

**Prime Oil Chemical Service Corporation and
its subsidiaries**

Consolidated Financial Statements and
Independent Auditor's Review Report

September 30, 2024 and 2023

(Ticker symbol: 2904)

Independent Auditor's Review Report

(2024) PWCR.24002252

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Prime Oil Chemical Service Corporation and its subsidiaries (the "POCS Group") as of September 30, 2024 and 2023 and the related consolidated comprehensive income statements, for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, consolidated statements of changes in equity and consolidated cash flow statements for the periods then ended, and notes to the consolidated financial statements (including a summary of significant accounting policies). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Statement 34 "Interim Financial Reporting" endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

Scope of Review

Except for those described in the paragraph of basis of qualified conclusion, we concluded our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries (primarily of persons responsible for financial and accounting matters), and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of qualified conclusion

As described in Note 4(3) and 6(6). to the consolidated financial statements, the financial statements of certain non-significant subsidiaries included in the above consolidated financial statements for the same period have not been reviewed by us. As of September 30, 2024 and 2023, their total assets amounted to NT\$397,123 thousand and NT\$372,539 thousand, respectively, accounting for 21% and 19% of the consolidated total assets; their total liabilities

amounted to NT\$684 thousand and NT\$655 thousand, respectively, accounting for 0% of the consolidated total liabilities. Their total consolidated income from July 1 to September 30, 2024 and 2023, January 1 to September 30, 2024 and 2023, was NT\$(2,660) thousand 、 NT\$16,434 thousand 、 NT\$28,118 thousand and NT\$31,612 thousand, respectively, which accounted for (18)% 、 70% 、 35% and 42% of the consolidated comprehensive income, respectively.

Qualified conclusion

Based on our review, except for the effect of adjustments, if any, as might have been made to the consolidated financial statements had the financial statements of these non-significant subsidiaries been reviewed by us as described in the paragraph of basis of qualified conclusion, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material aspects the consolidated financial position of the POCS Group as of September 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the nine months then ended September 30, 2024 and 2023, January 1 to September 30, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed by the Financial Supervisory Commission.

PricewaterhouseCoopers, Taiwan

Huang, Pei-Chuan

Accountant

Lin, Yung-Chih

November 12, 2024

Prime Oil Chemical Service Corporation and its subsidiaries

Consolidated balance sheets

September 30, 2024 and December 31 and September 30, 2023

(The accompanying consolidated balance sheets as of September 30, 2024 and 2023 have been reviewed only, and have not been audited in accordance with generally accepted auditing standards.)

Unit: NTD thousand

Assets	Note	September 30, 2024		December 31, 2023		September 30, 2023		
		Amount	%	Amount	%	Amount	%	
Current assets								
1100	Cash and cash equivalents	6 (1)	\$ 171,447	9	\$ 85,546	4	\$ 86,927	4
1136	Financial assets measured at amortized cost - current	6 (4)	18,328	1	20,680	1	18,688	1
1150	Notes receivable, net	6 (5)	-	-	346	-	-	-
1170	Accounts receivable, net	6 (5) and 12(2)	48,318	2	52,961	3	62,064	3
1220	Current income tax assets		-	-	-	-	52	
1410	Prepayments		15,366	1	13,603	1	19,577	1
11XX	Total current assets		<u>253,459</u>	<u>13</u>	<u>173,136</u>	<u>9</u>	<u>187,308</u>	<u>9</u>
Non-current assets								
1510	Financial assets at fair value through profit or loss - non-current	6 (2)	114,363	6	102,210	5	123,927	6
1517	Financial assets at fair value through other comprehensive income - noncurrent	6(3)	4,580	-	5,111	-	5,071	-
1535	Financial assets measured at amortized cost - non-current	6 (4)and 8	4,780	-	3,571	-	2,311	-
1550	Investments accounted for using equity method	6 (6)	122,641	6	104,913	6	96,563	5
1600	Property, plant and equipment	6 (7)and 8	1,181,482	62	1,251,778	65	1,272,895	64
1755	Right-of-use assets	6 (8)	191,664	10	235,341	12	249,904	13
1780	Intangible asset		1,962	-	2,890	-	3,232	-
1840	Deferred tax assets		1,195	-	1,384	-	1,311	-
1900	Other non-current assets	6(10)and 8	48,579	3	47,405	3	47,399	3
15XX	Total non-current assets		<u>1,671,246</u>	<u>87</u>	<u>1,754,603</u>	<u>91</u>	<u>1,802,613</u>	<u>91</u>
1XXX	Total assets		<u>\$ 1,924,705</u>	<u>100</u>	<u>\$ 1,927,739</u>	<u>100</u>	<u>\$ 1,989,921</u>	<u>100</u>

(Continued)

Prime Oil Chemical Service Corporation and its subsidiaries

Consolidated balance sheets

September 30, 2024 and December 31 and September 30, 2023

(The accompanying consolidated balance sheets as of September 30, 2024 and 2023 have been reviewed only, and have not been audited in accordance with generally accepted auditing standards.)

Unit: NTD thousand

	Liabilities and Stockholders' Equity	Note	September 30, 2024		December 31, 2023		September 30, 2023	
			Amount	%	Amount	%	Amount	%
Current liabilities								
2100	Short-term borrowings	6 (11)	\$ -	-	\$ 30,000	2	\$ 115,000	6
2150	Notes payable		1,278	-	6,881	-	1,251	-
2200	Other payables	6 (13)	39,970	2	47,439	2	35,531	2
2230	Current income tax liabilities		9,777	-	15,437	1	13,225	-
2280	Current lease liabilities		51,101	3	50,351	3	55,292	3
2320	Long-term liabilities, current portion	6 (12)	63,152	3	58,117	3	57,618	3
2399	Other current liabilities- other		39	-	74	-	39	-
21XX	Total current liabilities		<u>165,317</u>	<u>8</u>	<u>208,299</u>	<u>11</u>	<u>277,956</u>	<u>14</u>
Non-current liabilities								
2540	Long-term borrowings	6 (12)	328,926	17	285,975	15	258,386	13
2550	Provisions for liabilities - non-current	6 (15)	27,998	2	27,998	1	27,998	1
2570	Deferred tax liabilities		14,444	1	12,675	1	17,061	1
2580	Non-current lease liabilities		137,390	7	175,449	9	189,231	10
2640	Net defined benefit liabilities - noncurrent	6 (14)	3,924	-	4,862	-	4,508	-
2645	Guarantee deposits received		440	-	440	-	936	-
25XX	Total non-current liabilities		<u>513,122</u>	<u>27</u>	<u>507,399</u>	<u>26</u>	<u>498,120</u>	<u>25</u>
2XXX	Total liabilities		<u>678,439</u>	<u>35</u>	<u>715,698</u>	<u>37</u>	<u>776,076</u>	<u>39</u>
Equity attributable to shareholders of the parent company								
	Share capital	6 (16)						
3110	Common stock		778,344	40	778,344	40	778,344	39
	Additional paid-in capital	6 (17)						
3200	Additional paid-in capital		77,397	4	77,397	4	68,939	3
	Retained earnings	6 (18)						
3310	Legal reserve		211,510	11	205,038	11	205,038	10
3350	Unappropriated retained earnings		167,665	9	147,392	8	146,220	8
	Other equity interests	6 (19)						
3400	Other equity interests		10,906	1	3,419	-	14,851	1
31XX	Total equity attributable to shareholders of the parent company		<u>1,245,822</u>	<u>65</u>	<u>1,211,590</u>	<u>63</u>	<u>1,213,392</u>	<u>61</u>

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

Prime Oil Chemical Service Corporation and its subsidiaries

Consolidated balance sheets

September 30, 2024 and December 31 and September 30, 2023

(The accompanying consolidated balance sheets as of September 30, 2024 and 2023 have been reviewed only, and have not been audited in accordance with generally accepted auditing standards.)

Unit: NTD thousand

36XX	Non-controlling interests	<u>444</u>	<u>-</u>	<u>451</u>	<u>-</u>	<u>453</u>	<u>-</u>
3XXX	Total equity	<u>1,246,266</u>	<u>65</u>	<u>1,212,041</u>	<u>63</u>	<u>1,213,845</u>	<u>61</u>
	Significant contingent liabilities and unrecognized contract commitments		9				
3X2X	Total liabilities and equity	<u>\$ 1,924,705</u>	<u>100</u>	<u>\$ 1,927,739</u>	<u>100</u>	<u>\$ 1,989,921</u>	<u>100</u>

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

Prime Oil Chemical Service Corporation and its subsidiaries
Consolidated income statements

January 1 to September 30, 2024 and 2023

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

Unit: NTD thousand
(Except for earnings per share)

	Item	Note	July 1 to September 30, 2024		July 1 to September 30, 2023		January 1 to September 30, 2024		January 1 to September 30, 2023	
			Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating income	6 (9)	\$ 124,814	100	\$ 107,961	100	\$ 366,734	100	\$ 337,787	100
5000	Operating cost	6 (24)	(78,278)	(63)	(78,272)	(73)	(233,832)	(64)	(234,030)	(69)
5900	Operating gross profits		<u>46,536</u>	<u>37</u>	<u>29,689</u>	<u>27</u>	<u>132,902</u>	<u>36</u>	<u>103,757</u>	<u>31</u>
	Operating expenses	6 (24)								
		(25)								
6100	Selling and marketing expenses		(1,246)	(1)	(1,150)	(1)	(3,995)	(1)	(3,917)	(1)
6200	General and administrative expenses		(15,099)	(12)	(14,063)	(13)	(45,491)	(12)	(45,499)	(14)
6000	Total operating expenses		(16,345)	(13)	(15,213)	(14)	(49,486)	(13)	(49,416)	(15)
6900	Operating profit		<u>30,191</u>	<u>24</u>	<u>14,476</u>	<u>13</u>	<u>83,416</u>	<u>23</u>	<u>54,341</u>	<u>16</u>
	Non-operating income and expenses									
7100	Interest income		450	-	408	-	1,834	-	938	-
7010	Other income	6 (21)	339	-	9,173	9	1,012	-	13,876	4
7020	Other gains or losses	6 (22)	(6,679)	(5)	(7,814)	(7)	(127)	-	7,503	2
7050	Financial costs	6 (23)	(3,012)	(2)	(3,266)	(3)	(8,987)	(2)	(10,222)	(3)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method.	6 (6)	<u>5,227</u>	<u>4</u>	<u>4,335</u>	<u>4</u>	<u>14,232</u>	<u>4</u>	<u>11,905</u>	<u>4</u>
7000	Total non-operating income and expenses		(3,675)	(3)	2,836	3	7,964	2	24,000	7
7900	Profit before income tax		<u>26,516</u>	<u>21</u>	<u>17,312</u>	<u>16</u>	<u>91,380</u>	<u>25</u>	<u>78,341</u>	<u>23</u>
7950	Income tax expense	6 (26)	(4,938)	(4)	(2,421)	(2)	(17,941)	(5)	(14,803)	(4)
8200	Current period net profit		<u>\$ 21,578</u>	<u>17</u>	<u>\$ 14,891</u>	<u>14</u>	<u>73,439</u>	<u>20</u>	<u>63,538</u>	<u>19</u>
	Other comprehensive income for the year (net)									
	Items that will be reclassified to profit or loss									
8316	Unrealized valuation gain or loss on equity instruments at fair value through other comprehensive income	6(3)	<u>\$ 43</u>	<u>-</u>	<u>\$ 40</u>	<u>-</u>	<u>(\$ 531)</u>	<u>-</u>	<u>(\$ 37)</u>	<u>-</u>
8310	Total amount of items that will not be reclassified to profit or loss		<u>43</u>	<u>-</u>	<u>40</u>	<u>-</u>	<u>(531)</u>	<u>-</u>	<u>(37)</u>	<u>-</u>
	Items that may be reclassified subsequently to profit or loss:									
8361	Exchange differences in translating the financial		(5,670)	(4)	7,778	7	6,526	2	10,745	3

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Prime Oil Chemical Service Corporation and its subsidiaries
Consolidated income statements

January 1 to September 30, 2024 and 2023

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

Unit: NTD thousand
(Except for earnings per share)

	statements of foreign operations									
8370	Other equity changes	6(6)	(2,960)	(2)	2,999	3	3,496	1	4,156	1
8399	Income taxes related to items that may be reclassified	6 (26)								
			<u>1,725</u>	<u>1</u>	<u>(2,156)</u>	<u>(2)</u>	<u>(2,004)</u>	<u>(1)</u>	<u>(2,980)</u>	<u>(1)</u>
8360	Total of items that may be reclassified to profit or loss		<u>(6,905)</u>	<u>(5)</u>	<u>8,621</u>	<u>8</u>	<u>8,018</u>	<u>2</u>	<u>11,921</u>	<u>3</u>
8300	Other comprehensive income for the year (net)		<u>(\$ 6,862)</u>	<u>(5)</u>	<u>\$ 8,661</u>	<u>8</u>	<u>\$ 7,487</u>	<u>2</u>	<u>\$ 11,884</u>	<u>3</u>
8500	Total comprehensive income in the current period		<u>\$ 14,716</u>	<u>12</u>	<u>\$ 23,552</u>	<u>22</u>	<u>\$80,926</u>	<u>22</u>	<u>\$75,422</u>	<u>22</u>
	Net income attributable to:									
8610	Shareholders of the parent company		\$ 21,581	17	\$ 14,894	14	\$73,446	20	\$63,546	19
8620	Non-controlling interests		<u>(3)</u>	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>(7)</u>	<u>-</u>	<u>(8)</u>	<u>-</u>
			<u>\$ 21,578</u>	<u>17</u>	<u>\$ 14,891</u>	<u>14</u>	<u>\$73,439</u>	<u>20</u>	<u>\$65,538</u>	<u>19</u>
	Total comprehensive income attributable to:									
8710	Shareholders of the parent company		\$ 14,719	12	\$ 23,555	22	\$80,933	22	\$75,430	22
8720	Non-controlling interests		<u>(3)</u>	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>(7)</u>	<u>-</u>	<u>(8)</u>	<u>-</u>
			<u>\$ 14,716</u>	<u>12</u>	<u>\$ 23,552</u>	<u>22</u>	<u>\$80,926</u>	<u>22</u>	<u>\$75,422</u>	<u>22</u>
	Earnings per share	6 (27)								
9750	Basic		<u>\$</u>	<u>0.28</u>	<u>\$</u>	<u>0.19</u>	<u>\$</u>	<u>0.94</u>	<u>\$</u>	<u>0.82</u>
9850	Diluted		<u>\$</u>	<u>0.28</u>	<u>\$</u>	<u>0.19</u>	<u>\$</u>	<u>0.94</u>	<u>\$</u>	<u>0.81</u>

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

Prime Oil Chemical Service Corporation and its subsidiaries
Consolidated statements of changes in equity
January 1 to September 30, 2024 and 2023
(Reviewed only, not audited in accordance with generally accepted auditing standards)

Unit: NTD thousand

Note	Common stock	Issuance Premium	Changes in net equity of affiliated companies and joint ventures under the equity method	Treasury Stock Transactions	Employee Stock Options	Equity attributable to shareholders of the parent company			Other equity interests		Total	Non-controlling interests	Total equity
						Retained earnings	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange Differences in Translating the Financial Statements of Foreign Operations			
<u>The 3rd quarter of 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	\$ 461	\$ 1,187,964
Current period net profit	-	-	-	-	-	-	-	63,546	-	-	63,546	(8)	63,538
Other comprehensive income recognized for the period	-	-	-	-	-	-	-	-	11,921	(37)	11,884	-	11,884
Total comprehensive income in the current period	-	-	-	-	-	-	-	63,546	11,921	(37)	75,430	(8)	75,422
Appropriations of 2022 earnings													
Legal reserve	-	-	-	-	-	10,861	-	(10,861)	-	-	-	-	-
Reversal of Special reserve	-	-	-	-	-	-	(18,778)	18,778	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	(50,592)	-	-	(50,592)	-	(50,592)
Adjustments to share of changes in equities of associates	-	-	-	1,051	-	-	-	-	-	-	1,051	-	1,051
Balance at September 30, 2023	\$ 778,344	\$ 62,280	\$ 4,233	\$ 1,051	\$ 1,375	\$ 205,038	\$ -	\$ 146,220	\$ 19,409	(\$ 4,558)	\$ 1,213,392	\$ 453	\$ 1,213,845

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

Prime Oil Chemical Service Corporation and its subsidiaries
Consolidated statements of changes in equity
January 1 to September 30, 2024 and 2023
(Reviewed only, not audited in accordance with generally accepted auditing standards)

Unit: NTD thousand

Note	Common stock	Issuance Premium	Changes in net equity of affiliated companies and joint ventures under the equity method	Treasury Stock Transactions	Employee Stock Options	Equity attributable to shareholders of the parent company			Other equity interests		Total	Non-controlling interests	Total equity
						Retained earnings	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange Differences in Translating the Financial Statements of Foreign Operations			
<u>3st quarter of 2024</u>													
Balance at January 1, 2024	\$ 778,344	\$ 62,280	\$ 4,233	\$ 9,509	\$ 1,375	\$ 205,038	\$ -	\$ 147,392	\$ 7,937	(\$ 4,518)	\$ 1,211,590	\$ 451	\$ 1,212,041
Current period net profit	-	-	-	-	-	-	-	73,446	-	-	73,446	(7)	73,439
Other comprehensive income recognized for the period	-	-	-	-	-	-	-	-	8,018	(531)	7,487	-	7,487
Total comprehensive income in the current period	-	-	-	-	-	-	-	73,446	8,018	(531)	80,933	(7)	80,926
Appropriations of 2023 earnings	6(18)												
Legal reserve	-	-	-	-	-	6,472	-	(6,472)	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	(46,701)	-	-	(46,701)	-	(46,701)
Balance at September 30, 2024	\$ 778,344	\$ 62,280	\$ 4,233	\$ 9,509	\$ 1,375	\$ 211,510	\$ -	\$ 167,665	\$ 15,955	(\$5,049)	\$ 1,245,822	\$ 444	\$ 1,246,266

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

Prime Oil Chemical Service Corporation and its subsidiaries
Consolidated cash flow statements
January 1 to September 30, 2024 and 2023
(Reviewed only, not audited in accordance with generally accepted auditing standards)

Unit: NTD thousand

	Note	January 1 to September 30, 2024	January 1 to September 30, 2023
<u>Cash flow from operating activities</u>			
Profit before income tax for the year		\$ 91,380	\$ 78,341
Adjustment for:			
Income and expenses having no effect on cash flows			
Depreciation expense	6 (7)(8) (24)	141,343	142,918
Amortization expense	6 (24)	1,431	1,214
Gain on valuation of financial assets at fair value through profit or loss	6 (2)(22)	2,521	3,683
Gain on disposal of investments	6 (22)	-	(10,196)
Financial costs	6 (23)	8,987	10,222
Interest income		(1,834)	(938)
Dividend income	6 (21)	(103)	(6,373)
Exchange differences in Financial assets measured at amortized cost	6 (4)	(548)	(905)
Shares of affiliated enterprises and joint venture interests recognized using the equity method	6 (6)	(14,232)	(11,905)
Disposal of property, plant and equipment	6 (22)	(1,048)	-
Change in assets/liabilities related to operating activities			
Changes in operating assets			
Notes receivable, net		346	351
Accounts receivable, net		4,643	(18,626)
Prepayments		(1,763)	2,573
Changes in operating liabilities			
Notes payable		(5,603)	(5,657)
Other payables		2,408	(2,064)
Other current liabilities		(35)	(35)
Net defined benefit liabilities		(938)	(860)
Cash flow from operating activities		226,955	181,743
Interest received		1,834	938
Dividend income		103	6,373
Interest paid		(8,987)	(10,222)
Income tax paid		(23,647)	(20,503)
Net cash generated by operating activities		196,258	158,329
<u>Cash flow from investing activities</u>			
Acquisition of financial assets measured at amortized cost		(\$ 7,926)	(6)
Disposal of financial assets measured at amortized cost		9,617	-
Refund of share price due to capital reduction of financial assets at fair value through profit or loss	12 (3)	23,814	14,140
Acquisition of financial assets at fair value through profit or loss	12(3)	(38,488)	(50,400)
Disposal of financial assets at fair value through	12(3)	-	13,188

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

Prime Oil Chemical Service Corporation and its subsidiaries
Consolidated cash flow statements
January 1 to September 30, 2024 and 2023
(Reviewed only, not audited in accordance with generally accepted auditing standards)

Unit: NTD thousand

	Note	January 1 to September 30, 2024	January 1 to September 30, 2023
profit or loss			
Proceeds from capital reduction of investments accounted for using equity method	6(6)	-	8,501
Purchase of property, plant and equipment	6 (28)	(31,585)	(73,476)
Disposal of property, plant and equipment		1,048	-
Acquisition of intangible assets		(503)	(216)
Collection from disposal of investments	6 (22)	-	59,010
Increase in refundable deposits		(3,858)	(108)
Decrease in refundable deposits		2,684	309
Decrease in Guarantee deposits		-	69,120
Net cash used in investing activities		(45,197)	40,062
<u>Cash flow from financing activities</u>			
Decrease in short-term bills payable		-	(34,800)
Short-term borrowings	6 (29)	40,000	885,500
Repayment short-term borrowings	6 (29)	(70,000)	(977,500)
Borrowing of long-term loans (including portions due within one year or one operating cycle)	6 (29)	112,600	38,248
Repayment of long-term loans (including portions due within one year or one operating cycle)	6 (29)	(64,614)	(32,495)
Amount of principal payments on lease liabilities	6 (8)(29)	(37,309)	(35,044)
Cash dividends paid	6(18)	(46,701)	(50,592)
Decrease in deposit received		-	(5,514)
Net cash inflow from financing activities		(66,024)	(212,197)
Effects of exchange rate changes on the balance of cash held in foreign currencies		864	1,386
Increase in cash and cash equivalents		85,901	(12,420)
Beginning of year cash and cash equivalents		85,546	99,347
Cash and cash equivalents at the end of the year		\$ 171,447	\$ 86,927

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

Prime Oil Chemical Service Corporation and its subsidiaries

Notes to consolidated financial statements

3rd Quarter in 2024 and 2023

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

Unit: NTD thousand
(Unless otherwise specified)

I. Company History and Business Scope

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

II. Date and Procedures for Approval of Financial Statements

The Consolidated Financial Statements were approved and authorized for issuance by the Board of Directors on November 12, 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 2024:

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Issued by</u>
Amendment to IFRS 16 “Leases - Lease Liability in a Sale and Leaseback”.	<u>IASB</u> 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 Corporate Group 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.

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Issued by</u>
Amendment to IAS 21 “Lack of Exchangeability”.	<u>IASB</u> January 1, 2025

(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>
IFRS 9 and IAS7 amendments, Amendments to the classification and measurement of financial Instruments	January 1, 2026
IFRS 10 and IAS 28 amendments, Sale or contribution of assets between an investor and its associate or joint venture	To be decided by the IASB
IFRS 17 - ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17 “Insurance contracts.”	January 1, 2023
Amendment to IFRS 17 “Initial Application of IFRS 17 and IFRS 9—Comparative Information.”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without public accountability: disclosures”	January 1, 2027
Amendments to IFRS Accounting Standards “Annual Improvements—Volume 11”	January 1, 2026

Except for IFRS 18 “Presentation and Disclosure in Financial Statements” to be evaluated, The Corporate Group believes that adopting the aforementioned IFRSs will not constitute a significant effect on the Company’s financial position and performance.

IFRS 18 “Presentation and Disclosure in Financial Statements” replaces IAS 1 and updates the structure of the consolidated balance sheets, adds disclosure of management performance measures, and strengthens the aggregation and breakdown principles applied to the principal financial statements and notes.

IV. Summary of significant accounting policies

The significant accounting policies are the same as those described in Note 4 to the consolidated financial statements as of and for the year ended December 31, 2023, except for the statement of compliance, the basis of preparation, the basis of consolidation, and the new sections described below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(I) Compliance statement

1. The consolidated financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International 34 “Interim Financial Reporting” endorsed by the Financial Supervisory Commission
2. The consolidated financial statements should be read in conjunction with the consolidated financial statements as of and for the year ended December 31, 2023.

(II) Basis of preparation

1. The consolidated financial statements have been prepared on a historical cost basis, except

for the following significant items.

- (1) Financial assets at fair value through profit or loss are measured at fair value.
 - (2) 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 financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(III) Basis of consolidation

1. The basis for preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with the same principles as the consolidated financial statements as of and for the year ended December 31, 2023.

2. Subsidiaries included in consolidated financial statements

<u>Investor</u>	<u>Investee</u>	<u>Main Business</u>	<u>Shareholding percentage (%)</u>			<u>Description</u>
			<u>30, 2024</u>	<u>31, 2023</u>	<u>30, 2023</u>	
The Company	He Zhen Feng Co., Ltd.	Real Estate Leasing	69.47	69.47	69.47	Note 2
The Company	Prime Holdings Corporation (PHC)	Shareholding and General Trading	100.00	100.00	100.00	Note 2
PHC	Prime Solar Energy Co., Ltd.	Real Estate Development	100.00	100.00	100.00	Note 1 and 2

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

Note 2: Their financial statements as of September 30, 2024 and 2023 were not reviewed by CPAs because they did not meet the definition of a significant subsidiary.

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

(IV) Employee benefits

Pension - defined benefit plan

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

(V) Income tax

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

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

There were no significant changes during the period. Please refer to Note 5 of the Notes to Consolidated Financial Statements as of and for the year ended December 31, 2023

VI. Statements of main accounting items

(I) Cash and cash equivalents

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Cash on hand and working capital	\$ 262	\$ 198	\$ 231
Checking accounts and demand deposits	59,282	48,139	58,046
Time deposits	<u>111,903</u>	<u>37,209</u>	<u>28,650</u>
	<u>\$ 171,447</u>	<u>\$ 85,546</u>	<u>\$ 86,927</u>

1. The Corporate Group associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
2. The Group has pledged cash and cash equivalents as collateral for certain financial assets measured at amortized cost 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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Non-current items:			
Financial assets at fair value through profit and loss			
Investment in private equity	\$ 55,868	\$ 74,282	\$ 83,202
Stock not listed on TWSE, TPEX or the emerging market	<u>33,088</u>	<u>-</u>	<u>-</u>
	88,956	74,282	83,202
Valuation adjustment	<u>25,407</u>	<u>27,928</u>	<u>40,725</u>
Total	<u>\$ 114,363</u>	<u>\$ 102,210</u>	<u>\$ 123,927</u>

1. Gain and loss recognized for financial assets at fair value through profit or loss held by the Group was(\$6,466), (\$7,604), (\$2,521) and (\$3,683) from July 1 to September 30, 2024 and 2023, January 1 to September 30, 2024 and 2023, respectively.
2. The Group 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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Non-current items:			
Equity instruments			
Stock not listed on TWSE, TPEX or the emerging market	\$ 7,526	\$ 7,526	\$ 7,526
Valuation adjustment	<u>(2,946)</u>	<u>(2,415)</u>	<u>(2,455)</u>
Total	<u>\$ 4,580</u>	<u>\$ 5,111</u>	<u>\$ 5,071</u>

1. The Group has elected to classify its strategic investments in equity stock as financial assets at fair value through other comprehensive income. The fair values of these investments were \$4,580, \$5,111 and \$5,071 as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.
2. The details of the financial assets measured at fair value through other comprehensive income that were recognized in comprehensive income are as follows

	<u>July 1 to</u> <u>September 30,</u> <u>2024</u>	<u>July 1 to</u> <u>September 30,</u> <u>2023</u>
Change in fair value recognized in other comprehensive Income	\$ <u>43</u>	\$ <u>40</u>
Dividends income recognized in profit or loss and still held at the end of the period	\$ <u>103</u>	\$ <u>5,476</u>

	<u>January 1 to</u> <u>September 30, 2024</u>	<u>January 1 to</u> <u>September 30, 2023</u>
Change in fair value recognized in other comprehensive Income	(\$ <u>531</u>)	(\$ <u>37</u>)
Dividends income recognized in profit or loss and still held at the end of the period	\$ <u>103</u>	\$ <u>5,476</u>

- Without considering the collaterals held or other credit enhancements, the amount of financial assets at fair value through other comprehensive income that best represented the Group's maximum exposure to credit risk was \$4,580, \$5,111 and \$5,071 as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.
- The Company has not pledged any financial assets at fair value through other comprehensive income.
- 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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Current items:			
The term deposit with original maturity over three months	\$ -	\$ 2,900	\$ -
Trust account	<u>18,328</u>	<u>17,780</u>	<u>18,688</u>
	<u>\$ 18,328</u>	<u>\$ 20,680</u>	<u>\$ 18,688</u>
Non-current items:			
Restricted asset	<u>\$ 4,780</u>	<u>\$ 3,571</u>	<u>\$ 2,311</u>

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

	<u>July 1 to September 30,</u> <u>2024</u>	<u>July 1 to September</u> <u>30, 2023</u>
Interest income	\$ -	\$ -
Valuation interest	(464)	656
	<u>(\$ 464)</u>	<u>\$ 656</u>

	<u>January 1 to September</u> <u>30, 2024</u>	<u>January 1 to</u> <u>September 30, 2023</u>
Interest income	\$ 144	\$ 88
Valuation interest	548	905
	<u>\$ 692</u>	<u>\$ 993</u>

2. Without considering the collaterals held or other credit enhancements, the amount of financial assets measured at amortized cost that best represented the Corporate Group's maximum exposure to credit risk was \$23,108、\$24,251 and \$20,999 as of September 30, 2024, December 31, 2023 and September 30, 2023, 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 September 30, 2024, December 31, 2023 and September 30, 2023, 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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Note receivable	\$ -	\$ 346	\$ -
Trade receivable	\$ 48,318	\$ 52,961	\$ 62,064

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

	<u>September 30, 2024</u>		<u>December 31, 2023</u>		<u>September 30, 2023</u>	
	<u>Trade</u> <u>receivable</u>	<u>Note</u> <u>receivable</u>	<u>Trade</u> <u>receivable</u>	<u>Note</u> <u>receivable</u>	<u>Trade</u> <u>receivable</u>	<u>Note</u> <u>receivable</u>
Not Past Due	\$ 48,318	\$ -	\$50,759	\$ 346	\$57,743	\$ -
Within 30 days	-	-	2,202	-	3,410	-
30-90 days	-	-	-	-	911	-
	<u>\$48,318</u>	<u>\$ -</u>	<u>\$52,961</u>	<u>\$ 346</u>	<u>\$62,064</u>	<u>\$ -</u>

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

- As of September 30, 2024, December 31, 2023 and September 30, 2023, the balances of accounts receivable (including notes receivable) were generated from customer contracts, and the balance of accounts receivable from customer contracts as of January 1, 2023 was \$45,021.
- The Group does not hold any collateral.
- Without considering the collaterals held or other credit enhancements, the amount of notes receivable that best represented the Group's maximum exposure to credit risk was \$0, \$346 and \$0 as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively; the amount of accounts receivable that best represented the Group's maximum exposure to credit risk was \$48,318, \$52,961 and \$62,064 as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively;
- Please refer to Note 12, (2) for the related credit risk information of accounts receivable.

(VI) Investments accounted for under equity method

	<u>2024</u>	<u>2023</u>
January,1	\$ 104,913	\$ 87,952
Capital reduction and return of shares of invested companies using the equity method	-	(8,501)
Share of investment profit and loss using the equity method	14,232	11,905
Changes in additional paid-in capital	-	1,051
Other changes in equity	<u>3,496</u>	<u>4,156</u>
September, 30	<u>\$ 122,641</u>	<u>\$ 96,563</u>

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
ABZbridge Corporation	<u>\$ 122,641</u>	<u>\$ 104,913</u>	<u>\$ 96,563</u>

2. For the period from July 1 to September 30, 2024 and 2023, January 1 to September 30, 2024 and 2023 the net profit and comprehensive income of our affiliated companies within the Group were \$18,437, \$21,677, \$50,200 and \$59,526, respectively. and comprehensive income of our affiliated companies within the Group were \$7,999, \$18,101, \$62,534 and \$61,737.
3. The Group 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%. Since the Group is not the largest shareholder of ABZ bridge Corporation, it is determined that the Group does not have control over the company, but only significant influence.
4. For the above-mentioned equity-method investees, the balances of investments accounted for under the equity method as of September 30, 2024 and September 30, 2023 were evaluation of self-prepared financial information that has not been reviewed by an auditor.

(VII) Property, Plant and Equipment

	<u>Land</u>	<u>Warehousing equipment</u>	<u>Transport Equipment</u>	<u>Office Equipment</u>	<u>2024 Lease improvement</u>	<u>Lease assets</u>	<u>Other Equipment</u>	<u>Construction in progress</u>	<u>Total</u>
January 1									
Cost	\$ 48,822	\$ 800,987	\$ 11,941	\$ 718	\$ 212	\$ 62,897	\$1,104,568	\$ 2,438	\$2,032,583
Accumulated depreciation and impairments	-	(512,139)	(6,374)	(480)	(157)	(55,594)	(206,061)	-	(780,805)
	<u>\$ 48,822</u>	<u>\$ 288,848</u>	<u>\$ 5,567</u>	<u>\$ 238</u>	<u>\$ 55</u>	<u>\$ 7,303</u>	<u>\$ 898,507</u>	<u>\$ 2,438</u>	<u>\$1,251,778</u>
January 1	\$ 48,822	\$ 288,848	\$ 5,567	\$ 238	\$ 55	\$ 7,303	\$898,507	\$ 2,438	\$1,251,778
Addition	-	15,401	-	729	-	-	1,860	3,718	21,708
Number of Transfers	-	2,438	-	-	-	-	-	(2,438)	-
depreciation expense	-	(53,710)	(839)	(189)	(15)	(2,390)	(40,523)	-	(97,666)
Net exchange difference	1,505	-	-	-	-	-	4,157	-	5,662
September 30	<u>\$ 50,327</u>	<u>\$ 252,977</u>	<u>\$ 4,728</u>	<u>\$ 778</u>	<u>\$ 40</u>	<u>\$ 4,913</u>	<u>\$ 864,001</u>	<u>\$ 3,718</u>	<u>\$1,181,482</u>
September 30									
Cost	\$ 50,327	\$ 815,126	\$ 8,813	\$ 1,447	\$ 212	\$ 58,074	\$ 1,110,585	\$ 3,718	\$ 2,048,302
Accumulated depreciation and impairments	-	(562,149)	(4,085)	(669)	(172)	(53,161)	(246,584)	-	(886,820)
	<u>\$ 50,327</u>	<u>\$ 252,977</u>	<u>\$ 4,728</u>	<u>\$ 778</u>	<u>\$ 40</u>	<u>\$ 4,913</u>	<u>\$ 864,001</u>	<u>\$ 3,718</u>	<u>\$ 1,181,482</u>

					2023				
	<u>Land</u>	<u>Warehousing equipment</u>	<u>Transport Equipment</u>	<u>Office Equipment</u>	<u>Lease improvement</u>	<u>Lease assets</u>	<u>Other Equipment</u>	<u>Construction in progress</u>	<u>Total</u>
January 1 Cost	\$ 48,830	\$ 704,188	\$ 10,001	\$ 718	\$ 212	\$ 78,588	\$ 1,152,714	\$ 86,226	\$ 2,081,477
Accumulated depreciation and impairments	<u>-</u>	<u>(439,771)</u>	<u>(5,418)</u>	<u>(323)</u>	<u>(138)</u>	<u>(66,609)</u>	<u>(185,471)</u>	<u>-</u>	<u>(697,730)</u>
	48,830	264,417	4,583	395	74	11,979	967,243	86,226	1,383,747
Less: reclassified as held for sale Non-current assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(74,070)</u>	<u>-</u>	<u>(74,070)</u>
	<u>\$ 48,830</u>	<u>\$ 264,417</u>	<u>\$ 4,583</u>	<u>\$ 395</u>	<u>\$ 74</u>	<u>\$ 11,979</u>	<u>\$ 893,173</u>	<u>\$ 86,226</u>	<u>\$ 1,309,677</u>
January 1 Addition	\$ 48,830	\$ 264,417	\$ 4,583	\$ 395	\$ 74	\$ 11,979	\$ 893,173	\$ 86,226	\$ 1,309,677
Number of Transfers	-	31,310	-	-	-	-	19,610	2,170	53,090
depreciation expense	-	46,835	-	-	-	-	38,926	(85,761)	-
Net exchange difference	-	(54,851)	(706)	(118)	(15)	(3,736)	(39,805)	-	(99,231)
September 30	<u>2,484</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,875</u>	<u>-</u>	<u>9,359</u>
	<u>\$ 51,314</u>	<u>\$ 287,711</u>	<u>\$ 3,877</u>	<u>\$ 277</u>	<u>\$ 59</u>	<u>\$ 8,243</u>	<u>\$ 918,779</u>	<u>\$ 2,635</u>	<u>\$ 1,272,895</u>
September 30 Cost	\$ 51,314	\$ 782,333	\$ 10,001	\$ 718	\$ 212	\$ 69,858	\$ 1,111,352	\$ 2,635	\$ 2,028,423
Accumulated depreciation and impairment	<u>-</u>	<u>(494,622)</u>	<u>(6,124)</u>	<u>(441)</u>	<u>(153)</u>	<u>(61,615)</u>	<u>(192,573)</u>	<u>-</u>	<u>(755,528)</u>
	<u>\$ 51,314</u>	<u>\$ 287,711</u>	<u>\$ 3,877</u>	<u>\$ 277</u>	<u>\$ 59</u>	<u>\$ 8,243</u>	<u>\$ 918,779</u>	<u>\$ 2,635</u>	<u>\$ 1,272,895</u>

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

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Capitalized amount	\$ <u>22</u>	\$ <u>434</u>
Capitalized interest rate range	2.25%~2.71%	2.09%~2.57%

2. Significant components of the Group's warehousing equipment, including tanks and pipelines, are depreciated over 2 to 35 years.
3. Please refer to Note 8 for information on the guarantees provided by the Group on property, plant and equipment.

(VIII) Leasing arrangements - lessee

1. The subject assets of the Group's leases include land use rights, buildings and other equipment. Except for the land use rights, which have a period of 20 years, the remaining lease agreements normally have a period of 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 Group leases low-value underlying assets such as electricity meters and photocopiers.
3. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land use rights	\$ 7,845	\$ 8,227	\$ 8,354
Buildings	1,166	6,411	8,160
Other Equipment	<u>182,653</u>	<u>220,703</u>	<u>233,390</u>
	<u>\$ 191,664</u>	<u>\$ 235,341</u>	<u>\$ 249,904</u>

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
	<u>Depreciation expense</u>	<u>Depreciation expense</u>
Land use rights	\$ 128	\$ 127
Buildings	1,748	1,748
Other Equipment	<u>12,677</u>	<u>12,687</u>
	<u>\$ 14,553</u>	<u>\$ 14,562</u>

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
	<u>Depreciation expense</u>	<u>Depreciation expense</u>
Land use rights	\$ 382	\$ 382
Buildings	5,245	5,245
Other Equipment	<u>38,050</u>	<u>38,060</u>
	<u>\$ 43,677</u>	<u>\$ 43,687</u>

4. No additions to the Group's right-of-use assets from January 1 to September 30, 2024 and 2023, respectively.

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

	<u>July 1 to September 30,</u> <u>2024</u>	<u>July 1 to September 30,</u> <u>2023</u>
<u>Items affecting current profit and loss</u>		
Interest expenses on lease liabilities	\$ 733	\$ 949
Expenses for leases of low-value assets	95	97
Expenses for variable lease payments	2,623	2,738

	<u>January 1 to September 30,</u> <u>2024</u>	<u>January 1 to September 30,</u> <u>2023</u>
<u>Items affecting current profit and loss</u>		
Interest expenses on lease liabilities	\$ 2,362	\$ 3,010
Expenses for leases of low-value assets	277	279
Expenses for variable lease payments	6,730	7,064

6. The Group's total lease cash outflows were \$46,678 and \$45,397 from January 1 to September 30, 2024 and 2023, respectively (of which \$37,309 and \$35,044 were for the principal of lease liabilities).

7. Effect of variable lease payments on lease liabilities

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

(IX) Leasing arrangements - lessor

1. The subject assets leased by the Group are warehousing equipment. The lease agreements are

usually for a period of 1 to 5 years and are negotiated on an individual basis and contain various terms and conditions.

2. The Group recognized rental income of \$75,348、\$57,109、\$224,302 and \$189,542 from July 1 to September 30, 2024 and 2023, January 1 to September 30, 2024 and 2023 respectively, based on operating lease agreements, in which no variable lease payments were included.
3. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
FY2023	\$ -	\$ -	\$ 53,818
FY 2024	78,760	205,158	56,860
FY 2025	75,067	49,220	29,900
FY 2026~2027	<u>54,230</u>	<u>47,355</u>	<u>37,510</u>
Total	<u>\$ 208,057</u>	<u>\$ 301,733</u>	<u>\$ 178,088</u>

(X) Other non-current assets

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Refundable deposit	<u>\$ 48,579</u>	<u>\$ 47,405</u>	<u>\$ 47,399</u>

The Group provides deposit and guarantee deposits as collateral for pledge. Please refer to Note 8 for details.

(XI) Short-term borrowings and bills payable

<u>Nature of borrowings</u>	<u>December 31, 2023</u>	<u>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>September 30, 2023</u>	<u>Interest Rate</u>	<u>Collateral</u>
Bank borrowings			
Credit borrowings	<u>\$ 115,000</u>	1.83%~1.90%	None

There was no such situation on September 30, 2024

(XII) Long-term borrowings

<u>Nature of borrowings</u>	<u>Borrowing Period and Repayment Method</u>	<u>Interest Rate</u>	<u>Collateral</u>	<u>September 30, 2024</u>
Credit borrowings				
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.	2.69%	None	27,550
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.	2.46%	None	8,800
Taiwan Shin Kong Commercial 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	16,154
Taiwan Shin Kong Commercial 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	16,414
Secured borrowings				
Land Bank of Taiwan	2024.1.26~2037.1.26 The principal and interest shall be repaid in 156 equal installments commencing from (inclusive) February 26, 2024.	2.32%	Other Equipment	35,186
Land Bank of Taiwan	2024.1.26~2037.1.26 The principal and interest shall be repaid in 156 equal installments commencing from (inclusive) February 26, 2024.	2.52%	Other Equipment	15,089
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.	2.38%	Other Equipment	55,106
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.	2.39%	Other Equipment	25,125
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.	2.39%	Other Equipment	1,125

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.	2.39%	Other Equipment	21,000
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.	2.39%	Other Equipment	28,304
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.	2.39%	Other Equipment	10,470
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.	2.39%	Other Equipment	4,174
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.	2.39%	Other Equipment	2,984
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.	2.39%	Other Equipment	8,210
Mega International Commercial Bank.	2024.9.5~2030.6.19 The principal and interest shall be repaid in 24 equal installments commencing from (inclusive) September 19, 2023.	2.39%	Other Equipment	57,500
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.	2.71%	Other Equipment	13,354
Far Eastern International Bank.	2023.11.30~2028.9.30 Starting from February 29, 2024 (inclusive), repayment of 2% of the principal in the 1st to 19th installments and 62% in the 20th installment in 20 equal installments.	2.25%	Other Equipment	<u>45,533</u>
				392,078
Less: Portions due within one year or one operating cycle (recorded as other current liabilities)				<u>(63,152)</u>
				<u>\$ 328,926</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, 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
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,	2.27%	Other Equipment	1,238

	2022.				
	2022.3.29~2032.3.29				
Mega International Commercial Bank	The principal and interest shall be repaid in 40 equal installments commencing from (inclusive) June 29, 2022.	2.27%	Other Equipment		23,100
	2022.9.7~2032.3.29				
Mega International Commercial Bank	The principal and interest shall be repaid in 39 equal installments commencing from (inclusive) September 29, 2022.	2.27%	Other Equipment		31,136
	2022.9.26~2032.3.29				
Mega International Commercial Bank	The principal and interest shall be repaid in 39 equal installments commencing from (inclusive) September 29, 2022.	2.27%	Other Equipment		11,520
	2023.5.12~2032.3.29				
Mega International Commercial Bank	The principal and interest shall be repaid in 36 equal installments commencing from (inclusive) June 29, 2023.	2.27%	Other Equipment		4,587
	2023.6.9~2032.3.29				
Mega International Commercial Bank	The principal and interest shall be repaid in 36 equal installments commencing from (inclusive) June 29, 2023.	2.27%	Other Equipment		3,282
	2023.6.19~2030.6.19				
Mega International Commercial Bank	The principal and interest shall be repaid in 28 equal installments commencing from (inclusive) September 19, 2023.	2.27%	Other Equipment		9,284
	2021.6.29~2026.6.29				
Far Eastern International Bank	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
	2023.11.30~2028.11.30				
Far Eastern International Bank	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		<u>49,491</u>
					344,092
Less: Portions due within one year or one operating cycle (recorded as other current liabilities)					<u>(58,117)</u>
					<u>\$ 285,975</u>

<u>Nature of borrowings</u>	<u>Borrowing Period and Repayment Method</u>	<u>Interest Rate</u>	<u>Collateral</u>	<u>September 30, 2023</u>
Credit 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%	None	7,656
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	31,667
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	2.17%	None	26,400
Taiwan Shin Kong Commercial 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	21,012
Taiwan Shin Kong Commercial 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	21,353
Land Bank of Taiwan	2023.6.6~2025.3.7 Repayable in full upon maturity on March 7, 2025	2.43%	None	19,668
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	55,324
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	29,313
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	2.27%	Other Equipment	1,313

	29, 2022.			
	2022.3.29~2032.3.29			
Mega International Commercial Bank.	The principal and interest shall be repaid in 40 equal installments commencing from (inclusive) June 29, 2022.	2.27%	Other Equipment	24,500
	2022.9.7~2032.3.29			
Mega International Commercial Bank.	The principal and interest shall be repaid in 39 equal installments commencing from (inclusive) September 29, 2022.	2.27%	Other Equipment	33,024
	2022.9.26~2032.3.29			
Mega International Commercial Bank.	The principal and interest shall be repaid in 39 equal installments commencing from (inclusive) September 29, 2022.	2.27%	Other Equipment	12,220
	2023.5.12~2032.3.29			
Mega International Commercial Bank.	The principal and interest shall be repaid in 36 equal installments commencing from (inclusive) June 29, 2023	2.27%	Other Equipment	4,862
	2023.6.9~2032.3.29			
Mega International Commercial Bank.	The principal and interest shall be repaid in 36 equal installments commencing from (inclusive) June 29, 2023.	2.27%	Other Equipment	3,481
	2023.6.19~2030.6.19			
Mega International Commercial Bank.	The principal and interest shall be repaid in 28 equal installments commencing from (inclusive) September 19, 2023.	2.50%	Other Equipment	9,642
	2021.6.29~2026.6.29			
Far Eastern International Bank.	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	
				<u>14,569</u>
				316,004
Less: Portions due within one year or one operating cycle (recorded as other current liabilities)				<u>(57,618)</u>
				<u>\$ 258,386</u>

(XIII) Other payables

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Employees' bonuses and directors' and supervisors' remuneration payable	7,310	5,190	5,538
Salary and bonuses payables	6,154	7,768	5,736
Equipment payables	7,708	17,585	7,021
Others	18,798	16,896	17,236
	<u>\$ 39,970</u>	<u>\$ 47,439</u>	<u>\$ 35,531</u>

(XIV) Pensions

1. Defined benefit plan

- (1) In accordance with the Labor Standards Act, the Company and its domestic subsidiaries have established a defined benefit pension plan that applies to the years of service prior to the implementation of the Labor Pension Act on July 1, 2005 for all regular employees, and to the subsequent years of service for employees who choose to continue to be subject to the Labor Standards Act after the implementation of the Labor Pension Act. In addition, in the fourth quarter of 2010, the Company established a new pension plan for commissioned employees, who are not subject to the Labor Standards Act. For employees who meet the retirement criteria, pension payments are calculated based on the years of service and the average salary for the six months prior to retirement, with two bases for each year of service up to (inclusive) 15 years and one base for each year of service over 15 years, subject to a maximum accumulation of 45 bases. The years of service of the commissioned employees subject to the Labor Pension Act is calculated at 6% of the total salary during the term of appointment. The Company contributes monthly to pension funds at 8% of total salaries. The pension funds for regular employees and commissioned employees are deposited in the name of the Supervisory Committee of Labor Retirement Reserve in the Trust Department of Bank of Taiwan and Taishin International Bank, respectively. In addition, the Company estimates the balances of the pension funds before the end of each year. If the balances are not sufficient to pay the pensions based on the aforementioned calculations to eligible employees in the following year, the Company will make a one-time catch-up with the difference before the end of March of the following year.
- (2) For July 1 to September 30, 2024 and 2023, January 1 to September 30, 2024 and 2023 the pension costs recognized by the Group in accordance with the aforementioned pension plan were \$28 、\$67 、\$86 and \$201, respectively.
- (3) The company's estimated contribution to pay for the pension plan in 2024 was \$1,420.

2. Defined contribution plan

- (1) Since July 1, 2005, the Company has established a defined contribution pension plan under the Labor Pension Act covering all regular employees with domestic citizenship. The Company contributes monthly no less than 6% of salaries as labor pensions to employees' personal accounts at the Bureau of Labor Insurance for employees who choose to apply the labor pension system under the "Labor Pension Act." Payments of employee pensions are made in the form of monthly pensions or one-time lump-sum, depending on the amount of the employees' personal accounts and accumulated earnings. The Company recognized pension costs of \$674、\$638、\$1,966 and \$1,943 for July 1 to September 30, 2024 and 2023, January 1 to September 30, 2024 and 2023 respectively, based on the above pension plan.
- (2) He Zhen Feng Co., Ltd. and Prime Holdings Corporation did not recognize pension cost as they have no employees and have not yet stipulated the employee pension plan.

(XV) Provision

	<u>January 1 to September</u> <u>30, 2024</u>	<u>January 1 to September</u> <u>30, 2023</u>
Balance as of January 1	\$ 27,998	\$ 27,174
Provision added this period	-	824
Balance as of September 30	<u>\$ 27,998</u>	<u>\$ 27,998</u>

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

1. The Group signed a lease agreement with the Port Authority in November 2016 and renewed the contract in June 2022, with the lease term ending on April 30, 2028. According to the contract, the Group shall restore the leased wharf to its original state upon lease expiration. Therefore, the estimated cost of demolition, removal or restoration at the location is recorded as a liability provision of \$9,886 as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.
2. The Group's solar power generation sites are built on the roof. According to the contract, the Group should restore the leased site to its original condition at the end of the lease term. Therefore, the provision for liabilities recognized for the solar power site based on the costs expected to be incurred for dismantling, removing or restoring the site were \$18,112 as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.

(XVI) Share capital

As of September 30, 2024, the Company's authorized capital was \$2,000,000 and the paid-in capital was \$778,344, divided into 77,834 thousand shares with a par value of \$10 per share.

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

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Number at the beginning of the period (i.e. Number at the end of the period)	<u>77,834 thousand shares</u>	<u>77,834 thousand shares</u>

(XVII) 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.

(XVIII) 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 21, 2024, the Board of Directors proposed to approve the distribution of earnings for 2023, and on June 13, 2023, the shareholders' meeting resolved to approve the distribution of earnings for 2022 and 2023, as follows.

	<u>2023</u>		<u>2022</u>	
	<u>Amount</u>	<u>Dividends per share</u> <u>(NTD)</u>	<u>Amount</u>	<u>Dividends per share</u> <u>(NTD)</u>
Legal reserve allocated	\$ 6,472		\$ 10,861	
Allocated special reserve	-		(18,778)	
Cash dividends paid	<u>46,701</u>	\$ 0.60	<u>50,592</u>	\$ 0.65
Total	<u>\$53,173</u>		<u>\$42,675</u>	

Please refer to the Market Observation Post System for information on the proposed distribution of earnings approved by the Board of Directors and resolved by the shareholders' meeting.

(XIX) Other equity interest

	2024		
	Unrealized gains and losses	Foreign currency translation	Total
January 1, 2024	(\$ 4,518)	\$ 7,937	\$ 3,419
Adjustment for change in value	(531)	-	(531)
Foreign currency translation adjustment			
- consolidated group	-	5,220	5,220
- tax amount of the group	-	<u>2,798</u>	<u>2,798</u>
September 30, 2024	<u>(\$ 5,049)</u>	<u>\$ 15,955</u>	<u>\$ 10,906</u>

	2023		
	Unrealized gains and losses	Foreign currency translation	Total
January 1, 2023	(\$ 4,521)	\$ 7,488	\$ 2,967
Adjustment for change in value	(37)	-	(37)
Foreign currency translation adjustment			
- consolidated group	-	8,596	8,596
- tax amount of the group	-	<u>3,325</u>	<u>3,325</u>
September 30, 2023	<u>(\$ 4,558)</u>	<u>\$ 19,409</u>	<u>\$ 14,851</u>

(XX) Operating income

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Operating lease		
Rental incomes	\$ 75,348	\$ 57,109
Revenue from Customer Contract		
Tank operation revenue	15,829	18,508
Electricity sales revenue	<u>33,637</u>	<u>32,344</u>
Total	<u>\$ 124,814</u>	<u>\$ 107,961</u>

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Operating lease		
Rental incomes	\$ 224,302	\$ 189,542
Revenue from Customer Contract		
Tank operation revenue	49,843	56,305
Electricity sales revenue	<u>92,589</u>	<u>91,940</u>
Total	<u>\$ 366,734</u>	<u>\$ 337,787</u>

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

(XXI) Other income

	<u>July 1 to September 30,</u> <u>2024</u>	<u>July 1 to September 30,</u> <u>2023</u>
Dividend income	103	5,476
Service revenue	-	3,266
Other revenue	<u>236</u>	<u>431</u>
	<u>\$ 339</u>	<u>\$ 9,173</u>

	<u>January 1 to September</u> <u>30, 2024</u>	<u>January 1 to September</u> <u>30, 2023</u>
Dividend income	\$ 103	\$ 6,373
Service revenue	-	6,533
Other revenue	<u>909</u>	<u>970</u>
	<u>\$ 1,012</u>	<u>\$ 13,876</u>

(XXII) Other gains or losses

	<u>July 1 to September 30,</u> <u>2024</u>	<u>July 1 to September 30,</u> <u>2023</u>
Gain on financial assets at fair value through profit or loss	(\$ 6,466)	(\$ 7,604)
Net foreign currency exchange loss	(213)	(210)
	<u>(\$ 6,679)</u>	<u>(\$ 7,814)</u>
	<u>January 1 to September</u> <u>30, 2024</u>	<u>January 1 to September 30,</u> <u>2023</u>
Gain on financial assets at fair value through profit or loss	(\$ 2,521)	(\$ 3,683)
Gains on disposals of property, plant and equipment	1,048	-
Gains on disposals of investments	-	10,196
Net foreign currency exchange loss	<u>1,346</u>	<u>990</u>
	<u>(\$ 127)</u>	<u>\$ 7,503</u>

According to the equity purchase contract of POCS POWER CO., LTD. signed with Nature Energy Electric Co., Ltd., the Company sold the equity for \$59,010, and recognized the gain on disposal of the subsidiary for \$10,196

(XXIII) Financial costs

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Interest expenses		
Bank borrowings	\$ 2,296	\$ 2,324
Less: The amount of asset capital that meets the requirements	(17)	(7)
	2,279	2,317
Lease liabilities	<u>733</u>	<u>949</u>
	<u>\$ 3,012</u>	<u>\$ 3,266</u>

	<u>January 1 to September 30, 2024</u>		<u>January 1 to September 30, 2023</u>	
Interest expenses				
Bank borrowings	\$	6,647	\$	7,646
Less: The amount of asset capital that meets the requirements	(<u>22)</u>	(<u>434)</u>
		6,625		7,212
Lease liabilities		<u>2,362</u>		<u>3,010</u>
	\$	<u>8,987</u>	\$	<u>10,222</u>

(XXIII) Expenses by nature

	<u>July 1 to September 30,</u> <u>2024</u>		<u>July 1 to September 30,</u> <u>2023</u>	
Employee benefits expense	\$	21,195	\$	19,360
depreciation expense		46,597		48,225
Amortization expenses		476		395
Terminal administrative expenses		1,826		3,661
Miscellaneous purchases		580		649
Low-value asset rents		95		97
Expenses for variable lease payments		2,623		2,738
Other expenses		<u>21,231</u>		<u>18,360</u>
Operating costs and operating expenses	\$	<u>94,623</u>	\$	<u>93,485</u>

	<u>January 1 to September</u> <u>30, 2024</u>	<u>January 1 to September</u> <u>30, 2023</u>
Employee benefits expense	\$ 63,181	\$ 59,386
depreciation expense	141,343	142,918
Amortization expenses	1,431	1,214
Terminal administrative expenses	10,594	11,891
Miscellaneous purchases	1,727	2,083
Low-value asset rents	277	279
Expenses for variable lease payments	6,730	7,064
Other expenses	<u>58,035</u>	<u>58,611</u>
Operating costs and operating expenses	<u>\$ 283,318</u>	<u>\$ 283,446</u>

(XXIV) benefits expense

	<u>July 1 to September 30,</u> <u>2024</u>	<u>July 1 to September 30,</u> <u>2023</u>
Salary expenses	\$ 16,420	\$ 15,294
Labor and health insurance expenses	1,383	1,434
Pension costs	702	705
Directors' remuneration	1,102	952
Other employee expenses	<u>1,588</u>	<u>975</u>
	<u>\$ 21,195</u>	<u>\$ 19,360</u>

	<u>January 1 to September 30,</u> <u>2024</u>	<u>January 1 to September 30,</u> <u>2023</u>
Salary expenses	\$ 49,565	\$ 47,071
Labor and health insurance expenses	4,266	4,348
Pension costs	2,052	2,144
Directors' remuneration	3,781	2,889
Other employee expenses	<u>3,517</u>	<u>2,934</u>
	<u>\$ 63,181</u>	<u>\$ 59,386</u>

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

2. The estimated profit sharing amount for employees for July 1 to September 30, 2024 and 2023, January 1 to September 30, 2024 and 2023 were \$1,060、\$910、\$3,655 and \$2,769 respectively; the estimated profit sharing amount for directors' and supervisors' was \$1,060、\$910、\$3,655 and \$2,769, respectively, and the aforementioned amounts were recorded as salary expenses.

The remuneration to employees, directors, and supervisors for 2023 was NT\$2,595 as resolved by the Board of Directors on March 14, 2024, 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.

(XXV) Income tax

1. Income tax expense

(1) Components of income tax expense:

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Current tax:		
Income taxes arising from incomes for the current period	\$ 5,088	\$ 5,908
Amount of income tax overestimated for prior years	_____ -	_____ -
Total current tax	5,088	5,908
Deferred income tax:		
Origination and Reversal of Temporary Differences	(_____ 150)	(_____ 3,487)
Income tax expense	<u>\$ 4,938</u>	<u>\$ 2,421</u>

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Current tax:		
Income taxes arising from incomes for the current period	\$ 17,146	\$ 13,224
Amount of income tax overestimated for prior years	_____ 841	(_____ 196)
Total current tax	17,987	13,028
Deferred income tax:		
Origination and Reversal of Temporary Differences	(_____ 46)	_____ 1,775
Income tax expense	<u>\$ 17,941</u>	<u>\$ 14,803</u>

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

	<u>July 1 to September 30,</u> <u>2023</u>	<u>July 1 to September 30,</u> <u>2022</u>
Translation differences of foreign operations	(\$ <u>1,725</u>)	\$ <u>2,156</u>
	<u>January 1 to September 30,</u> <u>2024</u>	<u>January 1 to September 30,</u> <u>2023</u>
Translation differences of foreign operations	\$ <u>2,004</u>	\$ <u>2,980</u>

2. The income taxes of the Company and its subsidiary, He Zhen Feng Co., Ltd., have all been assessed and approved by the tax authorities up to the fiscal year 2022.

(XXVI) Earnings per share

	<u>July 1 to September 30, 2024</u>		
	After-tax amount	Weighted average Number of shares in circulation (thousands of shares)	Earnings per share (NT\$)
<u>Basic earnings per share</u>			
Net profits for the period attributable to shareholders of parent company	\$ 21,581	77,834	<u>\$ 0.28</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employee compensation	-	<u>57</u>	
Net profits for the period attributable to shareholders of common stock of parent company plus the effect of potential common stock	<u>\$ 21,581</u>	<u>77,891</u>	<u>\$ 0.28</u>

	<u>July 1 to September 30, 2023</u>		
	After-tax amount	Weighted average Number of shares in circulation (thousands of shares)	Earnings per share (NT\$)
<u>Basic earnings per share</u>			
Net profits for the period attributable to shareholders of parent company	\$ 14,894	77,834	<u>\$ 0.19</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employee compensation	-	<u>172</u>	
Net profits for the period attributable to shareholders of common stock of parent company plus the effect of potential common stock	<u>\$ 14,894</u>	<u>78,006</u>	<u>\$ 0.19</u>

	<u>January 1 to September 30, 2024</u>		
	After-tax amount	Weighted average Number of shares in circulation (thousands of shares)	Earnings per share (NT\$)
<u>Basic earnings per share</u>			
Net profits for the period attributable to shareholders of parent company	\$ 73,446	77,834	<u>\$ 0.94</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employee compensation	-	<u>235</u>	
Net profits for the period attributable to shareholders of common stock of parent company plus the effect of potential common stock	<u>\$ 73,446</u>	<u>78,069</u>	<u>\$ 0.94</u>

	<u>January 1 to September 30, 2023</u>		
	After-tax amount	Weighted average Number of shares in circulation (thousands of shares)	Earnings per share (NT\$)
<u>Basic earnings per share</u>			
Net profits for the period attributable to shareholders of parent company	\$ 63,546	77,834	<u>\$ 0.82</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employee compensation	-	271	
Net profits for the period attributable to shareholders of common stock of parent company plus the effect of potential common stock	<u>\$ 63,546</u>	<u>78,105</u>	<u>\$ 0.81</u>

(XXVII) Supplemental cash flow information

1. Investing activities that are only partially paid in cash

	<u>January 1 to September 30, 2024</u>		<u>January 1 to September 30, 2023</u>	
Purchase of property, plant and equipment	\$	21,708	\$	53,090
Add: Equipment payable at the beginning of the period		17,585		28,231
Less: Equipment payable at the end of the period	(7,708)	(7,021)
Less: Provision for liabilities - non-current added during the period		-	(824)
Cash paid during the period	<u>\$</u>	<u>31,585</u>	<u>\$</u>	<u>73,476</u>

(XXVIII) Changes in liabilities arising from financing activities

	<u>2024</u>			
	<u>Lease liabilities</u>	<u>Short-term borrowings and bills payable</u>	<u>Long-term borrowings (including portions due within one year or one operating cycle)</u>	<u>Total liabilities from financing activities</u>
January 1	\$ 225,800	\$ 30,000	\$ 344,092	\$ 599,892
Changes in cash flows from financing activities	<u>(37,309)</u>	<u>(30,000)</u>	<u>47,986</u>	<u>(19,323)</u>
September 30	<u>\$ 188,491</u>	<u>\$ -</u>	<u>\$ 392,078</u>	<u>\$ 580,569</u>

	<u>2023</u>			
	<u>Lease liabilities</u>	<u>Short-term borrowings and bills payable</u>	<u>Long-term borrowings (including portions due within one year or one operating cycle)</u>	<u>Total liabilities from financing activities</u>
January 1	\$ 279,567	\$ 241,800	\$ 310,251	\$ 831,618
Changes in cash flows from financing activities	<u>(35,044)</u>	<u>(126,800)</u>	<u>5,753</u>	<u>(156,091)</u>
September 30	<u>\$ 244,523</u>	<u>\$ 115,000</u>	<u>\$ 316,004</u>	<u>\$ 675,527</u>

VII. Related-Party Transactions

(I) Parent company and ultimate controlling party

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

(II) Compensation of key management personnel

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Short-term employee benefits	\$ 6,331	\$ 5,897
Post-employment benefits	<u>309</u>	<u>313</u>
Total	<u>\$ 6,640</u>	<u>\$ 6,210</u>

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Short-term employee benefits	\$ 19,323	\$ 17,470
Post-employment benefits	<u>936</u>	<u>924</u>
Total	<u>\$ 20,259</u>	<u>\$ 18,394</u>

VIII. Pledged assets

(I) The information as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>	<u>Purpose</u>
Other non-current assets (refundable deposits)	\$ 2,550	\$ 2,400	\$ 2,400	Customs duty
Other non-current assets (refundable deposits)	25,500	25,457	25,457	Lease deposits
Other non-current assets (refundable deposits)	20,529	19,548	19,542	Performance guarantee deposits
Other financial assets - non-current	4,780	3,571	2,311	Long-term borrowings
Other Equipment	<u>512,209</u>	<u>537,511</u>	<u>467,182</u>	Long-term borrowings
	<u>\$ 565,568</u>	<u>\$ 588,487</u>	<u>\$ 516,892</u>	

(II) Please refer to Note 6 (4) for information on part of the project payment paid by the Company for the construction of the solar power generation system has been handed over to the trust of a third-party financial institution.

IX. Significant contingent liabilities and unrecognized contract commitments

(I) Contingencies

The lawsuit between the Company and Chunghwa Telecom Vietnam Co., Ltd. is detailed in Note 6(4) of the financial statements.

(II) Capital expenditures contracted for but not yet incurred

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Property, Plant and Equipment	<u>\$ 27,643</u>	<u>\$ 1,600</u>	<u>\$ 24,342</u>

X. Losses due to major disasters

Not applicable.

XI. Significant events after the balance sheet date

Not applicable.

XII. Others

(I) Capital management

There were no significant changes during the period. Please refer to Note 12 of the Notes to Consolidated Financial Statements as of and for the year ended December 31, 2023.

(II) Financial instruments

1. Categories of financial instruments

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</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>\$ 114,363</u>	<u>\$ 102,210</u>	<u>\$ 123,927</u>
Financial assets at fair value through other comprehensive income			
Investments in designated equity instrument	<u>\$ 4,580</u>	<u>\$ 5,111</u>	<u>\$ 5,071</u>
Financial assets measured at amortized cost			
Cash and cash equivalents	\$ 171,447	\$ 85,546	\$ 86,927
Financial assets measured at amortized cost - current	18,328	20,680	18,688
Note receivable	-	346	-
Trade receivable	48,318	52,961	62,064
Financial assets measured at amortized cost – non-current	4,780	3,571	2,311
Refundable deposits	<u>48,579</u>	<u>47,405</u>	<u>47,399</u>
	<u>\$ 291,452</u>	<u>\$ 210,509</u>	<u>\$ 217,389</u>

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Financial liability			
Financial assets measured at amortized cost			
Short-term borrowings	\$ -	\$ 30,000	\$ 115,000
Notes payable	1,278	6,881	1,251
Other payables	39,970	47,439	35,531
Long-term borrowings	392,078	344,092	316,004
(including portions due within one year or one operating cycle)			
Guarantee deposits received	<u>440</u>	<u>440</u>	<u>936</u>
	<u>\$ 433,766</u>	<u>\$ 428,852</u>	<u>\$ 468,722</u>
Lease liabilities	<u>\$ 188,491</u>	<u>\$ 225,800</u>	<u>\$ 244,523</u>

2. Risk management policies

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

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

3. Significant financial risks and degrees of financial risks

(1) Market risk

Exchange rate risk

- A. The Group engages in business involving foreign currency transactions and is therefore subject to exchange rate fluctuations and exchange rate risk arising from different currencies, mainly USD. The related exchange rate risk arises from future business transactions and recognized assets. Exchange rate risk arises when future business transactions and recognized assets are denominated in the functional currency of the entity.
- B. The Group has no significant foreign currency financial liabilities. An analysis of foreign currency assets subject to significant exchange rate fluctuations and foreign currency market risk due to significant exchange rate fluctuations is as follows.

September 30, 2024

Sensitivity Analysis

	<u>Foreign currency (Thousan ds of NTD)</u>	<u>Exchange rate</u>	<u>Carrying amount (NTD)</u>	<u>Change range</u>	<u>Impact on profit or loss</u>	<u>Impact on comprehensi ve income</u>
<u>Financial asset</u>						
<u>Monetary items</u>						
USD: NTD	\$697	31.60	\$22,025	1%	\$ 220	\$ -
<u>Non-monetary items</u>						
USD: NTD	\$12,499	31.60	\$394,980	1%	\$ -	\$ -

December 31, 2023

Sensitivity Analysis

	<u>Foreign currency (Thousan ds of NTD)</u>	<u>Exchange rate</u>	<u>Carrying amount (NTD)</u>	<u>Change range</u>	<u>Impact on profit or loss</u>	<u>Impact on comprehensi ve 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%	\$ -	\$ -

September 30, 2023

Sensitivity Analysis

	<u>Foreign currency (Thousan ds of NTD)</u>	<u>Exchange rate</u>	<u>Carrying amount (NTD)</u>	<u>Change range</u>	<u>Impact on profit or loss</u>	<u>Impact on comprehensi ve income</u>
<u>Financial asset</u>						
<u>Monetary items</u>						
USD: NTD	\$656	32.22	\$21,136	1%	\$ 211	\$ -
<u>Non-monetary items</u>						
USD: NTD	\$11,496	32.22	\$370,395	1%	\$ -	\$ -

C. The total amount of exchange benefit (losses) (both realized and unrealized) recognized from July 1 to September 30, 2024, January 1 to September 30, 2024 and 2023 was (\$213)·(\$210)·\$1,346 and \$990, respectively, due to the significant

impact of exchange rate fluctuations on the Group's monetary items.

(2) Price risk

- A. The Group'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 Group diversifies its investment portfolio in a manner that is based on the limits set by the Group.
- B. The Group 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 Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. For the 9 months ended September 30, 2024 and 2023, the Group's borrowings based on floating interest rate were denominated in NTD.
- B. The Group simulates various scenarios and analyzes interest rate risk, including consideration of refinancing, renewal of existing positions, other available financing and hedging, in order 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 September 30, 2024, December 31, 2023 and September 30, 2023, if the interest rate on borrowings had increased by 1%, net profits after tax would have decreased by \$2,352 and \$2,586 for the 9 months ended September 30, 2024 and 2023, with all other factors held constant, primarily due to the increase in interest expense as a result of floating rate borrowings.

(4) Credit risk

- A. The Group's credit risk is the risk of financial loss arising from the failure of customers or counterparties to financial instruments to meet their contractual obligations, mainly from the failure of counterparties to settle accounts receivable on payment terms.
- B. For receivables arising from operating activities, the Group has established relevant credit risk management mechanisms and regularly evaluates the financial position, credit limits and other factors of the related debtors, and the current creditworthiness of the receivables is good and there was no significant credit risk according to the assessment. The cash and cash equivalents have been assessed to be free of material risk.
- C. The Group assumes that a default is deemed to have occurred when payments are more than 60 days overdue in accordance with the contractual payment terms.
- D. The Group categorizes accounts receivable from customers according to the characteristics of revenue types and estimates expected credit losses based on the loss ratio method on a simplified basis.
- E. The Group has estimated the allowance for losses on accounts receivable by incorporating forward-looking adjustments to the loss rate established based on historical and current information for a specific period, as the Group's customers are in good credit standing and the overdue accounts receivable and the overdue loss rate were not material as of September 30, 2024, December 31, 2023 and

September 30, 2023.

F. There was no sign of impairment of the Group's notes receivable.

(5) Liquidity risk

A. The Group's finance department prepares future cash flow forecasts to monitor future funding requirements and to ensure that sufficient funds are available for disbursement, and maintains sufficient borrowing facilities to adjust for future funding shortfalls.

B. The following schedule shows the Group's non-derivative financial liabilities, grouped by the relevant maturity date. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contractual maturity date. The contractual cash flow amounts disclosed in the schedule below are undiscounted amounts.

Non-derivative financial liabilities:

September 30, 2024	<u>Less than 1 year</u>	<u>Less than 1 to 2 years</u>	<u>More than 2 years</u>
Notes payable	\$ 1,278	\$ -	\$ -
Other payables	39,970	-	-
Lease liabilities	54,395	53,204	87,284
Guarantee deposits received	-	-	440
Long-term borrowings (including portions due within one year or one operating cycle)	<u>71,875</u>	<u>73,262</u>	<u>280,512</u>
Total	<u>\$ 167,518</u>	<u>\$ 126,466</u>	<u>\$ 368,236</u>

Non-derivative financial liabilities:

December 31, 2023	<u>Less than 1 year</u>	<u>Less than 1 to 2 years</u>	<u>More than 2 years</u>
Short-term borrowings	\$ 30,097	\$ -	\$ -
Notes payable	6,881	-	-
Other payables	47,439	-	-
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)	<u>65,521</u>	<u>66,420</u>	<u>238,797</u>
Total	<u>\$ 209,662</u>	<u>\$ 119,500</u>	<u>\$ 366,206</u>

Non-derivative financial liabilities:

September 30, 2023	<u>Less than 1 year</u>	<u>Less than 1 to 2 years</u>	<u>More than 2 years</u>
Short-term borrowings	\$ 115,394	\$ -	\$ -
Notes payable	1,251	-	-
Other payables	35,531	-	-
Lease liabilities	60,389	59,633	140,239
Guarantee deposits received	-	-	936
Long-term borrowings (including portions due within one year or one operating cycle)	<u>65,084</u>	<u>70,560</u>	<u>205,230</u>
Total	<u>\$ 277,649</u>	<u>\$ 130,193</u>	<u>\$ 346,405</u>

(III) Fair value information

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

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

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

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

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

September 30, 2024	<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	\$ -	\$ -	\$ 88,743	\$ 88,743
Equity security	-	-	25,620	25,620
Financial assets at fair value through other comprehensive income				
Equity security	<u>-</u>	<u>-</u>	<u>4,580</u>	<u>4,580</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$118,943</u>	<u>\$118,943</u>

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>

September 30, 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	\$ -	\$ -	\$123,927	\$123,927
Financial assets at fair value through other comprehensive income				
Equity security	<u>-</u>	<u>-</u>	<u>5,071</u>	<u>5,071</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$128,998</u>	<u>\$128,998</u>

3. The following schedule shows the changes in Level 3 for the 6 months ended September 30, 2024 and 2023.

	<u>2024</u>	<u>2023</u>
	<u>Non-derivative equity security</u>	<u>Non-derivative equity security</u>
January 1	\$ 107,321	\$ 109,646
Current addition	38,488	50,400
Capital reduction in this period and return of shares	(23,814)	(14,140)
Gain recognized in profit or loss	(2,521)	(3,683)
Loss recognized in other comprehensive Income	(531)	(37)
Current period sales of marketable securities	<u>-</u>	<u>(13,188)</u>
September 30	<u>\$ 118,943</u>	<u>\$ 128,998</u>

4. For the 9 months ended September 30, 2024 and 2023, there were no transfers in or out of Level 3.
5. The Group's valuation process for fair value classification in Level 3 is conducted by the finance and accounting department, which is responsible for conducting independent fair value verification of financial instruments, using independent sources of information to make the valuation results approximate market conditions, confirming that the sources of information are independent, reliable, consistent with other resources and representative of executable prices, and regularly updating the input values and information required by the valuation models and any other necessary fair value adjustments to ensure that the valuation results are reasonable.
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>September 30,</u> <u>2024</u> <u>Fair value</u>	<u>Valuation</u> <u>technique</u>	<u>Significant</u> <u>unobservable</u> <u>input value</u>	<u>Interval</u> <u>(Weighted</u> <u>average)</u>	<u>Relationship</u> <u>between input value</u> <u>and fair value</u>
Non-derivative equity security:					
Non TWSE or TPEX listed stock	\$ 4,580	Discounted benefit flow method	Discount for lack of marketability Adjustment to discount for lack of controlling interests	20%	The higher the discount for lack of marketability and the higher the discount for lack of controlling interests, the lower the fair value
Non TWSE or TPEX listed stock	25,620	Net asset value method	Net asset value	-	The higher the net asset value, the higher the fair value
Investment in private equity	88,743	Net asset value method	Net asset value	-	The higher the net asset value, the higher the fair value

	<u>December 31, 2023</u> <u>Fair value</u>	<u>Valuation</u> <u>technique</u>	<u>Significant</u> <u>unobservable</u> <u>input value</u>	<u>Interval</u> <u>(Weighted</u> <u>average)</u>	<u>Relationship</u> <u>between input value</u> <u>and fair value</u>
Non-derivative equity security:					
Non TWSE or TPEX listed company Stock	\$ 5,111	Discounted benefit flow method	Discount for lack of marketability Adjustment to discount for lack of controlling interests	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>September 30,</u> <u>2023</u>	<u>Valuation</u> <u>technique</u>	<u>Significant</u> <u>unobservable</u> <u>input value</u>	<u>Interval</u> <u>(Weighted</u> <u>average)</u>	<u>Relationship</u> <u>between input</u> <u>value and fair value</u>
	<u>Fair value</u>				
Non-derivative equity security:					
Non TWSE or TPEX listed stock	\$ 5,071	Discounted benefit flow method	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value
Investment in private equity	123,927	Net asset value method	Net asset value	-	The higher the net asset value, the higher the fair value

7. The Group has carefully evaluated the valuation models and valuation parameters selected and therefore the fair value measurement is reasonable. However, the use of different valuation models or valuation parameters may result in different valuation results. For financial assets and financial liabilities classified as Level 3, the effect on the profit or loss for the period or other comprehensive income if the valuation parameters are changed is as follows.

		<u>September 30, 2024</u>				
		<u>Recognized in profit or loss</u>			<u>Recognized in other comprehensive</u>	
		<u>Favorable</u>	<u>Unfavorable</u>	<u>Income</u>		
<u>Input value</u>	<u>Change</u>	<u>change</u>	<u>change</u>	<u>Favorable change</u>	<u>Unfavorable change</u>	
Financial asset						
Equity instruments	The discount for lack of marketability and the discount for lack of controlling interests ±1%	\$ -	\$ -	\$ 46	(\$ 46)	
Equity instrument	Net asset value ±1%	256	(256)	-	-	
Investment in private equity	Net asset value ±1%	887	(887)	-	-	
Total		<u>\$ 1,144</u>	<u>(\$ 1,144)</u>	<u>\$ 46</u>	<u>(\$ 46)</u>	

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

		<u>September 30, 2023</u>				
		<u>Recognized in profit or loss</u>		<u>Recognized in other comprehensive</u>		
		<u>Income</u>				
		<u>Favorable</u>	<u>Unfavorable</u>	<u>Favorable change</u>	<u>Unfavorable change</u>	
<u>Financial asset</u>	<u>Input value</u>	<u>Change</u>	<u>change</u>	<u>change</u>	<u>change</u>	
	The discount for lack of marketability and the discount for lack of controlling interests	±1%	\$ -	\$ -	\$ 51	(\$ 51)
Equity instruments	Net asset value	±1%	<u>1,239</u>	<u>(1,239)</u>	<u>-</u>	<u>-</u>
Investment in private equity			<u>\$ 1,239</u>	<u>(\$ 1,239)</u>	<u>\$ 51</u>	<u>(\$ 51)</u>
Total						

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) Investments in Mainland China

Not applicable.

(IV) Information on main investors

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

XIV. Operating Segments Information

(I) General information

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

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

(II) Measurement of segment information

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

(III) Segment information

The Group's segment operating profit reported to the chief operating decision makers is measured in a manner consistent with the revenue and expenses in the income statement. The Group does not provide the total assets and liabilities to the operating decision maker for operating decisions. The reportable segment information provided to the chief operating decision maker for July 1, to September 30, 2024 and 2023, January 1, to September 30, 2024 and 2023 is as follows.

	<u>July 1 to September 30, 2024</u>		
	<u>Oil and chemical tank</u>	<u>Solar power</u>	
	<u>rental business</u>	<u>generation business</u>	<u>Total</u>
Segment revenues	\$ 91,177	\$ 33,637	\$124,814
Segment profits or losses (Note)	9,344	12,234	21,578
Segment profits or losses include:			
Depreciation and amortization	33,404	13,669	47,073
Interest income	161	289	450
Financial costs	2,497	515	3,012
Income tax expense	2,067	2,871	4,938

	<u>January 1 to September 30, 2024</u>		
	<u>Oil and chemical tank</u>	<u>Solar power</u>	
	<u>rental business</u>	<u>generation business</u>	<u>Total</u>
Segment revenues	\$ 274,145	\$ 92,589	\$ 366,734
Segment profits or losses (Note)	40,803	32,636	73,439
Segment profits or losses include:			
Depreciation and amortization	101,869	40,905	142,774
Interest income	925	909	1,834
Financial costs	8,472	515	8,987
Income tax expense	10,754	7,187	17,941

	<u>July 1 to September 30, 2023</u>			
	<u>Oil and chemical tank</u>		<u>Solar power</u>	
	<u>rental business</u>		<u>generation business</u>	<u>Total</u>
Segment revenues	\$ 75,617		\$ 32,344	\$ 107,961
Segment profits or losses (Note)	3,148		11,743	14,891
Segment profits or losses include:				
Depreciation and amortization	35,011		13,609	48,620
Interest income	405		3	408
Financial costs	2,338		928	3,266
Income tax expense	(182)		2,603	2,421

	<u>January 1 to September 30, 2023</u>			
	<u>Oil and chemical</u>		<u>Solar power</u>	
	<u>tank rental business</u>		<u>generation business</u>	<u>Total</u>
Segment revenues	\$ 245,847		\$ 91,940	\$ 337,787
Segment profits or losses (Note)	29,795		33,743	63,538
Segment profits or losses include:				
Depreciation and amortization	103,946		40,186	144,132
Interest income	828		110	938
Financial costs	7,158		3,064	10,222
Income tax expense	7,575		7,228	14,803

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

Prime Oil Chemical Service Corporation and its subsidiaries
 Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliated companies and joint venture)
 September 30, 2024

Table 1

Unit: Thousand NTD
 (Unless otherwise specified)

Companies held	Type and name of marketable securities	Relationship with the issuer of marketable securities	Account in the book	The end of the period			Fair value	Remarks
				Shares	Carrying amount	Shares Ratio		
Prime Oil Chemical Service Corporation	Stock - Everterminal Co., Ltd.	None	Financial assets at fair value through other comprehensive income - noncurrent	342,244	\$ 4,580	0.70%	\$ 4,580	
Prime Oil Chemical Service Corporation	Investment in private equity - AB Value Bridge VI, L.P.	None	Financial assets at fair value through profit or loss - non-current	-	32,798	3.00%	32,798	
Prime Oil Chemical Service Corporation	Investment in private equity - Anxin No. 1 Limited Partnership	None	Financial assets at fair value through profit or loss - non-current	-	55,945	8.27%	55,945	
Prime Oil Chemical Service Corporation	Stock – ABV III Holding Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	1,000	25,620	8.71%	25,620	

Prime Oil Chemical Service Corporation and its subsidiaries
Names, locations and other information of investee companies (not including investees in China)
January 1 to September 30, 2024

Table 2

Unit: Thousand NTD
(Unless otherwise specified)

Investor	Investor Company	Location	Main Businesses and Products	Investment Amount		As of September 30, 2024			Net profit (Loss) of the Investee for the period	Investment gains or losses recognized in the period	Remarks
				September 30, 2024	September 30, 2023	Shares	Owner ship	Carrying amount			
Prime Oil Chemical Service Corporation	He Zhen Feng Co., Ltd.	Taiwan	Real Estate Leasing	\$ 695	\$ 695	69,468	69.47	\$ 1,013	(\$ 23)	(\$ 16)	Note2
Prime Oil Chemical Service Corporation	Prime Holdings Corporation	Anquila	Shareholding and General Trading	191,886	191,886	30,000	100.00	272,339	3,888	3,888	Note1、2
Prime Oil Chemical Service Corporation	ABZBRIDGE CORPORATION	Cayman	Shareholding	68,900	68,900	10,000	28.35	122,641	50,200	14,232	Note1
Prime Holdings Corporation	Prime Solar Energy Co., Ltd.	Cambodia	Real Estate Development	52,344	52,344	1,700,000	100.00	53,363	3	3	Note1、2

Note1: The information disclosed in respect of the investee enterprises is based on the exchange rate at September 30, 2024, except for the profit or loss for the period, which is based on the average exchange rate from January 1, 2024 to September 30, 2024.

Note2: Eliminated in the preparation of the consolidated financial statements

Prime Oil Chemical Service Corporation and its subsidiaries

Information on main investors

September 30, 2024

Table 3

	<u>Name of major shareholder</u>	<u>No. of shares held</u>	<u>Shares</u>	<u>Shares Ratio</u>
Abacus Display Infinity Corporation		32,171,849		41.33%