

Ticker Symbol: 2904



Handbook for 2025 Annual General Meeting of Shareholders

Type of the Meeting : Physical Meeting

Time : 9:00 a.m., Tuesday, June 10, 2025

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

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2025 Annual General Meeting of Shareholders of Prime Oil Chemical Service Corporation

Time : 9:00 a.m., Tuesday, June 10, 2025

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) 2024 business report.
 - (2) Audit committee's review report.
 - (3) Distribution of 2024 employee and director remuneration.
 - (4) Cash dividends distribution of 2024.
4. Acknowledged matters
 - (1) Adoption of the Company's 2024 financial statements.
 - (2) Statement of earnings distribution of 2024.
5. Matters for Discussion
 - (1) Amendment to the Company's Articles of Association.
 - (2) Amendment to the Company's "Procedures for Acquisition or Disposal of Assets".
 - (3) Amendment to the Company's "Procedures for Endorsements and Guarantees".
6. Election
 - (1) Election of seven directors of the Company (including three independent directors).
7. Extemporaneous Motions
8. Meeting Adjourned

Reported matters

【 Motion 1 】

Topic : 2024 business report.

Explanation : The Company's 2024 business report, please refer to pp.9-12.

【 Motion 2 】

Topic : Audit committee's review report.

Explanation : Audit Committee's review report, please refer to p.13.

【 Motion 3 】

Topic : Distribution of 2024 employee and director remuneration.

Explanation : NT\$5,153,347 is appropriated as employees' remuneration, and NT\$3,929,427 as directors' remuneration, both will be paid in cash. There is no difference between the estimated amount of expenses incurred in 2024 and actual payout in 2025.

【 Motion 4 】

Topic : Cash dividends distribution of 2024.

Explanation : The dividend payout to shareholders is based on the total

number of issued shares of 77,834,432. NT\$77,834,432 of earnings is appropriated, and shareholders will receive a cash dividend of NT\$1 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.

Acknowledged matters

【Motion 1】

Proposed by the board of directors

Topic : Adoption of the Company's 2024 financial statements.

Explanation : The Company's 2024 standalone financial statements and consolidated financial statements have been audited by Huang,Pei-Chuan and Lin,Yung-Chih, 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 pp.9-12 and 14-35.

Resolution :

【Motion 2】

Proposed by the board of directors

Topic : Statement of earnings distribution of 2024.

Explanation : Statement of earnings distribution of 2024, please refer to p.36.

Resolution :

Matters for Discussion

【 Motion 1 】

Proposed by the board of directors

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

Explanation : 1.In order to conform to amendments to Article 14, Paragraph 6 of the Securities and Exchange Act,” A company referred to in the preceding paragraph shall specify in its articles of incorporation that a certain percentage of its annual earnings shall be allocated for salary adjustments or compensation distributions for its non-executive employees. However, the company's accumulated losses shall have been covered.”, the company hereby proposes to amend the Corporate Charter. Please refer to pp.37-38 for the comparison table of the revised provisions.

2.Non-executive employees mentioned was employees whose regular salary does not exceed the amount specified in Article 2, Paragraph 2 of the Regulations on the Addition or Deduction of Salary Expenses for Small and Medium Enterprises.

Resolution :

【 Motion 2 】

Proposed by the board of directors

Topict : Amendment to the Company's “Procedures for Acquisition or Disposal of Assets”.

Explanation : To accommodate the subsidiary's proposed acquisition of solar photovoltaic power generation sites currently

owned by the Energy Division, and to support the future operational needs of the Energy Division, the majority of the Company's solar power generation sites will be held by the subsidiary. Accordingly, the Company has amended its "Procedures for Acquisition or Disposal of Assets." Please refer to pp.39-40 for the comparison table of the revised provisions.

Resolution :

【 Motion 3 】

Proposed by the board of directors

Topic : Amendment to the Company's "Procedures for Endorsements and Guarantees".

Explanation : To support the subsidiary's proposed acquisition of solar photovoltaic power generation sites currently owned by the Energy Division and to enhance the overall capital efficiency of the Group, the subsidiary will require guarantees from the parent company when obtaining financing from financial institutions. Therefore, it is proposed to increase the guarantee limits, and the Company has amended its "Procedures for Endorsements and Guarantees." Please refer to pp.41-42 for the comparison table of the revised provisions.

Resolution :

Election

【Motion 1】

Proposed by the board of directors

Topic : Election of seven directors of the Company (including three independent directors).

Explanation : 1. The current directors and supervisors of the Company were elected by the 2022 shareholders' meeting, and their term of office expires this year; it is planned to re-elect 7 directors (including 3 independent directors) in accordance with the Articles of Association of the Company, and the candidate nomination system will be adopted for the election of directors.

2. The term of office of the newly elected 20th-term director is 3 years from June 10, 2025 to June 9, 2028.

3. The list of candidates for directors (including independent directors) reviewed and approved by the Board of Directors is as follows:

Candidate type	Candidate name	Education level	Career experience	Current employment	Shareholding (unit: share)	Name of government agency or legal person represented
Director	Liao, Shu-Chun	Paris-Sorbonne University	Chairman, Prime Oil Chemical Service Corporation	Chairman of the Company; Chairman of He Zhen Feng Co., Ltd.&Abacus Display Infinity Co., Ltd.&Hong Bang Assets Management Co., Ltd.&Chang Fu Feng Co., Ltd.&Yufeng Green Energy Co., Ltd.&Kuantai Green Energy Co., Ltd.&Anfeng Green Energy Co., Ltd.&Kunfeng Green Energy Co., Ltd; Director of Prime Holdings Corporation&Prime Solar Energy Co.		
Director	Chen, Yung-Chin	Accounting Institute, Soochow University	CPA/associate director of PwC Taiwan, assistant professor of Soochow University	Independent Director, Member of Remuneration Committee and Chairman of Audit Committee of WPG HOLDINGS LIMITED; Director of United Way of		

Candidate type	Candidate name	Education level	Career experience	Current employment	Shareholding (unit: share)	Name of government agency or legal person represented
				Taiwan		
Director	SU KUNG MING	Textile Department of Nan Ya Industrial College	Senior Vice President of Prime Oil Chemical Service Corp.; Managing Director and Board Director, North Bay Recreation Co., Ltd.; Board Director, Jifeng Construction Co., Ltd.; Executive Vice President and Board Director, Blue Lagoon Amusement Park.	Senior Vice President of Prime Oil Chemical Service Corp.	32,171,849	Abacus Display Infinity Corporation
Director	Lee, Ming-Guen	Department of Banking and Finance of Tamkang University	Treasurer of Prime Oil Chemical Service Corp.	Treasurer of Prime Oil Chemical Service Corp.	32,171,849	Abacus Display Infinity Corporation
Independent director	Ho, Kuo-Chen	Department of Accounting, Soochow University	Director of KNH Enterprise Co., Ltd.; President of KNH Enterprise Co., Ltd.	Independent director and member of the Remuneration Committee of the Company		
Independent director	Lin, Tung-Chiao	Department of Public Finance, National Chengchi University	Supervisor, Chinese Association of Public Finance.; Board Director, Chinese Association of International Taxation for Industry.; Tax Advisor, WT Microelectronics Co., Ltd.	Tax Advisor, WT Microelectronics Co., Ltd.		
Independent director	Chen, Long-Tai	Textile Department of Nan Ya Industrial College	Auditing Manager of Reliance Securities Co., Ltd.	Head of Self-Marketing Department Reliance Securities Co., Ltd.		

Explanation 1: Mr. Ho, Kuo-Chen has served as an independent director of the Company for three consecutive terms. Considering his extensive experience in business management and accounting and finance, the Company believes it is necessary to continue leveraging his professional expertise and his ability to perform the supervisory functions of an independent director. Therefore, he is nominated again as a candidate for independent director.

Voting Results :

Extemporary Motions

Appendices

2024 business report

一、Results of 2024 business plan execution

Revenue for the year was NT\$478,462 k, increased 13% over the previous year (2023), and net profit for the period was NT\$107,155 k, increased 64% over the previous year. Chemical and oil tank storage leasing revenue in Taichung Port approximately accounted for 79% of the revenue and the Energy Division's electricity revenue accounted for 21%.

二、Budget execution

The Company did not disclose its 2024 financial forecasts to the public.

三、Financial analysis

Standalone statements

Unit: Thousands of NTD, unless otherwise specified

Standalone statements Unit: Thousands of NTD, unless otherwise specified items	2024	2023	Increased (decreased) amount	Change percentage (%)
Net operating revenue	\$478,462	\$425,053	53,409	13%
Operating cost	(298,061)	(301,895)	(3,834)	(1%)
Operating gross margin	180,401	123,158	57,243	46%
Operating expenses	(66,775)	(64,716)	2,059	3%
Net operating income	113,626	58,442	55,184	94%
Non-operating income or expenses	20,565	22,415	(1,850)	(8%)
Income before income tax	134,191	80,857	53,334	66%
Income tax expense	(27,036)	(15,624)	11,412	73%
Current period net income	107,155	65,233	41,922	64%
Other comprehensive income for the year (net)	13,060	(63)	13,123	20,830%
Total comprehensive income for the period	120,215	65,170	55,045	84%
Basic earnings per share (NTD)	1.38	0.84	0.54	64%

Analysis and explanation of the increase or decrease percentage:

1. Increase in sales revenue by 13% :

The Chemical and Oil Tank Storage Division's operating revenue increased by

approximately \$53.29 million, or 16%, mainly due to (1) The oil tank customers rented more tanks than previous year and throughput volume also soared. ; (2) The overall market dynamics of chemical tanks was not so good. As a result, the sales revenue and throughput volume declined a bit. The Energy Division's revenues were consistent with prior period, with no significant change.

2. Decrease in operating costs by 1% :

- (1) The decrease in the Chemical and Oil Tank Storage Division of approximately \$5.61million, which includes the decrease in depreciation expenses (due to the amortization of fixed assets purchased in prior years comes to the end successively, while the addition of fixed assets in recent years incurred less depreciation expenses.), Lower fuel expenses due to non-renewal of contracts with customers who require heating and insulation, Decrease in import/export expenses due to timing difference between the two periods, etc.,; while the increases were due to the increase in the employee benefit expenses (due to pay raise, and higher employee remuneration as a result of profit growth and higher contribution rate.), and rental expenses increased because of the short-term rental of transformers due to the damage caused by the 20240403 earthquake, and the increase in property insurance premiums was as a result of the continued increase in premium rates for the 2024 fire insurance and commercial general liability insurance for tank terminals.
- (2) The increase of approximately \$1.78 million in the Energy Division was primarily due to higher repair and maintenance expenses and the increase in the payment to the solar panel recycling fund.

3. Increase in operating expenses by 3% :

The increase in marketing and administrative expenses was mainly due to an increase in employee benefit expenses, resulted from pay raise and higher employee remuneration. The latter comes from profit growth and higher contribution rate.

4. Decrease in non-operating income and expenses by 8% :

- (1) The decrease in other income was mainly due to the decrease 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 increase in other gains and losses was mainly due to the aggregate effect of increase in valuation adjustments on financial assets at fair value through profit or loss compared to the previous period, the gain on disposal of transportation vehicle, and net gain on foreign currency exchange, spurred by US dollar exchange rate appreciation; while there was no gain on disposal of subsidiary in 2024;
- (3) The decrease in finance costs was because we had higher demand with short-term financing in 2023, while it comes down in 2024 ;
- (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 increase in income tax expense by 73% : It was due to higher net income before income tax resulting from all the factors mentioned above.
 6. Increase in other comprehensive income(net): Mainly due to the increase in the cumulative translation adjustment of foreign currencies, with the increase in the US dollar exchange rate compared to the previous period.

四、2025 business plan outline

1. Ramp up Revenue stability

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.
- Continue to monitor the international and East Asian oil and chemical markets, identify risks and opportunities, and propose prudent countermeasures.
- Facing increasingly stringent environmental protection and industrial safety regulations, which may limit operational flexibility and increase costs, we will continue to identify regulations and communicate with the competent authorities through the Tank Association in a timely manner, in order to comprehend regulations and develop countermeasures as soon as possible.

The Energy Division

- Collaborate with strategic partners to gradually transform into a light-asset renewable energy project developer and manager.
- Catch on the trend of green energy policy and development, and convert the existing FIT lower than the general green power market price to CPPA corporate power purchase contracts to increase the rate of return.
- Continue to develop renewable energy investment

opportunities with strategic partners.

2. Nurture human resource in the long run

- Recruit new talent by improving compensation system, and provide adequate training.
- Enhance managerial competences by developing on the job training courses for every level of managers.
- Check out the proficiency of deputy of the middle and high rank managers, and propose counter measures.

3. 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 2024 Business Report, Financial Statements and Earnings Distribution Proposal. Among these, the Financial Statements were audited by Huang, Pei-Chuan and Lin, Yung-Chih, 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 2025 Annual General Meeting of Shareholders

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

March 13, 2025

Independent Auditors' Report

(2025) PWCR 24005234

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, 2024 and 2023 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, 2024 and 2023 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 2024. 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 2024 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\$648,853 thousand, accounting for 33% 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 2024 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

Lin, Yung-Chih

March 13, 2025

Prime Oil Chemical Service Corporation
Standalone Balance Sheets
December 31, 2024 and 2023

Unit: Thousand NTD

Assets		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Current assets					
1100	Cash and cash equivalents	\$ 146,326	7	\$ 56,455	3
1136	Financial assets measured at amortized cost - current	18,986	1	20,680	1
1150	Notes receivable, net	-	-	346	-
1170	Accounts receivable, net	43,102	2	48,156	2
1410	Prepayments	7,909	1	13,123	1
1460	Net assets held for sale	24,234	1	-	-
11XX	Total current assets	240,557	12	138,760	7
Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	130,321	7	102,210	6
1517	Financial assets at fair value through other comprehensive income - noncurrent	4,622	-	5,111	-
1535	Financial assets measured at amortized cost - non-current	4,787	-	3,571	-
1550	Investments accounted for using equity method	439,867	22	369,743	19
1600	Property, Plant and Equipment	921,254	46	1,020,072	53
1755	Right-of-use assets	198,519	10	235,341	12
1780	Intangible asset	1,509	-	2,890	-
1840	Deferred tax assets	932	-	1,384	-
1900	Other non-current assets	48,579	3	47,405	3
15XX	Total non-current assets	1,750,390	88	1,787,727	93
1XXX	Total Assets	\$ 1,990,947	100	\$ 1,926,487	100

(Continued)

Prime Oil Chemical Service Corporation
Standalone Balance Sheets
December 31, 2024 and 2023

Unit: Thousand NTD

Liabilities and Stockholders' Equity		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Current liabilities					
2100	Short-term borrowings	\$ -	-	\$ 30,000	2
2150	Notes payable	-	-	6,881	-
2200	Other payables	51,946	2	46,638	2
2230	Current income tax liabilities	12,088	1	15,437	1
2260	Liabilities directly associated with assets held for sale	896	-	-	-
2280	Current lease liabilities	58,071	3	50,351	3
2320	Long-term liabilities, current portion	54,474	3	58,117	3
2399	Other current liabilities - others	22,443	1	74	-
21XX	Total current liabilities	<u>199,918</u>	<u>10</u>	<u>207,498</u>	<u>11</u>
Non-current liabilities					
2540	Long-term borrowings	315,265	16	285,975	15
2550	Provisions for liabilities - non-current	27,102	1	27,998	1
2570	Deferred tax liabilities	22,297	1	12,675	1
2580	Non-current lease liabilities	138,777	7	175,449	9
2640	Net defined benefit liabilities - noncurrent	2,044	-	4,862	-
2645	Guarantee deposits received	440	-	440	-
25XX	Total non-current liabilities	<u>505,925</u>	<u>25</u>	<u>507,399</u>	<u>26</u>
2XXX	Total liabilities	<u>705,843</u>	<u>35</u>	<u>714,897</u>	<u>37</u>
Equity					
Share capital					
3110	Common stock	778,344	39	778,344	40
Additional paid-in capital					
3200	Additional paid-in capital	77,397	4	77,397	4
Retained earnings					
3310	Legal reserve	211,510	11	205,038	11
3350	Unappropriated retained earnings	202,646	10	147,392	8
Other equity interests					
3400	Other equity interests	15,207	1	3,419	-
3XXX	Total equity	<u>1,285,104</u>	<u>65</u>	<u>1,211,590</u>	<u>63</u>
Significant contingent liabilities and unrecognized contract commitments					
Significant events after the balance sheet date					
3X2X	Total liabilities and equity	<u>\$ 1,990,947</u>	<u>100</u>	<u>\$ 1,926,487</u>	<u>100</u>

Prime Oil Chemical Service Corporation
Standalone Statements of Comprehensive Income
January 1 to December 31, 2024 and 2023

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

	Item	2024		2023	
		Amount	%	Amount	%
4000	Operating revenue	\$ 478,462	100	\$ 425,053	100
5000	Operating cost	(298,061)	(62)	(301,895)	(71)
5900	Operating gross profits	180,401	38	123,158	29
	Operating expenses				
6100	Selling and marketing expenses	(5,610)	(1)	(5,221)	(1)
6200	General and administrative expenses	(61,165)	(13)	(59,495)	(14)
6000	Total operating expenses	(66,775)	(14)	(64,716)	(15)
6900	Operating profit	113,626	24	58,442	14
	Non-operating income and expenses				
7100	Interest income	1,572	-	1,161	-
7010	Other income	5,501	1	22,006	5
7020	Other gains or losses	(4,495)	(1)	(8,787)	(2)
7050	Financial costs	(11,978)	(2)	(13,505)	(3)
7070	Share of profits and losses of subsidiaries, affiliates and joint ventures recognized under the equity method	29,965	6	21,540	5
7000	Total non-operating income and expenses	20,565	4	22,415	5
7900	Profit before income tax	134,191	28	80,857	19
7950	Income tax expense	(27,036)	(6)	(15,624)	(4)
8200	Current period net profit	<u>\$ 107,155</u>	<u>22</u>	<u>\$ 65,233</u>	<u>15</u>
	Other comprehensive income for the year (net)				
	Items that will be reclassified to profit or loss				
8311	Re-measurements of the defined benefit liability	(\$ 1,590	-	(\$ 642)	-
8316	Unrealized valuation gain or loss on equity instruments at fair value through other comprehensive income	489)	-	3	-
8349	Income tax related to components of other comprehensive income that is not reclassified to profit or loss	(318)	-	127	-
8310	Total amount of items that will not be reclassified to profit or loss	783	-	(512)	-
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange Differences in Translating the Financial Statements of Foreign Operations	15,345	3	560	-
8399	Income taxes related to items that may be reclassified	(3,068)	-	(111)	(
8360	Total of Items that may be reclassified to profit or loss	12,277	3	449	-
8300	Other comprehensive income for the year (net)	<u>\$ 13,060</u>	<u>3</u>	<u>(\$ 63)</u>	<u>-</u>
8500	Total comprehensive income in the current period	<u>\$ 120,215</u>	<u>25</u>	<u>\$ 65,170</u>	<u>15</u>
	Earnings per share				
9750	Basic	\$	1.38	\$	0.84
9850	Diluted	\$	1.37	\$	0.84

Prime Oil Chemical Service Corporation
Standalone Statements of Changes in Equity
January 1 to December 31, 2024 and 2023

Unit: Thousand NTD

	Additional paid-in capital					Retained earnings			Other equity interests		Total equity
	Common stock	Issuance premium	Treasury stock transactions	Changes in net equity of affiliated companies and joint ventures under the equity method	Employee share options	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange Differences in Translating the Financial Statements of Foreign Operations	Unrealized gains or losses on financial assets at fair value through other comprehensive income	
<u>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>
<u>2024</u>											
Balance at January 1, 2024	\$ 778,344	\$ 62,280	\$ 4,233	\$ 9,509	\$ 1,375	\$ 205,038	\$ -	\$ 147,392	\$ 7,937	(\$ 4,518)	\$ 1,211,590
Current period net profit	-	-	-	-	-	-	-	107,155	-	-	107,155
Other comprehensive income recognized for the period	-	-	-	-	-	-	-	1,272	12,277	(489)	13,060
Total comprehensive income in the current period	-	-	-	-	-	-	-	108,427	12,277	(489)	120,215
Appropriation and distribution of retained earnings for FY2023											
Legal reserve allocated	-	-	-	-	-	6,472	-	(6,472)	-	-	-
Cash dividends	-	-	-	-	-	-	-	(46,701)	-	-	(46,701)
Balance at December 31, 2024	<u>\$ 778,344</u>	<u>\$ 62,280</u>	<u>\$ 4,233</u>	<u>\$ 9,509</u>	<u>\$ 1,375</u>	<u>\$ 211,510</u>	<u>\$ -</u>	<u>\$ 202,646</u>	<u>\$ 20,214</u>	<u>(\$ 5,007)</u>	<u>\$ 1,285,104</u>

Prime Oil Chemical Service Corporation
Standalone Statements of Cash Flows
January 1 to December 31, 2024 and 2023

Unit: Thousand NTD

	January 1 to December 31, 2024	January 1 to December 31, 2023
<u>Cash flow from operating activities</u>		
Profit before income tax for the year	\$ 134,191	\$ 80,857
Adjustment for:		
Income and expenses having no effect on cash flows		
depreciation expense	177,215	181,741
Amortization expense	1,918	1,617
Valuation loss (gain) of financial assets at fair value through profit or loss	5,144	16,480
Gains on disposal of subsidiary	- (	10,196)
Financial costs	11,978	13,505
Interest income	(1,572)	(1,161)
Dividends income	(4,451)	(13,654)
Shares of affiliated enterprises and joint venture interests recognized using the equity method	(29,965)	(21,540)
Exchange differences in Financial assets measured at amortized cost	1,206)	3
Loss on disposal of property, plant and equipment	1,452	2,500
Change in assets/liabilities related to operating activities		
Changes in operating assets		
Notes receivable, net	346	5
Accounts receivable, net	5,054 (	7,965)
Prepayments	5,214	8,816
Changes in operating liabilities		
Notes payable	6,881)	-
Other payables	7,377 (	1,031)
Other current liabilities - others	22,369	-
Net defined benefit liabilities	(1,228)	(1,148)
Cash flow from operating activities	326,955	248,829
Interest received	1,572	1,161
Dividend received	4,451	13,654
Interest paid	(11,978)	(13,505)
Income tax paid	(23,697)	(20,523)
Net cash generated by operating activities	297,303	229,616

(Continued)

Prime Oil Chemical Service Corporation
Standalone Statements of Cash Flows
January 1 to December 31, 2024 and 2023

Unit: Thousand NTD

	January 1 to December 31, 2024	January 1 to December 31, 2023
<u>Cash Flow from Investing Activities</u>		
Acquisition of financial assets measured at amortized cost	(\$ 10,278)	(\$ 4,166)
Disposal of financial assets measured at amortized cost	11,962	-
Refund of share price due to capital reduction of financial assets at fair value through profit or loss	23,814	23,060
Acquisition of financial assets at fair value through profit or loss	(57,069)	(50,400)
Disposal of financial assets at fair value through profit or loss	-	13,188
Acquisition of investments accounted for using equity method	(27,314)	-
Capital reduction and return of shares of invested companies using the equity method	-	8,501
Purchase of property, plant and equipment	(46,458)	(84,858)
Disposal of property, plant and equipment	1,048	-
Acquisition of intangible assets	(537)	(277)
Cash received from disposal of subsidiaries	-	59,010
Increase in refundable deposits	(3,858)	(114)
Decrease in refundable deposits	2,684	309
Recovered guarantee deposits	-	69,120
Net cash (outflow) inflow from investing activities	(106,006)	33,373
<u>Cash Flow from Financing Activities</u>		
Increase (decrease) in short-term bills payable	-	(34,800)
Increase in short-term borrowings	40,000	985,500
Decrease in short-term borrowings	(70,000)	(1,162,500)
Increase in long-term borrowings (including current portion)	112,600	87,739
Decrease in long-term borrowings (including current portion)	(86,953)	(53,898)
Amount of principal payments on lease liabilities	(50,372)	(53,767)
Cash dividends paid	(46,701)	(50,592)
Decrease in guarantee deposits received	-	(6,010)
Net cash (outflow) inflow from financing activities	(101,426)	(288,328)
Decrease in cash and cash equivalents	89,871	(25,339)
Beginning of year cash and cash equivalents	56,455	81,794
Cash and cash equivalents at the end of the year	\$ 146,326	\$ 56,455

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, 2024 and 2023 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, 2024 and 2023, 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 2024. 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 2024 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\$855,436 thousand, accounting for 43% 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, 2024 and 2023, 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 2024 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

Lin, Yung-Chih

March 13, 2025

Prime Oil Chemical Service Corporation and its subsidiaries
Consolidated balance sheets
December 31, 2024 and 2023

Unit: Thousand NTD

Assets		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Current assets					
1100	Cash and cash equivalents	\$ 190,930	10	\$ 85,546	4
1136	Financial assets measured at amortized cost - current	18,986	1	20,680	1
1150	Notes receivable, net	-	-	346	-
1170	Accounts receivable, net	45,984	2	52,961	3
1410	Prepayments	11,200	1	13,603	1
11XX	Total current assets	<u>267,100</u>	<u>14</u>	<u>173,136</u>	<u>9</u>
Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	130,321	7	102,210	5
1517	Financial assets at fair value through other comprehensive income - noncurrent	4,622	-	5,111	-
1535	Financial assets measured at amortized cost - non-current	4,787	-	3,571	-
1550	Investments accounted for using equity method	132,658	7	104,913	6
1600	Property, Plant and Equipment	1,180,605	60	1,251,778	65
1755	Right-of-use assets	198,519	10	235,341	12
1780	Intangible asset	1,509	-	2,890	-
1840	Deferred tax assets	932	-	1,384	-
1900	Other non-current assets	48,579	2	47,405	3
15XX	Total non-current assets	<u>1,702,532</u>	<u>86</u>	<u>1,754,603</u>	<u>91</u>
1XXX	Total Assets	<u>\$ 1,969,632</u>	<u>100</u>	<u>\$ 1,927,739</u>	<u>100</u>

(Continued)

Prime Oil Chemical Service Corporation and its subsidiaries
Consolidated balance sheets
December 31, 2024 and 2023

Unit: Thousand NTD

Liabilities and Stockholders' Equity		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current liabilities				
2100	Short-term borrowings	\$ -	-	\$ 30,000	2
2150	Notes payable	-	-	6,881	-
2200	Other payables	52,540	3	47,439	2
2230	Current income tax liabilities	12,088	-	15,437	1
2280	Current lease liabilities	58,071	3	50,351	3
2320	Long-term liabilities, current portion	54,474	3	58,117	3
2399	Other current liabilities - others	92	-	74	-
21XX	Total current liabilities	<u>177,265</u>	<u>9</u>	<u>208,299</u>	<u>11</u>
	Non-current liabilities				
2540	Long-term borrowings	315,265	16	285,975	15
2550	Provisions for liabilities - non-current	27,998	2	27,998	1
2570	Deferred tax liabilities	22,297	1	12,675	1
2580	Non-current lease liabilities	138,777	7	175,449	9
2640	Net defined benefit liabilities - noncurrent	2,044	-	4,862	-
2645	Guarantee deposits received	440	-	440	-
25XX	Total non-current liabilities	<u>506,821</u>	<u>26</u>	<u>507,399</u>	<u>26</u>
2XXX	Total liabilities	<u>684,086</u>	<u>35</u>	<u>715,698</u>	<u>37</u>
	Equity attributable to shareholders of the parent company				
	Share capital				
3110	Common stock	778,344	40	778,344	40
	Additional paid-in capital				
3200	Additional paid-in capital	77,397	3	77,397	4
	Retained earnings				
3310	Legal reserve	211,510	11	205,038	11
3350	Unappropriated retained earnings	202,646	10	147,392	8
	Other equity interests				
3400	Other equity interests	15,207	1	3,419	-
31XX	Total equity attributable to shareholders of the parent company	<u>1,285,104</u>	<u>65</u>	<u>1,211,590</u>	<u>63</u>
36XX	Non-controlling interests	<u>442</u>	<u>-</u>	<u>451</u>	<u>-</u>
3XXX	Total equity	<u>1,285,546</u>	<u>65</u>	<u>1,212,041</u>	<u>63</u>
	Significant contingent liabilities and unrecognized contract commitments				
3X2X	Total liabilities and equity	<u>\$ 1,969,632</u>	<u>100</u>	<u>\$ 1,927,739</u>	<u>100</u>

Prime Oil Chemical Service Corporation and its subsidiaries
Consolidated Comprehensive Income Statement
January 1 to December 31, 2024 and 2023

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

	Item	2024		2023	
		Amount	%	Amount	%
4000	Operating revenue	\$ 492,033	100	\$ 441,518	100
5000	Operating cost	(311,910)	(63)	(314,567)	(71)
5900	Operating gross profits	180,123	37	126,951	29
	Operating expenses				
6100	Selling and marketing expenses	(5,707)	(1)	(5,280)	(1)
6200	General and administrative expenses	(61,581)	(13)	(59,700)	(14)
6000	Total operating expenses	(67,288)	(14)	(64,980)	(15)
6900	Operating profit	112,835	23	61,971	14
	Non-operating income and expenses				
7100	Interest income	2,880	1	1,417	-
7010	Other income	5,490	1	21,993	5
7020	Other gains or losses	(1,985)	-	(6,287)	(1)
7050	Financial costs	(11,978)	(3)	(13,505)	(3)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method.	26,940	5	15,258	3
7000	Total non-operating income and expenses	21,347	4	18,876	4
7900	Profit before income tax	134,182	27	80,847	18
7950	Income tax expense	(27,036)	(5)	(15,624)	(3)
8200	Current period net profit	\$ 107,146	22	\$ 65,223	15

(Continued)

Prime Oil Chemical Service Corporation and its subsidiaries
Consolidated Comprehensive Income Statement
January 1 to December 31, 2024 and 2023

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

	Item	2024		2023	
		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	\$ 1,590	-	(\$ 642)	-
8316	Unrealized valuation gain or loss on equity instruments at fair value through other comprehensive income	(489)	-	3	-
8349	Income tax related to components of other comprehensive income that is not reclassified to profit or loss	(318)	-	127	-
8310	Total amount of items that will not be reclassified to profit or loss	783	-	(512)	-
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange Differences in Translating the Financial Statements of Foreign Operations	15,345	3	560	-
8399	Income taxes related to items that may be reclassified	(3,068)	(1)	(111)	-
8360	Total of Items that may be reclassified to profit or loss	12,277	2	449	-
8300	Other comprehensive income for the year (net)	\$ 13,060	2	\$ 63	-
8500	Total comprehensive income in the current period	\$ 120,206	24	\$ 65,160	15
	Net income attributable to:				
8610	Shareholders of the parent company	\$ 107,155	22	\$ 65,233	15
8620	Non-controlling interests	(9)	-	(10)	-
		\$ 107,146	22	\$ 65,223	15
	Total comprehensive income attributable to:				
8710	Shareholders of the parent company	\$ 120,215	24	\$ 65,170	15
8720	Non-controlling interests	(9)	-	(10)	-
		\$ 120,206	24	\$ 65,160	15
	Earnings per share				
9750	Basic	\$ 1.38			0.84
9850	Diluted	\$ 1.37			0.84

Prime Oil Chemical Service Corporation and its subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2024 and 2023

Unit: Thousand NTD

	Equity attributable to shareholders of the parent company												Non-controlling interests	Total equity
	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 valuation gains or losses on financial assets at fair value through other comprehensive income	Total			
<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	\$ 461	\$ 1,187,964	
Current period net profit	-	-	-	-	-	-	-	65,233	-	-	65,233	(10)	65,233	
Other comprehensive income recognized for the period	-	-	-	-	-	-	-	(515)	449	3	(63)	-	(63)	
Total comprehensive income in the current period	-	-	-	-	-	-	-	64,718	449	3	65,170	(10)	65,160	
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)	-	(50,592)	
Changes in net equity of affiliated companies and joint ventures under the equity method	-	-	-	9,509	-	-	-	-	-	-	9,509	-	9,509	
Balance at December 31, 2023	\$ 778,344	\$ 62,280	\$ 4,233	\$ 9,509	\$ 1,375	\$ 205,038	\$ -	\$ 147,392	\$ 7,937	(\$ 4,518)	\$ 1,211,590	\$ 451	\$ 1,212,041	
<u>2024</u>														
Balance at January 1, 2024	\$ 778,344	\$ 62,280	\$ 4,233	\$ 9,509	\$ 1,375	\$ 205,038	\$ -	\$ 147,392	\$ 7,937	(\$ 4,518)	\$ 1,211,590	\$ 451	\$ 1,212,041	
Current period net profit	-	-	-	-	-	-	-	107,155	-	-	107,155	(9)	107,146	
Other comprehensive income recognized for the period	-	-	-	-	-	-	-	1,272	12,277	(489)	13,060	-	13,060	
Total comprehensive income in the current period	-	-	-	-	-	-	-	108,427	12,277	(489)	120,215	(9)	120,206	
Appropriation and distribution of retained earnings for FY2023														
Legal reserve allocated	-	-	-	-	-	6,472	-	(6,472)	-	-	-	-	-	
Cash dividends	-	-	-	-	-	-	-	(46,701)	-	-	(46,701)	-	(46,701)	
Balance at December 31, 2024	\$ 778,344	\$ 62,280	\$ 4,233	\$ 9,509	\$ 1,375	\$ 211,510	\$ -	\$ 202,646	\$ 20,214	(\$ 5,007)	\$ 1,285,104	\$ 442	\$ 1,285,546	

Prime Oil Chemical Service Corporation and its subsidiaries
Consolidated cash flow statements
January 1 to December 31, 2024 and 2023

Unit: Thousand NTD

	January 1 to December 31, 2024	January 1 to December 31, 2023
<u>Cash flow from operating activities</u>		
Profit before income tax for the year	\$ 134,182	\$ 80,847
Adjustment for:		
Income and expenses having no effect on cash flows		
depreciation expense	186,968	191,267
Amortization expense	1,918	1,617
Loss on financial assets at fair value through profit or loss	5,144	16,480
Gains on disposal of subsidiary	- (	10,196)
Financial costs	11,978	13,505
Interest income	(2,880 ) (	1,417)
Dividends income	(4,451 ) (	13,654)
Exchange differences in Financial assets measured at amortized cost	(1,206)	3
Shares of affiliated enterprises and joint venture interests recognized using the equity method	(26,940 ) (	15,258)
Disposal of property, plant and equipment	(1,048)	-
Change in assets/liabilities related to operating activities		
Changes in operating assets		
Notes receivable, net	346	5
Accounts receivable, net	6,977 (	9,523)
Prepayments	2,403	8,547
Changes in operating liabilities		
Notes payable	(6,881 ) (	27)
Other payables	7,170 (	720)
Other current liabilities	18	-
Net defined benefit liabilities	(1,228 ) (	1,148)
Cash flow from operating activities	312,470	260,328
Interest received	2,880	1,417
Dividend received	4,451	13,654
Interest paid	(11,978 ) (	13,505)
Income tax paid	(23,697 ) (	20,523)
Net cash generated by operating activities	284,126	241,371

(Continued)

Prime Oil Chemical Service Corporation and its subsidiaries
Consolidated cash flow statements
January 1 to December 31, 2024 and 2023

Unit: Thousand NTD

	January 1 to December 31, 2024	January 1 to December 31, 2023
<u>Cash Flow from Investing Activities</u>		
Acquisition of financial assets measured at amortized cost	(\$ 10,278)	(\$ 4,166)
Disposal of financial assets measured at amortized cost	11,962	-
Refund of share price due to capital reduction of financial assets at fair value through profit or loss	23,814	23,060
Acquisition of financial assets at fair value through profit or loss	(57,069)	(50,400)
Disposal of financial assets at fair value through profit or loss	-	13,188
Capital reduction and return of shares of invested companies using the equity method	-	8,501
Purchase of property, plant and equipment	(47,461)	(84,858)
Disposal of property, plant and equipment	1,048	-
Acquisition of intangible assets	(537)	(277)
Cash received from disposal of subsidiaries	-	59,010
Increase in refundable deposits	(3,858)	(114)
Decrease in refundable deposits	2,684	309
Decrease in guarantee deposits	-	69,120
Net cash (outflow) inflow from investing activities	(79,695)	33,373
<u>Cash Flow from Financing Activities</u>		
Decrease in short-term bills payable	-	(34,800)
Increase in short-term borrowings	40,000	985,500
Decrease in short-term borrowings	(70,000)	(1,162,500)
Borrowing of long-term loans (including portions due within one year)	112,600	87,739
Repayment of long-term loans (including portions due within one year)	(86,953)	(53,898)
Amount of principal payments on lease liabilities	(50,372)	(53,767)
Cash dividends paid	(46,701)	(50,592)
Decrease in guarantee deposits received	-	(6,010)
Net cash outflow from financing activities	(101,426)	(288,328)
Effects of exchange rate changes on the balance of cash held in foreign currencies	2,379	(217)
Increase (decrease) in cash and cash equivalents	105,384	(13,801)
Beginning of year cash and cash equivalents	85,546	99,347
Cash and cash equivalents at the end of the year	\$ 190,930	\$ 85,546

Prime Oil Chemical Service Corporation
Statement of earnings distribution of 2024

Unit: NT\$

Item	Amount	
	Meter	Total
Unappropriated retained earnings, beginning balance		97,510,075
Plus : Net income of 2024	107,154,963	107,154,963
Plus : Remeasurements of defined benefit pension plans recognized in retained earnings	1,271,911	1,271,911
Less : Appropriation of legal reserve	(10,842,687)	(10,842,687)
Distributable retained earnings for 2024		195,094,262
Distribution items :		
Cash dividends to stockholders (NT\$ 1 per share)		(77,834,432)
Unappropriated retained earnings, ending balance		117,259,830

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 27 :</p> <p>If the Corporation makes a profit in a fiscal year, it shall set aside <u>not less than 0.1% as salary adjustment or remuneration for junior staff</u>, 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>If there is net profit after tax for the current period in the Corporation's financial statements, the following order shall apply :</p> <ol style="list-style-type: none"> (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. 	<p>Article 27 :</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. 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>If there is net profit after tax for the current period in the Corporation's financial statements, the following order shall apply :</p> <ol style="list-style-type: none"> (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. <p>The Corporation authorizes the Board of Directors to distribute the</p>	<p>In line with Article 14, Paragraph 6 of the Securities and Exchange Act, which stipulates that "A company shall specify in its articles of incorporation that it shall set aside a certain percentage of its annual surplus for the purpose of adjusting the salaries of or distributing remuneration to its junior employees.". Amendment.</p>

After Revision	Before Revision	Description
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.	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 31 : The Articles of Association was established on June 30, 1978. (Omitted) The 36th amendment was made on June 13, 2023. The 37th amendment was made on June 21, 2024. <u>The 38th amendment was made on June 10, 2025.</u>	Article 31 : The Articles of Association was established on June 30, 1978. (Omitted) The 36th amendment was made on June 13, 2023. The 37th amendment was made on June 21, 2024.	Add the date of this amendment.

Prime Oil Chemical Service Corporation
Comparison Table for the Procedures for Acquisition or Disposal of
Assets Before and After Revision

After Revision	Before Revision	Description
<p>Article 5: The limits of the Company's investment in real estate not for business purposes and its right-of-use assets or securities investment</p> <p>I.The limits on the Company's acquisition of the assets above are determined as follows:</p> <p>(I)The total amount of real estate and its use right assets not for business purpose shall not exceed 100% of the Company's net value ; for a subsidiary the amount may not exceed 100% of the parent company's net value.</p> <p>(II)The total amount of securities investment shall not exceed <u>200%</u> of the Company's net value; for a subsidiary the amount may not exceed 100% of the parent company's net value.</p> <p>(III)The total amount of individual securities investment shall not exceed <u>100%</u> of the Company's net value; for a subsidiary the amount may not exceed 75% of the parent company's net value.</p>	<p>Article 5: The limits of the Company's investment in real estate not for business purposes and its right-of-use assets or securities investment</p> <p>I.The limits on the Company's acquisition of the assets above are determined as follows:</p> <p>(I)The total amount of real estate and its use right assets not for business purpose shall not exceed 100% of the Company's net value; for a subsidiary the amount may not exceed 100% of the parent company's net value.</p> <p>(II)The total amount of securities investment shall not exceed <u>100%</u> of the Company's net value; for a subsidiary the amount may not exceed 100% of the parent company's net value.</p> <p>(III)The total amount of individual securities investment shall not exceed <u>75%</u> of the Company's net value; for a subsidiary the amount may not exceed 75% of the parent company's net value.</p>	<p>In order to cope with the acquisition of the solar power generation equipment farms held by the Energy Division by the subsidiary, and for the subsequent operational needs of the Energy Division, most of the solar power generation farms of the Company will be changed to be held by the subsidiary; therefore, the "Procedures for the Acquisition or Disposal of Assets" of the Company was revised.</p>
<p>Article 17: Date of Implementation</p> <p>I.The Procedures were formulated and adopted by the Board of Directors on September 15, 1989, and the resolution of the shareholders' meeting was made on June 29, 1990.</p> <p>(Omitted)</p> <p>XVI.The 15th amendment was approved by the Board of Directors on March 24, 2022 and the shareholders' meeting on June 23, 20</p>	<p>Article 17: Date of Implementation</p> <p>I.The Procedures were formulated and adopted by the Board of Directors on September 15, 1989, and the resolution of the shareholders' meeting was made on June 29, 1990.</p> <p>(Omitted)</p> <p>XVI.The 15th amendment was approved by the Board of Directors on March 24, 2022 and the shareholders' meeting on June 23,</p>	<p>Add the date of this amendment.</p>

22. <u>XVII. The 16th amendment was approved by the Board of Directors on March 13, 2025 and the shareholders' meeting on June 10, 2025.</u>	2022.	
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Prime Oil Chemical Service Corporation
Comparison Table for the Procedures for Endorsements and
Guarantees Before and After Revision

After Revision	Before Revision	Description
<p>Article 5: Endorsement/guarantee Limits</p> <p>I.The Company's total amount of external endorsements and guarantees shall be limited to <u>60%</u> of its net value. However, the total amount of endorsements and guarantees for a single enterprise shall be limited to <u>50%</u> of the net value of the Company. The net value is based on the latest financial statements of the Company that have been audited and certified or reviewed by a certified public accountant. The net value is based on the latest financial statements of the Company that have been audited and certified or reviewed by a certified public accountant.</p> <p>II.The Company's and its subsidiaries' total amount of external endorsements and guarantees shall be limited to <u>60%</u> of its net value. However, the total amount of endorsements and guarantees for a single enterprise shall be limited to <u>50%</u> of the net value of the Company. The net value is based on the latest financial statements of the Company that have been audited and certified or reviewed by a certified public accountant.</p> <p>III.For the Company's endorsements and guarantees due to business relationship, the amount of individual endorsement and guarantee shall not exceed the amount of business relationship between the two parties, except for the limit specified in the preceding two paragraphs. The said business transaction amount refers to the purchase or sales amount between the two parties, whichever is higher.</p>	<p>Article 5: Endorsement/guarantee Limits</p> <p>I.The Company's total amount of external endorsements and guarantees shall be limited to <u>45%</u> of its net value. However, the total amount of endorsements and guarantees for a single enterprise shall be limited to <u>40%</u> of the net value of the Company. The net value is based on the latest financial statements of the Company that have been audited and certified or reviewed by a certified public accountant. The net value is based on the latest financial statements of the Company that have been audited and certified or reviewed by a certified public accountant.</p> <p>II.The Company's and its subsidiaries' total amount of external endorsements and guarantees shall be limited to <u>45%</u> of its net value. However, the total amount of endorsements and guarantees for a single enterprise shall be limited to <u>40%</u> of the net value of the Company. The net value is based on the latest financial statements of the Company that have been audited and certified or reviewed by a certified public accountant.</p> <p>III.For the Company's endorsements and guarantees due to business relationship, the amount of individual endorsement and guarantee shall not exceed the amount of business relationship between the two parties, except for the limit specified in the preceding two paragraphs. The said business transaction amount refers to the purchase or sales amount between the two parties, whichever is higher.</p>	<p>In order to support the acquisition of solar power generation equipment held by the Energy Division and the efficiency of the Group's overall capital operation, the subsidiaries will need to obtain endorsement and guarantee from the parent company in order to obtain financing from financial institutions, and therefore the endorsement and guarantee amount is proposed to be increased.</p>

<p>Article 13: Date of Implementation</p> <p>I.The Procedures were established and approved by the shareholders' meeting on June 15, 1995.</p> <p>(Omitted)</p> <p>X.The 9th amendment was approved by the shareholders' meeting on June 23, 2022.</p> <p><u>XI.The 10th amendment was approved by the shareholders' meeting on June 10, 2025.</u></p>	<p>Article 13: Date of Implementation</p> <p>I.The Procedures were established and approved by the shareholders' meeting on June 15, 1995.</p> <p>(Omitted)</p> <p>X.The 9th amendment was approved by the shareholders' meeting on June 23, 2022.</p>	<p>Add the date of this amendment.</p>
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Appendices

Prime Oil Chemical Service Corporation

Rules of Procedure for Shareholders Meetings

Revised by annual general meeting of shareholders on June 21, 2024

- 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 specify the time and place for the registration of shareholders, solicitors and proxies (collectively "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 21, 2024

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.F112010 Wholesale of Gasoline and Diesel Fuel.
- 9.F112060 Airport, Harbor and Industry Port Gasoline Stations.
- 10.F112040 Wholesale of Petroleum Products.
- 11.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. 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. 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 growth 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 30% 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.

The 37th amendment was made on June 21, 2024.

Prime Oil Chemical Service Corporation

Procedures for Acquisition or Disposal of Assets

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

Article 1: Purpose

In order to protect investment and implement information disclosure, the Company shall follow the procedures when acquiring or disposing of assets. However, if the relevant financial laws and regulations provide otherwise, such provisions shall prevail.

Article 2: Legal Basis

The procedures are revised in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.

Article 3: Scope of Assets

- I. Stocks, bonds, corporate bonds, financial bonds, securities representing funds, depository receipts, call (put) warrants, beneficiary securities and asset-based securities.
- II. Real estate (including land, housing and construction, investment real estate, and inventory of construction) and equipment.
- III. Membership cards.
- IV. Patents, copyrights, trademarks, franchises and other intangible assets.
- V. Right-of-use assets.
- VI. Creditor's rights of financial institutions (including receivables, foreign exchange discounts, loans and overdue receivables).
- VII. Derivative products.
- VIII. Assets acquired or disposed of through merger, division, acquisition or share transfer in accordance with the law.
- IX. Other important assets.

Article 4: Definitions

- I. The derivative products that the Company may be engaged in include forward contracts, option contract, futures contracts, leveraged margin contracts, swap contracts, portfolios of the contracts above, portfolio contracts with embedded derivatives or structured products whose values are derived from specific interest rates, financial instrument prices, commodity prices, exchange rates, price or rate indices, credit ratings or credit indices, or other variables. The term forward contract does not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts or long-term purchase (sales) contracts.
- II. Assets acquired or disposed of by merger, division, acquisition or share transfer according to law: Assets acquired or disposed of in accordance with the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institutions Merger Act or other laws, or issuance of new shares in exchange for the shares of other companies (hereinafter referred to as share transfer) in accordance with Article 156-3 of the Company Act.
- III. Related party/subsidiary: It refers to the party recognized in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

- IV. Professional appraiser: It refers to a real estate appraiser or a person who may be engaged in the appraisal business of real estate or equipment in compliance with the law.
- V. Date of occurrence: It refers to the date of signing, payment, entrusted transaction, ownership transfer, resolution of a Board of Directors or a date on which the trading counterparty and transaction amount may be determined, whichever is earlier. However, for an investment requiring approval from a competent authority, the above date or the date the approval granted by the competent authority, whichever is earlier, shall apply.
- VI. Investment in mainland China: It refers to investment conducted in mainland China in accordance with the Licensing Measures for Investment or Technical Cooperation in Mainland China by the Investment Commission of the Ministry of Economic Affairs.
- VII. Those who specialize in investment: Financial holding companies, banks, insurance companies, bills finance companies, trust companies, securities firms with proprietary or underwriting business, futures dealers with proprietary business, securities investment trust businesses, securities investment consulting businesses and fund management companies which are established in accordance with laws and regulations and managed by local financial authorities.
- VIII. Stock exchanges: The domestic stock exchange refers to the Taiwan Stock Exchange Corporation; foreign stock exchanges refer to any organized securities exchange market managed by the country's securities authority.
- IX. Business premises of securities firms: The business premises of domestic securities firms refer to the premises where securities firms set up counters for trading in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; business premises of foreign securities firms refer to the business premises of financial institutions which are regulated by foreign securities authorities and may operate securities business.

Article 5: The limits of the Company's investment in real estate not for business purposes and its right-of-use assets or securities investment

- I. The limits on the Company's acquisition of the assets above are determined as follows:
 - (I) The total amount of real estate and its use right assets not for business purpose shall not exceed 100% of the Company's net value; for a subsidiary the amount may not exceed 100% of the parent company's net value.
 - (II) The total amount of securities investment shall not exceed 100% of the Company's net value; for a subsidiary the amount may not exceed 100% of the parent company's net value.
 - (III) The total amount of individual securities investment shall not exceed 75% of the Company's net value; for a subsidiary the amount may not exceed 75% of the parent company's net value.

Article 6: For the appraisal report or opinion of accountants, lawyers or securities underwriters obtained by the Company, the professional appraiser and its appraising staff, accountants, lawyers or securities underwriters shall comply with the following requirements:

- I. Having not been sentenced to fixed-term imprisonment of more than one year

for violating this Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, and the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery or business crimes. However, this restriction shall not apply if three years have passed after the completion of execution or expiration of probation or after a pardon.

- II. Not a related party or having a substantial relationship with the transaction parties.
- III. If the Company should obtain the appraisal reports of two or more professional appraisers, the different appraisers or appraising staff shall not be related to each other or have substantial relationship with each other.
When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-discipline norms of their trade associations and the following matters:
 - I. Careful evaluation of its own professional ability, practical experience and independence shall be performed before undertaking a case.
 - II. When executing a case, appropriate operating procedures should be properly planned and implemented to form conclusions and issue a report or opinion; the procedures, information collected and conclusions shall be detailed in the working paper of the case.
 - III. The appropriateness and rationality of the data sources, parameters and information used shall be evaluated item by item as the basis for issuing the appraisal report or opinion.
 - IV. The statement shall include the professional and independent nature of the relevant personnel, and that the information used in the evaluation is appropriate and reasonable and in compliance with relevant laws and regulations.

Article 7: Procedures for the acquisition or disposal of real estates, equipment or their right-of-use assets

- I. Evaluation and operation procedures:
When acquiring or disposing of real estates, equipment or their right-of-use assets, the Company shall follow the real estate and equipment cycle of its internal control system.
- II. Determination procedures for transaction terms and authorized limits
 - (I) When acquiring or disposing of real estate or its right-of-use assets, the Company shall, by reference to the published present value, assessed value and actual transaction price of neighboring real estate, decide on transaction terms and prices, prepare an analysis report and submit it to the Chairman. If the amount is less than NT\$50 million, it shall be submitted to the Chairman for approval and submitted to the next Board of Directors for the record afterwards; if the amount exceeds NT\$50 million, it shall be approved by the Audit Committee and submitted to the Board of Directors for a resolution before execution.
 - (II) The acquisition or disposal of equipment or its right-of-use assets shall be made through price inquiry, price comparison, price negotiation or bidding. If the amount is less than NT\$50 million (inclusive), it shall be approved according to the levels of authority; if the amount exceeds NT\$50 million, it shall be submitted to the Chairman for approval and to the Audit Committee for concurrence, and then submitted to the Board of Directors for a resolution before execution.

However, renewable energy related equipment with an amount of NT\$200 million (inclusive) or less shall be approved according to the levels of authority; if the amount exceeds NT\$200 million, it shall be submitted to the Chairman for approval and to the Audit Committee for concurrence, and then submitted to the Board of Directors for a resolution before execution.

III. Execution unit:

When the Company acquires or disposes of the real estate, equipment or its right-of-use assets, the using department and administration department shall be responsible for implementation after the approval according to the approval authority prescribed in the preceding paragraph.

IV. Real estate or equipment appraisal report:

For the Company's acquisition or disposal of real estate, equipment or its right-of-use assets, other than the transactions with domestic government agencies, commissioned construction of self-own land, commissioned construction of leased land, or acquisition or disposal of equipment or its right-of-use assets for business purposes, if the transaction amount reaches 20% of the paid-in capital of the Company or exceeds NT\$300 million, the Company shall obtain an appraisal report issued by a professional appraiser before the date of occurrence, and comply with the following:

- (I) If a limited price, specific price or special price is used as the reference basis for the transaction price due to special reasons, the transaction shall be submitted to the Board of Directors for a resolution first; the same procedure shall be followed if the transaction conditions are changed later.
- (II) If the transaction amount reaches NT\$1 billion or more, two or more professional appraisers shall be invited to evaluate the transaction.
- (III) In case of any of the following circumstances, except that the appraisal results of the assets obtained are higher than the transaction amount, or the appraisal results of the disposed assets are lower than the transaction amount, the accountant shall be requested to express a concrete opinion about the reasons for the difference and the fairness of the transaction price:
 1. The difference between the appraisal result and the transaction amount is more than 20% of the transaction amount.
 2. The difference between the appraisal results of two or more professional appraisers is more than 10% of the transaction amount.
- (IV) The interval between the date of the professional appraiser's report and the establishment date of the contract shall not exceed three months. However, if the announced current value of the same period is applicable and the announcement date is less than six months ago, the original professional appraiser may issue a written opinion.
- (V) The calculation of the transaction amount shall be done in accordance with the provisions of subparagraph (8), paragraph 1, Article 13, and the said "within one year" is based on the date when the transaction occurs and the date is calculated retrospectively one year backward. The part for which an appraisal report from a professional appraiser or a CPA opinion is already obtained needs not be included again.
- (VI) If the assets are acquired or disposed of through the auction procedure of the court, the certificate issued by the court may replace the appraisal report or the CPA opinion.

Article 8: Procedures for acquiring or disposing of securities investment

I. Evaluation and operation procedures:

When acquiring or disposing of securities, the Company shall follow the investment cycle of its internal control system.

II. Determination procedures for transaction terms and authorized limits

- (I) The trading of securities on the centralized exchange market or at the business premises of a securities firm shall be decided by the responsible unit according to the market conditions. If the amount of the securities is less than NT\$50 million (inclusive), it shall be approved by the Chairman and reported at the next Board of Directors, and an analysis report on the unrealized profit or loss of the securities shall be submitted. If the amount of the securities exceeds NT\$50 million, it shall be approved by the Audit Committee and submitted to the Board of Directors for a resolution before execution. However, in the case of acquiring or disposing of bond funds, the investment shall be approved by the Chairman regardless of the amount, and submitted to the next Board of Directors for records after the event.
- (II) For trading securities not on a centralized trading market or not at the business premises of a securities firm, the latest audited and certified or reviewed financial statements of the target company shall be taken as the reference for evaluating the trading price, and the net value per share, profitability and future development potential of the target company shall be considered. If the amount of the securities is less than NT\$50 million (inclusive), it shall be approved by the Chairman and reported at the next Board of Directors, and an analysis report on the unrealized profit or loss of the securities shall be submitted. If the amount of the securities exceeds NT\$50 million, it shall be approved by the Audit Committee and submitted to the Board of Directors for a resolution before execution.

III. Execution unit:

The securities investment by the Company shall be carried out by the Chairman's Office or the Finance Department following the approval authority in the preceding paragraph.

IV. Obtaining expert opinions:

- (I) When acquiring or disposing of securities, the latest audited and certified or reviewed financial statements of the target company shall be taken as the reference for evaluating the trading price before the date of occurrence. In addition, if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million, the Company shall consult a CPA for a fairness opinion on the transaction price before the date of occurrence. However, this requirement does not apply to securities with publicly quoted prices in an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).
- (II) If the assets are acquired or disposed of through the auction procedure of the court, the certificate issued by the court may replace the appraisal report or the CPA opinion.
- (III) The calculation of the transaction amount shall be done in accordance with the provisions of subparagraph (8), paragraph 1, Article 13, and the said "within one year" is based on the date when the transaction occurs and the date is calculated retrospectively one year backward. The part for which an appraisal report from a professional appraiser or a CPA opinion is

already obtained needs not be included again.

Article IX: Related-party transactions

I. When the Company acquires or disposes of assets with its related parties, in addition to handling relevant resolution procedures and assessing the fairness of transaction conditions in accordance with Articles 7, 8 and 10 and this Article, if the transaction amount reaches 10% of the Company's total assets, an appraisal report by a professional appraiser or a CPA opinion shall be obtained in accordance with Articles 7, 8 and 10. The calculation of the previous transaction amount shall be done in accordance with the provisions of subparagraph (8), paragraph 1, Article 13, and the said "within one year" is based on the date when the transaction occurs and the date is calculated retrospectively one year backward. The part for which an appraisal report from a professional appraiser or a CPA opinion is already obtained needs not be included again. In addition, when judging whether a counterparty is a related party, attention shall be paid to not just its legal form, but also the substantive relationship.

II. Evaluation and operation procedures:

If the Company acquires or disposes of real estate or its right-of-use assets from a related party, or acquires or disposes of assets other than real estate or its right-of-use assets with a related party, and the transaction amount reaches 20% of the Company's paid-in capital, 10% of its total assets, or NT\$300 million, other than trading domestic government bonds or debts with repurchase or resale conditions, and subscription to or redemption of money market funds issued by domestic securities investment trust enterprises, the following information shall be approved by the Audit Committee and submitted to the Board of Directors for a resolution before signing the transaction contract and making the payment:

- (I) The purpose, necessity and expected benefits of the acquisition or disposal of the assets.
 - (II) Reasons for selecting the related party as the trading counterparty.
 - (III) For acquisition of real estate or its right-of-use assets from a related party, evaluate the rationality of the predetermined trading conditions in accordance with the provisions of subparagraphs (1) to (4) and (6), paragraph 3 of this article.
 - (IV) The original acquisition date and price of the related party, and the trading counterparty and its relationship with the Company and the related party, etc.
 - (V) A forecast statement of cash receipts and payments for each month of the next year from the beginning of the contract month, and an assessment of the necessity of the transaction and the rationality of the use of funds.
 - (VI) The appraisal report issued by a professional appraiser obtained in accordance with the paragraph 1 of this article, or a CPA opinion.
 - (VII) Restrictions and other important agreements of this transaction.
- For the following transactions between the Company and its parent company or subsidiaries, or among its subsidiaries in which the Company directly or indirectly holds 100% of the issued shares or total capital, the Board of Directors may authorize the Chairman to approve within a certain amount, and then submit them to the next Board of Directors for ratification:

- (I) Acquisition or disposal of equipment or its right-of-use assets for business purpose.
- (II) Acquisition or disposal of real estate or its right-of-use assets for business purpose.

Where a public company or its subsidiary that is not a domestic public company has a transaction referred to in paragraph 2, and the transaction amount reaches 10% of the total assets of the public company, the public company shall submit the information listed in paragraph 2 to the shareholders' meeting for approval before signing the transaction contract and making the payment. However, this restriction does not apply to transactions between the public company and its parent company or subsidiaries, or among its subsidiaries.

The calculation of the transaction amount in paragraph 1 and the previous paragraph shall be done in accordance with the provisions of subparagraph (8), paragraph 1, Article 13, and the said "within one year" is based on the date when the transaction occurs and the date is calculated retrospectively one year backward. The part that has been submitted to the shareholders' meeting and the Board of Directors for approval and the Audit Committee for recognition in accordance with the provisions of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies needs not be included again.

III. Evaluation of the fairness of the transaction cost:

- (I) Regarding any real estate or its right-of-use assets acquired from a related party by the Company, fairness of the transaction costs should be measured according to the method listed below:
 - 1. On the basis of the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. The "necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 - 2. The total appraised value of the subject matter by the financial institution if the related party has set up a mortgage loan with the subject matter from a financial institution, provided that the financial institution's actual accumulated loan value for the subject matter shall be more than 70% of the total appraised value, and the loan period shall be more than one year. However, this shall not apply where the financial institution is a related party of one of the transaction parties.
- (II) In the case of joint purchase or joint lease of the land and housing of the same subject matter, the transaction costs may be assessed by either of the methods listed in subparagraph (1), paragraph 3 of this article.
- (III) When the Company acquires real estate or its right-of-use assets from a related party, it shall evaluate the cost of the real estate or its right-of-use assets in accordance with the provisions of subparagraphs (1) and (2), paragraph 3 of this article, and shall consult a CPA for review and a specific opinion.
- (IV) When the appraisal result in accordance with the provisions of subparagraphs (1) and (2), paragraph 3 of this article is lower than the transaction price, it shall be handled in accordance with subparagraph (5), paragraph 3 of this article. Whereas any circumstances described as below, where the objective evidences, as well as the specifically reasonable

comments concluded by the professional property appraisers and accountants, are not subject to this restriction:

1. If the related party acquires plain land or leased land for redevelopment, relevant evidence may be provided to prove that it meets any of the following conditions:
 - (1) Plain land is evaluated according to the methods specified in subparagraphs (1) to (3) and (6), paragraph 3 of this article, and the building price is calculated at the construction cost of the related party plus a reasonable construction profit, and the sum exceeds the actual transaction price. The “Reasonable construction profit” shall be deemed the average gross operating profit margin of the related party’s construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - (2) The transaction cases of other floors of the same subject property or of other non-related parties in the adjacent area within one year have similar areas, and the transaction conditions after evaluation are equivalent according to the reasonable floor or area price difference based on real estate sales or leasing practices.
 2. The Company provides evidence that the transaction conditions of the real estate purchased from the related party or the real estate right-of-use assets acquired by leasing are similar to those of other non-related party transactions in the adjacent area within one year. The transaction case in the neighboring area mentioned in the preceding paragraph refers to the transaction target on the same or adjacent street within a radius of less than 500 meters, or the announced current value shall be similar; the said similar area size refers to that the area of other non-related party transaction cases is not less than 50% of the area of the subject matter of the transaction; the said one year is based on the date of the acquisition of the real estate or its right-of-use assets, and retrospectively calculated one year backward.
- (V) When the Company acquires real estate or its right-of-use assets from a related party, if the appraisal result in accordance with the provisions of subparagraphs (1) to (4) and (6), paragraph 3 of this article is lower than the transaction price, the following matters shall be handled. When the Company and any public company that uses the equity method to account for its investment in the Company have set aside a special reserve under the preceding regulations, they may not utilize the special reserve until it has recognized a loss on the decline in the market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the competent authority has given its consent.
1. The Company shall set the differences between the transaction price of the real estate or its right-of-use assets and the appraised costs as a special reserve in accordance with the provision of Paragraph 1, Article 41 of the Securities and Exchange Act, and may not distribute

- it or transfer it into new shares from capital increase. If an investor who adopts the equity method to evaluate the Company's investment is a public company, it shall also set aside a special reserve appropriated in accordance with Paragraph 1 of Article 41 of the Securities and Exchange Act according to the shareholding ratio.
2. The Audit Committee shall handle the case in accordance with Article 218 of the Company Act.
 3. The handling situation in points 1 and 2 shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and the prospectus.
- (VI) When the Company acquires real estate or its right-of-use assets from a related party, in case of any of the following circumstances, the provisions of paragraph 2 of this article shall apply, and the provisions of subparagraphs (1) to (3), paragraph 3 of this article shall not apply:
1. The related party acquired real estate or its right-of-use assets by inheritance or gift.
 2. The time when the related party acquired the real estate or its right-of-use assets was more than five years ago.
 3. The real estate is acquired by signing a joint construction contract with the related party, or inviting the related party to build the real estate with local or leased land.
 4. Acquisition of right-of-use assets of business-purpose real estate between a public company and the parent company or subsidiaries, or between its subsidiaries in which the Company directly or indirectly holds 100% of their issued shares or total capital.
- (VII) If the Company acquires real estate or its right-of-use assets from a related party, and there is other evidence showing that the transaction is not in compliance with regular business practices, it shall also be handled in accordance with subparagraph (5), paragraph 3 of this article.

Article 10: Procedures for acquisition or disposal of intangible assets or their right-of-use assets or membership cards

- I. Evaluation and operation procedures:
When acquiring or disposing of intangible assets or their right-of-use assets or memberships, the Company shall follow the real estate and equipment cycle of its internal control system.
- II. Determination procedures for transaction terms and authorized limits
 - (I) For the acquisition or disposal of memberships, the fair market price shall be referred to in order to determine the transaction terms and price, and an analysis report shall be prepared accordingly for submission to the President. If the amount is less than 1% of the Company's paid-in capital or NT\$3 million, the case shall be submitted to the President for approval and reported in the next Board of Directors; if the amount is greater than NT\$3 million, it shall be approved by the Audit Committee and submitted to the Board of Directors for a resolution before execution.
 - (II) For the acquisition or disposal of intangible assets or their right-of-use assets, the expert's appraisal or fair market price shall be referred to in order to determine the transaction terms and price, and an analysis report shall be prepared accordingly for submission to the Board of Directors. If the amount is less than 10% of the Company's paid-in capital or NT\$20

million, the case shall be submitted to the Chairman for approval and reported in the next Board of Directors afterwards; if the amount is greater than NT\$20 million, it shall be approved by the Audit Committee and submitted to the Board of Directors for a resolution before execution.

III. Execution unit:

When the Company acquires or disposes of intangible assets or the right-of-use assets thereof or memberships, the using department and the finance or administration department shall be responsible for implementation after being approved by the delegated authority prescribed in the preceding paragraph.

IV. Expert appraisal report of memberships or intangible assets or their right-of-use assets:

- (I) If the transaction amount of the Company's acquisition or disposal of membership cards reaches 1% of the Company's paid-in capital or NT\$3 million, then an expert shall be appointed for issuing an appraisal report.
- (II) If the transaction amount of the Company's acquisition or disposal of intangible assets or their right-of-use assets reaches 10% of the Company's paid-in capital or NT\$20 million, then an expert shall be appointed for issuing an appraisal report.
- (III) Other than dealing with domestic government agencies, if the transaction amount of intangible assets or its right-of-use assets or memberships acquired or disposed of by the Company reaches 20% of the Company's paid-in capital or NT\$300 million, the Company shall, before the date of occurrence, consult a CPA to express an opinion on the fairness of the transaction price.
- (IV) The calculation of the transaction amount shall be done in accordance with the provisions of subparagraph (8), paragraph 1, Article 13, and the said "within one year" is based on the date when the transaction occurs and the date is calculated retrospectively one year backward. The part for which an appraisal report from a professional appraiser or a CPA opinion is already obtained needs not be included again.

Article 11: Procedures for the acquisition or disposal of derivative products

I. Trading principles and guidelines:

(I) Transaction types

- 1. The Company's financial derivative products refer to the trading contracts whose value is derived from assets, interest rates, exchange rates, indices or other interests.
 - (1) Forward agreement: A contract for pre-purchasing (or pre-selling) the subject product and agreeing to deliver it on a specific date in the future.
 - (2) Financial options: The buyer of the option has the right to buy (call) or sell (put) the agreed quantity of the subject product from the seller at the strike price on a specific maturity date, and the seller has the obligation to perform the delivery obligation at the strike price.
 - (3) Financial futures: It refers to the contract that the parties agree to buy or sell the subject product at a specific time in the future at a specific price, quantity and other trading terms, or to settle the price difference before maturity.
 - (4) Interest rate swap: It refers to a transaction contract signed by

both parties to exchange different interest bases on a specific date in the future, and settle the interest receivable and payable and pay the interest difference based on the principal in a specific name, provided that both parties do not exchange the principal from the beginning.

(5) Currency swap: It refers to the transaction contract signed by both parties to exchange the use of two foreign currencies and pay the interest of the currency received to the other party based on the principal in a specific name, and then exchange the original currency at the same exchange rate on the agreed maturity date.

(6) Other derivative products approved by the Board of Directors.

2. The bond margin trading procedures shall be handled in accordance with the provisions in these procedures. The provisions in these procedures do not apply to bond repo transactions.

(II) Operation (hedging) strategy:

The Company shall take hedging as the purpose when engaging in derivative transactions, and the trading shall be mainly to avoid risks arising from the business operation of the Company. The currency held shall be consistent with the foreign currency demand of the Company's actual import and export transactions, and based on the principle of having the Company's overall internal position (the foreign currency income and expenditure) squared, so as to reduce the Company's overall foreign exchange risk and save foreign exchange operation costs. Transactions for other specific purposes must be carefully evaluated and submitted to the board of directors for approval.

(III) Total contract amount:

The Finance Department shall master the overall position of the Company to avoid transaction risks. The total amount of derivative transactions shall not exceed NT\$300 million or 20% of the capital amount, and the amount of non-hedging transactions shall not exceed NT\$70 million.

(IV) Upper limit of total and individual contract losses:

Where the upper limit of total contract loss from derivative trading is NT\$35 million or 5% of the capital amount, whichever is higher, the upper limit of individual contract loss is 50% of the amount of the individual contract, and may not exceed NT\$10 million.

(V) Division of Rights and Responsibilities:

1. Board of directors: It is the top management of the Company for derivative trading, responsible for determining the subject matter of the transaction and the type of product, the trading department and the upper trading limit.
2. Chairman: The senior executive authorized by the board of directors to engage in derivative trading, who shall pay attention to the supervision and control of derivative trading risks at any time.
3. Traders: The executive officers of the Company engaged in derivative trading, who shall be appointed by the Chairman.
 - (1) Responsible for the formulation of the whole company's financial product trading strategy.
 - (2) Traders shall regularly calculate positions every two weeks, collect market information, make trend judgments and risk

assessments, and formulate operational strategies to be used as the basis for trading after being approved in accordance with the approval authority.

- (3) Execute the transaction according to the level of authority and the established strategy.
 - (4) When there are major changes in the financial market and the traders judge that the established strategy is no longer applicable, they shall submit an evaluation report at any time and reformulate the strategy, which shall be used as the basis for trading after being approved by the President.
4. Accounting personnel:
 - (1) Execute transaction confirmation.
 - (2) Review whether the transaction is conducted according to the level of authority and the established strategy.
 - (3) Conduct monthly evaluation and submit the evaluation report to the President.
 - (4) Accounting treatment.
 - (5) Filing and announcement shall be made in accordance with the provisions of the Securities and Futures Commission.
 5. Settlement personnel: Responsible for the settlement of transactions.
 6. Audit Department:

Responsible for understanding the adequacy of the internal control of derivative trading, checking the compliance of the Trading Department with operating procedures, analyzing the trading cycle, preparing audit reports, and reporting to the Audit Committee in writing when there are material deficiencies.

(VI) Approval authority of derivative products:

1. Approval authority of hedging transactions

The trading authorization limit shall be authorized level by level by the board of directors to the Chairman, the President, the finance director and the traders. If the authorization limit is exceeded, the approval from the superior shall be obtained according to its authorization limit. If the trading quota exceeds the original authorization scope of the board of directors, the additional quota shall be approved by the board of directors first, otherwise the trading shall not be carried out.

 - (1) If the daily transaction amount is less than US\$500,000 and the cumulative amount is less than US\$1.5 million (inclusive), the transactions shall be approved by the finance director.
 - (2) If the daily transaction amount is between US\$500,000 and US\$2 million (inclusive) and the cumulative amount is less than US\$5 million (inclusive), the transactions shall be approved by the President.
 - (3) If the daily transaction amount is more than US\$2 million and the cumulative amount is less than US\$8 million (inclusive), the transactions shall be approved by the Chairman.
2. Non-hedging transactions shall be submitted to the Board of Directors for approval before execution.
3. Major derivative product transactions shall be approved by the Audit Committee in accordance with relevant regulations and submitted to the Board of Directors for resolution.

- (VII) Performance Evaluation:
 - 1. Risk hedging transactions:
 - (1) The performance evaluation is based on the exchange rate costs on the Company's books and the gains and losses arising from engaging in derivative financial transactions.
 - (2) In order to fully grasp and express the evaluation risk of the transactions, the Company adopts the monthly evaluation method to evaluate the profit and loss.
 - (3) The Finance Department shall provide foreign exchange position evaluation, foreign exchange market trends and market analysis to the President for management reference and instructions.
 - 2. Non-risk hedging transactions:

The performance evaluation is based on the actual profit and loss, and the accounting staff shall regularly prepare reports for the reference of the management level.
- II. Risk management measures:
 - (I) Credit risk management:

As the market is subject to the changes of various factors which are easy to cause operational risks of derivative financial products, the market risk management shall be carried out according to the following principles:

 - 1. Transaction counterparties: Well-known domestic and foreign financial institutions.
 - 2. Products for transactions: Limited to products provided by well-known domestic and foreign financial institutions.
 - 3. Transaction amount: The outstanding transaction amount of the same transaction counterparty shall not exceed 10% of the total authorized amount, except for those approved by the President.
 - (II) Market Risk Management:

The open foreign exchange market provided by banks shall prevail, but the futures market shall not be considered. After a position is established, the stop loss point shall be strictly observed.
 - (III) Liquidity Risk Management:

In order to ensure market liquidity, financial products chosen shall have high liquidity (can be squared in the market at any time). Financial institutions entrusted must have sufficient information and the ability to conduct transactions in any market at any time.
 - (IV) Cash Flow Risk Management:

In order to ensure the stability of the Company's working capital turnover, the Company's source of funds for derivative trading is limited to its own funds, and the funding needs based on the forecasted cash receipts and payments in the next three months should be taken into account for the transaction amount.
 - (V) Operation Risk Management:
 - 1. The Company's authorization limit and operating procedures shall be strictly followed, and the procedures shall be included in the internal audit system to avoid operational risks.
 - 2. Derivative traders and operations personnel in confirmation and settlement shall not hold concurrent posts.
 - 3. Risk measurement, supervision and control personnel shall be in different departments from those in the preceding paragraph, and shall

- report to the board of directors or to senior executives who are not responsible for decision-making on transactions or positions.
4. The positions of derivative exchange shall be evaluated at least once a week, but if hedging transactions are required for business needs, they shall be evaluated at least twice a month, and the evaluation report shall be sent to the senior executives authorized by the board of directors.
- (VI) Product Risk Management:
Internal traders shall have complete and correct professional knowledge of financial products, and banks shall be required to fully disclose risks to avoid financial product risks.
- (VII) Legal Risk Management:
Documents signed with financial institutions should be reviewed by professionals of foreign exchange and legal or legal counsel before they can be formally signed to avoid legal risks.
- III. Principles of supervision and management by the board of directors for derivative trading:
- (I) The board of directors shall designate senior executives for the supervision and control of derivative trading risks at all times. The supervision and management principles are as follows:
 1. Regularly evaluate whether the current risk management measures are appropriate and firmly handled in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies and the Company's Procedures for Derivative Trading.
 2. Supervise the trading and profit and loss situation, and take necessary countermeasures and report to the board of directors immediately in case of any abnormality.
 - (II) Regularly evaluate whether the performance of derivative trading is in line with the established business strategy, and whether the risks undertaken are within the acceptable range of the Company.
 - (III) When the Company engages in derivative transactions, if relevant personnel are authorized to handle the transactions in accordance with the prescribed Procedures for Derivative Trading, the transactions shall be reported to the next Board of Directors afterwards.
- IV. Accounting Treatment:
- (I) The accounting treatment of the Company's derivative trading shall be in accordance with the relevant regulations promulgated by the SFC and the Accounting Research and Development Foundation. In preparing periodic financial statements (including annual, semi annual and quarterly financial statements), relevant information shall be disclosed in accordance with SFC regulations.
 - (II) The Company shall provide the certifying CPA with information on its derivative trading, and disclose it fully in its financial report.
- V. Regular Evaluation Method:
- (I) The board of directors shall authorize senior executives to regularly supervise and evaluate whether derivative transactions are firmly handled in accordance with the Company's trading procedures, and whether the risks borne are within the allowed scope. When there is an exception in the market price evaluation report (such as the loss limit of the position being

exceeded), it shall be immediately reported to the board of directors and take countermeasures.

- (II) The positions of derivative exchange shall be evaluated at least once a week, but if hedging transactions are required for business needs, they shall be evaluated at least twice a month, and the evaluation report shall be sent to the senior executives authorized by the board of directors.
- (III) The Chairman shall designate personnel to regularly evaluate whether the risk management measures currently used are appropriate, and whether they are indeed handled in accordance with the provisions of the FSC and these Procedures.

VI. Internal Audit System:

- (I) Internal auditors shall regularly review the appropriateness of the internal control of derivative trading, and monthly audit the compliance of the Trading Department on the procedures for derivative trading, and prepare an audit report accordingly. If material violations are discovered, the Audit Committee shall be notified in writing.
- (II) Internal auditors shall submit the audit report together with the annual review of internal audit operations to the Securities and Futures Commission before the end of February of the following year, and report the improvement of exceptional matters to the Securities and Futures Commission for future reference at the latest by the end of May of the following year.

VII. Creating a Memorandum Book:

When the Company engages in derivative trading, it shall establish a memorandum book in detail for recordation the type, amount, date of approval of the Board of Directors, and the matters that should be carefully evaluated in accordance with subparagraphs (1) and (2), paragraph 3 and subparagraph (2), paragraph 5 of this article.

- VIII. If the Company does not intend to engage in derivative trading, it may be exempted from formulating procedures for derivative trading after reporting to and the approval of the Board of Directors. If the Company intends to engage in derivative trading later, it shall still follow the provisions of this article.

Article 12: Procedures for merger, division, acquisition or share transfer

I. Evaluation and operation procedures:

- (I) When the Company handles mergers, divisions, acquisitions or share transfers, it is advisable to entrust lawyers, accountants and underwriters to jointly discuss the estimated timetable for legal procedures, and organize a special team for the execution in accordance with the statutory procedures. It shall also, prior to convening the Board of Directors to resolve the matter, engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and resolution. However, for a public company's merger of a subsidiary which the company directly or indirectly holds 100% of its issued shares or capital, or the merger between the company's subsidiaries which the company directly or indirectly holds 100% of their issued shares or capital, the fairness opinions issued by the aforementioned experts may be exempted.
- (II) Before the shareholders' meeting, the Company shall prepare public documents to shareholders concerning important agreements and related

matters of merger, division or acquisition, and deliver to the shareholders the expert opinions in Paragraph 1, Subparagraph 1 of this article together with the notice of the shareholders' meeting to serve as references for whether to agree to the merger, division or acquisition. Provided, where a provision of another act exempts the Company from convening a Shareholders Meeting to approve the mergers, split-offs, or acquisitions, this restriction shall not apply. Where the Shareholders Meeting of any one of the companies participating in a merger, split-off, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the Shareholders Meeting, the companies participating in the merger, split-off, or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next Shareholders Meeting.

II. Other Matters to Be Noted:

- (I) Dates of the Board of Directors: Unless otherwise provided by law or the approval from the Financial Supervisory Commission is required due to special factors, the companies participating in a merger, division or acquisition shall convene their Board of Directors and shareholders' meeting on the same day to resolve merger, division or acquisition related matters. Unless otherwise provided by law or the approval from the Financial Supervisory Commission is required due to special factors, companies participating in a share transfer shall convene a Board of Directors on the same day.
- (II) Confidentiality commitment: All participants or persons who are aware of the Company's merger, division, acquisition or share transfer plan shall issue a written confidentiality commitment. Before the information is announced, they shall not disclose the contents of the plan externally, nor shall they buy or sell either by themselves or in the name of others the shares and other securities of equity nature of all companies related to the merger, division, acquisition or share transfer.
- (III) Principles for determining and changing the share swap ratio or purchase price: The companies participating in the merger, division, acquisition or share transfer shall, before the Board of Directors of both parties is convened, entrust accountants, lawyers or securities underwriters to express their opinions on the rationality of the share swap ratio, purchase price or cash or other property allocated to shareholders, and submit them to the shareholders' meeting. The share exchange ratio or acquisition price may not be altered arbitrarily; provided the circumstances permitting alteration have been stipulated in the contract and disclosed publicly, this restriction shall not apply. Circumstances permitting the alteration on share exchange ratio or the acquisition price are as follows:
 1. Cash capital increase, issuance of convertible corporate bonds, issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
 2. Any action that affects the Company's financial operations, such as disposal of major assets.
 3. Any event that affects shareholders' equity or share prices such as a major disaster or major change in technology.
 4. The adjustment that any of the companies participating in the merger,

- split-off, acquisition, or transfer of shares buys back treasury stock legally.
5. Changes in the subject or the number of companies involved in mergers, split-offs, acquisitions, or share transfers.
 6. Other circumstances stipulated in the contract that permit the alteration and that have been publicly disclosed.
- (IV) Contents to be included in the contract: Other than that the contract shall follow the provisions of Article 317-1 of the Company Act and Article 22 of the Business Mergers and Acquisitions Act, the contract of the companies participating in a merger, division, acquisition or share transfer shall stipulate the following.
1. Handling of breach of contract.
 2. The principle of handling the previous issuance of securities with equity nature or buyback of treasury shares by the Company which is eliminated or divided due to the merger.
 3. The number of treasury shares that may be bought back in accordance with the law and the handling principle after the benchmark date of the share swap.
 4. The treatment for the increase or decrease of participating subjects or entities.
 5. The schedule of project implementation and expected completion.
 6. If the plan is not completed before the deadline, the relevant procedures such as the scheduled date of the shareholders' meeting which shall be convened according to law.
- (V) Change of companies participating in a merger, division, acquisition or share transfer: After the information is disclosed to the public, if any of the companies participating in the merger, division, acquisition or share transfer intends to participate in another merger, division, acquisition or share transfer with another company, unless the number of participants decreases and the shareholders' meetings have resolved and authorized the Board of Directors to change the authority to exempt the participating companies from holding another shareholders' meeting for another resolution, all the participating companies shall redo the completed procedures or legal acts of the original merger, division, acquisition or share transfer case.
- (VI) If a company participating in a merger, division, acquisition or share transfer is not a public company, the Company shall sign an agreement with it, and handle the case in accordance with the provisions of subparagraphs (1), (2), (5) and (7) of paragraph 2 of this article.
- (VII) If a company participating in a merger, division, acquisition or transfer of shares is listed or has its shares traded on the business premises of domestic securities firms shall prepare a complete written record of the following information, which shall be kept for five years for inspection:
1. Basic information of personnel: including the title, name, ID card number (or passport number for foreigners) of all persons participating in the merger, division, acquisition or share transfer plan or the implementation of the plan before the disclosure of the information.
 2. Date of important matters: including the date of signing the letter of intent or memorandum, entrusting the financial or legal consultant,

signing the contract and the Board of Directors.

3. Important documents and minutes: including the plan for merger, division, acquisition or share transfer, letter of intent or memorandum, important contracts and Board of Directors minutes.

If a company that participates in a merger, division, acquisition or share transfer is a public company or a company whose shares are traded on the business premises of domestic securities firms, then within two days from the date of the resolution of the Board of Directors the information under items 1 and 2 of subparagraph (7) shall be submitted to the FSC in the prescribed format through the Internet information system for recording.

If a company that participates in a merger, division, acquisition or share transfer is not a public company or a company whose shares are not traded on the business premises of domestic securities firms, the participating public company or the participating company whose shares are traded on the business premises of domestic securities firms shall sign an agreement with it, and handle the case in accordance with the subparagraph.

Article 13: Information disclosure procedures

I. Items to Be Announced and Filed and the Standards for Announcement and Filing:

- (I) Acquire or dispose of real estate or its right-of-use assets from related parties, or acquire or dispose of assets other than real estate or its right-of-use assets with related parties, and the transaction amount reaches 20% of the Company's paid-in capital, 10% of the total assets or NT\$300 million. However, this shall not apply to trading domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- (II) Merger, Division, Acquisition or Share Transfer.
- (III) Derivative trading which reaches the loss limit of all or individual contract specified in the prescribed handling procedures.
- (IV) For an acquisition or disposal of equipment or its right-of-use assets for business use, where the transaction counterparty is not a related party, and the transaction amount reaches any of the following:
 1. The transaction amount reaches NT\$500 million for a public offering company whose paid-in capital is less than NT\$10 billion.
 2. The transaction amount reaches NT\$1 billion for a public offering company whose paid-in capital reaches NT\$10 billion.
- (V) The Company operating construction business acquires or disposes of real estate or its right-of-use assets for construction purposes, its transaction counterparty is not a related party, and the trading amount reaches NT\$500 million; if the Company has a paid in capital reaching NT\$10 billion and disposes of real estate under its own construction, and the transaction counterparty is not a related party, then the trading amount is NT\$1 billion or more.
- (VI) The Company acquires real estate by means of entrusted construction of its own land, entrusted construction of leased land, joint construction and sharing, and joint construction and sub-sale, where the trading counterparty is not a related party, and the Company expects to invest more than NT\$500 million in the transaction.

(VII) Any assets transaction or disposal of creditor's rights by a financial institution other than those mentioned in the preceding six subparagraphs, where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million. However, the above shall not apply to the following circumstances:

1. Trading of domestic government bonds or foreign government bonds with a credit rating not lower than the sovereign rating of our country.
2. Those who specialize in investment, trading in securities on the stock exchanges or on the business premises of securities firms, or securities firms subscribing to foreign government bonds or offering and issuing common corporate bonds and general financial bonds (excluding subordinated bonds) that do not involve equity on the primary market, or subscribing to or buying back securities investment trust funds or futures trust funds, or subscribing to or selling back index investment securities, or securities subscribed to by a securities firm acting as a consultant for emerging stock companies which recommends securities firms to subscribe to securities in accordance with the regulations of the Taipei Exchange due to the needs of the underwriting business.
3. Trading of bonds with repurchase or resale conditions, and subscription to or redemption of money market funds issued by domestic securities investment trust enterprises.

(VIII) The calculation of the transaction amount referred to in the previous seven subparagraphs is as follows. The said one-year period is based on the date of the occurrence of the transaction, and is calculated retroactively for one year. The part that has been announced publicly in accordance with the regulations needs not be included again.

1. The amount of each transaction.
2. The cumulative amount of transactions of acquisition or disposal of subjects of the same nature with the same counterparty within one year.
3. The cumulative amount of acquisition or disposal of real estate of the same development plan or its right-of-use assets within one year.
4. The cumulative amount of the same securities acquired or disposed of (accumulated separately) within one year.

II. Time Limit for Announcement and Filing:

When the Company acquires or disposes of assets, it shall, in accordance with paragraph 1 of this article, publicly announce and file the relevant information on the website designated by the FSC in accordance with the nature and format prescribed within 2 days from the date of the occurrence of the event.

III. Announcement and Filing Procedure:

- (I) The Company shall post relevant information on the website designated by the FSC for announcement and declaration.
- (II) The Company shall post the derivative transactions of its own and of its subsidiaries which are not domestic public companies as of the end of the previous month on the information reporting website designated by the FSC before the 10th day of each month in the prescribed format.
- (III) If there are errors or omissions in the announcement of the items that should be announced and should be corrected, the Company shall re-announce and re-declare all the items within two days from the date of

knowing.

(IV) When acquiring or disposing of assets, unless otherwise provided by other laws, the Company shall keep relevant contracts, minutes of proceedings, memorandum books, appraisal reports, and opinions of CPAs, lawyers or securities underwriters at the Company for at least five years.

(V) After the Company announces and files a transaction in accordance with the regulations, if any of the following circumstances occurs, it shall announce and file the relevant information on the website designated by the FSC within two days from the date of occurrence:

1. The relevant contract originally signed for the transaction is changed, terminated or rescinded.
2. The merger, division, acquisition or share transfer is not completed according to the schedule of the contract.
3. The content of the original announcement has changed.

IV. Announcement Format:

To be handled in accordance with the provisions of the website designated by the FSC.

Article 14: Subsidiaries of the Company shall comply with the following provisions:

- I. Subsidiaries shall also formulate their own “Procedures for Acquisition or Disposal of Assets” in accordance with the “Regulations Governing the Acquisition or Disposal of Assets by Public Companies”. After being approved by the Board of Directors of the subsidiary, the procedures shall be reported to the shareholders’ meeting, and the same requirement applies for the revision.
- II. Where a subsidiary is not a public company, the parent company shall perform the public announcement and filing on behalf of the subsidiary if its acquisition or disposal of assets reaches the public announcement and filing criteria set forth in the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.
- III. For the subsidiaries referred to in the preceding paragraph, the provisions of paragraphs 1 to 2, Article 13 concerning the standards for public announcement and filing regarding 20% of paid in capital or 10% of total assets shall apply to the paid in capital or total assets of the parent company (the Company).

Article 14-1:

- I. The 10% of total assets in the provisions of these procedures shall be calculated based on the amount of total assets in the most recent individual or respective financial report as specified in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- II. If the Company’s shares have no par value or the par value per share is not NT\$10, the transaction amount of 20% of the paid-in capital specified in these Procedures shall be calculated as 10% of the equity attributable to the owner of the parent company; if the Procedures have provisions concerning the paid-in capital reaching NT\$10 billion, then it shall be calculated on the basis of the equity attributable to the owner of parent of NT\$20 billion.

Article 15: Penalties

Where an employee of the Company undertakes to acquire and dispose of assets is in violation of the provisions of these Procedures, he or she shall be punished in accordance with the provisions of the Personnel Management Measures of the

Company, depending on the severity of the circumstances.

Article 16: Implementation and Amendments

The formulation of the Procedures shall be approved by more than half of the members of the Audit Committee and submitted to the Board of Directors for resolution, and then submitted to the shareholders' meeting for approval. If not approved by more than half of the members of the Audit Committee, the Procedures may be implemented after being approved by more than two-thirds of all the directors, and may be implemented after being submitted to the shareholders' meeting for approval, with the minutes of the Board of Directors containing the resolution of the Audit Committee. If any director expresses dissent with records or written statements, the Company shall submit the dissent to the shareholders' meeting for discussion, and the same shall apply to the amendments.

Article 17: Date of Implementation

- I. The Procedures were formulated and adopted by the Board of Directors on September 15, 1989, and the resolution of the shareholders' meeting was made on June 29, 1990.
- II. The 1st amendment was approved by the Board of Directors on September 24, 1991 and the shareholders' meeting on June 18, 1992.
- III. The 2nd amendment was approved by the Board of Directors on May 26, 1995.
- IV. The 3rd amendment was approved by the Board of Directors on April 26, 1996 and the shareholders' meeting on June 14, 1996.
- V. The 4th amendment was approved by the Board of Directors on November 24, 1999 and the shareholders' meeting on June 20, 2000.
- VI. The 5th amendment was approved by the Board of Directors on March 28, 2003 and the shareholders' meeting on June 20, 2003.
- VII. The 6th amendment was approved by the Board of Directors on February 13, 2007 and the shareholders' meeting on April 3, 2007.
- VIII. The 7th amendment was approved by the Board of Directors on December 16, 2008 and the shareholders' meeting on June 10, 2009.
- IX. The 8th amendment was approved by the Board of Directors on October 26, 2010 and the shareholders' meeting on June 15, 2011.
- X. The 9th amendment was approved by the Board of Directors on March 19, 2012 and the shareholders' meeting on June 22, 2012.
- XI. The 10th amendment was approved by the Board of Directors on March 25, 2013 and the shareholders' meeting on June 28, 2013.
- XII. The 11th amendment was approved by the Board of Directors on March 26, 2014 and the shareholders' meeting on June 18, 2014.
- XIII. The 12th amendment was approved by the Board of Directors on March 27, 2017 and the shareholders' meeting on June 28, 2017.
- XIV. The 13th amendment was approved by the Board of Directors on March 20, 2019 and the shareholders' meeting on June 27, 2019.
- XV. The 14th amendment was approved by the Board of Directors on March 24, 2021 and the shareholders' meeting on August 18, 2021.
- XVI. The 15th amendment was approved by the Board of Directors on March 24, 2022 and the shareholders' meeting on June 23, 2022.

Prime Oil Chemical Service Corporation

Procedures for Endorsements and Guarantees

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

Article 1: Purpose

These Procedures shall be followed in order to strengthen the financial management of the Company's endorsements and guarantees and reduces operational risk.

Article 2: Legal Basis

These Procedures are formulated in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies". However, if the relevant financial laws and regulations provide otherwise, such provisions shall prevail.

Article 3: Scope of Application

All external endorsements and guarantees of the Company and its reinvested subsidiaries shall be implemented in compliance with these Procedures. The scope of application of the Procedures includes:

- I. Financing endorsements and guarantees:
 - (I) Customer bills discount financing.
 - (II) Endorsements or guarantees for the purpose of financing for other companies.
 - (III) Issuing bills to non-financial enterprises as security for the purpose of financing of the Company.
- II. Tariff endorsement guarantee: The endorsement or guarantee provided for the Company's or other companies' tariff matters.
- III. Other endorsements/guarantees: Endorsements or guarantees that cannot be classified under the preceding two paragraphs.

The Procedures shall also be followed if the company provides real estate or chattel properties as the pledge or mortgage for any other company's loans.

Article 4: Endorsement/guarantee Objects

- I. Companies that have business dealings with the Company.
- II. The Company directly or indirectly holds more than 50% of the voting shares of the other company.
- III. Companies directly or indirectly hold more than 50% of the voting shares of the Company.

Between companies in which the Company directly or indirectly holds more than 90% of their voting shares; however, the endorsement or guarantee shall be submitted to the Board of Directors of the Company for a resolution before proceeding, and the amount shall not exceed 10% of the net value of the Company. Endorsements and Guarantees for companies with 100% of their voting shares held directly or indirectly by the Company are not subject to the restrictions above.

The restrictions in the two paragraphs above do not apply to cases where a public company guarantees each other with its peers or co builders in compliance with the provisions of the contract due to the needs of the project contracting, or all the shareholders of capital contribution endorse and guarantee the invested company in accordance with their shareholding ratio due to the joint investment relationship, or the industry peers are engaged in a joint performance guarantee of the pre-sale

housing sales contract in accordance with the provisions of the Consumer Protection Act,

The capital contribution mentioned in the preceding paragraph refers to the company's direct capital contribution or capital contribution through a company that holds 100% of the voting shares.

The provisions of these Guidelines shall apply mutatis mutandis to a foreign company under Article 165-1 of the Securities and Exchange Act provides endorsements or guarantees for others.

The provisions of subparagraph 7, paragraph 1, Article 12 and paragraph 4, Article 17 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies may not apply to a foreign company that does not have a seal.

The net value of a foreign company calculated in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies refers to the equity attributable to the owners of the parent company on the balance sheet.

The "subsidiaries" and "parent company" as used in the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies shall be recognized in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

The financial report of a public company is prepared in accordance with the International Financial Reporting Standards. The term "net value" in the Standards refers to the equity of the owners of the parent company in the balance sheets as stipulated in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 5: Endorsement/guarantee Limits

- I. The Company's total amount of external endorsements and guarantees shall be limited to 45% of its net value. However, the total amount of endorsements and guarantees for a single enterprise shall be limited to 40% of the net value of the Company. The net value is based on the latest financial statements of the Company that have been audited and certified or reviewed by a certified public accountant. The net value is based on the latest financial statements of the Company that have been audited and certified or reviewed by a certified public accountant.
- II. The Company's and its subsidiaries' total amount of external endorsements and guarantees shall be limited to 45% of its net value. However, the total amount of endorsements and guarantees for a single enterprise shall be limited to 40% of the net value of the Company. The net value is based on the latest financial statements of the Company that have been audited and certified or reviewed by a certified public accountant.
- III. For the Company's endorsements and guarantees due to business relationship, the amount of individual endorsement and guarantee shall not exceed the amount of business relationship between the two parties, except for the limit specified in the preceding two paragraphs. The said business transaction amount refers to the purchase or sales amount between the two parties, whichever is higher.

Article 6: Decision-Making and Authorization Levels

- I. For the external endorsements and guarantees by the Company, the Board of

Directors shall authorize the Chairman to approve in advance within the aforesaid limits, and then they shall be reported to the next Audit Committee meeting and Board of Directors for ratification.

- II. If the Company's endorsement/guarantee exceeds the limits set in the Procedures due to business needs, it shall be approved by the Board of Directors, and more than half of the directors shall be jointly liable for the Company's possible loss that may be caused by exceeding the limit; the Procedures shall also be amended and the amendment be reported to the shareholders' meeting for ratification; if it is not approved by the shareholders' meeting, a plan shall be made to cancel the excess portion within a certain period of time.

Article 7: Procedures for Endorsements and Guarantees

- I. When handling endorsements and guarantees, the finance unit shall, on the basis of the application of the endorsement and guarantee object, examine the eligibility and quota of the endorsement and guarantee one by one to see whether they meet the requirements of these Procedures, and whether they have met the standards for announcement and filing; the risks of the endorsement and guarantee shall be assessed in detail and a credit investigation be conducted. The evaluation items include the necessity and rationality, whether the amount of the endorsement/guarantee corresponds to the business transaction amount if the endorsement/guarantee is due to business relationship, the impact on the Company's operational risk, financial status and shareholders' equity, and whether a collateral and valuation of the collateral shall be obtained. The review and evaluation results shall be submitted to the Board of Directors for discussion and approval after being signed and approved by the Chairman; if the amount is within the prescribed authorization limit, the Chairman shall make a decision based on the credit level and financial status of the object of endorsement and guarantee, and then report it to the next Audit Committee meeting and Board of Directors for ratification.
- II. The finance unit shall establish a memorandum book for endorsements and guarantees. After the endorsement/guarantee is approved by the Board of Directors or decided by the Chairman, in addition to applying for the Company seal in accordance with the prescribed procedures, the endorsement/guarantee object, amount, date of approval by the Board of Directors or decision by the Chairman of the Board of Directors, date of endorsement/guarantee, and matters that should be carefully evaluated in accordance with these Procedures shall be recorded in detail in the memorandum book and approved by the finance director for recordation. The related bills and agreements shall also be photocopied and kept properly.
- III. The finance unit shall prepare a detailed statement of the guarantees that occur and are cancelled each month, so as to control tracking and make public announcement and filing. It shall also assess or recognize the contingent losses of endorsements and guarantees, properly disclose the information in the financial report, and provide the certified public accountant with relevant information, so that the certified public accountant can adopt the necessary audit procedures and issue a fair audit report.
- IV. The Company's internal auditors shall audit the Procedures for Endorsements/Guarantees and the execution status at least quarterly, and prepare written records accordingly. If any major violations are found, it shall

- notify the Audit Committee in writing immediately.
- V. If due to changes in circumstances, the endorsement/guarantee object subsequently does not meet the requirements or the amount later exceeds the limit, the finance unit shall set the improvement plan and send it to the Audit Committee, and complete the improvement according to the planned schedule.
 - VI. Before the end of the endorsement and guarantee period, the finance unit shall take the initiative to notify the guaranteed company to take back the guaranteed bills retained at the bank or creditor institution, and cancel the relevant deeds of endorsement and guarantee.

Article 8: Seal Storage and Application Procedures

- I. The seal for the Company's external endorsements and guarantees shall be the Company's seal registered with the Ministry of Economic Affairs. The Company's corporate seal and the responsible person's seal shall be managed by dedicated personnel.
- II. After the endorsement/guarantee is approved by the Board of Directors or decided by the Chairman, the finance unit shall use the seal kept by the seal keeper in compliance with the Company's provisions on the procedures for using the seal.
- III. When using the seal, the seal keeper shall verify that the approval record is consistent with the application document beforehand. After using the seal, the seal keeper shall keep the application form which indicates the purpose of using the seal for future reference.
- IV. In case of endorsement/guarantee for a foreign company, the letter of guarantee issued by the Company shall be signed by a person authorized by the board of directors.

Article 9: Control Procedures for Endorsements/guarantees for Subsidiaries

- I. If a subsidiary of the Company intends to provide an endorsement/guarantee for others, the Company shall order the subsidiary to formulate procedures for endorsements/guarantees in accordance with these Procedures, and follow the prescribed procedures; the total amount of endorsements and guarantees shall not exceed the total net value or paid in capital of the company in its most recent financial statements, whichever is lower.
- II. The limit of endorsements and guarantees by a subsidiary for a single enterprise shall not exceed half of the net value or capital amount of the subsidiary in the latest financial statement, whichever is lower.
- III. Before the fifth day of each month, a subsidiary shall report to the Company in writing the balance, objects and periods of endorsements and guarantees in the previous month. If a subsidiary is not a public company and its balance of endorsements and guarantees meets the criteria set forth in paragraph 2 of the standards of these Procedures, it shall notify the Company on the date of the occurrence of the fact to facilitate the input of the information on the designated website for reporting.
- IV. The subsidiary's internal auditors shall audit the Procedures for Endorsements/Guarantees and the execution status at least quarterly, and prepare written records accordingly. If any major violations are found, it shall notify the Company's audit unit in writing immediately, and the audit unit shall send the written information to the Audit Committee.
- V. When the audit unit of the Company goes to the subsidiary to conduct an audit

according to the annual audit plan, it shall also understand the subsidiary's implementation status of its procedures of endorsements/guarantees. If there is any deficiency, it shall continue to track the improvement, and prepare a follow-up report and submit it to the Chairman.

Article 10: Announcement and Filing Procedure

Before the tenth day of each month, the Company shall post on the MOPS the endorsement/guarantee balance of the Company and its subsidiaries in the previous month. If the balance of endorsements and guarantees meets any of the following criteria, an announcement and filing shall be made within two days from the date of the occurrence of the fact. The announcement and filing refers to input of information on the information reporting website designated by the Financial Supervisory Commission:

- I. The balance of endorsements/guarantees by the Company and its subsidiaries reaches 50% of the Company's net value in its latest financial statements.
- II. The balance of the endorsement/guarantee by the Company and its subsidiaries to a single enterprise reaches 20% of the Company's net value in its latest financial statements.
- III. The balance of endorsement/guarantee to a single enterprise by the Company and its subsidiaries reaches NTD10 million, and the sum of endorsements/guarantees to it, the book value of the investment in it by the equity method and the balance of outstanding loans reach 30% of the net value of the Company in its latest financial statements.
- IV. The balance of new endorsements/guarantees by the Company and its subsidiaries reaches NT\$30 million and 5% of the Company's net value in its latest financial statements.

If a subsidiary of the Company is not a domestic public company but has the matters that should be announced and filed in subparagraph 4 of the preceding paragraph, the Company shall do so on its behalf.

If the shares of the subsidiary have no par value or the denomination per share is not NT\$10, the paid-in capital amount calculated in accordance with the with the provisions of subparagraph 2, paragraph 9 shall be the total amount of the share capital plus the additional paid-in capital.

The provisions of these Guidelines shall apply mutatis mutandis to a foreign company under Article 165-1 of the Securities and Exchange Act provides endorsements or guarantees for others.

The provisions of subparagraph 7, paragraph 1, Article 12 and paragraph 4, Article 17 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies may not apply to a foreign company that does not have a seal.

The net value of a foreign company calculated in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies refers to the equity attributable to the owners of the parent company on the balance sheet.

The date of occurrence refers to the contract date, payment date, Board of Directors resolution date, or a date which is sufficient to determine the endorsement/guarantee object and the amount, whichever is earlier.

Article 11: Penalties

The Company's managers and responsible personnel violating these Procedures are

subject to penalties based on the severity of the case.

Article 12: Implementation and Amendments

The formulation of the Procedures shall be approved by more than half of the members of the Audit Committee and submitted to the Board of Directors for resolution, and then submitted to the shareholders' meeting for approval. If not approved by more than half of the members of the Audit Committee, the Procedures may be implemented after being approved by more than two-thirds of all the directors, and may be implemented after being submitted to the shareholders' meeting for approval, with the minutes of the Board of Directors containing the resolution of the Audit Committee. If any director expresses dissent with records or written statements, the Company shall submit the dissent to the shareholders' meeting for discussion, and the same shall apply to the amendments.

Article 13: Date of Implementation

- I. The Procedures were established and approved by the shareholders' meeting on June 15, 1995.
- II. The 1st amendment was approved by the shareholders' meeting on June 17, 1997.
- III. The 2nd amendment was approved by the shareholders' meeting on June 20, 2003.
- IV. The 3rd amendment was approved by the shareholders' meeting on June 14, 2006.
- V. The 4th amendment was approved by the shareholders' meeting on June 10, 2009.
- VI. The 5th amendment was approved by the shareholders' meeting on June 17, 2010.
- VII. The 6th amendment was approved by the shareholders' meeting on June 28, 2013.
- VIII. The 7th amendment was approved by the shareholders' meeting on June 30, 2016.
- IX. The 8th amendment was approved by the shareholders' meeting on June 27, 2019.
- X. The 9th amendment was approved by the shareholders' meeting on June 23, 2022.

Prime Oil Chemical Service Corporation

Measures for Election of Directors

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

- I. The election and appointment of directors of the Company shall be handled in accordance with these Measures, unless otherwise stipulated by laws and regulations or Articles of Association.
- II. The single registered cumulative election method is adopted for the election of directors of the Company. When directors are elected, each share has the same voting right as the number of directors to be elected. One director may be elected collectively or several directors may be elected separately with the voting rights.

A candidate nomination system is adopted for the election of directors of the Company in accordance with Article 192-1 of the Company Act. Independent and non-independent directors shall be elected altogether, and the election quota shall be calculated separately. In the election of directors of the Company, shareholders may exercise their voting rights by electronic or on-site voting.

The shareholders who exercise their voting rights by electronic voting as referred to in the preceding paragraph shall exercise the rights on the electronic voting platform designated by the Company.
- III. Before the election begins, the chairman shall designate a number of scrutineers and vote counters to perform various relevant duties, but the scrutineers shall have the shareholder identity. The ballot box shall be prepared by the Board of Directors and opened by the scrutineers for public view before voting.
- IV. The directors of the Company shall be elected by the shareholders' meeting based on the list of candidates, and the voting rights won by independent directors and non-independent directors shall be calculated respectively according to the number of candidates specified in the Articles of Association; the candidates shall be elected in the order of the voting rights won. If two or more candidates win the same number of voting rights but the specified number of candidates is exceeded, those with the same number of voting rights shall be determined by lot drawing; for those who are absent, the lot shall be drawn by the chairman on their behalf.

Over half of the seats of the board of directors shall be held by members who mutually have no relationships as spouses or relatives within the second degree of kinship.
- V. The Board of Directors shall prepare ballots with a quantity equal to the number of directors to be elected, fill in the number of voting rights on the ballots, and distribute them to shareholders attending the shareholders' meeting. The name of the elector may be replaced by the attendance card number printed on the ballot. However, no additional ballot will be issued if the voting rights are exercised electronically.
- VI. If the candidate to be elected is a shareholder, the elector shall fill in the candidate's account name and shareholder account number on the ballot; if the candidate to be elected is not a shareholder, the elector shall fill in the candidate's name and identification document number. However, when the government or a corporate shareholder is the candidate to be elected, the name of the government or legal person, or the name of the government or legal person and its representative shall be filled in the "candidate" field of the ballot; if there are more than one representative, the names of the representatives shall be added separately, but only one representative's name may be filled in on each ballot.
- VII. Ballots are invalid in case of any of the following circumstances:
 1. The ballot is not prepared by the board of directors.

2. Blank ballots are put into the ballot box.
 3. Other texts are included except for the candidate's account name or shareholder's account number (ID document number) and the number of voting rights allocated.
 4. Ballots with illegible handwriting or having been altered.
 5. If the candidate filled in is a shareholder, his/her account name and shareholder account number are inconsistent with those in the shareholders' register; if the candidate filled in is not a shareholder, the name and ID document number of the candidate are inconsistent after verification.
 6. The name of the candidate filled in is the same as that of another shareholder, but the shareholder account number or identity document number are not filled in for identification.
 7. Two or more candidates are filled in on the same ballot.
- VIII. After the voting is completed, the voting results, including the list of directors elected and their respective voting rights, shall be announced on the spot by the chairman or the emcee.
- IX. Matters not stipulated in these Measures shall be handled in accordance with the Company Act and relevant laws and regulations.
- X. These Measures shall be implemented after being approved by the shareholders' meeting, and the same procedure shall apply to the amendments.

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 12, 2025) 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	2025 (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\$1
	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	2025 (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 13, 2025.

Note 2: The 2025 financial forecast is not disclosed to the public, so there is no need to disclose 2025 forecast information.

Chairperson :
Liao, Shu-Chun

Manager :
Yeh, Tang-Jung

Accounting officer :
Huang, Yi-Yin