within 30 days	<u>2,202</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 48,156</u>	<u>\$ 346</u>	<u>\$ 40,191</u>	<u>\$ 351</u>

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

- As of December 31, 2023, and December 31, 2022, the balance of receivables (including notes receivables) are generated from the contracts between the Corporate Group and its customers. As of January 1, 2022, the balance of receivables generated from such contracts was \$39,276.
- The Company did not hold any collaterals.
- Without considering the collaterals held or other credit enhancements, the number of notes receivables that best represented the Company's maximum exposure to credit risk was \$346 and \$351 as of December 31, 2023 and December 31, 2022, respectively; the amount of accounts receivables that best represented the Company's maximum exposure to credit risk was \$48,156 and \$40,191 as of December 31, 2023 and December 31, 2022, respectively.
- Please refer to Note 12, (2) for the related credit risk information of accounts receivable.

(VI) Investments accounted for using equity method

	<u>2023</u>		<u>2022</u>
January 1	\$ 349,135		\$ 233,817
Increase in investments accounted for using equity method	-		100,698
Capital reduction and return of shares of invested companies using the equity method	(8,501)	(	22,914)
Unrealized (realized) loss on disposal of fixed assets between the parent company and subsidiaries.	(2,500)	(	2,500)
Share of investment profit and loss using the equity method	21,540	(	4,018)
Effect of organizational restructuring	-		64,301
Changes in additional paid-in capital	9,509		-
Other changes in equity	<u>560</u>		<u>28,565</u>
	369,743		397,949
Less: Reclassification of non-current assets held for sale	<u>-</u>	(	<u>48,814</u>)
December 31	<u>\$ 369,743</u>		<u>\$ 349,135</u>

1. The investment details using the equity method are as follows:

<u>Investee companies</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>	
Subsidiaries			
He Zhen Feng Co., Ltd.	\$ 1,029	\$ 1,051	
POCS POWER CO., LTD.	-	48,814	
Prime Holdings Corporation	263,801	260,132	
The affiliated companies			
ABZbridge Corporation	<u>104,913</u>	<u>87,952</u>	
	369,743	397,949	
Less: Reclassification of non-current assets held for sale	<u>-</u>	(<u>48,814</u>)
	<u>\$ 369,743</u>		<u>\$ 349,135</u>

- Information regarding the Company's subsidiaries, please refer to the Company's Consolidated Financial Statements Note 4(3) as of 2023 and 2022.
- On November 7, 2019, the Board of Directors resolved to increase the capital of Prime Holdings Corporation by US\$4,799 thousand (equivalent to NT\$146,171) with assets. The difference between the carrying amount of such assets and the carrying amount of property, plant and equipment has been eliminated by eliminating the net unrealized loss on disposal of property, plant and equipment arising from downstream transactions of NT\$60,413, which

was recorded as an addition to the “investments accounted for using the equity method” account. The unrealized loss on disposal of property, plant and equipment as of December 31, 2023 was \$50,413.

4. The Company acquired 20% equity of ABZbridge Corporation at the end of March 2022, and ABZbridge Corporation bought back the treasury shares in the third quarter of 2023. However, the Group did not return the payment for the shares proportionally to its shareholding. As of December 31, 2023, the Company’s shareholding had increased to 28.35%. As the Company is not the largest shareholder of ABZbridge Corporation, it is determined that the Company does not have control over the company, but rather has significant influence.
5. The Company’s subsidiary, POCS POWER Co., Ltd., passed a resolution at its board meeting on November 10, 2022 to transfer some of its solar power generation assets, liabilities, and operations to the Company for consideration of \$58,919. This transaction constitutes a business combination, and in accordance with the relevant interpretive letters issued by the Accounting Research and Development Foundation for Taiwan, the Company shall recognize the acquired assets and liabilities at their book values.
6. Please refer to Note 6(11) for details regarding the transfer of non-current assets held for sale.

(VII) Property, Plant and Equipment

	<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, 2023								
Cost	\$ 704,188	\$ 10,001	\$ 718	\$ 212	\$ 78,588	\$ 820,670	\$ 86,226	\$1,700,603
Accumulated depreciation and impairment	(439,771)	(5,418)	(323)	(138)	(66,609)	(119,817)	-	(632,076)
	<u>\$ 264,417</u>	<u>\$ 4,583</u>	<u>\$ 395</u>	<u>\$ 74</u>	<u>\$ 11,979</u>	<u>\$ 700,853</u>	<u>\$ 86,226</u>	<u>\$1,068,527</u>
<u>2023</u>								
January 1	\$ 264,417	\$ 4,583	\$ 395	\$ 74	\$ 11,979	\$ 700,853	\$ 86,226	\$1,068,527
Addition	51,048	1,940	-	-	-	19,610	2,438	75,036
Number of Transfers	47,300	-	-	-	-	38,926	(86,226)	-
depreciation expense	(73,917)	(956)	(157)	(19)	(4,676)	(43,766)	-	(123,491)
December 31	<u>\$ 288,848</u>	<u>\$ 5,567</u>	<u>\$ 238</u>	<u>\$ 55</u>	<u>\$ 7,303</u>	<u>\$ 715,623</u>	<u>\$ 2,438</u>	<u>\$1,020,072</u>
December 31, 2023								
Cost	\$ 800,987	\$ 11,941	\$ 718	\$ 212	\$ 62,897	\$ 879,206	\$ 2,438	\$1,758,399
Accumulated depreciation and impairment	(512,139)	(6,374)	(480)	(157)	(55,594)	(163,583)	-	(738,327)
	<u>\$ 288,848</u>	<u>\$ 5,567</u>	<u>\$ 238</u>	<u>\$ 55</u>	<u>\$ 7,303</u>	<u>\$ 715,623</u>	<u>\$ 2,438</u>	<u>\$1,020,072</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, 2022 (Adjusted) Cost	\$ 650,880	\$ 10,001	\$ 521	\$ 884	\$ 86,132	\$ 641,778	\$ 26,240	\$1,416,436
Accumulated depreciation and impairment	(383,163)	(4,259)	(182)	(736)	(66,530)	(82,152)	-	(537,022)
	<u>\$ 267,717</u>	<u>\$ 5,742</u>	<u>\$ 339</u>	<u>\$ 148</u>	<u>\$ 19,602</u>	<u>\$ 559,626</u>	<u>\$ 26,240</u>	<u>\$ 879,414</u>
<u>2022</u>								
January 1	\$ 267,717	\$ 5,742	\$ 339	\$ 148	\$ 19,602	\$ 559,626	\$ 26,240	\$ 879,414
Addition	61,678	-	196	-	-	157,266	84,753	303,893
Number of Transfers	3,140	-	-	-	-	21,627	(24,767)	-
depreciation expense	(68,118)	(1,159)	(140)	(74)	(7,623)	(37,666)	-	(114,780)
December 31	<u>\$ 264,417</u>	<u>\$ 4,583</u>	<u>\$ 395</u>	<u>\$ 74</u>	<u>\$ 11,979</u>	<u>\$ 700,853</u>	<u>\$ 86,226</u>	<u>\$1,068,527</u>
December 31, 2022								
Cost	\$ 704,188	\$ 10,001	\$ 718	\$ 212	\$ 78,588	\$ 820,670	\$ 86,226	\$1,700,603
Accumulated depreciation and impairment	(439,771)	(5,418)	(323)	(138)	(66,609)	(119,817)	-	(632,076)
	<u>\$ 264,417</u>	<u>\$ 4,583</u>	<u>\$ 395</u>	<u>\$ 74</u>	<u>\$ 11,979</u>	<u>\$ 700,853</u>	<u>\$ 86,226</u>	<u>\$1,068,527</u>

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

	<u>2023</u>	<u>2022</u>
Capitalized amount	\$ <u>452</u>	\$ <u>11,270</u>
Capitalized interest rate range	2.13%~2.57%	1.64%~2.50%

2. Significant components of the Company's warehousing equipment, including tanks and pipelines are depreciated over 2 to 35 years.
3. The Company's property, plant and equipment showed no signs of impairment in 2023 and 2022.
4. Please refer to Note 8 for information on the guarantees provided by the Company's on property, plant and equipment.

(VIII) Leasing arrangements - lessee

1. The subject assets of the Company'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 3 to 6 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 low-value assets leased by the Company include electricity meters and photocopiers.
3. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land use rights	\$ 8,227	\$ 8,736
Buildings	6,411	13,405
Other Equipment	<u>220,703</u>	<u>271,450</u>
	<u>\$ 235,341</u>	<u>\$ 293,591</u>

	<u>2023</u>	<u>2022</u>
	<u>depreciation expense</u>	<u>depreciation expense</u>
Land use rights	\$ 509	\$ 509
Buildings	6,994	6,994
Other Equipment	<u>50,747</u>	<u>50,632</u>
	<u>\$ 58,250</u>	<u>\$ 58,135</u>

4. The Company signed "Taichung Port West No. 5 Pier and Back Line Land Lease and Operation Contract " and "Taichung Port West No. 2 Pier and Back Line Land Lease and Operation Contract" with Taiwan International Ports Corporation, Taichung Port Branch on May 1, 2022, and July 1, 2022, respectively. The lease periods for these contracts are from

May 1, 2022, to April 30, 2028, and from July 1, 2022, to June 30, 2028, respectively. The additions to the right-of-use assets for the years 2023 and 2022 were \$0 and \$303,769, respectively.

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

	<u>2023</u>		<u>2022</u>
<u>Items affecting current profit and loss</u>			
Interest expenses on lease liabilities	\$ 3,905	\$	3,162
Expenses for leases of low-value assets	371		347
Expenses for variable lease payments	9,265		8,029

6. The Company's total lease cash outflows were \$67,308 and \$75,065 as of 2023 and 2022, respectively (of which \$53,767 and \$63,527 were for the principal of lease liabilities).

7. Effect of variable lease payments on lease liabilities

The targets of the Company'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.

(IX) Leasing arrangements - lessor

- The target assets leased by the Company are warehousing equipment. The lease agreements are usually for a period of 1 to 5 years and are negotiated on an individual basis and contain various terms and conditions
- The Company recognized rental income of \$250,584 and \$293,201 in 2023 and 2022, respectively, based on operating lease agreements, in which no variable lease payments were included
- The maturity analysis of the lease payments under the operating leases is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
2023	\$ -	\$ 217,490
2024	205,158	50,635
2025	49,220	30,060
2026-2027	<u>47,355</u>	<u>38,230</u>
Total	<u>\$ 301,733</u>	<u>\$ 336,415</u>

(X) Other non-current assets

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Guaranteed deposit	\$ -	\$ 69,120
Refundable deposit	<u>47,405</u>	<u>47,600</u>
Total	<u>\$ 47,405</u>	<u>\$ 116,720</u>

1. Our company provides guaranteed deposit and refundable deposit as pledged collateral, please refer to Note 8 for details.
2. The collateral was withdrawn on August 14, 2023. Please refer to Note 6(4) for details.

(XI) Non-current assets held for sale

On December 27, 2022, the Board of Directors of the Company resolved to sell all of the equity interests (4,000,000 shares of common stock) of its subsidiary, POCS POWER Co., Ltd., in order to improve the overall operational efficiency, capital utilization and investment return of the energy business. As a result, the equity investment in the subsidiary (accounted for using the equity method) was reclassified as held for sale and reported as a disposal group. The transaction was completed in March 2023. The disposal price was NT\$59,010, and the disposal gain was NT\$10,196.

The assets of the disposal group held for sale:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Investments accounted for using equity method	<u>\$ -</u>	<u>\$ 48,814</u>

After re-measurement of the assets in the held-for-sale group at their carrying amount and fair value less costs to sell, whichever is lower, no impairment loss was recognized.

(XII) Short-term borrowings and bills payable

<u>Nature of borrowings</u>	<u>December 31, 2023</u>	<u>Range of interest rate</u>	<u>Collateral</u>
Bank borrowings			
Credit borrowings	<u>\$ 30,000</u>	1.75%~1.83%	None
<u>Nature of borrowings</u>	<u>December 31, 2022</u>	<u>Range of interest rate</u>	<u>Collateral</u>
Bank borrowings			
Credit borrowings	<u>\$ 207,000</u>	2.00%-2.50%	None
Short-term bills payable	<u>\$ 34,800</u>	1.64%-1.70%	None

(XIII) Long-term borrowings

<u>Nature of borrowings</u>	<u>Borrowing Period and Repayment Method</u>	<u>Range of interest rate</u>	<u>Collateral</u>	<u>December 31, 2023</u>
Credit borrowings				
Land Bank of Taiwan	2023.6.6~2025.3.7 Repayable in full upon maturity on March 7, 2025	2.43%	None	\$ 19,668
Chinatrust Commercial Bank	2021.12.29~2031.12.29 The principal and interest shall be repaid in 120 equal installments commencing from (inclusive) January 29, 2022.	2.49%	None	30,400
Chinatrust Commercial Bank	2022.6.30~2024.12.30 20% of the principal shall be repaid in 5 installments commencing from (inclusive) December 30, 2022. The remaining principal shall be fully repaid at maturity.	2.20%	None	17,600
Shin Kong Bank	2022.11.4~2027.11.4 The principal and interest shall be repaid in 60 equal installments commencing from (inclusive) December 4, 2022.	2.39%	None	19,805
Shin Kong Bank	2022.12.19~2027.11.4 The principal and interest shall be repaid in 60 equal installments commencing from (inclusive) January 19, 2023.	2.39%	None	\$ 20,125
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.	2.25%	Other Equipment	53,605
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.	2.25%	Other Equipment	7,418

<u>Nature of borrowings</u>	<u>Borrowing Period and Repayment Method</u>	<u>Range of interest rate</u>	<u>Collateral</u>	<u>December 31, 2023</u>
Mega International Commercial Bank	2022.3.29~2032.3.29 The principal and interest shall be repaid in 40 equal installments commencing from (inclusive) June 29, 2022.	2.27%	Other Equipment	27,638
Mega International Commercial Bank	2022.6.10~2032.3.29 The principal and interest shall be repaid in 40 equal installments commencing from (inclusive) June 29, 2022.	2.27%	Other Equipment	1,238
Mega International Commercial Bank	2022.3.29~2032.3.29 The principal and interest shall be repaid in 40 equal installments commencing from (inclusive) June 29, 2022.	2.27%	Other Equipment	23,100
Mega International Commercial Bank	2022.9.7~2032.3.29 The principal and interest shall be repaid in 39 equal installments commencing from (inclusive) September 29, 2022.	2.27%	Other Equipment	31,136
Mega International Commercial Bank	2022.9.26~2032.3.29 The principal and interest shall be repaid in 39 equal installments commencing from (inclusive) September 29, 2022.	2.27%	Other Equipment	11,520
Mega International Commercial Bank	2023.5.12~2032.3.29 The principal and interest shall be repaid in 36 equal installments commencing from (inclusive) June 29, 2023.	2.27%	Other Equipment	4,587
Mega International Commercial Bank	2023.6.9~2032.3.29 The principal and interest shall be repaid in 36 equal installments commencing from (inclusive) June 29, 2023.	2.27%	Other Equipment	3,282
Mega International Commercial Bank	2023.6.19~2030.6.19 The principal and interest shall be repaid in 28 equal installments commencing from (inclusive) September 19, 2023.	2.27%	Other Equipment	9,284

<u>Nature of borrowings</u>	<u>Borrowing Period and Repayment Method</u>	<u>Range of interest rate</u>	<u>Collateral</u>	<u>December 31, 2023</u>
Secured borrowings				
Far Eastern International Bank	2021.6.29~2026.6.29 0.55% of the principal shall be repaid in 60 installments commencing from (inclusive) July 29, 2021. The remaining principal shall be fully repaid at maturity.	2.57%	Other Equipment	\$ 14,195
Far Eastern International Bank	2023.11.30~2028.11.30 Starting from February 29, 2024 (inclusive), 20 instalments: 2% of the principal is repaid in the 1st to 19th instalments and 62% of the principal is repaid in the 20th instalment.	2.13%	Other Equipment	
				49,491
				344,092
Less: Current portion (other current liabilities)				(58,117)
				<u>\$ 285,975</u>

<u>Nature of borrowings</u>	<u>Borrowing Period and Repayment Method</u>	<u>Range of interest rate</u>	<u>Collateral</u>	<u>December 31, 2022</u>
Credit borrowings				
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.	2.01%	None	\$ 1,029
Chinatrust Commercial Bank	2021.12.29~2031.12.29 The principal and interest shall be repaid in 120 equal installments commencing from (inclusive) January 29, 2022. (Note)	2.36%	None	34,200
Chinatrust Commercial Bank	2022.6.30~2024.12.30 20% of the principal shall be repaid in 5 installments commencing from (inclusive) June 30, 2022. The remaining principal shall be fully repaid at maturity.	1.90%	None	35,200

<u>Nature of borrowings</u>	<u>Borrowing Period and Repayment Method</u>	<u>Range of interest rate</u>	<u>Collateral</u>	<u>December 31, 2022</u>
Shin Kong Bank	2022.11.4~2027.11.4 The principal and interest shall be repaid in 60 equal installments commencing from (inclusive) December 4, 2022.	2.09%	None	24,604
Shin Kong Bank	2022.12.19~2027.11.4 The principal and interest shall be repaid in 60 equal installments commencing from (inclusive) January 19, 2023.	2.13%	None	25,000
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.	2.00%	Other Equipment	\$ 60,430
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.	2.00%	Other Equipment	8,363
Mega International Commercial Bank	2022.3.29~2032.3.29 The principal and interest shall be repaid in 40 equal installments commencing from (inclusive) June 29, 2022.	2.14%	Other Equipment	30,988
Mega International Commercial Bank	2022.6.10~2032.3.29 The principal and interest shall be repaid in 40 equal installments commencing from (inclusive) June 29, 2022.	2.14%	Other Equipment	1,388
Mega International Commercial Bank	2022.3.29~2032.3.29 The principal and interest shall be repaid in 40 equal installments commencing from (inclusive) June 29, 2022.	2.14%	Other Equipment	25,900
Mega International Commercial Bank	2022.9.7~2032.3.29 The principal and interest shall be repaid in 39 equal installments commencing from (inclusive) September 29, 2022.	2.14%	Other Equipment	34,912
Mega International Commercial Bank	2022.9.26~2032.3.29 The principal and interest shall be repaid in 39 equal installments commencing from	2.14%	Other Equipment	12,920

<u>Nature of borrowings</u>	<u>Borrowing Period and Repayment Method</u> (inclusive) September 29, 2022.	<u>Range of interest rate</u>	<u>Collateral</u>	<u>December 31, 2022</u>
Far Eastern International Bank	2021.6.29~2026.6.29 0.55% of the principal shall be repaid in 60 installments commencing from (inclusive) July 29, 2021. The remaining principal shall be fully repaid at maturity.	2.43%	Other Equipment	15,317
				<u>310,251</u>
Less: Current portion (other current liabilities)				(<u>52,452</u>)
				<u>\$ 257,799</u>

(XIV) Other payables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Equipment payables	\$ 17,585	\$ 28,231
Salary payables	7,768	7,770
Employees' bonuses and directors' remuneration payable	5,190	8,830
Others	<u>16,095</u>	<u>13,484</u>
	<u>\$ 46,638</u>	<u>\$ 58,315</u>

(XV) 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) The amounts recognized in the balance sheet are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Present value of defined benefit obligation	\$ 25,930	\$ 24,678
Fair value of the plan asset	<u>(21,068)</u>	<u>(19,310)</u>
Net liabilities recognized in balance sheet	<u>\$ 4,862</u>	<u>\$ 5,368</u>

(3) Changes of net liabilities are as follows:

	<u>Present value of defined benefit obligation</u>	<u>Fair value of the plan asset</u>	<u>Net defined benefit liabilities</u>
2023			
Balance as of January 1	\$ 24,678	(\$ 19,310)	\$ 5,368
Current service cost	206	-	206
Interest expense (revenue)	<u>327</u>	<u>(265)</u>	<u>62</u>
	<u>25,211</u>	<u>(19,575)</u>	<u>5,636</u>
Remeasurements:			
Return of plan asset (excluding amounts attributable to interest income or expense)	-	(77)	(77)
Effect of changes in financial assumptions	379	-	379
Experience adjustment	<u>340</u>	<u>-</u>	<u>340</u>
	<u>719</u>	<u>(77)</u>	<u>642</u>
Pension fund contribution	<u>-</u>	<u>(1,416)</u>	<u>(1,416)</u>
Balance at December 31	<u>\$ 25,930</u>	<u>(\$ 21,068)</u>	<u>\$ 4,862</u>

	<u>Present value of defined benefit obligation</u>	<u>Fair value of the plan asset</u>	<u>Net defined benefit liabilities</u>
2022			
Balance as of January 1	\$ 25,423	(\$ 16,871)	\$ 8,552
Current service cost	211	-	211
Interest expense (revenue)	<u>175</u>	<u>(120)</u>	<u>55</u>
	<u>25,809</u>	<u>(16,991)</u>	<u>8,818</u>
Remeasurements:			
Return of plan asset (excluding amounts attributable to interest income or expense)	-	(1,088)	(1,088)
Effect of changes in financial assumptions	(1,751)	-	(1,751)
Experience adjustment	<u>878</u>	<u>-</u>	<u>878</u>
	<u>(873)</u>	<u>(1,088)</u>	<u>(1,961)</u>
Welfare payment	<u>(258)</u>	<u>258</u>	<u>-</u>
Pension fund contribution	<u>-</u>	<u>(1,489)</u>	<u>(1,489)</u>
Balance at December 31	<u>\$ 24,678</u>	<u>(\$ 19,310)</u>	<u>\$ 5,368</u>

- (4) Bank of Taiwan was commissioned to manage the fund of the Company's defined benefit pension plan in accordance with the fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safe guard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter or private placement equity securities, investment in domestic or foreign real estate secularization products, etc.). Such utilization is supervised by the Labor Funds Supervisory Committee. With regard to the utilization of the fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the competent authority. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilization Report announced by the government. The Company's pension accounts with Taishin International Bank have been fully allocated to demand deposit.
- (5) The principal actuarial assumptions used are summarized as follows:

	<u>2023</u>	<u>2022</u>
Discount rate	<u>1.20%</u>	<u>1.35%</u>
Future salary increase rate	<u>2.00%</u>	<u>2.00%</u>

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Due to the change of the main actuarial assumption, the present value of defined benefit obligation is affected. The analysis is as follows:

	<u>Discount rate</u>		<u>Future salary increase rate</u>	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>
December 31, 2023				
Effect on the present value of defined benefit obligation	<u>(\$ 626)</u>	<u>\$ 650</u>	<u>\$ 411</u>	<u>(\$ 399)</u>

	<u>Discount rate</u>		<u>Future salary increase rate</u>	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>
December 31, 2022				
Effect on the present value of defined benefit obligation	<u>(\$ 629)</u>	<u>\$ 653</u>	<u>\$ 431</u>	<u>(\$ 418)</u>

The sensitivity analysis above was based on one assumption that changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The methods of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The sensitivity analysis has been prepared using approaches and assumptions the same as last period.

- (6) Expected contributions to the defined benefit pension plans of the Company for the year 2024 amounted to \$1,420.
- (7) As of December 31, 2023, the weighted average duration of the retirement plan is 9 years. The maturity analysis of pension payments is as follows:

In less than 1 year	\$ 888
1-2 years	3,185
2-5 years	4,341
More than 5 years	<u>20,863</u>
	<u>\$ 29,277</u>

2. Defined contribution plans

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 \$2,593 and \$2,560 as of 2023 and 2022, respectively, based on the above pension plan.

(XVI) Share-based payments

1. The information on the equity-settled share-based payment of the Company is presented as follows:

<u>Agreement type</u>	<u>Grant date</u>	<u>Quantity given (Unit)</u>	<u>Number of Subscribable Shares per Unit (shares)</u>	<u>vesting conditions</u>	<u>Weighted average remaining contract term (years)</u>
Reserved employee subscription of cash capital increase (Note)	August 16, 2022	645,000	1	Immediate vesting	-

Note: The above share-based payment agreement is settled through equity.

2. The stock-based compensation agreements granted by the Company are valued using the Black-Scholes option pricing model to estimate the fair value of the stock options. The related information is as follows:

<u>Agreement type</u>	<u>Grant date</u>	<u>Fair Value of the Measured Object (NTD)</u>	<u>Strike Price (NTD)</u>	<u>Expected volatility (Note)</u>	<u>Expected duration</u>	<u>Expected dividend rate</u>	<u>risk-free interest rate</u>	<u>fair value per unit (NTD)</u>
Reserved employee subscription of cash capital increase	August 16, 2022	\$ 21.10	\$17.00	13.60%	0.13 years	0.00%	0.72%	\$ 4.1163

Note: The expected volatility is estimated based on the daily historical stock price fluctuations of the most recent three months prior to the date given by the Company.

3. The share-based compensation costs recognized by the Company for the employee stock options certificates in the years 2023 and 2022, January 1 to December 31, were \$0 and \$2,655, respectively.

(XVII) Provision - non-current

	<u>2023</u>	<u>2022</u>
Balance as of January 1	\$ 27,174	\$ 23,382
Provision added this period	<u>824</u>	<u>3,792</u>
Balance at December 31	<u>\$ 27,998</u>	<u>\$ 27,174</u>

1. The Company signed a lease agreement with the Port Authority in November 2016 and renewed it in June 2022, with the lease term ending on April 30, 2028. Pursuant to the terms of the lease agreement, the Company is required to restore the leased port site to its original condition upon the expiration of the lease term. As a result, a liability reserve for the expected costs of demolition, removal or restoration of the site as necessary was recognized at \$9,886 as of December 31, 2023 and 2022.
2. The Company's solar power generation sites are built on the roof. According to the contract, the Company 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 \$18,112 and \$17,288 as of December 31, 2023 and December 31, 2022, respectively.

(XVIII) Share capital

1. As of December 31, 2023, the Company's authorized capital was NT\$2,000,000 and the paid-in capital was NT\$778,344, divided into 77,834 thousand shares with a par value of NT\$10 per share. All are common stocks. The share capital of the Company has been fully paid-in.

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(thousand shares):

	<u>2023</u>
January 1	77,834
Follow-On Offering	<u>-</u>
December 31	<u>77,834</u>

2. On July 1, 2022, the Board of Directors resolved to issue 8,800 thousand common shares for capital increase in cash, and the filing was approved by the Financial Supervisory Commission on August 4, 2022. The cash capital increase base date of the capital increase was October 6, 2022. The issuing price per share was NT\$17 and the total payment for shares was NT\$149,600.

(XIX) 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.

(XX) 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. According to the Company's Articles of Incorporation, if there is any earnings distribution in the annual final accounts to be paid in cash, the board of directors shall resolve the matter and report to the shareholders' meeting. When distributing earnings, if there is a net profit after tax in the current period, the loss shall first be offset and 10% of the legal reserve shall be appropriated. However, when the legal reserve reaches the amount of the Company's paid-in capital, this shall not apply. Special reserve is appropriated as required by law or the competent authority. The remaining earnings shall be distributed according to the procedures set out in the law and the Articles of Incorporation.
4. When the Company distributes profits, special reserve for profit appropriation shall be allocated from other equity items with debit balances as of the balance sheet date of the current year in accordance with relevant laws and regulations before the profits can be distributed. Afterward, when the debit balances of other equity items are reversed, the amount of reversal can be included in distributable profits.
5. On June 13, 2023 and June 23, 2022, the Shareholders' Meeting of the Company approved the distribution of earnings for 2022 and 2021 respectively. The resolution is as follows:

	<u>2022</u>		<u>2021</u>
	<u>Amount</u>	<u>Dividends per share (NTD)</u>	<u>Amount</u>
			<u>Dividends per share (NTD)</u>
Legal reserve allocated	\$10,861		\$ 6,984
(Reversal) Special reserve allocated	(18,778)		5,714
Cash dividends paid	<u>50,592</u>	\$ 0.65	<u>55,227</u> \$ 0.80
Total	<u>\$42,675</u>		<u>\$67,925</u>

6. On March 14, 2024, the Board of Directors resolved and approved the distribution of earnings for 2023. The resolution is as follows:

	<u>Amount</u>	<u>2023</u> <u>Dividends per share (NTD)</u>
Legal reserve allocated	\$ 6,472	
Cash dividends paid	<u>46,701</u>	\$ 0.60
Total	<u>\$ 53,173</u>	

(XXI) Other equity interest

	<u>Unrealized gains</u> <u>and losses</u>	<u>2023</u> <u>Foreign</u> <u>currency</u> <u>translation</u>	<u>Total</u>
January 1	(\$ 4,521)	\$ 7,488	\$ 2,967
Adjustment for change in value Foreign currency translation adjustment	3	-	3
consolidated group	-	560	560
tax amount of the group	-	(111)	(111)
December 31	<u>(\$ 4,518)</u>	<u>\$ 7,937</u>	<u>\$ 3,419</u>

	<u>Unrealized gains</u> <u>and losses</u>	<u>2022</u> <u>Foreign</u> <u>currency</u> <u>translation</u>	<u>Total</u>
January 1	(\$ 3,415)	(\$ 15,363)	(\$ 18,778)
Adjustment for change in value Adjustment for change in value transferred to retained earnings	(2,396)	-	(2,396)
Foreign currency translation adjustment	1,290	-	1,290
consolidated group	-	28,565	28,565
tax amount of the group	-	(5,714)	(5,714)
December 31	<u>(\$ 4,521)</u>	<u>\$ 7,488</u>	<u>\$ 2,967</u>

(XXII) Operating revenue

	<u>2023</u>	<u>2022</u>
Operating lease		
Rental incomes	\$ 250,584	\$ 293,201
Revenue from Customer Contract		
Tank operation revenue	73,504	73,192
Electricity sales revenue	<u>100,965</u>	<u>88,492</u>
Total	<u>\$ 425,053</u>	<u>\$ 454,885</u>

The revenue from customer contracts of the Company is recognized gradually over time.

(XXIII) Other income

	<u>2023</u>	<u>2022</u>
Dividends income	\$ 13,654	\$ 4,699
Service revenue	6,533	-
Endorsement and guarantee fee income	269	7,170
Other income	<u>1,550</u>	<u>1,786</u>
Total	<u>\$ 22,006</u>	<u>\$ 13,655</u>

(XXIV) Other gains or losses

	<u>2023</u>	<u>2022</u>
Gains (losses) on financial assets at fair value through profit or loss	(\$ 16,480)	\$ 28,830
Gains on disposal of subsidiary	10,196	-
Loss on disposal of property, plant and equipment	(2,500)	(2,500)
Net foreign currency exchange gain	564	2,010
Others	<u>(567)</u>	<u>16</u>
Total	<u>(\$ 8,787)</u>	<u>\$ 28,356</u>

(XXV) Financial costs

	<u>2023</u>	<u>2022</u>
Interest expenses		
Bank borrowings	\$ 10,052	\$ 11,270
Less: The amount of asset capital that meets the requirements	(452)	(11,270)
	9,600	-
Interest expenses on lease liabilities	<u>3,905</u>	<u>3,162</u>
	<u>\$ 13,505</u>	<u>\$ 3,162</u>

(XXVI) Expenses by nature

	<u>2023</u>	<u>2022</u>
Employee benefits expense	\$ 78,256	\$ 83,769
depreciation expense	181,741	172,915
Amortization expense	1,617	1,576
Expenses for variable lease payments	9,265	8,029
Low-value asset rents	371	347
Terminal administrative expenses	18,505	12,711
Salaries and wages	7,436	13,042
Miscellaneous purchases	2,775	2,934
Other expenses	<u>66,645</u>	<u>58,895</u>
Operating costs and operating expenses	<u>\$ 366,611</u>	<u>\$ 354,218</u>

(XXVII) Employee benefits expense

	<u>2023</u>	<u>2022</u>
Salary expenses	\$ 62,498	\$ 66,577
Labor and health insurance expenses	5,881	5,574
Pension costs	2,861	2,826
Directors' remuneration	2,799	3,918
Other employee expenses	<u>4,217</u>	<u>4,874</u>
	<u>\$ 78,256</u>	<u>\$ 83,769</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. In 2023 and 2022, the employees' compensation and directors' and supervisors' remuneration were both estimated at 3% of the profit until the current period. The estimated amounts of employees' compensations were \$2,595 and \$4,415, respectively; the estimated amounts of directors' and supervisors' remuneration were \$2,595 and \$4,415, respectively, and the aforementioned amounts were recognized as salaries.

The remuneration to employees, directors, and supervisors for 2022 was NT\$4,415 as resolved by the Board of Directors on March 23, 2023, which was consistent with the amount recognized in the financial report for the year.

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.

(XXVIII) Income tax

1. Income tax expense

(1) Components of income tax expense:

	<u>2023</u>	<u>2022</u>
Current tax:		
Income taxes arising from incomes for the current period	\$ 15,508	\$ 20,661
Amount of income tax (overestimated) underestimated for prior years	(196)	1,723
Total current tax	<u>15,312</u>	<u>22,384</u>
Deferred income tax:		
Origination and Reversal of Temporary Differences	312	6,497
Deferred tax:	<u>312</u>	<u>6,497</u>
Income tax expense	<u>\$ 15,624</u>	<u>\$ 28,881</u>

(2) The income tax amount related to components of other comprehensive income:

	<u>2023</u>	<u>2022</u>
Translation differences of foreign operations	(\$ 111)	(\$ 5,714)
Remeasurements of defined benefit obligation	<u>127</u>	<u>(392)</u>
	<u>\$ 16</u>	<u>(\$ 6,106)</u>

2. Reconciliation between income tax expense and accounting profit

	<u>2023</u>		<u>2022</u>
Income tax expense at the statutory rate	\$ 16,172	\$	27,185
Effect from tax-exempt income under the tax law	(1,095)	(	940)
Effect from exclusion of expenses according to the tax law	739		845
Amount of income tax (overestimated) underestimated for prior years	(196)	(	1,723
Others	4		68
Income tax expense	<u>\$ 15,624</u>	<u>\$</u>	<u>28,881</u>

3. Amounts of deferred tax assets derived from temporary differences are as follows:

	<u>2023</u>		<u>Recognized in other comprehensive net profit</u>		<u>December 31</u>
	<u>January 1</u>	<u>Recognized in profit or loss</u>		<u>Recognized in other comprehensive net profit</u>	
Deferred income tax assets					
temporary difference:					
Bonus for employees not taking leave	\$ 410	\$ -	\$ -	\$ -	\$ 410
Pension liability	1,466	(621)	127	127	972
Unrealized exchange loss	-	2	-	-	2
	<u>\$ 1,876</u>	<u>(\$ 619)</u>	<u>\$ 127</u>	<u>\$ 127</u>	<u>\$ 1,384</u>
Deferred income tax liabilities					
Unrealized exchange gains	(\$ 357)	\$ 357	\$ -	\$ -	\$ -
Cumulative translation adjustment	(1,873)	-	(111)	(111)	(1,984)
Gain on investment	(10,641)	(50)	-	-	(10,691)
	<u>(\$ 12,871)</u>	<u>\$ 307</u>	<u>(\$ 111)</u>	<u>(\$ 111)</u>	<u>(\$ 12,675)</u>

		<u>2022</u>		
	<u>January 1</u>	<u>Recognized in</u> <u>profit or loss</u>	<u>Recognized in</u> <u>other</u> <u>comprehensive</u> <u>net profit</u>	<u>December 31</u>
Deferred income tax assets				
temporary difference:				
Bonus for employees not taking leave	\$ 410	\$ -	\$ -	\$ 410
Pension liability	1,314	544	(392)	1,466
Unrealized exchange loss	95	(95)	-	-
Cumulative translation adjustment	<u>3,841</u>	<u>-</u>	<u>(3,841)</u>	<u>-</u>
	<u>\$ 5,660</u>	<u>\$ 449</u>	<u>(\$ 4,233)</u>	<u>\$ 1,876</u>
Deferred income tax liabilities				
Unrealized exchange gains	\$ -	(\$ 357)	\$ -	(\$ 357)
Cumulative translation adjustment	-	-	(1,873)	(1,873)
Gain on investment	<u>(4,052)</u>	<u>(6,589)</u>	<u>-</u>	<u>(10,641)</u>
	<u>(\$ 4,052)</u>	<u>(\$ 6,946)</u>	<u>(\$ 1,873)</u>	<u>(\$ 12,871)</u>

4. The income tax of the Company have been assessed by the tax authorities through 2021.

(XXIX) Earnings per share

	<u>2023</u>		
	<u>After-tax</u>	<u>Weighted average</u>	<u>Earnings per</u>
	<u>amount</u>	<u>Number of shares in</u>	<u>share</u>
		<u>circulation</u>	<u>(NTD)</u>
		<u>(thousands of shares)</u>	
<u>Basic earnings per share</u>			
Current period net profit	\$ 65,233	77,834	<u>\$ 0.84</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employee compensation	<u>-</u>	<u>181</u>	
Net profits for the period attributable to shareholders of common stock plus the effect of potential common stock	<u>\$ 65,233</u>	<u>78,015</u>	<u>\$ 0.84</u>

	<u>2022</u>		
	<u>After-tax</u>	<u>Weighted average</u>	<u>Earnings per</u>
	<u>amount</u>	<u>Number of shares in</u>	<u>share</u>
		<u>circulation</u>	<u>(NTD)</u>
		<u>(thousands of shares)</u>	
<u>Basic earnings per share</u>			
Current period net profit	\$ 107,044	71,132	<u>\$ 1.50</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employee compensation	<u>-</u>	<u>235</u>	
Net profits for the period attributable to shareholders of common stock plus the effect of potential common stock	<u>\$ 107,044</u>	<u>71,367</u>	<u>\$ 1.50</u>

(XXX) Supplemental cash flow information

Investing activities that are only partially paid in cash:

	<u>2023</u>		<u>2022</u>
Purchase of property, plant and equipment	\$ 75,036	\$	303,893
Acquired subsidiary's solar equipment	-		58,919
Add: Equipment payable at the beginning of the period	28,231		34,582
Less: Equipment payable at the end of the period	(17,585)	(	28,231)
Less: Provision for liabilities - non-current added during the period	(824)	(	3,792)
Cash paid during the period	<u>\$ 84,858</u>	\$	<u>365,371</u>

(XXXI) Changes in liabilities arising from financing activities

	<u>lease liabilities</u>	<u>Short-term borrowings and bills payable</u>	<u>2023 Long-term borrowings (including portions due within one year or one operating cycle)</u>	<u>Total liabilities from financing activities</u>
January 1	\$ 279,567	\$241,800	\$ 310,251	\$ 831,618
Changes in cash flows from financing activities	(53,767)	(211,800)	33,841	(231,726)
December 31	<u>\$ 225,800</u>	<u>\$ 30,000</u>	<u>\$ 344,092</u>	<u>\$ 599,892</u>

	<u>lease liabilities</u>	<u>Short-term borrowings and bills payable</u>	<u>2022 Long-term borrowings (including portions due within one year or one operating cycle)</u>	<u>Total liabilities from financing activities</u>
January 1	\$ 39,325	\$ 62,000	\$ 353,350	\$ 454,675
Changes in cash flows from financing activities	(63,527)	179,800	(43,099)	73,174
Other non-cash transactions	<u>303,769</u>	<u>-</u>	<u>-</u>	<u>303,769</u>
December 31	<u>\$ 279,567</u>	<u>\$241,800</u>	<u>\$ 310,251</u>	<u>\$ 831,618</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) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
POCS POWER CO., LTD. (POCSPC)	Subsidiary (Note)
Prime Holdings Corporation(PHC)	Subsidiaries
Prime Solar Energy Co., Ltd.(PSE)	Subsidiaries

Note: The Company and POCSPC were of parent and subsidiary relation in 2022. After the completion of the equity transaction of the sale of all shares of POCSPC on March 31, 2023, the Company and POCSPC are not related parties.

(III) Significant transactions and balances with related parties

1. Other income

	<u>2023</u>	<u>2022</u>
endorsements and guarantee fees income:		
POCSPC	\$ 225	\$ 6,808
Management services income:		
POCSPC	44	362
Total	<u>\$ 269</u>	<u>\$ 7,170</u>

2. Endorsements and guarantees for related parties

	<u>2023</u>	<u>2022</u>
Subsidiaries- POCSPC	<u>\$ -</u>	<u>\$ 219,300</u>

(IV) Compensation of key management personnel

	<u>2023</u>	<u>2022</u>
Short-term employee benefits	\$ 22,296	\$ 23,404
Post-employment benefits	1,238	1,189
Total	<u>\$ 23,534</u>	<u>\$ 24,593</u>

VIII. Pledged assets

(I) The details of the Company's assets as collateral are as follows:

<u>Asset type</u>	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>Purpose</u>
Other non-current assets (refundable deposits)	\$ 2,400	\$ 2,400	Customs duty
Other non-current assets (refundable deposits)	25,457	24,693	Lease deposits
Other non-current assets (refundable deposits)	19,548	20,507	Performance guarantee deposits
Financial assets measured at amortized cost – non-current	3,571	2,305	Long-term borrowings
Other non-current assets (guaranteed deposits)	-	69,120	Litigation bond (note)
Other Equipment	537,511	155,597	Long-term borrowings
	<u>\$ 588,487</u>	<u>\$ 274,622</u>	

Note: The explanation regarding the related party deposits for guarantees can be found in Note 6(4).

(II) Part of the construction payment for the construction of the solar photovoltaic power generation system has been entrusted to a third-party financial institution. Please refer to Note 6(4) for details.

IX. Significant contingent liabilities and unrecognized contract commitments

(I) Contingencies

The Company's lawsuit case with Chunghwa Telecom Vietnam Co., LTD. is explained in detail in Note 6(4).

(II) Capital expenditures contracted for but not yet incurred

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Property, Plant and Equipment	<u>\$ 1,600</u>	<u>\$ 47,074</u>

X. Losses due to major disasters

Not applicable.

XI. Significant events after the balance sheet date

On March 14, 2024, the Board of Directors passed the distribution of 2023 earnings. Please refer to Note 6(20).

XII. Others

(I) Capital management

The objective of the Company's capital management is to ensure that the Company can continue as a going concern, that an optimum capital structure is maintained to lower the cost of capital and that returns are provided to shareholders. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. Should any borrowings occur, the Company will monitor its capital on the basis of the debt-to-equity ratio.

The Company monitors capital through the debt-to-equity ratio. This ratio is calculated as total loans less cash and cash equivalents then divided by total equity. The Company's strategic maintenance in 2023 to pin the debt-to-equity ratio in between 0% and 30% remains unchanged from that in 2022.

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Total loans	\$ 374,092	\$ 552,051
Less: Cash and cash equivalents	<u>(56,455)</u>	<u>(81,794)</u>
Net debt	<u>\$ 317,637</u>	<u>\$ 470,257</u>
Total equity	<u>\$ 1,211,590</u>	<u>\$ 1,187,503</u>
Debt-to-equity ratio	<u>26.22%</u>	<u>39.60%</u>

(II) Financial instruments

1. Categories of financial instruments

	<u>December 31, 2023</u>	<u>December 31, 2022</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>\$ 102,210</u>	<u>\$ 104,538</u>
Financial assets at fair value through other comprehensive income		
Investments in designated equity instrument	<u>\$ 5,111</u>	<u>\$ 5,108</u>
Financial assets measured at amortized cost		
Cash and cash equivalents	\$ 56,455	\$ 81,794
Financial assets measured at amortized cost - current	20,680	17,783
Note receivable	346	351
Trade receivable	48,156	40,191
Financial assets measured at amortized cost - non-current	3,571	2,305
Other non-current assets	<u>47,405</u>	<u>116,720</u>
	<u>\$ 176,613</u>	<u>\$ 259,144</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial liability</u>		
Financial liabilities measured at amortized cost		
Short-term borrowings	\$ 30,000	\$ 207,000
Short-term bills payable	-	34,800
Notes payable	6,881	6,881
Other payables	46,638	58,315
Long-term borrowings (including portions due within one year or one operating cycle)	344,092	310,251
Guarantee deposits received	440	6,450
	<u>\$ 428,051</u>	<u>\$ 623,697</u>
lease liabilities	<u>\$ 225,800</u>	<u>\$ 279,567</u>

2. Risk management policies

The Company'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 Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial position and performance.

The Company'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 Company's operations.

3. Significant financial risks and degrees of financial risks

(1) Market risk

Exchange rate risk

- A. The Company 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 Company 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>December 31, 2023</u>			<u>Sensitivity Analysis</u>		
	<u>Foreign currency (NTD in thousands)</u>	<u>Exchange rate</u>	<u>Carrying amount (NTD)</u>	<u>Change range</u>	<u>Impact on profit or loss</u>	<u>Impact on comprehens ive income</u>
<u>Financial asset</u>						
<u>Monetary items</u>						
USD: NTD	\$ 653	30.66	\$ 20,021	1%	\$ 200	\$ -
<u>Non-monetary items</u>						
USD: NTD	\$ 12,027	30.66	\$368,714	1%	\$ -	\$ -

		<u>December 31, 2022</u>			<u>Sensitivity Analysis</u>		
		<u>Foreign</u> <u>currency</u> <u>(NTD in</u> <u>thousands)</u>	<u>Exchange</u> <u>rate</u>	<u>Carrying</u> <u>amount</u> <u>(NTD)</u>	<u>Change</u> <u>range</u>	<u>Impact on</u> <u>profit or loss</u>	<u>Impact on</u> <u>comprehensive</u> <u>income</u>
<u>Financial asset</u>							
<u>Monetary items</u>							
	USD: NTD	\$ 636	30.66	\$ 19,500	1%	\$ 195	\$ -
<u>Non-monetary items</u>							
	USD: NTD	\$11,353	30.66	\$348,084	1%	\$ -	\$ -

C. The total amount of exchange gain (losses) (both realized and unrealized) recognized in 2023 and 2022 was \$564 and \$2,010, respectively, due to the significant impact of exchange rate fluctuations on the Company's monetary items.

(2) Price risk

A. The Company's equity instruments exposed to price risk are financial assets held at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage the price risk of equity securities, the Company diversifies its investment portfolio in a manner that is based on the limits set by the Company. To manage the price risk of investments of equity instruments, the Company diversifies its investment portfolio in accordance with the limits set by the Company.

B. The Company invests mainly in equity instruments and beneficiary certificates that are not listed on TWSE or TPEX. The prices of these equity instruments are affected by the uncertainty of the future value of the underlying investments.

(3) Cash flow and fair value interest rate risk

A. The Company's interest rate risk arises from long-term borrowings. Borrowings issued at floating rates expose the Company to cash flow interest rate risks which are partially offset by cash and cash equivalents held at floating rates. For year 2023 and 2022, the Company's borrowings based on floating interest rate were denominated in NTD.

B. The Company simulates various scenarios and analyzes interest rate risk, including consideration of refinancing, renewal of existing outstanding, and other available financing and hedging instruments, to calculate the impact of changes in specific interest rates on profit or loss. For each simulated scenario, the same interest rate change is applied to all currencies. These simulated scenarios are used only for significant interest-bearing liabilities.

C. As of December 31, 2023 and December 31, 2022, if the interest rate of all

borrowings increased by 1% with all other factors held constant, net profits after tax would have decreased by \$2,993 and \$3,870 for 2023 and 2022, primarily due to the floating rate of borrowings that increases interest expense.

(4) Credit risk

- A. The Company'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 Company 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 Company 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 Company 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 Company 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 Company's customers are of good credit and the overdue accounts receivable and the overdue loss rate were not material as of December 31, 2023 and December 31, 2022.
- F. There was no sign of impairment of the Company's notes receivable.
- G. The Company's allowance for losses on accounts receivable on a simplified basis has not changed from 2023 and 2022. The allowance for losses on accounts receivable was \$0 as of 2023 and 2022.

(5) Liquidity risk

- A. The Company's finance department prepares future cash flow forecasts to monitor future capital needs 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 Company's non-derivative financial liabilities, grouped by the relevant maturity date. Non-derivative financial liabilities are analyzed based on the remaining tenor from the balance sheet date to the contractual maturity date. The contractual cash flow amounts disclosed in the Table below are undiscounted amounts.

Non-derivative financial liabilities:

December 31, 2023	<u>Less than 1</u> <u>year</u>	<u>Less than 1 to 2</u> <u>years</u>	<u>More than 2</u> <u>years</u>
Short-term borrowings	\$ 30,097	\$ -	\$ -
Notes payable	6,881	-	-
Other payables	46,638	-	-
lease liabilities	59,724	53,080	126,969
Guarantee deposits received	-	-	440
Long-term borrowings (including portions due within one year or one operating cycle)	65,521	66,420	238,797
Total	<u>\$ 208,861</u>	<u>\$ 119,500</u>	<u>\$ 366,206</u>

Non-derivative financial liabilities:

December 31, 2022	<u>Less than 1</u> <u>year</u>	<u>Less than 1 to 2</u> <u>years</u>	<u>More than 2</u> <u>years</u>
Short-term borrowings	\$ 207,623	\$ -	\$ -
Short-term bills payable	34,904	-	-
Notes payable	6,881	-	-
Other payables	58,315	-	-
lease liabilities	61,654	59,724	180,049
Guarantee deposits received	-	-	6,450
Long-term borrowings (including portions due within one year or one operating cycle)	58,602	56,872	219,753
Total	<u>\$ 185,452</u>	<u>\$ 116,596</u>	<u>\$ 406,252</u>

(III) Fair value information

- 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.

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 Company's investments in non-listed stocks belong to this.

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

December 31, 2023	<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	\$ -	\$ -	\$102,210	\$102,210
Financial assets at fair value through other comprehensive income				
Equity security	<u>-</u>	<u>-</u>	<u>5,111</u>	<u>5,111</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$107,321</u>	<u>\$107,321</u>

December 31, 2022	<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	\$ -	\$ -	\$104,538	\$104,538
Financial assets at fair value through other comprehensive income				
Equity security	<u>-</u>	<u>-</u>	<u>5,108</u>	<u>5,108</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$109,646</u>	<u>\$109,646</u>

3. The following table shows the changes in Level 3 for 2023 and 2022.

	<u>2023</u>	<u>2022</u>
	<u>Non-derivative equity security</u>	<u>Non-derivative equity security</u>
January 1	\$ 109,646	\$ 119,323
Addition for the period	50,400	-
Refunds from capital reduction in the current period	(23,060)	-
Gain (loss) recognized in profit or loss	(16,480)	28,830
Profit (loss) recognized in other comprehensive income	3	(2,396)
Current period sales of marketable securities	(13,188)	(28,710)
Amounts repaid from investments in funds during the period	-	(7,401)
December 31	<u>\$ 107,321</u>	<u>\$ 109,646</u>

4. In 2023 and 2022 there were no transfers in or out of Level 3.

5. The Company'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.

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>December 31, 2023 fair value</u>	<u>Valuation technique</u>	<u>Significant unobservable input value</u>	<u>Interval (Weighted average)</u>	<u>Relationship between input value and fair value</u>
Non-derivative equity security: Non-TWSE or TPEX listed stock	\$ 5,111	Discounted benefit flow method	Discount for lack of marketability	20%	The higher the discount for lack of marketability and the higher the discount for lack of controlling interests, the lower the fair value
Investment in private equity	102,210	Net asset value method	Net asset value	-	The higher the net asset value, the higher the fair value

	<u>December 31, 2022 fair value</u>	<u>Valuation technique</u>	<u>Significant unobservable input value</u>	<u>Interval (Weighted average)</u>	<u>Relationship between input value and fair value</u>
Non-derivative equity security: Non-TWSE or TPEX listed stock	\$ 5,108	Discounted benefit flow method	Discount for lack of marketability	20%	The higher the discount for lack of marketability and the higher the discount for lack of controlling interests, the lower the fair value
Investment in private equity	104,538	Net asset value method	Net asset value	-	The higher the net asset value, the higher the fair value

7. The company 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>December 31, 2023</u>			
		<u>Recognized in profit or loss</u>		<u>Recognized in other comprehensive Income</u>	
		<u>Favorable</u>	<u>Unfavorable</u>	<u>Favorable</u>	<u>Unfavorable</u>
<u>Input value</u>	<u>Change</u>	<u>change</u>	<u>change</u>	<u>change</u>	<u>change</u>
Financial asset					
Equity instruments	Discount for lack of marketability ±1%	\$ -	\$ -	\$ 51	(\$ 51)
Investment in private equity	Net asset value ±1%	<u>1,022</u>	<u>(1,022)</u>	<u>-</u>	<u>-</u>
Total		<u>\$ 1,022</u>	<u>(\$ 1,022)</u>	<u>\$ 51</u>	<u>(\$ 51)</u>
		<u>December 31, 2022</u>			
		<u>Recognized in profit or loss</u>		<u>Recognized in other comprehensive Income</u>	
		<u>Favorable</u>	<u>Unfavorable</u>	<u>Favorable</u>	<u>Unfavorable</u>
<u>Input value</u>	<u>Change</u>	<u>change</u>	<u>change</u>	<u>change</u>	<u>change</u>
Financial asset					
Equity instruments	Discount for lack of marketability ±1%	\$ -	\$ -	\$ 51	(\$ 51)
Investment in private equity	Net asset value ±1%	<u>1,045</u>	<u>(1,045)</u>	<u>-</u>	<u>-</u>
Total		<u>\$ 1,045</u>	<u>(\$ 1,045)</u>	<u>\$ 51</u>	<u>(\$ 51)</u>

(IV) Financial Soundness Plan

The Company mainly uses its own funds and bank loans as sources of funding for equipment additions and maintenance of chemical and oil storage tanks, as well as for the construction of solar power generation plants. However, due to the significant capital expenditure required for the construction of the solar power plants and the stable returns from electricity sales, the Company aims to maintain a high level of cash reserves to cope with rapid industry changes. If further investment in power plant development is required, it can only be supported by timely bank borrowings to fill the funding gap. In addition, in March 2022, the Company acquired a 20% stake in ABZbridge to diversify its sources of revenue and stabilize its business growth, and the investee has been profitable.

The company plans to improve the company's financial status as follows:

1. The company works closely with financial institutions to increase fund flexibility through borrowing. As of December 31, 2023, we still have a revolving short-to-medium term loan facility of \$712,932 available for drawdown.
2. On the oil tank storage service, in recent years, in addition to gradually improving the storage and transfer capabilities of soft and hard equipment, strengthening the quality and skills of operators, and obtaining a number of international certifications, in order to explore other cooperation opportunities to expand customer source, we continue to deepen customer relations and develop high-income customers to acquire quality customers.
3. In addition to the reallocation and portfolio of the Company's assets to make optimal use of funds and resources, the Energy Business Division continues to pay attention to the trend of solar PV power generation policies and market changes, and works closely with strategic partners to jointly develop large-scale high-quality PV projects .
4. Except for the above, the cash inflows from operating activities of the Group are sufficient to support future investment in power plants and operations, as evaluated by the Group.

XIII. Additional disclosures

(I) Significant transactions information

1. Loans to others: None.
2. Endorsements and guarantees for others: None.
3. Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures): Please refer to Table 1.
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 2.

(III) Information of Investments in Mainland China

1. Basic information: None

2. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None

(IV) Information on main investors

For information on major shareholders: Please refer to Table 3.

XIV. Operating Segments Information

According to IFRS 8, the operating segments information will be disclosed in the consolidated financial statements.

Prime Oil Chemical Service Corporation
Cash and cash equivalents
December 31, 2023

Unit: Thousand NTD

Item	Abstract	Amount
Cash on hand and working capital		\$ 198
Bank deposits		
Demand deposits		39,978
Checking deposits		1,279
Term deposits	Interest rate 0.53%	
	Matured on January 23, 2024	15,000
		\$ 56,455

Prime Oil Chemical Service Corporation
Statement of changes in financial assets at fair value through profit or loss - non-current
January 1, 2023 to December 31, 2023

Unit: Thousand NTD

Name of financial instrument	Beginning of period		Increase of the period		Decrease of the period		End of period		Provision of endorsements and guarantees to others	Remark
	Number of shares or lots	Fair value	Number of shares or lots	Amount	Number of shares or lots	Amount	Number of shares or lots	Fair value		
AB Value Bridge VI, L.P.	-	\$ 59,203	-	\$ -	-	(\$ 13,657)	-	\$ 45,546	None	
AB Value Bridge VII, L.P.	-	45,335	-	-	-	(45,335)	-	-	None	
Anxin No. 1 Limited Partnership	-	-	-	56,664	-	-	-	56,664	None	
		<u>\$104,538</u>		<u>\$ 56,664</u>		<u>(\$ 58,992)</u>		<u>\$102,210</u>		

Prime Oil Chemical Service Corporation
Changes in investments accounted for under the equity method
January 1 to December 31, 2023

Unit: Thousand NTD

<u>Name</u>	<u>Beginning balance</u>		<u>Increase of the period</u>		<u>Decrease of the period</u>		<u>Ending balance</u>			<u>Market value or net value of shares</u>	<u>Provision of endorsements and guarantees to others</u>	<u>Remark</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount (Note 1)</u>	<u>Shares</u>	<u>Amount (Note 2)</u>	<u>Shares</u>	<u>Shares Ratio</u>	<u>Amount</u>			
He Zhen Feng Co., Ltd.	69,468	\$ 1,051	-	\$ -	-	(\$ 22)	69,468	69.67%	\$ 1,029	\$ 1,029	None	
Prime Holdings Corporation	30,000	260,132	-	6,304	-	(2,635)	30,000	100.00%	263,801	263,801	None	
ABZbridge Corporation	10,000	<u>87,952</u>	-	<u>25,462</u>	-	<u>(8,501)</u>	10,000	28.35%	<u>104,913</u>	104,913	None	
		<u>\$ 349,135</u>		<u>\$ 31,766</u>		<u>(\$ 11,158)</u>			<u>\$ 369,743</u>			

Note 1: The increase in current period is based on the investment gain recognized under the equity method of \$21,562, the accumulated translation adjustment of \$695 and the change in capital reserve of \$9,509.

Note 2: The current period decrease is composed of investment loss recognized under the equity method of \$22, the accumulated conversion adjustment of \$135, loss on disposal of fixed assets of \$2,500, and refund of capital reduction from ABZbridge Corporation of \$8,501.

Prime Oil Chemical Service Corporation
Property, plant and equipment
January 1 to December 31, 2023

Unit: Thousand NTD

For details of relevant changes, please refer to Note 6(7)

Prime Oil Chemical Service Corporation
Changes in the cost of right-of-use assets and accumulated depreciation
January 1 to December 31, 2023

Unit: Thousand NTD

Item	Beginning balance	Increase for the period	Decrease for the period	Ending balance	Remark
Cost					
Land use rights	\$ 10,177	\$ -	\$ -	\$ 10,177	
Buildings	20,982	-	-	20,982	
Other Equipment	<u>303,805</u>	<u>-</u>	<u>-</u>	<u>303,805</u>	
	<u>334,964</u>	<u>\$ -</u>	<u>\$ -</u>	<u>334,964</u>	
Accumulated depreciation					
Land use rights	(\$ 1,441)	(\$ 509)	\$ -	(1,950)	
Buildings	(7,577)	(6,994)	-	(14,571)	
Other Equipment	<u>(32,355)</u>	<u>(50,747)</u>	<u>-</u>	<u>(83,102)</u>	
	<u>(41,373)</u>	<u>(\$ 58,250)</u>	<u>\$ -</u>	<u>(99,623)</u>	
	<u>\$ 293,591</u>			<u>\$ 235,341</u>	

Prime Oil Chemical Service Corporation

Lease liabilities

December 31, 2023

Unit: Thousand NTD

Item	Abstract	Lease tenor	Discount rate	Ending balance	Remark
Land use rights	Site at Gukeng Township, Yunlin County	2020.2.28~2040.2.27	1.69%	\$ 2,197	
Buildings	Office	2021.12.1~2024.11.30	1.51%	6,512	
Other Equipment	Tanks area at the Port of Taichung	2021.1.1~2028.6.30	1.51%	<u>217,091</u>	
				<u>\$ 225,800</u>	

Prime Oil Chemical Service Corporation
Other payables
December 31, 2023

Unit: Thousand NTD

For details of balances of relevant accounts, please refer to Note 6(14)

Prime Oil Chemical Service Corporation
Short-term borrowings
December 31, 2023

Unit: Thousand NTD

Loan types	Ending balance	Contract term	Range of interest rate	Financing Amount	Mortgage or Guarantee	Remark
Short-term credit loans						
Yuanta Commercial Bank	\$ 10,000	2023.12.28~2024.01.26	1.75%	\$ 80,000	None	
Far Eastern International Bank	<u>20,000</u>	2023.11.14~2024.2.5	1.83%	50,000	None	
	<u>\$ 30,000</u>					

Prime Oil Chemical Service Corporation
Long-term borrowings
December 31, 2023

Unit: Thousand NTD

For details of balances of relevant accounts, please refer to Note 6(13)

Prime Oil Chemical Service Corporation
Operating Revenue
January 1 to December 31, 2023

Unit: Thousand NTD

Item	Quantity	Amount	Remark
Operating revenue			
Rental incomes		\$ 250,584	
Revenue from contracts with customers			
Tank operation revenue		73,504	
Electricity sales revenue	21,245,630 KW	<u>100,965</u>	
Total		<u>\$ 425,053</u>	

Prime Oil Chemical Service Corporation
Operating costs
January 1 to December 31, 2023

Unit: Thousand NTD

Item	Amount	Remark
Cost for selling electricity		
depreciation expense	\$ 44,275	
Rental expenses	9,472	
Maintenance expenses	2,877	
Property insurance premium	942	
Other expenses	<u>224</u>	
	<u>57,790</u>	
Leasing cost		
depreciation expense	129,438	
Employee benefits expense	43,150	
Terminal administrative expenses	18,505	
Property insurance premium	14,419	
Other expenses	38,593	The balance of each fractional account does not exceed 5% of the balance of this account
Subtotal	<u>244,105</u>	
	<u>\$ 301,895</u>	

Prime Oil Chemical Service Corporation
Details of selling and marketing expenses
January 1 to December 31, 2023

Unit: Thousand NTD

Item	Amount	Remark
Employee benefits expense	\$ 3,754	
Travel expenses	483	
Entertainment expenses	395	
Other expenses	<u>589</u>	The balance of each fractional account does not exceed 5% of the balance of this account
	<u>\$ 5,221</u>	

Prime Oil Chemical Service Corporation
Details of administration expenses
January 1 to December 31, 2023

Unit: Thousand NTD

Item	Amount	Remark
Employee benefits expense	\$ 31,352	
Salaries and wages	6,548	
depreciation expense	8,028	
Other expenses	<u>13,567</u>	The balance of each fractional account does not exceed 5% of the balance of this account
	<u>\$ 59,495</u>	

Prime Oil Chemical Service Corporation
Summary of employee benefits, depreciation, depletion and amortization expenses incurred in the current period by function
January 1 to December 31, 2023 and 2022

Unit: Thousand NTD

Nature	<u>Functionality 2023</u>			<u>2022</u>		
	<u>Those of operating costs</u>	<u>Those of operating expenses</u>	<u>Total</u>	<u>Those of operating costs</u>	<u>Those of operating expenses</u>	<u>Total</u>
Employee benefits expense						
Salary expenses	\$ 35,588	\$ 26,910	\$ 62,498	\$ 37,213	\$ 29,364	\$ 66,577
Labor and health insurance expenses	3,894	1,987	5,881	3,665	1,909	5,574
Pension costs	1,699	1,162	2,861	1,677	1,149	2,826
Directors' remuneration	-	2,799	2,799	-	3,918	3,918
Other employee expenses	1,969	2,248	4,217	2,186	2,688	4,874
	<u>\$ 43,150</u>	<u>\$ 35,106</u>	<u>\$ 78,256</u>	<u>\$ 44,741</u>	<u>\$ 39,028</u>	<u>\$ 83,769</u>
depreciation expense	\$ 173,713	\$ 8,028	\$ 181,741	\$ 164,645	\$ 8,270	\$ 172,915
Amortization expense	\$ -	\$ 1,617	\$ 1,617	\$ -	\$ 1,576	\$ 1,576

1. The number of employees at the end of the current year and the previous year was 75 and 72, respectively. Among them, there were 6 and 4 Directors, respectively, who are not concurrently employees.
2. For companies whose shares are listed on the Taiwan Stock Exchange or traded over-the-counter on the Taipei Exchange, they should further disclose the following information.
 - (1) The average employee benefit expenses of the year was NT\$1,094 thousand ((total employee benefit costs of the year – total directors' remuneration)/(the number of employees of the year - number of directors who are not concurrently employed))
The average employee benefit expenses of the previous year was NT\$1,174 thousand ((total employee benefit costs of the previous year – total directors' remuneration)/(the number of employees of the previous year - number of directors who are not concurrently employed))
 - (2) The average salaries and wages expenses of the year was NT\$906 thousand (total salaries and wages of the year/(the number of employees of the

Prime Oil Chemical Service Corporation
Summary of employee benefits, depreciation, depletion and amortization expenses incurred in the current period by function
January 1 to December 31, 2023 and 2022

Unit: Thousand NTD

previous year - number of directors who are not concurrently employed))

The average salaries and wages expenses of the previous year was NT\$979 thousand (total salaries and wages of the previous year/(the number of employees of the previous year - number of directors who are not concurrently employed))

(3) Change in average employee salary expense adjustment (7.46%) ((the average salaries and wages expenses of the year-the average salaries and wages expenses of the previous year)/ the average salaries and wages expenses of the previous year)

(4) Supervisors' remuneration of the year was NT\$0, Supervisors' remuneration of the previous year was NT\$613 thousand.

(5) The Company's compensation policy (including directors, independent directors, supervisors, managers and employees):

A. The remuneration of directors (including independent directors) and supervisors of the Company shall be provided in accordance with Article 32 of the Company's Articles of Incorporation, and the remuneration of directors and supervisors shall be distributed in accordance with the "Regulations Governing the Remuneration of Directors, Independent Directors and Supervisors of the Company" in accordance with the three categories of duties and responsibilities, the degree of participation in the Company's operations and the degree of professionalism and continuing education. The reasonableness of such compensation shall be reviewed by the Compensation Committee and approved by the Board of Directors.

B. The remuneration of the Company's managers and employees shall be divided into fixed salary and variable salary, with fixed salary in accordance with the Company's "Personnel Management Rules" and approved in accordance with the job description and professional competence of the position. Variable salaries include year-end bonuses to encourage employees' annual performance, based on the Company's profitability and future development and employee compensation in accordance with Article 32 of the Company's Articles of Incorporation.

Prime Oil Chemical Service Corporation
 Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures)
 December 31, 2023

Table 1

Unit: Thousand NTD
 (Unless otherwise specified)

<u>Companies held</u>	<u>Type and name of marketable securities</u>	<u>Relationship with the securities issuer</u>	<u>Account title</u>	<u>Shares</u>	<u>End of period</u>		<u>Fair value</u>	<u>Remark</u>
					<u>Carrying amount</u>	<u>Shares Ratio</u>		
Prime Oil Chemical Service Corporation	Stocks-Everterminal Co., Ltd.	None	Financial assets at fair value through other comprehensive income - noncurrent	342,244	\$ 5,111	0.70%	\$ 5,111	
Prime Oil Chemical Service Corporation	Private equity investment-AB Value Bridge VI, LP	None	Financial assets at fair value through profit or loss - non-current	-	45,546	3.00%	45,546	
Prime Oil Chemical Service Corporation	Private Equity Investment - Anxin No. 1 Limited Partnership	None	Financial assets at fair value through profit or loss - non-current	-	56,664	8.27%	56,664	

Prime Oil Chemical Service Corporation
Name, locations, and other related information of investees
January 1 to December 31, 2023

Table 2

Unit: Thousand NTD
(Unless otherwise specified)

<u>Investor</u>	<u>Name of investee</u>	<u>The place where it is located</u>	<u>Main business items</u>	<u>Initial investment amount</u>		<u>Held at end of period</u>			<u>Investee profit or loss for the period</u>	<u>Investment gains and losses recognized in the current period</u>	<u>Remark</u>
				<u>End of current period</u>	<u>End of previous period</u>	<u>Shares</u>	<u>Ratio</u>	<u>Carrying amount</u>			
Prime Oil Chemical Service Corporation	He Zhen Feng Co., Ltd.	Taiwan	Real Estate Leasing	\$ 695	\$ 695	69,468	69.47	\$ 1,029	(\$ 31)	(\$ 22)	Note 3
Prime Oil Chemical Service Corporation	POCS POWER CO., LTD.	Taiwan	Solar Power Industry	-	43,045	-	0.00	-	-	-	Note2
Prime Oil Chemical Service Corporation	Prime Holdings Corporation	Anguilla	Shareholding and General Trading	191,886	191,886	30,000	100.00	263,801	6,304	6,304	Notes 1, 3
Prime Oil Chemical Service Corporation	ABZBRIDGE CORPORATION	Cayman Islands	Shareholding company	68,900	76,424	10,000	28.35	104,913	71,864	15,258	Note1
Prime Holdings Corporation	Prime Solar Energy Co., Ltd.	Cambodia	Real Estate Development	52,344	52,344	1,700,000	100.00	51,764	(75)	(75)	Notes 1, 3

Note 1: Except for the information disclosed about investees, except for the current profit and loss, which is translated at the average exchange rate from January 1 to December 31, 2023, the rest is translated at the exchange rate on December 31, 2023.

Note 2: In order to improve the overall operating efficiency of the Energy Division, the utilization of funds and the return on investment, the Company has completed the disposal of the equity of the subsidiary, POCSPC on March 31, 2023.

Note 3: Already eliminated when the consolidated financial statements were prepared.

Prime Oil Chemical Service Corporation
Information on main investors
December 31, 2023

Table 3

	<u>Name of major shareholder</u>	<u>Number of shares held</u>	<u>Shares of Stock</u>	<u>Shares Ratio</u>
	ABACUS DISPLAY INFINITY CORPORATION	32,171,849		41.33%