

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

Consolidated Financial Statements and  
Independent Auditor's Review Report

June 30, 2025 and 2024

(Ticker symbol: 2904)

## Independent Auditor's Review Report

(2025) PWCR.25001598

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 June 30, 2025 and 2024 and the related consolidated comprehensive income statements, for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, 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 June 30, 2025 and 2024, their total assets amounted to NT\$378,897 thousand and NT\$400,756 thousand, respectively, accounting for 20% and 21% of the consolidated total assets; their total liabilities amounted to NT\$897 thousand and NT\$1,033 thousand, respectively, accounting for 0% of the consolidated

total liabilities. Their total consolidated income from April 1 to June 30, 2025 and 2024, January 1 to June 30, 2025 and 2024, was NT\$(45,436) thousand、NT\$11,273 thousand、NT\$(37,163) thousand and NT\$30,778 thousand, respectively, which accounted for 368%、38%、(223)% and 46% 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 June 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the three months then ended June 30, 2025 and 2024, January 1 to June 30, 2025 and 2024, 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

August 14, 2025

Prime Oil Chemical Service Corporation and its subsidiaries

Consolidated balance sheets

June 30, 2025 and December 31 and June 30, 2024

(The accompanying consolidated balance sheets as of June 30, 2025 and 2024 have been reviewed only, and have not been audited in accordance with generally accepted auditing standards.)

Unit: NTD thousand

Assets	Note	June 30, 2025		December 31, 2024		June 30, 2024		
		Amount	%	Amount	%	Amount	%	
<b>Current assets</b>								
1100	Cash and cash equivalents	6 (1)	\$ 201,321	10	\$ 190,930	10	\$ 154,656	8
1136	Financial assets measured at amortized cost - current	6 (4)	16,774	1	18,986	1	18,792	1
1150	Notes receivable, net	6 (5)	-	-	-	-	347	-
1170	Accounts receivable, net	6 (5) and 12(2)	55,984	3	45,984	2	50,530	2
1220	Current income tax assets		11	-	-	-	-	-
1410	Prepayments		24,028	1	11,200	1	13,969	1
11XX	<b>Total current assets</b>		<u>298,118</u>	<u>15</u>	<u>267,100</u>	<u>14</u>	<u>238,294</u>	<u>12</u>
<b>Non-current assets</b>								
1510	Financial assets at fair value through profit or loss - non-current	6 (2)	112,753	6	130,321	7	93,958	5
1517	Financial assets at fair value through other comprehensive income - noncurrent	6(3)	4,208	-	4,622	-	4,537	-
1535	Financial assets measured at amortized cost - non-current	6 (4)and 8	3,553	-	4,787	-	4,785	-
1550	Investments accounted for using equity method	6 (6)	133,028	7	132,658	7	120,374	6
1600	Property, plant and equipment	6 (7)and 8	1,139,435	59	1,180,605	60	1,204,214	63
1755	Right-of-use assets	6 (8)	169,381	9	198,519	10	206,217	11
1780	Intangible asset		976	-	1,509	-	2,422	-
1840	Deferred tax assets	6 (26)	2,951	-	932	-	1,253	-
1900	Other non-current assets	6(10)and 8	63,750	4	48,579	2	47,868	3
15XX	<b>Total non-current assets</b>		<u>1,630,035</u>	<u>85</u>	<u>1,702,532</u>	<u>86</u>	<u>1,685,628</u>	<u>88</u>
1XXX	<b>Total assets</b>		<u>\$ 1,928,153</u>	<u>100</u>	<u>\$ 1,969,632</u>	<u>100</u>	<u>\$ 1,923,922</u>	<u>100</u>

(Continued)

Prime Oil Chemical Service Corporation and its subsidiaries  
Consolidated balance sheets

June 30, 2025 and December 31 and June 30, 2024

(The accompanying consolidated balance sheets as of June 30, 2025 and 2024 have been reviewed only, and have not been audited in accordance with generally accepted auditing standards.)

Unit: NTD thousand

Liabilities and Stockholders' Equity	Note	June 30, 2025		December 31, 2024		June 30, 2024		
		Amount	%	Amount	%	Amount	%	
<b>Current liabilities</b>								
2100	Short-term borrowings	6 (11)	\$ 100,000	5	\$ -	-	\$ -	-
2150	Notes payable		3,179	-	-	-	3,155	-
2200	Other payables	6 (13)	137,744	7	52,540	3	81,633	4
2230	Current income tax liabilities		15,644	1	12,088	-	12,013	-
2280	Current lease liabilities		58,296	3	58,071	3	50,805	3
2320	Long-term liabilities, current portion	6 (12)	38,221	2	54,474	3	53,024	3
2399	Other current liabilities- other		90	-	92	-	25	-
21XX	<b>Total current liabilities</b>		<u>353,174</u>	<u>18</u>	<u>177,265</u>	<u>9</u>	<u>200,655</u>	<u>10</u>
<b>Non-current liabilities</b>								
2540	Long-term borrowings	6 (12)	192,142	10	315,265	16	292,562	15
2550	Provisions for liabilities - non-current	6 (15)	27,998	1	27,998	2	27,998	2
2570	Deferred tax liabilities	6 (26)	12,388	1	22,297	1	16,377	1
2580	Non-current lease liabilities		106,435	6	138,777	7	150,124	8
2640	Net defined benefit liabilities - noncurrent	6 (14)	1,409	-	2,044	-	4,216	--
2645	Guarantee deposits received		440	-	440	-	440	-
25XX	<b>Total non-current liabilities</b>		<u>340,812</u>	<u>18</u>	<u>506,821</u>	<u>26</u>	<u>491,717</u>	<u>26</u>
2XXX	<b>Total liabilities</b>		<u>693,986</u>	<u>36</u>	<u>684,086</u>	<u>35</u>	<u>692,372</u>	<u>36</u>
<b>Equity attributable to shareholders of the parent company</b>								
	Share capital	6 (16)						
3110	Common stock		778,344	40	778,344	40	778,344	40
	Additional paid-in capital	6 (17)						
3200	Additional paid-in capital		87,206	4	77,397	3	77,397	4
	Retained earnings	6 (18)						
3310	Legal reserve		222,352	12	211,510	11	211,510	11
3350	Unappropriated retained earnings		161,459	8	202,646	10	146,084	8
	Other equity interests	6 (19)						
3400	Other equity interests		( 15,633)	-	15,207	1	17,768	1
31XX	<b>Total equity attributable to shareholders of the parent company</b>		<u>1,233,728</u>	<u>64</u>	<u>1,285,104</u>	<u>65</u>	<u>1,231,103</u>	<u>64</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

June 30, 2025 and December 31 and June 30, 2024

(The accompanying consolidated balance sheets as of June 30, 2025 and 2024 have been reviewed only, and have not been audited in accordance with generally accepted auditing standards.)

Unit: NTD thousand

36XX	<b>Non-controlling interests</b>	<u>439</u>	<u>-</u>	<u>442</u>	<u>-</u>	<u>447</u>	<u>-</u>
3XXX	<b>Total equity</b>	<u>1,234,167</u>	<u>64</u>	<u>1,285,546</u>	<u>65</u>	<u>1,231,550</u>	<u>64</u>
	Significant contingent liabilities and unrecognized contract commitments		9				
3X2X	<b>Total liabilities and equity</b>	<u>\$ 1,928,153</u>	<u>100</u>	<u>\$ 1,969,632</u>	<u>100</u>	<u>\$ 1,923,922</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 June 30, 2025 and 2024

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

Unit: NTD thousand  
(Except for earnings per share)

	Item	Note	April 1 to June 30, 2025		April 1 to June 30, 2024		January 1 to June 30, 2025		January 1 to June 30, 2024	
			Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating income	6 (9)	\$ 131,568	100	\$ 127,543	100	\$ 253,037	100	\$ 241,920	100
5000	Operating cost	6 (24)	( 81,756 )	( 62 )	( 80,341 )	( 63 )	( 161,686 )	( 64 )	( 155,554 )	( 64 )
5900	Operating gross profits		<u>49,812</u>	<u>38</u>	<u>47,202</u>	<u>37</u>	<u>91,351</u>	<u>36</u>	<u>86,366</u>	<u>36</u>
	Operating expenses	6 (24)								
		(25)								
6100	Selling and marketing expenses		( 2,286 )	( 2 )	( 1,327 )	( 1 )	( 4,873 )	( 2 )	( 2,749 )	( 1 )
6200	General and administrative expenses		( 14,833 )	( 11 )	( 15,392 )	( 12 )	( 30,202 )	( 12 )	( 30,392 )	( 13 )
6000	Total operating expenses		( 17,119 )	( 13 )	( 16,719 )	( 13 )	( 35,075 )	( 14 )	( 33,141 )	( 14 )
6900	Operating profit		<u>32,693</u>	<u>25</u>	<u>30,483</u>	<u>24</u>	<u>56,276</u>	<u>22</u>	<u>53,225</u>	<u>22</u>
	Non-operating income and expenses									
7100	Interest income		1,183	1	1,024	1	1,579	-	1,384	1
7010	Other income	6 (21)	7,210	6	37	-	14,506	6	673	-
7020	Other gains or losses	6 (22)	( 7,632 )	( 6 )	12	-	10,808 )	( 4 )	6,552	3
7050	Financial costs	6 (23)	( 2,638 )	( 2 )	( 2,984 )	( 2 )	( 5,627 )	( 2 )	( 5,975 )	( 3 )
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method.	6 (6)	( 744 )	( 1 )	5,449	4	4,929	2	9,005	4
7000	Total non-operating income and expenses		( 2,621 )	( 2 )	3,538	3	4,579	2	11,639	5
7900	<b>Profit before income tax</b>		<u>30,072</u>	<u>23</u>	<u>34,021</u>	<u>27</u>	<u>60,855</u>	<u>24</u>	<u>64,864</u>	<u>27</u>
7950	Income tax expense	6 (26)	( 7,380 )	( 6 )	( 7,879 )	( 6 )	( 13,369 )	( 5 )	( 13,003 )	( 6 )
8200	<b>Current period net profit</b>		<u>\$ 22,692</u>	<u>17</u>	<u>\$ 26,142</u>	<u>21</u>	<u>47,486</u>	<u>19</u>	<u>51,861</u>	<u>21</u>
	<b>Other comprehensive income for the year (net)</b>									
	<b>Items that will be reclassified to profit or loss</b>									
8316	Unrealized valuation gain or loss on equity instruments at fair value through other comprehensive income	6(3)	( \$ 25 )	-	\$ 43	-	( \$ 414 )	-	( \$ 574 )	-
8310	Total amount of items that will not be reclassified to profit or loss		( 25 )	-	43	-	( 414 )	-	( 574 )	-
	<b>Items that may be reclassified subsequently to profit or loss:</b>									
8361	Exchange differences in translating the financial		( 26,651 )	( 20 )	3,148	3	( 23,663 )	( 9 )	12,196	5

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Prime Oil Chemical Service Corporation and its subsidiaries  
Consolidated income statements  
January 1 to June 30, 2025 and 2024

(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)	( 17,142 )	( 13 )	1,665	1	( 14,368 )	( 6 )	6,456	3
8399	Income taxes related to items that may be reclassified	6 (26)								
			<u>8,750</u>	<u>7</u>	<u>( 961 )</u>	<u>( 1 )</u>	<u>7,605</u>	<u>3</u>	<u>( 3,729 )</u>	<u>( 2 )</u>
8360	Total of items that may be reclassified to profit or loss		( <u>35,007</u> )	( <u>26</u> )	<u>3,852</u>	<u>3</u>	( <u>30,426</u> )	( <u>12</u> )	<u>14,923</u>	<u>6</u>
8300	<b>Other comprehensive income for the year (net)</b>		<u>( \$ 35,032 )</u>	<u>( 26 )</u>	<u>\$ 3,895</u>	<u>3</u>	<u>( \$ 30,840 )</u>	<u>( 12 )</u>	<u>\$ 14,349</u>	<u>6</u>
8500	<b>Total comprehensive income in the current period</b>		<u>( \$ 12,340 )</u>	<u>( 9 )</u>	<u>\$ 30,037</u>	<u>24</u>	<u>\$16,646</u>	<u>7</u>	<u>\$66,210</u>	<u>27</u>
	Net income attributable to:									
8610	Shareholders of the parent company		\$ 22,695	17	\$ 26,144	21	\$47,489	19	\$51,865	21
8620	Non-controlling interests		( 3 )	-	( 2 )	-	( 3 )	-	( 4 )	-
			<u>\$ 22,692</u>	<u>17</u>	<u>\$ 26,142</u>	<u>21</u>	<u>\$47,486</u>	<u>19</u>	<u>\$51,861</u>	<u>21</u>
	Total comprehensive income attributable to:									
8710	Shareholders of the parent company		( \$ 12,337 )	( 9 )	\$ 30,039	24	\$16,649	7	\$66,214	27
8720	Non-controlling interests		( 3 )	-	( 2 )	-	( 3 )	-	( 4 )	-
			<u>\$ 12,340</u>	<u>( 9 )</u>	<u>\$ 30,037</u>	<u>24</u>	<u>\$16,646</u>	<u>7</u>	<u>\$66,210</u>	<u>27</u>
	Earnings per share	6 (27)								
9750	Basic		<u>\$ 0.29</u>		<u>\$ 0.34</u>		<u>\$ 0.61</u>		<u>\$ 0.67</u>	
9850	Diluted		<u>\$ 0.29</u>		<u>\$ 0.34</u>		<u>\$ 0.61</u>		<u>\$ 0.66</u>	

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

Prime Oil Chemical Service Corporation and its subsidiaries  
Consolidated statements of changes in equity  
January 1 to June 30, 2025 and 2024  
(Reviewed only, not audited in accordance with generally accepted auditing standards)

Unit: NTD thousand

Note	Common stock	Issuance Premium	Treasury Stock Transactions	Changes in net equity of affiliated companies and joint ventures under the equity method	Employee Stock Options	Equity attributable to shareholders of the parent company					Non-controlling interests	Total equity
						Legal reserve	Unappropriated retained earnings	Exchange Differences in Translating the Financial Statements of Foreign Operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income	Total		
<u>The 2nd 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	-	-	-	-	-	-	51,865	-	-	51,865	( 4 )	51,861
Other comprehensive income recognized for the period	-	-	-	-	-	-	-	14,923	( 574 )	14,349	-	14,349
Total comprehensive income in the current period	-	-	-	-	-	-	51,865	14,923	( 574 )	66,214	( 4 )	66,210
Appropriations of 2023 earnings	6(18)											
Legal reserve	-	-	-	-	-	6,472	( 6,472 )	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	( 46,701 )	-	-	( 46,701 )	-	( 46,701 )
Balance at June 30, 2024	\$ 778,344	\$ 62,280	\$ 4,233	\$ 9,509	\$ 1,375	\$ 211,510	\$ 146,084	\$ 22,860	( \$ 5,092 )	\$ 1,231,103	\$ 447	\$ 1,231,550
<u>2nd quarter of 2025</u>												
Balance at January 1, 2025	\$ 778,344	\$ 62,280	\$ 4,233	\$ 9,509	\$ 1,375	\$ 211,510	\$ 202,646	\$ 20,214	( \$ 5,007 )	\$ 1,285,104	\$ 442	\$ 1,285,546
Current period net profit	-	-	-	-	-	-	47,489	-	-	47,489	( 3 )	47,486

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 June 30, 2025 and 2024  
(Reviewed only, not audited in accordance with generally accepted auditing standards)

Unit: NTD thousand

Note	Equity attributable to shareholders of the parent company										Non-controlling interests	Total equity
	Common stock	Issuance Premium	Treasury Stock Transactions	Changes in net equity of affiliated companies and joint ventures under the equity method	Employee Stock Options	Legal reserve	Unappropriated retained earnings	Retained earnings	Exchange Differences in Translating the Financial Statements of Foreign Operations	Other equity interests Unrealized gain or loss on financial assets at fair value through other comprehensive income		
Other comprehensive income recognized for the period	-	-	-	-	-	-	-	( 30,426 )	( 414 )	( 30,840 )	-	( 30,840 )
Total comprehensive income in the current period	-	-	-	-	-	-	47,489	( 30,426 )	( 414 )	16,649	( 3 )	16,646
Appropriations of 2024 earnings	6(18)											
Legal reserve	-	-	-	-	-	10,842	( 10,842 )	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	( 77,834 )	-	-	( 77,834 )	-	( 77,834 )
Changes in net equity of affiliated companies and joint ventures under the equity method	-	-	-	9,809	-	-	-	-	-	9,809	-	9,809
Balance at June 30, 2025	\$ 778,344	\$ 62,280	\$ 4,233	\$ 19,318	\$ 1,375	\$ 222,352	\$ 161,459	( \$ 10,212 )	( \$ 5,421 )	\$ 1,233,728	\$ 439	\$ 1,234,167

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 June 30, 2025 and 2024  
(Reviewed only, not audited in accordance with generally accepted auditing standards)

Unit: NTD thousand

	Note	January 1 to June 30, 2025	January 1 to June 30, 2024
<u>Cash flow from operating activities</u>			
Profit before income tax for the year		\$ 60,855	\$ 64,864
Adjustment for:			
Income and expenses having no effect on cash flows			
Depreciation expense	6 (7)(8) (24)	93,052	94,746
Amortization expense		881	955
Gain on valuation of financial assets at fair value through profit or loss	6 (2)(22)	949	( 3,945 )
Financial costs	6 (23)	5,627	5,975
Interest income		( 1,579 )	( 1,384 )
Dividend income	6 (21)	( 5,159 )	-
Exchange differences in Financial assets measured at amortized cost	6 (4)	( 2,212 )	( 1,012 )
Shares of affiliated enterprises and joint venture interests recognized using the equity method	6 (6)	( 4,929 )	( 9,005 )
Disposal of property, plant and equipment	6 (22)	7,973	( 1,048 )
Change in assets/liabilities related to operating activities			
Changes in operating assets			
Notes receivable, net		-	( 1 )
Accounts receivable, net		( 10,000 )	2,431
Prepayments		( 12,828 )	( 366 )
Changes in operating liabilities			
Notes payable		3,179	( 3,726 )
Other payables		10,273	443
Other current liabilities		( 2 )	( 49 )
Net defined benefit liabilities		( 635 )	( 646 )
Cash flow from operating activities		149,869	148,232
Interest received		1,579	1,384
Dividend income		5,159	-
Interest paid		( 5,677 )	( 5,980 )
Income tax paid		( 14,146 )	( 16,323 )
Net cash generated by operating activities		136,784	127,313
<u>Cash flow from investing activities</u>			
Acquisition of financial assets measured at amortized cost		( \$ 4,083 )	( \$ 5,396 )
Disposal of financial assets measured at amortized cost		5,317	7,082
Refund of share price due to capital reduction of financial assets at fair value through profit or loss	12 (3)	16,619	17,597
Acquisition of financial assets at fair value through profit or loss	12(3)	-	( 5,400 )
Purchase of property, plant and equipment	6 (28)	( 68,203 )	( 20,739 )
Disposal of property, plant and equipment		-	1,048

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 June 30, 2025 and 2024  
(Reviewed only, not audited in accordance with generally accepted auditing standards)

Unit: NTD thousand

	<u>Note</u>	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Acquisition of intangible assets		( 348 )	( 487 )
Increase in refundable deposits		( 4,928 )	( 1,341 )
Decrease in refundable deposits		4,757	878
Net cash used in investing activities		<u>( 50,869 )</u>	<u>( 6,758 )</u>
<u>Cash flow from financing activities</u>			
Short-term borrowings	6 (29)	150,000	10,000
Repayment short-term borrowings	6 (29)	( 50,000 )	( 40,000 )
Borrowing of long-term loans (including portions due within one year or one operating cycle)	6 (29)	-	52,600
Repayment of long-term loans (including portions due within one year or one operating cycle)	6 (29)	( 139,376 )	( 51,106 )
Amount of principal payments on lease liabilities	6 (8)(29)	( 32,117 )	( 24,871 )
Net cash inflow from financing activities		<u>( 71,493 )</u>	<u>( 53,377 )</u>
Effects of exchange rate changes on the balance of cash held in foreign currencies		( 4,031 )	1,932
Increase in cash and cash equivalents		10,391	69,110
Beginning of year cash and cash equivalents		190,930	85,546
Cash and cash equivalents at the end of the year		<u>\$ 201,321</u>	<u>\$ 154,656</u>

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  
2nd Quarter in 2025 and 2024

(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 August 14, 2025.

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 2025:

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

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.

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 2026:

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Issued by</u> <u>IASB</u>
Amendments to IFRS 9 and IFRS 7 “ Amendments to the Classification and Measurement of Financial Instruments”.	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”.	January 1, 2026
IFRS 17 “Insurance Contracts”.	January 1, 2023

Amendments to IFRS 17 “Insurance Contracts”. January 1, 2023

Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9- Comparative Information”. January 1, 2023

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Except for the matter mentioned below, the Corporate Group believes that adopting the aforementioned IFRSs will not constitute a significant effect on the Company’s financial position and performance:

1. Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”.

- (1) Clarify and provide additional guidance on assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion. The scope includes contractual terms that change cash flows based on contingent events (e.g., interest rates linked to ESG targets), instruments with non-recourse features, and contractually linked instruments.
- (2) For instruments that include contractual terms which may change the cash flows (e.g., those with features linked to the achievement of environmental, social, and governance (ESG) objectives), entities should disclose:
  - a qualitative description of the nature of the contingent terms;
  - quantitative information about the potential variability in contractual cash flows arising from such terms; and
  - the total carrying amount of financial assets and the amortized cost of financial liabilities subject to those terms.
- (3) The amendments clarify the recognition and derecognition dates for certain financial assets and liabilities. Specifically, when an entity uses an electronic payment system to settle a financial liability (or part of a financial liability) in cash, the entity is permitted to derecognize the financial liability before the settlement date if, and only if, the following conditions are met:
  - A. The entity has no practical ability to revoke, stop, or cancel the payment instruction;
  - B. As a result of the payment instruction, the entity no longer has the practical ability to access the cash used for settlement;
  - C. The settlement risk associated with the electronic payment system is insignificant.
- (4) The disclosure requirements for equity instruments designated as measured at fair value through other comprehensive income (FVOCI) under the irrevocable election have been updated. Entities are now required to disclose the fair value by class of equity instruments, rather than for each individual instrument.

In addition, entities shall disclose the amount of fair value gains or losses recognized in other comprehensive income during the reporting period, separately presenting:

- the amount relating to investments that were derecognized during the reporting period; and
- the amount relating to investments that were still held at the end of the reporting period.

Furthermore, entities shall disclose the accumulated gains or losses transferred within equity upon derecognition of investments during the reporting period.

2. Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”.

This amendment explains contracts involving electricity generated from sources dependent on uncontrollable natural conditions (such as weather), which result in variations in electricity production, as follows:

(1) Clarification of the Application of the "Self-Use" Requirement for Contracts Related to the Purchase or Sale of Natural Electricity:

When a contract stipulates that the entity is obligated to purchase and receive electricity as it is generated, and the design and operation of the electricity trading market require the entity to sell any unused electricity within a specified timeframe, the entity must consider reasonable and supported information regarding past, current, and expected future electricity transactions within a reasonable period not exceeding 12 months. If the entity purchases enough electricity to offset any unused electricity sold in the same market, the entity is considered a net purchaser of electricity.

The newly added amendments for contracts involving natural electricity for self-use require the following disclosures:

A. The risks the entity faces due to changes in the underlying electricity volume, and the possibility that the entity may be required to purchase electricity during periods when it is unable to use the electricity delivery.

B. Unrecognized contract commitments, including the expected future cash flows related to the electricity purchase under these contracts.

C. The impact of the contract on the entity's financial performance during the reporting period.

(2) Clarification of the Application of Hedge Accounting for Contracts Involving Natural Electricity:

The hedged item should be designated as the variable nominal amount of the forecasted electricity transaction, which aligns with the expected variable amount of natural electricity delivered from the generating facilities mentioned in the hedging instrument. Additionally, when cash flows from the hedging instrument are in a cash flow hedge relationship, if the contract involving natural electricity is designated as a hedging instrument, the occurrence of the designated anticipated transaction is presumed to be highly probable.

For entities designating contracts involving natural electricity as hedging instruments, they must disclose the terms and conditions of the hedging instruments, classified by risk category, according to IFRS 7.

(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</u>
	<u>IASB</u>
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 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without public accountability: disclosures”	January 1, 2027

Except for the matter mentioned below, 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, 2024, 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.

##### (II) 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, 2024.

##### (III) 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.

##### (IV) 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,

2024.

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>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>	
The Company	He Zhen Feng Co., Ltd.	Real Estate Leasing	69.47	69.47	69.47	Note 7
The Company	Chang Fu Feng CO., LTD.	Solar Power Industry	100.00	100.00	-	Note 1
The Company	Yufeng Green Energy Co., Ltd.	Solar Power Industry	100.00	100.00	-	Note 2
The Company	Kuantai Green Energy Co., Ltd.	Solar Power Industry	100.00	-	-	Note 3
The Company	Anfeng Green Energy Co., Ltd.	Solar Power Industry	100.00	-	-	Note 4
The Company	Kunfeng Green Energy Co., Ltd.	Solar Power Industry	100.00	-	-	Note 5 and 7
The Company	Prime Holdings Corporation (PHC)	Shareholding and General Trading	100.00	100.00	100.00	Note 7
PHC	Prime Solar Energy Co., Ltd.	Real Estate Development	100.00	100.00	100.00	Note 6

Note 1: In November 2024, the Company acquired 100% of the shares of Chang Fu Feng Co., Ltd. for cash of \$2,214, and subsequently increased capital by NT\$99,950 through asset contributions and cash in May 2025.

Note 2: In October 2024, the Company established a subsidiary, Yufeng Green Energy Co., Ltd. The Company made a cash capital increase of \$25,000 in November 2024 and an additional cash capital increase of \$37,900 in February 2025, and increased capital by NT\$68,810 through asset contributions and cash in May 2025.

Note 3: In February 2025, the Company established a subsidiary, Anfeng Green Energy Co., Ltd, and increased capital by NT\$62,210 through asset contributions and cash in May 2025.

Note 4: In March 2025, the Company established a subsidiary, Kuantai Green Energy Co., Ltd.

Note 5: In February 2025, the Company established a subsidiary, Kunfeng Green Energy Co., Ltd.

Note 6: 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. Their financial statements as of June 30, 2025 and 2024 were not reviewed by CPAs because they did not meet the definition of a significant subsidiary.

Note 7: Their financial statements as of June 30, 2025 and 2024 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.

(V) 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.

(VI) 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, 2024

VI. Statements of main accounting items

(I) Cash and cash equivalents

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Cash on hand and working capital	\$ 247	\$ 318	\$ 258
Checking accounts and demand deposits	51,874	68,048	82,068
Time deposits	<u>149,200</u>	<u>122,564</u>	<u>72,330</u>
	<u>\$ 201,321</u>	<u>\$ 190,930</u>	<u>\$ 154,656</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>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Non-current items:			
Financial assets at fair value through profit and loss			
Investment in private equity	\$ 90,918	\$ 107,537	\$ 62,086
Valuation adjustment	<u>21,835</u>	<u>22,784</u>	<u>31,872</u>
Total	<u>\$ 112,753</u>	<u>\$ 130,321</u>	<u>\$ 93,958</u>

1. Gain and loss recognized for financial assets at fair value through profit or loss held by the Group was \$3,103, (\$728), (\$949) and \$3,945 from April 1 to June 30, 2025 and 2024, January 1 to June 30, 2025 and 2024, 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>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</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>( 3,318)</u>	<u>( 2,904)</u>	<u>( 2,989)</u>
Total	<u>\$ 4,208</u>	<u>\$ 4,622</u>	<u>\$ 4,537</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 \$4,208, \$4,622 and \$4,537 as of June 30, 2025, December 31, 2024 and June 30, 2024, 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>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>
Change in fair value recognized in other comprehensive Income	<u>(\$ 25)</u>	<u>\$ 43</u>

	<u>January 1 to June 30,</u> <u>2025</u>	<u>January 1 to June 30,</u> <u>2024</u>
Change in fair value recognized in other comprehensive Income	(\$ <u>414</u> )	(\$ <u>574</u> )

3. Without considering the collaterals held or other credit enhancements, the amount of financial assets at fair value through other comprehensive income that best represented the Group's maximum exposure to credit risk was \$4,208, \$4,622 and \$4,537 as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.
4. The Company has not pledged any financial assets at fair value through other comprehensive income.
5. 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>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Current items:			
Trust account	\$ <u>16,774</u>	\$ <u>18,986</u>	\$ <u>18,792</u>
Non-current items:			
Restricted asset	\$ <u>3,553</u>	\$ <u>4,787</u>	\$ <u>4,785</u>

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

	<u>April 1 to June 30,</u> <u>2025</u>	<u>April 1 to June 30,</u> <u>2024</u>
Interest income	\$ 81	\$ 133
Valuation interest	( <u>2,264</u> )	<u>261</u>
	(\$ <u>2,183</u> )	\$ <u>394</u>
	<u>January 1 to June 30,</u> <u>2025</u>	<u>January 1 to June 30,</u> <u>2024</u>
Interest income	\$ 81	\$ 144
Valuation interest	( <u>2,212</u> )	<u>1,012</u>
	(\$ <u>2,131</u> )	\$ <u>1,156</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 \$20,327、\$23,773 and \$23,577 as of June 30, 2025, December 31, 2024 and June 30, 2024, 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 June 30, 2025, December 31, 2024 and June 30, 2024, 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, 2024, 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 depository 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>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Note receivable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 347</u>
Trade receivable	<u>\$ 55,984</u>	<u>\$ 45,984</u>	<u>\$ 50,530</u>

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

	<u>June 30, 2025</u>		<u>December 31, 2024</u>		<u>June 30, 2024</u>	
	<u>Trade receivable</u>	<u>Note receivable</u>	<u>Trade receivable</u>	<u>Note receivable</u>	<u>Trade receivable</u>	<u>Note receivable</u>
Not Past Due	\$ 54,196	\$ -	\$ 45,984	\$ -	\$ 49,975	\$ 347
Within 30 days	1,672	-	-	-	-	-
30-90 days	35	-	-	-	555	-
Over 90 days	<u>81</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$55,984</u>	<u>\$ -</u>	<u>\$45,984</u>	<u>\$ -</u>	<u>\$50,530</u>	<u>\$ 347</u>

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

2. As of June 30, 2025, December 31, 2024 and June 30, 2024, 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, 2024 was \$53,307.

3. The Group does not hold any collateral.

4. 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, \$0 and \$347 as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively; the amount of accounts receivable that best represented the Group's maximum exposure to credit risk was \$55,984, \$45,984 and \$50,530 as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively;

5. Please refer to Note 12, (2) for the related credit risk information of accounts receivable.

(VI) Investments accounted for under equity method

	<u>2025</u>	<u>2024</u>
January,1	\$ 132,658	\$ 104,913
Share of investment profit and loss using the equity method	4,929	9,005
Capital Surplus changes	9,809	-
Other equity changes	<u>( 14,368 )</u>	<u>6,456</u>

June, 30	<u>\$ 133,028</u>	<u>\$ 120,374</u>
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1. The investment details using the equity method are as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
ABZbridge Corporation	<u>\$ 133,028</u>	<u>\$ 132,658</u>	<u>\$ 120,374</u>

- For the period from April 1 to June 30, 2025 and 2024, January 1 to June 30, 2025 and 2024 the net profit and comprehensive income of our affiliated companies within the Group were (\$2,240), \$19,220, \$14,860 and \$31,763, respectively. and comprehensive income of our affiliated companies within the Group were (\$53,920), \$25,093, (\$28,455) and \$54,535.
- 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 and the first quarter of 2025. 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% and further increased to 33.17% as of March 31, 2025. 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.
- For the above-mentioned equity-method investees, the balances of investments accounted for under the equity method as of June 30, 2025 and June 30, 2024 were evaluation of self-prepared financial information that has not been reviewed by an auditor.

(VII) Property, Plant and Equipment

					<u>2025</u>				
	<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	\$ 52,135	\$ 825,599	\$ 8,813	\$ 2,334	\$ 212	\$ 58,074	\$1,106,732	\$ 13,668	\$ 2,067,567
Accumulated depreciation and impairments	<u>-</u>	<u>( 576,508)</u>	<u>( 4,364)</u>	<u>( 778)</u>	<u>( 177)</u>	<u>( 53,839)</u>	<u>( 251,296)</u>	<u>-</u>	<u>( 886,962)</u>
	<u>\$ 52,135</u>	<u>\$ 249,091</u>	<u>\$ 4,449</u>	<u>\$ 1,556</u>	<u>\$ 35</u>	<u>\$ 4,235</u>	<u>\$ 855,436</u>	<u>\$ 13,668</u>	<u>\$ 1,180,605</u>
January 1	\$ 52,135	\$ 249,091	\$ 4,449	\$ 1,556	\$ 35	\$ 4,235	\$855,436	\$ 13,668	\$ 1,180,605
Addition	-	30,615	-	228	-	-	1,822	17,685	50,350
Disposal	-	-	-	-	-	-	( 7,973)	-	( 7,973)
Number of Transfers	-	13,035	-	-	-	-	343	( 13,378)	-
depreciation expense	-	( 34,533)	( 558)	( 278)	( 10)	( 1,322)	( 27,213)	-	( 63,914)
Net exchange difference	<u>( 5,550)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 14,016)</u>	<u>( 67)</u>	<u>( 19,633)</u>
June 30	<u>\$ 46,585</u>	<u>\$ 258,208</u>	<u>\$ 3,891</u>	<u>\$ 1,506</u>	<u>\$ 25</u>	<u>\$ 2,913</u>	<u>\$ 808,399</u>	<u>\$ 17,908</u>	<u>\$ 1,139,435</u>
June 30									
Cost	\$ 46,585	\$ 869,249	\$ 8,813	\$ 2,562	\$ 212	\$ 58,074	\$ 1,086,908	\$ 17,908	\$ 2,090,311
Accumulated depreciation and impairments	<u>-</u>	<u>( 611,041)</u>	<u>( 4,922)</u>	<u>( 1,056)</u>	<u>( 187)</u>	<u>( 55,161)</u>	<u>( 278,509)</u>	<u>-</u>	<u>( 950,876)</u>
	<u>\$ 46,585</u>	<u>\$ 258,208</u>	<u>\$ 3,891</u>	<u>\$ 1,506</u>	<u>\$ 25</u>	<u>\$ 2,913</u>	<u>\$ 808,399</u>	<u>\$ 17,908</u>	<u>\$ 1,139,435</u>

	<u>2024</u>								
	<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	\$ 48,822	\$ 800,987	\$ 11,941	\$ 718	\$ 212	\$ 62,897	\$1,104,568	\$ 2,438	\$2,032,583
Accumulated depreciation and impairments	<u>-</u>	<u>( 512,139)</u>	<u>( 6,374)</u>	<u>( 480)</u>	<u>( 157)</u>	<u>( 55,594)</u>	<u>( 206,061)</u>	<u>-</u>	<u>( 780,805)</u>
	<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	-	6,192	-	729	-	-	-	873	7,794
Number of Transfers	-	2,438	-	-	-	-	-	( 2,438)	-
depreciation expense	-	( 36,324)	( 559)	( 104)	( 10)	( 1,643)	( 26,982)	-	( 65,622)
Net exchange difference	<u>2,779</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,485</u>	<u>-</u>	<u>10,624</u>
June 30	<u>\$ 51,601</u>	<u>\$ 261,154</u>	<u>\$ 5,008</u>	<u>\$ 863</u>	<u>\$ 45</u>	<u>\$ 5,660</u>	<u>\$ 879,010</u>	<u>\$ 873</u>	<u>\$1,204,214</u>
June 30									
Cost	\$ 51,601	\$ 809,617	\$ 8,813	\$ 1,447	\$ 212	\$ 61,318	\$ 1,112,053	\$ 873	\$ 2,045,934
Accumulated depreciation and impairments	<u>-</u>	<u>(548,463)</u>	<u>( 3,805)</u>	<u>( 584)</u>	<u>( 167)</u>	<u>( 55,658)</u>	<u>( 233,043)</u>	<u>-</u>	<u>( 841,720)</u>
	<u>\$ 51,601</u>	<u>\$ 261,154</u>	<u>\$ 5,008</u>	<u>\$ 863</u>	<u>\$ 45</u>	<u>\$ 5,660</u>	<u>\$ 879,010</u>	<u>\$ 873</u>	<u>\$ 1,204,214</u>

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

	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Capitalized amount	<u>\$ 49</u>	<u>\$ 5</u>
Capitalized interest rate range	2.025%~2.71%	2.25%~2.71%

2. Significant components of the Group's warehousing equipment, including tanks and pipelines, are depreciated over 2 to 35 years.
3. The Group's property, plant and equipment showed no signs of impairment during the periods from April 1 to June 30 of 2025 and 2024, as well as from January 1 to June 30 of 2025 and 2024.
4. 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>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land use rights	\$ 7,464	\$ 7,718	\$ 7,973
Buildings	16,965	20,475	2,914
Other Equipment	<u>144,952</u>	<u>170,326</u>	<u>195,330</u>
	<u>\$ 169,381</u>	<u>\$ 198,519</u>	<u>\$ 206,217</u>

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>
	<u>Depreciation expense</u>	<u>Depreciation expense</u>
Land use rights	\$ 127	\$ 127
Buildings	1,755	1,749
Other Equipment	<u>12,687</u>	<u>12,686</u>
	<u>\$ 14,569</u>	<u>\$ 14,562</u>

	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
	<u>Depreciation expense</u>	<u>Depreciation expense</u>
Land use rights	\$ 254	\$ 254
Buildings	3,510	3,497
Other Equipment	<u>25,374</u>	<u>25,373</u>
	<u>\$ 29,138</u>	<u>\$ 29,124</u>

4. No additions to the Group's right-of-use assets from January 1 to June 30, 2025 and 2024, respectively.

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

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>
<u>Items affecting current profit and loss</u>		
Interest expenses on lease liabilities	\$ 690	\$ 788
Expenses for leases of low-value assets	102	92
Expenses for variable lease payments	2,220	2,145

	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
<u>Items affecting current profit and loss</u>		
Interest expenses on lease liabilities	\$ 1,439	\$ 1,629
Expenses for leases of low-value assets	202	182
Expenses for variable lease payments	4,081	4,107

6. The Group's total lease cash outflows were \$37,839 and \$30,789 from January 1 to June 30, 2025 and 2024, respectively (of which \$32,117 and \$24,871 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 \$83,419, \$80,691, \$167,505 and \$148,954 from April 1 to June 30, 2025 and 2024, January 1 to June 30, 2025 and 2024 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>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
FY2024	\$ -	\$ -	\$ 121,660
FY 2025	125,429	278,753	62,330
FY 2026	47,195	47,195	33,650
FY 2027~2028	<u>15,230</u>	<u>15,230</u>	<u>20,090</u>
Total	<u>\$ 187,854</u>	<u>\$ 341,178</u>	<u>\$ 237,730</u>

(X) Other non-current assets

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Refundable deposit	\$ 48,750	\$ 48,579	\$ 47,868
Prepayments for equipment	<u>15,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 63,750</u>	<u>\$ 48,579</u>	<u>\$ 47,868</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>June 30, 2025</u>	<u>Interest rate</u>	<u>Collateral</u>
Bank borrowings			
Credit borrowings	<u>\$ 100,000</u>	2.03% ~ 2.04%	None

There was no short-term borrowings as of June 30 and December 31, 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>June 30, 2025</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.	2.71%	None	\$ 24,700
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.	2.56%	None	12,444
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.	2.56%	None	12,644
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	33,322
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	14,299
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	49,090
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	22,613
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	1,013
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	18,900

Mega International Commercial Bank.	2022.9.7~2032.3.29 The principal and interest shall be repaid in 39 equal installments commencing from (inclusive) September 29, 2022.	2.39%	Other Equipment	25,472
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	9,420
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	3,761
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	<u>2,685</u>
				230,363
Less: Portions due within one year or one operating cycle (recorded as other current liabilities)				<u>( 38,221)</u>
				<u>\$ 192,142</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, 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.	2.71%	None	\$ 26,600
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.	2.56%	None	14,924
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	15,164
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	34,568
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	14,827
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	53,112
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	24,288
Secured borrowings				
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	1,088
Mega International Commercial Bank	2022.3.29~2032.3.29 The principal and interest shall be repaid in 40 equal installments	2.39%	Other Equipment	20,300

	commencing from (inclusive) June 29, 2022.				
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	\$	27,360
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		10,120
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		4,036
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		2,884
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		7,852
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, 2024.	2.39%	Other Equipment		55,000
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.	2.77%	Other Equipment	\$	13,073
Far Eastern International Bank	2023.11.30~2028.11.30 Starting from February 29, 2024 (inclusive), 20 instalments: 2% of the principal is repaid in the 1st to 19th instalments and 62% of the principal is repaid in the 20th instalment.	2.25%	Other Equipment		
					<u>44,543</u>
					369,739
Less: Portions due within one year or one operating cycle (recorded as other current liabilities)					<u>( 54,474)</u>
					<u>\$ 315,265</u>

<u>Nature of borrowings</u>	<u>Borrowing Period and Repayment Method</u>	<u>Interest Rate</u>	<u>Collateral</u>	<u>June 30, 2024</u>
Credit borrowings				
	2021.12.29~2031.12.29 The principal and interest shall be repaid in 120 equal installments commencing from (inclusive) January 29, 2022.	2.64%	None	28,500
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.	2.33%	None	8,800
Chinatrust 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	17,379
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	17,659
Taiwan Shin Kong Commercial Bank				
	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	35,801
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	15,349
Land Bank of Taiwan				
Secured borrowings				
	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	57,087
Land Bank of Taiwan				
	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	25,963
Mega International Commercial Bank.				
	2022.6.10~2032.3.29 The principal and interest shall be repaid in 40 equal installments	2.39%	Other Equipment	1,163
Mega International Commercial Bank.				

	commencing from (inclusive) June 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. 2022.9.7~2032.3.29	2.39%	Other Equipment	21,700
Mega International Commercial Bank.	The principal and interest shall be repaid in 39 equal installments commencing from (inclusive) September 29, 2022. 2022.9.26~2032.3.29	2.39%	Other Equipment	29,248
Mega International Commercial Bank.	The principal and interest shall be repaid in 39 equal installments commencing from (inclusive) September 29, 2022. 2023.5.12~2032.3.29	2.39%	Other Equipment	10,820
Mega International Commercial Bank.	The principal and interest shall be repaid in 36 equal installments commencing from (inclusive) June 29, 2023. 2023.6.9~2032.3.29	2.39%	Other Equipment	4,312
Mega International Commercial Bank.	The principal and interest shall be repaid in 36 equal installments commencing from (inclusive) June 29, 2023. 2023.6.19~2030.6.19	2.39%	Other Equipment	3,083
Mega International Commercial Bank.	The principal and interest shall be repaid in 28 equal installments commencing from (inclusive) September 19, 2023. 2021.6.29~2026.6.29	2.39%	Other Equipment	8,568
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. 2023.11.30~2028.9.30	2.71%	Other Equipment	13,634
Far Eastern International Bank.	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>46,520</u>
				345,586
Less: Portions due within one year or one operating cycle (recorded as other current liabilities)				<u>( 53,024)</u>
				<u>\$ 292,562</u>

(XIII) Other payables

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Dividend payable	\$ 77,834	\$ -	\$ 46,701
Employees' bonuses and directors' and supervisors' remuneration payable	13,555	9,082	10,380
Equipment payables	12,614	15,516	4,635
Sales tax payable	11,133	-	-
Salary and bonuses payables	5,454	9,834	48,00
Others	<u>17,154</u>	<u>18,108</u>	<u>15,117</u>
	<u>\$ 137,744</u>	<u>\$ 52,540</u>	<u>\$ 81,633</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 April 1 to June 30, 2025 and 2024, January 1 to June 30, 2025 and 2024 the pension costs recognized by the Group in accordance with the aforementioned pension plan were \$6 、\$29 、\$12 and \$58, respectively.

(3) The company's estimated contribution to pay for the pension plan in 2025 was \$1,271.

## 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 \$707、\$644、\$1,416 and \$1,292 for April 1 to June 30, 2025 and 2024, January 1 to June 30, 2025 and 2024 respectively, based on the above pension plan.
- (2) He Zhen Feng Co., Ltd.、Yufeng Green Energy Co., Ltd.、Chang Fu Feng Co., Ltd.、Anfeng Green Energy Co., Ltd.、Kuantai Green Energy Co., Ltd.、Kunfeng Green Energy 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 June 30,</u> <u>2025</u>	<u>January 1 to June 30,</u> <u>2024</u>
Balance as of January 1 (Balance as of June 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 June 30, 2025, December 31, 2024 and June 30, 2024, 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 June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

## (XVI) Share capital

As of June 30, 2025, 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 June 30,</u> <u>2025</u>	<u>January 1 to June 30,</u> <u>2024</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 10, 2025 and June 21, 2024, the Board of Directors proposed to approve the distribution of earnings for 2024 and 2023, as follows.

	<u>2024</u>		<u>2023</u>	
	<u>Dividends per share</u>		<u>Dividends per share</u>	
	<u>Amount</u>	<u>(NTD)</u>	<u>Amount</u>	<u>(NTD)</u>
Legal reserve allocated	\$ 10,842		\$ 6,472	
Cash dividends paid	<u>77,834</u>	\$ 1.00	<u>46,701</u>	\$ 0.60
Total	<u>\$ 88,676</u>		<u>\$ 53,173</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

	2025		Total
	Unrealized gains and losses	Foreign currency translation	
January 1, 2025	(\$ 5,007)	\$ 20,214	\$ 15,207
Adjustment for change in value	( 414)	-	( 414)
Foreign currency translation adjustment			
- consolidated group	-	( 38,032)	( 38,032)
- tax amount of the group	-	<u>7,606</u>	<u>7,606</u>
June 30, 2025	<u>(\$ 5,421)</u>	<u>(\$ 10,212)</u>	<u>(\$ 15,633)</u>

	2024		Total
	Unrealized gains and losses	Foreign currency translation	
January 1, 2024	(\$ 4,518)	\$ 7,937	\$ 3,419
Adjustment for change in value	( 574)	-	( 574)
Foreign currency translation adjustment			
- consolidated group	-	9,758	9,758
- tax amount of the group	-	<u>5,165</u>	<u>5,165</u>
June 30, 2024	<u>(\$ 5,092)</u>	<u>\$ 22,860</u>	<u>\$ 17,768</u>

(XX) Operating income

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>
Operating lease		
Rental incomes	\$ 83,419	\$ 80,691
Revenue from Customer Contract		
Tank operation revenue	18,331	15,691
Electricity sales revenue	<u>29,818</u>	<u>31,161</u>
Total	<u>\$ 131,568</u>	<u>\$ 127,543</u>

	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Operating lease		
Rental incomes	\$ 167,505	\$ 148,954
Revenue from Customer Contract		
Tank operation revenue	33,891	34,014
Electricity sales revenue	<u>51,641</u>	<u>58,952</u>
Total	<u>\$ 253,037</u>	<u>\$ 241,920</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>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>
Tank Storage Penalty Income	\$ -	\$ -
Dividend revenue	5,159	-
Other income	<u>2,051</u>	<u>37</u>
Total	<u>\$ 7,210</u>	<u>\$ 37</u>

	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Tank Storage Penalty Income	\$ 5,745	\$ -
Dividend revenue	5,159	-
Other income	<u>3,602</u>	<u>673</u>
Total	<u>\$ 14,506</u>	<u>\$ 673</u>

(XXII) Other gains or losses

	<u>April 1 to June 30,</u> <u>2025</u>	-	<u>April 1 to June 30,</u> <u>2024</u>
Gain on financial assets at fair value through profit or loss	\$ 3,103		(\$ 728)
Gains on disposals of property, plant and equipment	( 7,973)		-
Net foreign currency exchange loss	( 2,762)		740
	<u>(\$ 7,632)</u>		<u>\$ 12</u>

  

	<u>January 1 to June 30,</u> <u>2025</u>		<u>January 1 to June 30,</u> <u>2024</u>
Gain on financial assets at fair value through profit or loss	(\$ 949)	\$	3,945
Gains on disposals of property, plant and equipment	( 7,973)		1,048
Net foreign currency exchange loss	( 1,886)		1,559
	<u>(\$ 10,808)</u>	\$	<u>6,552</u>

(XXIII) Financial costs

	<u>April 1 to June 30, 2025</u>		<u>April 1 to June 30, 2024</u>
Interest expenses			
Bank borrowings	\$ 1,967	\$	2,199
Less: The amount of asset capital that meets the requirements	( 19)	(	3)
	1,948		2,196
Lease liabilities	690		788
	<u>\$ 2,638</u>	\$	<u>2,984</u>

	<u>January 1 to June 30, 2025</u>		<u>January 1 to June 30, 2024</u>
Interest expenses			
Bank borrowings	\$ 4,237	\$	4,351
Less: The amount of asset capital that meets the requirements	( 49)	(	5)
	4,188		4,346
Lease liabilities	1,439		1,629
	<u>\$ 5,627</u>	\$	<u>5,975</u>

(XXIII) Expenses by nature

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>
Employee benefits expense	\$ 21,044	\$ 21,716
Depreciation expense	47,453	47,198
Amortization expenses	394	477
Terminal administrative expenses	9,032	6,325
Miscellaneous purchases	1,283	671
Low-value asset rents	102	92
Expenses for variable lease payments	2,220	2,145
Service Fees	1,963	-
Other expenses	<u>15,384</u>	<u>18,436</u>
Operating costs and operating expenses	<u>\$ 98,875</u>	<u>\$ 97,060</u>

	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Employee benefits expense	\$ 43,458	\$ 41,986
Depreciation expense	93,052	94,746
Amortization expenses	881	955
Terminal administrative expenses	10,350	8,768
Miscellaneous purchases	2,010	1,147
Low-value asset rents	202	182
Expenses for variable lease payments	4,081	4,107
Service Fees	3,305	-
Other expenses	<u>39,442</u>	<u>36,804</u>
Operating costs and operating expenses	<u>\$ 196,761</u>	<u>\$ 188,695</u>

(XXIV) benefits expense

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>
Salary expenses	\$ 16,828	\$ 16,888
Labor and health insurance expenses	1,433	1,365
Pension costs	713	673
Directors' remuneration	869	1,696
Other employee expenses	<u>1,201</u>	<u>1,094</u>
	<u>\$ 21,044</u>	<u>\$ 21,716</u>

	<u>January 1 to June 30,</u> <u>2025</u>	<u>January 1 to June 30,</u> <u>2024</u>
Salary expenses	\$ 34,736	\$ 33,145
Labor and health insurance expenses	3,057	2,883
Pension costs	1,428	1,350
Directors' remuneration	2,034	2,679
Other employee expenses	<u>2,203</u>	<u>1,929</u>
	<u>\$ 43,458</u>	<u>\$ 41,986</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, it shall allocate no less than 0.1% for salary adjustments or bonuses for grass-roots employees, 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 April 1 to June 30, 2025 and 2024, January 1 to June 30, 2025 and 2024 were \$1,055、\$1,654、\$2,565 and \$2,595 respectively; the estimated profit sharing amount for directors' and supervisors' was \$785、\$1,654、\$1,908 and \$2,595, respectively, and the aforementioned amounts were recorded as salary expenses.
3. The remuneration to employees, directors, and supervisors for 2024 was NT\$5,153 and NT\$3,929 as resolved by the Board of Directors on March 13, 2025, 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>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>
Current tax:		
Income taxes arising from incomes for the current period	\$ 9,538	\$ 5,708
Amount of income tax underestimated for prior years	<u>1,990</u>	<u>841</u>
Total current tax	11,528	6,549
Deferred tax:		

Total deferred tax	( <u>4,148</u> )	<u>1,330</u>
Income tax expense	<u>\$ 7,380</u>	<u>\$ 7,879</u>
	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Current tax:		
Income taxes arising from incomes for the current period	\$ 15,702	\$ 12,058
Amount of income tax underestimated for prior years	<u>1,990</u>	<u>841</u>
Total current tax	17,692	12,899
Deferred tax:		
Origination and Reversal of Temporary Differences	( <u>4,323</u> )	<u>104</u>
Income tax expense	<u>\$ 13,369</u>	<u>\$ 13,003</u>

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

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>
Translation differences of foreign operations	\$ <u>8,750</u>	(\$ <u>961</u> )
	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Translation differences of foreign operations	\$ <u>7,605</u>	(\$ <u>3,729</u> )

2. The income tax examinations of the Company and its subsidiaries are as follows:

	<u>Approval status</u>
Prime Oil Chemical Service Corporation, He Zhen Feng Co., Ltd. and Chang Fu Feng Co., Ltd. Yufeng Green Energy Co., Ltd.	Approved until 2023
	Established in 2024, not yet approved by the tax authorities.
Kuantai Green Energy Co., Ltd., Anfeng Green Energy Co., Ltd. and Kunfeng Green Energy Co., Ltd.	Established in 2025, not yet approved by the tax authorities.

(XXVI) Earnings per share

	<u>April 1 to June 30, 2025</u>		
		Weighted average Number of shares in circulation	Earnings per share (NT\$)
	<u>After-tax amount</u>	<u>(thousands of shares)</u>	
<u>Basic earnings per share</u>			
Net profits for the period attributable to shareholders of parent company	\$ 22,695	77,834	<u>\$ 0.29</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employee compensation	<u>-</u>	<u>56</u>	
Net profits for the period attributable to shareholders of common stock of parent company plus the effect of potential common stock	<u>\$ 22,695</u>	<u>77,890</u>	<u>\$ 0.29</u>

	<u>April 1 to June 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	\$ 26,144	77,834	<u>\$ 0.34</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employee compensation	-	<u>86</u>	
Net profits for the period attributable to shareholders of common stock of parent company plus the effect of potential common stock	<u>\$ 26,144</u>	<u>77,920</u>	<u>\$ 0.34</u>

	<u>January 1 to June 30, 2025</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	\$ 47,489	77,834	<u>\$ 0.61</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employee compensation	-	<u>254</u>	
Net profits for the period attributable to shareholders of common stock of parent company plus the effect of potential common stock	<u>\$ 47,489</u>	<u>78,088</u>	<u>\$ 0.61</u>

	<u>January 1 to June 30, 2024</u>		
	Weighted average Number of shares in circulation		Earnings per share (NT\$)
	After-tax amount	(thousands of shares)	
<u>Basic earnings per share</u>			
Net profits for the period attributable to shareholders of parent company	\$ 51,865	77,834	<u>\$ 0.67</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employee compensation	-	193	
Net profits for the period attributable to shareholders of common stock of parent company plus the effect of potential common stock	<u>\$ 51,865</u>	<u>78,027</u>	<u>\$ 0.66</u>

(XXVII) Supplemental cash flow information

1. Investing activities that are only partially paid in cash

	<u>January 1 to June 30,</u> <u>2025</u>	<u>January 1 to June 30,</u> <u>2024</u>
Purchase of property, plant and equipment	\$ 50,301	\$ 7,789
Add: Equipment payable at the beginning of the period	15,516	17,585
Add: Prepayments for equipment at the end of the period	15,000	-
Less: Equipment payable at the end of the period	<u>(12,614)</u>	<u>(4,635)</u>
Cash paid during the period	<u>\$ 68,203</u>	<u>\$ 20,739</u>

2. It does not affect cash flow financing activities

	<u>2025/1/1 ~ 6/30</u>	<u>2024/1/1 ~ 6/30</u>
Cash dividends announced but not yet distributed	<u>\$ 77,834</u>	<u>\$ 46,701</u>

(XXVIII) Changes in liabilities arising from financing activities

	<u>2025</u>			
	Lease liabilities	Short-term borrowings and bills payable	Long-term borrowings (including portions due within one year or one operating cycle)	Total liabilities from financing activities
January 1	\$ 196,848	\$ -	\$ 369,739	\$ 566,587
Changes in cash flows from financing activities	<u>( 32,117)</u>	<u>100,000</u>	<u>( 139,376)</u>	<u>( 71,493)</u>
June 30	<u>\$ 164,731</u>	<u>\$ 100,000</u>	<u>\$ 230,363</u>	<u>\$ 495,094</u>

  

	<u>2024</u>			
	Lease liabilities	Short-term borrowings and bills payable	Long-term borrowings (including portions due within one year or one operating cycle)	Total liabilities from financing activities
January 1	\$ 225,800	\$ 30,000	\$ 344,092	\$ 599,892
Changes in cash flows from financing activities	<u>( 24,871)</u>	<u>( 30,000)</u>	<u>1,494</u>	<u>( 53,377)</u>
June 30	<u>\$ 200,929</u>	<u>\$ -</u>	<u>\$ 345,586</u>	<u>\$ 546,515</u>

VII. Related-Party Transactions

(I) Parent company and ultimate controlling party

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

(II) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
ABACUS DISPLAY INFINITY CORPORATION	Corporate director
Chang Fu Feng Co., Ltd.	Subsidiary (Note)

Note: In November 2024, the Company acquired 100% of the shares of Chang Fu Feng Co., Ltd., which became a subsidiary of the Company.

(III) Compensation of key management personnel

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>
Short-term employee benefits	\$ 6,125	\$ 7,005
Post-employment benefits	<u>308</u>	<u>314</u>
Total	<u>\$ 6,433</u>	<u>\$ 7,319</u>

  

	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Short-term employee benefits	\$ 12,420	\$ 12,992
Post-employment benefits	<u>603</u>	<u>627</u>
Total	<u>\$ 13,023</u>	<u>\$ 13,619</u>

VIII. Pledged assets

(I) The information as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>	<u>Purpose</u>
Other non-current assets (refundable deposits)	\$ 2,400	\$ 2,550	\$ 2,550	Customs duty
Other non-current assets (refundable deposits)	25,568	25,500	25,499	Lease deposits
Other non-current assets (refundable deposits)	20,782	20,529	19,819	Performance guarantee deposits
Other financial assets - non-current	3,553	4,787	4,785	Long-term borrowings
Other Equipment	<u>273,374</u>	<u>503,775</u>	<u>520,643</u>	Long-term borrowings
	<u>\$ 325,677</u>	<u>\$ 557,141</u>	<u>\$ 573,296</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>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Property, Plant and Equipment	<u>\$ 45,471</u>	<u>\$ 21,614</u>	<u>\$ 29,585</u>

X. Losses due to major disasters

Not applicable.

XI. Significant events after the balance sheet date

Not applicable.

## XII. Others

### (I) Capital management

The objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern, maintain an optimal capital structure to reduce the cost of capital, and provide returns to shareholders. To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, or raise/decrease debt. Where applicable, the Group monitors capital using the debt-to-equity ratio.

The Group monitors its capital using the debt-to-equity ratio, which is calculated as total borrowings less cash and cash equivalents, divided by total equity. The Group's strategy in 2025 remained consistent with that of 2024, aiming to maintain the debt-to-equity ratio within the range of 0% to 30%.

As of June 30, 2025 and 2024, the Group's debt-to-equity ratio was calculated as follows:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Total amount of loans	\$ 330,363	\$ 345,586
Less: Cash and cash equivalents	<u>( 201,321)</u>	<u>( 154,656)</u>
Net debt	<u>\$ 129,042</u>	<u>\$ 190,930</u>
Total equity	<u>\$ 1,234,167</u>	<u>\$ 1,231,550</u>
Debt-to-Capital Ratio	10.46%	15.50%

### (II) Financial instruments

#### 1. Categories of financial instruments

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</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>\$ 112,753</u>	<u>\$ 130,321</u>	<u>\$ 93,958</u>
Financial assets at fair value through other comprehensive income			
Investments in designated equity instrument	<u>\$ 4,208</u>	<u>\$ 4,622</u>	<u>\$ 4,537</u>
Financial assets measured at amortized cost			
Cash and cash equivalents	\$ 201,321	\$ 190,930	\$ 154,656
Financial assets measured at amortized cost - current	16,774	18,986	18,792
Note receivable	-	-	347
Trade receivable	55,984	45,984	50,530
Financial assets measured	3,553	4,787	4,785

at amortized cost – non-current			
Refundable deposits	<u>63,750</u>	<u>48,579</u>	<u>47,868</u>
	<u>\$ 341,382</u>	<u>\$ 309,266</u>	<u>\$ 276,978</u>
	<u>June 30, 2024</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Financial liability			
Financial assets measured at amortized cost			
Short-term borrowings	\$ 100,000	\$ -	\$ -
Notes payable	3,179	-	3,155
Other payables	137,744	52,540	81,633
Long-term borrowings (including portions due within one year or one operating cycle)	230,363	369,739	345,586
Guarantee deposits received	<u>440</u>	<u>440</u>	<u>440</u>
	<u>\$ 371,726</u>	<u>\$ 422,719</u>	<u>\$ 430,814</u>
Lease liabilities	<u>\$ 164,731</u>	<u>\$ 196,848</u>	<u>\$ 200,929</u>

## 2. Risk management policies

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

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

## 3. Significant financial risks and degrees of financial risks

### (1) Market risk

#### Exchange rate risk

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

<u>June 30, 2025</u>						
<u>Sensitivity Analysis</u>						
<u>Financial asset</u>	<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>Monetary items</u>						
USD: NTD	\$ 803	29.25	\$ 23,488	1%	\$ 235	\$ -
<u>Non-monetary items</u>						
USD: NTD	\$ 12,841	29.25	\$375,611	1%	\$ -	\$ -

December 31, 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	\$ 741	32.74	\$ 24,257	1%	\$ 243	\$ -
<u>Non-monetary items</u>						
USD: NTD	\$12,579	32.74	\$411,758	1%	\$ -	\$ -

June 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	\$ 1,679	32.40	\$54,400	1%	\$ 544	\$ -
<u>Non-monetary items</u>						
USD: NTD	\$12,292	32.40	\$398,257	1%	\$ -	\$ -

C. The total amount of exchange benefit (losses) (both realized and unrealized) recognized from April 1 to June 30, 2025, January 1 to June 30, 2025 and 2024 was (\$2,762) 、\$740 、(\$1,886) and \$1,559, 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 6

months ended June 30, 2025 and 2024, 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 June 30, 2025, December 31, 2024 and June 30, 2024, if the interest rate on borrowings had increased by 1%, net profits after tax would have decreased by \$661 and \$1,382 for the 6 months ended June 30, 2025 and 2024, 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 June 30, 2025, December 31, 2024 and June 30, 2024.
- 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:

June 30, 2025	<u>Less than 1 year</u>	<u>Less than 1 to 2 years</u>	<u>More than 2 years</u>
Short-term borrowings	\$ 100,050	\$ -	\$ -
Notes payable	3,179	-	-
Other payables	137,744	-	-
Lease liabilities	60,471	63,499	47,381
Guarantee deposits received	-	-	440
Long-term borrowings (including portions due within one year or one operating cycle)	<u>43,434</u>	<u>43,034</u>	<u>164,279</u>
Total	<u>\$ 344,878</u>	<u>\$ 106,533</u>	<u>\$ 212,100</u>

Non-derivative financial liabilities:

December 31, 2024	<u>Less than 1 year</u>	<u>Less than 1 to 2 years</u>	<u>More than 2 years</u>
Short-term borrowings	\$ -	\$ -	\$ -
Notes payable	-	-	-
Other payables	52,540	-	-
Lease liabilities	60,471	67,133	73,983
Guarantee deposits received	-	-	440
Long-term borrowings (including portions due within one year or one operating cycle)	<u>62,847</u>	<u>72,729</u>	<u>265,451</u>
Total	<u>\$ 175,858</u>	<u>\$ 139,862</u>	<u>\$ 339,874</u>

Non-derivative financial liabilities:

June 30, 2024	<u>Less than 1 year</u>	<u>Less than 1 to 2 years</u>	<u>More than 2 years</u>
Short-term borrowings	\$ -	\$ -	\$ -
Notes payable	3,155	-	-
Other payables	81,633	-	-
Lease liabilities	56,685	53,080	100,429
Guarantee deposits received	-	-	440
Long-term borrowings (including portions due within one year or one operating cycle)	<u>60,765</u>	<u>62,701</u>	<u>253,582</u>
Total	<u>\$ 202,238</u>	<u>\$ 115,781</u>	<u>\$ 354,451</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.

June 30, 2025	<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	\$ -	\$ -	\$112,753	\$112,753
Financial assets at fair value through other comprehensive income				
Equity security	<u>-</u>	<u>-</u>	<u>4,208</u>	<u>4,208</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$116,961</u>	<u>\$116,961</u>

December 31, 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	\$ -	\$ -	\$130,321	\$130,321
Financial assets at fair value through other comprehensive income				
Equity security	<u>-</u>	<u>-</u>	<u>4,622</u>	<u>4,622</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$134,943</u>	<u>\$134,943</u>

June 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	\$ -	\$ -	\$93,958	\$93,958
Financial assets at fair value through other comprehensive income				
Equity security	-	-	<u>4,537</u>	<u>4,537</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$98,495</u>	<u>\$98,495</u>

3. The following schedule shows the changes in Level 3 for the 6 months ended June 30, 2025 and 2024.

	<u>2025</u>	<u>2024</u>
	<u>Non-derivative equity security</u>	<u>Non-derivative equity security</u>
January 1	\$ 134,943	\$ 107,321
Current addition	-	5,400
Capital reduction in this period and return of shares	( 16,619)	( 17,597)
Gain (loss) recognized in profit or loss	( 949)	3,945
Loss recognized in other comprehensive Income	<u>( 414)</u>	<u>( 574)</u>
June 30	<u>\$ 116,961</u>	<u>\$ 98,495</u>

4. For the 6 months ended June 30, 2025 and 2024, 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>June 30, 2025</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	\$ 4,208	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	112,753	Net asset value method	Net asset value		-The higher the net asset value, the higher the fair value

	<u>December 31, 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 company Stock	\$ 4,622	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	130,321	Net asset value method	Net asset value	-	The higher the net asset value, the higher the fair value

	<u>June 30, 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</u> <u>value and fair value</u>
Non-derivative equity security:					
Non TWSE or TPEX listed stock	\$ 4,537	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	93,958	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>June 30, 2025</u>			
			<u>Recognized in profit or loss</u>		<u>Recognized in other comprehensive</u>	
			<u>Favorable</u>	<u>Unfavorable</u>	<u>Favorable change</u>	<u>Unfavorable change</u>
Financial asset	<u>Input value</u>	<u>Change</u>	<u>change</u>	<u>change</u>		
	The discount for lack of marketability and the discount for lack of controlling interests					
Equity instruments	±1%		\$ -	\$ -	\$ 42	(\$ 42)
Investment in private equity	Net asset value	±1%	<u>1,128</u>	<u>( 1,128)</u>	<u>-</u>	<u>-</u>
Total			<u>\$ 1,128</u>	<u>(\$ 1,128)</u>	<u>\$ 42</u>	<u>(\$ 42)</u>

		<u>December 31, 2024</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>Input value</u>	<u>Change</u>	<u>change</u>	<u>change</u>			
Financial asset						
Equity instruments	The discount for lack of marketability and the discount for lack of controlling interests					
	±1%	\$ -	\$ -	\$ 46	(\$ 46)	
Investment in private equity	Net asset value					
	±1%	<u>1,303</u>	<u>( 1,303)</u>	<u>-</u>	<u>-</u>	
Total		<u>\$ 1,303</u>	<u>(\$ 1,303)</u>	<u>\$ 46</u>	<u>(\$ 46)</u>	

		<u>June 30, 2024</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>Input value</u>	<u>Change</u>	<u>change</u>	<u>change</u>			
Financial asset						
Equity instruments	The discount for lack of marketability and the discount for lack of controlling interests					
	±1%	\$ -	\$ -	\$ 45	(\$ 45)	
Investment in private equity	Net asset value					
	±1%	<u>940</u>	<u>( 940)</u>	<u>-</u>	<u>-</u>	
Total		<u>\$ 940</u>	<u>(\$ 940)</u>	<u>\$ 45</u>	<u>(\$ 45)</u>	

### 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. Purchase from or sale to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.

5. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
6. Business relationships and significant intercompany transactions and amounts between the parent company and its subsidiaries and between subsidiaries: Please refer to Table 3.

(II) Information on investees

Name, locations, and other related information of investees. Please refer to Table 2.

(III) Investments in Mainland China

Not applicable.

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 April 1, to June 30, 2025 and 2024, January 1, to June 30, 2025 and 2024 is as follows.

	<u>April 1 to June 30, 2025</u>		
	<u>Oil and chemical tank</u>	<u>Solar power</u>	
	<u>rental business</u>	<u>generation business</u>	<u>Total</u>
Segment revenues	\$ 101,751	\$ 29,817	\$131,568
Segment profits or losses (Note)	26,805	( 4,113)	22,692
Segment profits or losses include:			
Depreciation and amortization	33,672	14,175	47,847
Interest income	798	385	1,183
Financial costs	2,661	( 23)	2,638
Income tax expense	4,933	2,447	7,380

	<u>January 1 to June 30, 2025</u>		
	<u>Oil and chemical tank</u>	<u>Solar power</u>	
	<u>rental business</u>	<u>generation business</u>	<u>Total</u>
Segment revenues	\$ 201,397	\$ 51,640	\$ 253,037
Segment profits or losses (Note)	47,112	374	47,486
Segment profits or losses include:			
Depreciation and amortization	66,465	27,468	93,933
Interest income	964	615	1,579
Financial costs	5,540	87	5,627
Income tax expense	9,755	3,614	13,369

	<u>April 1 to June 30, 2024</u>		
	<u>Oil and chemical tank</u>	<u>Solar power</u>	<u>Total</u>
	<u>rental business</u>	<u>generation business</u>	
Segment revenues	\$ 96,382	\$ 31,161	\$ 127,543
Segment profits or losses (Note)	14,648	11,494	26,142
Segment profits or losses include:			
Depreciation and amortization	34,031	13,644	47,675
Interest income	703	321	1,024
Financial costs	2,984	-	2,984
Income tax expense	5,260	2,619	7,879

	<u>January 1 to June 30, 2024</u>		
	<u>Oil and chemical</u>	<u>Solar power</u>	<u>Total</u>
	<u>tank rental business</u>	<u>generation business</u>	
Segment revenues	\$ 182,968	\$ 58,952	\$ 241,920
Segment profits or losses (Note)	31,459	20,402	51,861
Segment profits or losses include:			
Depreciation and amortization	68,465	27,236	95,701
Interest income	764	620	1,384
Financial costs	5,975	-	5,975
Income tax expense	8,687	4,316	13,003

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)  
 June 30, 2025

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	\$ 4,208	0.70%	\$ 4,208	
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	-	18,216	3.00%	18,216	
Prime Oil Chemical Service Corporation	Private Equity Investment - Anxin No. 1 Limited Partnership	None	Financial assets at fair value through profit or loss - non-current	-	67,922	8.27%	67,922	
Prime Oil Chemical Service Corporation	Investment in private equity - ABV III Holding Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	-	26,615	8.71%	26,615	

Prime Oil Chemical Service Corporation

Name, locations, and other related information of investees

January 1 to June 30, 2025

Table 2

Unit: Thousand NTD

(Unless otherwise specified)

<u>Investor</u>	<u>Name of investee</u>	<u>The place where it is located</u>	<u>Main business items</u>	<u>Initial investment amount</u>		<u>Held at end of period</u>			<u>Investee profit or loss for the period</u>	<u>Investment gains and losses recognized in the current period</u>	<u>Remark</u>
				<u>End of current period</u>	<u>End of previous period</u>	<u>Shares</u>	<u>Ratio</u>	<u>Carrying amount</u>			
Prime Oil Chemical Service Corporation	He Zhen Feng Co., Ltd.	Taiwan	Real Estate Leasing	\$ 695	\$ 695	69,468	69.47	\$ 1,002	(\$ 11)	\$ 7	Note 3
Prime Oil Chemical Service Corporation	Yufeng Green Energy Co., Ltd.	Taiwan	Solar Power Industry	131,810	25,100	13,181,000	100.00	137,279	2,181	2,181	Note 2,3
Prime Oil Chemical Service Corporation	Chang Fu Feng Co., Ltd.	Taiwan	Solar Power Industry	102,180	2,214	10,218,000	100.00	107,283	329	329	Note 2,3
Prime Oil Chemical Service Corporation	Kuantai Green Energy Co., Ltd.	Taiwan	Solar Power Industry	63,210	-	6,321,000	100.00	66,651	331	331	Note 2,3
Prime Oil Chemical Service Corporation	Anfeng Green Energy Co., Ltd.	Taiwan	Solar Power Industry	50,000	-	5,000,000	100.00	49,956	( 44)	( 44)	Note 2,3
Prime Oil Chemical Service Corporation	Kunfeng Green Energy Co., Ltd.	Taiwan	Solar Power Industry	1,000	-	100,000	100.00	949	( 51)	( 51)	Note 2,3
Prime Oil Chemical Service Corporation	Prime Holdings Corporation	Anguilla	Shareholding and General Trading	191,886	191,886	30,000	100.00	242,583	( 11,604)	( 11,604)	Notes 1,3
Prime Oil Chemical Service Corporation	ABZBRIDGE CORPORATION	Cayman Islands	Shareholding company	68,900	68,900	10,000	33.17	133,028	14,860	4,929	Note 1
Prime Holdings Corporation	Prime Solar Energy Co., Ltd.	Cambodia	Real Estate Development	52,344	52,344	1,700,000	100.00	49,537	10	10	Notes 1,3

Note 1: Except for the information disclosed about investees, except for the current profit and loss, which is translated at the average exchange rate from January 1 to June 30, 2025, the rest is translated at the exchange rate on June 30, 2025.

Note 2: In order to improve the overall operating efficiency of the Energy Division, the utilization of funds and the return on investment, the Company has established new subsidiaries in the fourth quarter of 2024 and the first quarter of 2025.

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

Prime Oil Chemical Service Corporation  
Intercompany relationships and significant transactions  
January 1 to June 30, 2025

Table 3

Unit: Thousand NTD  
(Unless otherwise specified)

<u>No. (Note 1)</u>	<u>Company Name</u>	<u>Related Party</u>	<u>Nature of Relationship</u> (Note 2)	<u>Financial Statement Account</u>	<u>Transaction Details</u>		<u>Percentage of</u> <u>Consolidated Net</u> <u>Revenue or Total</u> <u>Assets (Note 3)</u>
					<u>Amount</u>	<u>Payment Terms</u>	
0	Prime Oil Chemical Service Corporation	Chang Fu Feng Co., Ltd.	1	Property, plant and equipment	\$ 99,950	Note 4	5%
0	Prime Oil Chemical Service Corporation	Yufeng Green Energy Co., Ltd	1	Property, plant and equipment	124,252	Note 5	6%
0	Prime Oil Chemical Service Corporation	Kuantai Green Energy Co., Ltd.	1	Property, plant and equipment	62,210	Note 4	3%

Note 1: Significant transactions between the Company and its subsidiaries or among subsidiaries are numbered as follows:

(1).“0” for the Company

(2).Subsidiaries are numbered from “1”.

Note 2: Related party transactions are divided into three categories. Please indicate the category only. (If it is the same transaction between the parent company and subsidiaries, or among subsidiaries, duplicate disclosure is not required. For example: For a transaction from the parent company to a subsidiary, if the parent company has disclosed it, the subsidiary does not need to disclose it again; For a transaction between subsidiaries, if one subsidiary has disclosed it, the other does not need to disclose it again.)

(1).The Company to subsidiaries.

(2).Subsidiaries to the Company.

(3).Subsidiaries to subsidiaries.

Note 3: The calculation of transaction amounts as a percentage of consolidated total revenue or total assets is based on the period-end balance for asset or liability items as a percentage of consolidated total assets, and on the accumulated amounts for the interim period for income or expense items as a percentage of consolidated total revenue.

Note 4: Capital increase in a subsidiary through contribution of assets.

Note 5: A capital contribution of \$68,805 was made to a subsidiary through the injection of assets, and assets totaling \$55,447 were disposed of. The transaction terms were mutually agreed upon by the parties involved.