

Stock Code : 2616



2021 Annual Shareholders' Meeting of Shan-Loong  
Transportation Co., Ltd.

# Meeting Handbook

Date: June 25, 2021

Venue: Basement 1, No.1, Section 1, Minsheng Road, Banqiao District, New Taipei City  
(Cheng Loong Li-Chih International Conference Hall)

## Directors' shareholding details

According to Article 27 of the Securities Exchange Act, the minimum number of shares that all Directors of the Company should hold is 8,236,909 shares.

Shareholder Account No.:	Position	Name	Date of Election	Term	Start and End Date	Number of shares held on April 26, 2021	Shareholding %
77244	Chairman	Jen-Hong Cheng	2020.05.29	3 years	2020.05.29-2023.05.28	4,328,876	3.15
19	Vice Chairman	Lan-Hui Yu	2020.05.29	3 years	2020.05.29-2023.05.28	304,691	0.22
1	Director	Cheng Loong Corporation Representative: Su-Yun Cheng	2020.05.29	3 years	2020.05.29-2023.05.28	12,690,010	9.24
2	Director	Shine Far Construction Co., Ltd. Representative: Ken-Pei Cheng	2020.05.29	3 years	2020.05.29-2023.05.28	8,367,944	6.10
617	Director	Shine Far Construction Co., Ltd. Representative: Chuan-Chuan Lu	2020.05.29	3 years	2020.05.29-2023.05.28	6,743,227	4.91
621	Director	Yen-Min Chen	2020.05.29	3 years	2020.05.29-2023.05.28	1,800,000	1.31
66998	Independent Director	Yao-Ming Huang	2020.05.29	3 years	2020.05.29-2023.05.28	0	0.00
27	Independent Director	Shu-Fong Ho	2020.05.29	3 years	2020.05.29-2023.05.28	0	0.00
30	Independent Director	Mao-Chun Wang	2020.05.29	3 years	2020.05.29-2023.05.28	50,506	0.04
Total	9 persons					34,234,748	24.93

Note:

1. The total number of shares of the Company issued is 137,281,827 shares, as of the closing date of the Shareholders' Meeting,
2. The actual number of shares issued is 137,281,827 shares.
3. The number of shares held refers to the number of shares held by the Directors in the Shareholder Register as of the closing date of the Shareholders' Meeting on April 27, 2021.
4. Independent Directors are not counted toward the number of shares held by all the Directors.
5. The Company has set up an audit committee, so there is no applicability of the number of shares that should be held by the Supervisor.

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## Shan-Loong Transportation Co., Ltd.

### Agenda of the 2021 Annual Shareholders' Meeting of the Company

Time: June 25, 2021 (Friday), 9:00 am

Venue: Basement 1, No.1, Section 1, Minsheng Road, Banqiao District, New Taipei City  
(Cheng Loong Li-Chih International Conference Hall)

#### I. Call Meeting to Order

#### II. Chairman's Speech

#### III. Report Items

1. 2020 Business Overview----Business Report.
2. The Company's external endorsement guarantee and the amount of funds loaned to others.
3. The distribution of employee compensation in 2020.
4. Amendment to the "Rules of Procedures for Board Meetings" of the Company.
5. Amendment to the "Integrity Management Operating Procedures and Behavior Guidelines" of the Company.
6. Audit Committee's Review Report for 2020.

#### IV. Ratification Items

1. The Company's Report on Final Accounts for the Year 2020
2. The Company's Earnings Distribution Proposal for the Year 2020

#### V. Discussion Items

1. Amendment to the "Articles of Incorporation" of the Company.
2. Amendment to the "Rules of Election of Directors" of the Company
3. Amendment to the "Rules of Procedures for Shareholders' Meetings" of the Company.

#### VI. Extraordinary Motions

#### VII. Meeting Adjourned

## Report Items

### I. 2020 Business Overview ----Business Report

Looking back at 2020, due to the impact of the "COVID-19" epidemic, the global economy was hit hard, but Taiwan's success in preventing the epidemic has stabilized its economic development. Although the Company was still affected by the decline in international oil prices, which led to a decline in operating income throughout the year, with the unremitting efforts of all colleagues, it continued to optimize management and strengthen its business strategies, and its annual performance showed steady growth and continued success.

The report on the consolidated operating results of the Company and its subsidiaries for the year 2020 is as follows:

Transportation: The consolidated revenue in 2020 was NT\$5.42054 billion (the same below), an increase of NT\$94.93 million or 1.78% compared to that of NT\$5.32561 billion in 2019.

Oil products: In 2020, the consolidated revenue was NT\$10.53496 billion, which was a decrease of NT\$2.15209 billion and a 16.96% decrease from the NT\$12.68705 billion in 2019.

In 2020, the overall consolidated revenue was NT\$15.95550 billion, which was a decrease of NT\$2.05716 billion and 11.42% compared with NT\$18.01266 billion in 2019.

The annual after-tax profit and loss reached NT\$379.89 million, and the after-tax earnings per share (EPS) reached NT\$2.73 per share.

Summary of the Company's annual business plan for 2021:

#### (I) Lean Management:

Streamline work processes, integrate ERP systems, create a data economy, and improve work efficiency.

#### (II) Efficient Transportation:

Combine the TMS Dispatch System to strengthen the vehicle dispatching and provide the customers with fast and efficient services.

#### (III) Smooth Cargo Flow:

Introduce WMS Warehouse Management System, increase warehouse efficiency and goods management and create high-quality logistics.

#### (IV) Innovative Oil Products:

Build a full self-service gas station and member APP pre-storage system to innovate market segmentation.

(V) Deeply cultivated in Vietnam:

Create a professional container yard, improve the efficiency of transfers and increase growth momentum.

2021 is the Year of the Golden Ox. Although the COVID-19 epidemic continues to affect the global economy, Shan-Loong Transportation will continue to optimize and improve in the expansion of new businesses and internal operations to ensure the continuous growth of the Company's revenue and loss and achieve new success.

Thanks so much Shan-Loong Transportation's shareholders, colleagues, customers, and suppliers for their long-term support.

Chairman:



General Manager:



Accounting Supervisor:



II. The Company's external endorsement guarantee and the amount of funds loaned to others

Amount of Guarantee for External Endorsement: None.

Amount of Funds Loaned to Others: None.

### III. Distribution of Employees' Compensation in 2020

- (1). According to Article 19 of the Articles of Incorporation of the Company, if the Company has pre-tax benefits for the current period before deduction of employee remuneration, it shall allocate no less than one percent as employee remuneration.
- (2). The Company's employee remuneration for the year 2020 was approved by the 4th and 5th Remuneration Committee on March 25, 2021, and the 14th and 6th Board of Directors on March 25, 2021. The Company will pay NT\$15 million in cash, accounting for 3.31% of the Company's 2020 annual profit (that is, the pre-tax benefits minus the benefits before the distribution of employee remuneration), in line with the Company's Articles of Incorporation of no less than 1%.

#### IV. Amendment to the "Rules of Procedure for Board Meetings" of the Company

In order to cope with the amendment of the law, it is proposed to amend some of the provisions of the "Rules of Procedure of the Board of Directors" of the Company, which have been approved by the Board of Directors. The details are shown in the comparison table.

Amendments	Current Provisions	Explanation
<p>Article 5 &lt;Chairman and Acting Chairperson of the Board&gt;</p> <p>The Board of Directors shall be convened <u>by the Chairman</u> and the Chairman shall be the Chairman of the Board of Directors. However, for the first Board of Directors of each term, the Board of Directors with the most votes obtained by the Shareholders' Meeting shall be convened within 15 days after the re-election. The chairman of the meeting shall be held by the convening power holder. If there are two or more convening power holders, one of the other shall be elected.</p> <p>Contents below are omitted.</p>	<p>Article 5 &lt;Chairman and Acting Chairperson of the Board&gt;</p> <p>Meetings of the board of directors shall be called and <del>chaired by the</del> chairperson of the board. However, for the first Board of Directors of each term, the Board of Directors with the most votes obtained by the Shareholders' Meeting shall be convened within 15 days after the re-election. The chairman of the meeting shall be held by the convening power holder. If there are two or more convening power holders, one of the other shall be elected.</p> <p>Contents below are omitted.</p>	<p>Amendments were made to operate in coordination with the Company Act.</p>
<p>Article 10 (Matters to Be Discussed at the Board of Directors Meeting)</p> <p>The following matters shall be submitted to the Board of Directors of the Company for discussion:</p> <ol style="list-style-type: none"> <li>1. The Company's business plan.</li> <li>2. The Annual Financial Report and <u>the Second Quarter Financial Report subject to verification by an accountant.</u></li> </ol> <p>Contents below are omitted.</p>	<p>Article 10 (Matters to Be Discussed at the Board of Directors Meeting)</p> <p>The following matters shall be submitted to the Board of Directors of the Company for discussion:</p> <ol style="list-style-type: none"> <li>1. The Company's business plan.</li> <li>2. Annual Financial Report and <u>Semi-annual Financial Report. With the exception of Semi-annual Financial Reports, which, under relevant laws and regulations, need not be audited and attested by a CPA.</u></li> </ol> <p>Contents below are omitted.</p>	<p>Amendments were made to operate in coordination with the Company Act.</p>

V. Amendment to the "Integrity Management Operating Procedures and Behavior Guidelines" of the Company

In order to cope with the revision of laws and regulations, it is planned to amend some of the provisions of the "Ethical Business Procedures and Behavior Guidelines" of the Company.

It has been approved by the Board of Directors, as detailed in the comparison table.

Amendments	Current Provisions	Explanation
<p>Article 5 (Responsible Unit)</p> <p>The Company designated the <del>integrity management promotion team</del> for the dedicated unit (hereinafter referred to as the dedicated unit) to handle the amendment, implementation, interpretation, consulting services, notification content registration, and file construction of this operating procedure and behavior guide and supervise the implementation, mainly responsible for the following matters and should report to the Board of Directors regularly (at least once a year):</p> <p>I. <u>Assist in integrating integrity and ethical values into the Company's business strategy, and cooperate with laws and regulations to formulate relevant anti-fraud measures to ensure integrity in business.</u></p> <p>II. <u>Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.</u></p> <p>III. <u>Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.</u></p> <p>IV. <u>Promoting and coordinating awareness and educational activities with respect to ethics policy.</u></p> <p>V. <u>Developing a whistle-blowing system and ensuring its operating effectiveness.</u></p> <p>VI. <u>Assist the Board of Directors and management to check and evaluate whether</u></p>	<p>Article 5 (Responsible Unit)</p> <p>The Company <del>shall</del> designate the <del>Audit Department</del> for the specialized unit (hereinafter referred to as the specialized unit of <del>the Company</del>) to handle the amendment, execution, interpretation, consulting service and notification content registration and file construction of this operating procedure and behavior guide, and supervise the implementation and shall regularly report to the Board of Directors.</p>	<p>Cooperate with legal amendments</p>

<p><u>the preventive measures established by honest management is operating effectively, and regularly evaluate and comply with relevant business processes and prepare reports.</u></p> <p>VII. <u>Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement, etc.</u></p>		
<p>Article 11: (Recusal)</p> <p>The Directors of the Company should uphold a high degree of self-discipline, and if they have an interest in <u>matters of the Board</u> of Directors Meetings, themselves or the legal person they represent, which may be harmful to the interests of the Company, they may state their opinions and answer inquiries, and shall not participate in the discussions and voting, and shall avoid showing up at the time of discussion and voting and may not act for other Directors to exercise their voting rights. The Directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.</p> <p><u>Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relationship with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.</u></p> <p>If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.</p> <p>No personnel of the Company may use company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company.</p>	<p>Article 11: (Recusal)</p> <p>The Directors of the Company shall uphold a high degree of self-discipline. If the <del>proposals listed</del> by the Board of Directors have interests in themselves or the legal person they represent and may be harmful to the interests of the Company, they may state their opinions and answer inquiries and shall not participate in discussions and voting. It shall be evaded when voting, and shall not act on behalf of other Directors to exercise their voting rights. The Directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.</p> <p>If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.</p> <p>No personnel of the Company may use company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company.</p>	<p>Cooperate with legal amendments</p>

<p>Article 13 (Prohibition of divulging commercial secrets and <u>engaging in unfair competition</u>)</p> <p>The personnel of this Company should strictly abide by the relevant operating regulations of the Company's commercial secrets and must not disclose the Company's commercial secrets that they know to others and must not inquire or collect Company commercial secrets that are not related to their duties.</p> <p><u>This Corporation shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.</u></p>	<p>Article 13 (Prohibition of Divulging Commercial Secrets)</p> <p>The personnel of this Company should strictly abide by the relevant operating regulations of the Company's commercial secrets and must not disclose the Company's commercial secrets that they know to others and must not inquire or collect Company commercial secrets that are not related to their duties.</p>	<p>Cooperate with legal amendments</p>
<p>Article 14 (<u>Prevent Products or Services from Damaging Interested Parties</u>)</p> <p><u>This Corporation shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of this Corporation to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.</u></p> <p><u>This Corporation shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.</u></p>	<p>Article 14 (<del>Prohibition against insider trading</del>)</p> <p><del>All personnel of the Company shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Such personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other parties from using such information to engage in insider trading.</del></p>	<p>Cooperate with legal amendments</p>
<p>Article 15 (<u>Prohibition against insider trading and non-disclosure agreement</u>)</p> <p><u>All personnel of the Company shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Such personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other parties from using such information to engage in insider trading.</u></p> <p>Any organization or person outside of the Company that is involved in any merger, demerger, acquisition, and share transfer, major memorandum of understanding, strategic alliance,</p>	<p>Article 15 (Confidentiality)</p> <p>Any organization or person outside of the Company that is involved in any merger, demerger, acquisition, and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.</p>	<p>Cooperate with legal amendments</p>

<p>other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.</p>		
<p>Article 16 (<u>Compliance and</u> declaration of ethical management policy)  <u>The Company should require Directors and senior management to issue a statement of compliance with the integrity management policy, and require employees to comply with the integrity management policy in terms of employment conditions.</u>  The Company shall disclose its integrity management policy in internal regulations, annual reports, company websites, or other publications, and announce it at product launch conferences, legal person briefings, and other external events in a timely manner to enable suppliers, customers, or other business-related organizations and personnel to clearly understand its integrity management philosophy and norms.</p>	<p>Article 16 (Announcement of policy of ethical management <del>to outside parties</del>)  The Company shall disclose its integrity management policy in internal regulations, annual reports, company websites, or other publications, and announce it at product launch conferences, legal person briefings, and other external events in a timely manner to enable suppliers, customers, or other business-related organizations and personnel to clearly understand its integrity management philosophy and norms.</p>	<p>Cooperate with legal amendments</p>
<p>Article 22 (<u>Internal propaganda</u>, establishment of rewards and punishments, appeal system and disciplinary sanctions)  <u>The Company shall organize an internal promotion every year and arrange for the Chairman, General Manager or senior management like Directors, employees and appointed to convey the importance of integrity.</u>  The Company should incorporate integrity management into employee performance appraisal and human resources policies and establish clear and effective rewards, punishments, and appeal systems.  If any personnel of the Company seriously violate ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Company.  The Company shall disclose on the internal website information such as the title, name, content of the violation, and handling of the personnel who violated integrity.</p>	<p>Article 22 (Establishment of Rewards and Punishments, Appeal Systems and Disciplinary Sanctions).  The Company should incorporate integrity management into employee performance appraisal and human resources policies and establish clear and effective rewards, punishments, and appeal systems.  If any personnel of the Company seriously violate ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Company.  The Company shall disclose on the internal website information such as the title, name, content of the violation, and handling of the personnel who violated integrity.</p>	<p>Cooperate with legal amendments</p>

VI. Audit Committee Review Report for 2020

Shan-Loong Transportation Co., Ltd.

Audit Committee's Review Report

The Board of Directors prepared the Company's 2020 final accounts, including Business Reports, Individual Financial Reports, Consolidated Financial Reports, and earnings distribution proposals, which were reviewed by the Audit Committee and found to be true, including Individual Financial Reports and Consolidated Financial Reports. The copy was also verified by the two accountants Jui-Lan Lo and Yao-Chun Chu of Anhou Jianye Joint Accounting Firm, and submitted in accordance with Article 14-4 of the Securities Exchange Act and Article 219 of the Company Act, together with the accountant's Verification Report. Inspect.

Sincerely

2020 Annual Shareholders' Meeting of the Company

Shan-Loong Transportation Co., Ltd.

Convener of the Audit Committee: Yao-Ming Huang



March 25, 2021

## Ratification Items

Case 1

Proposed by the Board of Directors

Case: The Company's 2020 Final Accounts Report, please acknowledge it.

Note: The Board of Directors prepared and submitted the Company's Individual Financial Report and Consolidated Financial Report for the year 2020 (please refer to pages 24-38), and the two accountants Jui-Lan Lo and Yao-Chun Chu from KPMG Taiwan have jointly checked the results, together with the Business Report. (Please refer to pages 5 to 6) The Audit Committee shall complete the review and submit it to the Shareholders' Meeting for approval.

Resolution:

Case 2

as proposed by the Board of Directors

Case: The Company's 2020 Profit Distribution Case, please acknowledge it.

Note:

1. The Company's proposal for distribution of the earnings (please refer to page 34) has been approved by the Board of Directors and has been reviewed by the Audit Committee and submitted to the Shareholders' Meeting for approval.
2. The proposed cash dividend per share for this year is NT\$2.2, totaling NT\$302,020,019. After the Shareholders' Meeting has passed it, the Board of Directors is authorized to set another ex-dividend base date.
3. The current cash dividend is calculated according to the distribution ratio to RMB, rounded down below RMB, and the total amount of the abnormal amount distributed under RMB 1 shall be transferred to the Employee Welfare Committee of the Company.
4. If the Company buys back its shares, transfers and cancels treasury shares, handles capital increase in cash, and exercises domestic and foreign convertible corporate bonds or Employee Stock Options, which affects the total number of outstanding shares, resulting in dividend distribution by shareholders. In case of change, it is proposed to request the Shareholders' Meeting to authorize the Chairman of the Board to handle all matters related to the change.

Resolution:

## Discussion Items

### Proposal 1

Proposed by the Board of Directors

Proposal: Amendment to the articles in the "Articles of Incorporation " of the Company submitted for discussion.

Note: In order to cope with the amendment and standardization of laws and regulations, it is proposed to amend the "Articles of Incorporation", as detailed in the comparison table.

Amendments	Current Provisions	Explanation
<p>Article 2: The businesses operated by the Company are as follows:</p> <p>I. G101061 Trucking Industry.</p> <p>II. G101081 Automobile Container Freight Industry.</p> <p>III. CD01030 Automobile and Parts Manufacturing Industry.</p> <p>IV. JA01010 Auto Repair Industry.</p> <p>V. F114010 Automobile Wholesale Industry.</p> <p>VI. F114030 Automobile and Locomotive Parts Equipment Wholesale Industry.</p> <p>VII. F214010 Auto Retail Industry.</p> <p>VIII.F214030 Automobile and Motorcycle Parts and Equipment Retail Industry.</p> <p>IX. G801010 Warehousing Industry.</p> <p>X. F112010 Gasoline and Diesel Wholesale Industry.</p> <p>XI. F112040 Petroleum Products Wholesale Industry.</p> <p>XII. F212011 Gas Station Industry.</p> <p>XIII.F212050 Petroleum Products Retail Industry.</p> <p>XIV. J101090 Waste Disposal Industry.</p> <p>XV. J101030 Waste Clearance Industry.</p> <p>XVI. E599010 Plumbing Engineering Industry</p> <p>XVII. F107170 Industrial Additives Wholesale Industry.</p> <p>XVIII. F113100 Pollution Prevention Equipment Wholesale Industry</p> <p>XIX. F213100 Pollution Prevention Equipment Retail Industry</p> <p>XX. F401010 International Trade Industry</p> <p>XXI. I103060 Management Consulting Industry</p> <p>XXII. I301010 Information Software Service</p>	<p>Article 2: The businesses operated by the Company are as follows:</p> <p>I. G101061 Trucking Industry.</p> <p>II. G101081 Automobile Container Freight Industry.</p> <p>III. CD01030 Automobile and Parts Manufacturing Industry.</p> <p>IV. JA01010 Auto Repair Industry.</p> <p>V. F114010 Automobile Wholesale Industry.</p> <p>VI. F114030 Automobile and Locomotive Parts Equipment Wholesale Industry.</p> <p>VII. F214010 Auto Retail Industry.</p> <p>VIII.F214030 Automobile and Motorcycle Parts and Equipment Retail Industry.</p> <p>IX. G801010 Warehousing Industry.</p> <p>X. F112010 Gasoline and Diesel Wholesale Industry.</p> <p>XI. F112040 Petroleum Products Wholesale Industry.</p> <p>XII. F212011 Gas Station Industry.</p> <p>XIII.F212050 Petroleum Products Retail Industry.</p> <p>XIV. J101090 Waste Disposal Industry.</p> <p>XV. J101030 Waste Clearance Industry.</p> <p>XVI. E599010 Plumbing Engineering Industry</p> <p>XVII. F107170 Industrial Additives Wholesale Industry.</p> <p>XVIII. F113100 Pollution Prevention Equipment Wholesale Industry</p> <p>XIX. F213100 Pollution Prevention Equipment Retail Industry</p> <p>XX. F401010 International Trade Industry</p> <p>XXI. I103060 Management Consulting Industry</p>	<p>Compliance with laws and regulations</p>

<p>Industry</p> <p>XXIII. I301020 Data Processing Services</p> <p>XXIV. J101040 Waste Treatment Industry</p> <p>XXV. J101050 Environmental Testing Service Industry</p> <p>XXVI. J101060 Waste (Sewage) Water Treatment Industry</p> <p>XXVII. JA02051 Measuring Instruments Repair Industry</p> <p>XXVIII. F113060 Measuring Instruments Wholesale Industry</p> <p>XXIX. F213050 Measuring Instruments Retail Industry</p> <p>XXX. F401181 Measuring Instruments Input Industry</p> <p>XXXI. I301040 Third-party Payment Service Industry</p> <p>XXXII. ZZ99999 In addition to permitted businesses, businesses that are not prohibited or restricted by laws and regulations may be conducted.</p>	<p>XXII. I301010 Information Software Service Industry</p> <p>XXIII. I301020 Data Processing Services</p> <p>XXIV. J101040 Waste Treatment Industry</p> <p>XXV. J101050 Environmental Testing Service Industry</p> <p>XXVI. J101060 Waste (Sewage) Water Treatment Industry</p> <p>XXVII. JA02051 Measuring Instruments Repair Industry</p> <p>XXVIII. F113060 Measuring Instruments Wholesale Industry</p> <p>XXIX. F213050 Measuring Instruments Retail Industry</p> <p>XXX. F401181 Measuring Instruments Input Industry</p> <p>XXXI. I301040 Third-party Payment Service Industry</p> <p>XXXII. In addition to permitted businesses, businesses that are not prohibited or restricted by laws and regulations may be conducted.</p>	
<p>Article 7</p> <p>The Company's stocks <u>should be numbered, containing the following items, signed or stamped by the Directors representing the Company, and issued after being issued with a bank certification that is legally authorized to act as a stock issuer:</u></p> <p>I. <u>Company Name.</u></p> <p>II. <u>The year, month, and day of registration of establishment or change in registration of issuance of new shares.</u></p> <p>III. <u>For those adopting par value shares, the total number of shares and per share; for those adopting non-par value shares, the total number of shares.</u></p> <p>IV. <u>The number of shares issued this time.</u></p> <p>V. <u>Share certificates held by the promoters shall be marked with the words Promoter's shares.</u></p> <p>VI. <u>Special stocks shall be marked with the words "special types".</u></p> <p>VII. <u>The year, month, and day of the stock issuance.</u></p> <p><u>Shareholders' names should be used for the same owner, and the same name should be recorded; if the stock is owned by a government or legal person, the name of the government or legal person should be recorded, and no separate</u></p>	<p>Article 7</p> <p>The Company's stocks are signed or stamped by <del>three Directors</del> and issued after obtaining certification according to the law; however, those who have contacted the securities centralized custody business to register may be exempt from printing stocks.</p> <p>The Company's share issues are handled in accordance with the "Guidelines for the Handling of Publicly Listed Companies' Share Issues" promulgated by the competent authority.</p>	<p>Cooperate with legal amendments</p>

<p><u>account name or only the name of the representative should be established.</u></p> <p><u>The first paragraph of the rules for stock certification shall be stipulated by the central competent authority. However, it does not apply to companies that publicly issue shares and the securities authorities have otherwise stipulated.</u></p> <p><u>However, those who have negotiated with the registration of the securities centralized custody business are exempt from printing stocks.</u></p> <p>The Company's share issues are handled in accordance with the "Guidelines for the Handling of Publicly Listed Companies' Share Issues" promulgated by the competent authority.</p>		
<p>Article 20</p> <p>If the Company's total annual final accounts have net profit after tax for the current period, it shall first make up for the accumulated losses, and 10% of the second allocation shall be the statutory surplus reserve. <u>The aforementioned statutory surplus reserve shall be calculated as the current period's net profit after tax plus the current period's after-tax profit. The amount of items other than net profit included in the current year's undistributed surplus is used as the basis for the statutory surplus reserve.</u> However, when the statutory surplus reserve has reached the Company's paid-in capital, this limit is not applicable; it is also listed in accordance with the law or the competent authority. Or the special surplus reserve shall be converted. If there is still a surplus and the surplus has not been distributed at the beginning of the same period, the Board of Directors shall draft an earnings distribution plan and submit it to the Shareholders' Meeting for distribution.</p> <p>Contents below are omitted.</p>	<p>Article 20</p> <p>If the Company's annual final accounts have net profit after tax for the current period, the accumulated losses shall be made up first, and 10% of the second allocation shall be the statutory surplus reserve, but this is not the case when the statutory surplus reserve has reached the Company's paid-in capital ; In addition, the special surplus reserve shall be set aside or transferred according to laws or regulations or the competent authority. If there is still a surplus and the undistributed surplus at the beginning of the same period, the Board of Directors shall draft an earnings distribution plan and submit it to the Shareholders' Meeting for resolution.</p> <p>Contents below are omitted.</p>	Cooperate with legal amendments
<p>Article 22</p> <p>Follow the original article</p> <p><u>The 43rd amendment was made on , 2021.</u></p>	<p>Article 22</p> <p>Follow the original article</p>	Added the date for the 43rd amendment

Resolution:

## Proposal 2

As proposed by the Board of Directors

Proposal: Amendment to the "Rules of Election of Directors" of the Company submitted for discussion.

Note: In order to cope with the amendment of laws and regulations, it is proposed to amend part of the provisions of the Company's "Rules of Election of Directors", as detailed in the comparison table.

Amendments	Current Provisions	Explanation
	<p><del>Article 6</del></p> <p><del>If the electee is a shareholder, the elector must fill in the electee's account name and shareholder account number in the "Elected Person" column of the ballot; if the electee is not a shareholder, fill in the electee's name and identification card number. However, when a legal person shareholder is an elected person, his account must be filled with the name of the legal person, or the name of the legal person and its representative shall be filled in at the same time.</del></p>	Cooperate with legal deletion
<p>Article 6</p> <p>A ballot is deemed void if any of the following circumstances occurs:</p> <ol style="list-style-type: none"> <li>1. Ballots other than those stipulated in these Measures.</li> <li>2. The voting ballot does not record the Shareholder Account No. or Account Name.</li> <li>3. The handwriting is illegible.</li> <li>4. The list of electees filled in the voting ballot and <u>the list of Director candidates</u> does not match after verification.</li> <li>5. <u>In addition</u> to filling in the number of voting rights allocated, insert other texts.</li> <li>6. The number of electees filled on the same ballot exceeds the quota for candidates to be elected.</li> <li>7. The total number of voting rights filled in is more than the number of people with voting rights.</li> </ol>	<p>Article 7</p> <p>A ballot is deemed void if any of the following circumstances occurs:</p> <ol style="list-style-type: none"> <li>1. Ballots other than those stipulated in these Measures.</li> <li>2. The voting ballot does not record the Shareholder Account No. or Account Name.</li> <li>3. The handwriting is illegible.</li> <li>4. If the electee filled in the voting ballot is a shareholder, <del>the account name and shareholder account number are not consistent with the Shareholder Register; if the electee filled in is not a shareholder, the name and uniform ID card number do not match after verification</del></li> <li>5. In addition to filling in the Shareholder Account No., <del>account name and the number of voting rights allocated to the elected person, and inserting other words.</del></li> <li>6. The number of electees filled on the same ballot exceeds the quota for candidates to be elected.</li> </ol>	Cooperate with legal amendments

	7. The total number of voting rights filled in is more than the number of people with voting rights.	
Article <u>7</u> Omitted.	Article <del>8</del> Omitted.	Adjust the number
Article <u>8</u> Omitted.	Article <del>9</del> Omitted.	Adjust the number
Article <u>9</u> Omitted.	Article <del>10</del> Omitted.	Adjust the number
Article <u>10</u> This method has been adopted by the Annual Shareholders' Meeting and shall be implemented from the re-election of Directors in 2023.	Article <del>11</del> This method was adopted by the General Shareholders' Meeting and implemented since the re-election of Directors in <del>2017</del> .	Cooperate with legal amendments

## Resolution

### Proposal 3

As proposed by the Board of Directors

Proposal: Amendment to the "Rules of Procedures for Shareholders' Meetings" of the Company submitted for discussion.

Note: In order to cope with the amendment of laws and regulations, it is proposed to amend part of the provisions of the "Rules of Procedure of Shareholders' Meetings" of the Company, as detailed in the comparison table.

Amendments	Current Provisions	Explanation
<p>Article 8</p> <p>The Chairperson shall call the meeting to order at the time scheduled for the meeting, <u>as well as announce information such as the number of shares with no voting right and shares present.</u></p> <p>However, when shareholders (or proxies) who do not represent more than half of the total number of shares issued are present, the Chairperson may announce the postponement of the meeting. The number of postponements is limited to two, and the total postponement time shall not exceed one hour. If the amount is still insufficient after the second delay and there are shareholders (or proxies) representing more than one-third of the total number of shares issued to attend the meeting, they may proceed in accordance with the first paragraph of Article 175 of the Company Act to give the present shareholders voting rights. Over half of the consents are false resolutions. Before the end of the meeting, if the number of shares represented by the present shareholders (or proxies) reached more than half of the total number of shares issued, the Chairperson may make a false resolution and submit it again for the meeting to vote in accordance with Article 174 of the Company Act.</p>	<p>Article 8</p> <p>When the meeting time has expired, the Chairperson shall announce the meeting immediately. However, when no shareholder (or proxies) representing more than half of the total shares issued is present, the Chairperson may announce the postponement of the meeting. The number of postponements is limited to two. The total time must not exceed one hour. If the amount is still insufficient after the second delay and there are shareholders (or proxies) representing more than one-third of the total number of shares issued to attend the meeting, they may proceed in accordance with the first paragraph of Article 175 of the Company Act to give the present shareholders voting rights. Over half of the consents are false resolutions. Before the end of the meeting, if the number of shares represented by the present shareholders (or proxies) reached more than half of the total number of shares issued, the Chairperson may make a false resolution and submit it again for the meeting to vote in accordance with Article 174 of the Company Act.</p>	<p>Cooperate with legal amendments</p>

Resolution:

Motions

## **Independent Auditors’ Report**

To the Board of Directors of Shan-Loong Transportation Co., Ltd.:

### **Opinion**

We have audited the consolidated financial statements of Shan-Loong Transportation Co., Ltd. and its subsidiaries ( “the Group” ), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ( “IFRSs” ), International Accounting Standards ( “IASs” ), Interpretations developed by the International Financial Reporting Interpretations Committee ( “IFRIC” ) or the former Standing Interpretations Committee ( “SIC” ) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audit of the Consolidated financial statements as of and for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ( “the Code” ), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we judged shall be presented in the financial report as follows:

## 1. Revenue recognition

Please refer to note (4)(m) of the consolidated financial statements for the accounting policy of revenue recognition. Information regarding the revenue are shown in note (6)(r) of the consolidated financial statements.

Description of key audit matter:

The main activities of the Group include freight transportation, container trucking, truck repair and maintenance, gas station, and import and export agent. Revenue recognition is one of the significant matters of the consolidated financial statements. The amounts and changes of sales revenue may affect the users' understanding of the entire financial statements. Therefore, the revenue recognition test is one of the significant assessment items in our audit procedures.

Audit Procedures:

Our main audit procedures for the aforementioned key audit matters include testing the Group's controls surrounding revenue recognition in the sale and receipt cycle, including reconciliations between the general ledger and sales system; performing the detailed test of relevant vouchers, as well as assessing whether the Group's timing on revenue recognition and the amounts recognized are in accordance with the related standards.

### **Other Matter**

Shan-Loong Transportation Co., Ltd. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unmodified opinion including an emphasis of matter paragraph.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting. Unless management either intends to liquidate the Group or to cease its operations, there is no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Jui-Lan Lo and Yiu-Kwan Au.

KPMG

Taipei, Taiwan (Republic of China)  
March 25, 2021

#### **Notes to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance, and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**December 31, 2020 and 2019**

(expressed in thousands of New Taiwan Dollars)

		December 31, 2020		December 31, 2019				December 31, 2020		December 31, 2019	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note (6)(a))	\$ 786,408	8	490,459	5	2100	Short-term borrowings (note (6)(j))	\$ -	-	10,000	-
1110	Current financial assets at fair value through profit or loss (note (6)(b))	349,054	3	670,616	8	2150	Notes and accounts payable (note (7))	1,364,501	14	1,541,549	17
1170	Notes and accounts receivable, net (note (6)(d))	546,632	5	576,799	6	2200	Other payables (note (7))	484,046	5	406,948	5
1180	Notes and accounts receivable due from related parties, net (notes (6)(d) and (7))	304,965	3	341,591	4	2230	Current income tax liabilities	72,527	1	7,904	-
1476	Other current financial assets (notes (6)(e) and (7))	65,703	1	56,379	1	2280	Current lease liabilities (notes (6)(m) and (7))	235,389	2	209,406	3
1300	Inventories, net (note (6)(f))	193,605	2	192,232	2	2130	Current contract liabilities (note (6)(r))	13,577	-	13,122	-
1470	Other current assets	42,159	1	80,591	1	2250	Provisions	25,992	-	13,095	-
		2,288,526	23	2,408,667	27	2300	Other current liabilities	10,389	-	10,407	-
						2320	Long-term borrowings, current portion (note (6)(k))	150,000	1	185,870	2
								2,356,421	23	2,398,301	27
Non-current assets:						Non-current liabilities:					
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(c))	2,450,283	24	1,496,122	17	2540	Long-term borrowings (note (6)(k))	1,024,700	10	1,029,130	12
1600	Property, plant and equipment (notes (6)(h), (7) and (8))	3,725,365	37	3,498,819	39	2570	Deferred income tax liabilities (note (6)(o))	168,288	2	98,347	1
1755	Right-of-use assets (note (6)(i))	1,316,622	13	1,286,411	15	2580	Non-current lease liabilities (notes (6)(m) and (7))	1,102,605	11	1,087,958	12
1840	Deferred income tax assets (note (6)(o))	38,534	1	39,379	-	2640	Non-current net defined benefit liability (note (6)(n))	97,904	1	104,157	1
1990	Other non-current assets (note (8))	223,669	2	208,338	2	2645	Guarantee deposit received	17,337	-	18,336	-
		7,754,473	77	6,529,069	73			2,410,834	24	2,337,928	26
								4,767,255	47	4,736,229	53
						Total liabilities					
						Equity:					
						Equity attributable to owners of parent: (note (6)(p))					
3100	Ordinary shares	1,372,818	14	1,372,818	15						
3200	Capital surplus	580,381	6	577,945	6						
3300	Retained earnings	1,790,142	18	1,676,640	19						
3400	Other equity	1,374,710	14	425,710	5						
3500	Treasury shares	(31,863)	(1)	(31,863)	-						
		5,086,188	51	4,021,250	45						
36XX	Non-controlling interests	189,556	2	180,257	2						
		5,275,744	53	4,201,507	47						
						Total equity					
						Total liabilities and equity					
						\$ 10,042,999 100 8,937,736 100					
Total assets						\$ 10,042,999 100 8,937,736 100					

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

**For the years ended December 31, 2020 and 2019**

(expressed in thousands of New Taiwan Dollars, except for earnings per share)

		<b>2020</b>		<b>2019</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue</b> (notes (6)(r) and (7))	\$ 15,955,500	100	18,012,657	100
5000	<b>Operating costs</b> (notes (6)(f), (7) and (12))	14,211,824	89	16,532,168	92
5900	<b>Gross profit from operations</b>	1,743,676	11	1,480,489	8
	<b>Operating expenses</b> (notes (7) and (12)):				
6100	Selling expenses	540,683	3	520,687	3
6200	Administrative expenses	815,859	5	771,973	4
6450	Expected credit losses (gains) (notes (6)(d) and (6)(t))	(15)	-	14,282	-
		1,356,527	8	1,306,942	7
6900	<b>Net operating income</b>	387,149	3	173,547	1
	<b>Non-operating income and expenses:</b>				
7010	Other income(note (7))	59,642	-	61,077	-
7020	Other gains and losses, net (notes (6)(m) and (6)(t))	(3,145)	-	9,680	-
7050	Finance costs (notes (6)(l), (6)(m) and (7))	(32,587)	-	(31,571)	-
7100	Interest income	4,519	-	9,388	-
7130	Dividend income	70,560	-	65,086	1
7210	Gains (losses) on disposals of property, plant and equipment (note (7))	(7,376)	-	5,140	-
7225	Gains on disposals of investments (note (6)(g))	-	-	183,764	1
7590	Miscellaneous disbursements	(15,621)	-	(20,987)	-
		75,992	-	281,577	2
7900	<b>Profit before tax</b>	463,141	3	455,124	3
7950	<b>Less: Income tax expenses</b> (note (6)(o))	83,252	1	107,224	1
8200	<b>Profit</b>	379,889	2	347,900	2
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that may not be reclassified subsequently to profit or loss:</b>				
8311	Gains (losses) on remeasurements of defined benefit plans (note (6)(n))	(13,406)	-	(407)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note (6)(t))	1,021,041	6	(1,786)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note (6)(o))	70,912	-	(3,146)	-
		936,723	6	953	-
8360	<b>Items that may be reclassified subsequently to profit or loss:</b>				
8361	Exchange differences on translation of foreign financial statements	2,684	-	(15,961)	-
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note (6)(o))	388	-	(1,889)	-
		2,296	-	(14,072)	-
8300	<b>Other comprehensive income (loss)</b>	939,019	6	(13,119)	-
8500	<b>Total comprehensive income</b>	<b>\$ 1,318,908</b>	<b>8</b>	<b>334,781</b>	<b>2</b>
	<b>Profit, attributable to:</b>				
8610	Owners of parent	\$ 371,334	2	290,953	2
8620	Non-controlling interests	8,555	-	56,947	-
		<b>\$ 379,889</b>	<b>2</b>	<b>347,900</b>	<b>2</b>
	<b>Total comprehensive income attributable to:</b>				
8710	Owners of parent	\$ 1,309,609	8	284,348	2
8720	Non-controlling interests	9,299	-	50,433	-
		<b>\$ 1,318,908</b>	<b>8</b>	<b>334,781</b>	<b>2</b>
	<b>Earnings per share</b> (note (6)(q))				
9750	<b>Basic earnings per share</b>	<b>\$ 2.73</b>		<b>2.14</b>	
9850	<b>Diluted earnings per share</b>	<b>\$ 2.72</b>		<b>2.13</b>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**

**For the years ended December 31, 2020 and 2019**

**(expressed in thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent											
						Other equity						
						Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Retained earnings Unappropriated retained earnings	Total retained earnings							
<b>Balance on January 1, 2019</b>	\$ 1,371,389	573,902	392,271	1,213,394	1,605,665	(17,223)	449,211	431,988	(31,863)	3,951,081	129,824	4,080,905
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	23,646	(23,646)	-	-	-	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	(219,651)	(219,651)	-	-	-	-	(219,651)	-	(219,651)
	-	-	23,646	(243,297)	(219,651)	-	-	-	-	(219,651)	-	(219,651)
Profit (loss) for the year ended December 31, 2019	-	-	-	290,953	290,953	-	-	-	-	290,953	56,947	347,900
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	(327)	(327)	(7,558)	1,280	(6,278)	-	(6,605)	(6,514)	(13,119)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	290,626	290,626	(7,558)	1,280	(6,278)	-	284,348	50,433	334,781
Conversion of convertible bonds	1,429	1,145	-	-	-	-	-	-	-	2,574	-	2,574
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	2,166	-	-	-	-	-	-	-	2,166	-	2,166
Others	-	732	-	-	-	-	-	-	-	732	-	732
	-	732	-	-	-	-	-	-	-	-	-	732
<b>Balance on December 31, 2019</b>	1,372,818	577,945	415,917	1,260,723	1,676,640	(24,781)	450,491	425,710	(31,863)	4,021,250	180,257	4,201,507
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	29,096	(29,096)	-	-	-	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	(247,107)	(247,107)	-	-	-	-	(247,107)	-	(247,107)
	-	-	29,096	(276,203)	(247,107)	-	-	-	-	(247,107)	-	(247,107)
Profit (loss) for the year ended December 31, 2020	-	-	-	371,334	371,334	-	-	-	-	371,334	8,555	379,889
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	(10,725)	(10,725)	1,552	947,448	949,000	-	938,275	744	939,019
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	360,609	360,609	1,552	947,448	949,000	-	1,309,609	9,299	1,318,908
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	2,436	-	-	-	-	-	-	-	2,436	-	2,436
<b>Balance on December 31, 2020</b>	<b>\$ 1,372,818</b>	<b>580,381</b>	<b>445,013</b>	<b>1,345,129</b>	<b>1,790,142</b>	<b>(23,229)</b>	<b>1,397,939</b>	<b>1,374,710</b>	<b>(31,863)</b>	<b>5,086,188</b>	<b>189,556</b>	<b>5,275,744</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2020 and 2019**  
(expressed in thousands of New Taiwan Dollars)

	2020	2019
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 463,141	455,124
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation and amortization expense	492,953	462,447
Expected credit losses (gains)	(15)	14,282
Net profit on financial assets or liabilities at fair value through profit or loss	(6,090)	(8,247)
Interest expense	32,587	31,571
Interest income	(4,519)	(9,388)
Dividend income	(70,560)	(65,086)
Gain on disposal of investments	-	(183,764)
Gain (losses) on disposal of property, plant and equipment	7,376	(5,140)
Others	(9)	(194)
	<u>451,723</u>	<u>236,481</u>
<b>Changes in operating assets and liabilities:</b>		
Decrease (increase) in financial assets mandatorily measured at fair value through profit or loss	327,652	(386,215)
Decrease (increase) in notes and accounts receivable	66,808	46,682
Decrease (increase) in inventories	(1,373)	(81,188)
Decrease (increase) in other current financial assets	(14,451)	6,503
Decrease (increase) in other current assets	46,442	14,154
Increase (decrease) in notes and accounts payable	(177,048)	(185,329)
Increase (decrease) in provisions	12,897	13,095
Increase (decrease) in other payables and other current liabilities	77,711	(5,144)
Increase (decrease) in net defined benefit liabilities	(19,659)	(71,203)
Increase (decrease) in contract liabilities	455	25
	<u>319,434</u>	<u>(648,620)</u>
<b>Total adjustments</b>	<u>771,157</u>	<u>(412,139)</u>
Cash inflow (outflow) generated from (used in) operations	1,234,298	42,985
Dividends received	70,560	65,086
Interest paid	(32,587)	(31,560)
Interest received	4,519	9,388
Income taxes paid	(22,026)	(135,200)
<b>Net cash flows from (used in) operating activities</b>	<u>1,254,764</u>	<u>(49,301)</u>
<b>Cash flows from (used in) investing activities:</b>		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	66,880	-
Proceeds from disposal of subsidiaries	-	239,985
Acquisition of property, plant and equipment	(514,409)	(508,815)
Proceeds from disposal of property, plant and equipment	12,264	36,419
Decrease (increase) in refundable deposits	(1,861)	(15,553)
<b>Net cash flows from (used in) investing activities</b>	<u>(437,126)</u>	<u>(247,964)</u>
<b>Cash flows from (used in) financing activities:</b>		
Increase (decrease) in short-term borrowings	(10,000)	(90,000)
Proceeds from long-term borrowings	949,000	940,000
Repayments of long-term borrowings	(989,300)	(467,500)
Increase (decrease) in guarantee deposit received	(999)	289
Payment of lease liabilities	(229,063)	(207,750)
Cash dividends paid	(244,671)	(217,485)
<b>Net cash flows from (used in) financing activities</b>	<u>(525,033)</u>	<u>(42,446)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>3,344</u>	<u>(5,107)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	295,949	(344,818)
<b>Cash and cash equivalents at beginning of period</b>	490,459	835,277
<b>Cash and cash equivalents at end of period</b>	<u><u>\$ 786,408</u></u>	<u><u>490,459</u></u>

See accompanying notes to consolidated financial statements.

## **Independent Auditors' Report**

To the Board of Directors of Shan-Loong Transportation Co., Ltd.:

### **Opinion**

We have audited the financial statements of Shan-Loong Transportation Co., Ltd. ("the Company"), which comprise the balance sheets as of December 31, 2020 and 2019, the statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audit of the financial statements as of and for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we judged shall be presented in the financial report as follows:

## 1. Revenue recognition

Please refer to note (4)(m) of the financial statements for the accounting policy of revenue recognition. Information regarding the revenue are shown in note (6)(r) of the financial statements.

Description of key audit matter:

The main activities of the Company include freight transportation, container trucking, truck repair and maintenance, and gas station. Revenue recognition is one of the significant matters of the financial statements. The amounts and changes of sales revenue may affect the users' understanding of the entire financial statements. Therefore, the revenue recognition test is one of the significant assessment items in our audit procedures.

Audit Procedures:

Our main audit procedures for the aforementioned key audit matters include testing the Company's controls surrounding revenue recognition in the sale and receipt cycle, including reconciliations between the general ledger and sales system; performing the detailed test of relevant vouchers, as well as assessing whether the Company's timing on revenue recognition and the amounts recognized are in accordance with the related standards.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting. Unless management either intends to liquidate the Company or to cease its operations, there is no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Jui-Lan Lo and Yiu-Kwan Au.

KPMG

Taipei, Taiwan (Republic of China)  
March 25, 2021

#### **Notes to Readers**

The accompanying financial statements are intended only to present the financial position, financial performance, and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
**SHAN-LOONG TRANSPORTATION CO., LTD.**

**Balance Sheets**

**December 31, 2020 and 2019**

(expressed in thousands of New Taiwan Dollars)

		<b>December 31, 2020</b>		<b>December 31, 2019</b>				<b>December 31, 2020</b>		<b>December 31, 2019</b>	
<b>Assets</b>		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Liabilities and Equity</b>		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (note (6)(a))	\$ 377,475	4	265,460	3	2150	Notes and accounts payable (note (7))	\$ 1,314,377	14	1,479,478	17
1110	Current financial assets at fair value through profit or loss (note (6)(b))	-	-	300,045	4	2200	Other payables (note (7))	394,695	4	333,053	4
1170	Notes and accounts receivable, net (note (6)(d))	445,160	5	474,469	6	2230	Current income tax liabilities	62,512	1	3,334	-
1180	Notes and accounts receivable due from related parties, net (notes (6)(d) and (7))	255,593	3	264,310	3	2280	Current lease liabilities (notes (6)(m) and (7))	231,817	2	205,652	3
1476	Other current financial assets (notes (6)(e) and (7))	28,192	-	13,376	-	2130	Current contract liabilities (note (6)(r))	13,286	-	12,826	-
1300	Inventories, net (note (6)(f))	184,618	2	192,232	2	2250	Provisions	25,992	-	13,095	-
1470	Other current assets	38,475	-	76,700	1	2300	Other current liabilities	2,511	-	3,398	-
		<u>1,329,513</u>	<u>14</u>	<u>1,586,592</u>	<u>19</u>	2320	Long-term borrowings, current portion (note (6)(k))	150,000	2	185,870	2
								<u>2,195,190</u>	<u>23</u>	<u>2,236,706</u>	<u>26</u>
<b>Non-current assets:</b>						<b>Non-current liabilities:</b>					
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(c))	816,536	8	476,766	5	2540	Long-term borrowings (note (6)(k))	1,024,700	11	1,029,130	12
1550	Investments accounted for using equity method (note (6)(g))	2,220,372	23	1,508,831	18	2570	Deferred income tax liabilities (note (6)(o))	113,495	1	79,050	1
1600	Property, plant and equipment (notes (6)(h), (7) and (8))	3,706,229	39	3,476,428	41	2580	Non-current lease liabilities (notes (6)(m) and (7))	1,094,694	11	1,076,475	13
1755	Right-of-use assets (note (6)(i))	1,305,262	14	1,271,236	15	2640	Non-current net defined benefit liability (note (6)(n))	96,105	1	102,758	1
1840	Deferred income tax assets (note (6)(o))	38,002	-	38,894	-	2645	Guarantee deposit received	15,676	-	15,201	-
1990	Other non-current assets (note (8))	210,134	2	201,823	2			<u>2,344,670</u>	<u>24</u>	<u>2,302,614</u>	<u>27</u>
		<u>8,296,535</u>	<u>86</u>	<u>6,973,978</u>	<u>81</u>		<b>Total liabilities</b>	<u>4,539,860</u>	<u>47</u>	<u>4,539,320</u>	<u>53</u>
							<b>Equity (note (6)(p)):</b>				
						3100	Ordinary shares	1,372,818	14	1,372,818	16
						3200	Capital surplus	580,381	6	577,945	7
						3300	Retained earnings	1,790,142	19	1,676,640	19
						3400	Other equity	1,374,710	14	425,710	5
						3500	Treasury shares	(31,863)	-	(31,863)	-
							<b>Total equity</b>	<u>5,086,188</u>	<u>53</u>	<u>4,021,250</u>	<u>47</u>
<b>Total assets</b>		<u><b>\$ 9,626,048</b></u>	<u><b>100</b></u>	<u><b>8,560,570</b></u>	<u><b>100</b></u>		<b>Total liabilities and equity</b>	<u><b>\$ 9,626,048</b></u>	<u><b>100</b></u>	<u><b>8,560,570</b></u>	<u><b>100</b></u>

See accompanying notes to consolidated financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
SHAN-LOONG TRANSPORTATION CO., LTD.

**Statements of Comprehensive Income**

**For the years ended December 31, 2020 and 2019**

(expressed in thousands of New Taiwan Dollars , except for earnings per share)

		<b>2020</b>		<b>2019</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue</b> (notes (6)(r) and (7))	\$ 15,076,884	100	16,981,871	100
5000	<b>Operating costs</b> (notes (6)(f), (6)(n), (7) and (12))	<u>13,415,428</u>	<u>89</u>	<u>15,555,867</u>	<u>92</u>
5900	<b>Gross profit from operations</b>	<u>1,661,456</u>	<u>11</u>	<u>1,426,004</u>	<u>8</u>
	<b>Operating expenses</b> (notes (6)(n), (7) and (12)):				
6100	Selling expenses	540,940	4	520,698	3
6200	Administrative expenses	794,530	5	740,116	4
6450	Expected credit losses (gains) (notes (6)(d) and (6)(t))	<u>-</u>	<u>-</u>	<u>14,090</u>	<u>-</u>
		<u>1,335,470</u>	<u>9</u>	<u>1,274,904</u>	<u>7</u>
6900	<b>Net operating income</b>	<u>325,986</u>	<u>2</u>	<u>151,100</u>	<u>1</u>
	<b>Non-operating income and expenses:</b>				
7010	Other income (note (7))	55,633	-	60,296	-
7020	Other gains and losses, net (note (6)(m))	134	-	5,336	-
7050	Finance costs (notes (6)(l), (6)(m) and (7))	(32,359)	-	(31,165)	-
7100	Interest income	1,954	-	4,737	-
7130	Dividend income	23,791	-	22,214	-
7210	Gains (losses) on disposals of property, plant and equipment (note (7))	(7,376)	-	9,610	-
7375	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method (note (6)(g))	85,346	1	146,374	1
7590	Miscellaneous disbursements	<u>(15,203)</u>	<u>-</u>	<u>(18,499)</u>	<u>-</u>
		<u>111,920</u>	<u>1</u>	<u>198,903</u>	<u>1</u>
7900	<b>Profit before tax</b>	437,906	3	350,003	2
7950	<b>Less: Income tax expenses</b> (note (6)(o))	<u>66,572</u>	<u>-</u>	<u>59,050</u>	<u>-</u>
8200	<b>Profit</b>	<u>371,334</u>	<u>3</u>	<u>290,953</u>	<u>2</u>
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that may not be reclassified subsequently to profit or loss:</b>				
8311	Gains (losses) on remeasurements of defined benefit plans (note (6)(n))	(13,406)	-	(407)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	339,770	2	(3,594)	-
8330	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	645,775	4	12	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note (6)(o))	<u>35,416</u>	<u>-</u>	<u>(4,942)</u>	<u>-</u>
		<u>936,723</u>	<u>6</u>	<u>953</u>	<u>-</u>
8360	<b>Items that may be reclassified subsequently to profit or loss:</b>				
8361	Exchange differences on translation of foreign financial statements	1,940	-	(9,447)	-
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note (6)(o))	<u>388</u>	<u>-</u>	<u>(1,889)</u>	<u>-</u>
		<u>1,552</u>	<u>-</u>	<u>(7,558)</u>	<u>-</u>
8300	<b>Other comprehensive income (loss)</b>	<u>938,275</u>	<u>6</u>	<u>(6,605)</u>	<u>-</u>
8500	<b>Total comprehensive income</b>	<u><u>\$ 1,309,609</u></u>	<u><u>9</u></u>	<u><u>284,348</u></u>	<u><u>2</u></u>
	<b>Earnings per share</b> (note (6)(q))				
9750	<b>Basic earnings per share</b>	<u><u>\$ 2.73</u></u>		<u><u>2.14</u></u>	
9850	<b>Diluted earnings per share</b>	<u><u>\$ 2.72</u></u>		<u><u>2.13</u></u>	

See accompanying notes to consolidated financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
**SHAN-LOONG TRANSPORTATION CO., LTD.**

**Statements of Changes in Equity**  
**For the years ended December 31, 2020 and 2019**  
(bexpressed in thousands of New Taiwan Dollars)

	Retained earnings					Exchange differences on translation of foreign financial statements	Other equity Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity	Treasury shares	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings					
Balance on January 1, 2019	\$ 1,371,389	573,902	392,271	1,213,394	1,605,665	(17,223)	449,211	431,988	(31,863)	3,951,081
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	23,646	(23,646)	-	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	(219,651)	(219,651)	-	-	-	-	(219,651)
	-	-	23,646	(243,297)	(219,651)	-	-	-	-	(219,651)
Profit (loss) for the year ended December 31, 2019	-	-	-	290,953	290,953	-	-	-	-	290,953
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	(327)	(327)	(7,558)	1,280	(6,278)	-	(6,605)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	290,626	290,626	(7,558)	1,280	(6,278)	-	284,348
Conversion of convertible bonds	1,429	1,145	-	-	-	-	-	-	-	2,574
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	2,166	-	-	-	-	-	-	-	2,166
Others	-	732	-	-	-	-	-	-	-	732
Balance on December 31, 2019	1,372,818	577,945	415,917	1,260,723	1,676,640	(24,781)	450,491	425,710	(31,863)	4,021,250
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	29,096	(29,096)	-	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	(247,107)	(247,107)	-	-	-	-	(247,107)
	-	-	29,096	(276,203)	(247,107)	-	-	-	-	(247,107)
Profit (loss) for the year ended December 31, 2020	-	-	-	371,334	371,334	-	-	-	-	371,334
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	(10,725)	(10,725)	1,552	947,448	949,000	-	938,275
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	360,609	360,609	1,552	947,448	949,000	-	1,309,609
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	2,436	-	-	-	-	-	-	-	2,436
Balance on December 31, 2020	\$ 1,372,818	580,381	445,013	1,345,129	1,790,142	(23,229)	1,397,939	1,374,710	(31,863)	5,086,188

See accompanying notes to consolidated financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
**SHAN-LOONG TRANSPORTATION CO., LTD.**

**Statements of Cash Flows**

**For the years ended December 31, 2020 and 2019**

**(expressed in thousands of New Taiwan Dollars)**

	<u>2020</u>	<u>2019</u>
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 437,906	350,003
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation	485,116	454,938
Expected credit losses (gains)	-	14,090
Net profit on financial assets or liabilities at fair value through profit or loss	(165)	(834)
Interest expense	32,359	31,165
Interest income	(1,954)	(4,737)
Dividend income	(23,791)	(22,214)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(85,346)	(146,374)
Gain (losses) on disposal of property, plant and equipment and others	7,367	(9,804)
	<u>413,586</u>	<u>316,230</u>
<b>Changes in operating assets and liabilities:</b>		
Decrease (increase) in financial assets mandatorily measured at fair value through profit or loss	300,210	(179,209)
Decrease (increase) in notes and accounts receivable	38,026	39,600
Decrease (increase) in inventories	7,614	(83,239)
Decrease (increase) in other current financial assets	(14,816)	(4,231)
Decrease (increase) in other current assets	46,064	12,045
Increase (decrease) in notes and accounts payable	(165,101)	(189,481)
Increase (decrease) in contract liabilities	460	177
Increase (decrease) in provisions	12,897	13,095
Increase (decrease) in other payables and other current liabilities	60,755	(9,970)
Increase (decrease) in net defined benefit liabilities	(20,059)	(71,609)
	<u>266,050</u>	<u>(472,822)</u>
<b>Total adjustments</b>	<u>679,636</u>	<u>(156,592)</u>
Cash inflow (outflow) generated from (used in) operations	1,117,542	193,411
Dividends received	83,747	67,541
Interest paid	(32,359)	(31,154)
Interest received	1,954	4,737
Income taxes paid	(15,700)	(87,561)
<b>Net cash flows from (used in) operating activities</b>	<u>1,155,184</u>	<u>146,974</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of investments accounted for using equity method	(36,000)	-
Proceeds from capital reduction of investments accounted for using equity method	-	13,882
Acquisition of property, plant and equipment	(512,351)	(486,673)
Proceeds from disposal of property, plant and equipment	12,264	31,732
Decrease (increase) in refundable deposits	5,159	(15,268)
<b>Net cash flows from (used in) investing activities</b>	<u>(530,928)</u>	<u>(456,327)</u>
<b>Cash flows from (used in) financing activities:</b>		
Increase (decrease) in short-term borrowings	-	(100,000)
Proceeds from long-term borrowings	949,000	940,000
Repayments of long-term borrowings	(989,300)	(467,500)
Increase (decrease) in guarantee deposit received	475	350
Payment of lease liabilities	(225,309)	(205,130)
Cash dividends paid	(247,107)	(219,651)
<b>Net cash flows from (used in) financing activities</b>	<u>(512,241)</u>	<u>(51,931)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	112,015	(361,284)
<b>Cash and cash equivalents at beginning of period</b>	265,460	626,744
<b>Cash and cash equivalents at end of period</b>	<u><u>\$ 377,475</u></u>	<u><u>265,460</u></u>

Shan-Loong Transportation Co., Ltd.

Earnings Distribution Statement

The Year 2020

Unit: NT\$

Item	Subtotal	Total
Beginning balance		984,520,429
Add(Subtract): IFRIC Adjusted Net Amount	0	
Opening Balance after conversion to IFRS		984,520,429
Plus (subtract):		
Determine the Remeasurement of the Benefit Plan and the Change in the Current Period	(10,724,800)	
Net Profit after Tax for the Year	371,333,793	
Earnings available for distribution		1,345,129,422
Less:		
Statutory earnings reserve	(36,060,899)	
Distribution items		
Shareholders' dividends - cash	(302,020,019)	
End of Period Appropriation		1,007,048,504

Chairman:

Manager:

Accounting Supervisor:

【Appendix 1】

Articles of Incorporation of Shan-Loong Transportation Co., Ltd.

Chapter 1 General Provisions

Article 1: The Company is organized in accordance with the provisions of the Company Act and named as Shan-Loong Transportation Co., Ltd. (The English name is Shan-Loong Transportation Co., Ltd) .

Article 2: The businesses operated by the Company are as follows:

- I. G101061 Trucking Industry.
- II. G101081 Automobile Container Freight Industry.
- III. CD01030 Automobile and Parts Manufacturing Industry.
- IV. JA01010 Auto Repair Industry.
- V. F114010 Automobile Wholesale Industry.
- VI. F114030 Automobile and Locomotive Parts Equipment Wholesale Industry.
- VII. F214010 Auto Retail Industry.
- VIII. F214030 Automobile and Motorcycle Parts and Equipment Retail Industry.
- IX. G801010 Warehousing Industry.
- X. F112010 Gasoline and Diesel Wholesale Industry.
- XI. F112040 Petroleum Products Wholesale Industry.
- XII. F212011 Gas Station Industry.
- XIII. F212050 Petroleum Products Retail Industry.
- XIV. J101090 Waste Disposal Industry.
- XV. J101030 Waste Clearance Industry.
- XVI. E599010 Plumbing Engineering Industry
- XVII. F107170 Industrial Additives Wholesale Industry.
- XVIII. F113100 Pollution Prevention Equipment Wholesale Industry
- XIX. F213100 Pollution Prevention Equipment Retail Industry
- XX. F401010 International Trade Industry

- XXI. I103060 Management Consulting Industry
- XXII. I301010 Information Software Service Industry
- XXIII. I301020 Data Processing Services
- XXIV. J101040 Waste Treatment Industry
- XXV. J101050 Environmental Testing Service Industry
- XXVI. J101060 Waste (Sewage) Water Treatment Industry
- XXVII. JA02051 Measuring Instruments Repair Industry
- XXVIII. F113060 Measuring Instruments Wholesale Industry
- XXIX. F213050 Measuring Instruments Retail Industry
- XXX. F401181 Measuring Instruments Input Industry
- XXXI. I301040 Third-party Payment Service Industry
- XXXII. In addition to permitted businesses, businesses that are not prohibited or restricted by laws and regulations may be conducted.

Article 3: The Company is endorsed and guaranteed by external parties due to business and investment relations.

Article 4: The total reinvestment of the Company may exceed 40% of the paid-in share capital.

Article 5: The Company establishes its head office in New Taipei City. If necessary, the Board of Directors may establish branches and business offices at home and abroad.

## Chapter II Shares

Article 6: The total capital of the Company is set at NT\$ 1.8 billion, divided into 180 million shares, 10 NTS for each share, and is issued multiple times. The Company transfers the shares to employees at a price lower than the average price of the actual shares purchased. Prior to the transfer, it shall be submitted to the Shareholders' Meeting attended by the most recent Shareholders' Meeting representing more than half of the total shares issued, and more than two-thirds of the voting rights of the shareholders present shall be agreed upon. Later, it can be issued.

Article 7: The Company's stocks are signed or stamped by three Directors and issued after obtaining certification according to the law; however, those who have contacted the securities centralized custody business for registration are exempt from printing stocks.

The Company's share issues are handled in accordance with the "Guidelines for the Handling of Publicly Listed Companies' Share Issues" promulgated by the competent authority.

### Chapter III Shareholders' Meeting

Article 8: There are two types of Shareholders' Meetings: Regular meetings and temporary meetings. The regular meetings shall be convened once a year and shall be convened by the Board of Directors in accordance with the law within six months after the end of each fiscal year. The temporary meetings shall be convened in accordance with the law when necessary. All shareholders shall be notified 30 days in advance; the convening of an extraordinary Shareholders' Meeting shall be notified to all shareholders 15 days in advance.

Article 9: When a shareholder is unable to attend the Shareholders' Meeting for some reason, a letter of attorney issued by the Company shall be issued, specifying the scope of authorization and an agent shall be entrusted to attend.

Article 10: Unless otherwise stipulated by the Company Act, the resolutions of the Shareholders' Meeting shall be attended by shareholders representing more than half of the total number of shares issued, and shall be executed with the approval of more than half of the voting rights of the shareholders present.

When the Company convenes a Shareholders' Meeting, the shareholders can exercise their voting rights electronically, and the method of exercise shall be stated in the notice of the Shareholders' Meeting.

A shareholder who exercises his/her voting rights at a Shareholders' Meeting by electronic means shall be deemed to have attended the Shareholders' Meeting in person. However, the Extempore Motion and the amendment to the original proposal of the Shareholders' Meeting shall be deemed as an abstention.

### Chapter IV Directors

Article 11: The Company has nine to thirteen Directors. The Board of Directors decides on the number of Independent Directors and non-Independent Directors and adopts a candidate nomination system. The shareholders shall choose from the list of Director candidates in accordance with the law for the term of office. Three years, re-elected for re-election, the number of Directors, Independent Directors at least three, and no less than one-fifth of the number of Directors; the total number of shares held by all Directors must not be less than a certain percentage of the total shares issued of the Company.

The rules and review procedures for the percentage of shares mentioned in the preceding paragraph shall be formulated in accordance with the orders of the competent authority.

The method of the nomination of independent director candidates, the announcement of independent director candidates and other related matters, as well as regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, and other matters for compliance with respect to independent directors shall be handled in accordance with the relevant laws and regulations. The election of Independent Directors and non-Independent Directors shall be held concurrently, provided that the number of Independent Directors and non-Independent Directors elected are calculated separately.

Article 11-1: The Company establishes an Audit Committee in accordance with the provisions of Article 14-4 of the Securities Exchange Act, which is composed of all Independent Directors. The number, term of office, powers, rules of procedure and other matters shall be exercised in accordance with the Audit Committee of the publicly listed company. The provisions of the terms of reference shall be handled, and the Company shall separately formulate the Audit Committee organization rules and regulations.

Article 12: The Directors organize the Board of Directors. Two-thirds or more of the Directors are present and more than half of the Directors present agree. Each of them elects one of them as the Chairman of the Board and may appoint a Vice Chairman. The Chairman of the Board of Directors represents the Company externally and supervises all the Company's business.

Article 13: When the Chairman of the Board asks for leave or is unable to exercise his powers for some reason, his agency shall be handled in accordance with Article 208 of the Company Act.

Article 14: The Company's business policy and important matters shall be decided by the Board of Directors.

Article 15: (Deleted)

Article 16: When Directors perform the Company's business, the Company shall pay salaries regardless of operating profit or loss. All Directors and their remuneration shall be determined by the authorized board meeting in accordance with the extent of their participation in the Company's operations and the value of their contribution, as well as the standards of the industry.

## Chapter V Manager

Article 17: The Company may appoint a manager, and his appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

## Chapter VI Accounting

Article 18: The company takes the year-end of the Chinese calendar as the final accounting period, and the Board of Directors prepares the following documents and submits them to the regular Shareholders' Meeting for recognition in accordance with the law.

- I. Business Report;
- II. Financial Statements;
- III. The Earnings Distribution Statement or the proposal to make up for the loss.

Article 19: If the Company has pre-tax benefits for the current period before deduction of employee compensation, no less than one percent shall be allocated for employee compensation. When there are accumulated losses, the Company shall offset the appropriate amounts before remuneration.

Employee compensation can be paid in stocks or cash, and the payment recipients may include employees of controlling or affiliated companies that meet certain conditions.

The payment method and rate of employee remuneration shall be determined by the Board of Directors based on a resolution approved by more than two-thirds of the Directors present and more than half of the attending Directors, and shall be reported to the Shareholders' Meeting.

If the employees' remuneration mentioned in the preceding paragraph is distributed in shares and resolved by the Board of Directors, a resolution may be resolved to issue new shares or buy back the Company's shares in the same meeting.

Article 20: If the Company's annual final accounts have net profit after tax for the current period, it shall first make up for the accumulated losses, and allocate 10% of the statutory earnings reserve, but the statutory earnings reserve has reached the Company's paid-in capital. In addition, the special earnings reserve shall be set aside or converted according to laws or regulations or the competent authority. If there are still earnings and undistributed earnings at the beginning of the same period, the Board of Directors shall draft an Earnings Distribution Plan and

submit it to the Shareholders' Meeting for distribution.

The aforementioned earnings distribution proposal shall allocate more than 30% to shareholders, of which cash dividends shall not be less than 10% of the total number of dividends. However, if the cash dividend per share is less than O. One yuan will not be paid out and the stock dividend will be used instead.

If there is a deduction of shareholder's equity accumulated in the previous year or in the current year but the current year's after-tax surplus is insufficient, the same amount of special earnings surplus reserve from the previous year's accumulated undistributed earnings shall be allocated to the special earnings reserve, and prior to the appropriation of distribution deduction. Earnings distribution in the preceding paragraph if the dividend per share is less than O Five yuan is exempt from distribution.

## Chapter VII Supplementary Provisions

Article 21: The undecided matters of this Articles of Incorporation shall be handled in accordance with the provisions of the Company Act and other relevant laws and regulations.

Article 22: This Articles of Incorporation was established on March 17, 1976. The 1st amendment to the Articles of Incorporation was made on March 21, 1980. The 2nd amendment to the Articles of Incorporation was made on December 14, 1981. The 3rd amendment to the Articles of Incorporation was made on December 30, 1981. The 4th amendment to the Articles of Incorporation was made on March 9, 1982. The 5th amendment to the Articles of Incorporation was made on June 23, 1982. The 6th amendment to the Articles of Incorporation was made on September 25, 1984. The 7th amendment to the Articles of Incorporation was made on October 26, 1984. The 8th amendment to the Articles of Incorporation was made on April 8, 1986. The 9th amendment to the Articles of Incorporation was made on February 21, 1987. The 10th amendment to the Articles of Incorporation was made on July 1, 1987. The 11th amendment to the Articles of Incorporation was made on April 29, 1988. The 12th amendment to the Articles of Incorporation was made on June 3, 1988. The 13th amendment to the Articles of Incorporation was made on August 10, 1988. The 14th amendment to the Articles of Incorporation was made on May 25, 1989. The 15th amendment to the Articles of Incorporation was made on July 31, 1989. The 16th amendment to the Articles of Incorporation was made on March 31, 1990. The 17th amendment to the Articles of Incorporation was made on March 18, 1991. The 18th amendment to the Articles of Incorporation was made on April 27, 1992. The 19th amendment to the Articles of Incorporation was made

on April 20, 1993. The 20th amendment to the Articles of Incorporation was made on December 1, 1993. The 21st amendment to the Articles of Incorporation was made on May 17, 1994. The 22nd amendment to the Articles of Incorporation was made on May 25, 1995. The 23rd amendment to the Articles of Incorporation was made on May 25, 1996. The 24th amendment to the Articles of Incorporation was made on November 20, 1996. The 25th amendment to the Articles of Incorporation was made on March 21, 1997. The 26th amendment to the Articles of Incorporation was made on August 28, 1997. The 27th amendment to the Articles of Incorporation was made on April 13, 1998. The 28th amendment to the Articles of Incorporation was made on May 26, 2000. The 29th amendment to the Articles of Incorporation was made on June 8, 2001. The 30th amendment to the Articles of Incorporation was made on June 21, 2002. The 31st amendment to the Articles of Incorporation was made on June 27, 2004. The 32nd amendment to the Articles of Incorporation was made on June 17, 2005. The 33rd amendment to the Articles of Incorporation was made on June 23, 2006. The 34th amendment to the Articles of Incorporation was made on May 30, 2007. The 35th amendment to the Articles of Incorporation was made on June 6, 2008. The 36th amendment to the Articles of Incorporation was made on June 22, 2112. The 37th amendment to the Articles of Incorporation was made on June 26, 2014. The 38th amendment to the Articles of Incorporation was made on June 25, 2015. The 39th amendment to the Articles of Incorporation was made on June 24, 2016. The 40th amendment to the Articles of Incorporation was made on June 22, 2017. The 41st amendment to the Articles of Incorporation was made on June 27, 2019. The 42nd amendment to the Articles of Incorporation was made on May 29, 2020.

## 【Appendix 2】

### Rules of Election of Directors of Shan-Loong Transportation Co., Ltd.

- Article 1. The election of the Directors of the Company shall be conducted in accordance with the provisions of these regulations.
- Article 2. The election of the Company's Directors adopts the registered ballot method. The names of the voters can be represented by the Shareholder Account No. printed on the ballot. Each share has the same voting rights as the number of persons to be elected. One person can be elected collectively, or a number of persons can be elected. The election of Independent Directors and non-Independent Directors shall be held concurrently, provided that the number of Independent Directors and non-Independent Directors elected are calculated separately.
- Article 3. The election of the Directors of the Company adopts a candidate nomination system in accordance with Article 192-1 of the Company Act. The votes obtained (including electronic voting) represent those who have more voting rights and are elected as Directors in turn, if there are two or more people with the same power who exceeds the prescribed quota, the people with the same power shall draw lots. Those who do not attend will be drawn by the Chairperson.
- Article 4. At the beginning of the election, the Chairperson appoints several scrutineers and tellers each to perform various related duties, but the scrutineers shall have the status of shareholders.
- Article 5. The voting ballot is made and issued by the Company and shall be numbered according to the Shareholder's Account No. and its weight shall be added.
- Article 6. If the electee is a shareholder, the elector must fill in the electee's account name and shareholder account number in the "Elected Person" column of the ballot; if the electee is not a shareholder, fill in the electee's name and identification card number. However, when a legal person shareholder is an elected person, his account must be filled with the name of the legal person, or the name of the legal person and its representative shall be filled in at the same time.
- Article 7. A ballot is deemed void if any of the following circumstances occurs:
1. Ballots other than those stipulated in these Rules.
  2. The voting ballot does not record the Shareholder Account No. or account name.

3. The handwriting is illegible.
4. If the electee filled in the voting ballot is a shareholder, the account name and shareholder account number are not consistent with the Shareholder Register; if the elected filled in is not a shareholder, the name and uniform ID Card No. do not match after verification.
5. In addition to filling in the Shareholder Account No., account name and the number of voting rights allocated to the elected person and inserting other words.
6. On the same ballot, the number of electees filled in exceeds the number of candidates to be elected.
7. The total number of voting rights filled in is more than the number of people with voting rights.

Article 8. The ballot will be opened on the spot after the voting, and the result of the ballot will be announced on the spot by the Chairperson.

Article 9. The Directors who are elected shall be issued by the Company a Notice of Election respectively.

Article 10. Matters not specified in these Rules shall be handled in accordance with the Company Act and relevant laws and regulations.

Article 11. This method was adopted by the General Shareholders' Meeting and implemented since the re-election of Directors in 2017.

【Appendix 3】

Shan-Loong Transportation Co., Ltd.

Rules of Procedures for the Shareholders' Meeting

I. The Shareholders' Meeting of the Company shall be handled in accordance with the rules of this law unless otherwise provided by laws and regulations.

II. The Company shall set up a signature book for the attending shareholders (or agents) to sign in, or the attending shareholders (or agents) shall hand in an attending sign-in card to sign in on their behalf.

The number of attending shares is calculated based on the signature book or the submitted attendance card, plus the number of shares exercising voting rights in writing or electronically.

III. The attendance and voting of the Shareholders' Meeting shall be calculated on the basis of shares.

IV. The place of the Shareholders' Meeting shall be in the county or city where the head office is located or a place convenient for shareholders to attend and suitable for the Shareholders' Meeting. The start time of the meeting shall not be earlier than 9 am or later than 3 pm.

V. If the Shareholders' Meeting is convened by a person with the authority to convene other than the Board of Directors, such person shall act as the Chairperson at that meeting.

If the Shareholders' Meeting is convened by a person with convening power other than the Board of Directors, the Chairperson shall be the convener.

VI. The Company may designate appointed lawyers, accountants, or related personnel to attend the Shareholders' Meeting.

Staff at the Shareholders' Meetings shall wear ID badges or arm badges.

VII. The Company shall record or video record the entire meeting process of the Shareholders' Meeting and keep it for at least one year.

VIII. After the meeting time has expired, the chairperson shall announce the meeting immediately. However, when no shareholder (or proxies) representing more than half of the total issued shares is present, the chairperson may announce the postponement of the meeting. The number of postponements is limited to two. The total delay time shall not exceed one hour. If the amount is still insufficient after the second delay and there are shareholders (or proxies) representing more

than one-third of the total number of shares issued to attend the meeting, they may proceed in accordance with the first paragraph of Article 175 of the Company Act to give the present shareholders voting rights. Over half of the consents are false resolutions. Before the end of the meeting, if the number of shares represented by the present shareholders (or proxies) reached more than half of the total number of shares issued, the Chairperson may make a false resolution and submit it again for the meeting to vote in accordance with Article 174 of the Company Act.

- IX. If the Shareholders' Meeting is convened by the Board of Directors, the agenda shall be set by the Board of Directors. All the relevant proposals (including Extempore Motions and amendments to the original proposal) shall be voted on a case-by-case basis. The meeting shall be conducted in accordance with the scheduled agenda, and shall not be changed without a resolution of the Shareholders' Meeting.

The preceding paragraph shall apply mutatis mutandis to meetings convened by any person, other than the Board of Directors, with the authority to convene such meeting.

The chairperson shall not announce adjournment of the meeting until the agenda in the two preceding paragraphs is completed (including occasional (extemporaneous) motions) unless duly resolved in the meeting.

After the meeting is adjourned, the shareholders (or proxies) present shall not elect another chairman to continue the meeting at the original location; however, if the chairman violates the rules of procedure and announces the adjournment of the meeting, he can elect one person as the chairman and continue the meeting with the approval of a majority of the shareholders present.

- X. Before attending shareholders (or proxies) speak, they must fill in the statement of speech, stating the main point of the speech, shareholder account number, and account name, and the chairman shall determine the order of their speeches.

The present shareholders (or proxies) who only made a statement without making a statement shall be deemed to have not made a statement. In the event of any inconsistency between the contents of the shareholder's speech and those recorded on the slip, the contents of the shareholder's speech shall prevail.

When the shareholders (or proxies) attend the speech, other shareholders shall not interfere with the speech except with the consent of the chairman and the shareholder who speaks. Violators shall be stopped by the chairman.

- XI. Each shareholder (or agent) of the same proposal (including temporary motions) shall not speak more than twice without the approval of the chairman, and shall

not exceed five minutes each time.

The chairman may stop the speech of any shareholder that is in violation of the preceding paragraph or exceeds the scope of the proposal.

XII. When a legal person is entrusted to attend the Shareholders' Meeting, the legal person can only appoint one representative to attend.

In the event that a corporate shareholder appoints two or more representatives to participate in a Shareholders' Meeting, only one representative may speak for the same issue.

XIII. After the shareholders' speech (or proxies), the chairman may personally or designate relevant personnel to reply.

XIV. The chairman shall give full explanations and opportunities for discussion of proposals and amendments or Extempore Motions proposed by shareholders. When he believes that the voting has been reached, he may announce the cessation of discussion, put up for voting, and arrange adequate voting time.

XV. The scrutinizing and counting staff for voting on proposals shall be designated by the chairman, but the scrutinizing staff shall be shareholders. The results of voting (including statistical powers), when there are Directors to elect and Supervisors, the voting powers of each candidate shall be disclosed and a field report shall be made and records shall be made.

XVI. During the meeting, the chairman may announce a break at his discretion.

XVII. The voting of a proposal shall be passed with the approval of a majority of the voting rights of the shareholders (or proxies) present unless otherwise provided in the Company Act and the Articles of Incorporation. At the time of voting, if there is no objection after consultation by the chairman, it shall be deemed passed, and its effect is the same as that of voting.

When the Company convenes a Shareholders' Meeting, it shall adopt electronic means and may adopt a written method to exercise its voting rights; when it exercises its voting rights in writing or electronic means, its exercise method shall be stated in the Notice of the Shareholders' Meeting.

Shareholders who exercise voting rights in writing or electronically are deemed to have attended the Shareholders' Meeting in person. However, the Extempore Motion and the amendment to the original proposal of the Shareholders' Meeting shall be deemed as an abstention.

For those who exercise voting rights in writing or electronically in the preceding paragraph, their expression of intent shall be delivered to the Company two days before the Shareholders' Meeting. When the meaning is repeated, the first one

will prevail. However, those who express their intentions before the declaration is revoked are not limited to this.

After shareholders have exercised their voting rights in writing or electronically, if they wish to attend the Shareholders' Meeting in person, they shall revoke the expression of their intention to exercise the voting rights in the preceding paragraph in the same manner as when they exercise their voting rights at least two days before the Shareholders' Meeting; The voting rights exercised by the method shall prevail.

When a shareholder has exercised voting rights both by written or electronic means and appointed a proxy to attend a Shareholders' Meeting, the voting rights exercised by the proxy in the meeting shall prevail.

- XVIII. When there are amendments or alternatives to the same motion, the chairman shall determine the order of voting in accordance with the original motion. When one among them is duly resolved, other issue(s) is (are) deemed to have been vetoed and no voting process is required.
- XIX. The chairman may direct pickets (or security personnel) to help maintain order in the venue. When pickets (or security personnel) are present to help maintain order, they should wear identification cards or armbands with the words "Pickets (or security personnel)".
- XX. These rules will be implemented after being approved by the Shareholders' Meeting, and the same applies when they are amended.