

Ticker Symbol: 2904



Handbook for
2024 Annual General Meeting of
Shareholders

Type of the Meeting : Physical Meeting

Time : 9:00 a.m., Friday, June 21, 2024

Venue : 2F., No. 327, Sec. 1, Tiding Blvd., Neihu Dist.,
Taipei City, Taiwan (LILY Conference)

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2024 Annual General Meeting of Shareholders of Prime Oil Chemical Service Corporation

Time : 9:00 a.m., Friday, June 21, 2024

Venue : 2F., No. 327, Sec. 1, Tiding Blvd., Neihu Dist., Taipei City, Taiwan
(R.O.C.)(LILY Conference)

1. Call the Meeting to Order
2. Chairman's Speech
3. Reported matters
 - (1) 2023 business report.
 - (2) Audit committee's review report.
 - (3) Distribution of 2023 employee and director remuneration.
 - (4) Cash dividends distribution of 2023.
 - (5) Amendment to the Company's "Rules of Procedure for Board of Directors Meetings".
4. Acknowledged matters
 - (1) Adoption of the Company's 2023 financial statements.
 - (2) Statement of earnings distribution of 2023.
5. Matters for Discussion
 - (1) Amendment to the Company's Articles of Association.
 - (2) Amendment to the Company's "Rules of Procedure of Shareholders' Meeting".
6. Extemporaneous Motions
7. Meeting Adjourned

Reported matters

【Motion 1】

Topic : 2023 business report.

Explanation : The Company's 2023 business report, please refer to pp.7-10.

【Motion 2】

Topic : Audit committee's review report.

Explanation : Audit Committee's review report, please refer to p.11.

【Motion 3】

Topic : Distribution of 2023 employee and director remuneration.

Explanation : NT\$2,595,096 is appropriated as employees' remuneration, and NT\$2,595,096 as directors' remuneration, both will be paid in cash. There is no difference between the estimated amount of expenses incurred in 2023 and actual payout in 2024.

【Motion 4】

Topic : Cash dividends distribution of 2023.

Explanation : The dividend payout to shareholders is based on the total number of issued shares of 77,834,432. NT\$46,700,659 of earnings is appropriated, and shareholders will

receive a cash dividend of NT\$0.60 per share. Any amount less than one New Taiwan dollar will be rounded down to zero, and the remaining cash dividends will be recorded as other income for the company. The board of directors has resolved and authorized the chairman to determine the ex-dividend date, payment date, and other matters related to the distribution of cash dividends. If there are any changes in the number of outstanding shares due to the issuance of new shares through a cash increase, repurchase of the company's shares, transfer of treasury stock, or other circumstances that affect the distribution rate to shareholders, the chairman is authorized to handle the related matters.

【Motion 5】

Topic : Amendment to the Company's "Rules of Procedure for Board of Directors Meetings".

Explanation : In accordance with the amendment of the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" on January 11, 2024, the Company's " Rules of Procedure for Board of Directors Meetings" have been amended, please refer to pp12-13 for the Comparison Table of Revised Articles.

Acknowledged matters

【Motion 1】

Proposed by the board of directors

Topic : Adoption of the Company's 2023 financial statements.

Explanation : The Company's 2023 standalone financial statements and consolidated financial statements have been audited by Huang,Pei-Chuan and Pan,Hui-Lin, CPAs of PwC Taiwan. Together with the business report, they were resolved and passed by the Board of Directors of the Company, and audited by the Audit Committee's, please refer to pp7-10 and 14-35.

Resolution :

【Motion 2】

Proposed by the board of directors

Topic : Statement of earnings distribution of 2023.

Explanation : Statement of earnings distribution of 2023, please refer to p36.

Resolution :

Matters for Discussion

【Motion 1】

Proposed by the board of directors

Topic : Amendment to the Company's Articles of Association.

Explanation : In order to comply with the existing laws and regulations and new business lines, the Company's Articles of Incorporation are hereby amended, please refer to pp37-38 for the comparison table of revised articles.

Resolution :

【Motion 2】

Proposed by the board of directors

Topic : Amendment to the Company's "Rules of Procedure of Shareholders' Meeting".

Explanation : In order to comply with the current laws and regulations and the current practice of the Company, the " Rules of Procedure for Shareholders' Meeting" of the Company are hereby amended, please refer to p39 for the comparison table of revised articles.

Resolution :

Extemporaneous Motions

Appendices

2023 business report

一、Results of 2023 business plan execution

Revenue for the year was NT\$425,053 k, decreased 7% over the previous year (2022), and net profit for the period was NT\$65,233 k, decreased 39% over the previous year. Chemical and oil tank storage leasing revenue in Taichung Port approximately accounted for 76% of the revenue and the Energy Division's electricity revenue accounted for 24%.

二、Budget execution

The Company did not disclose its 2023 financial forecasts to the public.

三、Financial analysis

Standalone statements

Unit: Thousands of NTD, unless otherwise specified

Item	2023	2022	Increased (decreased) amount	Change percentage (%)
Net operating revenue	\$425,053	\$454,885	(29,832)	(7%)
Operating cost	(301,895)	(286,555)	15,340	5%
Operating gross margin	123,158	168,330	(45,172)	(27%)
Operating expenses	(64,716)	(67,663)	(2,947)	(4%)
Net operating income	58,442	100,667	(42,225)	(42%)
Non-operating income or expenses	22,415	35,258	(12,843)	(36%)
Income before income tax	80,857	135,925	(55,068)	(41%)
Income tax expense	(15,624)	(28,881)	(13,257)	(46%)
Current period net income	65,233	107,044	(41,811)	(39%)
Other comprehensive income for the year (net)	(63)	22,024	(22,087)	100%
Total comprehensive	65,170	129,068	(63,898)	(50%)

Item	2023	2022	Increased (decreased) amount	Change percentage (%)
income for the period				
Basic earnings per share (NTD)	0.84	1.50	(0.66)	(44%)

Analysis and explanation of the increase or decrease percentage:

1. Decrease in sales revenue: The Chemical and Oil Tank Storage Division's operating revenue decreased by approximately \$42.3 million, or 12%, mainly due to (1) There were more changes in the oil tank customers because of significant changes in the oil trading market affected by the international situation. Some customers did not renew their leases when the contracts expired and some customers leased more tanks for a certain period of time, resulting in a successive decrease in sales revenue. However, there was a significant increase in the overall throughput volume, compared to last year; (2) There were increase and decrease among chemical tank customers. The sales revenue and throughput volume ramped up a bit. The Energy Division's revenue increased by approximately \$12.47 million, or 14%, compared with the previous period due to the addition of new solar power generation sites.
2. The increase in operating costs was mainly from (1)increase in the Chemical and Oil Tank Storage Division of approximately \$6.37million, which includes the increase in travelling expenses (due to the gradual resumption of travelling after the waning of the Covid-19), utilities expenses (due to the increase in electricity unit prices), nitrogen expenses (due to the addition of new customers' products requiring nitrogen and the increase in the unit price of nitrogen resulting from the increase of electricity unit prices), and import/export expenses (due to an increase in the throughput volume); while the decreases were due to the decrease in the fuel expenses - palm oil (due to the decrease of products requiring heating and insulation) and repair and maintenance expenses (due to cost-cutting management measures), etc. (2)The increase of approximately \$8.97 million in the Energy Division was mainly due to the recognition of depreciation expenses for the new solar power generation sites, and a slight increase in repair expenses
3. The decrease in operating expenses was mainly due to Selling expenses decreased by \$0.9 million due to there was no donations associated with business development in 2023.
Administrative expenses decreased approximately by \$2.05 million primarily due to the salary expense recognized for share-based payment agreement compensation fees in connection with a cash capital increase in 2022, compared to none in 2023.

4. Decrease in non-operating income and expenses:
 - (1) The increase in other income was mainly due to the increase of cash dividends received from financial asset at fair value through profit or loss and financial assets at fair value through other comprehensive income;
 - (2) The decrease in other gains and losses was mainly due to the aggregate effect of decrease in valuation adjustments on financial assets at fair value through profit or loss compared to the previous period and the gain on disposal of subsidiary.
 - (3) The increase in finance costs was not only affected by the increase in financing interest rates, but also by the reduction in capital expenditure on projects and the relatively significant decrease in the amount of interest capitalized during the period, which resulted in an increase in directly expensed finance costs as compared to 2022;
 - (4) The increase in the share of profits and losses of affiliates and joint ventures recognized under the equity method was mainly due to the improving of operating income of the investee company.
5. The decrease in income tax expense was due to the decrease in net income before income tax resulting from all the factors mentioned above.
6. Decrease in other comprehensive income(net): Mainly due to the decrease in the cumulative translation adjustment of foreign currencies, with the decrease in the U.S. dollar exchange rate compared to the previous period.

四、2024 business plan outline

1. Boost Revenue Generation

- The Chemical and Oil Tank Storage Division to build storage services that respond quickly to customer and market needs, becoming the best storage service partner in the customer's trading and manufacturing value chain, and to be a pioneer in developing new storage service markets.
- The Energy Division to become a small but beautiful renewable energy service provider, pooling resources and networking to develop new forms of renewable energy projects, aligning the direction of government policy, flexibly adjusting the portfolio of projects, and optimizing the rate of return on investment.

2. Human Resource Optimization and Re-evolution

- Train middle- and high-level managerial successors.
- Promote internal communication with the concept of One

Team, so that the top and bottom of the team can work together as one to serve customers and respond to market changes.

- Challenge sustainably to cultivate motivated and positive attitudes colleagues with new ideas and practices.

3. Process Improvement and Innovation

- Management system integration and optimization.
- Application of automation, digitalization, and intelligence technologies.
- Developing new business models to open up new business opportunities.

Chairman :
Liao, Shu-Chun

Manager :
Yeh, Tang-Jung

Accounting officer :
Huang, Yi-Yin

Prime Oil Chemical Service Corporation

Audit Committee's review report

Approval of

The Board of Directors has issued the 2023 Business Report, Financial Statements and Earnings Distribution Proposal. Among these, the Financial Statements were audited by Huang,Pei-Chuan and Pan,Hui-Lin, Certified Public Accountants of PWC, and this Audit Report is duly issued. The aforementioned Business Report, Financial Statements and Earnings Distribution Proposal have been examined and determined to be correct and accurate by the Audit Committee. This Report is hereby duly submitted in accordance with the provisions of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Submitted to

The Company's 2024 Annual General Meeting of Shareholders

Prime Oil Chemical Service Corporation
Chair of the Audit Committee : Ho, Kuo-Chen

March 14, 2024

Prime Oil Chemical Service Corporation
Comparison Table for the Rules of Procedure for Board of
Directors Meetings Before and After Revision

After Revision	Before Revision	Description
<p>Article 8</p> <p>When a Board of Directors is held, the Chairman's Office shall provide the attending directors with relevant materials for ready reference.</p> <p>When the meeting of the Board of Directors is convened, personnel from relevant departments or subsidiaries may be notified to attend as non-voting delegates depending on the content of the proposals to be discussed.</p> <p>When necessary, accountants, lawyers or other professionals may also be invited to attend the meeting to provide an explanation. However, these personnel shall leave the venue of the meeting during the voting.</p> <p>The chair shall call the Board of Directors to order at the appointed meeting time and when more than one-half of all the directors are in attendance.</p> <p>If half of all the directors is not in attendance at the appointed meeting time, the chair may postpone the meeting <u>on the same day</u>, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Paragraph 2 of Article 3.</p> <p>The number of "all directors," as in the preceding paragraph and in subparagraph 2, paragraph 2 of Article 16 shall be calculated as the number of actual incumbents.</p>	<p>Article 8</p> <p>When a Board of Directors is held, the Chairman's Office shall provide the attending directors with relevant materials for ready reference.</p> <p>When the meeting of the Board of Directors is convened, personnel from relevant departments or subsidiaries may be notified to attend as non-voting delegates depending on the content of the proposals to be discussed.</p> <p>When necessary, accountants, lawyers or other professionals may also be invited to attend the meeting to provide an explanation. However, these personnel shall leave the venue of the meeting during the voting.</p> <p>The chair shall call the Board of Directors to order at the appointed meeting time and when more than one-half of all the directors are in attendance.</p> <p>If half of all the directors is not in attendance at the appointed meeting time, the chair may postpone the meeting, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Paragraph 2 of Article 3.</p> <p>The number of "all directors," as in the preceding paragraph and in subparagraph 2, paragraph 2 of Article 16 shall be calculated as the number of actual incumbents.</p>	<p>Amendment has been made to Article 12 of the 'Regulations Governing Procedure for Board of Directors Meetings of Public Companies' in accordance with the revision dated January 11, 2024.</p>
<p>Article 11</p> <p>The Board of Directors of the Company shall proceed in accordance with the agenda in the meeting notice. However, the agenda</p>	<p>Article 11</p> <p>The Board of Directors of the Company shall proceed in accordance with the agenda in the meeting notice. However, the agenda</p>	<p>Amendment has been made to Article 13 of the 'Regulations</p>

After Revision	Before Revision	Description
<p>may be changed with the approval of more than half of the directors present.</p> <p>The chairman shall not declare the meeting adjourned without the consent of more than half of the directors present.</p> <p>If, during the course of a meeting of the Board of Directors, the Directors present do not constitute a majority of the Directors present, the Chairman shall, upon the proposal of the Directors present, declare that the meeting be suspended and that the provisions of Article 8, <u>paragraph 5</u> shall apply.</p> <p><u>In the course of a meeting of the Board of Directors, if the Chairman is unable to preside over the meeting for any reason or fails to adjourn the meeting in accordance with the provisions of Paragraph 2, the election of his/her proxy shall be governed by the provisions of Article 7, Paragraph 3.</u></p>	<p>may be changed with the approval of more than half of the directors present.</p> <p>The chairman shall not declare the meeting adjourned without the consent of more than half of the directors present.</p> <p>During the Board of Directors, if the number of directors present does not reach half of the directors present, upon the proposal of the directors present, the chairman shall announce suspension of the meeting, and the provisions of Article 8 shall apply.</p>	<p>Governing Procedure for Board of Directors Meetings of Public Companies' in accordance with the revision dated January 11, 2024.</p>

Independent Auditors' Report

(2024) PWCR 23005091

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

Opinion

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

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

Basis for Audit Opinion

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

Key inspection items

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

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

Evaluation of other equipment impairment

Description

For property, plant and equipment, please refer the Note 6(7) of the Standalone Financial Statements. For accounting policies of impairment assessment and significant accounting judgments, assumptions and uncertainty of Estimations, please refer to Note 4(17) and 5 of the Standalone Financial Statements, respectively.

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

Audit procedure in response

The audit procedures we performed are set out below:

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

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

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

In preparing the Standalone Financial Statements, the responsibility of the management also includes evaluating the ability of the Company's going concern, disclosure of related matters and adoption of the going concern basis of accounting, unless the management intends to liquidate Prime Oil Chemical Service Corporation or to cease its operations or has no practical alternative to liquidation or cessation of operations.

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

Independent Auditors' responsibilities to auditing the Standalone Financial Statements.

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

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

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

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

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

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

PwC, Taiwan

Huang, Pei-Chuan

Accountant

Pan, Hui-Ling

March 14, 2024

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

Unit: Thousand NTD

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

(Continued)

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

Unit: Thousand NTD

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

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

Chairperson: Liao Shu-chun

Managerial officer: Yeh Tang-jung

Accounting officer: Huang Yi-yin

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

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

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

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

Chairperson: Liao Shu-chun

Managerial officer: Yeh Tang-jung

Accounting officer: Huang Yi-yin

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

Unit: Thousand NTD

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

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

Chairperson: Liao Shu-chun

Managerial officer: Yeh Tang-jung

Accounting officer: Huang Yi-yin

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

Unit: Thousand NTD

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

(Continued)

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

Unit: Thousand NTD

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

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

Chairperson: Liao Shu-chun

Managerial officer: Yeh Tang-jung

Accounting officer: Huang Yi-yin

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

Opinion

We have reviewed the accompanying consolidated balance sheets of Prime Oil Chemical Service Corporation and its subsidiaries (hereinafter referred to as the "Corporate Group") as of December 31, 2023 and 2022 and the related consolidated comprehensive income statements, consolidated statements of changes in equity and consolidated cash flow statements for the periods then ended, and notes to the consolidated financial statements (including a summary of the significant accounting policies).

Based on our review, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Prime Oil Chemical Service Corporation as of December 31, 2023 and 2022, and the consolidated financial results and consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, explanations and announcements of explanations recognized by the Financial Supervisory Commission.

Basis for Audit Opinion

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

Key inspection items

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

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

Evaluation of other equipment impairment

Description

For property, plant and equipment, please refer the Note 6(7) of the Consolidated Financial Statements. For accounting policies of impairment assessment and significant accounting judgments, assumptions and uncertainty of estimations, please refer to Note 4(18) and 5 of the Consolidated Financial Statements respectively.

Prime Oil Chemical Service Corporation's other equipment (under property, plant and equipment) is the major asset related to the solar power generation division with a book value of NT\$898,507 thousand, accounting for 47% of the total consolidated assets. Due to the scarcity of available solar power land and difficulty of developing large sites, Prime Oil Chemical Service Corporation estimates the amount recoverable of other equipment based on the value in use and applies it as the basis of impairment assessment. Since the value-in-use evaluation process involves judgment of changes due to variations of economic environment or climate conditions and uncertainties to the future due to changes in estimation results brought by the conditions, which could have a significant impact on the recoverable amount measurement and in turn affects the assessment of impairment amount, we consider the impairment assessment of other equipment, a key inspection item.

Audit procedure in response

The audit procedures we performed are set out below:

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

Others - Standalone Financial Reports

Prime Oil Chemical Service Corporation has prepared its financial statements for the years ended December 31, 2023 and 2022, and we have issued an unqualified audit report thereon for reference.

The management's and governance units' responsibilities to the Consolidated

Financial Statements

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

In preparing the Consolidated Financial Statements, the responsibility of the management also includes evaluating the ability of the Company's going concern, disclosure of related matters, and adoption of the going concern basis of accounting, unless the management intends to liquidate Prime Oil Chemical Service Corporation or to cease its operations or has no practical alternative to liquidation or cessation of operations.

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

Independent Auditors' responsibilities to auditing the Consolidated Financial Statements.

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

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

1. Identify and assess risk of material misstatements resulting from fraud or error; design and implement appropriate countermeasures for the assessed risks; and obtain sufficient and appropriate audit evidences as the basis of our audit opinion. Since fraud may involve conspiracy, forgery, intentional omission, misrepresentation or a breach of internal control, the risk of not detecting a material misstatement due to fraud is higher than what is due to error.
2. Obtain the necessary understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, provided that the objective is not to express an opinion on the effectiveness of Prime Oil Chemical Service Corporation's internal control.
3. Evaluate the appropriateness of the accounting policies adopted by management and the reasonableness of the accounting estimates and related disclosures they made.

4. Based on the evidence obtained, draw conclusions regarding the appropriateness of the management's adoption of accounting basis for going concern and whether there is any material uncertainty regarding events or circumstances that may cast significant doubt on Prime Oil Chemical Service Corporation's ability in continuing operations. If we believe that a material uncertainty exists with respect to any of such events or circumstances, we shall draw the attention of users of the Standalone Financial Statements to the relevant disclosures in the Standalone Financial Statements or amend our audit opinion when such disclosures are inappropriate. Our conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances may cause Prime Oil Chemical Service Corporation to cease to have the ability of continuing operations.
5. Evaluate whether or not the overall presentation, structure and content of the Consolidated Financial Statements (including the related notes) and the Standalone Financial Statements fairly present the relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence on the financial information that constitutes Prime Oil Chemical Service Corporation's financial position to provide our opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and execution of the audit project and for developing audit opinions of Prime Oil Chemical Service Corporation.

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

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

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

PwC, Taiwan

Huang, Pei-Chuan

Accountant

Pan, Hui-Ling

March 14, 2024

Prime Oil Chemical Service Corporation and its subsidiaries
Consolidated balance sheets
December 31, 2023 and 2022

Unit: Thousand NTD

Assets		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current assets					
1100	Cash and cash equivalents	\$ 85,546	4	\$ 99,347	4
1136	Financial assets measured at amortized cost - current	20,680	1	17,783	1
1150	Notes receivable, net	346	-	351	-
1170	Accounts receivable, net	52,961	3	43,438	2
1410	Prepayments	13,603	1	22,150	1
1460	Net assets held for sale	-	-	85,273	4
11XX	Total current assets	<u>173,136</u>	<u>9</u>	<u>268,342</u>	<u>12</u>
Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	102,210	5	104,538	5
1517	Financial assets at fair value through other comprehensive income - noncurrent	5,111	-	5,108	-
1535	Financial assets measured at amortized cost - non-current	3,571	-	2,305	-
1550	Investments accounted for using equity method	104,913	6	87,952	4
1600	Property, Plant and Equipment	1,251,778	65	1,309,677	60
1755	Right-of-use assets	235,341	12	293,591	14
1780	Intangible asset	2,890	-	4,230	-
1840	Deferred tax assets	1,384	-	1,876	-
1900	Other non-current assets	47,405	3	116,720	5
15XX	Total non-current assets	<u>1,754,603</u>	<u>91</u>	<u>1,925,997</u>	<u>88</u>
1XXX	Total Assets	<u>\$ 1,927,739</u>	<u>100</u>	<u>\$ 2,194,339</u>	<u>100</u>

(Continued)

Prime Oil Chemical Service Corporation and its subsidiaries
Consolidated balance sheets
December 31, 2023 and 2022

Unit: Thousand NTD

Liabilities and Stockholders' Equity		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current liabilities				
2100	Short-term borrowings	\$ 30,000	2	\$ 207,000	9
2110	Short-term bills payable	-	-	34,800	2
2150	Notes payable	6,881	-	6,908	-
2200	Other payables	47,439	2	58,805	3
2230	Current income tax liabilities	15,437	1	20,648	1
2260	Liabilities directly associated with assets held for sale	-	-	36,459	2
2280	Current lease liabilities	50,351	3	47,436	2
2320	Long-term liabilities, current portion	58,117	3	52,452	2
2399	Other current liabilities - others	74	-	74	-
21XX	Total current liabilities	<u>208,299</u>	<u>11</u>	<u>464,582</u>	<u>21</u>
	Non-current liabilities				
2540	Long-term borrowings	285,975	15	257,799	12
2550	Provisions for liabilities - non-current	27,998	1	27,174	1
2570	Deferred tax liabilities	12,675	1	12,871	1
2580	Non-current lease liabilities	175,449	9	232,131	11
2640	Net defined benefit liabilities - noncurrent	4,862	-	5,368	-
2645	Guarantee deposits received	440	-	6,450	-
25XX	Total non-current liabilities	<u>507,399</u>	<u>26</u>	<u>541,793</u>	<u>25</u>
2XXX	Total liabilities	<u>715,698</u>	<u>37</u>	<u>1,006,375</u>	<u>46</u>
	Equity attributable to shareholders of the parent company				
	Share capital				
3110	Common stock	778,344	40	778,344	35
	Additional paid-in capital				
3200	Additional paid-in capital	77,397	4	67,888	3
	Retained earnings				
3310	Legal reserve	205,038	11	194,177	9
3320	Special reserve	-	-	18,778	1
3350	Unappropriated retained earnings	147,392	8	125,349	6
	Other equity interests				
3400	Other equity interests	3,419	-	2,967	-
31XX	Total equity attributable to shareholders of the parent company	<u>1,211,590</u>	<u>63</u>	<u>1,187,503</u>	<u>54</u>
36XX	Non-controlling interests	<u>451</u>	<u>-</u>	<u>461</u>	<u>-</u>
3XXX	Total equity	<u>1,212,041</u>	<u>63</u>	<u>1,187,964</u>	<u>54</u>
	Significant contingent liabilities and unrecognized contract commitments				
	Significant events after the balance sheet date				
3X2X	Total liabilities and equity	<u>\$ 1,927,739</u>	<u>100</u>	<u>\$ 2,194,339</u>	<u>100</u>

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

Chairperson: Liao Shu-chun

Managerial officer: Yeh Tang-jung

Accounting officer: Huang Yi-yin

Prime Oil Chemical Service Corporation and its subsidiaries
Consolidated Comprehensive Income Statement
January 1 to December 31, 2023 and 2022

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

Item	2023		2022	
	Amount	%	Amount	%
4000 Operating revenue	\$ 441,518	100	\$ 475,513	100
5000 Operating cost	(314,567)	(71)	(305,360)	(64)
5900 Operating gross profits	126,951	29	170,153	36
Operating expenses				
6100 Selling and marketing expenses	(5,280)	(1)	(6,186)	(2)
6200 General and administrative expenses	(59,700)	(14)	(62,144)	(13)
6000 Total operating expenses	(64,980)	(15)	(68,330)	(15)
6900 Operating profit	61,971	14	101,823	21
Non-operating income and expenses				
7100 Interest income	1,417	-	492	-
7010 Other income	21,993	5	6,485	1
7020 Other gains or losses	(6,287)	(1)	26,771	6
7050 Financial costs	(13,505)	(3)	(4,362)	(1)
7060 Share of profit (loss) of associates and joint ventures accounted for using equity method.	15,258	3	5,415	1
7000 Total non-operating income and expenses	18,876	4	34,801	7
7900 Profit before income tax	80,847	18	136,624	28
7950 Income tax expense	(15,624)	(3)	(29,592)	(6)
8200 Current period net profit	\$ 65,223	15	\$ 107,032	22

(Continued)

Prime Oil Chemical Service Corporation and its subsidiaries
Consolidated Comprehensive Income Statement
January 1 to December 31, 2023 and 2022

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

	Item	2023		2022	
		Amount	%	Amount	%
	Other comprehensive income for the year (net)				
	Items that will be reclassified to profit or loss				
8311	Re-measurements of the defined benefit liability	(\$ 642)	-	\$ 1,961	-
8316	Unrealized valuation gain or loss on equity instruments at fair value through other comprehensive income	3	-	(2,396)	-
8349	Income tax related to components of other comprehensive income that is not reclassified to profit or loss	127	-	(392)	-
8310	Total amount of items that will not be reclassified to profit or loss	(512)	-	(827)	-
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange Differences in Translating the Financial Statements of Foreign Operations	560	-	28,565	6
8399	Income taxes related to items that may be reclassified	(111)	-	(5,714)	(1)
8360	Total of Items that may be reclassified to profit or loss	449	-	22,851	5
8300	Other comprehensive income for the year (net)	(\$ 63)	-	\$ 22,024	5
8500	Total comprehensive income in the current period	<u>\$ 65,160</u>	<u>15</u>	<u>\$ 129,056</u>	<u>27</u>
	Net income attributable to:				
8610	Shareholders of the parent company	\$ 65,233	15	\$ 107,044	22
8620	Non-controlling interests	(10)	-	(12)	-
		<u>\$ 65,223</u>	<u>15</u>	<u>\$ 107,032</u>	<u>22</u>
	Total comprehensive income attributable to:				
8710	Shareholders of the parent company	\$ 65,170	15	\$ 129,068	27
8720	Non-controlling interests	(10)	-	(12)	-
		<u>\$ 65,160</u>	<u>15</u>	<u>\$ 129,056</u>	<u>27</u>
	Earnings per share				
9750	Basic	<u>\$ 0.84</u>		<u>\$ 1.50</u>	
9850	Diluted	<u>\$ 0.84</u>		<u>\$ 1.50</u>	

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

Chairperson: Liao Shu-chun

Managerial officer: Yeh Tang-jung

Accounting officer: Huang Yi-yin

Prime Oil Chemical Service Corporation and its subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: Thousand NTD

Equity attributable to shareholders of the parent company												
Common stock	Additional paid-in capital				Retained earnings			Other equity interests		Total	Non-controlling interests	Total equity
	Issuance premium	Treasury stock transactions	Changes in net equity of affiliated companies and joint ventures under the equity method	Employee share options	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange Differences in Translating the Financial Statements of Foreign Operations	Unrealized valuation gains or losses on financial assets at fair value through other comprehensive income			
\$ 690,344	\$ -	\$ 4,233	\$ -	\$ -	\$ 187,193	\$ 13,064	\$ 85,951	(\$ 15,363)	(\$ 3,415)	\$ 962,007	\$ 473	\$ 962,480
-	-	-	-	-	-	-	107,044	-	-	107,044	(12)	107,032
-	-	-	-	-	-	-	1,569	22,851	(2,396)	22,024	-	22,024
-	-	-	-	-	-	-	108,613	22,851	(2,396)	129,068	(12)	129,056
-	-	-	-	-	6,984	-	(6,984)	-	-	-	-	-
-	-	-	-	-	-	5,714	(5,714)	-	-	-	-	-
-	-	-	-	-	-	-	(55,227)	-	-	(55,227)	-	(55,227)
88,000	61,000	-	-	-	-	-	-	-	-	149,000	-	149,000
-	1,280	-	-	1,375	-	-	-	-	-	2,655	-	2,655
-	-	-	-	-	-	-	(1,290)	-	1,290	-	-	-
\$ 778,344	\$ 62,280	\$ 4,233	\$ -	\$ 1,375	\$ 194,177	\$ 18,778	\$ 125,349	\$ 7,488	(\$ 4,521)	\$ 1,187,503	\$ 461	\$ 1,187,964
\$ 778,344	\$ 62,280	\$ 4,233	\$ -	\$ 1,375	\$ 194,177	\$ 18,778	\$ 125,349	\$ 7,488	(\$ 4,521)	\$ 1,187,503	\$ 461	\$ 1,187,964
-	-	-	-	-	-	-	65,233	-	-	65,233	(10)	65,223
-	-	-	-	-	-	-	(515)	449	3	(63)	-	(63)
-	-	-	-	-	-	-	64,718	449	3	65,170	(10)	65,160
-	-	-	-	-	10,861	-	(10,861)	-	-	-	-	-
-	-	-	-	-	-	(18,778)	18,778	-	-	-	-	-
-	-	-	-	-	-	-	(50,592)	-	-	(50,592)	-	(50,592)
-	-	-	9,509	-	-	-	-	-	-	9,509	-	9,509
\$ 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

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

Chairperson: Liao Shu-chun

Managerial officer: Yeh Tang-jung

Accounting officer: Huang Yi-yin

Prime Oil Chemical Service Corporation and its subsidiaries
Consolidated cash flow statements
January 1 to December 31, 2023 and 2022

Unit: Thousand NTD

	January 1 to December 31, 2023		January 1 to December 31, 2022
<u>Cash flow from operating activities</u>			
Profit before income tax for the year	\$ 80,847	\$	136,624
Adjustment for:			
Income and expenses having no effect on cash flows			
depreciation expense	191,267		186,582
Amortization expense	1,617		1,576
Loss (gain) on financial assets at fair value through profit or loss	16,480 (		28,830)
Gains on disposal of subsidiary	(10,196)		-
Financial costs	13,505		4,362
Interest income	(1,417 )	(	492)
Dividends income	(13,654 )	(	4,699)
Share-based payment expense	-		2,655
Exchange differences in Financial assets measured at amortized cost	3 (		1,757)
Shares of affiliated enterprises and joint venture interests recognized using the equity method	(15,258 )	(	5,415)
Change in assets/liabilities related to operating activities			
Changes in operating assets			
Notes receivable, net	5		366
Accounts receivable, net	(9,523 )	(	2,283)
Prepayments	8,547	(	13,784)
Changes in operating liabilities			
Notes payable	(27)		27
Other payables	(720)		8,733
Other current liabilities	-	(	3)
Net defined benefit liabilities	(1,148 )	(	1,223)
Cash flow from operating activities	260,328		282,439
Interest received	1,417		492
Dividend received	13,654		4,699
Interest paid	(13,505 )	(	4,362)
Income tax paid	(20,523 )	(	17,503)
Net cash generated by operating activities	241,371		265,765

(Continued)

Prime Oil Chemical Service Corporation and its subsidiaries
Consolidated cash flow statements
January 1 to December 31, 2023 and 2022

Unit: Thousand NTD

	January 1 to December 31, 2023	January 1 to December 31, 2022
<u>Cash Flow from Investing Activities</u>		
Disposal of financial assets measured at fair value through other comprehensive income	\$ -	\$ 28,710
Acquisition of financial assets measured at amortized cost	(4,166)	(4)
Disposal of financial assets measured at amortized cost	-	10,000
Refund of share price due to capital reduction of financial assets at fair value through profit or loss	23,060	-
Acquisition of financial assets at fair value through profit or loss	(50,400)	-
Disposal of financial assets at fair value through profit or loss	13,188	7,401
Acquisition of investments accounted for using equity method	-	(97,653)
Capital reduction and return of shares of invested companies using the equity method	8,501	22,914
Purchase of property, plant and equipment	(84,858)	(317,503)
Acquisition of intangible assets	(277)	(1,565)
Cash received from disposal of subsidiaries	59,010	-
Increase in refundable deposits	(114)	(53,361)
Decrease in refundable deposits	309	-
Decrease in guarantee deposits	69,120	-
Net cash (outflow) inflow from investing activities	<u>33,373</u>	<u>(401,061)</u>
<u>Cash Flow from Financing Activities</u>		
Decrease in short-term bills payable	(34,800)	(3,700)
Increase in short-term borrowings	985,500	1,334,900
Decrease in short-term borrowings	(1,162,500)	(1,201,500)
Borrowing of long-term loans (including portions due within one year or one operating cycle)	87,739	207,420
Repayment of long-term loans (including portions due within one year or one operating cycle)	(53,898)	(261,412)
Amount of principal payments on lease liabilities	(53,767)	(63,527)
Cash dividends paid	(50,592)	(55,227)
Follow-on offering	-	149,000
Decrease in guarantee deposits received	(6,010)	-
Net cash (outflow) inflow from financing activities	<u>(288,328)</u>	<u>105,954</u>
Effects of exchange rate changes on the balance of cash held in foreign currencies	(217)	2,791
Decrease in cash and cash equivalents	(13,801)	(26,551)
Beginning of year cash and cash equivalents	99,347	135,111
Cash and cash equivalents at the end of the year	<u>\$ 85,546</u>	<u>\$ 108,560</u>
Composition of cash and cash equivalents:		
Cash and cash equivalents on the balance sheet	\$ 85,546	\$ 99,347
Cash and cash equivalents classified as held-for-sale (non-current) assets (or disposal groups)	-	9,213
Cash and cash equivalents at the end of the year	<u>\$ 85,546</u>	<u>\$ 108,560</u>

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

Chairperson: Liao Shu-chun

Managerial officer: Yeh Tang-jung

Accounting officer: Huang Yi-yin

Prime Oil Chemical Service Corporation
Statement of earnings distribution of 2023

Unit: NT\$

Item	Amount	
	Meter	Total
Unappropriated retained earnings, beginning balance		85,963,459
Plus : Net income of 2023	65,232,881	65,232,881
Less : Remeasurements of defined benefit pension plans recognized in retained earnings	(513,687)	(513,687)
Less : Appropriation of legal reserve	(6,471,919)	(6,471,919)
Distributable retained earnings for 2023		144,210,734
Distribution items :		
Cash dividends to stockholders (NT\$ 0.6 per share)		(46,700,659)
Unappropriated retained earnings, ending balance		97,510,075

Chairman :
Liao, Shu-Chun

Manager :
Yeh, Tang-Jung

Accounting officer :
Huang, Yi-Yin

Prime Oil Chemical Service Corporation
Comparison Table for the Company's Articles of Association Before
and After Revision

After Revision	Before Revision	Description
<p>Article 2 :</p> <p>The scope of businesses of the Corporation shall be as follows :</p> <p>1.G801010 Warehousing.</p> <p>2.JE01010 Rental and Leasing.</p> <p>3.F401010 International Trade.</p> <p>4.A102060 Grain Commerce.</p> <p>5.D101060 Self-usage power generation equipment of renewable energy.</p> <p>6.IG03010 Energy Technical Services.</p> <p>7.D401010 Thermal Energy Supply.</p> <p><u>8.F112010 Wholesale of Gasoline and Diesel Fuel.</u></p> <p><u>9.F112060 Airport, Harbor and Industry Port Gasoline Stations.</u></p> <p><u>10.F112040 Wholesale of Petroleum Products.</u></p> <p><u>11.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</u></p>	<p>Article 2 :</p> <p>The scope of businesses of the Corporation shall be as follows :</p> <p>1.G801010 Warehousing.</p> <p>2.JE01010 Rental and Leasing.</p> <p>3.F401010 International Trade.</p> <p>4.A102060 Grain Commerce.</p> <p>5.D101060 Self-usage power generation equipment of renewable energy.</p> <p>6.IG03010 Energy Technical Services.</p> <p>7.D401010 Thermal Energy Supply.</p> <p>8.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>	<p>Add new business lines.</p>
<p>Article 17 :</p> <p>The Board of directors of the Corporation is composed of 5 to 7 directors, and the Board of Directors is authorized to determine the number of directors.</p> <p>In the above-mentioned number of directors of the Company, the number of independent directors shall not be less than three. The directors shall be elected by nomination of candidate, and the shareholders' meeting shall elect among the candidate list for directors with a term of three years.</p> <p>(Omitted)</p>	<p>Article 17 :</p> <p>The Board of directors of the Corporation is composed of 5 to 7 directors, and the Board of Directors is authorized to determine the number of directors.</p> <p>In the above-mentioned number of directors of the Company, the number of independent directors shall not be less than three <u>and not less than one-fifth of the total number of directors.</u> The directors shall be elected by nomination of candidate, and the shareholders' meeting shall elect among the candidate list for directors with a term of three years.</p> <p>(Omitted)</p>	<p>Amended in accordance with Article 4 of the Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers</p>
Article 27 :	Article 27 :	editorial

After Revision	Before Revision	Description
<p>If the Corporation makes a profit in a fiscal year, it shall set aside not less than 3% as the remuneration for employees and not more than 5% as the remuneration for directors. However, if the Corporation still has accumulated losses, it should reserve the make-up amount in advance. The aforementioned employees' remuneration can be paid in the form of stock or cash, and may be paid to employees of subordinate companies who meet certain criteria. The measure for distributing employee remuneration shall be in accordance with the resolution of the board of directors.</p> <p>(Omitted)</p>	<p>If the Corporation makes a profit in a fiscal year, it shall set aside not less than 3% as the remuneration for employees and not more than 5% as the remuneration for directors <u>and supervisors</u>. However, if the Corporation still has accumulated losses, it should reserve the make-up amount in advance. The aforementioned employees' remuneration can be paid in the form of stock or cash, and may be paid to employees of subordinate companies who meet certain criteria. The measure for distributing employee remuneration shall be in accordance with the resolution of the board of directors.</p> <p>(Omitted)</p>	<p>amendments as appropriate.</p>
<p>Article 31 : The Articles of Association was established on June 30, 1978.</p> <p>(Omitted)</p> <p>The 36th amendment was made on June 13, 2023.</p> <p><u>The 37th amendment was made on June 21, 2024.</u></p>	<p>Article 31 : The Articles of Association was established on June 30, 1978.</p> <p>(Omitted)</p> <p>The 36th amendment was made on June 13, 2023.</p>	<p>Add the date of this amendment.</p>

Prime Oil Chemical Service Corporation
Comparison Table for the Company's Rules of Procedure of
Shareholders' Meeting Before and After Revision

After Revision	Before Revision	Description
<p>III. Shareholders attending the meeting shall hand in the attendance card, instead of signing in. The number of shares attending the meeting shall be included the attendance cards handed in, and the number of shares exercising voting rights in written or electronic form. The Company shall specify the time and place for the registration of shareholders, <u>solicitors and proxies</u> (collectively "shareholders") and other matters that shall be noted, in the meeting notice.</p> <p>The aforementioned registration of shareholders shall be at least 30 minutes prior to commencement of the meeting.</p>	<p>III. Shareholders attending the meeting shall hand in the attendance card, instead of signing in. The number of shares attending the meeting shall be included the attendance cards handed in, and the number of shares exercising voting rights in written or electronic form. The Company shall state the time and place for the registration of shareholders, and other matters that shall be noted, in the meeting notice. The aforementioned registration of shareholders shall be at least 30 minutes prior to commencement of the meeting.</p>	<p>To align with prevailing laws and regulations, as well as the current operational practices of the company, textual revisions shall be made accordingly.</p>

Appendices

Prime Oil Chemical Service Corporation

Rules of Procedure for Shareholders Meetings

Revised in the general shareholders' meeting on June 23, 2022

- I. The shareholders' meeting of the Company shall be conducted in accordance with these rules of procedure, except where otherwise provided in laws and regulations or the Articles of Association.
- II. Unless otherwise specified by laws and regulations, shareholder meetings of the Company are to be convened by the Board of Directors.

The Company shall, 30 days prior to the annual general meeting of shareholders or 15 days prior to the special meeting of shareholders, upload the notice of convening of the shareholders' meeting, the power of attorney, the proposals for recognition, discussion, election or dismissal of directors, etc. in electronic formats to the official site of the Market Observation Post System (MOPS). At least 21 days before the annual general meeting of shareholders or 15 days before the special meeting of shareholders, an electronic copy of the shareholder meeting handbook and supplementary information shall be prepared and posted onto MOPS. Physical copies of the shareholder meeting conference handbook and supplementary information shall be prepared at least 15 days before the meeting and made accessible to shareholders upon request. These documents must also be available at the Company's premises and at the stock transfer agent, and be available upon request on-site on the shareholder meeting day.

The notice shall specify the reason for the convening; if the counterparty consents, the notice may be transmitted in electronic formats.

The following shall be listed in the convening reasons, and shall not be proposed as an extempore motion : the election or dismissal of directors, changes to the articles of association, capital reduction, application for suspension of public offering, removal of director's non-competition restriction, capital increase from earnings, capital increase from reserve, company dissolution, merger, division, or other matters in paragraph 1, Article 185 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers. The aforesaid main contents may be put on the website designated by the securities regulatory authority or the Company, and the website address shall be specified in the notice.

Shareholders holding more than 1% of the total issued shares may submit proposals to the Company's annual general meeting of shareholders in accordance with the provisions of Article 172-1 of the Company Act.
- III. Shareholders attending the meeting shall hand in the attendance card, instead of signing in. The number of shares attending the meeting shall be included the attendance cards handed in, and the number of shares exercising voting rights in written or electronic form.

The Company shall state the time and place for the registration of shareholders, and other matters that shall be noted, in the meeting notice

The aforementioned registration of shareholders shall be at least 30 minutes prior to commencement of the meeting.
- IV. The chairman of the meeting shall call the meeting to order at the specified meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a meeting postponement, provided that the number of such postponement is no more than two, and the total

time no more than one hour. If the attending shareholders still do not represent one third of the total number of issued shares after two postponements, the chairman shall declare the meeting aborted.

If the quorum is still not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to paragraph 1, Article 175 of the Company Act, and all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.

Before the adjournment of the current meeting, if the number of shares present reaches more than half of the total number of issued shares, the chairman may resubmit the tentative resolution for voting by the shareholders' meeting pursuant to Article 174 of the Company Act.

- V. If the shareholders' meeting is convened by the Board of Directors, the agenda shall be determined by the Board of Directors, and relevant proposals (including extempore motions and amendments to original proposals) shall be voted on a case-by-case basis. The meeting shall be proceeded in accordance with the scheduled agenda, which shall not be changed without the resolution of the shareholders' meeting.

If the shareholders' meeting is convened by a person other than the Board of Directors who has the right to convene, the provisions of the preceding Paragraph shall apply *mutatis mutandis*.

The chairman may not declare the meeting adjourned prior to completion of the meeting agenda (including extempore motions) of the preceding two paragraphs except by a resolution of the shareholders' meeting. If the chairman declares the meeting adjourned in violation of the rules of procedure, a majority of the shareholders present may elect another chairman to continue the meeting.

- VI. During the meeting, the chairman may announce a break at his/her discretion.

- VII. Before any attending shareholder gives a speech, he/she shall fill in the speech slip stating the gist of the speech, the shareholder's account number (or attendance certificate number) and account name, and the chairman will determine the order for presenting speeches. The attending shareholder who only submits the speech slip without making a speech is deemed to have not made a speech. If the content of the spoken speech is inconsistent with the record of speech slip, the content of the spoken speech shall prevail. When an attending shareholder makes a speech, other shareholders shall not interfere with the speech unless having obtained the consent of the chairman and the speaking shareholder, and the chairman shall stop anyone from violating the above.

- VIII. Each shareholder shall not make more than two statements for the same proposals without the chairman's consent, and each statement shall not exceed five minutes. If the shareholder's speech violates the rules or goes beyond the scope of the proposal, the chairman may stop the shareholder or suspend his/her speech, and other shareholders may also request the chairman to do so.

- IX. The chairman shall provide sufficient explanations and opportunities for discussion on the proposals and the amendments or extempore motions proposed by shareholders. When the chairman deems that the proposal has reached a sufficient level for voting, he/she may announce the end of the discussion and arrange a suitable time for voting.

- X. Unless otherwise stipulated in the Company Act and the Articles of Association of the Company, a resolution shall be adopted with the consent of more than half of the

voting rights of the shareholders present. When voting, shareholders shall vote after the chairman or his designated person announces the total number of voting rights of shareholders present, and after the shareholders' meeting is held, the results of voting of in favor, opposed and abstained shall be entered onto MOPS.

- XI. Voting in the shareholders' meeting shall be based on the number of shares.
- XII. The venue of the shareholders' meeting shall be where the company is located or a venue convenient for shareholders to attend, and suitable for the shareholders' meeting; the meeting start time shall be between 9 am and 3 pm.
- XIII. If the shareholders' meeting is convened by the Board of Directors, the chairman of the Board of Directors shall be the chairman of the shareholders' meeting. When the chairman asks for leave or is unable to exercise his/her capacity for any reason, the vice chairman shall act as the proxy. If there is no vice chairman or the vice chairman also asks for leave or is unable to exercise his/her capacity for any reason, the chairman shall appoint a managing director to act as the proxy; if there is no managing director, the chairperson shall appoint one director to act as the proxy. If the chairperson does not designate any proxy, the managing director or the directors shall elect one among them to act as the proxy.
If the shareholders' meeting is convened by a person with the right to convene other than the Board of Directors, the chairperson shall be such person with the right to convene. If there are two or more persons with the right to convene meetings, one of such persons shall be elected as the chairperson.
- XIV. The Company may designate appointed lawyers, accountants or relevant personnel to attend the shareholders' meeting as attendees. Personnel handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.
- XV. The Company shall record in audio or video form the whole process of the shareholders' meeting, and keep it for at least one year.
- XVI. When there are several amendments or alternatives to the same proposal, the chairperson shall determine the order of voting on such proposal with the original one. If one of the proposals reaches resolution, the other proposals shall be deemed to be rejected and no further voting would be required.
- XVII. When a legal person attends the shareholders' meeting, only one representative of the legal person may attend the meeting. When a legal person shareholder appoints two or more representatives to attend the shareholders' meeting, only one of these representatives may make a speech on each of the proposals.
- XVIII. After attending shareholders' speeches, the chairperson may reply in person or designate relevant personnel for replying.
- XIX. The scrutineers and vote-counters for voting on the resolution shall be designated by the chairperson, but the scrutineers shall be one of the shareholders .
The counting of votes for voting on proposals or election at the shareholders' meeting shall be done publicly in the meeting, and after the votes are fully counted, the results shall be announced on the spot, including the weight for statistics, and a record shall be made.
When there is an election of directors at the shareholders' meeting, it shall be handled in accordance with the relevant election and appointment regulations set by the Company, and the election results shall be announced on the spot, including the list of elected directors and their voting rights won.
- XX. The chairperson may direct the pickets (or security personnel) to assist in maintaining order in the meeting. When the pickets (or security personnel) are present to assist in maintaining order, they shall wear an armband with the word "picket".

XXI. These Regulations shall be implemented after being approved by the shareholders' meeting, and the same procedure shall apply to its amendments.

Prime Oil Chemical Service Corporation

Articles of Association

Revised by annual general meeting of shareholders on June 13, 2023

Chapter 1 General provisions

Article 1 : The Corporation shall be incorporated, as a company limited by shares, under the Company Act of the Republic of China, and its name shall be 匯僑股份有限公司 in the Chinese language, and Prime Oil Chemical Service Corporation in the English language.

Article 2 : The scope of businesses of the Corporation shall be as follows :

- 1.G801010 Warehousing.
- 2.JE01010 Rental and Leasing.
- 3.F401010 International Trade.
- 4.A102060 Grain Commerce.
- 5.D101060 Self-usage power generation equipment of renewable energy.
- 6.IG03010 Energy Technical Services.
- 7.D401010 Thermal Energy Supply.
- 8.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3 : The total amount of the Corporation's external reinvestment is not restricted by 40% of the paid-in capital as in Article 13 of the Company Act.

Article 4 : When necessary for its operations, the Corporation may provide endorsement and guarantee.

Article 5 : The Corporation shall have its head office in Taipei City, and may set up branch offices at various locations, locally or overseas, when necessary. The Board of directors shall resolve the inception, dissolution and change of organization of the branch offices.

Chapter 2 Capital Stock

Article 6 : The total capital stock of the Corporation shall be in the amount of NT\$2,000,000,000, divided into 200,000,000 shares, at a par value of Ten New Taiwan Dollars (NT\$10) each, and may be issued in installments subject to the resolution of the Board of directors when necessary.
The Corporation may issue employee stock options from time to time. A total of 5,000,000 shares among the above total capital stock shall be reserved for issuing employee stock options, at a par value of NT\$10. The issuance of employee stock options may be in installments subject to the resolution of the Board of directors.

Article 6-1 : The exercise price of employee stock option issued by the Corporation is not restricted by relevant laws and regulations. However, it shall be subject to the resolution by a shareholder's meeting and applicable laws. The issuance and declarations may be in installments within one year after the resolution made by the shareholder's meeting.

Article 6-2 : The Corporation may transfer the treasury stock to its employees at a price lower than the average buy-back cost, subject to the relevant laws and

regulations and the resolution by the shareholders' meeting.

Article 7 : Registered shares issued by the Corporation shall be signed or sealed by the director representing the Corporation and be numbered, and shall be issued after being certified by a bank that may act as the certifier of shares in accordance with the law.

Shares of the Company issued in accordance with the preceding paragraph may be exempted from physical printing, but shall be registered with the Taiwan Depository and Clearing Corporation.

Article 8 : Shareholders shall fill out the signature card and submit it to the Corporation for record, and the same holds true for any further amendments. While receiving dividends, contacting the Corporation in written form, or exercising any rights, shareholder may be entitled to use either the signature or the seal of the signature card.

Article 9 : The transfer, inheritance, gift, loss, destruction, creation of pledge, loss of seal or change or address change of shares shall be conducted in accordance with the "Guidelines for handling of shares for Public Companies", unless otherwise provided by laws, and securities regulations.

Article 10 : Registration for transfer of shares shall be suspended sixty (60) days before the date of annual general meeting of shareholders, and thirty (30) days before the date of any special meeting of shareholders, or within five (5) days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Corporation.

Chapter 3 Shareholder meetings

Article 11 : There are types of shareholders' meeting : the annual general meeting of shareholders and the special meeting of shareholders. The annual general meeting of shareholders is held within six months after the end of each fiscal year, and the special meeting of shareholders is held in accordance with the law when necessary.

The shareholders' meeting of the Corporation may be conducted by video conference or other means stipulated by the central competent authority.

Written notices shall be sent to all shareholders with the date, venue and proposals for the convening of shareholders' meetings, at least thirty (30) days in advance, in case of annual general meeting; and at least fifteen (15) days in advance, in case of special meetings. However, a public announcement may suffice for shareholder who holds less than 1,000 registered shares.

Electronic voting shall be one of the ways for shareholders to exercise their voting rights, which relevant procedures shall be in accordance with laws and regulations of the competent authority.

Article 12 : The Board of directors shall convene the shareholders' meeting of the corporation while the chairperson of the meeting shall be the chairperson of the Board. If the Chairperson of the Board is absent, the vice chairperson of the Board shall act on his/her behalf. If the vice chairperson of the Board is absent, the chairperson of the Board shall appoint one director to act on his/her behalf. In the absence of such appointment, the directors shall elect one director being the chairperson of the meeting. In the event that a convener other than the Board of directors convenes the shareholders' meeting, the convener shall preside over the meeting.

In the event that there is more than one convener, such conveners shall agree and appoint one convener to preside over the meeting.

Article 13 : Each shareholder shall be entitled to one voting right per share, but no voting rights shall be granted under any of the circumstances set forth in Article 179 of the Company Act.

Article 14 : If a shareholder is unable to attend the shareholders' meeting in person or by proxy, he/she shall, five days prior to the shareholders' meeting, submit a power of attorney issued by the Company stating the scope of authorization. A shareholder is entitled to appoint one representative with one proxy. If two or more shareholders appoint one representative at the same time, the voting right of the representative shall not exceed 3 percent of the issued and outstanding shares, which the exceeding shares would not be counted. If the government or legal person is a shareholder of the Corporation, and there is more than one representative of the shareholder, the exercise of the voting rights shall still be calculated based on the shares held by the shareholder.

Article 15 : Unless otherwise specified in the Company Act, the shareholders' meeting of the Corporation shall be attended by shareholders who represent more than half of the issued shares, with the resolution passed by more than half of the voting rights of the attending shareholders. When the number of shareholders present does not constitute the quorum prescribed previously, but those present represent one-third or more of the total number of issued shares, a tentative resolution may be passed by a majority of those present. A notice of such tentative resolution shall be given to each of the shareholders, and reconvene a shareholders' meeting within one month. In the aforesaid meeting of shareholders, if the tentative resolution is again adopted by a majority of those present who represent one-third or more of the total number of issued shares, such tentative resolution shall be deemed to be a final resolution.

Article 16 : The resolutions of the shareholders' meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the chop of the chairperson of the meeting. The meeting minutes shall be sent to each shareholder within 20 days, or shall be in public announcement. Such minutes, together with the attendance list and proxies, shall be filed and kept, which the duration of archive shall be in compliance with relevant laws.

Chapter 4 Board of directors

Article 17 : The Board of directors of the Corporation is composed of 5 to 7 directors, and the Board of Directors is authorized to determine the number of directors.

In the above-mentioned number of directors of the Company, the number of independent directors shall not be less than three and not less than one-fifth of the total number of directors. The directors shall be elected by nomination of candidate, and the shareholders' meeting shall elect among the candidate list for directors with a term of three years.

The nomination of candidates for directors and independent directors and relevant regulations shall be in accordance with the Company Act and the Securities and Exchange Act.

The total shareholding ratio of all directors is based on the criteria "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios in Public Companies". Additionally, the Board of directors is authorized to

determine the remuneration for the board of directors (including chairperson of the Board) based on each director's participation, personal contribution, long-term business performance, operational risk, and usual practices adopted by other company of the same trade.

Article 17-1 : The Corporation may purchase D&O liability insurance for the directors during their term of office in accordance with the legal liability of the duty. The Board of directors may authorize the insurance amount and the insurance matters.

Article 17-2 : Since the 19th Board of Directors, the Corporation has set up an Audit Committee which is composed of all independent directors. The relevant organizational procedures are determined by the resolution of the Board of Directors. From the date of the establishment of the Audit Committee, the provisions of the Company Act, the Securities and Exchange Act and other laws on supervisors shall apply mutatis mutandis to the Audit Committee.

Article 18 : The director shall be appointed for a term of three years and is eligible for re-election. If a re-election takes place after the current directors' term of office, the current directors' term of office shall be deemed extended until the new directors take office.

When the director vacancy is up to one-third or that all the independent directors are fully discharged, the Board of directors shall convene a special shareholders' meeting for the by-election within 60 days, with the term of office is to the end of original term of former directors.

Article 19 : A chairperson of the Board shall be elected by the majority of directors present at a meeting attended by more than two thirds of directors. The same approach may also be applied to elect a vice chairperson of the Board. In general, the chairperson of the Board shall externally represent the Corporation and perform on behalf of the Corporation.

Article 20 : The chairperson of the Board convenes the Board meeting of the Corporation. If the chairperson of the Board is absent, the vice chairperson of the Board shall act on his/her behalf. If the vice chairperson of the Board is absent, the chairperson of the Board shall appoint a director to act on his/her behalf. In the absence of such appointment, the directors shall elect one director being the chairperson of the meeting.

The board meeting of the Corporation shall be held at least quarterly.

The notice and agenda of convening a Board meeting shall be sent to all directors 7 days prior to the meeting. Nevertheless, in case of an emergency, the Board meeting may be convened at any time. A written letter, facsimile or e-mail may be served as a notice of a Board meeting.

Article 21 : The director shall attend in person whenever a Board meeting is convened.

Except as otherwise specified by the Company Act for any director who reside in a foreign country, the absent director may issue proxy setting forth the scope of authorization for another director to present on his/her behalf. The representative shall serve as the proxy for one director only.

If the Board meeting is conducted in videoconference, the director who attends the videoconference shall be deemed as attending the Board meeting in person.

Article 22 : The responsibilities of the Board of Directors are as follows :

- (1) Review and approval of various rules and regulations.
- (2) Decision on business policy.

- (3) Review of budgets and financial statements.
- (4) Proposal of appropriation of earnings and make up of loss.
- (5) Proposal of capital increase or decrease.
- (6) Other responsibilities granted by laws and regulations and resolution by the shareholders' meeting.

Article 23 : The resolutions of the Board of Directors shall be recorded in the minutes, and shall be signed or sealed by the chairperson, and permanently kept in the Company during its existence.

Article 24 : Unless otherwise specified in the Company Act, the resolutions of the Board meeting shall be passed by a majority of the directors and a majority of those present shall vote in favor of such a resolution.

Chapter 5 Managerial officer

Article 25 : The Corporation may have a number of managers, whose appointments, discharge, and remunerations shall be subject to provisions in Article 29 of the Company Act.

Chapter 6 Accounting

Article 26 : The fiscal year of the Corporation shall be from January 1 to December 31 each year. After the end of each fiscal year, the following reports shall be prepared by the Board of directors, and such documents shall be submitted to the annual general meeting of shareholders for acceptance :

- (1) Business Report;
- (2) Financial Statements;
- (3) Proposal for appropriation of earnings or make up of loss.

Article 27 : If the Corporation makes a profit in a fiscal year, it shall set aside not less than 3% as the remuneration for employees and not more than 5% as the remuneration for directors and supervisors. However, if the Corporation still has accumulated losses, it should reserve the make-up amount in advance.

The aforementioned employees' remuneration can be paid in the form of stock or cash, and may be paid to employees of subordinate companies who meet certain criteria. The measure for distributing employee remuneration shall be in accordance with the resolution of the board of directors.

If there is net profit after tax for the current period in the Corporation's financial statements, the following order shall apply :

- (1) Making up for losses,
- (2) Appropriating 10% as the legal reserve, except when the legal reserve has reached the paid in capital of the Company,
- (3) Then setting aside or reversing a special reserve based on applicable laws. The balance, together with the retained earnings as of the beginning of the fiscal year will be the distributable earnings. The Board of Directors shall, in accordance with the dividend policy set forth in Article 28 of the Articles of Association, prepare an earnings distribution plan and submit it to the shareholders' meeting for resolution.

The Corporation authorizes the Board of Directors to distribute the distributable dividends and bonuses, and all or part of the additional paid-in capital or legal

reserve in cash via a resolution in a Board of Directors with the presence of more than two-thirds of the directors and the consent of more than half of the directors present; the provisions of the preceding paragraph requiring a resolution by a shareholders' meeting shall not apply.

Article 28 : The Corporation is currently in the maturity stage of its industry. The dividend policy takes into account the Corporation's operational growth, long-term financial planning, capital requirements for investment activities, and consideration of shareholders' rights and interests, as well as the sound financial structure and the possible dilutive effect of earnings per share. Shareholders' dividends are allocated from the accumulated distributable earnings, and shall not be less than 10% of the distributable earnings of the current fiscal year, with cash dividends not less than 30% of the total cash and stock dividends distributed in the year. However, in case the distributable earnings per share for the current fiscal year are less than NT\$0.5, dividends may not be distributed.

Chapter 7 Supplementary Provisions

Article 29 : The Board of directors shall further stipulate the internal organizational rules and regulations of the Corporation.

Article 30 : In regards to any matters not provided for in the Articles of Association, the Company Act and other laws and regulations shall govern.

Article 31 : The Articles of Association was enacted on June 30, 1978.

The 1st amendment was made on November 30, 1978.

The 2nd amendment was made on October 9, 1979.

The 3rd amendment was made on May 12, 1981.

The 4th amendment was made on July 5, 1982.

The 5th amendment was made on October 5, 1982.

The 6th amendment was made on April 15, 1983.

The 7th amendment was made on June 25, 1984.

The 8th amendment was made on June 25, 1985.

The 9th amendment was made on June 10, 1986.

The 10th amendment was made on June 12, 1987.

The 11th amendment was made on May 21, 1988.

The 12th amendment was made on May 17, 1991.

The 13th amendment was made on June 18, 1992.

The 14th amendment was made on May 18, 1994.

The 15th amendment was made on June 15, 1995.

The 16th amendment was made on June 14, 1996.

The 17th amendment was made on June 17, 1997.

The 18th amendment was made on June 3, 1999.

The 19th amendment was made on June 20, 2000.

The 20th amendment was made on March 29, 2001.

The 21st amendment was made on June 14, 2002.

The 22nd amendment was made on June 20, 2003.

The 23rd amendment was made on June 18, 2004.

The 24th amendment was made on June 7, 2005.

The 25th amendment was made on July 29, 2005.

The 26th amendment was made on June 14, 2006.

The 27th amendment was made on June 13, 2008.

The 28th amendment was made on June 10, 2009.
The 29th amendment was made on June 17, 2010.
The 30th amendment was made on June 22, 2012.
The 31st amendment was made on June 24, 2015.
The 32nd amendment was made on June 30, 2016.
The 33rd amendment was made on June 27, 2018.
The 34th amendment was made on June 16, 2020.
The 35th amendment was made on June 23, 2022.
The 36th amendment was made on June 13, 2023.

Prime Oil Chemical Service Corporation

Shareholdings of All Directors

- 一、The total number of shares issued by the Company is 77,834,432. In accordance with Article 2 of the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”, the total number of registered shares held by all directors shall not be less than 6,226,755.
- 二、The number of shares held by individual and all directors as recorded in the shareholders' register on the book-closing date of the annual general shareholders' meeting of the current year (April 23, 2024) is as follows :

Title	Name	Shareholding on the book-closing date as in the shareholders' register
Director	Liao, Shu-Chun	0
Director	Chen, Yung-Chin	0
Director	Abacus Display Infinity Corporation Representative: Zen, Hong-Tzeng	32,171,849
Director	Abacus Display Infinity Corporation Representative: Yeh, Tang-Jung	32,171,849
Independent Director	Ho, Kuo-Chen	0
Independent Director	Jang, Jr-Yan	1,000
Independent Director	Chen, Lung-Tai	0
Total shareholding of all directors		32,172,849

- 三、The actual shareholdings of the directors of the Company are in compliance with the percentage prescribed by laws and regulations.

The effect of the stock dividend on the Company's operating performance, earnings per share and return on equity :

Unit : NTD

Item		Year	2024 (estimated)
Paid-in capital at the beginning of the period			778,344,320
Stock and cash dividends for the year	Cash dividends per share		NT\$0.60
	Number of stock dividends per share by capital increase from retained earnings		-
	Number of stock dividends per share by capital increase from additional paid-in capital		-
Changes in operating performance	Operating profit		Note 2
	Percentage of increase (decrease) in operating profit over the same period last year		
	Net profit after tax		
	Percentage of increase (decrease) in net profit after tax over the same period last year		
	Earnings per share		
	Percentage of increase (decrease) in earnings per share over the same period last year		
	Average annual return on investment (inverse of the average annual price to earnings ratio)		
Pro forma earnings per share and price to earnings ratio	If there is capital increase from retained earnings, and 100% distributed in cash dividends	Pro forma earnings per share	
		Pro forma average annual return on investment	
	If there is no capital increase from additional	Pro forma earnings per share	
		Pro forma average annual return on investment	

Item			Year	2024 (estimated)
	paid-in capital			
	If there is no capital increase from additional paid-in capital but from retained earnings, and 100% distributed in cash dividends	Pro forma earnings per share		
		Pro forma average annual return on investment		

Note 1: The estimated stock and cash dividends are based on the earnings distribution proposal approved by the board of directors on March 14, 2024.

Note 2: The 2024 financial forecast is not disclosed to the public, so there is no need to disclose 2024 forecast information.

Chairperson :
Liao, Shu-Chun

Manager :
Yeh, Tang-Jung

Accounting officer :
Huang, Yi-Yin